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## Buncombe County Tourism Development Authority

Hyatt Place

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### Board Meeting Minutes

Wednesday, January 25, 2017

- Present (Voting):** John Ellis, Leah Ashburn, Chip Craig, Gary Froeba, Himanshu Karvir, John Lockett, John McKibbon
- Absent (Voting):** Paula Wilber, Chair; Jim Muth, Vice Chair
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
- Absent (Ex-Officio):** Asheville City Councilwoman Julie Mayfield
- BC Finance:** Jennifer Durrett
- Advertising Agency:** No one was present from the Peter Mayer Advertising Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Rachel Baumgardner, Glenn Cox, Pat Kappes, Dianna Pierce, Tom Roberson
- CVB Staff Absent:** Jonna Reiff
- Guests:** Arik Grier, Yesterday Spaces  
Jane Anderson, Asheville Independent Restaurant Association  
Sam Powers, City of Asheville  
Tina Kinsey, Asheville Regional Airport  
Rick Bell, Engadine Inn  
Eric Burns, Novacor Consulting Group  
David Nutter, City Planner/Greenway Committee  
Jason Sandford, Ashvegas  
Mike Cronin, Mountain Xpress

### Executive Summary of Meeting Minutes

- Mr. Ellis called the meeting to order at 1:35 p.m.
- Minutes from the December 21, 2016 BCTDA meeting were approved with a 7-0 vote.
- The December 2016 financial reports were reviewed and approved with a 7-0 vote.
- In the first of a two-step process, a penalty waiver request from Yesterday Spaces was considered by the BCTDA and approved with a 7-0 vote. The request will be forwarded to the Buncombe County Commission for further and final consideration.

- Mr. Froeba provided a Fiduciary Task Force update related to the transition process to establish the CVB as an independent, nonprofit organization. In two separate actions, the BCTDA unanimously voted 7-0 to establish a nonprofit corporation, and that the members of the nonprofit organize the nonprofit pursuant to the Written Consent of the Board as presented.
- Under her Executive Director report, Ms. Brown shared recent CVB and lodging metrics and thanked members of the Fiduciary Task Force for being available and supportive to assist the CVB in the transition.
- Ms. Kappes gave a Public Affairs update which included unveiling the fully redesigned [AshevilleCVB.com](http://AshevilleCVB.com) website and providing an overview of upcoming CVB/BCTDA events. She also presented a request from the NC Glass Center to extend its TPDF contract deadline by three months, which was approved with a 7-0 vote.
- Ms. Pierce gave an overview of ongoing planning efforts related to the World Equestrian Games scheduled in Tryon in September 2018, and a brief overview of recent Group Sales & Services departmental activities.
- Ms. Tambellini provided an overview of the winter advertising campaign which began on January 2 and recent Marketing & PR team highlights.
- A report from Buncombe County Commissioner Joe Belcher was heard.
- The meeting adjourned at 2:28 p.m.

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

In the absence of Chairwoman Wilber and Vice Chairman Muth, Mr. Ellis called the regular meeting of the Buncombe County Tourism Development Authority (BCTDA) to order at 1:35 p.m. and welcomed everyone. He thanked the staff of Hyatt Place for hosting the meeting. The visitors in attendance introduced themselves.

### **Approval of Meeting Minutes**

Mr. Craig made a motion to approve the December 21, 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.

### **Financial Reports**

#### **December 2016 Financial Reports**

Ms. Durrett reviewed the December financial reports. Occupancy tax revenue received in December for November sales totaled \$1,292,047. December expenditures totaled \$655,572. YTD revenue exceeded expenditures by \$2,055,845 and includes six months of expenditures and five months of revenue. December expenditures for Tourism Administration: \$25,662; Professional Services: \$187,778; General Tourism (excludes media buys): \$132,454; Net Media: \$273,028; Motorcoach Sales: \$3,447; Meetings and Conventions: \$23,402; Convention Services: \$752; Marketing/Public Relations: \$6,902; International: \$303; Public Affairs: \$1,823; Event Grants Program: \$20. There is currently \$1,062,183 in undedicated dollars in the Tourism Product Development Fund (TPDF).

Revenue Summary: November operating (75%) collections equaled \$1,292,047, and TPDF (25%) collections totaled \$430,652.

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

Mr. Froeba made a motion to approve the December 2016 financial reports as presented. Mr. Karvir 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.

#### Yesterday Spaces Penalty Waiver

Arik Grier, with Yesterday Spaces, was in attendance to explain the circumstances surrounding the penalty waiver request he has submitted to the BCTDA for consideration. Relevant documentation was sent to board members in advance of the meeting and was also provided in the board books. The penalty, in the amount of \$365.55, was assessed by the Buncombe County Finance Department (BCF) due to the property's failure to submit occupancy tax reports and remittances for the months of April through September 2016 on time as required by legislation.

