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**Buncombe County Tourism Development Authority**  
**Asheville Area Chamber of Commerce Boardroom**

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**Board Meeting Minutes**

Tuesday, November 22, 2016

- Present (Voting):** Paula Wilber, Chair; Jim Muth, Vice Chair; Leah Ashburn, Chip Craig, John Ellis, Gary Froeba, John Luckett
- Absent (Voting):** Himanshu Karvir, John McKibbon
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** Asheville City Councilwoman Julie Mayfield
- BC Finance:** Blair Chamberlain
- Advertising Agency:** Michelle Clarke, Peter Mayer Advertising Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Glenn Cox, Pat Kappes, Dianna Pierce, Jonna Reiff, Tom Roberson, Brooke Ptaszek, Rachel Baumgardner
- CVB Staff Absent:** None
- Guests:** Ron Storto, Biltmore Farms LLC and BCTDA Past Chair  
Demp Bradford, Asheville Buncombe Regional Sports Commission  
Andrew Celwyn, Herbiary  
Timothy Sadler, Spiritex  
Emily Patrick, Asheville Citizen-Times  
Rich Lee

**Executive Summary of Meeting Minutes**

- Chairwoman Wilber called the meeting to order at 9:03 a.m.
- Minutes from the October 26, 2016 BCTDA meeting were approved with a 7-0 vote.
- The October 2016 financial reports were reviewed and approved with a 7-0 vote.
- Under her Executive Director report, Ms. Brown presented a proposal from Strategic Marketing & Research, Inc. to complete an advertising effectiveness study at a cost of \$59,000. In a 7-0 vote, approval was given to expense this study from the contingency line.
- The BCTDA approved an expenditure of \$29,000 from the contingency line for the completion of a sports development study to be done in collaboration with the Asheville Buncombe Regional Sports Commission.

- Mr. Froeba presented the Fiduciary Task Force's recommendation to establish the CVB as a controlled 501(c)6 nonprofit organization, which was approved with a 7-0 vote.
- Mr. Ellis provided an update from the Wayfinding Committee.
- Ms. Tambellini and Ms. Clarke provided a marketing and advertising report which included fall media efforts, significant media hits, results from the fall advertising campaign, and strategies associated with the currently-running holiday campaign. Additionally, an advertising plan for Q1 to increase visitation during January through March, and the associated budget allocations including spending \$215,000 from the Undesignated Fund Balance, were approved with a 7-0 vote.
- A report from Buncombe County Commissioner Joe Belcher was heard.
- Under Miscellaneous Business, Commissioner Belcher praised the efforts of the firefighters who have been working around the clock to battle area forest fires.
- Under Comments from the General Public, Timothy Sadler commended the BCTDA for some initiatives he heard about in today's meeting and shared an artists-in-residence recommendation for board consideration.
- The meeting adjourned at 10:30 a.m.

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

Chairwoman Wilber called the regular meeting of the Buncombe County Tourism Development Authority (BCTDA) to order at 9:03 a.m. and welcomed everyone. The visitors in attendance introduced themselves.

### **Approval of Meeting Minutes**

Mr. Ellis made a motion to approve the October 26, 2016 regular meeting minutes as presented. Mr. Lockett seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

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

### **October 2016 Financial Reports**

Ms. Chamberlain reviewed the October financial reports. Occupancy tax revenue received in October for September sales totaled \$1,300,100. October expenditures totaled \$2,019,270. YTD revenue exceeded expenditures by \$1,034,461 and includes four months of expenditures and three months of revenue. October expenditures for Tourism Administration: \$10,018; Professional Services: \$187,778; General Tourism (excludes media buys): \$164,645; Net Media: \$1,605,298; Motorcoach Sales: \$4,334; Meetings and Conventions: \$21,736; Convention Services: \$1,829; Marketing/Public Relations: \$16,476; International: \$6; Public Affairs: \$7,151; Event Grants Program: \$0. There is currently \$3,899,898 in undedicated dollars in the Tourism Product Development Fund (TPDF).

Revenue Summary: September 4.5 percent (operating) collections equaled \$1,300,100, and 1.5 percent (TPDF) collections totaled \$433,367.

Ms. Chamberlain then reported on properties delinquent on paying occupancy taxes and answered all related questions.

Mr. Froeba made a motion to approve the October 2016 financial reports as presented. Mr. Ellis seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

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

### **Executive Director Report**

#### *October CVB Staff Recap and Quick List*

The October 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.

#### *October Visitor Index*

The October Visitor Index was not reviewed at this meeting, however, is on file with the Asheville Convention & Visitors Bureau and is posted on [AshevilleCVB.com](http://AshevilleCVB.com).

