

Explore ASHEVILLE

Buncombe County Tourism Development Authority

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

Via Zoom Webinar due to the COVID-19 Pandemic/State of Emergency

Virtual Board Meeting Minutes

Wednesday, July 29, 2020

- Present (Voting):** Himanshu Karvir, Chair; Gary Froeba, Vice Chair;
Leah Ashburn, Andrew Celwyn, Chip Craig, Kathleen Mosher,
James Poole
- Absent (Voting):** John Lockett, John McKibbin
- Present (Ex-Officio):** Asheville City Councilmember Julie Mayfield
Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** None
- CVB Staff:** Chris Cavanaugh, Marla Tambellini, Dianna Pierce, Pat Kappes,
Jonna Sampson, Daniel Bradley
- BC Finance:** Don Warn, Buncombe County/BCTDA Fiscal Agent
- Legal Counsel:** Sabrina Rockoff, McGuire, Wood & Bissette
- Online Attendees:** Glenn Cox, Jennifer Kass-Green, Kathi Petersen, Carli Adams,
Kathryn Dewey, Connie Holliday, Sarah Lowery, Tina Porter,
Charlie Reed, Dodie Stephens, Landis Taylor; Explore
Asheville Staff
Noah Wilson, Mountain BizWorks
Wit Tuttell, Visit NC
Kit Cramer, Asheville Area Chamber of Commerce
Dhiran Patel, Parks Hospitality Group
Kelsey Ann Bassel, Meghan Jackson, Lauren Jennings,
Ashley Keetle; 360i
Jim Muth, Asheville Buncombe Hotel Association
Jane Anderson, Asheville Independent Restaurant Association
Demp Bradford, Asheville-Buncombe Regional Sports
Commission
John Ellis, Past BCTDA Board Member
Chris Corl, City of Asheville
Sharon Tabor, Black Mountain/Swannanoa Chamber
Jackson Tierney, Bob Michel; Asheville Homestay Network
Mackenzie Wicker, Asheville Citizen-Times
Jason Sandford, Ashvegas
Daniel Walton, Mountain Xpress
Sunshine Request

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

Executive Summary of Meeting Minutes

- Chairman Karvir called the joint virtual meeting of the BCTDA, Public Authority and BCTDA, Nonprofit Corporation, to order at 9:01 a.m.
- Chairman Karvir introduced and welcomed Explore Asheville's Interim Executive, Chris Cavanaugh, who will serve in this role until a new CEO is hired.
- Mr. Cavanaugh thanked outgoing BCTDA Chairman Gary Froeba for serving during a tumultuous year, and welcomed FY 21's new BCTDA Chairman, Himanshu Karvir.
- Visit NC's Wit Tuttell presented Explore Asheville's Deputy Director and VP of Marketing, Marla Tambellini, with the 2020 Winners Circle Award.
- Noah Wilson of Mountain BizWorks provided an update on the Tourism Jobs Recovery Fund.
- Minutes from the June 24, 2020 BCTDA regular monthly meeting were approved with a 7-0 vote.
- The preliminary June 2020 financial statements were approved with a 7-0 vote.
- Two penalty waiver requests were approved in separate 7-0 votes.
- A budget amendment for staffing changes was approved with a 7-0 vote.
- A budget amendment to move funds from FY 20 to FY 21 for the sales brand refresh project was approved with a 7-0 vote.
- In his Interim Executive's Report, Mr. Cavanaugh reviewed recent Explore Asheville initiatives and activities, and industry metrics.
- Ms. Tambellini provided a research and advertising agency update.
- Ms. Pierce provided a group sales departmental update.
- Two TPDF project amendment requests were approved in separate 7-0 votes.
- Vice Chairman Froeba provided an update on the CEO search.
- Brief updates from Asheville City Councilmember Julie Mayfield and Buncombe County Commissioner Joe Belcher were provided.
- Chairman Karvir reported that one public comment was received via email by yesterday's deadline and it was provided to the board.
- With a 7-0 vote, the meeting adjourned at 11:14 a.m.

Call of the Joint BCTDA Meeting to Order

Chairman Karvir called the 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.

Meeting Materials: Chairman Karvir said meeting materials were provided to the public on the AshevilleCVB.com industry website and emailed to registered attendees.

Board Member Roll Call: Board members responded as Chairman Karvir called roll verifying all BCTDA members were virtually in attendance, except for Mr. McKibbin and Mr. Lockett, who were absent.

Chairman Karvir introduced and welcomed Chris Cavanaugh as Explore Asheville's interim executive. He noted Mr. Cavanaugh is a 25-year resident of Asheville, was a former BCTDA Chair, and has his own consulting business, which he has suspended during his time working with the Explore Asheville team.

