



NORTH CAROLINA TRAVEL AND TOURISM BOARD

MEETING MINUTES

May 14, 2013

BOARD MEMBERS PRESENT: Sabrina Bengel, Rolf Blizzard, Donna Carpenter, Robert Danos, Denny Edwards, Sen. Ralph Hise, Kim Hufham, Randy Kolls, Lynn Lewis, Tammy O'Kelley, Vinay Patel, Jessica I. Roberts, Art Schools, Steve Thanhauser, Chris Valauri, Mitzi York

BOARD MEMBERS ABSENT: Randy Cobb, Teresa Damiano, Secretary Sharon Decker, S. Lewis Ebert, Rep. Susi Hamilton, Chris Humphrey, Robert O'Halloran, Jamie Reibel, Leonard Rigsbee, Sen. Norman Sanderson, Paula Wilber

LIAISONS, STAFF AND GUESTS PRESENT: Sally Ashworth, Josh Bass, Peggy Brookhouse, Vince Chelena, Karen Cochran, Karin Cox, Steve Dunkley, Scott Gilmore, Bryan Gupton, Nicolle Jones, Ashlee Kirk, Mike Martine, Margo Metzger, Lynn Minges, Melissa Riggle, Aaron Syrett, Marlise Taylor, Wit Tuttell, T. Jerry Williams

CALL TO ORDER

Chairman Rolf Blizzard called the meeting to order at 11:04 a.m.

COMMENTS AND INTRODUCTIONS FROM THE CHAIRMAN

Rolf Blizzard welcomed and thanked everyone for attending. He also thanked those that attended the Legislative Breakfast. Blizzard introduced the new board members including Governor McCrory's appointees Sabrina Bengel, Art Schools, and Vinay Patel; President Pro Tem Phil Berger's appointees Sen. Norm Sanderson, Chris Humphrey, and Robert Danos; and Speaker of the House Thom Tillis' appointees Jessica Roberts, Chris Valauri, Tammy O'Kelley, and Rep. Pat McElraft. Blizzard then read aloud the Ethics Statement in accordance with Executive Order No. 35.

MINUTES APPROVED

Sabrina Bengel motioned to approve the February 12, 2013 meeting minutes. The motion was seconded by Randy Kolls and unanimously approved.

COMMENTS BY LEGISLATORS AND INDUSTRY PARTNERS

Rolf Blizzard recognized the legislators present and asked for any comments and reports.

Sen. Ralph Hise discussed several legislative issues indicating the current focus was on tax reform, because the revenue system no longer meets North Carolina's needs. Sen. Hise emphasized that travel and tourism is a huge partnership for the state.

Rep. Pat McElraft discussed the importance of tourism dollars to the North Carolina budget and her desire to keep tourism in the forefront, although there are many challenges ahead in the budget discussion.

Rep. Bob Steinburg reminded everyone that it is Edenton's 300th anniversary this year which includes some important activities during the upcoming weekend. Rep. Steinburg reported that the economic climate is struggling but that tourism can be a part of the recovery.

Rolf Blizzard representing the Travel and Tourism Coalition discussed the issues they are monitoring in the legislative session including their top priority of increasing the tourism marketing budget by \$5 million, tax reform and the reorganization of the Dept. of Commerce. Blizzard recognized Tammy O'Kelley to elaborate.

Tammy O'Kelley, member of the Travel and Tourism Coalition, reported some concerns with the privatization of Commerce. While they are not opposed to the partnership, there is concern over how the funds will be allocated including using tourism dollars for other programs. The Coalition encouraged retaining the resources (funding, access to information, authority over the branding message, ability to promote the state, continuing the interface with the private and public partners) that the Division of Tourism already has.

Blizzard summarized that the concern is the impact of travel and tourism being diluted in a new structure going forward. The emphasis is to make sure that there is continued progress with no ground lost.

Randy Kolls of the North Carolina Restaurant and Lodging Association recognized the commitment to travel and tourism as evidenced by the attendance at the meeting. The NCRLA has been actively lobbying this session including: the new Panthers deal for the City of Charlotte to improve the Bank of America stadium while tethering the team to North Carolina without creating any new hospitality industry taxes; authorizing casino nights for non-profit groups to be hosted at hotels and restaurants; immigration reform; the Common Sense Consumption Act; and House Bill 937 regarding gun legislation.

Lynn Lewis of the North Carolina Travel Industry Association announced that their legislative committee met this morning and their discussions surrounded two main issues: supporting the continuation of the current film incentive for the next five years and ensuring that the Division funding remains intact in the new public private partnership.

