
Buncombe County Tourism Development Authority
Asheville Area Chamber of Commerce

Board Meeting Minutes
Wednesday, June 28, 2017

- Present (Voting):** Paula Wilber, Chair; Leah Ashburn, Chip Craig, John Ellis, Gary Froeba, Himanshu Karvir
- Absent (Voting):** Jim Muth, Vice Chair; John Luckett, John McKibbon
- Present (Ex-Officio):** Buncombe County Commissioner Joe Belcher
Asheville City Councilwoman Julie Mayfield
- Absent (Ex-Officio):** None
- BC Finance:** Jennifer Durrett
- Advertising Agency:** No one was present from the Peter Mayer Agency
- CVB Staff:** Stephanie Brown, Marla Tambellini, Dianna Pierce, Jonna Reiff, Pat Kappes
- CVB Staff Absent:** Glenn Cox, Tom Roberson
- Guests:** Kit Cramer, Asheville Area Chamber of Commerce
Bob McMurray, Black Mountain-Swannanoa Chamber of Commerce
Wanda Greene, Buncombe County Manager
Robert Foster, DoubleTree by Hilton Asheville - Biltmore and TPDF Committee Chair
Woodfin Mayor Jerry VeHaun, Marc Hunt, Rick Lutovsky, Jason Young, Karla Furnari, Josh O'Connor; Woodfin Greenway & Blueway Project
Cathy Ball, Sam Powers, Stephanie Monson Dahl; City of Asheville
Jane Anderson, Asheville Independent Restaurant Association
Demp Bradford, Asheville Buncombe Regional Sports Commission
Tina Kinsey, Asheville Regional Airport
Kaitlyn Srey, CAYLA Intern
Andrew Celwyn, Herbiary
Jason Sandford, Ashvegas

Executive Summary of Meeting Minutes

- Chairwoman Wilber called the public budget hearing to order at 10:09 a.m., and with no one requesting to discuss the proposed budgets, the hearing closed and the regular meeting of the BCTDA began.
- Chairwoman Wilber and Ms. Brown thanked and recognized Wanda Greene, who is retiring on June 30, for her 20 years of service as Buncombe County Manager.
- Minutes from the May 31, 2017 BCTDA meeting were approved with a 6-0 vote.
- The May 2017 financial reports were reviewed and approved with a 6-0 vote.
- A budget resolution, in the amount of \$15,000 to move funds from Earned Revenue to event support lines in the budget, was approved with a 6-0 vote.
- In her Executive Director report, Ms. Brown highlighted recent CVB activities and metrics. She gave an update on the move and said Chairwoman Wilber's extraordinary service as chair will be recognized at the next BCTDA meeting.
- An ordinance adopting the BCTDA's FY 2017-18 Operating, Tourism Product Development Fund Administrative, and Earned Income budgets was approved with a 6-0 vote.
- Ms. Kappes provided an update on the 2017 TPDF funding cycle. Eight applications were received in Phase I, and four met the criteria and were invited to move onto Phase II.
- In a unanimous vote, utilizing the TPDF's Major Works Pathway funding mechanism, the BCTDA approved the TPDF committee's recommendation to fund the Greenway and Blueway project as submitted by the Town of Woodfin and Buncombe County in the amount of \$2.25 million.
- Following a presentation by the City of Asheville, and based on a recommendation of the TPDF committee, the BCTDA approved, in a 6-0 vote, requested changes to the three TPDF grant contracts related to the Riverfront Redevelopment initiative. Elements of the previously approved projects were removed due to significant increases in construction costs. The City and CVB worked collaboratively to reach a proposed resolution.
- Updates from Asheville City Councilwoman Julie Mayfield and Buncombe County Commissioner Joe Belcher were heard.
- Mr. McMurray shared an item under Miscellaneous Business.
- Under Comments from the General Public, several meeting attendees introduced themselves and offered tourism-related comments and/or thanked the BCTDA for its support.
- The meeting adjourned at 11:32 a.m.

Call of Public Budget Hearing & BCTDA Meeting to Order

Chairwoman Wilber opened the public budget hearing at 10:09 a.m. and welcomed everyone. She said budget documents were provided at the back of the room and invited questions pertaining to the Buncombe County Tourism Development Authority's (BCTDA) proposed FY 2017-18 Operating, Tourism Product Development Fund Admin, and Earned Revenue budgets. As no one in attendance at the meeting requested to be heard, Chairwoman Wilber closed the public budget hearing at 10:10 a.m. and called the regular monthly meeting of the BCTDA to order.

