

Tourism Development Authority

Minutes – December 4, 2007

The Town of Blowing Rock Tourism Development Authority met on Tuesday, December 4, 2007 at 8:30 a.m. in a regular meeting held at Chetola Resort. Present were Chairperson Bernie Keele, Vice-Chair Kent Tarbutton, Authority members Lynn Drury, Phil Pickett, Keith Tester and Ex-officio members Scott Hildebran and Nicole Norman. Executive Director Tracy Brown, Assistant Director Amanda Fife and Dave Tomsy, of WC&T, were also present.

Call to Order

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

Approval of Minutes – October 2, 2007

Chairperson Keele entertained the approval of the October 2, 2007 meeting minutes. Motion by Vice-Chair Tarbutton and seconded by Member Pickett to approve the October 2, 2007 meeting minutes as presented. Unanimously approved.

Financial Report

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

Ms. Norman then reviewed the monthly financial statement and the FY 2007-08 Occupancy Tax collections year-to-date through October 2007. She stated that October revenues, totaling a gross of \$111,083.96, were up compared to October 2006, with outstanding penalties due from one establishment. Ms. Norman also advised that revenue and expenditures for the year were in line with projections.

FY 2006-07 Annual Audit Report

Chairperson Keele introduced Secretary Hildebran to review the FY 2006-07 audit.

Secretary Hildebran stated that the report came with a clean opinion and that the audit complies with the Governmental Accounting Standards Board 34 requirements. Mr. Hildebran stated that the TDA ended the fiscal year with \$422,054 in net assets compared with \$275,749 in FY 2005-06. The year-end fund balance totals \$409,900.43, with \$301,280.80 reserved (occupancy tax income) and \$108,619.63 unreserved (non-occupancy tax income).

Of the \$301,280.80 reserved balance, an audit appropriation to the town - \$4,990 and a budget amendment - \$32,100 reduces that amount to \$264,190.80. The Authority established a policy to set aside 50% of its 2/3rd occupancy expenditure proceeds as a fund balance goal – which based on the FY 2006-07 budget equals \$241,690. Based on the fund balance policy, \$22,500.80 remains available for appropriation.

Of the \$108,619.63 unreserved balance, a non-cash visitor center start-up donation of \$22,412.05 reduces that amount to \$86,207.58. The \$86,207.58 remains available for appropriation.

After a brief discussion, motion by Member Drury and seconded by Member Picket to accept the FY 2006-07 Annual Audit Report as presented. Unanimously approved.

(Attachment #1)

Mr. Hildebran then presented a FY 2007-08 Audit Contract with Combs, Tennant & Carpenter, P.C. for Authority consideration. Motion by Vice-Chair Tarbutton and seconded by Member Tester to adopt a FY 2007-08 Audit Contract with Combs, Tennant & Carpenter, P.C. for \$4,500 as presented. Unanimously approved. (Attachment #2)

Budget Amendment – Parking Facility

Ex-officio Member Hildebran then reviewed a proposed budget amendment which transfers \$86,205 in unreserved fund balance to the Town for the American Legion Parking Facility for Authority consideration **(Attachment #3)**.

Upon motion of Member Pickett and second by Vice-Chair Tarbutton, the Authority approved the budget amendment as presented. Motion unanimously approved.

The Authority briefly discussed the impact of the recently approved American Legion Parking Facility and the impact on Chamber of Commerce Art in the Park. Mr. Hildebran advised that based on the proposed construction schedule, only the September and October events would be impacted – and that the relocation of the Fire-Rescue facility from downtown would produce additional parking in the vicinity.

The Authority suggested that town staff look into the feasibility of holding Art in the Park on Main Street. It was the consensus to discuss this issue later in the meeting.

The Authority also discussed the Chamber of Commerce and their steps at reorganization. It was the consensus that the TDA concentrate on visitor activities and that the Chamber become more of a true chamber of commerce.

Marketing Efforts

Advertising/Articles/Publications

Executive Director Brown updated the Authority on the TDA advertising plan. He advised that the print media is going well and that the TDA is using electronic media when appropriate. He stated that Heidi Lusk continues to design the bulk of the advertisements.