#### *Advertising Effectiveness Study*

Ms. Brown asked board members to turn to the Advertising Effectiveness and ROI Study documentation found in the board books and emailed in advance of the meeting. She said the advantages of measuring the effectiveness of the BCTDA's advertising efforts have been discussed in past meetings and, after reviewing proposals from well-known national providers, staff is recommending the board contract with Strategic Marketing & Research, Inc. (SMARI) to complete this study. Ms. Brown briefly reviewed the process followed to arrive at this recommendation and shared the list of deliverables that will be included in the final report, along with a brief overview of SMARI's expertise in the research field and extensive client list.

Ms. Brown said that in addition to the analysis and reporting process, the creative will also be evaluated to determine perceptions and insights on how the advertising can be improved, how new markets respond compared to core markets, and the Halo effect will be measured, calculating the effect the BCTDA's destination advertising has on other economic development goals. She noted the field study will be completed in January and results received in February at a cost of \$59,000, which can be transferred from the general tourism contingency line with board approval.

Ms. Brown then answered all related questions and Chairwoman Wilber thanked her for soliciting and vetting out proposals and bringing this recommendation to the board.

Mr. Craig made a motion to approve the expenditure of \$59,000 from the contingency line in the budget to contract with Strategic Marketing & Research, Inc., to complete the advertising effectiveness study as presented. Mr. Luckett seconded the motion. There was no further discussion and with all in favor, the motion carried 7-0.

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

## Other Updates

### *Asheville Buncombe Regional Sports Commission*

Ms. Brown said a sports development study would be beneficial to help determine the most advantageous sporting event opportunities for the Asheville area. She noted the results of such a study would include an inventory of venues and a full evaluation of the types and sizes of sports-related events that are a good fit for Buncombe County – for now and in the future. This would be an asset to both the Asheville Buncombe Regional Sports Commission (ABRSC) and Asheville CVB team to help direct group solicitation. Additionally, Ms. Brown said the study would be a valuable tool for the Tourism Product Development Fund committee when considering grant applications to ascertain which projects would garner the highest return on investment. Ms. Brown noted that when the BCTDA began funding a larger share of the ABRSC's program, the development of a strategic plan was also requested. She said Executive Director Demp Bradford has been on board for five months and these two initiatives have been identified as high priorities. Ms. Brown said the ABRSC is requesting the BCTDA provide funding in the amount of \$29,000 for the study. She noted the dollars can be taken from the contingency line in the budget and she requested feedback.

A brief discussion took place centering on this topic with Ms. Brown and Mr. Bradford answering all related questions. In response to Chairwoman Wilber's question as to the timing of the study, Mr. Bradford said the process of interviewing stakeholders, completing the analysis and receiving the results takes about 3 ½ months and would begin in January and end in March or April, with a presentation to the BCTDA to follow shortly thereafter.

When the discussion ended, board consensus was given to approve the \$29,000 expenditure from the contingency line.

### *Asheville Radio Commercial*

Ms. Brown shared the sound bite recording that the Asheville Radio Group is running as a public service announcement on its stations to help increase awareness of the benefits of tourism. This commercial was developed and is running at no charge as a result of the partnership with Asheville Radio Group and Explore Asheville Radio.

Chairwoman Wilber thanked Ms. Brown for the update.

## **Fiduciary Task Force**

Mr. Froeba said the Fiduciary Task Force (FTF) met on November 16 to discuss two viable options for the CVB to be established as an independent organization and, prior to the meeting, members received a summary comparing the structures, which is also included in the board books. At that meeting, the board's attorney walked the committee through the options and explained that the primary difference between the two is the role of the board. In Option A, or, a "Controlled" 501(c)6, the BCTDA would be the board for the nonprofit and in Option B, an "Independent" 501(c)6, there would have be a separate, independent board which would require a contract with the BCTDA, similar to the one currently in place with the chamber. Mr. Froeba said everyone agreed that Option A is more straightforward to organize; it provides for more transparency; is the type that all other destination marketing organizations in North Carolina organized as a 501(c)6 structure utilize, and is also the recommendation of the board's attorney.

Mr. Froeba noted Anna Mills was on standby to answer any questions by speakerphone, if needed, and said the structure type can easily be changed in the future, if desired.

Mr. Froeba said the FTF ultimately believed that the key goal of enhancing clarity and transparency is best met with Option A, and the next step would be for staff to work with counsel to file the paperwork to establish a controlled 501(c)6 as described. The paperwork would be reviewed by the FTF before it is filed.

