

**Town of Blowing Rock
Tourism Development Authority
Minutes – May 5, 2009**

The Town of Blowing Rock Tourism Development Authority met on Tuesday, May 5, 2009 at 3:30 p.m. in a regular meeting held at Town Hall. Present were Chairperson Kent Tarbutton, Authority members Dean Bullis, Phil Pickett and Rob Dyer, Ex-officio members Nicole Norman and Scott Hildebran, Executive Director Tracy Brown and Assistant Director Amanda Lugenbell.

Call to Order

Chairperson Kent Tarbutton called the meeting to order and welcomed those in attendance.

Approval of Minutes – April 7, 2009

Chairperson Tarbutton entertained the approval of the April 7, 2009 meeting minutes, with the clarification that walk-in traffic was down 12%. Motion by Member Pickett and seconded by Member Dyer to approve the April 7, 2009 meeting minutes with the clarification that walk-in traffic was down 12%. Unanimously approved.

Financial Report

Ex-Officio Member Norman briefly reviewed the monthly financial statement and the FY 2008-09 Occupancy Tax collections fiscal year-to-date through March 2009. She stated that occupancy tax revenues were down approximately 13.87% (or \$87,418) compared to the same nine-month period of 2008. For the month of March 2009, occupancy tax revenue was down 40.86% (or \$12,183) from March 2008. It was also pointed out that interest income was well below budget, only at 24%. Expenditures for the year were in line with projections. (**Attachment #1**)

The TDA also discussed the need for a fund balance appropriation to cover the projected budget shortfall. They agreed to discuss the matter during the FY 2009-10 Budget portion of the meeting.

Member Pickett stated that the March occupancy tax revenues were the lowest that he could ever recall. With no further questions/comments, Chairman Tarbutton moved to the Operations Activity Report.

Vice-Chair Lynn Drury arrived.

Operations Activity Report

Executive Director Brown briefly reviewed his bi-weekly update on the Operations and Visitor Center activities - web site usage, telephone and email requests, walk-in traffic, etc.

Mr. Brown then discussed –

- Visitor Center indicators, reflecting the economy, are steady – inquiries {-3% }, and walk in traffic {+2% }.
- Web site update is complete, with new redesign reflecting new marketing/media services scheduled to begin next FY.
- Proceeding with advertisement plan as scheduled.
- WC&T assisted with obtaining commitments from celebrity judges for the Fire on the Rock event and placed several Wine Festival articles.
- Wine Festival comments have been positive.
- Oasis Shriners hosting ceremonial in Blowing Rock the first weekend in June. Hotels should be full for minimum of two nights. Parade to be held on Saturday, June 6 at 2:00 p.m.
- Cycle NC beginning their 2009 mountains to the coast ride in Blowing Rock on September 26. Over 1,000 riders will be in town. Hotels and restaurants should benefit from the event. TDA will assist with goody bags, transportation and some entertainment.

Chairperson Tarbutton thanked Mr. Brown for his report.

Mr. Tarbutton discussed possible state legislation which would begin school earlier in August and its impact on local tourism (visitors and employees). He suggested that TDA members contact state legislators to express opposition to the legislation.

FY 2009-10 TDA Budget

Ex-Officio Member Hildebran, Ex-Officio Member Norman and Executive Director Brown reviewed a draft copy of the proposed FY 2009-10 TDA Budget. (**Attachment #2**) The proposed budget totals \$780,925, with \$750,025 from occupancy tax proceeds.

Ex-officio member Hildebran began by reviewing the TDA Fund Balance Policy and then distributed an outline of the current fund balance. (**Attachment #3**) He advised that the TDA had adopted a fund balance goal of having a 50% reserve of (2/3rds) occupancy tax revenue. He stated that presently the reserve amount was approximately 40% and based on current budget year revenue estimates the reserve could fall to around 30%.

Mr. Hildebran reminded the Authority that the Town had delayed the resurfacing of the Broyhill parking area which would eliminate the \$30,000 allocated from the TDA to the Town in infrastructure funding. This reduction could equate to \$90,000 in occupancy taxes based on 1/3rd – Infrastructure and 2/3rd – Marketing/Promotion budgeting. However, the TDA would more than likely need to appropriate fund balance to cover their shortfall.

Mr. Hildebran then provided an overview on the town portion of the proposed budget with the Authority – i.e. streetscape - sidewalk, signage, paving, parking, landscaping/beautification in the downtown area. Executive Director Brown briefly reviewed the TDA portion of the budget – specifically proposed marketing and administrative items. Ex-officio Norman reminded the Authority that a majority of the

administrative line-items were fixed costs and yield little flexibility. She also noted that salaries were budgeted at no increase, as well as the current 2% 401K contribution.

