

Explore ASHEVILLE

Buncombe County Tourism Development Authority

**Buncombe County Tourism Development Authority
A Joint Meeting of the Public Authority and Nonprofit Corporation**

Explore Asheville Convention & Visitors Bureau – 27 College Place, Asheville

Board Meeting Minutes
Wednesday, July 27, 2022

- Present (Voting):** Kathleen Mosher, Chair; Brenda Durden, Vice Chair; Larry Crosby, HP Patel, Matthew Lehman, Scott Patel
- Absent (Voting):** Leah Ashburn, Andrew Celwyn, Michael Lusick
- Present (Ex-Officio):** Buncombe County Commissioner Robert Pressley, Asheville City Councilmember Sandra Kilgore
- Absent (Ex-Officio):** None
- CVB Staff:** Vic Isley, Jennifer Kass-Green, Marshall Hilliard, Carli Adams, Kathi Petersen, Jonna Sampson, Julia Simpson, Glenn Ramey, Connie Holliday
- BC Finance:** None
- Legal Counsel:** Sabrina Rockoff, McGuire, Wood & Bisette/BCTDA Attorney
- In-Person Attendees:** Chris Cavanaugh, TPDF Committee/Magellan Strategy Group
Colleen Swanson, Meetings Database Institute (MDI)
Jane Anderson, Resident
Chris Smith, Asheville Buncombe Regional Sports Commission
Randy Claybrook, Bent Creek Lodge
- Online Attendees:** Whitney Smith, Charlie Reed, Michael Poandl, Maggie Gregg; Explore Asheville Staff
Lacy Cross, Movement Bank
John Ellis, Prior BCTDA Board Member
Tina Kinsey, Asheville Regional Airport
Timothy Love, Buncombe County
Chip Craig, Greybeard Rentals
Jim Muth, TPDF Committee
David Nutter, Connect Buncombe
Madison Davis, Asheville Buncombe Regional Sports Commission
Zach Wallace, Asheville Area Chamber of Commerce
Shannon Tuch, Town of Woodfin
Kim Lenox, Megan Shields; MMGY Global
Brian Stetson, Resident

Executive Summary of Meeting Minutes

- Mosher called the joint regular meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:01 a.m. Introductions were made around the room.
- The Tourism Product Development Fund (TPDF) contract amendments for Enka Recreation Destination and Woodfin Greenway & Blueway were tabled.
- Minutes from the June 29, 2022 BCTDA meeting were approved with a 6-0 vote.
- The June 2022 preliminary financial reports were reviewed and approved with a 6-0 vote.
- The FY23 budget amendment was approved with a 6-0 vote.
- The FY23 meeting schedule was approved with a 6-0 vote.
- Isley provided her President & CEO's report.
- Asheville Community Theatre's TPDF contract amendment was approved with a 6-0 vote.
- Marshall Hilliard, Carli Adams, and Colleen Swanson provided a Group Sales Performance & Marketing update.
- A brief update from Councilmember Sandra Kilgore was heard.
- A brief update from Buncombe County Commissioner Robert Pressley was heard.
- With a 6-0 vote, the BCTDA meeting adjourned at 10:06 a.m.

Call of the Joint BCTDA Meeting to Order

Mosher called the joint regular meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:01 a.m.

Mosher said the meeting was being livestreamed. She noted that the agenda and meeting documents are available on AshevilleCVB.com and were emailed to everyone who registered via Zoom by 8:00 a.m. She said additional materials, including the PowerPoint, would be posted on the website after the meeting.

Introductions were made around the room.

Mosher made an administrative note. She said that due to legislation change, which requires three-fourths of voting members approval for Tourism Product Development Fund (TPDF) expenditures, the contract amendment requests for additional funding from Enka Recreation Destination and Woodfin Greenway & Blueway would be tabled until the next meeting when seven or more of the voting board members are present. Mosher explained that Asheville Community Theatre's TPDF contract amendment could remain on the agenda for a vote because that contract amendment did not request expenditures but would instead return previously approved funds back to TPDF. There were no questions about this update.

Approval of Meeting Minutes

Lusick made a motion to approve the June 29, 2022, regular meeting minutes as presented. Durden seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

Approval of June 2022 Preliminary Financial Reports

Kass-Green reviewed the preliminary June 2022 financial statements. She said the final June reports would be presented in the fall in conjunction with the annual audit and would include any additional expenditures received after June 30. There were no questions.

Durden made a motion to approve the preliminary June 2022 financial reports as presented, and Crosby seconded the motion. A vote was taken, and with all in favor, the motion carried 6-0.

