



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

May 11, 2015

BOARD MEMBERS PRESENT:

Sabrina Bengel, Rolf Blizzard, Denny Edwards, Joel Griffin, Senator Ralph Hise, Caleb Miles, Lynn Minges, Tammy O'Kelley, Vinay Patel, Jessica Roberts, Senator Norman Sanderson, Art Schools, Secretary John Skvarla, Kathy Sparrow, Wit Tuttell, Chris Valauri, Paula Wilber

BOARD MEMBERS ABSENT: Sally Ashworth, Kevin Baker, Donna Carpenter, Randy Cobb, Randy Danos, Lew Ebert, Katherine Hopkins, Chris Humphrey, Robert O'Halloran, Representative Charles Jeter, Representative Pat McElraft, Lynn Wingate

LIAISONS, STAFF AND GUESTS PRESENT: Tricia Blackistone, Peggy Brookhouse, Christopher Chung, Robert Cox, Steve Dunkley, Matthew Eisley, Guy Gaster, Scott Gilmore, Marcie Gordon, Bryan Gupton, Jim Hobbs, Ashlee Kirk, Catherine Locke, Brooks Luquire, Andre Nabors, Nick Parker, Scott Peacock, Marlise Taylor

CALL TO ORDER

Tammy O'Kelley, chairperson, called the meeting to order at 9:00am. O'Kelley welcomed attendees and thanked them for their attendance. O'Kelley then read aloud the Ethics Statement in accordance with Executive Order No. 35.

MINUTES APPROVED

Denny Edwards moved to approve the February 10, 2015 meeting minutes. Seconded by Rolf Blizzard. Unanimously approved.

COMMENTS FROM THE SECRETARY

Secretary John Skvarla updated the Board on the recent happenings in the Department of Commerce including an update on the film grant program. Discussion followed amongst the Board members regarding the film industry and its impact on state and local levels.

COMMENTS FROM THE CHAIR

O'Kelley reported that Visit North Carolina released record-breaking numbers for 2014 during Travel and Tourism Week, with visitor spending reaching \$21.3 billion for the year. O'Kelley then introduced Bryan Gupton who oversees the NC Visitor Services program and also noted the correlation between visitor spending and visitor services. NC Visitor Services, which includes NC Welcome Centers, Call Center, Fulfillment Center, Warehouse and the Downtown Raleigh Visitor Info Center, remained with the Department of Commerce and continues with multiple partnerships throughout state government and the EDPNC.

NC VISITOR SERVICES UPDATE

Bryan Gupton of the NC Department of Commerce provided an overview of the Visitor Services program. The presentation will be made available to all Board members following the meeting for reference.

LEGISLATIVE AND INDUSTRY REPORTS

Senator Norman Sanderson reported that crossover is now complete and the focus is now on the budget. Senator Ralph Hise noted two major announcements: unemployment insurance has been paid off to the federal government and the state revenues were coming in higher than expected.

Board member Rolf Blizzard of the NC Travel and Tourism Coalition noted their areas of concern remain online travel companies and occupancy taxes and tourism marketing funding. The Coalition will be meeting later this afternoon so a full report will be available at the next meeting.

Board member Vinay Patel of the NC Restaurant and Lodging Association (NCRLA) reported that 19 members traveled to Washington, D.C. in April and met with many members of the NC Congressional delegation. On the state level, NCRLA held a successful legislative day in March with elected officials present. Issues of interest for the remainder of the session include school calendar, occupancy taxes, meals taxes and airbnbs. Upcoming events include golf tournaments in Charlotte on June 1st and in Cary on June 29th, benefiting NCRLA's scholarship programs.

Board member Caleb Miles of the NC Travel Industry Association (NCTIA) reported that their annual legislative reception was held during Travel and Tourism week as well as a dinner the night before with a focus of occupancy taxes after being rescheduled multiple times due to weather. Miles also mentioned they were going to look at the structures of various member-based organizations representing the many aspects of the travel and tourism industry and they will determine if there need to be any changes recommended.

Board member Denny Edwards of the Destination Marketing Association of North Carolina (DMANC) followed up the statements about tourism member organizations to note that it is important that the various identities not be lost because certain issues affect each group, but that perhaps a special interest group for both organizations under one umbrella is a possibility.

Board member Chris Valauri reported that NC Golf Day was held in April with a proclamation from the Governor to recognize the impact of the golf industry on the economy of the state.

