
Buncombe County Tourism Development Authority
Asheville Area Chamber of Commerce Boardroom

Board Meeting Minutes

Wednesday, September 28, 2016

- Present (Voting):** Paula Wilber, Chair; Jim Muth, Vice Chair; Chip Craig, John Ellis, Gary Froeba, Himanshu Karvir, John Lockett, John McKibbon
- Absent (Voting):** Leah Ashburn
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
Asheville City Councilwoman Julie Mayfield
- Absent (Ex-Officio):** None
- BC Finance:** Blair Chamberlain
- Advertising Agency:** No one was present from the Peter Mayer Advertising Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Glenn Cox, Pat Kappes, Dianna Pierce, Jonna Reiff, Tom Roberson, Cat Kessler, Jason Tarr
- CVB Staff Absent:** None
- Guests:** Kit Cramer, Asheville Area Chamber of Commerce
Bob McMurray, Black Mountain–Swannanoa Chamber of Commerce
Craig Madison, The FIRC Group and BCTDA Past Chair
Steve Miller, GenSpan, Inc. and BCTDA Past Chair
Herman Turk, Windsor Capital Group/Renaissance Asheville Hotel and BCTDA Past Chair
John Winkenwerder, South Asheville Hotel Associates and BCTDA Past Chair
George Zimmermann, Longwoods International, Inc.
Jane Anderson, Asheville Independent Restaurant Association
Andrew Celwyn, Herbiary
Sage Turner, French Broad Co-op
Timothy Sadler, Spiritex
Mike Cronin, Asheville Citizen-Times
Jason Sandford, Ashvegas
Annie Avery, Citizen

Executive Summary of Meeting Minutes

- Chairwoman Wilber opened the public comment hearing at 9:10 a.m. and, since there was no one present requesting to comment on the recommendations of the Fiduciary Task Force, she subsequently closed it and called the regular meeting of the BCTDA to order at 9:11 a.m.
- In an 8-0 vote, the BCTDA gave final approval to formally accept and move forward with the Fiduciary Task Force's recommendation to establish the Asheville CVB as an independent destination marketing organization separate from the Chamber by establishing a new 501(c)6 organization.
- Minutes from the August 31, 2016 BCTDA meeting were approved with an 8-0 vote.
- The August 2016 financial reports were reviewed and approved with an 8-0 vote.
- Under the Executive Director report, Ms. Brown reviewed hotel trends and commended ABRSC Executive Director Demp Bradford for leading the community-wide effort to keep SoCon in Asheville.
- In an 8-0 vote, the BCTDA approved the inaugural Festival and Cultural Events committee's recommendation to approve funding for fourteen 2017 festival and event grant applications totaling \$50,500.
- Members of the Asheville CVB's marketing team provided an update on recent fall outreach and social media efforts.
- Using the *Pure Michigan* campaign as a case study, Longwoods International's George Zimmermann shared a PowerPoint presentation highlighting the economic benefits afforded to organizations within a destination that unite under one umbrella tourism brand. He also showed how dollars spent on marketing and promotion directly increase and enhance economic development activity by building positive awareness about a place. Mr. Zimmermann then led a roundtable discussion with the current BCTDA board and four past chairmen who were present.
- Reports from Asheville City Councilwoman Julie Mayfield and Buncombe County Commissioner Joe Belcher were heard.
- Under Comments from the General Public, suggestions from Timothy Sadler were heard.
- The meeting adjourned at 11:30 a.m.

Call of Public Comment Hearing and BCTDA Meeting to Order

Chairwoman Wilber opened the public comment hearing at 9:10 a.m. and welcomed everyone. She asked if anyone had comments or questions related to the Fiduciary Task Force's recommendation to establish the Asheville Convention & Visitors Bureau (CVB) as an independent organization. As no one present at the meeting requested to be heard, Chairwoman Wilber closed the public comment hearing and called the regular meeting of the Buncombe County Tourism Development Authority (BCTDA) to order at 9:11 a.m.