Approval of BCTDA FY23 Budget Amendment

Kass-Green said effective July 1, 2022 the legislation that guides the work of the BCTDA shifted the allocation of funding being split between the Operating Fund and the Tourism Product Development Fund (TPDF) to now split at a ratio of two-thirds occupancy taxes funding the Operating Fund, and one-third occupancy taxes funding community projects (split 50/50 between TPDF and the newly created Legacy Investment From Tourism Fund, or LIFT Fund). She outlined the updated revenue forecast and budget compared to the FY22 budget, as well as the TPDF and LIFT Fund allocations, as shown in the tables below. Kass-Green noted the existing TPDF fund balance would remain in that fund.

Revenue	FY22 Revenue Budget	FY23 Revenue Forecast (2/3)	% Total Revenue
Occupancy Taxes	20,369,690	27,217,602	67%
Fund Balance Designation	*500,000	2,000,000	
Total	20,869,690	29,217,602	68%

Expense	FY22 Budget	FY23 Proposed Budget (2/3)	% Total Revenue
Salaries & Benefits	2,889,976	3,713,360	9%
Administration & Facilities	798,580	1,150,000	3%
Marketing	*15,821,893	21,895,242	51%
Group Sales	1,236,063	2,159,000	5%
Community Engagement**	123,178	300,000	1%
Total	20,869,690	29,217,602	68%

*FY22 Revenue and Expense Budgets include \$500,000 budget amendment previously presented.

**Additional community investment funded through TPDF Administration and Earned Revenue Fund, details on upcoming slides.

	Tourism Product Development Fund	Legacy Investment From Tourism Fund
Beginning Fund Balance	15,277,511	-
Budgeted Revenue	6,800,320	6,800,320
Administrative Budget	415,000	-
Available Funds	21,662,831	6,800,320

Kass-Green outlined the budget amendment as shown below and explained how adjustments to expenses and a \$2,000,000 fund balance allocation would lead to a balanced budget in FY23.

Revenue	Previously Approved Budget	Amendment	FY23 Revenue Forecast
Occupancy Taxes	30,604,500	(3,386,898)	27,217,602
Fund Balance	-	2,000,000	2,000,000
Total	30,604,500	(1,386,898)	29,217,602

Expense	Previously Approved Budget	FY23 Amendment	FY23 Budgeted Expenses
Salaries & Benefits	3,635,000	78,360	3,713,360
Administration & Facilities	1,250,000	(100,000)	1,150,000
Marketing	23,210,500	(1,315,258)	21,895,242
Group Sales	2,209,000	(50,000)	2,159,000
Community Engagement	300,000		300,000
Total	30,604,500	(1,386,898)	29,217,602

There were no questions. Crosby made a motion to approve the FY23 budget amendment as presented, and Lusick seconded the motion. There was no discussion, and with all in favor, the motion carried 6-0.

Approval of the Proposed FY23 Meeting Schedule

Mosher presented the proposed meeting schedule for the fiscal year and proposed cancelling the December 2022 meeting. Mosher noted that one meeting per quarter would be held at other venues in the community. She announced plans for August’s meeting to be at Center for Craft and November’s meeting to be at The Collider; both venues are former TPDF grant recipients. The 2023 locations will be announced later. Crosby made a motion to approve the FY23 meeting schedule as presented, and HP Patel seconded the motion. There was no discussion and with all in favor, the motion carried 6-0. The approved meeting schedule is provided below.

FY 2022-23 BCTDA Board Meeting Schedule		
www.ashevillecvb.com/bctda/		
Date	Time	Location
Wednesday, July 27, 2022	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, August 31, 2022	9:00 - 11:00 a.m.	Center for Craft, 67 Broadway Street
Wednesday, September 28, 2022	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, October 26, 2022	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, November 30, 2022	9:00 - 11:00 a.m.	The Collider, 1 Haywood St (4th Floor)
Wednesday, December 14, 2022-Canceled	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, January 25, 2023	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, February 22, 2023	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Thursday, March 23, 2023	9:00 - 11:00 a.m. *March Board Meeting	Explore Asheville CVB, 27 College Place
Friday, March 24, 2023	9:00 a.m. - 6:00 p.m. *Annual Planning Retreat	Location TBD
Wednesday, April 26, 2023	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, May 31, 2023	9:00 - 11:00 a.m.	Explore Asheville CVB, 27 College Place
Wednesday, June 28, 2023	9:00 - 11:00 a.m.	Location TBD

President & CEO Report

Vic Isley provided a lodging market overview following the request for more information in the July meeting. She started with June lodging occupancy and noted that both hotels and vacation rentals occupancy decreased compared to 2021. She commented that lodging, as a metric, is a barometer for total spending in the community and that some softening of the market is occurring.