Recognition of County Manager Wanda Greene

Chairwoman Wilber said it is an honor to have outgoing County Manager Wanda Greene present at today's BCTDA meeting. She and Ms. Brown formally recognized Ms. Greene for serving as county manager for the past 20 years and for being a great partner with the BCTDA during her tenure. Ms. Brown specifically extended her gratitude for working with her over the past five years since she moved to the area, especially acknowledging her assistance this year in coordinating the CVB's move to a new location. Ms. Greene thanked everyone for the recognition and said she was grateful for the partnerships that have been developed during her time as county manager. She said the County will continue to be in good hands and a round of applause for Ms. Greene was received.

Chairwoman Wilber said Ms. Greene will be missed and he was presented with a bouquet of flowers.

Approval of Meeting Minutes

Mr. Ellis made a motion to approve the May 31, 2017 regular meeting minutes as presented. Mr. Karvir seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

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

Financial Reports

May 2017 Financial Reports

Ms. Durrett reviewed the May financial reports. Occupancy tax revenue received in May for April sales totaled \$1,256,037. May expenditures totaled \$851,400. YTD revenue exceeded expenditures by \$3,781,327 and includes eleven months of expenditures and ten months of revenue. May expenditures for Tourism Administration: \$86,116; Professional Services: \$187,778; General Tourism (excludes media buys): \$78,468; Net Media: \$334,569; Motorcoach Sales: \$1,357; Meetings and Conventions: \$38,119; Convention Services: \$10,076; Marketing/Public Relations: \$23,976; International: \$222; Public Affairs: \$17,627; Event Grants Program: \$7,063. There is currently \$2,990,617 in undedicated dollars in the Tourism Product Development Fund (TPDF).

Revenue Summary: April operating (75%) collections equaled \$1,256,037, and TPDF (25%) collections totaled \$418,679.

Ms. Durrett then reported on the number of properties delinquent on submitting occupancy tax reports and payments.

Ms. Durrett said the Buncombe County Finance Department (BCF) has been testing and troubleshooting the online occupancy tax payment portal, which should be rolling out soon. She said once everything is running smoothly, a letter will be emailed to all registered accommodations establishments, letting them know that occupancy tax reports and remittances may now be submitted online.

Chairwoman Wilber thanked Ms. Durrett for her hard work over the past year, especially related to the CVB's transition to become an independent organization, the information portal, and improved financial statements.

Mr. Froeba made a motion to approve the May 2017 financial reports as presented. Mr. Craig seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

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

Budget Resolution

Ms. Durrett reviewed the budget resolution provided in the board books to increase two lines in the current year budget from earned (non-occupancy tax) revenue. Ms. Brown said the earned revenue received from advertising and bookings on ExploreAsheville.com has been a valuable resource and has enabled the CVB to support several community events, such as Expandfest, the ASAP Farm Tour, and an upcoming WomanUp event. She said area partners have been very appreciative of the BCTDA's support and another review cycle will begin in August to approve 2018 calendar year festival and cultural events grants.

Ms. Ashburn made a motion to approve the budget resolution in the amount of \$15,000 as presented, transferring dollars from the Earned Revenue line to the Festival and Cultural Event Support (\$8,000) and Other Event Support (\$7,000) lines in the budget. Mr. Luckett seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

The budget resolution will be executed by Chairwoman Wilber and kept on file with the Buncombe County Finance Department and the Asheville Convention & Visitors Bureau.

Executive Director Report

May CVB Staff Recap

Ms. Brown reviewed highlights from the May CVB Staff Recap, including insights related to recent market trends along with statistics from the Visitor Index. She added she recently shared a report received from Airbnb with the board and will present data from other research reports that have been received at a future meeting. Ms. Brown said she has also asked the Peter Mayer team to do a comparative analysis of the Savannah and Charleston markets.

Chairwoman Wilber said she would like to see a breakdown and analysis of accommodations sales by segment at the August meeting after fiscal year-end sales figures are received. A brief discussion centering on vacation rentals took place.

