

# Explore ASHEVILLE

Buncombe County Tourism Development Authority

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

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Via GoToWebinar due to the COVID-19 Pandemic

### Board Meeting Minutes

Wednesday, April 2, 2020

- Present (Voting):** Gary Froeba, Chair; Himanshu Karvir, Vice Chair;  
Leah Ashburn, Andrew Celwyn, Chip Craig, John Luckett,  
John McKibbon, James Poole, Tom Ruff
- Absent (Voting):** None
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher  
Asheville City Councilwoman Julie Mayfield
- Absent (Ex-Officio):** None
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Pat Kappes,  
Jonna Sampson
- BC Finance:** Don Warn, Buncombe County/BCTDA Fiscal Agent
- Legal Counsel:** Sabrina Rockoff, McGuire, Wood & Bissette
- Advertising Agency:** Angie Arner, Cindy Stein, Ashley Keetle; 360i
- Online Attendees:** Glenn Cox, Jennifer Kass-Green, Kathi Petersen, Daniel  
Bradley, Carli Adams, Hannah Dosa, Kathryn Dewey, Connie  
Holliday, Ritchie Rozzelle, Sarah Kilgore, Sarah Lowery, Tina  
Porter, Dodie Stephens, Jason Tarr, Landis Taylor;  
Explore Asheville Staff  
Jim Muth, Asheville Buncombe Lodging Association  
Jane Anderson, Asheville Independent Restaurant Association  
Demp Bradford, Madison Davis; Asheville-Buncombe Regional  
Sports Commission  
John Ellis, Past BCTDA Board Member  
Sharon Tabor, Jon Brooks; Black Mountain-Swannanoa  
Chamber of Commerce  
Samantha Cole, Asheville Area Chamber of Commerce  
Jackson Tierney, Robert Michel; Asheville Homestay Network  
Pamela Myers, Asheville Art Museum  
Meghan Rogers, Asheville Downtown Association  
Tina Kinsey, Asheville Regional Airport  
Cathy Ball, Steph Dahl; City of Asheville  
Michele Bryan, Franzi Charen; Asheville Grown Business  
Alliance  
John Beatty, North Carolina Restaurant & Lodging Association  
Jason Sandford, Ashvegas  
John Boyle, Asheville Citizen-Times

Daniel Walton, Mountain Xpress  
Melissa Reardon, Carolina Public Press  
Sally Kestin, AVL Watchdog  
Lindsey Bnadad, iHeartMedia  
Mark Barrett, Freelance Journalist  
Sunshine Request

Members of the public and additional tourism industry partners registered in advance and attended the meeting online.

### **Executive Summary of Meeting Minutes**

- Chairman Froeba called the joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:01 a.m. He stated all public comments received via email by the deadline were provided to the board in advance of the meeting.
- Minutes from the February 26, 2020 BCTDA regular monthly meeting were approved with an 8-0 vote.
- The February 2020 financial statements were reviewed and approved with a 9-0 vote.
- Mr. Warn provided an update on the Beaucatcher Motel penalty waiver request.
- The FY 20 CliftonLarsonAllen Audit contract and engagement letter were approved with a 9-0 vote.
- A motion to waive anticipated occupancy tax penalties related to payments due on March 20 and April 20 was approved with a 9-0 vote.
- Ms. Brown announced industry partner fees for ExploreAsheville.com advertising contracts will be waived for two months by Simpleview.
- A budget amendment, in the amount of \$20,348 to transfer funds to allow a donation of \$50,000 from the BCTDA to the One Buncombe fund from Earned Revenue, was approved with a 9-0 vote.
- Ms. Brown shared a PowerPoint presentation highlighting recent industry news and events.
- A Tourism Product Development Fund (TPDF) contract amendment for the YMI Cultural Center was approved with a 9-0 vote.
- A TPDF contract amendment for the Asheville Art Museum was approved with an 8-1 vote.
- Ms. Tambellini, Ms. Pierce, Ms. Kappes and Ms. Brown shared PowerPoint presentations providing an overview of COVID-19 impacts and responses from Marketing, Public Affairs, Group Sales, and Administration.
- Ms. Arner with 360i shared a PowerPoint presentation focusing on proposed COVID-19 advertising strategies moving forward.
- Updates from Asheville City Councilwoman Julie Mayfield and Buncombe County Commissioner Joe Belcher were provided.
- Under Miscellaneous Business, Mr. Celwyn shared a proposal related to COVID-19 relief and a responsive discussion took place.
- Members of the attending public exited the meeting and a closed session with board members took place.
- The joint meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, adjourned at 12:22 p.m.

