

Minutes
Chapel Hill/Orange County Visitors Bureau Board
June 18, 2008

The Chapel Hill/Orange County Visitor's Bureau Board met at PHE Inc., located at
302 Meadowland Drive in Hillsborough
Host Tom Underwood, Director of Human Resources

Board Members Present: Lee Pavao, Barry Jacobs, Rick Strunk, Frances Dancy, Bob Ward, Rachel Hawkins, Dave Gephart, Linda Convissor, and Liz Parham

Members Absent: Jim Ward, Creston Woods, Mark Sherburne, and Jon Wilner

Other's Present: Hillsborough Mayor, Tom Stevens; Bradley Broadwell, O.C. EDC Director; and Bruce Wlach and Bob Kochuk of Jennings Co.

Staff Present: Laurie Paolicelli, Patty Griffin, Linda Ekeland, and Tina Fuller

CALL TO ORDER

Mr. Lee Pavao, Chair, called the meeting to order at 8:05 a.m.

WELCOME

Chair Pavao welcomed Mayor Tom Stevens and Orange County EDC Director Brad Broadwell. Pavao also introduced Tom Underwood, Director of Human Resources for PHE, Inc. and hosting today's meeting. Pavao gave Mr. Underwood the floor. Underwood briefed board members on the history of Phil Harvey Enterprises (PHE), stating their Web, catalog, and direct mail customer base is about 5 million. They have approximately 13,000 items available for purchase. PHE, Inc.'s philanthropy philosophy is giving to the local community, effectively and helps approximately 100 non-profits, etc. per year through their foundation. Phil Harvey whose office is based in Washington DC also heads DKT, a not-for-profit organization promoting family planning in 9- third world countries.

Pavao turned the floor over to Mayor Stevens for an update on Hillsborough. Mayor Stevens commended PHE Inc., on their continuous support to the Hillsborough community. Stevens informed board members on the June events; Hog Day, Farmers Market, Fairview Community Park, Last Friday as well as the Grand Opening of Weaver Street Market. Upcoming events include the 2nd Annual Speedway Show coming in September, a parade commemorating the arts and Eno. Mayor Stevens then briefed on budgeted items - new park, a sidewalk on Ash Street and way finding. Stevens spoke on Hillsborough's growth contributed from the additions to Sportsplex, addition of the new

parking deck, Weaver Street, Loco Pops, Library and Courthouse renovations. The County will be purchasing the old Wal-Mart space in fiscal year 2008-2009 with the option to purchase the entire shopping center in 2012. Social Services will occupy the Wal-Mart space, which will leave the Whitted building empty. Usage of the Whitted building by the Town of Hillsborough has been proposed. The Town of Hillsborough is revamping its ordinances for compatibility with the idea of small town character along with 21st century vibrancy and life. A performing arts center and crafts market is in the works. Stevens ended with his assurance of continued support and collaboration with the County.

APPROVAL OF MINUTES

Chair Pavao requested a motion to approve the May 21, 2008 minutes. Strunk moved to accept as written, Frances Dancy seconded. With all board members in agreement the motion was carried unanimously.

Budget & Finance

Bob Ward, Finance Committee Chair, gave the financial report noting that we are three-quarters of the way through occupancy tax collection. Ward also noted that mileage is a little over budget. Laurie noted that telephone costs are down most likely due to the new cultural paradigm of visitors using websites more frequently than the landline telephone. No questions were asked.

Chair Pavao requested a motion to approve the budget as presented. Dave Gephart motioned to approve, Rick Strunk seconded the motion. All members were in agreement and the motion was carried unanimously.

Marketing Report

Rick Strunk, Marketing Chair, summarized the outcome of the 1st year with Jennings: The creation of the new logo and stationary. The print ads and summer campaign, which was basically, tailored to the sports traveler. Strunk went on to say that this year they would be focusing on media reach and frequency to accommodate rising gas prices. Three new promotions will be: the arts (Cultural Shock), Hillsborough (Holiday campaign) and 5th QTR. (come soon, stay late).

Jennings' Bob Kochuk presented a rough stage of identity concepts and prelim ad concepts for the 5th Qtr campaign. Tarheel.com has agreed to match the \$25,000 the Visitors Bureau is spending to keep athletic fans here. They will contribute equal parts advertising, web presence and tickets to bring in more visitors. Tarheel.com also allows the visitor to schedule what to do while here, a week in advance.