She reviewed comparisons by lodging type for average occupancy, average daily rate, revenue per available room (RevPAR), number of properties, rooms available per night, and room demand across the years 2019, 2021, and 2022 (through June).

Data showed that 2019 was the benchmark prior to the pandemic but 2021 performed stronger. During summer 2022, larger cities and international markets benefitted from travel decisions; local lodging occupancy and rates were negatively impacted.

Isley then provided the FY22 total lodging sales by lodging type as 61% from hotel partners, 36% from vacation rentals, and 3% from bed and breakfasts. She pointed out that the percentage of vacation rentals had grown from 15% since 2015.

Isley concluded her report by mentioning that the Monthly Highlights and Destination Performance reports are posted on [AshevilleCVB.com](https://www.ashevillecvb.com).

Tourism Product Development Fund Contract Amendments

Chris Cavanaugh introduced himself as the TPDF Administrator and reminded the board that the Enka Recreation Destination and Woodfin Greenway & Blueway recommendations were tabled.

Cavanaugh provided background for the Asheville Community Theatre (ACT) request and noted it was referred to the TPDF Committee in February 2022. Cavanaugh said the Phase 2 project costs were reduced from \$570,000 to \$150,000. The TPDF Committee recommended returning \$420,000 back to TPDF.

Isley noted that TPDF is managed as a reimbursement fund and that the money previously allocated was on hold but now it will not be released and can instead be applied to other future projects. Isley added that this amendment does not require a three-fourths vote from the BCTDA because it does not include new expenditures. There were no questions.

Durden made a motion to approve the ACT contract amendment as recommended by the TPDF Committee; Lusick seconded the motion.

There was a brief discussion initiated by HP Patel about the desire to bring TPDF and LIFT Fund projects to fruition more quickly and not keep funds reserved. Isley explained that all projects are required to complete annual progress reports and that staff and committees could look more closely at the process following the current grant cycle. Isley noted a LIFT Fund Committee would be set up later this year once a percentage of revenue was allocated to the LIFT Fund and funds were available to commit. There were no follow-up questions.

A vote was then taken, and with all in favor, the ACT contract amendment was approved 6-0.

Group Sales – Performance and Marketing Update

Marshall Hilliard reported that the Group Sales team exceeded the roomnight goal of 65,000. Hilliard said that represents \$72.82 million in direct spending in the community. Hilliard shared other team accomplishments and upcoming plans.

Carli Adams gave an update on group marketing efforts and showed examples of how Asheville was being promoted to meeting, conference and incentive trip planners. Adams also previewed a new Destination Overview video developed in partnership with Northstar Meeting Groups that will target meeting planners.

Colleen Swanson introduced herself and the work of Meetings Development Institute (MDI). Swanson summarized the FY22 sales strategy and the outcomes. After reviewing the data, Swanson provided takeaways and action items.

Asheville City Council Update

Councilmember Kilgore provided Asheville City Council updates, including an announcement that the Open Space Amendment was approved by a 6-0 vote.

Kilgore thanked the BCTDA for its support of the occupancy tax legislation change.

Buncombe County Commission Update

Commissioner Pressley also thanked the BCTDA for its support of occupancy tax change.

Pressley reported on county-related business, including a note that \$4 million of ARPA funds remain and that Buncombe County received \$2.57 million for flood mitigation.

Miscellaneous Business

There was no miscellaneous business discussed at this meeting.

Comments from the General Public

Call-In Public Comments

Mosher said members of the public could sign up to call in comments during the in-person BCTDA meeting. She reported that no requests to virtually speak had been received as of the July 26 registration deadline at 12:00 p.m.

In-Person Public Comments

Mosher said no members of the public requested to make in-person comments.

Adjournment

Crosby moved to adjourn the meeting and Lusick seconded the motion. With all in favor, the motion carried 6-0. The meeting adjourned at 10:06 a.m.

The PowerPoint presentation and relevant documents are on file with the Explore Asheville Convention & Visitors Bureau and are posted on [AshevilleCVB.com](https://www.ashevillecvb.com).

The next joint BCTDA meeting will be held on Wednesday, August 31, 2022, beginning at 9:00 a.m., in the Michael Sherrill Loft of Center for Craft, located at 67 Broadway in Asheville.

Respectfully submitted,

A handwritten signature in cursive script that reads "Julia Simpson".

Julia Simpson, Manager, Executive & Strategy