Approval of Fiduciary Task Force Recommendation

Mr. Froeba made a motion for the Buncombe County Tourism Development Authority to give final approval to formally accept and move forward with the Fiduciary Task Force's recommendation as presented on Wednesday, August 31, 2016, to establish an independent destination marketing organization, separate from the Chamber, to serve

the needs of the visitor economy in Buncombe County by establishing a new 501(c)6 organization. Mr. Ellis seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

Chairwoman Wilber thanked the members of the Fiduciary Task Force for their service and all others who played a role in arriving at this recommendation. She noted the historic occasion of the evolution of the CVB, adding she looks forward to working with Ms. Cramer and members of the task force on the transition, anticipated to occur by July 1, 2017.

Approval of Meeting Minutes

Mr. Ellis made a motion to approve the August 31, 2016 regular meeting minutes as presented. Mr. Lockett seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The minutes are on file with the Asheville Convention & Visitors Bureau.

Financial Reports

August 2016 Financial Reports

In Ms. Durrett's absence, Ms. Chamberlain reviewed the August financial reports. Occupancy tax revenue received in August for July sales totaled \$1,623,017. August expenditures totaled \$413,238. YTD revenue exceeded expenditures by \$823,520 and includes two months of expenditures and one month of revenue. August expenditures for Tourism Administration: \$24,001; Professional Services: \$187,778; General Tourism (excludes media buys): \$84,992; Net Media: \$71,325; Motorcoach Sales: \$8,050; Meetings and Conventions: \$23,689; Convention Services: \$191; Marketing/Public Relations: \$13,462; International: \$494; Public Affairs: \$243; Event Grants Program: \$0. There is currently \$3,519,719 in undedicated dollars in the Tourism Product Development Fund (TPDF).

Next, Ms. Chamberlain reported on properties delinquent on paying occupancy taxes. In response to Ms. Brown's question regarding the significant increase in revenue compared to the prior year, Ms. Chamberlain said it's related to the increase in the tax rate from four to six percent.

Mr. Craig made a motion to approve the August 2016 financial reports as presented. Mr. Ellis seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

The financial reports are on file with the Asheville Convention & Visitors Bureau.

Executive Director Report

Ms. Brown began her report by stating the broadcast campaign launched in August in fifteen markets and concluded in September. She then shared a slide representing hotel trends in the current fiscal year, which have been impacted by the steady increase in room supply. She spoke about recent unprecedented increases in both supply and demand and reviewed hotel statistical data based on the most recent report received from Smith Travel Research. Ms. Brown noted that with the opening of the newest downtown hotel, supply paced ahead of demand, which impacts hotel average daily rate

and occupancy levels. She provided additional background information on this topic, including reviewing a breakdown of sales increases by property type and the effects future new hotels will have on properties outside of the central business district. A discussion took place with Ms. Brown answering all related questions.

Mr. McKibbon shared that he anticipates it will take three to four years of continued growth to absorb all of the new supply coming online. Ms. Brown noted that the data from Arrivalist and Buxton, coupled with funds available in the current year's marketing budget, will allow the CVB team to monitor and react to downturns quickly, and staff will bring recommendations to the board as needed to address any softness in the market. Mr. Karvir added the Tourism Product Development Fund is another important avenue in which the committee focuses on recommending funding for projects that significantly increase the visitor base and add room nights. Chairwoman Wilber agreed and said she looks forward to hearing the 2016 TPDF funding cycle recommendations at the October meeting. She added exhibits that occur at attractions and venues in the area also help to increase demand.

Next, Ms. Brown said Demp Bradford, executive director of the Asheville Buncombe Regional Sports Commission, has provided great leadership in working to keep Southern Conference in Asheville. He has convened a group of local leaders to emphasize the values of our community and how they relate to hosting the annual basketball tournament. She said SoCon Commissioner John Iamarino has been in regular contact with the ABRSC and CVB and a decision on whether or not the event will return to Asheville in March 2017 is expected very soon. *(Note – on September 30, SoCon announced it will honor its commitment to hold tournaments scheduled in North Carolina in 2016-17, therefore, the basketball championships will go on in Asheville as scheduled in March 2017.)*

When the discussion ended, Chairwoman Wilber thanked Ms. Brown for the update and Mr. McKibbon for his insight, adding it is important to regularly monitor these trends and adjust marketing efforts accordingly.