## **Call of the Joint BCTDA Meeting to Order**

Chairman Froeba called the first virtual joint meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:01 a.m. He welcomed the board and members of the public attending online and thanked everyone in advance for their patience as we navigate the meeting using new technology.

*Meeting Materials:* Chairman Froeba said meeting materials were provided in advance on the [ExploreAshevilleCVB.com website](http://ExploreAshevilleCVB.com) and are also available in the Handouts section of the webinar.

*Comments from the General Public:* Chairman Froeba said members of the public were invited to provide comments in advance of the meeting via email. He stated all comments received by the deadline of April 1, 2020, at 4:00 p.m., have been provided to board members.

*Board Member Roll Call:* Board members responded as Chairman Froeba called roll verifying all BCTDA members were virtually in attendance, except for Mr. Karvir, who joined the meeting shortly after the minutes were approved.

A single PowerPoint presentation that encompassed all agenda items was shared during the virtual meeting and is on file with the Explore Asheville Convention & Visitors Bureau.

## **Approval of Meeting Minutes**

Mr. McKibbin made a motion to approve the February 26, 2020 regular meeting minutes as presented. Mr. Celwyn and Mr. Ruff simultaneously seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The minutes are on file with the Explore Asheville Convention & Visitors Bureau (CVB).

## **Financial Reports**

### *February Financial Statements*

Mr. Warn reviewed the February 2020 financial statements. Ms. Brown responded to a question related to the timing of receiving numbers from February.

Mr. Ruff made a motion to approve the February 2020 financial statements as presented. Mr. Craig and Mr. Karvir simultaneously seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

The February financial statements are on file with the Explore Asheville Convention & Visitors Bureau.

### *Penalty Waiver Request Update – Beaucatcher Motel*

Mr. Warn said the penalty waiver request received from Beaucatcher Motel, previously approved by the BCTDA, was presented to the Buncombe County Board of Commissioners for final consideration. The commissioners approved the waiver and the

\$990.51 penalty was applied as a credit to the property's March occupancy tax submission.

#### FY 20 CliftonLarsonAllen Audit Contract

Mr. Warn said board approval is needed on the CliftonLarsonAllen FY 20 audit contract and engagement letter, which were sent to the board in advance of the meeting. He noted the same services will be provided as last year and the fee increased from \$8,000 to \$8,650.

After other agenda items were completed, Ms. Rockoff circled back and said action is needed to approve the audit documents. Chairman Froeba asked for a motion.

Mr. Celwyn moved to approve the CliftonLarsonAllen FY 20 audit contract and engagement letter as presented. Mr. McKibbon seconded the motion. A vote was taken and with all in favor, the motion carried 9-0.

The audit documents will be executed as appropriate and kept on file with the Explore Asheville Convention & Visitors Bureau.

#### Occupancy Tax Penalties Related to COVID-19

Mr. Warn said he has been in discussions with Ms. Brown and attorneys for Buncombe County and the BCTDA to pre-emptively agree to waive anticipated occupancy tax penalties associated with COVID-19. He said the BCTDA would approve the penalties as a batch prior to them being presented to the Buncombe County Board of Commissioners for final approval. Mr. Warn added the county's IT department is working to make changes to the occupancy tax online payment portal so that properties will be able to file reports without making payment which, currently, is not an option.

Ms. Brown clarified that the recommended waiver would apply to penalties associated with paying March 2020 lodging taxes after the April 20 due date, until September 2020, and not relieve the actual tax payments themselves. A discussion centering on the details of this recommended action and the current status of February collections took place. Mr. Poole suggested also including penalties for February receipts due on March 20 in this action, since he believes many payors will be late.

When the discussion ended, Mr. McKibbon made a motion to waive COVID-19-related occupancy tax penalties for February and March lodging sales (due March 20 and April 20, respectively) until September 2020, and make a decision on future months at a later date. Ms. Brown reiterated that this action is not waiving the payment of taxes collected, but the penalties associated with late payments. Mr. Poole seconded the motion. There was no further discussion and with all in favor, the motion carried 9-0.