Denny Edwards of the Destination Marketing Association of North Carolina reported that they are monitoring the same legislative issues as the other industry partners. They are concerned about the Governor's proposed budget cuts of over \$800,000 in marketing funds. DMANC is not opposed to the public private partnership, but are in support of the Division having a dedicated budget and retaining the ability to do its own branding and advertising - not mixing with Dept. of Commerce and economic development. There is also concern that there has not been an Executive Director of Tourism announced. They want the film incentive stay in place for another 5 years. Additionally, it is reported that there is concern among some of the rural communities that they may be not as well represented in the new structure.

MID CURRITUCK BRIDGE RESOLUTION

Former Board member Josh Bass was recognized to discuss the Mid Currituck Bridge Resolution, a resolution in support of constructing a Mid-Currituck Bridge. Bass reported the bridge is needed for tourism development, safety concerns, and accessibility for visitors to the area to remain in the area to spend money. Rep. Bob Steinburg also spoke in support of the Resolution. Discussion followed amongst the Board members and guests; however no Board member moved to support the resolution.

DIVISION UPDATE BY WIT TUTTELL

Wit Tuttell, the Division's Director of Tourism Marketing, reported another positive year for North Carolina travel with total domestic travel spending increasing 5.4% from 2011 to a record \$19.4 billion, outpacing the national growth rate. US Travel estimated domestic travel volume in North Carolina increased more than 3% in 2012. Total domestic travel employment increased 1.8%, better than the 1.0% of total nonfarm job growth and the 1.3% of total private job growth in North Carolina.

The Division has industry partner contacts across the state, at least one in every county, who play an important role in the Division's extranet to ensure data is current and accurate for their own communities.

The Division team has been traveling across the state to meet with local tourism-related businesses and explain its programs, emphasizing how businesses can take advantage of the Division's services. On Thursday the staff will be traveling to Fayetteville for this program.

Last year the Division introduced a new messaging strategy, "deeper connections," an evolution of "simple pleasures" for the post-recession consumer mindset. The Division's advertising campaign received Gold (Integrated campaign) and Silver (Digital campaign) ADDY Awards at the American Advertising Federation's 2013 District 3 competition. The ADDY Awards are the advertising industry's largest and most representative competition, recognizing creative excellence and the very best advertising worldwide.

With the back-to-back US Opens just a year away, the Division continues to generate awareness and inquiries for golf destinations across the state. While leveraging top-performing placements from the 2012 golf campaign including

GolfDigest.com, PGA.com and Yahoo! Golf, the spring 2013 effort features additional media outlets reaching avid golfers through business media platforms catering to frequent travelers. North Carolina's golf messaging will also appear on the Wall Street Journal Digital Network including WSJ.com, online.Barrons.com, MarketWatch.com, SmartMoney.com and others.

The current VisitNC.com achieved record numbers for visits and downstream traffic in 2012. The Division is developing a new website scheduled to launch the first week of July. Core strategy for the new site is to create an experience that engages travelers and intrigues them enough to learn more about North Carolina. To accomplish this, the new site will use a variety of content types and paths, organized with the ultimate goal of driving even more downstream traffic to partners' sites.

A new North Carolina tourism logo, typeface and tagline have been developed for the updated message strategy. The "Beauty Amplified" tagline along with the new North Carolina tourism logo takes the current 'deeper connections' strategy to the next level. The new look was developed over the last year and the Division worked with Secretary Decker to make sure it would fit in with the direction of the new administration.

The Division, as well as several partners, participated in the U.S. Travel Association's Destination Capitol Hill visiting North Carolina's congressional delegation in Washington, D.C., in April to stress the importance of travel as an economic driver. The annual event brought more than 300 travel professionals to the nation's capital from across all segments of the industry.

National Travel and Tourism Week was held May 4-May 12. North Carolina's nine Welcome Centers celebrated National Travel and Tourism week by inviting travel partners to help thank North Carolina's visitors for traveling here. The extended week concluded with a legislative breakfast this morning, sponsored by the NC Travel & Tourism Coalition.

The Division's International Marketing Manager Heidi Walters met with 12 key tour operators in one-on-one meetings to promote at the world's largest tourism show, ITB, in Berlin March 6-9. All tour operators reported that not only are bookings up over last year, N.C. bookings are exceeding the national average. In 2011 North Carolina welcomed 75,480 visitors from German speaking Europe, spending more than \$31 million in the state. The Division along with local partners hosted tour operators from the UK and Canada this past spring.