On behalf of the Fiduciary Task Force, Mr. Froeba made a motion to authorize the CVB's Executive Director to initiate the process of establishing the CVB as a controlled 501(c)6 nonprofit organization by retaining a qualified consultant to prepare state and federal filings, with paperwork to be reviewed and approved by the Fiduciary Task Force prior to filing. Mr. Ellis seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

Chairwoman Wilber thanked Mr. Froeba, Ms. Brown, Mr. Cox, and the members of the Fiduciary Task Force for their efforts to arrive at this recommendation.

### **Wayfinding Committee Report**

Mr. Ellis provided an update on the BCTDA's wayfinding system, which he said is a continuing venture that requires regular maintenance and modifications. He noted he is the BCTDA's representative on the Wayfinding committee, which met recently to review repair needs and change requests. Mr. Ellis said that in addition to the known and scheduled maintenance needs, a request from New Belgium Brewing Company was received, asking that the company's name be added to new and existing signs in the River Arts District. He said sign requests must meet specific criteria to be approved and funding responsibilities are also considered. Mr. Ellis said the committee approved adding New Belgium to two existing signs, plus the installation of one new sign that includes the brewery's name on it, for a combined cost of \$5,346 to be paid by New Belgium. The committee also approved an expenditure for the installation and repair of ten signs in the Wayfinding system, including one that is currently missing to which New Belgium's name will be added when replaced, to be paid out of the maintenance budget. Following these changes and additions and including payment from New Belgium, \$28,410 will remain in the Wayfinding maintenance budget for FY 2016-17.

Mr. Ellis said that concludes his report and he and Ms. Brown answered all related questions. Chairwoman Wilber thanked him for the update and his work on the committee.

### **Marketing & Advertising Report**

Ms. Tambellini shared a PowerPoint presentation focusing on recent marketing efforts and related results. She provided a fall foliage recap including highlights from the media tour, weekly fall color reports, Facebook Live posts, and an orchestrated push to increase visitation in late fall since color was a bit delayed this year. Ms. Tambellini then shared successes from the National Geographic Traveler partnership negotiated by the agency, which came to fruition recently with social media and blog posts, articles, Instagram images and stories, a Facebook Live video garnering 133,000 views, and story content posted on NationalGeographic.com/Travel. She added a six-page feature article is slated to appear in the magazine in the spring. Ms. Brown commended the marketing staff for their efforts in developing itineraries and coordinating the National Geographic team's visit to Asheville, noting they also accompanied the writers and

photographers throughout the week while pinpointing areas of concentration and connecting them with 60 local businesses and partners.

Ms. Tambellini concluded her fall media update by sharing some significant placements that came out recently, including ["Exploring Asheville Beyond its Famous Food Scene" in Conde Nast Traveler](#), ["36 Hours in Asheville" in The New York Times](#), and ["In Asheville, Home to Craft Beer, a Wine Scene Rises" in The Wall Street Journal](#). She noted oftentimes, many people believe these articles just happen, however, they are usually the result of her team developing relationships and working with writers over the course of years.

### Fall Harvest Marketing Recap

Ms. Clarke continued the PowerPoint presentation highlighting the overall Fall Harvest campaign performance metrics, consisting of a delivery summary followed by stats broken down into the media elements of broadcast, video, print, out-of-home, banner ads by segment, digital takeaways, and site session impact. She added the campaign was extended into mid-October due to the late color arrival. Ms. Clarke summarized the overall results and she and Ms. Tambellini answered all related questions.

### Holiday Campaign

Following the Fall Harvest campaign report, Ms. Clarke provided an overview of the holiday campaign running October 24 through December 18, which uses display, retargeting, native ads and Facebook Canvas to increase visitation during the holiday season.

### Quarter 1 Campaign

Ms. Clarke said the Peter Mayer team has been working with the Asheville CVB to create an advertising campaign for the first quarter of 2017 with a goal to increase hotel demand by 10 percent year-over-year, while maintaining or growing average daily rate. Ms. Brown explained that this campaign is not something that was included in the annual planning process; it is being proposed to significantly boost awareness of the Asheville area during the winter months as new hotels continue to open. Ms. Brown said this will also provide a lift for hotels as we move into spring.

Ms. Clarke said the campaign will run January 5 through March 12, and she and Ms. Tambellini shared relevant information on how it will be measured, target audiences, tactical strategies and a media summary.

Ms. Clarke said the campaign will cost \$500,638 to execute and will include television, radio, email, Quantcast, Facebook and Travelzoo. Ms. Tambellini said additional production expenses amount to \$15,000, bringing the total cost for the campaign to \$515,638. She then explained that projected print savings in the amount of \$100,000, and \$100,638 from the media contingency line will be applied. She continued that with board approval, \$100,000 can be transferred from the general tourism contingency line, which means \$215,000 would be needed from the Undesignated Fund Balance to cover the remaining balance.