#### Waiver of Advertising Revenues for ExploreAsheville.com

Ms. Brown said Simpleview, the CVB's partner that facilitates the paid advertising program on [ExploreAsheville.com](https://www.exploreasheville.com), has offered to waive advertising fees for industry partners that would be paid under contract for the next two months. She noted board action is not needed for this allowance that will provide a measure of relief for partners participating in the advertising program.

### Budget Amendment – One Buncombe Initiative

Ms. Brown recommended the BCTDA approve a budget amendment to authorize a \$50,000 contribution to [One Buncombe](#), a new initiative to provide financial assistance to individuals and businesses affected by the COVID-19 pandemic. She said this effort is spearheaded by the Asheville Area Chamber of Commerce, Buncombe County, the City of Asheville, Land of Sky and Mountain BizWorks. She thanked Mr. Warn and Ms. Rockoff for their guidance in confirming this commitment as a founding supporter is allowable. Ms. Brown noted the funds would come from Earned Revenue (not subject to occupancy tax restrictions) and the budget amendment, in the amount of \$20,348, is necessary to fulfill the \$50,000 commitment.

Mr. Karvir made a motion to approve the budget amendment as presented, transferring \$20,348 from Earned Revenue/Appropriated Fund Balance to Earned Revenue/Program Support. Ms. Ashburn seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

Ms. Brown thanked the board for supporting this contribution to the One Buncombe fund.

### President's Report

Ms. Brown shared a PowerPoint presentation highlighting recent Explore Asheville and industry news and events that took place prior to the COVID-19 crisis.

### Destination Dashboard, Quick List & CVB Staff Recap

Ms. Brown concluded her report by encouraging everyone to review the meeting documents that were shared in advance of the meeting.

CVB Staff Recaps, Destination Dashboards, Quick Lists, financial statements, board meeting minutes, agendas, and relevant research reports can be found on [ExploreAshevilleCVB.com](http://ExploreAshevilleCVB.com).

Chairman Froeba thanked Ms. Brown for the report.

### Tourism Product Development Fund Projects

#### YMI Cultural Center Contract Amendment Request

Ms. Kappes presented a Tourism Product Development Fund (TPDF) contract amendment request from the YMI Cultural Center. She said the YMI received an \$800,000 grant in the 2018 funding cycle to facilitate hosting events in the auditorium and gallery. Ms. Kappes said the request is to update the scope of the project to include roof and elevator shaft repairs and a building assessment, not to exceed a combined total of \$50,000, to be paid when invoiced. The balance of the \$800,000 grant would be disbursed in thirds upon completion of construction as per standard contractual terms.

Ms. Brown reminded the board that, in recognition of the inequities in access to capital for some organizations, including the YMI, the board waived the matching funds requirement for this grant. She added this amendment will allow the YMI to move forward with the project to create visitor amenities and help with sustainability. Ms. Brown and Ms. Kappes answered all related questions.

Mr. McKibbon made a motion to amend the scope for the YMI's TPDF project contract to include roof repair and building assessment, not to exceed a combined total of \$50,000, with funds disbursed upon receipt of the invoice. Mr. Karvir and Mr. Craig simultaneously seconded the motion. There was no further discussion and with all in favor, the motion carried 9-0.

#### Asheville Art Museum Contract Amendment Request

Ms. Brown said the Asheville Art Museum was awarded TPDF grants in 2007 and 2009, totaling \$1.5 million. Construction of the museum was completed in the fall of 2019 for this \$25 million project and it successfully opened in November. Ms. Brown said the BCTDA's standard contract calls for final payment of the grant to be made upon receipt of the Certificate of Occupancy, however, staff is recommending an amendment to instead allow disbursement of the remaining \$500,000 based on the opening date and close the agreement.

In response to Mr. Karvir's question regarding the CO being hung up due to a lack of resolution of the breezeway, Ms. Brown responded that the Asheville Art Museum has withdrawn the proposal previously submitted to fund a resolution for that piece of the project. Councilwoman Mayfield added the City continues to be in discussions with the Asheville Art Museum and owner of the building to resolve the breezeway issue and she anticipates the request will be resubmitted at a future BCTDA meeting.

Mr. Poole made a motion to approve the Asheville Art Museum's request to amend the contract to disburse the remaining funds based on the project's opening date of November 13, 2019. Mr. Ruff seconded the motion. There was no discussion and the motion carried 8-1, with Mr. Karvir casting the dissenting vote.

#### Asheville Art Museum Supplemental Request

The supplemental funding request previously submitted by the Asheville Art Museum has been withdrawn.

