

MINUTES
Watauga Intergovernmental Retreat
March 28, 2011

The Town of Blowing Rock Board of Commissioners attended an Intergovernmental Retreat on Monday, March 28, 2011. The Retreat was held at the Broyhill Inn and Conference Center in the Broyhill Room in Boone, NC. In attendance from the Town of Blowing Rock, Town of Boone, Watauga County, Appalachian State University, Beech Mountain and the Town of Seven Devils were the following:

Town of Blowing Rock

- Mayor: J.B. Lawrence
- Commissioners: Phil Pickett, Doug Matheson, Jim Steele
- Staff: Town Manager Scott Hildebran and Town Clerk Sharon Greene
- TDA: Tracy Brown
- Commissioners: Yount and Klutz-absent

Town of Boone

- Mayor: Loretta Clawson
- Commissioners: Stephen Phillips, Rennie Brantz, and Andy Ball
- Staff: Town Manager Greg Young and Deputy Town Clerk Kim Brown

Watauga County

- Commissioners: Chairman Jim Deal, Tim Futrelle, David Blust, Vince Gable, Randy Feierabend and Nathan Miller
- Staff: County Manager Rocky Nelson, Assistant County Manager Deron Geouque, and Clerk to the Board Anita Fogle
- TDA: Wright Tilley

Town of Seven Devils

- Mayor: Bob Dodson
- TDA: Tom Gidley

Town of Beech Mountain

- Mayor: Rick Owen
- Commissioners: Alan Holcombe and Rick Miller
- TDA: Jessica Heaton, Candi Catoe and Calder Smoot
- Chamber of Commerce: John Troxler

Appalachian State University

- Vice Chancellor of Business Affairs: Greg Lovins
- Dr. Melissa Weddell

After introductions, Mr. Phil Trew of the High Country Council of Governments welcomed everyone and introduced the following speakers:

Tourism in North Carolina – Lynn Minges, Assistant Secretary for Tourism, Marketing, and Global Planning, NC Department of Commerce

Ms. Minges began her presentation with a video produced for the NC Department of Commerce. Video highlights included:

- The economic impact of tourism in North Carolina
- National media coverage of NC tourist attractions
- Variety of tourist attractions across the State of North Carolina
- Efforts made by the NC Division of Tourism, Film, and Sports Development
- Recent openings of new attractions and renovations/improvements to existing attractions

Following the video, Ms. Minges gave a power point presentation that provided information on tourism/tourism promotion in North Carolina: Highlights included:

- Goals of the NC Division of Tourism included – attract more tourists, have them stay longer, and spend more
- Visitor spending in NC increased steadily from 2000 to 2010 (with the exception of 2009)
- In 2010, \$17 billion in visitor spending and 185,500 direct jobs
- NC ranks 6th nationwide in visitor volume
- Vast majority of visitors to NC are from nine mid-Atlantic states and Florida
- NC Division of Tourism pays for ads in out-of-state publications; works with in-state media for free advertising
- Media advertising in 2010 had a 17.1 return on investments
- NC Division of Tourism travels nationally and abroad promoting NC
- 106 wineries exist in NC
- Anticipated announcement of a major motion picture location in NC in the near future

Local Occupancy Tax – Paul Stone, President/CEO, NC Restaurant and Lodging Association

Mr. Stone began by sharing a power point presentation on local occupancy taxes that included the following:

- NC Restaurant and Lodging Association (NCRLA) is the state's trade association for restaurants and hotels which represents 17,000 restaurants and 1,650 hotels
- Restaurants and hotels employ 11% of the State's workforce
- NCRLA supports an occupancy tax provided it has reasonable limits, and proceeds are used to promote tourism
- NCRLA supports a national model for occupancy tax that included the following provisions:

Tax Cap

Tax revenue goes to tourism

Oversight of tax by persons in the tourism industry

Transparent and accessible information on the tax collection and expenditures

Enforcement and penalties

Clarification of taxable lodging

Allowance for collectors to retain administrative fees

- NC General Assembly began authorizing local governments to levy occupancy tax in 1983
- NC General Assembly passed uniform occupancy tax law in 1997
- NCRLA identifies the following challenges in collection and use of occupancy tax:

Individual rental units

Local government definition of tourism

Out-of-town hotel owner representation on TDA boards

Lack of interest of some hotels

Following Mr. Stone's presentation, the following issues were raised by audience members:

- Difficult for local governments to identify property owners who rent their properties independently (not through an agent)
- No statutory mechanism for local governments to enforce occupancy tax requirements
- The need for State law to require vacation rental owners to have a business license (as a means of tracking properties)

Economic Impact of Tourism in the High Country – Dr. Melissa Weddell, ASU Department of Health, Leisure, and Exercise Science

Dr. Weddell also shared a power point presentation on economic impacts of tourism in the High Country. The presentation illustrated results from various research projects conducted by ASU which included:

- Tourism impacts include increased property tax base from second homes
- 86% of visitors to Western North Carolina came for leisure (as opposed to conventions, etc.)
- Sightseeing, shopping, and State/National park visitation are the primary activities for visitors to Western North Carolina
- 2009-10 ski season generated \$146 million
- 800,000 tourist visit wineries annually
- Western North Carolina is a premier market for professional craft industry – 130 galleries, \$31.5 million economic impact

- ASU involved in the Art Council, Rocky Knob Park, Festival Tourism, Blue Ridge Parkway, and Visitor preferences tourism impact studies

OTHER

Town Manager Hildebran presented a Resolution by Governing Body of Applicant for technical assistance grant funding for an inflow/infiltration study. Commissioner Matheson made a motion to approve the resolution as presented, seconded by Commissioner Steele. Unanimously approved.

Resolution # 2011-02 By Governing Body of Applicant – Exhibit A

ADJOURN

There being no further issues for discussion, the meeting adjourned at 7:00 p.m.

MAYOR _____
J.B. Lawrence

ATTEST _____
Sharon Greene, Town Clerk

ATTACHMENTS (March 28, 2011)
Resolution #2011-02 By Governing Body of Applicant – Exhibit A