The Q1 campaign will showcase all of the great things happening in the winter season and be directed at drive markets with familiarity of the destination. A brief discussion took place centering on the campaign elements, associated costs, and how advertising

efforts impact both leisure and group business markets. It was noted that groups comprise eight percent of Asheville's total visitation and leisure travelers account for 92 percent. Ms. Brown noted there is a Halo effect, meaning advertising directed at leisure travelers also brings people to Asheville for meetings, whether from the promotions themselves or as the result of an actual visit. It was noted that there is also a media plan specifically directed towards group business.

In response to Commissioner Belcher's question regarding advertising efforts specific to groups, Ms. Brown responded staff will add a review of the meetings and conventions media plan along with advertising samples to the December 21 BCTDA meeting agenda.

When the discussion ended and all questions were answered, Mr. Muth made a motion to approve the Quarter One advertising initiative and additional production costs as presented today in the amount of \$515,638. These expenses are to be paid for by transfers of dollars already budgeted in the media contingency line in the amount of \$100,638, the general tourism contingency line in the amount of \$100,000, and anticipated print and partnership savings in the amount of \$100,000.

Additionally, Mr. Muth moved to approve a budget resolution in the amount of \$215,000 from Undesignated Fund Balance to the FY 2016-17 operating budget to pay for the balance associated with these expenditures, to be credited as follows: \$200,000 to Broadcast TV (440400-10) and \$15,000 to Ad Production (441000-11). Ms. Ashburn second the motion. There was no discussion and with all in favor, the motion carried 7-0.

Chairwoman Wilber said she looks forward to carrying out the Q1 campaign and thanked Ms. Tambellini and Ms. Clarke for the report.

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

### **Asheville City Council Update**

Councilmember Mayfield was not in attendance at this meeting, therefore, a city-related update was not provided. The schedule of upcoming events at the US Cellular Center was provided in the board books.

### **Buncombe County Commission Update**

Chairwoman Wilber congratulated Commissioner Belcher on winning his bid for reelection. Commissioner Belcher thanked her and reported on county-related business, including the Commission's last meeting where outgoing Chairman David Gantt, and Commissioners Holly Jones and Tim Moffitt, were recognized for their service. He added Chairman Gantt has given 20 years of service to Buncombe County and that the area adjacent to Buncombe County's administrative building at 200 College Street has been named the David Gantt Plaza. He noted commissioners attended a retreat with the NC School of Government and the county's capital plan will be reviewed in January. Commissioner Belcher said an appointment to fill Brownie Newman's seat will be named following the swearing in of new and reelected commissioners on December 5, with the first meeting of the new Buncombe County Commission taking place on December 6. He ended his report by stating he hopes to be reappointed to the BCTDA, and that the parking deck on Coxe Avenue is finished and open to the public in the evenings.

Chairwoman Wilber thanked Commissioner Belcher for his service and the update.

### **Miscellaneous Business**

Commissioner Belcher said he has been very impressed with the cooperative efforts to battle the Party Rock and other area fires and encouraged people to attend the upcoming news briefing and/or contribute to the firefighters in various ways. Ms. Tambellini said the CVB team did donate items to the cause and she had heard that no more supplies are needed at this time. She noted Chimney Rock Village reopened yesterday and the CVB has had smoke and fire alerts running on the ExploreAsheville.com website.

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

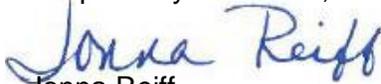
Timothy Sadler spoke and said he wanted to express his gratitude to this dynamic BCTDA board, specifically referring to partnerships with the Asheville Buncombe Regional Sports Commission to attract sporting events and the collaboration with National Geographic Traveler to drive people to the Asheville area. He added that a rising tide lifts all boats and said he would like to see an artists-in-residence program established in the area to share music and arts in hotels, venues and at weddings and events. Mr. Sadler also commended the BCTDA for its investment to market the area during the January through March time frame when many businesses struggle financially.

Chairwoman Wilber thanked Mr. Sadler for his comments.

### **Adjournment**

Chairwoman Wilber thanked everyone for attending and the meeting adjourned at 10:30 a.m. She encouraged everyone to attend the CVB's annual holiday party on Tuesday, December 6, at the Renaissance Asheville Hotel. The BCTDA will next meet on Wednesday, December 21, 2016, at 9:00 a.m., in the Boardroom of the Asheville Area Chamber of Commerce.

Respectfully submitted,



Jonna Reiff

Executive Operations Manager