Paolicelli informed that the 5th QTR campaign is a collaboration of the VB budgeting \$25,000, the Downtown Partnership printing brochures and the Town of Chapel Hill's Park & Ride effort. She also stated that Barry Jacobs suggested entertaining the idea of

WRAL as a source as well as investigating a schedule on GoDuke.com and creating a “fun rivalry” ad that beckons the “other blue” visitors to Chapel Hill.

Strunk stated that the 30,000 paid attendees to HSAA events is already a captured audience for the come early/stay late concept.

Executive Directors Report

Paolicelli reported that she expects a 71% occupancy rate for June plus side revenue from group bookings. An aggressive “Top 10 What To Do for Summer Campers” promotion to camp directors is in the works. The Visitors Center experienced a jump in “just for the heck of it” and international visitors.

Paolicelli discussed the ongoing challenges of parking. She informed that the Unemployment Agency would occupy the Bentley Building once the Animal Services Department and Human Rights Department relocate which will impose further problems. The Visitor’s Bureau estimates that it needs 10-12 spots to adequately accommodate visitors.

Paolicelli also discussed the eco tour vehicle project stating that the Chattanooga prototype representatives are interested in working with the project representatives. She explained that a proposal to the Town of Chapel Hill to purchase the vehicle is planned, as they are eligible for more Federal funding.

Paolicelli mentioned the VB’s participation in the Butch Davis annual golf tournament and beginning in July the Basketball Museum will open on Saturdays (closed Mondays) thanks to Lee Pavao’s efforts.

Budget was also a topic Paolicelli discussed citing the extra \$30,000 that the Town of Chapel Hill has agreed to give to the Visitors Bureau plus another \$20,000 if occupancy proceeds exceed \$930,000 in budget yr 2008-09. The majority of these funds will go to advertising. Paolicelli stated that with these extra funds and the 1% that was voted in by the BOCC the VB can be more competitive with other CVB’s. A new van will be purchased to accommodate FAM tours, clients, etc.

Sales/Communication reports

Staff member Linda Ekeland reported the current marketing trends are focusing on backyard visitors. The meeting and event guide is completed and will help spread the word to campus and hospital businesses of new facilities in the area. The idea of a Top 10 for meeting planners or meeting planning for Dummies is being looked at.

Staff member Patty Griffin reported on the six awards presented to the VB at the DMANC annual meeting in Asheville. She also reported that the VB has received 560

entries (from 41 states and Canada) on the Web for the “Chapel Hill Weekend Getaway Sweepstakes” contest.

NEW BUSINESS

Dave Gephart reported on the Alliances’ current promotional campaigns for daytrippers: Hog Day and a dessert themed promotion among others. Dave noted that they have 50 commercial spots planned.

OC EDC Director Brad Broadwell updated members on the happenings and progress of his first month with the EDC.

Board member and Commissioner Chair Barry Jacobs reported on some of the County’s budget approvals and cuts. He also reported on the current progress of Buckhorn. Discussion followed.

The floor was turned over to Laurie who on behalf of the Board, staff and area leaders said goodbye to Liz Parham and presented her with a proclamation designating her as a tourism leader in Chapel Hill and Orange County. Parham resigned as Director of the Downtown Partnership to take a position with the State and will relinquish her seat on the VB board as a result.

Liz Parham then gave an update of downtown happenings in Chapel Hill. Liz reported that the downtown area is busy with campers but to some businesses, the summer is still challenging. There is a net gain in new businesses leaving a 6% vacancy rate, which is low. New construction for Cypress on the Hill is underway. Offices are filling vacancies, creating 50 jobs. The parking lot beside the Lantern has been rezoned and will become available. Developers are looking to reopen “The Rathskeller, “The Rat”. The Chapel Hill Council will review funds availability, publicly and privately, for an ally way in downtown.

OLD BUSINESS

No old business to report

ADJOURNMENT

Chair Pavao requested a motion to adjourn, Convissor so moved to accept with Frances Dancy seconding. With all business of the Board completed, Chair Pavao adjourned the meeting at 9:30 a.m.

Minutes Drafted by:

Minutes Accepted by:

Laurie Paolicelli, Executive Director

Lee Pavao, Chair

Date

Date