The Board briefly discussed the current economic climate and the impact on tourism.

Based on the minimal changes from the current budget and many fixed costs in the proposed FY 2009-10 Budget, it was the consensus that no budget work session was warranted.

Mr. Hildebran reminded the Authority that the public hearing on the proposed budget is scheduled for the June 2, 2009 TDA meeting at 3:30 p.m.

Downtown Retail Strategy - Update

Chair Tarbutton stated that the Downtown Retail Strategy Steering Committee met in April but due to low attendance deferred most discussion until their May meeting. The Blowing Rock Art & History Museum and Blowing Rock Historical Society will provide updates at the May meeting.

He advised the committee did discuss the concept of promoting what we have – biking, hiking, waterfalls, and attractions. Executive Director Brown responded that the TDA had produced many marketing pieces related to these items. The Authority discussed the need to re-distribute the information to lodging and restaurant establishments – with personal delivery being most effective.

High Country Cooperative Marketing

TDA Executive Director Brown updated the Authority on the High Country Cooperative Marketing effort. He stated the proposed out-of-state markets would probably be redefined to North Carolina markets. All data had been provided and forwarded to the marketing consultant. All parties are working to obtain additional co-op sponsors. Also, they are still trying to develop a fair process – pay to play (the more you pay, the more copy), etc.

Chair Tarbutton thanked Mr. Brown for his update.

Letters of Support - Boone Water Intake

Blowing Rock-Park Service Land Exchange

Chairperson Kent Tarbutton introduced two items related to local drinking water for the area.

He requested the Authority consider a letter of support for the proposed Boone Water Intake. He stated that the Town of Boone and the Town of Blowing Rock required an adequate and stable water supply for both their residents and visitors. Without water, business would be greatly affected. He advised that there was some opposition to the Boone intake in the Todd community. The Town of Boone has agreed to allocate a portion of their supply to the Town of Blowing Rock. With the recent drought, all these conditions and concerns were brought to the forefront.

After some discussion, motion by Member Pickett and seconded by Member Dyer to support the proposed Boone Water Intake Project. Motion unanimously approved. Chair Tarbutton agreed to follow-up with a letter. (**Attachment #4**).

Chairperson Tarbutton then asked the Authority to consider a letter of support for the proposed Blowing Rock-Parkway Land Exchange. He mentioned to the Authority that the Town of Blowing Rock desired to acquire ownership of its water supply for better management and control. The Town would exchange the 192-acre China Creek property for the 20-acre town reservoir site. He reminded the Board that Chetola had been a partner with the Town over the past 10+ years in allowing water to be transferred from Chetola Lake to the Town Reservoir during drought conditions. But, the proposed land exchange, along with Town water interconnect with Boone, would provide a long term solution to the water needs of the Town.

Motion by Member Pickett and seconded by Member Drury to support the proposed Blowing Rock/Parkway Land Exchange. Motion unanimously approved. Chair Tarbutton agreed to follow-up with a letter. (**Attachment #5**).

The Authority then discussed the possibility of natural gas being run to the Blowing Rock community as part of the Boone-Blowing Rock water interconnection. Member Pickett, who has been the primary contact for the effort with Frontier Energy, advised that the prospects were less favorable at this time. Although the Authority and community supports such an effort, Member Pickett suggested that Frontier Energy resources and the lack of a large gas consumer made the installation challenging for Frontier. In addition, Mr. Pickett stated there had been debate over a plastic line or a steel line and cost difference and load volume between the lines.

Mr. Hildebran also mentioned that the Town of Blowing Rock was planning on bidding the interconnection project in the near future with construction to begin this summer. As a result, the window of opportunity for a joint project had all but closed. He stated that an easement would be required for the gas line from the U.S. Park Service and as of this date, no easement had been obtained.

The Authority agreed to continue to monitor the issue.

Adjournment

With no further business, motion by Member Pickett and seconded by Member Dyer to adjourn the meeting. Motion unanimously approved. Chairperson Tarbutton adjourned the meeting at 4:45 p.m.

Kent Tarbutton, Chairperson

Scott E. Hildebran, Secretary

Attachments

#1 - Occupancy Report

#2 - Proposed FY 2009-10 TDA Budget

#3 - Fund Balance Calculation

#4 - Letter of Support - Boone Water Intake

#5 - Letter of Support - Blowing Rock-Park Service Land Exchange