August CVB Staff Recap and Quick List

The August CVB Staff Recap and Quick List were not reviewed at this meeting, however, were provided to the board and are on file with the Asheville Convention & Visitors Bureau.

August Visitor Index

The August Visitor Index was not reviewed at this meeting, however, is on file with the Asheville Convention & Visitors Bureau and is posted on AshevilleCVB.com.

Festival and Cultural Event Grants Recommendations

Mr. Craig said another way to increase hotel demand is to support local festivals and events. He added it was his pleasure to serve as chair of the first Festival and Cultural Events Grant committee and reviewed the process that was followed leading up to today's recommendations. Mr. Craig noted events have received significant marketing support from the BCTDA in the past, including website exposure, social media promotion and media relations outreach, however, legislative mandates prohibited occupancy tax dollars from being spent to directly fund local events. Recent enhancements to ExploreAsheville.com, including the addition of online reservations and advertising

opportunities, have generated revenue not subject to occupancy tax restrictions. Board direction was given to establish a funding mechanism to directly support events with those discretionary dollars and in the first funding cycle, 15 applications were received with 14 being recommended for funding. In May of this year, the events grant program was approved by the BCTDA and the application deadline was August 31, 2016. He said the committee of Lauren Bradley, Jon Fillman, Stephanie Brown, Marla Tambellini and himself met on September 15 to review the applications and funding criteria. The committee is recommending the following grants be approved for funding:

Applicant	Event	Award
Asheville Downtown Association	Independence Day Celebration	\$5,000
North Carolina Arboretum	Monarch Butterfly Day	\$3,000
ASAP (Appalachian Sustainable Agriculture Project)	Farm Tour	\$3,000
Asheville Area Arts Council (<i>fiscal agent</i>)	Asheville Art in the Park	\$3,000
Odyssey Community School (<i>fiscal agent</i>)	Asheville Percussion Festival	\$3,000
Asheville Music School (<i>fiscal agent</i>)	Asheville BARNAROO	\$5,000
Black Mountain College Museum + Arts Center	{Re}HAPPENING	\$3,000
Blue Ridge Pride Center	Blue Ridge Pride Festival	\$5,000
Friends of Connect Buncombe (<i>fiscal agent</i>)	Cycle to Farm @ Sandy Mush	\$2,000
LEAF Community Arts	LEAF Downtown AVL	\$5,000
Montford Neighborhood Association	Montford Music & Arts Festival	\$2,000
Southern Highland Craft Guild	70th Annual Craft Fair of the Southern Highlands	\$5,000
Friends of the Vance Birthplace	Appalachian Heritage Festival	\$1,500
YMI Cultural Center (<i>fiscal agent</i>)	The Goombay Festival	\$5,000
	TOTAL	\$50,500

Mr. Craig noted that the application from the Asheville Lyric Opera was not included in the funding recommendations because it was for a one-time performance. He said the committee is recommending funding in the amount of \$50,500 for events occurring in 2017 and answered all related questions. Commissioner Belcher and Councilwoman Mayfield each expressed their gratitude for this program, adding it helps to relieve some funding pressure requested from city and county governments.

Mr. Craig moved that the BCTDA approve the Festivals and Cultural Events review committee's recommendation to fund the 14 grant awards in the table as presented totaling \$50,500. Mr. Froeba seconded the motion. There was no discussion and with all in favor, the motion carried 8-0.

Mr. Craig thanked Mr. Cox for his efforts in managing the review process. Chairwoman Wilber thanked Mr. Craig for his service as chair of the committee and for bringing the funding recommendations before the board today.