Ms. Brown said this is Chairwoman Wilber's last meeting as BCTDA chair and her extraordinary leadership, which included transitioning the CVB to become an independent organization, will be recognized at next month's meeting. Chairwoman Wilber said it's been an honor and privilege to serve as chair and that this is the best board she's ever had the pleasure to work with. She added she will continue to serve on the BCTDA for another year through to the end of her second term.

Ms. Brown gave an update on the CVB's move, stating that the new building will not be ready on June 30 as planned and that the staff has been given a two-week extension to remain in its current space in the Asheville Chamber. She added moving day is now scheduled for July 14, however, the Asheville CVB will officially transition to the new Explore Asheville independent organization effective on July 1, 2017.

Ms. Brown answered all related questions and said that concluded her report.

The May Recap is on file with the Asheville Convention & Visitors Bureau and is posted on AshevilleCVB.com.

May Visitor Index

The May Visitor Index was not reviewed at this meeting, however, it was provided to the board in advance and is posted on AshevilleCVB.com.

May CVB Quick List

The May Quick List provides the most up-to-date perspective on hotel metrics and was provided in the board books.

Chairwoman Wilber thanked Ms. Brown and the CVB staff for their support of the industry and encouraged everyone to read the monthly Recap and Index reports.

Approval of Proposed BCTDA FY 2017-18 Operating Budget, Tourism Product Development Fund Admin Budget, and Earned Revenue Budget Ordinance

Chairwoman Wilber said the proposed FY 2017-18 BCTDA budgets were presented and discussed in detail at last month's meeting. She thanked the members of the finance committee and the CVB staff who have been involved in the preparation of the three budgets.

As chair of the BCTDA's finance committee, Mr. Ellis asked everyone to turn to the budget ordinance that was provided in the board books. He said the ordinance is the official document that needs to be approved to adopt the Operating, TPDF Admin, and Earned Revenue budgets. Mr. Ellis said the finance committee has provided direction to staff and reviewed the budget throughout the planning process and recommends approval of the ordinance. He added no changes have been made to the budgets since they were presented to the board at the May 31 meeting.

On behalf of the BCTDA's finance committee, Mr. Ellis moved to approve the budget ordinance as presented, adopting the FY 2017-18 Operating Budget in the amount of \$16,170,721, the Tourism Product Development Fund Admin Budget in the amount of \$181,950, and the Earned Income Budget in the amount of \$115,000. Mr. Froeba seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

In response to Councilwoman Mayfield's question asking about the estimated total available for TPDF projects in FY 2017-18 outside of the TPDF Admin Budget, Ms. Brown responded that \$5.5 million is projected, although that amount can be impacted by many variables such as lodging sales and projects funded outside of the normal funding cycle.

The budget ordinance and related budget documents will be executed and kept on file with the Asheville Convention & Visitors Bureau and Buncombe County Finance Department.

Tourism Product Development Fund

2017 Funding Cycle Update

Directing the BCTDA's attention to the list provided in the board books, Ms. Kappes gave an update on the 2017 Tourism Product Development Fund application cycle. She said following the information session that took place in April, eight applications totaling just over \$4.5 million were received in Phase I of the grant evaluation process. The TPDF committee met on June 21 to review the applications submitted and four were identified to move onto Phase II, totaling \$2,072,500. The four projects invited to submit a full application in the next round include: Black Mountain College Museum + Arts Center (\$200,000), Haywood Street Congregation (\$72,500), LEAF Community Arts (\$1,000,000), and the Organic Growers School (\$800,000).

Ms. Kappes gave a brief overview of each project and said Phase II applications are due on August 30, 2017. She said next steps will include a thorough review of the applications, formal presentations, follow-up questions and site visits, leading to funding recommendations being made by the TPDF committee to the BCTDA at the October 25, 2017 meeting.

Major Works Pathway - Woodfin Greenway & Blueway Project

Mr. Robert Foster, Chair of the TPDF committee, said that last October, the Town of Woodfin and Buncombe County came before the BCTDA to present the first fully-realized TPDF Major Works Pathway project funding request, utilizing a tool approved by the board in 2015 that allows projects meeting specific criteria to be reviewed outside of the regularly scheduled annual funding cycle. He said he appreciated the board referring the project to the committee for a comprehensive review. Mr. Foster said the Woodfin/Buncombe County team submitted a complete application and presented the full scope of the project to the TPDF committee in April, and the review process followed the same steps as every other grant application to include a data review, follow-up questions and a site visit. Mr. Foster said this was a very well-prepared application submitted by the Town of Woodfin and Buncombe County and following the review, the TPDF committee unanimously voted to recommend funding of the project in the amount of \$2.25 million to the BCTDA. He noted the five miles of connected greenway, including three on the river and 1.5 miles through a woodland area, in addition to the whitewater wave, will not only generate room nights, but will provide an economic stimulus to the Woodfin area while greatly benefiting the local community. Mr. Foster said after discussing options with staff based on dollars available this year and other applications under consideration, the TPDF committee recommends funding the requested amount in one grant/contract versus spreading it out over multiple years.