Mr. Ellis explained that the decision made by the board is not the final decision, but it is the recommendation that will be made to the Buncombe County Commission for further and final consideration. He also explained that penalties collected are directed to county schools and are not retained by the BCTDA.

Mr. Grier introduced himself and began to review the information that the board had previously received. He shared that he recently moved to Asheville from the Boston area and is new to the local business environment. He explained that his father had been running Yesterday Spaces, which includes two properties that are available for groups to rent, which is the source of the occupancy tax. Mr. Grier's father suffered a stroke in January 2016 and, after the stroke, he was very limited in his ability to run the business. In the meantime, Mr. Grier's brother worked in an attempt to manage operations in their father's absence until Arik was able to move to Asheville to help his family. During this challenging time, Mr. Grier's father entered hospice and later passed away on October 12, 2016.

In November, Mr. Grier met with Jennifer Durrett at Buncombe County Finance where, together they worked to fully identify and resolve the occupancy tax delinquencies. At that time, Mr. Grier paid \$1,571.40 for the taxes owed for the months of April through September 2016. Ms. Durrett noted that prior to this year, Yesterday Spaces had a very good payment history with only one late payment, which was paid along with the penalty shortly after it was due. She also stated that since she met with Mr. Grier in November, all subsequent payments have been received on time.

Mr. Froeba made a motion to approve the request made by Arik Grier with Yesterday Spaces to recommend to the Buncombe County Commission that the \$365.55 penalty assessed by the Buncombe County Finance Department be waived. Mr. Lockett seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

The CVB staff will forward all related documentation to the Buncombe County Commission for further and final consideration of the penalty waiver.

### **Fiduciary Task Force Update**

#### **Establishment of the 501(c)6 Organization**

Mr. Froeba thanked the committee for its hard work during the process of establishing the nonprofit organization, along with everyone's assistance in helping find new office space for the CVB.

Mr. Froeba said the Fiduciary Task Force met on January 23 to review the documents that will establish the nonprofit entity, and attendees included John Ellis, Himanshu Karvir, Bob Patel, Ron Storto, and himself. Paula Wilber and Jim Muth were not able to attend. Prior to the meeting, the full board received the Articles of Incorporation, the Incorporator Written Consent, the Organizational Written Consent, and the Nonprofit Bylaws. The committee reviewed each of these documents with BCTDA attorney Anna Mills. Based on that conversation, minor changes were made to the bylaws and redistributed to the board.

Mr. Froeba explained that the board will be voting to authorize the creation of and establish the board of directors for the nonprofit.

Before the board took action, Mr. Froeba emphasized a few important points:

- The nonprofit BCTDA and the governmental BCTDA will act as "one in the same" and will defer to governmental requirements for public records and open meetings.
- The board should also consider the occupancy tax revenues as controlled by the governmental entity and that the staff will work for the nonprofit.
- A difference between the two entities is the role of the Fiscal Agent and the Treasurer.
  - The enabling legislation establishes the Buncombe County Finance Director as the Fiscal Agent for the governmental BCTDA.
  - The nonprofit is required to establish a Treasurer, and Buncombe County rightfully will not assume that duty. The Fiscal Agent will continue in the current capacity of processing invoices and preparing financial reports. The Treasurer will approve CEO expense reports and chair the Finance Committee to oversee the preparation of the budget.

Mr. Froeba explained that there would be two actions taken today. The first vote establishes the nonprofit, and the second vote organizes the nonprofit. Voting to approve both motions also has the effect of approving the documents the board previously received.

Mr. Froeba asked if anyone had questions or comments before proceeding with the motions.

In response to Mr. McKibbon's question asking if the BCTDA would continue to operate on a fiscal year basis or move to calendar year, Ms. Brown said both entities will follow a July 1 to June 30 fiscal year.

Mr. Froeba made a motion that the members of the Buncombe County Tourism Development Authority vote to establish a nonprofit corporation created under Chapter 55A of the North Carolina General Statutes that is a tax-exempt organization under the Internal Revenue Code to further the authorized purposes of the Authority and to be signed by the Incorporator. John McKibbon seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

Mr. Karvir moved that the members of the Board of the Nonprofit vote to organize the Nonprofit pursuant to the Written Consent of the Board, as presented to the members of the board. Mr. Craig seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

The Organizational Written Consent document was circulated to all the board members in attendance to be signed.

Ms. Brown stated the next step will be having the attorney sign and date the documents and submit to North Carolina's Secretary of State for incorporation. Once the state recognizes the incorporation of the nonprofit, CPA Rufus Dollar will complete the paperwork necessary for federal filing with the IRS. She reminded the board that the CVB can work as a nonprofit organization even if the federal nonprofit status has not been fully attained by July 1, 2017.

### **Executive Director Report**

Ms. Brown shared that December was an exciting month as the CVB team moved forward creating the nonprofit organization and finalizing the winter advertising campaign that began running in several markets a few weeks ago.

Ms. Brown thanked the members of the Fiduciary Task Force for helping to meet an ambitious timeline after being notified that the CVB would be required to move out of the Asheville Area Chamber of Commerce building by June 30. She added the CVB team is looking forward to the move and creating a hub for tourism industry partners.

Ms. Brown announced the Asheville Independent Restaurant Association (AIR) board voted to approve a colocation arrangement with the Asheville CVB in its new space, along with the Asheville Buncombe Regional Sports Commission.

### **2016 Year-End Lodging Statistics**

Ms. Brown shared a PowerPoint presentation highlighting key numbers for the month of December. She pointed out that the year-end occupancy rate was 73.8 percent and Buncombe County topped the competitive set for performance for Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR).

Buncombe County room supply increased 4.4 percent and demand increased 5.7 percent, generating occupancy growth of only 1.3 percent. Two months of the year had a negative occupancy: May (-1.4%) and August (-1.5%), however, revenue growth was strong with ADR up 7.6 percent and RevPAR up 9 percent. Ms. Brown noted that the team is anxious for additional January numbers to come in because the current numbers for this month are lagging behind previous years. She also noted that, last year, the U.S. Cyclocross Championships were held in Asheville in January, which increased occupancy by 25 percent. She shared additional hotel statistics and answered all related questions.

In response to Mr. Lockett's question asking about the likelihood of Cyclocross returning to Asheville, Ms. Pierce said she will ensure it's on Mr. Bradford's radar to work to secure the event in future years when bids open. Ms. Brown added that the big sporting event for 2018 is the World Equestrian Games in Tryon and that Ms. Pierce is already working with hotels to book rooms.

### December Visitor Index

Ms. Brown directed everyone's attention to the Visitor Index, noting she previously covered hotel statistics. She shared that the sales team is pacing well for the month even though they are slightly behind on actualized business, however, are confident in pending sales leads that are likely to book. The marketing team has found additional ways to increase site traffic as campaigns have directed users to [ExploreAsheville.com](http://ExploreAsheville.com), which has materialized into a 20 percent increase in site traffic.

The December Visitor Index is on file with the Asheville Convention & Visitors Bureau and is posted on [AshevilleCVB.com](http://AshevilleCVB.com).

### December CVB Staff Recap and Quick List

The December CVB Staff Recap was not reviewed at this meeting, however, was provided to the board and is on file with the Asheville Convention & Visitors Bureau. The Quick List was briefly reviewed to reflect monthly statistics.

In response to Mr. Froeba's question inquiring about the decline in video views in December compared to the previous year, Ms. Tambellini said that in the last fiscal year, there was a significant holiday effort video push, whereas, this year recycled videos were used.

Ms. Brown's PowerPoint presentation is on file with the Asheville Convention & Visitors Bureau.

### **Public Affairs Update**

Ms. Kappes shared a PowerPoint presentation highlighting recent Public Affairs departmental activities. She began the update by announcing after several months of collaborative internal planning and development, a fully redesigned [AshevilleCVB.com](http://AshevilleCVB.com) website launched in January. Ms. Kappes noted this is a site/resource for tourism industry partners, whereas, [ExploreAsheville.com](http://ExploreAsheville.com) is used by consumers. She said the former BCTDA.org URL has been redirected to the new site and she provided an overview of the CVB and industry-specific information found on the pages. Resources include: the history of the BCTDA and occupancy tax along with a calendar of board meetings that includes links to agendas, minutes, financial statements, indexes and recaps. The site also includes sections to include CVB 101, Research and Reports, Sales and Marketing Efforts, News and Events, and community-related initiatives such as the TPDF process/history, event grant funding, workforce development efforts, and the wayfinding program. Ms. Kappes shared some screenshots of the old site in comparison and navigated through the new live site, highlighting the various sections and areas of interest.

Next, Ms. Kappes reviewed a few important dates coming up in the Public Affairs office:

- On Friday, February 24, from 1:30 to 3:00 p.m., the annual Hospitality Outlook will take place at the Diana Wortham Theatre. Chris Cavanaugh of Magellan Strategy Group will present an overview of tourism in Buncombe County and Chad Church with Smith Travel Research will give his annual performance report and a 2017 lodging forecast. There will also be a smaller investors reception/roundtable session with Chad Church scheduled following the event.
- On Friday, March 3, the CVB, in cooperation with the Asheville Buncombe Regional Sports Commission, will host a Southern Conference VIP reception at the U.S. Cellular Center.
- Upcoming CVB Partner Forums include one on Wednesday, March 22, entitled “What’s New with You,” to give partners an opportunity to share new services or programs that they are offering, and the Thursday, April 13 Partner Forum will focus on the economic impact of tourism.
- A half-day Tourism Summit with a guest speaker and breakout sessions will take place on Friday, May 12, at the Renaissance Asheville Hotel.

#### TPDF Update

Ms. Kappes reviewed a request received from the North Carolina Glass Center, the recipient of a \$200,000 TPDF grant in the 2015 funding cycle, for a three-month contract extension. She said the center was scheduled for an April opening but need a few extra months for completion. Ms. Brown stated she and Mr. Karvir attended a ribbon cutting recently for UNC Asheville, which is in the same building as this project, and that it is a great building that will provide impressive space for the NC Glass Center.

Ms. Ashburn made a motion to extend the deadline for the NC Glass Center as requested, allowing for construction completion by August 1, 2017. Mr. Luckett seconded the motion. There was no discussion and with all in favor, the motion carried 7-0.

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

#### Sales Update

Ms. Pierce provided an overview of the World Equestrian Games that will be held in Tyron, NC, September 10-23, 2018. She said representatives from the Charlotte, Greenville and Asheville CVBs gathered in Tyron to meet with key staff. It was noted ticket sales are expected to begin at the end of January. Ms. Pierce explained that the three cities represent the urban centers that are closest to the center of the games and will have key designated contacts to act as suppliers. Ms. Pierce said the World Equestrian Games are expecting over half a million people from 70 different countries and strong travel is expected for the entire month as visitors will tour other parts of the region while they attend the games. Ms. Pierce said the facilities are ready and the construction of two on-site hotels is expected to be completed prior to commencement of the event.

Ms. Pierce also reviewed recent Group Sales & Services departmental activities, with highlights including:

- The American Bus Association held its annual meeting January 14-17, where the team unveiled a new Asheville CVB motorcoach booth and helped sponsor the closing night events alongside Charlotte, host city for the event in 2018.
- The CVB sponsored the Meeting Professionals International Georgia Chapter Educational Lunch, along with partners from the Omni Grove Park Inn and Renaissance Asheville Hotel. Eighty people attended the event in Charlotte on January 17, 2017.
- Carla McGlynn attended the January 28-31 Financial and Insurance Conference Planners Association Summit and made sales calls in the Boston area.
- The Sales team was also recently in Raleigh for the Meeting Professionals International Carolina Central Chapter, and worked with the Renaissance Asheville Hotel to host the Professional Fraternity Executive Association.

### **Marketing Update**

Ms. Tambellini reviewed elements of the winter advertising campaign that launched in television markets on January 2, followed by the digital launch shortly thereafter. The Peak Perks promotion on [ExploreAsheville.com](http://ExploreAsheville.com) has garnered 29 transactions and 53 room nights booked with a large amount of activity coming from Travelzoo.

Ms. Tambellini noted the marketing team has finalized the spring television schedule and will share those details at a future meeting. Staff is working on an opportunity that recently presented itself to showcase Asheville's music scene via a Steep Canyon Rangers bus wrap that will be seen as the band tours across the country.

Ms. Tambellini said field work on the Ad Effectiveness and Return on Investment Study being completed by SMARI is expected to begin next week, and the full report will be presented to the board at the annual planning retreat in March.

### **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 U.S. Cellular Center was provided in the board books.

### **Buncombe County Commission Update**

Commissioner Belcher reported on county-related business, including a joint meeting with Asheville City Council, the commissioners' retreat scheduled in mid-February, and a meeting to hear capital and nonprofit funding requests that is scheduled in March. Commissioner Belcher also extended a thank you from County Manager Wanda Greene and Director of Finance Tim Flora for great communication during the CVB's transition to an independent organization.

Ms. Brown reciprocated by asking Commissioner Belcher to acknowledge her gratitude to Mr. Flora and Ms. Greene for the county's support and willingness to share resources that will be instrumental in coordinating a successful transition.



**Miscellaneous Business**

There was no miscellaneous business discussed at this meeting.

**Comments from the General Public**

There were no comments from the general public made at this meeting.

**Adjournment**

Mr. Ellis thanked everyone for attending and the meeting adjourned at 2:28 p.m. The BCTDA will next meet on Wednesday, February 22, 2017, at 9:00 a.m., in the Boardroom of the Asheville Area Chamber of Commerce.

Respectfully submitted,



Rachel Baumgardner, Operations Assistant