

Town of Blowing Rock

Tourism Development Authority

Minutes – May 12, 2008

The Town of Blowing Rock Tourism Development Authority met on Monday, May 12, 2008 at 8:30 a.m. in a regular meeting. Present were Chairperson Bernie Keele, Vice-Chair Kent Tarbutton, Authority members Phil Pickett, Lynn Drury, Keith Tester, and Ex-officio members Scott Hildebran and Nicole Norman. Executive Director Tracy Brown was also in attendance.

Call to Order

Chairperson Keele called the meeting to order and welcomed the members.

Approval of Minutes – April 1, 2008

Chairperson Keele entertained the approval of the April 1, 2008 meeting minutes. Motion by Member Tester and seconded by Member Pickett to approve the April 1, 2008 meeting minutes. The motion was approved unanimously.

Economic Development - Retail Market Study Consultant Selection

Chairperson Keele stated that last month the TDA authorized a Request for Qualifications (RFQ) from firms to evaluate the retail market and retail development conditions in downtown and develop specific recommendations for programs and policies that will maintain and strengthen the Town Center. He referred to Ex-officio Member Hildebran to update the Authority on the process.

Mr. Hildebran stated that he and Executive Director Brown had developed a Request for Qualifications for the study and forwarded the solicitation to eight qualified firms. He advised that the TDA received 7 responses to the request and that the Board had received copies of the proposals from the top four firms for their review.

Chairperson Keele asked for comments from the Authority regarding their preference. All agreed that each firm had strong credentials. After some discussion on the merits of the proposals, motion by Member Drury and seconded by Member Pickett to approve the HyettPalma Professional Services Proposal to conduct a retail market study of Downtown Blowing Rock based on their national presence/perspective and experience. Unanimously approved. **Attachment #1**

Member Pickett left the meeting due to an out of town obligation.

Financial Report

Chairperson Keele introduced Finance Officer Nicole Norman to review the FY 2007-08 budget to date.

Finance Officer Nicole Norman then reviewed the monthly financial statement and the FY 2007-08 Occupancy Tax collections year-to-date through March 2008. She stated that March revenues (excluding 1 establishment payment), totaled a gross of \$29,336.94, and was slightly down compared to March 2007. The collection enforcement process is underway for the one outstanding payment. She also advised that revenue and expenditures for the year were in line with projections.

Member Tester expressed some concern about the downward trend in overall occupancy tax, as three of the past four months have been down. The Board briefly discussed the nature of the current economy and the impact on travel. Member Tester also asked for more information on several line items that were over budget. He stated that if the expenses were of a recurring nature to make sure that was factored into the proposed budget.

Ms. Norman informed the Authority of an insurance expense that was a double entry and that she would forward the Authority an amended financial report. Ex-officio Member Hildebran reminded the Board that the salary line-item exceeded budget due to a one-time bonus payment authorized by the Authority late last year.

Executive Director Brown advised he would provide a more detailed explanation of expenses during the upcoming budget worksession.

FY 2008-09 TDA Budget

Ex-Officio Member Hildebran and Executive Director Brown reviewed a draft copy of the proposed FY 2008-09 TDA Budget for Authority review. **(Attachment #2)** The proposed budget totals \$801,940, with \$762,200 from occupancy tax proceeds.

Ex-officio member Hildebran provided an overview on the town portion of the proposed budget with the Authority – i.e. sidewalk, paving, utilities, parking in the downtown area, an ambassador program of utilizing town park staff to police the downtown for litter and provide information, proposed recreation special events, etc. Executive Director Brown briefly reviewed the TDA portion of the budget.

Member Drury encouraged Mr. Brown to look into any possible grants available. Mr. Brown concurred.

Mr. Hildebran reminded the Authority that the public hearing on the proposed budget is scheduled for the June 3, 2008 TDA meeting.

The Authority requested that updated current year budget figures be provided at the upcoming worksession.

Budget Worksession Meeting Date

By consensus, the Authority agreed to schedule a FY 2008-09 Budget worksession for Wednesday, May 28th at 3:00 p.m.

Operations Activity Report

Executive Director Brown advised that he provided an Operations Activity Report to the Authority during his last bi-weekly report and that the report summarized most of the current Visitor Center activities.

Executive Director Brown discussed –

- The new Visitor Guide should be ready by the end of the month.
- The Website redesign is underway.
- The marketing focus, due to fuel prices and economic conditions, will be more regional (4-6 hour drive time).