Fourteen industry partners joined the Division at Travel South Showcase, Feb. 17-20 in Little Rock, Ark. Travel South Showcase draws 600 tourism professionals, including tour operators and journalists interested in learning about group travel opportunities to and within the South. Group Travel Manager Kristi Driver had appointments with tour operators and Public Relations Representative Suzanne Brown had appointments with editors and writers from U.S. and Canadian newspapers, news services, magazines, and trade publications.

The Division along with several local partners hosted a dinner for 18 journalists in Atlanta on February 20th. Media outlets included the *Atlanta Journal Constitution*, *Southern Living*, *Points North*, *travelgirl*, and others.

More than 500 tourism, business and government leaders from across the state gathered at the Wilmington Convention Center March 11-13 for the 2013 N.C. Governor's Conference on Tourism, generating more than 500 room nights with an economic impact of nearly \$1 million, according to the Wilmington and Beaches CVB. Participants heard from keynote speakers on strategies for success, attended breakout sessions on a range of subjects that included social media, attracting media attention, utilizing research, and working with a potential film crew. Feedback from participants was positive.

This past April was NC's inaugural beer month, spearheaded by the North Carolina Brewers Guild and the Division. With more than 80 craft breweries, NC has become the #1 destination for craft breweries in the Southeast. Final results are still being gathered, but this initiative received an ad equivalency of \$2.3 million via coverage in publications such as the New York Times, USA Today, and more.

The Division has partnered with the Department of Cultural Resources to publicize North Carolina's rich music story. The new version of the NC Blue Ridge Music Trails kicked off at MerleFest. Additionally, the Division is working with the NC Arts Council on the development of the African American Music Trail.

The North Carolina's Civil War Trails received coverage in the spring 2013 issue of Highways magazine. The public relations team pitched the story idea to Michael Defreitas at Highways and then partnered with coastal destinations to host him last May. Highways magazine, based in Ventura, CA, reaches 955,167 readers. The estimated value of the coverage is \$82,230.

More than 50 Welcome Center directors, managers and travel counselors from North Carolina, Florida, Georgia, Maryland, Mississippi, South Carolina and Virginia met to exchange information in Concord in late April for the Southeast Travel Counselors Alliance meeting. Sponsored by Donna Carpenter and her Cabarrus County CVB team along with Travel Media Group, the two-day meeting included an overview of North Carolina's Welcome Center program, insights on generating revenue from Georgia and Virginia, and updates on the use of technology from Florida.

According to the Motion Picture Association of America, Iron Man 3, which filmed in North Carolina between December 2011 and December 2012, resulted in \$179.8 million and 2,043 jobs in the state. Iron Man 3 received \$20 million in support through state tax incentives. This investment by the state resulted in the following economic benefits: \$8.99 in economic output for every dollar of tax credit received by the production; \$6.50 in Gross State Product for every dollar of tax credit received by the production; 102 full-time equivalent positions for every \$1 million in tax credit received; \$5.20 in labor income for every dollar of tax credit received by the production. Itineraries for film locations and a sweepstakes for a trip to Wilmington were created to capitalize off of this opportunity.

As the first quarter of 2013 comes to an end, the N.C. Film Office continues to see record-breaking numbers for the state's film industry. More than 20 productions have indicated they intend to film, or have already begun filming, in North Carolina, with a total direct in-state spend in excess of \$138 million, while creating more than 13,000 job opportunities, including 2,100 well-paying crew positions for the state's highly skilled film professionals.

The two most recent Certified Retirement Communities are Pittsboro and Mt. Airy. They joined Marion, Sanford, Asheboro and Lumberton. The Division will attend the AARP Convention & Expo with more than 10,000 attendees.

Gov. McCrory has announced the "Partnership for Prosperity: A New Economic Development Approach." The new partnership will leverage existing state funds to get the private sector more involved in economic development. The Dept. of Commerce is developing a plan for the public-private partnership that includes organizational structure, budget and cost projections, as well as a timeline for implementing the reform.

Mid-Year Marketing updates have been scheduled for September 12-13 in the Outer Banks and Wilmington, September 17 (tentative) in Asheville, and October 4 in Pine Needles.

RESEARCH UPDATE BY MARLISE TAYLOR

Marlise Taylor gave a presentation on Tourism research including 2012 Visitor Spending, 2012 Visitor Profile, a 2013 update, and 2013 In-State Research. 2012 was another record year for tourism in the state, with increases from 2011 in direct visitor spending, direct tax receipts, and direct tourism employment. Total visitor volume to NC increased 3% to 45.4 million visitors in 2012, making NC the 6th most visited state for domestic visitors.

Meeting adjourned at 1:23 pm.