Chairwoman Wilber said a lot of time and effort go into evaluating the merits of TPDF projects and she thanked Mr. Foster and the committee for the thorough review and for bringing this recommendation before the BCTDA. Several other members of the board expressed their gratitude to the committee, as well.

Mr. Karvir made a motion to approve the Town of Woodfin and Buncombe County's Greenway and Blueway project as recommended by the TPDF committee in the amount of \$2.25 million. Mr. Froeba seconded the motion. There was no discussion and with all in favor, the motion carried 6-0.

Chairwoman Wilber thanked everyone and said she looks forward to the project moving forward.

Riverfront Redevelopment Project Contract Amendment

Mr. Foster said the City of Asheville recently presented a proposal to the TPDF committee to amend its three existing TPDF project contracts related to the Riverfront Redevelopment initiative. He said that when faced with significantly higher construction costs, they did a phenomenal job of developing a workable solution to continue moving forward with development plans while maintaining key tourism-related project elements in the overall scope.

Stephanie Monson Dahl, Strategic Development Director with the City's Community & Economic Development department, said the City of Asheville has the same goal in mind as the Town of Woodfin and Buncombe County: to make the community a better place in which to live and visit. She said that today the City of Asheville is asking the BCTDA to consider an amendment to the three TPDF project contracts that were approved in previous funding cycles. She noted Assistant City Manager Cathy Ball, Director of Community & Economic Development Sam Powers, Councilwoman Julie Mayfield, and CAYLA intern Kaitlyn Srey were all present today representing the City.

Ms. Dahl reviewed what was included in the three TPDF contracts totaling \$3.5 related to Riverfront Redevelopment efforts. She said the East Bank Connection to the French Broad River Greenway, the Clingman Forest Greenway, the Town Branch Greenway and the French Broad River Greenway – West items have been postponed, and TPDF funds originally allocated for these items will be reallocated to other core greenway sections in the River Arts District. Total TPDF support will remain at \$3.5 million and original room night projections have not changed.

Ms. Brown said the contracts would be rewritten to include the change in scope and timing to allow payments to be made for items already completed or near completion. Ms. Dahl shared photos of the progress of the ongoing redevelopment efforts to date along with planned future changes and a grand opening celebration. Ms. Dahl ended the presentation by stating at last night's meeting, Asheville City Council approved the changes to the project as presented. She said today the City is requesting the BCTDA consider the contract amendment so that the project may continue moving forward.

Councilwoman Mayfield provided insight on the timing of the request, everyone's surprise at the significantly higher construction costs, a minor change Council recommended staff consider related to the width of a greenway, public processes, and the possible future funding of elements removed from the current project scope.

Ms. Brown said that before the TPDF committee's recommendation is heard, she wanted to provide some clarity on the elements that will not be completed that were included in the original contracts. She said the Town Branch Greenway, the Bacoate Branch Greenway (formerly named the Clingman Forest Greenway), the French Broad River Greenway West Bank, and a bike lane and sidewalk will be removed from the current project scope.

Ms. Ball commended the CVB staff and BCTDA for working collaboratively with the City of Asheville to help craft and arrive at this recommendation that will allow the continued progress of the Riverfront Redevelopment effort. She specifically said the exemplary efforts of Ms. Brown, Ms. Tambellini and Ms. Kappes to help bring this resolve was

greatly appreciated. Mr. Ellis commented that this is both a great problem, and, a great solution.

A discussion took place centering on details and challenges associated with the project. Chairwoman Wilber said she was pleased to see the collaboration between the City and BCTDA/CVB on this project over the past two years.

Mr. Foster said that after fully vetting the changes to the project as outlined in the memorandum from the City dated June 15, 2017, the TPDF committee voted at its June 21 meeting to recommend to the BCTDA that the changes be approved as requested.

