

**Town of Blowing Rock
Tourism Development Authority
Minutes – December 9, 2014**

The Town of Blowing Rock Tourism Development Authority met on December 9, 2014 at 9:00 a.m. in their annual planning retreat meeting held at the Blowing Rock Art & History Museum conference room. Present were Authority Chairman Kent Tarbutton, members Dean Bullis, Rob Dyer, Lianne Mattar and Doug Matheson, Ex-officio member Nicole Norman, Executive Director Tracy Brown and Assistant Director Amanda Lugenbell.

Call to Order: Chairman Kent Tarbutton called the meeting to order at 9:00 a.m.

Approval of Minutes: Motion to approve the minutes from the October 28, 2014 meeting by Member Mattar, Second by Member Bullis. Unanimously approved.

Financial Statements/Budget Review

FY 2014 Audit Report

Authority Auditors Combs, Tennant and Carpenter representatives Buddy Cardwell and Brady Combs gave an overview of the audited financial statement highlighting several areas of the statements including an unmodified opinion stating the financial statements were not modified to meet reporting standards, which is the highest audit opinion indicating the Authorities financial statements are presented fairly in all material respects. The auditors further reported the Authorizes net position of \$372,647, with \$247,938 being unrestricted being an increase of approximately \$67,000 over prior year. The Management Discussion and Analysis was also highlighted as an integral part of the financial statements. It was noted that occupancy tax revenue exceeded budget expectations by approximately \$81,000, which is approximately \$2,300 off from pre-recession year's revenue. The board asked if there were any items the auditors could report as a notable change from prior years other than the items already mentioned, they also inquired whether there were any items that would raise any red flags. The auditors stated they had nothing additional to note.

Level of Fund Balance was briefly discussed with a goal that was set by the board. It was stated the Authority was currently meeting its goal at approximately one third of operating expenditures. A motion to approve the audit was made by member Dyer and seconded by member Mattar. Unanimously approved. (Attachment #1- Fiscal Year 2014 Audited Financial Statements)

Occupancy Tax Collections & Financial Statement Review

Finance Officer Nicole Norman reported occupancy tax collections for the current fiscal year through October totaled \$416,774.86, with October collections up \$8,146 or 6.99% and fiscal year to date collections up \$21,013 or 5.31%.

Revenue was briefly reviewed noting the financial statements were printed approximately 42% into the fiscal year. It was noted that occupancy tax revenue being seasonal in nature is at approximately 33% of budget at this time and shows in the financial statements net of the administration fee retained by the Town. Then followed an expense overview with the following items noted as running slightly above budget pace at this time: postage, website and creative (these items were noted and addressed in the October meeting as well). Occupancy Tax collections and occupancy vs. rate were discussed.

The Authority discussed surveying hotel rates today vs. prerecession to see the drivers of occupancy tax collection recovery.

The road construction was discussed and its impacts on retail, restaurants and hotels. It was discussed that retail may be seeing effects of the construction over others.

Visitor Center Operations

Executive Director Brown gave a recap of Visitor Center operations including a report on walk-in traffic, phone calls and web visits. It was noted that the Visitor Center is seeing some decrease in walk-in traffic at times due to the museum settling in. Visitor center physical presence needs were also discussed as a contributor to decreases in walk-in traffic, with the Authority agreeing that many patrons and visitors are now utilizing electronic means of getting visitor center information.

Brown stated they are heavy into winter activity event advertising and promotion. Calendar completion, media placement, communication, collateral, High Country Partnerships and collaborations, public relations and press releases were all discussed.

Authority funding of the Technology Infrastructure project was discussed with a project update being received by the Authority. Town Manager Scott Fogleman stated the Town's newly installed "wifi hot spot" in Memorial park registered 1,200 users during the recent Christmas in the Park event. Discussions with Blue Ridge Mountain Club concerning the functionality of the free public wifi that they are supporting were decidedly needed.

Events Discussion

Deferred until Chamber Executive Director Charles Harden joins the meeting.