WC&T

Dave Tomsky, of Wilson, Coman & Taylor, stated that he is pleased with the ongoing articles and publications highlighting Blowing Rock. The Board complimented the work of Mr. Tomsky.

Website

Executive Director Brown advised that continual maintenance of the TDA website had greatly improved the visitor website, especially keeping the information fresh and content populated. He mentioned several new components such as ski resort webcams, snow reports, photography as well as the recent leaf season reports.

Member Drury commended the changes but expressed a need for a more simplified entrance page design. The Authority suggested that Executive Director Brown investigate the possibility of a website redesign in the next year. Mr. Brown concurred. He then suggested that the TDA consider acquiring the www.blowingrock.org web address. The Authority agreed to further study the idea.

Collateral (Visitor Guide, Map, Pamphlets, etc.)

Executive Director Brown briefed the Authority on the new Visitor Guide, Tourist Map, Press Kits, etc. and the positive comments received on their implementation. He discussed their periodic update and printing schedule. The Authority expressed a desire to place the Visitor Guide at the new information kiosks. Mr. Brown replied that they would be located at the kiosks.

Market Research/Survey Data

Executive Director Brown informed the Authority that Appalachian State University Professor Dana Clark had agreed to take all of the local tourism survey data collected and have students analyze the data in the spring semester. Mr. Brown expects a synopsis of the data results by late spring.

Vice-Chair Tarbutton informed the Authority that Mr. Clark had conducted a similar analysis for Crae Morton at Grandfather Mountain – utilizing the High Country Host, Arts Council, and National Heritage Area surveys.

The Authority agreed to review the market research data upon delivery of the report.

General Communications

Executive Director Brown mentioned the positive reviews received on the new TDA *Tattler Newsletter*. He stated the new communication tool provided weekly updates on activities/area events to local businesses. The Authority also discussed the need to provide an annual update on TDA activities to the *Blowing Rocket*, as an avenue to improve communications with local citizens.

Other – Area Ads

Vice-Chair Tarbutton suggested the need for more general High Country ads (Watauga County, Boone and Blowing Rock TDA's) to compete with the beach market ads. Mr. Brown advised that all three TDA agencies had been appointed to the High Country Host Board and that recently all three had worked together on an image piece for the U.S. Airways magazine High Country profile.

The Authority briefly discussed the role of the High Country Host. Mr. Tomsy stated that the State of N.C. coordinates travel tours and writers via the Host. Executive Director Brown mentioned that the Host disseminates business and convention leads as well. Vice-Chair Tarbutton expressed some concern with High Country Host and their future direction. He also stated that current Host Director Judy Donaghy has announced her retirement.

Future Marketing

The Authority analyzed future TDA marketing.

Member Pickett recommended that TDA marketing focus on events as they provide tourists with something to do and a reason to visit Blowing Rock. Mr. Tomsy suggested a marketing focus on brand “image” advertising augmented with event ads.

Director Brown encouraged the Authority to consider a return to “Crown of the Blue Ridge” tagline. It was the consensus of the Authority to further pursue this idea.

Member Tester suggested a blend of both image and event marketing and asked what would be the measure of success of the TDA marketing efforts. He stated that based on a historical perspective – the shoulder season occupancy is still down. He advised that the TDA has been successful in creating broad exposure for Blowing Rock but has had limited success in putting heads in beds. He suggested that the Authority define objectives to measure success.

Member Drury responded that there is both a micro and macro view of success. Vice-Chair Tarbuton stated that while rates are up, overall occupancy is down. They both suggested that the TDA must decide which variables are important.

Member Tester suggested the following measures-

- *How many people visit?*
- *What is the mix of tourist – day trippers or overnighters?*
- *Do they stay overnight?*
- *If so, what is their length of stay?*
- *Do they impact our retail market – shops and restaurants?*

Mr. Tomsy made the following observations-

- *If the downtown shops close at 5:00 p.m., it is difficult to capture a comprehensive picture of impact of overnight visitors on the retail market.*
- *A simple measure of success – stop doing what we’re doing and see the results.*
- *There is a reason there is a shoulder season (even in Asheville, less visitors in winter months).*

Chairperson Keele discussed the impact of day trippers and the competition from the new known brand hotels in Boone.