### **Overview of COVID-19 Impacts & Responses**

Ms. Brown said the next part of the meeting will focus on the Explore Asheville team's rapid response to the COVID-19 pandemic. She thanked and commended the team for responding so quickly and efficiently to this unprecedented crisis.

#### Marketing & Advertising Assessment & Short-term Response

Ms. Tambellini shared a PowerPoint presentation focusing on the Marketing & PR department's response to the COVID-19 pandemic. This included a timeline of events and related initiatives, the turning point where everything changed, the cancellation of spring advertising, tourism sentiment research, the development of a coronavirus information microsite, and fluctuations in industry metrics.

Next, Ms. Tambellini shared the [Asheville Cares – COVID-19 Response](#) page and reviewed the elements of each section related to business updates, takeout dining, virtual experiences and resources for businesses. She then shared current social, PR and outreach strategies and research data that will help direct a plan for recovery to execute at the appropriate time.

A brief discussion took place with board members sharing their thoughts on current COVID-19 restrictions in place and consumer perceptions resulting from misleading stories in the media that should be considered moving forward.

Chairman Froeba thanked Ms. Tambellini for the report.

#### Group Sales & Services Assessment

Ms. Pierce shared a PowerPoint presentation focusing on the Group Sales and Services team's response to the COVID-19 crisis. She reviewed research results from various sources related to group meeting cancellations, a year-over-year room nights comparison, sporting event bids, outreach communications, data/tracking initiatives, and continuing sales lead efforts. Ms. Pierce concluded her report by reviewing ongoing initiatives to include the brand refresh, client and partner communications, a "Don't Wait – Activate" strategy, and FY 21 strategies and tactics.

During and after the presentation, Ms. Pierce responded to all related questions and input.

Chairman Froeba thanked Ms. Pierce for the update.

#### Tourism Partner Support

Ms. Kappes shared a PowerPoint presentation focusing on the Public Affairs team's response to the COVID-19 pandemic. She said they have primarily been focused on responding to the influx of business operations and events updates, integrating updates throughout Explore Asheville channels to best serve partner needs, and connecting partners to newly emerging business support resources. She reviewed metrics related to partner-related changes to include closures, news, virtual tours, and information about events. Ms. Kappes said this information can be found on the [Asheville Cares](#) section of [ExploreAsheville.com](#) that was previously mentioned by Ms. Tambellini.

Next, Ms. Kappes reviewed communications that have been sent out to partners that include timely COVID-19 alerts, resources, advocacy opportunities, and important updates. These resources, including a "Toolkit for Compliance," can be found on [ExploreAshevilleCVB.com](#). Ms. Kappes recognized team member Kathi Petersen for coordinating these communications efforts, along with media inquiries.

Ms. Brown commended members of the Explore Asheville team for proactively responding to inquiries and developing relevant, valuable content to curate and put on the website.

Chairman Froeba thanked Ms. Kappes for the report.

#### Administration/Operations/Cashflow

Ms. Brown said prior to the COVID-19 pandemic, the Explore Asheville staff was in the final stages of preparing the proposed FY 21 BCTDA budget. She said that in the past 10 days, the team has regrouped to dissect the current year budget to assess cashflow for the remainder of the year ending June 30, making financial assumptions on how the year will end.

Ms. Brown presented a cashflow worksheet and reviewed a written narrative outlining revenue and expense assumptions, Designated and Undesignated fund balance definitions and amounts, FY 20 YTD and anticipated expenses, salaries and benefits, an advertising allocation, external commitments, and program expenses for FY 21.

A brief discussion took place centering on SBA loans and available assistance for businesses. Ms. Brown concluded her report by stating staff will continue to monitor the COVID-19 situation and make changes to the financial assumptions as appropriate.

Chairman Froeba thanked Ms. Brown for the report.

### **Marketing Strategies Moving Forward**

Ms. Arner said 360i has been working with Ms. Tambellini and her team to develop a recovery strategy for content and messaging, including how and when to execute the plan in an appropriate way moving forward. She shared a PowerPoint presentation focusing on strategic steps to take “Now,” “Next,” and “Later,” monitoring the COVID-19 situation and adapting advertising efforts as appropriate. Ms. Arner presented the newly created “Together in Spirit” theme, which will be used on the website and in social channels until travel restrictions are lifted.

Chairman Froeba thanked Ms. Arner for the presentation and a short break was taken. The meeting resumed at 11:20 a.m.

