



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

February 21, 2012

BOARD MEMBERS PRESENT: Chris Cavanaugh, Chris Humphries, Davin Olsen, Denny Edwards, Josh Bass, Lynn Lewis, Lynn Minges, Mitzi York, Randy Kolls, Rolf Blizzard, Sabrina Bengal, Steve Thanhauser, Vimal Kolappa

BOARD MEMBERS ABSENT: Donna Carpenter, Jamie Reibel, Joan H. Pulley, Kim Hufham, Leonard Rigsbee, Randy Cobb, Rep. Phillip Haire, Rep. Susi Hamilton, Robert O'Halloran, Sec. Keith Crisco, Sen. Jean Preston, Sen. Ralph Hise, S. Lewis Ebert, Susan Spangler, Teresa Damiano, Tom Ruff

LIAISONS, STAFF AND GUESTS PRESENT: Amanda Ohlensehlen, Brooks Luquire, Bryan Gupton, Eleanor Talley, Jennifer Woodward, Kara Weishaar, Peggy Brookhouse, Sec. Linda Carlisle, Scott Gilmore, Steve Dunkley, Wit Tuttell

CALL TO ORDER

Chairman Steve Thanhauser called the meeting to order at 11:05 a.m.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Steve Thanhauser welcomed new board member Lynn Lewis representing the NCTIA. Steve Thanhauser thanked the board for allowing him to serve as chairman and emphasized the growth of tourism is essential to the state and its economy. Thanhauser read the statement of duty aloud (Ethics policies EO 34 and EO 35).

MINUTES APPROVED

Josh Bass motioned to approve the December 6, 2011 meeting minutes. The motion was seconded by Denny Edwards and unanimously approved.

ELECTION OF NEW CHAIRMAN

Chris Cavanaugh reported the decision of the nominating committee to put forth Rolf Blizzard of Turnpike Properties as the new chairman of the North Carolina Travel and Tourism Board. The nomination was unanimously approved. Rolf Blizzard accepted the nomination and thanked the board for the honor citing travel and tourism as an economic engine for North Carolina and a sustaining force. Blizzard reviewed the agenda for the meeting.

DIVISION UPDATE BY LYNN MINGES

Assistant Secretary Lynn Minges presented a plaque to Steve Thanhauser thanking him for his service as chairman of the board for the past three years. Thanhauser will continue to serve on the board representing the NCRLA.

Minges presented an overview of 2011 industry accomplishments. One of the biggest indicators of the travel economy is hotel occupancy which is up across the state, and the positive trend continues to push upward. Room supply is up 7.8% which is an indicator that the lodging business is not only enduring the economic downturn, but sustaining it by building new hotels to meet the room demand of North Carolina visitors.

A major highlight in the tourism industry for North Carolina was an increase of 3.0% in employment of the Leisure and Hospitality sector from December 2010 to December 2011. An additional \$1 million in the Division's recurring advertising budget for the state could create and support an additional 2077 new North Carolina jobs and support 40,000 businesses in both urban and rural areas of the state.

Looking ahead, the economy seems to be rebounding, but there is continued concern about gas prices and its impact on tourism. The research shows that a spike in gas does not necessarily correlate to a decrease in tourism in the state.

The Division continues to be fiscally prudent making wise investments with its allocated funds. In 2012, the Division faces another budget reduction of 3.5%. A onetime increase of \$500,000 was allocated in the budget last year for wine marketing, and the Division will work hard to preserve those funds in the future. The Division has been tasked with

marketing the Certified Retirement Communities program without any additional funds to complete the task. Neighboring states budgets are staying intact or seeing significant increases including Virginia with \$18 million in marketing funding and Tennessee's budget increasing \$5.4 million.

The Division continues to monitor the impact of Hurricane Irene and the western North Carolina rockslides on the travel economy. Beach re-nourishment projects paid for by FEMA are underway in Topsail Beach and Bald Head Island Program to help restore beaches in the two areas to their pre-storm condition. The travel insurance situation has also improved dramatically with a new company coming in to fill the void in the Eastern region.

There were two rockslides in late January and early February on westbound I-40 at the Tennessee and North Carolina border, but the slides were cleaned up by Feb 6, 2012. The Division emailed about 300 partners in Western NC with updates about the rockslide, placed a travel advisory on VisitNC within hours, worked with DOT to make sure language on their site reflected that attractions in NC were open and accessible, while generating a strong social media response.

President Obama continues supporting the industry on a Federal level by enacting policies through the US Dept. of Commerce's Travel and Tourism Advisory Board that support changes to the National Travel & Tourism Strategy. Visa reform will improve the visa issuance process in China, India, and Brazil, and the visa waiver process added Taiwan to the list of visa waiver countries. Global Entry added four airports including Charlotte Douglas to the list of 20 airports that currently allow US passport carriers to be expedited through customs.

The Division hosted a New York media mission in January joined by 40 partners from across the state hosting nearly 100 media, including writers from many of the nation's top travel publications, showcasing the best of North Carolina for 2012. Lynn Minges and Kristi Driver attended the American Bus Association (ABA) where more than 35 industry partners joined the Division to market NC as a group tour destination. Visit Charlotte and numerous N.C. partners hosted the final night's dinner to give delegates a preview of what to expect when Charlotte hosts ABA in January 2013.

