



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

May 10, 2011

BOARD MEMBERS PRESENT: Sally Ashworth, Josh Bass, Sabrina Bengel, Linda Carlisle, Dale Carroll, Chris Cavanaugh, Randy Cobb, Denny Edwards, Kimberly Hufham, Vimal Kolappa, Randy Kolls, Penny Leary-Smith, Lynn Minges, Robert O'Halloran, Davin Olsen, Jamie Reibel, Steve Thanhauser, Mitzi York

BOARD MEMBERS ABSENT: Rolf Blizzard, Secretary Keith Crisco, S. Lewis Ebert, Rep. Phillip Haire, Rep. Susi Hamilton, Thomas M. Pashley, Harris Prevost, Joan H. Pulley, Leonard Rigsbee, Tom Ruff, Susan Spangler

LIAISONS, STAFF AND GUESTS PRESENT: Juli Cooney, Maryanne Friend, Scott Gilmore, Maeve Goff, Bryan Gupton, Rita Harris, Katie Stanley, Agnes Stevens, Eleanor Talley, Wit Tutttell

CALL TO ORDER

Steven Thanhauser called the meeting to order at 11:08 a.m. calling attention to Tourism Day activities. He welcomed Sabrina Bengel from New Bern, the newest member to join the Board. He read the statement of duty aloud (Ethics policies EO 34 and EO 35).

MINUTES APPROVED

Randy Cobb motioned to approve the February 22, 2011 meeting minutes. The motion was seconded by Mitzi York and unanimously approved.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Every five years, as mandated by the State, the Division must solicit an RFP for an advertising agency. Oral presentations were heard on March 1st and 2nd by the Advertising Committee made up of constituents from all over the state in the Travel and Tourism Industry as well as key personnel from the Division. A decision has been made to contract Luquire George Andrews (LGA) from Charlotte, NC. The contract will commence on July 1, 2011.

The Division has been monitoring the budget changes in legislation and as of right now the Division budget is intact..

COMMENTS BY LEGISLATORS AND BOARD LIAISONS

Jamie Reibel speaking on behalf of NC Watermen United asked for the Board to oppose the Game Fish bill (House Bill 353) which would make it illegal to harvest speckled trout, striped bass and red drum, and he requested a resolution from the board stating its opposition to the bill. After a question and answer session, Penny Leary-Smith motioned for the board to support the resolution; the motion was seconded and passed by unanimous vote.

Maeve Goff of the North Carolina Travel and Tourism Coalition reported on the restoration of \$1million in marketing funds put back in the Division budget, the Occupancy Tax bill (H308) and the Increased Fines for Littering Offenses bill (S635). The bill encourages the increased beautification of NC roadways for residents and visitors alike by increasing fines for littering. Josh Bass motioned for a resolution in support of the litter bill, it was seconded and there was a unanimous vote to write a resolution in support of the Increased Fines for Littering Offenses bill (S635).

Randy Kolls spoke on behalf of the North Carolina Restaurant and Lodging Association (NCRLA). Governor Perdue signed corrective legislation concerning pool fences (S368). The new legislation conservatively saved roughly \$1million for the tourism industry and should benefit other industries. The gaming bill (S621) is moving forward with the support of NCRLA and could be a revenue booster for the industry. NCRLA also continues to support efforts to maintain the Division budget.

Kim Hufham from the North Carolina Travel Industry Association (NCTIA) reported that they are hosting a reception at the Museum of Natural Sciences for Tourism Day in support of the tourism industry within the state.

Mitzi York from the Destination Marketing Association of NC (DMANC) reported that her term as president was ending and Denny Edwards will be assuming the role. The year has been one of transition for DMANC, as they revised their mission statement and programs to move forward. New programs for the upcoming year include a Young Professionals program, an updated website, continued research projects throughout the state and work with NCTIA to plan a Tourism Leadership Conference in September.

Secretary of Cultural Resources Linda Carlisle reported that the NC Department of Cultural Resources was able to restore approximately \$2million to its budget. She also stated the Museum of Cape Fear in Fayetteville was restored at 50% funding and the Arts Council grants have been given a reprieve with a 15% cut instead of a 23% cut. Upcoming events for the Blackbeard pirate experience are scheduled for an entire year with major artifact retrievals, dives and many other public relations events.

Cultural Resources Assistant Secretary Maryanne Friend discussed the continued partnership and collaboration for the Civil War 150th throughout NC and with bordering states, which has helped make the ongoing events successful thus far.

Rita Harris reported on bills being followed by the Department of Commerce, including the elimination of the NC Wine & Grape Council.

Chairman Jon Williams from the ABC Commission reported that they are working on a variety of bills focusing on alcohol sales. The House budget takes a onetime fee of \$500,000 from the commission, but otherwise its funding remains unchanged. There is a bill to allow micro-distilleries to sell retail liquor from the site of the distillery. Another bill allows the Cherokee nation to set-up ABC operations. The forecast for alcohol sales is up for 2011 according to survey data.