Mr. Ellis made a motion to accept the TPDF committee's recommendation to amend the City of Asheville's three Riverfront Redevelopment grant contracts to include the changes in scope as outlined in the formal request memorandum and today's presentation. Mr. Froeba seconded the motion. There was no further discussion and with all in favor, the motion carried 6-0.

The CVB will work with the City of Asheville to amend the contracts to be executed as appropriate. The PowerPoint presentation and Memorandum from the City of Asheville outlining the project changes are on file with the Asheville Convention & Visitors Bureau.

Asheville City Council Update

Councilwoman Mayfield reported on city-related business, including the adoption of the FY 2017-18 budget, a significant budgetary increase to improve the transit system, a survey to provide input on the draft of the city's comprehensive plan, and the redistricting bill that was passed yesterday by the House to divide the city into six voting districts. She provided a lengthy description of the bill and the city's stance and plans regarding it and answered all related questions.

Chairwoman Wilber thanked Councilwoman Mayfield for the update.

Buncombe County Commission Update

Commissioner Belcher reported on county-related business, including County Manager Wanda Greene's retirement and the subsequent appointment of Mandy Stone to fill that role, upcoming Commission work sessions in July, the passage of the FY 2017-18 budget, costs associated with the new HHS building, tax rates, affordable housing, and Buncombe County's support for the Lee Walker Heights development over the next four years (which will be matched by the City of Asheville, per Councilwoman Mayfield).

Chairwoman Wilber thanked Commissioner Belcher for the report.

Miscellaneous Business

Mr. McMurray said a Western Carolina Rail Conference is scheduled in September, and due to changes in railroad ownership, there may be many changes to the future of commuter and excursion rail service.

Comments from the General Public

Demp Bradford said he has been in his position as Executive Director of the Asheville Buncombe Regional Sports commission for a year now, and thanked the BCTDA board, CVB staff and City and County for their support. He said an invitation to a July 29 luncheon event to kick-off the Spartan Race will be forthcoming and asked the board to save the date.

Kaitlyn Srey introduced herself as the high school intern with the City of Asheville's Youth Leadership Academy who is interning this summer with the Asheville Area Chamber of Commerce and Explore Asheville. She is a rising senior at Clyde A. Erwin High School and is interested in working in the hospitality and hotel industry after she finishes school. Commissioner Belcher and Ms. Dahl gave additional information related to the CAYLA program and encouraged all employers to get involved in this worthwhile effort.

Woodfin Mayor Jerry VeHaun, Marc Hunt, Rick Lutovsky, Josh O'Connor, and Karla Furnari thanked the BCTDA members for their support of the Woodfin project.

Mr. Lutovsky said a Sister City event is taking place at Highland Brewing Company on September 10.

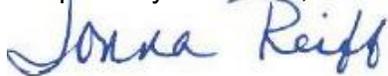
Tina Kinsey with Asheville Regional Airport said the airport has seen record passenger utilization numbers for the past three years. She added the parking garage that is currently under construction should be open before Thanksgiving.

Adjournment

Chairwoman Wilber encouraged everyone to attend the BCTDA's annual meeting, which will be held at The Omni Grove Park Inn on Wednesday, September 13. She added Ms. Brown will be speaking at the Leadership Asheville Buzz Breakfast series focusing on growth the morning of July 26 at the Crowne Plaza. Ms. Brown noted the BCTDA is a sponsor of the series and seats at the CVB's table are still available if anyone would like to attend. Ms. Brown added Mr. McKibbon will be on the panel for the August 23 event.

Chairwoman Wilber thanked everyone for attending the BCTDA's final meeting in the Chamber building. She said it has been an honor and privilege serving as the BCTDA's chair for the past two years. Chairwoman Wilber added she looks forward to continuing to be on the board for another year. The meeting adjourned at 11:32 a.m. and the BCTDA will next meet on Wednesday, July 26, 2017, at 10:00 a.m., in the Boardroom of the new Explore Asheville building at 27 College Place. *(Note: The July 26 meeting was later canceled due to delays associated with the CVB's relocation to the new building. The next BCTDA meeting will be on Wednesday, August 30, 2017, at 9:00 a.m., at 27 College Place.)*

Respectfully submitted,



Jonna Reiff, Executive Operations Manager