BUDGET AND FINANCE COMMITTEE REPORT

O'Kelley gave an update to the Board on the two most recent requests that were presented (A Chef's Life and RFDTV - Primitive Quartet). The committee consisting of Donna Carpenter, Sabrina Bengel, Paula Wilber, Wit Tuttell and Tammy O'Kelley met via teleconference to consider these requests. Luquire George Andrews (LGA) provided evaluations of each request and the committee does not recommend support of either of these requests based on a number of factors including: return on investment, target markets and mainly the lack of funds available to support such requests. Letters have been distributed to each organization informing them of the Board's decision.

BREAK

EDPNC/VisitNC UPDATE

Wit Tuttell, executive director of Visit North Carolina, provided an update to the Board on the recent accomplishments and future goals of the organization. Marlise Taylor, research director for Visit North Carolina, reviewed the 2014 visitor spending numbers and gave an update on lodging data.

Governor's Conference: 535 attendees attended this year's conference in Pinehurst, with great feedback from both attendees and sponsors via a follow-up survey which is conducted each year. The final day's luncheon was presented by Harrah's Cherokee Casino Resort and Cherokee, host of the 2016 N.C. Governor's Conference on Tourism, in Cherokee, which will be held March 13-15, 2016.

New Partner Co-Op Programs: Visit North Carolina introduced the 2015-16 partner program opportunities at Governor's Conference including: Outdoor vinyl and digital billboards via the NC Outdoor Advertising Association, Arrivalist Analytics/Research, SAY Media co-op and a Local Market Print Bundle.

Research: In 2014, domestic travelers spent \$21.3 billion across all 100 North Carolina counties, a 5% increase from last year. Visitors to NC spent over \$58 million per day in the state. As a result of visitor spending, over \$4.6 million per day in state and local tax revenues is generated daily and each North Carolina household saves over \$455 in state and local taxes. Direct tourism employment reached over 204,000, another record and increase of 3.3% from 2013. Total visitor volume in 2014 was 44.7 million (37 million overnight), with NC still being the 6th most visited state in the country.

North Carolina overnight average per party spending increased 11% on average in 2014. NC resident visitor averages increased nearly 34% and their average length of stay increased more than 13%. The proportion of in-state travelers remained at 30% in 2014, while visitors from South Carolina, Florida, Virginia and Georgia all increased since the previous year.

Purpose of visit for NC overnight visitors continues to be primarily leisure (77%). Business travelers make up 12% of overnight visitation with the remaining 11% noting "other" or "personal business" as the purpose of their overnight visit. Visiting relatives/family reunions remains the top activity of NC overnight visitors.

Lodging: 2014 room demand was up 5.4% in the state, and hit record levels. First quarter 2015 saw even stronger growth than first quarter 2014. Smith Travel Research is used by

Partners.VisitNC.com: This website now houses all research data and studies, including the archive of the majority of what was accessible from the Commerce website. Board Meeting minutes and other relevant files will also be uploaded there going forward.

Beer Month in April: NC Beer Month was once again successful, as evidenced by the mobile app Untappd, which recorded more than 126,000 NC Beer month badges unlocked. Media results included NC Beer Month being featured in more than 90 articles generating an ad equivalency value of \$390,000. Three sweepstakes were held: Brewmaster, in partnership with the Raleigh CVB and Aviator Brewing, Kinston Weekend, in partnership with the Kinston/Lenoir Tourism and Mother Earth Brewing and also a Sierra Nevada Beer Camp experience.

Civil War: This spring marked the 150th anniversary of the Confederate troop surrender at Bennett Place, which effectively ended the Civil War. The Civil War content has driven nearly 2,900 downstream clicks to partner sites since it launched late January. In partnership with the NC Dept. of Cultural Resources, a social media campaign using Civil War diarist Mary Chesnut has been successful. Coverage continues through May 23rd.

Film: The allocation of the \$10 million film grant awardees include: Under The Dome (TV series): \$5 million (Wilmington/Southeast Region), Dirty Dancing - Lionsgate (TV event): \$4 million (Western NC/Western Region), Late In The Season (independent feature film): \$1 million (Charlotte/Southwest Region). The Film office has also participated in several marketing efforts: South By Southwest, RiverRun International Film Festival and the Longleaf Film Festival. Joined by regional film commissions from Wilmington, Piedmont Triad and Charlotte, the NC Film Office received a 2nd place award for the most creative booth/display at the 2015 AFCI Locations Tradeshow. With more than 5,000 in attendance, participants could get a photo taken on a green screen, placing them in one of 5 NC backgrounds. Early look at 2015 numbers - 10 projects, \$70 million in spending by productions in the state, 5000 job opportunities (1100 crew).