Mr. Cavanaugh thanked Chairman Karvir and said he is looking forward to serving in this capacity until a new CEO is found. He added he appreciates the support of the board and the community partners he has met with during his first four weeks on the job.

Thanks to Outgoing BCTDA Chairman Gary Froeba

Mr. Cavanaugh commended Gary Froeba for his leadership and commitment in serving as chairman of the BCTDA during FY 20. He noted the effects of the COVID-19 global pandemic on the hospitality industry, including the temporary closure of The Omni Grove Park Inn, and the resignation of Explore Asheville's CEO, made for a challenging year. Mr. Cavanaugh also thanked Mr. Froeba for continuing to serve as Vice Chairman of the board and for leading the search committee to find a new CEO.

Vice Chairman Froeba agreed it certainly was a challenging year and thanked the BCTDA board and Explore Asheville staff for their support.

Welcome Incoming BCTDA Chairman Himanshu Karvir

Mr. Cavanaugh welcomed Himanshu Karvir as incoming board chairman for FY 21, noting that in addition to serving on the BCTDA, he has been involved with a number of non-profits in the area and will be a strong and steady influence for the organization in the challenging months to come.

Presentation of NC Winners Circle Award to Marla Tambellini

Mr. Cavanaugh introduced Wit Tuttell, executive director of Visit NC, joining the meeting from Raleigh for a surprise presentation.

Mr. Tuttell presented Explore Asheville's Deputy Director and Vice President of Marketing, Marla Tambellini, with the 2020 Winners Circle Award. He said the award originated in 2004 to recognize people in the tourism industry that have made significant and continuing contributions to the growth and success of North Carolina's tourism industry. He noted this is the state's highest tourism award and is normally presented at the annual Visit NC 365 Conference on Tourism, the largest gathering of industry leaders, which would have been held in Asheville this year, however, was canceled due to COVID-19.

Mr. Tuttell reviewed Ms. Tambellini's extensive background and list of achievements, noting she has been instrumental in developing and growing the Asheville area tourism brand for 25 years, overseeing the destination's strategic marketing, advertising, social and public relations efforts. Before joining the CVB in 1995, she helped launch an in-house PR department at Biltmore. Through the years, Ms. Tambellini has served as a voice and strategist to develop tourism in Western North Carolina, has led significant website, branding, PR and advertising efforts, and is highly respected across the state and nation as a leader and tourism expert.

Ms. Tambellini thanked Mr. Tuttell and said she has treasured her time working on behalf of the Asheville area and the State of North Carolina. She gave credit to the talented staff, colleagues, and board members she has worked with through the years.

Mr. Cavanaugh said last week marked Ms. Tambellini's 25-year anniversary with Explore Asheville and thanked her for her contributions to the team and the destination.

Congratulatory remarks were extended by members of the board. Additional information related to this award may be found on AshevilleCVB.com.

Tourism Jobs Recovery Fund Update

Noah Wilson of Mountain BizWorks shared a PowerPoint presentation providing an update on the Tourism Jobs Recovery Fund. He reported all funds have been disbursed, and reviewed progress report due dates, monitoring efforts, other relief opportunities, additional assistance that is needed, media stories, and listed grant recipient numbers by sector, size, and diversity.

Following the presentation, Mr. Wilson answered all related questions. Commissioner Belcher commended the BCTDA and Mountain BizWorks for creating and executing this significant fund to help businesses reopen safely during the global pandemic.

Chairman Karvir thanked Mr. Wilson for the update.

Approval of Meeting Minutes

Vice Chairman Froeba made a motion to approve the June 24, 2020 regular meeting minutes as presented. Mr. Craig seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 7-0.

Financial Reports

Preliminary June 2020 Financial Reports

Mr. Warn reviewed the preliminary June 2020 financial reports. He said the final June reports will be presented in October in conjunction with the audit and will include an additional month of revenue and expenses received after June 30. There were no questions.

Mr. Craig made a motion to approve the preliminary June 2020 financial statements as presented. Mr. Celwyn seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 7-0.

Penalty Waiver Request Overview

Mr. Cavanaugh said two penalty waiver requests are being presented for consideration today and he provided a brief overview of the waiver request process.

Penalty Waiver Request from the Holiday Inn Biltmore East

Mr. Cavanaugh presented a penalty waiver request from the Holiday Inn Biltmore East in the amount of \$513.73. He said the letter from the accountant indicated she went on vacation and forgot to pay the amount due before she left. The penalty was incurred for May receipts due June 22, which was received on June 24. Per the Buncombe County Tax Department, this is the property's first late offense.