The Asheville CVB will inform the recipients of the BCTDA's approval and payment will be made upon the successful completion of each event.

Social Media Update

Ms. Tambellini gave a brief overview of current media relations efforts related to fall. She added the broadcast campaign was extended in Atlanta, however, political ads prohibited extending the run in North Carolina and Florida markets. She added the fall color prognostication press release was picked up by 225 media outlets and Landis Taylor just returned from a North Carolina media tour in which she had 36 appointments. Ms. Tambellini then reviewed paid media efforts that are currently running and introduced Director of Content Cat Kessler and Content Specialist Jason Tarr to the board.

Ms. Kessler and Mr. Tarr shared a PowerPoint presentation highlighting recent social media efforts and successes. They focused on the five main platforms, noting the Asheville CVB currently has 240,000 Facebook fans, 32,000 combined followers on Twitter, 18,000 followers on Instagram, 2,600 followers on Google+, and 4,000 total followers on two Pinterest accounts.

Instagram: Instagram growth is exciting and provides a direct pipeline to receive and produce stunning content. More than 14,000 photos have been tagged with #visitasheville, and staff follows-up with people who post to obtain permission to share select photos across other platforms. Instagram followers have increased 36 percent since July 1. Mr. Tarr noted one person he engaged with on Instagram said they may need to stay a few more nights than planned to experience all that Asheville has to offer.

Facebook: Facebook is the main social platform, and staff posts to it regularly to drive engagement and site traffic through images, links, videos and dialogue. With the recent addition of *Facebook Live*, which allows live streaming on personal and organizational pages, the CVB team hosted 18 live broadcasts in August and September, with nearly 550,000 total organic video views. This was an advertising integration with the BCTDA's *Asheville Magic* creative campaign and can also be used in conjunction with a National Geographic partnership and weekly fall color reports. The most viewed videos included downtown buskers and a sunset at Biltmore. A video montage was shared highlighting the various *Facebook Live* posts.

When the presentation ended, Ms. Kessler and Mr. Tarr answered all related questions and a round of applause was received. Posts can be found on [Facebook.com/Asheville](https://www.facebook.com/Asheville).

The PowerPoint presentation is on file with the Asheville Convention & Visitors Bureau.

BCTDA Roundtable Discussion

Ms. Brown introduced George Zimmermann, Chairman of Longwoods International, Inc., who was invited to this meeting to provide an executive summary of the full presentation that will be shared at this afternoon's BCTDA Annual Meeting. Additionally, he will lead a roundtable discussion with board members and the four past chairmen who are present.

Mr. Zimmermann led Travel Michigan at the Michigan Economic Development Corporation from 2001 to 2014. Under his leadership, Travel Michigan and its advertising agency, McCann Detroit, created and launched the award-winning *Pure Michigan* branding campaign in 2006, one that Forbes ranked among the top ten tourism promotion campaigns worldwide. Initially a regional campaign, *Pure Michigan* became the state's first significant national advertising campaign starting in 2009.

Mr. Zimmermann shared a PowerPoint presentation highlighting the broad significant successes the campaign brought to the state during his tenure, specifically focusing on how destination advertising directly benefits an entire community or region. He outlined how promoting an area doesn't just bring in visitors for a weekend, but attracts businesses, vacation home buyers and retirees, and college students; subsequently increasing tax revenues. During the campaign's run, Mr. Zimmermann said partnerships were formed, budgets grew, advertising reach expanded and, ultimately, the entire state collaboratively developed an umbrella brand to include both tourism and economic development promotional efforts. Mr. Zimmermann shared examples of the campaign commercials and strongly drove home the point that "destinations don't sell themselves" and "you can't spend too much money on advertising." He shared case studies of Pennsylvania and San Diego and other cities that had marketing budgets slashed and the significant negative economic impact each destination experienced, noting recovery efforts were slow.

In summary, Mr. Zimmermann said tourism marketing is destination branding for every purpose and recommended entities within a region unite under the tourism brand.