### **Asheville City Council Update**

Councilwoman Mayfield reported on city-related business, including its response to the COVID-19 crisis, essential services, park closures, budget, structure of Asheville City Council meetings, cancellation of the April 28 meeting, status of committee meetings, efforts to allow for public engagement, and a permit discretion request received from the Homestay Network.

Chairman Froeba thanked Councilwoman Mayfield for the update.

### **Buncombe County Commission Update**

Commissioner Belcher reported on county-related business, including COVID-19 response, daily briefings, resources, emergency operations, Buncombe County’s Stay Home, Stay Safe order, and ongoing budget discussions. He thanked everyone working on the front lines for their efforts.

Ms. Brown expressed her gratitude for the Buncombe County Emergency Operations team’s willingness to host daily COVID-19 calls.

Chairman Froeba thanked Commissioner Belcher for the report.

### **Miscellaneous Business**

Mr. Froeba related his personal experiences associated with the COVID-19 crisis and expressed sympathy for all those impacted.



As a follow-up to an email he previously sent to the board, Mr. Celwyn shared two revised proposals to use occupancy tax dollars during the COVID-19 crisis. His recommendations included changing the application process to use TPDF funds to beautify/enhance the Asheville area, and to use funds from the operating budget to hire locals to create a marketing campaign.

A discussion took place with a few board members thanking Mr. Celwyn for his suggestions and saying they are supportive of efforts to help with the pandemic where permissible within legislative mandates that are logistically feasible and impactful. Board members also shared their perspectives and experiences on COVID-19-related challenges related to their individual businesses and the industry at large.

Councilwoman Mayfield said that while BCTDA funds cannot be used illegally as being suggested by some folks on social media, discussions are happening to hopefully propose changes to the legislation in the upcoming NCGA session to allow TPDF funds to be used for COVID-19 recovery.

Chairman Froeba said local hoteliers have been working fervently behind-the-scenes towards this goal and he read comments provided to him by Jim Muth, executive director of the Asheville Buncombe Lodging Association.

Ms. Brown thanked Mr. Celwyn for adjusting his proposals to be consistent with the legislation and offered to work with him to further develop processes to bring to the board for approval.

Ms. Ashburn echoed previous sentiments expressed and commended the lodging association and others working collaboratively to change the legislation to provide relief to those hurting in the Asheville area.

### **Comments from the General Public**

Comments from the public were received via email to [reply@ExploreAsheville.com](mailto:reply@ExploreAsheville.com) and, as stated by Chairman Froeba at the beginning of the meeting, were provided to the board in advance via email.

### **Closed Session**

Ms. Brown thanked everyone for attending the public portion of the meeting and for providing public comment prior to today's meeting.

Mr. Karvir made a motion to go into closed session for the following reasons: (1) Pursuant to North Carolina General Statute 142-318.11(a)(1), to prevent disclosure of information that is privileged and confidential, pursuant to the laws of North Carolina, or not considered a public record within the meaning of Chapter 132 of the General Statutes. and (2) Pursuant to North Carolina General Statute 143-318.11(a)(3), to consult with an attorney retained by the Tourism and Development Authority about matters with respect to which the attorney-client privilege between the TDA and its attorney must be preserved; and (3) Pursuant to North Carolina General Statutes 154-318.11(a)(6) and 142-318.11(a)(1), to consider the conditions of appointment of an individual public officer or employee, and to prevent the disclosure of information that is confidential or not considered a public record within the meaning of Chapter 132 of the General Statutes. Mr. Craig and others simultaneously seconded the motion. A vote was taken and with all in favor, the motion carried 9-0.

Attorney Rockoff, BCTDA board members, Ms. Brown and Ms. Sampson stayed for the closed session and all other attendees exited the online meeting. The closed session began at 12:05 p.m.

When the discussion ended, Mr. McKibbon made a motion to end the closed session. Ms. Ashburn seconded the motion. A vote was taken and with all in favor, the motion carried 9-0 and the closed session ended at 12:21 p.m.

### **Adjournment**

Chairman Froeba thanked everyone for attending. Ms. Ashburn moved to adjourn the meeting and Mr. Craig second the motion. There was no discussion and with all in favor, the motion carried 9-0 and the meeting adjourned at 12:22 p.m. The BCTDA will next meet on Wednesday, April 29, 2020, at 9:00 a.m.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager