

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

Explore Asheville Convention & Visitors Bureau – 27 College Place, Asheville

Board Meeting Minutes

Wednesday, February 28, 2018

- Present (Voting):** Jim Muth, Chair; Gary Froeba, Vice Chair; Leah Ashburn, Andrew Celwyn, Chip Craig, Himanshu Karvir, John Luckett, John McKibbon, Paula Wilber
- Absent (Voting):** None
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
Asheville City Councilmember Julie Mayfield
- Absent (Ex-Officio):** None
- BC Finance:** Blair Chamberlain
- Advertising Agency:** No one was present from the Peter Mayer Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Glenn Cox, Pat Kappes, Dianna Pierce, Jonna Reiff, Cat Kessler, Sarah Kilgore, Sarah Lowery, Dodie Stephens, Jason Tarr, Landis Taylor, Elizabeth White
- CVB Staff Absent:** None
- Guests:** Paul Ouimet, NEXTFactor Enterprises, Inc.
Chris Cavanaugh, Magellan Strategy Group
Carleton Metcalf, Van Winkle Law Firm
Kit Cramer, Asheville Area Chamber of Commerce
Sally Ashworth, Visit Lake Norman
Jane Anderson, Asheville Independent Restaurant Association
Meghan Rogers, Asheville Downtown Association
John Ellis, BCTDA Finance Committee
Jason Sandford, Ashvegas
Dave Nutter, Monica Crase; General Public

Executive Summary of Meeting Minutes

- Chairman Muth called the joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, to order at 9:03 a.m.
- Minutes from the January 31, 2018 BCTDA meeting were approved with a 9-0 vote.

- The January 2018 financial reports were reviewed and approved with a 9-0 vote.
- In her President's Report, Ms. Brown reviewed recent CVB and industry activities and metrics.
- Ms. Kappes provided a TPDF update on the 23 projects currently under active contract. She also reviewed a timeline for the 2018 TPDF funding cycle.
- Paul Ouimet shared a PowerPoint presentation highlighting the DestinationNEXT process that the BCTDA will soon embark upon.
- Chris Cavanaugh shared a PowerPoint presentation in which he outlined the leanings gleaned from a market research/focus group initiative he coordinated for the CVB.
- Updates from Asheville City Councilwoman Julie Mayfield and Buncombe County Commissioner Joe Belcher were heard.
- A closed session of the BCTDA took place to discuss a legal challenge associated with the Haywood Street Congregation's Tourism Product Development Fund (TPDF) grant. When the board returned to open session, a motion to defer action on the grant and to direct the board's attorney to develop additional TPDF guidelines was approved with a 6-1 vote.
- The joint meeting of the BCTDA, Public Authority and Nonprofit Corporation, adjourned at 12:27 p.m.

Call of the Joint BCTDA Meeting to Order

Chairman Muth called the joint meeting of the Buncombe County Tourism Development Authority (BCTDA), a Public Authority and BCTDA, a Nonprofit Corporation, to order at 9:03 a.m. and welcomed everyone. The guests in attendance introduced themselves.

Chairman Muth congratulated Ms. Ashburn for being a James Beard Award finalist and Mr. Craig for successfully finishing his 19th Mount Mitchell Challenge.

Approval of Meeting Minutes

Mr. McKibbin made a motion to approve the January 31, 2018 regular meeting minutes as presented. Ms. Ashburn seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

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

Financial Reports

January 2018 Financial Reports

Ms. Chamberlain reviewed the January 2018 financial reports.

Occupancy tax revenue received in January for December sales totaled \$1,469,706. January expenditures totaled \$481,945. YTD revenue exceeded expenditures (including appropriated fund balance) by \$3,807,343 and includes seven months of expenditures and six months of revenue. January expenditures for Administration: \$5,325; Professional Services/Contract: \$168,778; Staff & Facilities: \$9,855; Net Media: \$100,941; Motorcoach Sales: \$2,351; Meetings and Conventions: \$20,652; Convention Services: \$2,988; Marketing/Public Affairs: \$834; Marketing/Public Relations: \$12,621; International: \$710; Public Affairs: \$428; Event Grants Program: \$2,000.

There is currently \$2,263,270 in undedicated funds in the Tourism Product Development Fund (TPDF).

Ms. Chamberlain said 22 additional occupancy tax remitters signed up to submit payments and reports online last month, which she credited to the letters that were sent out in January.

Mr. Karvir made a motion to approve the January 2018 financial reports as presented. Mr. Lockett seconded the motion. There was no discussion and with all in favor, the motion carried 9-0.

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

President's Report

Ms. Brown briefly reviewed recent industry metrics and activities. Highlights from her report included:

- The sold-out FedCup, or "World Cup of Women's Tennis" event, was a huge success for Asheville that garnered significant international media coverage and high praise from USTA organizers and tennis pro sisters Venus and Serena Williams. Ms. Brown credited Chris Corl, Demp Bradford along with CVB staff, their teams and the 130 volunteers for making it happen.
- In addition to Southern Conference beginning at the US Cellular Center on Thursday, the Big South Conference will be played this weekend at UNC-Asheville.
- Noting that the fiscal year is halfway through, Ms. Brown reviewed select numbers from the Visitor Index and Quick List, along with key happenings from the Staff Recap.
- The Hospitality Outlook will take place tomorrow at the Holiday Inn Asheville-Biltmore West. A comprehensive view of lodging combining STR and AirDNA data will be presented by Chad Church from Smith Travel Research.

A discussion related to trends in local business during the winter months took place.

CVB Staff Recap, Visitor Index & Quick List

The Staff Recap, Visitor Index and Quick List are posted on ExploreAshevilleCVB.com.

Chairman Muth thanked Ms. Brown for the report and said he looks forward to attending tomorrow's Hospitality Outlook.

TPDF Annual Report

Ms. Kappes shared a presentation highlighting the current status of projects that have been awarded grants via the Tourism Product Development Fund (TPDF). She said that since the creation of the TPDF in 2001, the BCTDA has invested \$34.5 million in 34 projects; 23 of which are in active contract in either planning, construction, or reporting phases. Ms. Kappes noted all active TPDF projects are required to submit reports on an annual basis, with updates related to construction, timeline, marketing plans, room night generation, visitation and other metrics being due to CVB staff on January 15 of each year. She added reports are received starting a year after the grant is awarded and continue for 3-4 years following project completion.

During her presentation, Ms. Kappes provided an overview of the three projects awarded funding in 2017, along with updates on 10 projects currently in development/under construction and 10 projects that have been completed and are in the reporting phase. She referred to the full written report that was provided in the board books and encouraged board members to review it for additional details on the projects.

Next, Ms. Kappes said grant contracts include a clause for the BCTDA/lodging industry to receive recognition for TPDF funding and shared examples of how some organizations have provided such acknowledgement. She then shared photos of recent “big check” presentations, which occur at project openings or ribbon cuttings.

Ms. Kappes said the 2018 TPDF funding cycle will launch on Wednesday, April 11, 2018, with a public information session held in the Explore Asheville Board Room. Phase 1 applications will be due on June 6 and awards will be approved and announced in October. A timeline, application, and the full set of criteria and instruction materials may be found at AshevilleCVB.com/tpdf2018/.

Ms. Kappes then gave an update on a collaborative effort between the City of Asheville, Buncombe County, and the BCTDA to improve signage and accessibility to public parking downtown, which will increase due to the opening of the county’s new parking garage adjacent to the HHS building.

During and after her presentation, Ms. Kappes answered all related questions.

Chairman Muth thanked Ms. Kappes for her report, adding he understands it’s a tremendous amount of work to keep up with so many projects.

The PowerPoint presentation and the written annual report are on file with the Explore Asheville Convention & Visitors Bureau.

DestinationNEXT Introduction

Chairman Muth introduced Paul Ouimet of NEXTFactor Enterprises, Inc. He noted that in cooperation with Destinations International, Mr. Ouimet and his team have completed 146 DestinationNEXT detailed assessments in 11 countries.

Mr. Ouimet shared a PowerPoint presentation highlighting the vision of the DestinationNEXT program, which is to provide destination organizations with a powerful assessment tool and practical actions and strategies for sustainable success in a dramatically changing world. He said there are two components, and reviewed the elements associated with the Futures Study and Scenario Model & Assessment Tool. Mr. Ouimet said that next week, the CVB staff will send the survey to key industry leaders, stakeholders and partners, clients, elected officials, organizations, and members of the public to complete. He added the goal of these diagnostic tool surveys is to complete an objective self-assessment to help identify priorities and strategies for the future of the destination.

Mr. Ouimet will return to Asheville and lead a half-day discussion at the March annual planning retreat focusing on the results and next steps.

Mr. Ouimet answered questions throughout the presentation and concluded by saying he looks forward to seeing the board next month when he will share the results of the DestinationNEXT survey.

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

Focus Group Report

Chris Cavanaugh, President of Magellan Strategy Group, was contracted by the BCTDA to coordinate a market research initiative. The goal of this effort was to gain insights about what inspires travelers to place certain destinations in their consideration set and what components compel them to seek more information about those destinations. The focus groups also provided an opportunity to get feedback on current advertising creative. Mr. Cavanaugh shared a PowerPoint presentation outlining the methodologies related to the in-person focus groups in Washington D.C., Cincinnati and Atlanta, and an online group of Southeast participants from North Carolina, Tennessee, South Carolina, Georgia and Florida.

Mr. Cavanaugh reviewed the results of the focus groups, which centered on how travelers view destination advertising, feedback on advertising creative, use of media channels, and variances in feedback received by market, age-related and socio-economic groups.

Mr. Cavanaugh concluded his presentation by sharing a list of insights learned from the research and answered all related questions. A brief discussion centering on the results of his report took place.

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

Asheville City Council Update

Councilwoman Mayfield reported on city-related business, including: the reaffirmation of the City of Asheville's 20-year strategic plan at Asheville City Council's recent retreat, Council's new emphasis on equity, the development of a human relations commission, workforce development efforts, economic mobility, affordable housing, and increased partnerships with Buncombe County. She added the City of Asheville is applying for \$17.5 million in MPO funding for bike, pedestrian, and transit initiatives, with applications due in March and a decision anticipated to be received in May or June.

Chairman Muth thanked Councilwoman Mayfield for the update.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including: the County is also applying for MPO funding, the use of positive messaging, the joint effort for increased downtown parking availability and better signage, an app to see where spaces are available, library expansions, and progress on the Enka ball fields.

Chairman Muth thanked Commissioner Belcher for his report.

Miscellaneous Business

Mr. Karvir said the Economic Development Coalition will be making a big announcement tomorrow and invited everyone to attend if they can before the Hospitality Outlook. He

added an inter-city visit to Savannah is being planned by the Asheville Area Chamber of Commerce in May and encouraged anyone interested in attending to register on the chamber's website.

Ms. Tambellini said the Blue Ridge Parkway is hosting an open house tomorrow at the Folk Art Center from 4-7 p.m., and everyone is invited.

Comments from the General Public

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

Closed Session

Pursuant to Section 143-318.11 (a) (3) of the North Carolina General Statutes, Mr. Froeba made a motion that the Buncombe County Tourism Development Authority enter into a closed session to consult with the board's attorney to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action. Ms. Ashburn seconded the motion. A vote was taken and with all in favor, the motion carried 9-0.

Attorney Metcalf, BCTDA board members and Explore Asheville senior staff members, except for Mr. Cox, stayed for the closed session. Everyone else in attendance exited the room and the closed session began at approximately 11:25 a.m., after a full-board photo was taken.

Attorney Metcalf said the reason for today's closed session is to follow-up on the legal challenge issued by the Freedom from Religion Foundation (FFRF) related to the constitutionality of the BCTDA awarding a Tourism Product Development Fund (TPDF) grant to the Haywood Street Congregation for a fresco that would be painted inside the church. He said based on the BCTDA's direction in November, he sent a letter to the FFRF outlining the process the TPDF committee followed and how the project clearly met funding criteria. Attorney Metcalf said he has since had follow-up communications with the organization's attorney and then shared different options available to the BCTDA related to next steps in determining the status of the Haywood Street grant.

A lengthy conversation centering on the different options offered by Attorney Metcalf took place. In the end, the BCTDA decided to defer action at this time on the grant and directed Attorney Metcalf to work with staff to develop a set of guidelines that will be applied to this and future grants in relation to TPDF funding.

When the discussion ended, Mr. Froeba moved to go back into open session. Mr. Karvir seconded the motion and with all in favor, the closed session ended at 12:26 p.m. and the BCTDA returned to open session.

Open Session

Mr. Froeba moved that the BCTDA defer further action on the Haywood Street Congregation grant and develop a set of guidelines. Mr. Karvir seconded the motion. There was no discussion and the motion carried 6-1, with Mr. Celwyn opposed. Mr. McKibbon and Ms. Wilber were absent at the time the vote was taken.

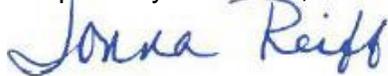
Closed Session Update: On March 1, 2018, Explore Asheville CVB President & CEO Stephanie Brown received a letter from Haywood Street Congregation's Executive Director, Laura Kirby, officially withdrawing the church's request for TPDF funding. With this development, the matter with the Freedom from Religion Foundation is, in effect, settled. The closed session minutes from this meeting are, therefore, public and included in this document.

Adjournment

Chairman Muth thanked everyone for attending and the meeting adjourned at 12:27 p.m.

The BCTDA will next meet Thursday and Friday, March 22-23, 2018, beginning at 8:30 a.m., for its Annual Planning Retreat followed by the March board meeting, at The Omni Grove Park Inn.

Respectfully submitted,



Jonna Reiff, Executive Operations Manager