Film-based Itineraries: To build on the tourism aspect of film production, itineraries have been developed for various features so fans can visit and experience the scenes from projects filmed in the state. Most recently, *The Longest Ride* which is based on a Nicholas Sparks' novel, was featured on VisitNC.com with a 4-day itinerary across the state.

Public Relations: The New York Media Mission was held in March with more than 25 partners from across the state 62 media members from top national media outlets. On April 21, 18 destination partners participated in the biennial Atlanta media dinner with 24 media representatives from print, broadcast and digital outlets.

Public Relations Coverage: *Outside* magazine selected North Carolina as 2015's "Best Domestic Adventure Hub" as part of its annual Best of Travel awards and will be featured on the cover of the April issue. Travel writer Natalie Compagno was hosted by VisitNC in fall 2014, which has resulted in several digital articles, with total coverage so far reaching over 3 million readers, generating nearly \$350,000 in media value.

VisitNC.com: 2015 Visitation to the site is up approximately 25% over year-to-date for 2014. Downstream traffic to partner sites is up 19% year-to-date 2014. Approximately 47% of overall traffic to the site is via mobile device or tablet.

Social Media: Visit North Carolina became one of the first destination brands to take advantage of Periscope, Twitter's new livestreaming app, by coordinating 6 livestream events from the mountains to the coast highlighting the Vacation Big campaign. Livestreams reached up to 48,000 Twitter and Periscope users from markets nationwide, generating 2.3 million potential impressions.

Vacation Big Target Market Campaign: With the \$1 million investment for advertising, the Vacation Big scroll TV spot is currently airing in the Atlanta and D.C. markets on morning news programs, including the Today Show, Good Morning America and CBS This Morning. A tourism industry blog, *Skift*, gave positive feedback for the scroll commercial. Beginning May 18, the VisitNC social media accounts will launch the #VacationBig BIG Vacation Giveaway featuring prizes from more than 25 partners. The big winner will receive a vacation spanning from the mountains through the piedmont to the coast. Additional coverage has been obtained through YouTube and Spotxchange, driving traffic to the Vacation Big site.

International: North Carolina was represented at two consumer travel shows held in Manchester and London. In February, North Carolina was represented at Visit USA's Roadshows in Ireland. The Canadian Sales Mission was recently held with 9 appointments/training with leisure and group tour operators, including CAA. Operators and media from the Toronto area were hosted during the Charlotte Hornets vs. Toronto Raptors game.

Domestic Group Travel: Visit North Carolina along with 19 industry partners participated in the 33rd annual Travel South Domestic Showcase in Shreveport, La. VisitNC co-sponsored the closing event with Visit Winston-Salem, host of the 2016 show. The annual AAA FAM was held in April in conjunction with the Blue Ridge Parkway Association along with Virginia and Tennessee. 20 AAA/CAA counselors visited many destinations along the Parkway over several days.

Sports Marketing: The e-newsletter *Scoreboard* continues to be distributed quarterly to events rights holders and other industry leaders from leads gained from participation at nationwide tradeshow. SportsNC is splitting sponsorship dollars and will be a sponsor of Connect and TEAMS in partnership with the NC Sports Association. CycleNC's 2015 mountains to the coast route was announced at this year's Governor's Conference. Last year's events brought 1,100 cyclists from 37 states, Canada and Australia.

Retire NC: The newest communities to join the program are Lenoir and New Bern, bringing the total to 12. RetireNC has partnered with Ideal-LIVING to have a presence in their publications in addition to participation at their expos.

Tourism Development: VisitNC continues the TRAC program with the most recent being held in Yadkinville and High Point. The EDPNC exhibited at the NC Main Street Conference, promoting programs from business services and the Certified Retirement program.

2015-2016 Planning: VisitNC will continue to plan programming that is research driven and attentive to local partners' interests and needs.

GENERAL DISCUSSION

Discussion continued amongst the Board members regarding the allocation of license plate funds and general budget topics related to Visit North Carolina, the EDPNC and the Department of Commerce. Also discussed was the brand rollout, with plans for a soft launch soon.

Meeting adjourned at 12:00pm.