A roundtable discussion took place with Mr. Zimmermann answering questions about his presentation and the benefits of tourism promotion. Current board members and past chairs provided insight into the Asheville area's history and an engaging discussion centering on the benefits of tourism, along with associated challenges, took place.

In conclusion, Mr. Zimmermann said he would encourage area stakeholders to view the growth of tourism as a positive opportunity to get things done, not as a problem, and collaboratively work to handle the growth to make Asheville the best place it can be.

Chairwoman Wilber thanked Mr. Zimmermann for the presentation and said she looks forward to hearing the full version at the annual meeting. A round of applause was received.

The PowerPoint presentation is on file with the Asheville Convention & Visitors Bureau.

Asheville City Council Update

Councilwoman Mayfield said she has two city-related business items to share. The first was that a [web site](#) and promotional materials supporting the Asheville Bonds Referendum have been produced and she passed out samples of palm cards and brochures. Councilwoman Mayfield encouraged everyone to take whatever supplies they need and to vote yes on the three bonds on November 8.

The second item was that at last night's meeting, Asheville City Council agreed to continue moving forward on further consideration of new regulations designed to slow down the pace of downtown growth and hotel development, which would include a threshold that all new hotels with more than 20 rooms would require Council review and approval, possibly on a city-wide basis. Councilwoman Mayfield expressed that these recommendations stemmed from concerns raised during last year's election and shared additional information on the four items that are included in the proposal. Councilwoman Mayfield said these proposals are currently under consideration and encouraged the BCTDA to engage in the community conversation to consider all possible implications. She added at the heart of the discussion is protecting the integrity of downtown and to control development so that Asheville remains a special, unique place.

A discussion on this topic took place and when it ended, Chairwoman Wilber thanked Councilwoman Mayfield for the report and for inviting the tourism community to be a part of the conversation regarding proposed downtown development restrictions.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including the ongoing property revaluation process and the passage of a resolution to recommend that Congress increase its protection of thousands of acres of forest north of Asheville in the overlapping Big Ivy and Craggy Gardens areas. He also said the recent exciting news of Avadim's expansion into Black Mountain will add 551 jobs over the next five years was one of the largest announcements he can remember. Commissioner Belcher said the Enka ballfields are continuing to move forward and he is looking forward to the afternoon's events at Lioncrest at Biltmore.

Chairwoman Wilber thanked Commissioner Belcher for the update.

Miscellaneous Business

Mr. McMurray said the Black Mountain/Swannanoa area continues to grow and he thanked BCTDA members for their ongoing support.

Comments from the General Public

Timothy Sadler said as a follow-up to a comment he made at the BCTDA's retreat earlier this year, he would like to encourage the board to target high-wealth individuals in Silicon Valley and other parts of the country who would want to start businesses in our area based on the infrastructure available to entrepreneurs. He also shared an idea of establishing a subcommittee under the BCTDA's structure to review unintended consequences happening within the community, noting Mr. McKibbin has done an excellent job of doing this on an individual level.

Adjournment

Chairwoman Wilber thanked former BCTDA chairmen Mr. Turk, Mr. Madison, Mr. Miller and Mr. Winkenwerder for attending the meeting and for sharing their historical insight. Mr. Miller commented this is another historic day and he was glad to be a part of it, and briefly reflected upon what's been accomplished since the occupancy tax was first established in 1983.

Ms. Brown said the recently-formed Asheville Lodging Association has partnered with the BCTDA to host a reception honoring outgoing Buncombe County Commission Chairman David Gantt at Biltmore this afternoon. She said that will be followed by nearly 200 industry partners attending the BCTDA's Annual Meeting and reception and thanked Chairwoman Wilber for generously hosting the events. Ms. Wilber encouraged everyone to attend and the meeting adjourned at 11:30 a.m. The BCTDA will next meet on Wednesday, October 26, 2016, at 9:00 a.m., in the Boardroom of the Asheville Area Chamber of Commerce.

Respectfully submitted,

Jonna Reiff
Executive Operations Manager