Discussion included Mr. Craig stating he has concerns that approving this waiver due to forgetfulness may set a precedent, with Chairman Karvir agreeing that when he has not paid on time in the past, he has paid the penalty. Mr. Poole said these are extraordinarily difficult times and as a first-time mistake, he feels the request should be approved.

When the discussion ended, Mr. Poole made a motion to approve the penalty waiver request from the Holiday Inn Biltmore East in the amount of \$513.73 as presented. Ms. Ashburn seconded the motion. There was no further discussion and with all in favor via a roll call vote, the motion carried 7-0.

Penalty Waiver Request from the Hyatt Place Downtown Asheville

Dhiran Patel with Parks Hospitality Group presented a penalty waiver request in the amount of \$8,381.74, which was assessed for the months of February through May sales, due in March through June. He said the penalties were incurred due to the near closure of the hotel during the COVID-19 pandemic. Mr. Patel said reports were filed on time, however, it was necessary to use the taxes for cash flow purposes and that all arrearages are now paid in full. He asked the board to consider waiving the penalties. Mr. Cavanaugh confirmed that this is the property's first late offense.

Mr. Cavanaugh reminded the board that during the BCTDA meeting on April 2, the board approved the automatic approval of COVID-related penalties due in March and April, and said they would consider extending that at a later date, if warranted.

Mr. Patel and Mr. Cavanaugh answered all related questions. Mr. Cavanaugh clarified that the penalties for payments due in March and April, totaling \$7,869.27, would be included in the blanket approval from the BCTDA's meeting on April 2, and penalties incurred for payments due in May and June, totaling \$512.47, are the ones not automatically waived.

Chairman Karvir said approval today is the first step in the waiver process, as the BCTDA's recommendation will be sent to the Buncombe County Board of Commissioners for further and final consideration.

Mr. Craig made a motion to approve the penalty waiver request from Hyatt Place Downtown Asheville in the amount of \$8,381.74. Mr. Poole seconded the motion. There was no further discussion and with all in favor, the motion carried 7-0.

Chairman Karvir thanked Mr. Patel for being on the call.

Budget Amendment for Staffing Changes

Mr. Cavanaugh presented a budget amendment, in the amount of \$8,000, to the board. He said the first part of the amendment is an accounting adjustment to move funds budgeted for his services from the professional services spend category to salary-related spend categories, based on advice from the BCTDA's attorney that he should be hired as an employee instead of a contractor. The \$8,000 from Fund Balance is for contracted services to hire extra help during a staff vacancy in the Public Affairs department.

Vice Chairman Froeba made a motion to approve the budget amendment as presented, transferring \$8,000 from Appropriated Fund Balance to Contracted Services. Mr. Celwyn seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 7-0.

Budget Amendment for Sales Brand Refresh

Mr. Cavanaugh presented a budget amendment, in the amount of \$56,000, to move unspent FY 20 funds for the sales brand refresh project into FY 21. He said the project is behind schedule and is anticipated to be completed within the next few months.

Ms. Ashburn made a motion to approve the budget amendment as presented, transferring \$56,000 from Appropriated Fund Balance to Sales/Ad Production. Ms. Mosher seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 7-0.

Interim Executive's Report

Mr. Cavanaugh reported on recent Explore Asheville and industry activities and initiatives. He spoke about his directive to staff to always put safety first in everything they do, the data-driven decision to stop advertising in July, the importance of anyone visiting Asheville to wear a mask, and needs small businesses have beyond receiving grants from the \$5 million Tourism Jobs Recovery Fund.

Mr. Cavanaugh said that, seeing the need, he recently announced he is donating half of his Interim Executive salary to local organizations that will support recovery from the COVID-19 pandemic and equity and inclusion initiatives. He encouraged everyone in the community to support local nonprofits as much as possible, and to wear a mask.

Next, Mr. Cavanaugh shared a PowerPoint presentation focusing on mask-related signage being added to kiosks, usage of the Asheville Cares Safety Pledge, wayfinding elements in the River Arts District, virtual site visits, new photography, and notes of gratitude received from local businesses related to the Tourism Jobs Recovery Fund.

Hotel Metrics Report

Mr. Cavanaugh gave a brief review of recent hotel and short-term rental metrics.

Tourism Management & Investment Plan Update

Mr. Cavanaugh said staff continues to work with PGAV on the Tourism Management and Investment Plan, which will be presented at a future board meeting.

Destination Dashboard, Quick List & CVB Staff Recap

Mr. Cavanaugh concluded his report by encouraging everyone to read the reports provided in advance of the meeting and posted on the website.

CVB Staff Recaps, Destination Dashboards, Quick Lists, financial statements, board meeting minutes, agendas, and research reports can be found on AshevilleCVB.com.