Chairperson Keele asked for feedback about the current economy as he stated that the restaurant business was down. Vice Chair Tarbutton responded that general tourism was down but that group business was up for his lodging establishment.

Mr. Brown stated that based on recent comments received during a sustainable tourism meeting that most travel professionals expect a soft year – with gas/energy prices and the upcoming elections.

Vice-Chair Tarbutton discussed more regional marketing and that the High Country Host had hired a new executive director. Mr. Brown stated that Blowing Rock, Boone and Watauga County are working cooperatively together to produce more regional marketing.

Mr. Keele asked if the local hotel rates were competitive for the small group and/or government market. Mr. Tarbutton responded that most establishments provided flexibility on room rates and made up the difference on meeting space rates.

Member Tester briefly discussed the recent marketing focus group meeting held and the importance of working regionally to attract visitors. He suggested that once a visitor comes to the

High Country, we should work to become their preferred destination for shopping, dining, lodging and entertainment.

Executive Director Brown stated that based on comments received at a recent conference in Knoxville, Tennessee, he believed that Blowing Rock is well positioned for the future as long as we protect our community. Mr. Tester stated that we must maintain the “feeling” and the “character” of the community and that the upcoming market study may assist in helping us identify the attributes we must build around.

Chairperson Keele suggested the Authority continue to pursue the transition of branding from “where the wind takes you” to the “crown of the blue ridge”. Mr. Brown stated that would occur not very far into the future.

Resolution of Support of Watauga County Economic Incentives – Tweetsie Railroad

The Authority then considered a resolution which supports Watauga County action to provide economic incentives to Tweetsie Railroad to insure their continued operation in the county.

Ex-officio Member Hildebran reviewed the proposed incentive package - Watauga County will acquire the undivided interests of Elder/Robbins property for \$3,150,000 and lease said property to Tweetsie for \$1.00/year for six years. After the first six years, the lease rate will reflect the fair market value lease rate. At a future date to be established, Tweetsie will purchase the property from the County at the purchase price of \$3,150,000 plus interests cost and the average rate of return the county will forego due to the purchase. Also, the Watauga County TDA will make a \$150,000 per year grant for six years for marketing and promotion of Tweetsie.

In return for the incentives, Tweetsie agrees to remain at the current location for a period of time to sufficiently fulfill the commitment of the county. Tweetsie also agrees to invest \$13,000,000 in improvements to the park within a defined period of time. In addition, Tweetsie will provide the Middle Fork Greenway Association with an easement for a future greenway to be located along the Middle Fork River.

It is estimated that Tweetsie Railroad provides a \$27,000,000 a year in overall economic impact to the area, providing jobs and tourism to the area's hotels, retail, and restaurants.

After a brief discussion, motion by Vice-Chair Tarbutton and seconded by Member Drury to approve a resolution in support of Watauga County Economic Incentives to insure that Tweetsie Railroad remains in Watauga County. Unanimously approved. **Attachment #3**

Newspaper Racks/Master Signage Plan

Ex-Officio Member Hildebran advised that two of the new modular newspapers racks have been installed (Gossip Park and Martin House). He stated that the final newspaper rack would be placed at the Post Office sometime later in the week.

Mr. Hildebran then informed the Authority that the new information directory kiosks have been installed at both Memorial Park and the Maple Street Parking Lot. He mentioned that roof components would be installed in the next few weeks. Two additional kiosks are planned in the FY 2008-09 Budget for placement at the new American Legion Parking Facility and the new Blowing Rock Art & History Museum.

The Authority expressed their appreciation.

Chairperson Selection Process

Chairperson Keele suggested that the Authority may want to revisit the succession of the chairperson issue. He advised that the recommendation arrived at last month by the TDA - to recommend to the Town Council that the Vice-Chair succeed the Chairperson for a recommended 2-year term - might essentially prevent the Town Council role of appointment because the TDA selects the vice-chair. Though the Authority agreed with the comments shared by Mr. Keele, they decided to take no additional action. The Board did express a desire that Council consider that potential concern prior to taking final action.

Adjournment

With no further business, Chairperson Keele adjourned the meeting at 9:45 a.m.

Bernard Keele, Chairperson

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Scott E. Hildebran, Secretary

Attachments

#1 – Hyett Palma Professional Services Proposal - Retail Market Study

#2 – FY 2008-08 Draft Budget

#3 – Resolution of Support of Watauga County Incentives for Tweetsie Railroad