The Authority discussed the various tourism surveys collected in the area from the visitor perspective. Member Tester suggested the need to also measure the perspective of the merchants, restaurants and hotels. The Authority briefly discussed the need for a market retail study (similar to Downtown Hendersonville, Inc.) of what brings visitors to Blowing Rock, what are they looking for, what products attract a certain type of visitor, their perception of what is here, what are our merchants expectations and what are our merchants experiences.

The Authority agreed that once the visitors are here the retailers must work to get them in the door.

Mr. Hildebran pointed out the explosion of new TDA's across the state and the resulting of increase in competition for visitors and related marketing costs.

Mr. Tomskey suggested that the Town may need better creative marketing and that a full-service, turn-key agency may be the best approach. Member Drury advised that a Request for Proposals would be necessary and this approach would take a greater commitment of TDA resources.

The Authority agreed that if this approach was taken an RFP should include some measurement component to track success, including Average Daily Rates and Occupancy. Executive Director Brown agreed to follow-up on the issue and report back to the Authority.

Visitor Center Operations

Staffing

Executive Director Brown commended the staff of the Visitor Center and informed the Authority that staffing levels were adequate for operations.

He also informed the Authority of a recent article in *National Geographic* regarding Hilton Head and a perception that Hilton Head has become "elitist" and "soul-less". Mr. Brown complimented the visitor center staff for their positive approach with visitors. Vice-Chair Tarbutton suggested an on-going training program geared toward front-line employees could help minimize those concerns.

Equipment

Executive Director Brown advised that the Visitor Center equipment was in order and expressed satisfaction with their new copier capabilities. He stated that he would continue to monitor the telephone needs of the center. Mr. Hildebran briefly mentioned the possibility of the TDA utilizing the State of North Carolina Information Technology Services telephone system for possible cost savings. Mr. Brown and Mr. Hildebran agreed to further look into the matter.

Building

Mr. Brown reported that overall the building was in good condition. He stated he would like to increase the green space area outside the building and would investigate the landscape needs. Mr. Brown also mentioned some recent electrical work that was completed upon a complimentary inspection from the fire marshal.

Infrastructure Support

Parking

Ex-officio Member Hildebran distributed a proposed construction schedule for the proposed American Legion Parking Facility. (**Attachment #4**) He advised that the project would be bid in February and ground construction is planned to begin in September 2008. He also stated that additional parking would be added on Park Avenue/Wallingford Street in the area to be vacated by the fire-rescue departments in the Spring 2008. The Authority pledged to support the debt service on American Legion Parking Facility.

Additional parking is planned at the new Art & History Museum site with construction expected to begin sometime in 2008.

Streets/Sidewalks

Ex-officio Member Hildebran reported that McGill Associates continues to work on a downtown streetscape plan which would provide guidance on streets/sidewalks in the Town Center. McGill Associates is scheduled to present an update on the plan at the upcoming Town Council Retreat.

Restrooms

Ex-officio Member Hildebran discussed the potential of using the town-owned old Ice House building for upgraded public restrooms. He advised that the building is currently rented to the Blowing Rock Stage Company and that both parties may be interested in using the building as a public restroom and visitor information display area. Mr. Hildebran also stated that the proposed Robbins Pool Improvements Project included public restrooms at Broyhill Park. Construction on the Pool Project is scheduled to begin in late 2008.

Executive Director Brown and Mr. Hildebran also recommended that the restrooms be as automated as possible – from both a cleaning maintenance and environmentally-conscious perspective. They also suggested the renovation of the Memorial Parks restrooms.

General Visitor Amenities/Personnel-Related Costs

Mr. Hildebran stated that visitor events create additional costs to town infrastructure and town personnel-related costs, such as police, emergency medical, public works and general maintenance. The Board reiterated their continue support of funding for town infrastructure.

Master Signage Plan

Ex-officio Member Hildebran reported that the new regulatory signs had been installed and the new information/directory kiosks have been ordered. The signs should be installed in the next 6 to 8 weeks. The initial two (2) kiosks will be placed in Memorial Park and at the parking lot on Maple Street. Two (2) additional kiosks will be located at the American Legion Parking Facility and at the Art and History Museum once those projects are completed. An additional kiosk is planned for the Tanger Outlet Shoppes.