Town Infrastructure Support

Town Manager Scott Fogleman reviewed current year infrastructure support from the Authority to the Town. It was stated with fiscal year 2015 being the final year for the American Legion parking facility debt service payment until the debt is retired, it would now need to be discussed how to allocate those funds to other areas. The Valley Blvd. and Hwy. 321 Gateway project was mentioned. Other debt service retirements discussed included the Blowing Rock Art & History Museum parking facility scheduled for retirement in fiscal year 2025 and the associated property purchase scheduled for payoff in fiscal year 2018. Chairman Tarbutton questioned BRAHM parking facility allocation frequency. Master signage completion was also discussed with its

completion being reported and that funding had been redirected this fiscal year (2015) towards the Middle Fork Greenway project.

Events Discussion (Attachment #2- Annual Event Report to Blowing Rock Tourism Development Authority)

Chamber Executive Director Charles Hardin joined the meeting discussing with the Authority a report of Chamber event performance.

WinterFest

It was reported that WinterFest was a success mainly due to favorable weather. Added this year was a new fashion show featuring all ladies clothing. All ladies clothing stores in Town participated. Next year it is planned to add more genres such as outdoor and men's clothing. Merchants that participated saw good results. Winter Paws event was also new. Community businesses participated (i.e.: Blowing Rock Market Oyster roast and Sunset Tee's games in their store). All events associated with WinterFest were reported successful.

Blue Ridge Wine & Food Festival

Attendance at the Grand Tasting was reported to be significantly down, mainly due to cannibalization of sales from a new reserve tasting event, ticket price increase and decreased tasting time. New this year to the event was a satellite tasting. Being popular with merchants, this is planned to continue in 2015. The Downtown Wind Down event will be new in 2015. They are also looking at a potential name change for the Wine Festival in 2016 to evolve to the changing market, and they are also looking for a Sunday afternoon event. Industry is currently trending more towards Liquor, Brewery's and Spirits. Hardin reported wine festivals are seeing declines in attendance. The Chamber is looking at the branding & name for the festival to keep it relevant in a changing market. The group discussed the event also looking at broadening event to include more (i.e.: craft beer, vodka, gin, etc.). Use of Boone Authority Director Wright Tilley's free advisory services in looking at events was also suggested. The group discussed his event experience from past employment and education should be sought.

Symphony by the Lake

Record attendance and tent patron parties were reported. Shuttle/transportation issues experienced will address next year. The Chamber further reported excellent Town participation and sponsorships for this event.

Beach Blast

Hardin reported this event saw poor performance due to poor weather. Attendance totaled 600 participants vs. 1,000 in 2013. Music genre and event location are issues that tend to drive this event. According to Executive Director Hardin, the Chamber review board will evaluate the future of this event.

Other Events

Arts Rock has seen good business and organizational participation. Restaurant week is also reported to be perceived as a good new event to restaurants.

Financial information on events was reported. As a note, Art in the Park attendance is declining however, it was discussed that most artists will report a decline in sales since 2008. The group discussed the issue that the show is looking for artists and artists are looking for sales. It was further discussed that the consumer is now interested in disposable, here and now, and inexpensive art. Location of Art in the Park, was discussed as well as product mix-up. As a note, operating expenses, donations and TDA support are not included in event financial statements.

Recess

The Authority took a ten minute recess at 10:45 a.m.

Retail Strategy Update

Town Manager Scott Fogleman reported the group was meeting every two months and currently covering new topics and ideas. As a reminder, the group is an avenue for interested parties and stakeholders and a good communication vehicle.

A recent idea generated by the group has been a Town sledding hill, with current location evaluation and option brainstorming taking place.

Strategic Plan Update

Under the Objectives and Strategies sections, the Authority discussed several objectives including 'Provide an increased level of tourism promotion for the Spring, Fall and Winter seasons, and conduct market tests.', "Place more emphasis on establishing Blowing Rock as a destination of choice for business and focused activity groups and produce collateral for retreats and business travelers.", as well as several others.