DIVISION UPDATE BY LYNN MINGES

Assistant Secretary of Commerce Lynn Minges discussed the requirement to post for an advertising agency every five years and that this year LGA won the bid and will take over the Division's advertising contract on July 1, 2011.

Minges thanked the board for its work on legislative issues and taking the time to talk to their legislators regularly on behalf of the industry. She encouraged the board to continue to emphasize that tourism is a revenue generating industry effecting more than 40,000 businesses in the state and providing a fast 17:1 return on investment. The new Commerce website will soon be unveiled making tourism research and information easier to obtain and navigate.

She reported that visitor spending reached an all time high in 2010 with visitors spending \$17billion in the state. Visitor spending supported 185,000 jobs statewide, contributed \$4.01 billion to the state's payroll and generated tax receipts over \$2.73 billion. In 2010, 36.8 million visitors came to NC keeping it the 6th most visited state, only one tenth of a point away from Pennsylvania which is fifth. American Express just released research showing NC ranked fourth in their survey of summer travel intentions.

The year to date hotel occupancy was up 5.3%, room rates (ADR) were up 3% and revenue per available room was up 8.5% statewide in May. The NC room revenues were also up 10% year to date showing strong trends.

The 2011 Governor's Conference was very successful with over 500 business and government leaders attending. The 2012 Governor's Conference will be held in Cabarrus County and the Division is looking at locations for 2013.

The US continued to expand the visa waiver program and make changes to expedite and upgrade some of the processes by which people are able to obtain a visa, including facilitating video conferencing for visa interviews from China, Brazil and India. There is tremendous demand from residents of these and other countries to come to the US for leisure travel.

The Division and other industry partners continue their work on the Civil War 150th anniversary planning and implementation occurring over the next four years.

The latest Tourism Resource Assistance Center (TRAC) will be held in Lexington on June 9th where the local industry can meet one-on-one to obtain help with professionals from the Division learning new ways to collaborate and grow the industry.

The Film Incentive has absolutely increased the industry in the state with 549 active projects and 14,768 jobs supported.

MARKETING UPDATE FROM WIT TUTTELL

Tuttell reviewed some notable public relations successes, including *USA Today's* feature on NC as a NASCAR race destination with a print ad value of approximately \$66,000. This included a four page feature of NASCAR, the history of racing, culture and heritage in NC. The Division's co-op partners were featured in the *NYT Style Magazine* Crossword Puzzle, NC BBQ was featured in *Saveur Magazine*, Yadkin Valley Attractions were mentioned in the *News of the World* and the Outer Banks were featured in *Kiteworld*.

The Division hosted a successful Media Mission in Charlotte, NC on March 29th. Partners hosted more than 30 media members at an evening reception to showcase the best of NC. Asheville and the Grove Park Inn also partnered with the Division for a familiarization tour prior to the Governor's Conference to help the media explore the many activities in the area.

The Division will maximize the promotional opportunities involving NC's Blackbeard in the *Pirates of the Caribbean 4* movie. The Division will leverage the exposure with a Pirate Journey on VisitNC, social media and itineraries. This includes collaboration with Cultural Resources, Crystal Coast and the Maritime and Graveyard of the Atlantic Museums.

VisitNC.com had strong traffic in 2010 with visits up 8%. Spring Color was unveiled March 1st with heavy promotion of all gardens, festivals and vacation rentals in NC during the season. A "Get Listed" link on every page of VisitNC.com was added to help as many as possible get frequent updates from the site. The social media activity continues to grow.

Charlotte will be hosting the American Bus Association (ABA) in 2013. The Division capitalized on TravelSouth in Atlanta, an excellent opportunity to showcase NC to over 675 top suppliers and buyers from the travel industry. AAA/CAA Parkway FAM was also very successful as NC, TN and VA hosted 24 counselors to familiarize them with the Blue Ridge Parkway.

Internationally, Heidi Walters met with 40 tour operators in Berlin, Germany at ITB. She participated with the UK Tour Operators for the City Break FAM in April with Visit Charlotte and the Cabarrus County CVB hosting 5 UK operators. The Division will attend POW WOW, the largest international travel trade show on May 21-25, 2011 with over 70 appointments from operators around the world already scheduled.

On behalf of the LKM team, Scott Gilmore thanked the Board and the Division of Tourism for the opportunity to work for 20 years marketing the state. He said LKM and the state enjoyed a wonderful partnership, and they hope to continue a working relationship in the future.

CLOSING COMMENTS FROM THE CHAIRMAN

Thanhauser encouraged Board members to meet with legislators and to attend the NCTIA reception as a part of Tourism Day.

Meeting adjourned at 1:08 p.m.