Research & Advertising Agency Update

Ms. Tambellini shared a PowerPoint presentation focusing on recent COVID pandemic research received, including traveler sentiment, leisure travel spending, opinions about face coverings, and travel morale. Next, Ms. Tambellini reviewed the data behind the decision to stop advertising in mid-July and plans to start advertising again with a safety and serenity message when the time is right. Ms. Tambellini concluded her report by

sharing some outdoor, socially distanced pictures from a photo shoot that took place earlier this week.

Following her presentation, Ms. Tambellini answered all related questions. A discussion took place centering on future advertising metrics, regular communications with local health and government officials, safety messaging, mask wearing, the need to increase pedestrian space, and parklets being used by restaurants.

Chairman Karvir thanked Ms. Tambellini for her report.

Group Sales Update

Ms. Pierce shared a PowerPoint presentation highlighting recent Group Sales & Services departmental initiatives and metrics. She focused on recent meeting planner surveys, efforts to shift and rebook group business, meeting planner concerns, and restrictions related to the COVID-19 pandemic. Next, Ms. Pierce reviewed graphs highlighting three years of room night comparisons. She shared how her team is using video and 3-D technology to develop virtual site visits and tours and efforts to incorporate the Asheville Cares Safety Pledge into meetings-related messaging.

In response to Ms. Ashburn's comment that she is amazed by the amount of business that has been retained through the remainder of the year, Ms. Pierce expressed gratitude to the Asheville area accommodations partners who are being flexible and working closely with planners to make it easier to retain the business.

Chairman Karvir thanked Ms. Pierce for the update.

TPDF Project Amendment Requests

Ms. Kappes said she will be presenting two Tourism Product Development Fund (TPDF) project amendment requests to the board for consideration.

The North Carolina Arboretum

Ms. Kappes said The North Carolina Arboretum was awarded a \$905,000 TPDF grant in 2018 for garden lighting and parking enhancements. She said the contract has a required completion date of May 1, 2020, and project representatives are requesting an extension to September 1, 2020, due to weather and COVID-related delays.

Vice Chairman Froeba made a motion to extend the North Carolina Arboretum's TPDF contract construction completion deadline to September 1, 2020. Mr. Celwyn seconded the motion. There was no discussion and with all in favor via a roll call vote, the motion carried 7-0.

US Cellular Center/Harrah's Cherokee Center Asheville

Ms. Kappes said the City of Asheville was awarded \$1.5 million in 2016 for a theater creation and meeting room conversion project at the US Cellular Center (now Harrah's Cherokee Center Asheville). She said the project was completed in January 2020, however, one punch list item not related to the grant scope remains, and the contract requires all punch list items to be completed before final disbursement of funds. Ms. Kappes said a Certificate of Occupancy was issued earlier in the year and the request

being made is to allow disbursement of the funds based on receipt of the CO. She then answered all related questions.

Ms. Ashburn made a motion to disburse the City of Asheville's US Cellular Center/Harrah's Cherokee Center Asheville's TPDF full grant award based on receipt of the Certificate of Occupancy. Mr. Craig seconded the motion. A vote was taken and with all in favor via a roll call vote, the motion carried 7-0.

CEO Search Committee Update

Vice Chairman Froeba provided a brief update on the CEO search process, noting stakeholder interviews were conducted in June by SearchWide Global and preliminary candidate vetting is currently underway. He added in-person interviews will take place in mid-September and he is hopeful a new CEO will be named by early October.

Asheville City Council Update

In the interest of time, Councilmember Mayfield briefly reported on the City of Asheville's extended budget timeline. There were no questions.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including passage of the budget, an amendment for schools, a master plan for A-B Tech's Enka-Candler campus, turf for the Buncombe County Sports Park, and \$10.3 million in funding approved to install solar on 47 buildings in the county and city.

Chairman Karvir thanked both Councilmember Mayfield and Commissioner Belcher for their dedicated service and community support, noting it is not the easiest of times to be in public service.

Miscellaneous Business

There was no miscellaneous business discussed at this meeting.

Comments from the General Public

Chairman Karvir said members of the general public were invited to submit comments via email to reply@ExploreAsheville.com through 4:00 p.m. on Tuesday, July 28, 2020. He reported that one comment was received and was sent via email to board members.

Adjournment

Vice Chairman Froeba moved to adjourn the meeting and Ms. Ashburn and Mr. Celwyn simultaneously seconded the motion. A vote was taken and with all in favor via a roll call vote, the motion carried 7-0 and the meeting adjourned at 11:14 a.m. The BCTDA will next meet on Wednesday, August 26, 2020, at 9:00 a.m.

Respectfully submitted,



Jonna Sampson, Executive Operations Manager