The Authority discussed adding a long term vision for parking. Town Manager Fogleman reported the Town Council will be talking about parking considerations at the January Council-Staff Retreat. The Authority discussion and talking points can then be shared at retreat. One option mentioned was using Church parking lots in exchange for lot up keep by the Town. Signage would be needed welcoming parking when there was no church event and notifying the public free parking is available in that area. The Authority consensus was to support and endorse the idea of partnering with churches for the Town to be able to invite visitors to park free of charge in church lots as long as no church functions are going on. The idea would then be taken to Town Council to review, execute or expand on at the retreat.

It was also the consensus of the Authority to continue to follow up on shuttle service/taxi. It was review that the least expensive option found was a van option at around \$25,000 per year. The former Apple Cart route to Tanger Shoppes on the Parkway was discussed with the desire for Apple Cart to possibly pick up the route once again. A seasonal shuttle service was agreed as the best option for this type of service.

The goal of strengthening and expanding Authority efforts by maintaining strong working relationships with other area, regional, state and national organizations (Chamber of Commerce, Community Arts Center, BRAHM, Advantage West, HCH, NCRHA, AHMS, etc.) was discussed with some areas having been strengthened and some drawing back some.

The Authority agreed the objective to expand use of Social Media, will remain on the list as this technology changes rapidly.

Middle Fork Greenway Update

Chairman Tarbutton commented the Middle Fork Greenway group had approached him about discussing with the Authority whether they would be in support of a hospitality tax increase to afford speeding up the progress of the Middle Fork Greenway project. It was noted legislation by the State would be necessary to allow such an increase, however the group was seeking stakeholder input on the concept. It was the consensus of the Board that the greenway would not be used primarily by visitors, but rather locals and would serve more as an amenity to visitors, rather than a draw. Another consideration was the impact of a higher tax rate in Blowing Rock compared to the surrounding areas and whether it may cause visitors to choose the lesser taxed areas to visit. It was the Authorities consensus that they were in support of the project, but not in support of a hospitality tax increase to fund it.

Grant Procedures

Executive Director Brown stated that he had been approached recently by a group seeking grant funding from the Authority and he wished to get direction on how to handle requests such as these in the future. After discussion, it was the consensus of the board to provide advertising in lieu of grant funding for qualifying area attractions, events, etc. It was the consensus to maintain this as status quo and evaluate with the board any unique opportunity that was presented.

Lease Discussion

It was discussed that the Authority's lease with the Blowing Rock Art & History Museum for office space would be up for renewal in April and the group would need to discuss whether to renew its current lease or seek possibly another option with the Chamber of Commerce. Visitor center location was also discussed, with the consensus of the Authority being to receive proposals from the Chamber of Commerce as they come and that the preference for location would be the Hwy. 321 bypass. However if there was not a suitable location offer from the Chamber received, they would remain at the Museum as the current arrangement was favorable for both the Authority and the Museum as well.

Contracts

The Authority discussed their current service contracts and whether the board desired to evaluate and set some rotation schedule for bidding out services. It was the Authority's consensus for Executive Director Brown to review the current contracts in place with Town Staff and make a proposal to the Authority Board on any he would like to bid out.

Local Partnerships

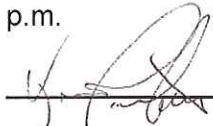
It was discussed that the Authority would like to increase their efforts in making local partnership with the Blowing Rock Conference Center, Appalachian Ski Mountain and Samaritan's Purse and would make efforts to work with these groups as opportunities arise.

Other

The group then discussed several projects that may be of interest for the Authority to direct retired debt service funding towards. The areas of Middle Fork Greenway, Town Gateway, Parking, Shuttle Services and sled hill project were all mentioned. Following group discussion it was the consensus of the Authority that the top three projects they would like to support financially in the upcoming fiscal year (2016) were parking, shuttle services and the Town Gateway project.

Adjournment

With no further business, a motion to close the meeting was made by Doug Matheson and seconded by member Dean Bullis and unanimously approved. The meeting adjourned at 2:20 p.m.



Kent Tarbutton, Chairman



Scott Fogleman, Secretary

Attachment #1- Fiscal Year 2014 Audited Financial Statements

Attachment #2- Annual Event Report to Blowing Rock tourism Development Authority