Authority members briefly discussed the placement of a rolling event poster to be located at all kiosks to inform visitors of upcoming events.

Newspaper Racks

Ex-officio Member Hildebran reported on the progress to remove newspaper racks from downtown sidewalks and install town-owned newspaper modular units in designated locations. He stated units have been ordered for Gossip Park, the Post Office and adjacent to the Pictorial Museum and that the units should be installed in the next 6 to 8 weeks. An additional unit may be located adjacent to the Blowing Rock Grille in the future.

Authority members expressed support for the improvements.

Event Activities

The Authority discussed their role in development/promotion of special events and the marketing partnership with events via providing advertising/marketing/public relations support.

Executive Director Brown then reviewed the grant process utilized by the Boone TDA in funding events. He advised the executive director reviewed requests quarterly and the maximum amount of funding was \$2,000. He

also elaborated on the difficult process of making funding decisions and how special allocations impact overall marketing.

Chairperson Keele recommended that the Authority focus on marketing and not individual funding allocations. Vice-Chair Tarbutton agreed and advised that the TDA could increase marketing funding through elimination of the grant allocation. Member Tester suggested building event promotions into the overall marketing campaign and ad schedule.

Member Drury and Vice-Chair Tarbutton suggested that the event promoters work with Executive Director Brown as the yearly marketing plan is developed.

After some discussion, motion by Vice-Chair Tarbutton and seconded by Member Pickett to dedicate the TDA's annual marketing and advertising budget to building the image and brand of Blowing Rock, to include the overall visitor experience, special events and activities as possible within budget limitations – therefore, no grants will be made to individual organizations for promotional purposes, beginning in the 2008-2009 fiscal year. Unanimously approved.

Art in the Park

The Board expressed some concern with Art in the Park, which seems to negatively impacts downtown merchants. The Authority also stressed the need for higher end quality art merchandise during the event and the possibility of moving the event to Main Street. They suggested the Town look into the feasibility with the N.C. Department of Transportation of closing Main Street for events.

Update of TDA Strategic Plan

The Authority reviewed their 2007 Strategic Plan and made the following revisions –

BLOWING ROCK TOURISM DEVELOPMENT AUTHORITY

STRATEGIC PLAN

Vision

The Blowing Rock Tourism Development Authority (TDA) will provide leadership and primary funding, for developing and promoting tourism in Blowing Rock that will position Blowing Rock as one of the premier travel destinations in the Southeastern USA.

Mission

To develop and promote travel and tourism to and within the town of Blowing Rock by executing a strategic marketing plan with the goal of increasing the numbers of overnight guest and extending the traditional tourist season.

Objectives

- Maintain a strong level of tourism promotion and support for the summer season.
- Provide an increased level of tourism promotion for the Spring, Fall and Winter seasons. Add “and conduct market tests.”
- Provide short-term "focused" tourism promotion to fill the gaps and draw the targeted tourist segment. Better define “targeted tourist segment”
- Establish Blowing Rock as a destination of choice for business and focused activity groups. Add “Place more emphasis on establishing Blowing Rock as a destination of choice for business and focused activity groups. Produce collateral for retreats and business travelers
- Maintain a long-term tourism promotion and support plan with the objective of developing the target tourism community.
- Provide for tracking and measurement of tourism activities and demonstrate measurable growth in a) Winter, Spring, and Fall seasons and b) mid-week Summer season. Add “Place more emphasis on tracking and demonstrate measurable growth in a) Winter, Spring, and Fall seasons and b) mid-week Summer season by utilizing Average Daily Rates, Occupancy, Internet and 800# hits.
- Develop and maintain strong ties and cooperative efforts with other local and regional tourism-based organizations.
- Work with the Town to provide funding for infrastructure support and advocate for continued improvements (i.e. parking, traffic flow, information availability, etc.)
- Develop, promote and support tourism in Blowing Rock consistent with the Town of Blowing Rock's Comprehensive Plan.
- Promote and support a business environment that maintains and improves quality of life in Blowing Rock. Add “and the quality of visitor we’re trying to attract in accordance with the Town Comprehensive Plan.