Wine marketing launched a new mobile-ready app and published a new wine guide which includes 107 NC wineries from around the state. New creative was developed to promote VisitNCwine.com and complement the other new tools being introduced for a billboard campaign. Sierra Nevada announced on Jan. 25 that it will locate a brewing facility for the East Coast in Mills River as well as an onsite restaurant.

Film has been extremely successful with the Hunger Games opening March 23rd in theatres and estimates have the project with direct in-state spending of \$62M, shooting 200 days in NC, employing a crew base of 600 and casting 4220 talent and background extra opportunities. Journey 2: The Mysterious Island opened nationally on February 10th and Iron Man 3 begins filming this summer for release in the summer of 2013. Homeland, the series which films in the Charlotte area, has created 150 crew positions and over 3,500 talent opportunities while spending over \$30 million in the state. Banshee, a new series on Cinemax by the creator of 'True Blood' and 'Six Feet Under', will be filming this spring in Charlotte for a 2013 premiere.

Aaron Syrett and Guy Gaster attended Sundance in Park City, Utah meeting with filmmakers and industry executives highlighting the state's well-established infrastructure and competitive incentives. The film office launched the first ever iPhone app during Sundance that integrates locations, crew and support services.

ADVERTISING AND MARKETING UPDATE FROM WIT TUTTELL

VisitNC.com is having a successful year with nearly 3.9 million visits to the site, up more than 5 percent with 1.1 million clicks to partner websites (downstream traffic). The Division's social media community now includes nearly 80,000 followers across all platforms.

Internationally, Heidi Walters conducted the Canadian Mission in February with tour operators training in Montreal and Toronto. Hunger Games Promotions in Germany with Studiokanal and tour operator FTI coincided with the release of the movie there. Heidi Walters and Lynn Minges will attend Pow-Wow in April in Los Angeles with partners from the

Outer Banks, Charlotte, Asheville, Biltmore and international representatives. The German FAM in April will directly follow Pow-Wow with six international tour operators crossing the state in five days including stops in the Outer Banks, Pinehurst, Asheville, the NC Mountains and the Charlotte region.

The Democratic National Convention has a new micro landing page on VisitNC.com for the convention. The Division is in contact with the 50 state chairmen about Travel Guides, itineraries and other services that might be provided before, during and after convention.

The North Carolina's Governor's Conference on Tourism is being held in Concord March 9-11, 2012. Keynote speakers include Governor Bev Perdue; author and brand innovation consultant Sally Hogshead; U.S. Travel Association President & CEO Roger Dow; Danny Morrison, president of the Carolina Panthers.

NEW ADVERTISING CAMPAIGN

The Division advertising agency LGA outlined the vision for evolving the North Carolina brand, building on the strengths of a destination known for its natural scenic beauty, wealth of attractions and inviting hospitality. Peggy Brookhouse introduced the new strategic vision "Deeper Connections". This involves three distinct ads including the Corolla wild horses, Raleigh city center and Shadow of the Bear in Cashiers. In addition to print, the brand message will be communicated through digital advertising, the VisitNC.com website and social media. The Division created a radio station on Pandora which will feature NC ads as NC artists' music streams. Scott Gilmore reports media spending during 2012-2013 fiscal year will result in moving NC away from a print dominated focus to a more digitally oriented plan.

COMMENTS BY DEPARTMENT OF TRANSPORTATION

Greer Beaty, the PIO for the NC DOT, discussed transportation issues affecting tourism in the state. North Carolina has 90,000 miles of roadways, 13,000 bridges to maintain and the second largest ferry system in the country. Beaty discussed the challenges in the state with hurricanes, rockslides and other natural disasters that affect the state from the coast, piedmont and mountains each region with its own unique challenges. She discussed forthcoming decisions for coastal road NC-12, ferry tolls, 1-95 tolling and other programs at DOT. The new billboard regulations will take effect March 1st.

COMMENTS BY LEGISLATORS AND INDUSTRY PARTNERS

Rolf Blizzard for the NC T&T Coalition discussed the ongoing efforts to monitor regulatory reform and other legislative issues. He introduced Kara Weishaar as the new lobbyist for the Coalition.

Randy Kolls reported that at NCRLA things are quiet, as they continue working to support opportunities through the DNC in Charlotte and the Taste of NC in Pinehurst.

Lynn Lewis of NCTIA shared their plans for a new revamped Tourism Day effort including direct meetings with legislators and an industry dinner the night before to get partners up to speed on the issues. She also shared that they are searching for a new lobbyist that they hope to have in place for the legislative session in May.

Denny Edwards of DMANC shared their 2012 legislative goals which include keeping the marketing budget intact for the NC Division of Tourism. He also shared that they are redoing their website and planning for the Tourism Leadership Conference, September 26-27, at the Raleigh Marriott Crabtree.

Tourism Day is Wednesday, May 16th and appointments for tourism industry partners with legislators are encouraged for enhanced effectiveness.

Meeting adjourned at 1:55pm