Values

- Promotes growth and stability in the business community.
- Supports the continuation of a high level of quality of life in Blowing Rock.
- Encourages the growth of "The Arts" in Blowing Rock.
- Encourages the utilization of Blowing Rock's recreational and natural resources.
- Provides a funding base for maintenance and improvement of the town's infrastructure.

Strategies

- Fund all activities from a 6% Occupancy Tax to be levied on the "short term" rental business in the Town of Blowing Rock.

- Fund both tourism promotion (2/3 of the net tax revenue) and improvements to the infrastructure that supports tourism (1/3 of the net tax revenue).
- Focus the TDA on advertising and Tourist Information Center service and rely on a) other agencies to provide event management (with some funding from the TDA) and b) the Town government for direction and management of infrastructure support (with some funding from the TDA). **Under a) eliminate (with some funding from the TDA)**
- Provide strategic planning and oversight through the TDA Board and operational management through a paid staff and volunteers.
- Make strong utilization of seasonal broad image advertising, internet and PR, with packages (hotel, retail, attractions), coordination management and front line educational programs for "in-season" promotions.
- Utilize events and/or activities (packages, sales, groups, studio strolls, the arts) to focus the promotion efforts on "filling the gaps" (shoulder and off-seasons and mid-week).
- Use the results of completed surveys (ASU surveys, Smith Travel Research, AE, Visa/MC studies, ...) and other available data to develop a comprehensive understanding of Blowing Rock's current tourism community and define the target tourism community.
- Operate a Visitor Center to provide visitor support and present Blowing Rock as a quality tourism destination.
- Strengthen and expand the TDA's 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, AHMA, etc.).
- Coordinate with "interest groups" and utilize approved projects/activities/documents (Parking Study, Comprehensive Plan, etc.) to advocate infrastructure changes/improvements with the Town.

Goals

2007 - 2008:

- Use the recently completed analysis of the Blowing Rock tourism environment and other available data sources to develop an understanding of the differentiated Blowing Rock tourism environment in the context of tourism in The High Country (Local), State of North Carolina (State) and the South East (Regional).
- Provide funding and strategic planning support for economic development activities in Blowing Rock. Address such concerns as; a) What can we do to influence the type of business that locates in the village and on Valley Boulevard? b) What can be done to aid locally owned motels in upgrading facilities and services? **Encourage the Chamber of Commerce** c) Identify specific things the TDA can do to assist Blowing Rock's lodging, dining and retail partners in meeting the expectations of visitors (i.e. training, seminars, etc.). **Add "market retail analysis"**
- Continue to provide funding and planning support for the development of new parking facilities and people movement in the village.
- Develop a strategy for providing funding support for the development and management of tourism events. **Eliminate bullet**
- Develop a strategic plan for synchronizing the TDA's promotional efforts with the existing and developing tourism-related businesses/activities in the community and region (i.e The Community Arts Center, BRAHM, etc.) and take an active role in implementing the plan.
- Increase revenue measures by 6% in 2007 and 5% in 2008. **Add occupancy rates**

Vice-Chair Tarbutton also encouraged the Town to re-consider the prohibition on the 28 day minimum rental rule.

Other Business

Upon the departure of Finance Officer Norman, Executive Director Brown, Assistant Director Fife and Mr. Tomsky, Chairperson Keele stated that the Authority had agreed to evaluate the performance of the Executive Director on an annual basis. It was the consensus of the Authority that Mr. Brown had performed admirably during his one-year tenure with the TDA.

After a brief discussion, motion by Vice-Chair Tarbutton and seconded by Member Drury to provide a \$5,000 lump-sum bonus to Executive Director Brown for his service this past year. Motion unanimously approved.

Chairperson Keele reminded the Authority that the next TDA meeting is scheduled for April 1, 2008 at 8:30 a.m.

Adjournment

With no further business, motion by Member Pickett and seconded by Member Tester to adjourn the meeting. Motion unanimously approved. Chairperson Keele adjourned the meeting at 1:15 p.m.

Bernard Keele, Chairperson

Scott E. Hildebran, Secretary

Attachments

#1 – FY 2006-07 Annual Audit Report

#2 – FY 2007-08 Audit Contract

#3 – Budget Amendment

#4 – American Legion Parking Facility Construction Schedule