

MINUTES (DRAFT)
WATAUGA COUNTY DISTRICT U
TOURISM DEVELOPMENT AUTHORITY

Tuesday, August 13, 2013

The Watauga County District U Tourism Development Authority Board held a regular meeting on Tuesday, August 13, 2013 at 8:30am in the Conference Room at the Watauga County Administration Building at 814 W. King Street, Boone, N.C.

PRESENT: Matt Vincent, Chairman
Tony Gray – Vice Chair
Kim Rogers
Connie Baird
Wright Tilley, TDA Executive Director
Margaret Pierce, Watauga County Finance Director

ABSENT: Sonya Garland
Jim Neustadt

GUESTS: Eric Woolridge; Tim Hagaman, Denny Norris, William Hutchins
from the Green Valley Park Board.

Call to Order:

Chairman Vincent called the meeting to order at 8:37am.

Approval of the August 13, 2013 board meeting Agenda:

Wright & Margaret asked to add an agenda item for surplus under the financial update.

Connie Baird, seconded by Tony Gray, moved to approve the August 13, 2013 agenda with the additional item added.

VOTE: AYE – 4
NAY – 0

Approval of Minutes from June 11, 2013 board meeting:

Tony Gray, seconded by Connie Baird, moved to approve the minutes from the June 11, 2013 board meeting.

VOTE: AYE – 4
NAY – 0

Monthly Financial Update:

Wright distributed copies of the Occupancy Tax Report and the Revenue/Expenditure Report. Board members received this via email prior to the meeting. The June occupancy tax numbers are current. Watauga was up 5.44% over last June and finished the FY 12/13 fiscal year up 10.59%. Boone was down 4.38% in June, but was up 4.61% for the fiscal year. Blowing Rock was also down slightly at (-)0.55% in June, but had a 4.85% increase for the fiscal year.

Wright mentioned that the Best Western was closed for most of June, which took about 90 rooms out of inventory. He also noted that last year Boone had some June impact from a large group that came into town for an Art of Living event at the old Heavenly Mountain property. They had several thousand people and used many Boone hotel rooms as overflow, when their property filled.

Wright mentioned that the State of NC just released the 2012 Travel Impact numbers. All 100 counties were up over the prior year. Watauga was up 6.8% over 2011 and there were only (6) other counties in NC that had a higher increase than Watauga County.

Wright and Margaret reviewed with the board the year-end financial statement for FY 12/13 and a separate financial statement for the first month of our new fiscal year. Margaret reported that all the field work for the audit has been done and that she hopes to have a draft of the audit by the next meeting. Margaret told the board that the “life-to-date” is a manual entry and she would like to only report that a couple of times per year as needed instead of on every monthly financial sheet. Wright noted that everything is tracking as it should so far for the new fiscal year. He also reminded the board that the occupancy tax revenue is only deposit quarterly to the TDA.

Wright briefed the board that we have some office equipment that he would like to declare surplus and try to sell on GovDeals. We have a large format Design Jet 750 plotter/map printer and we have some old two-line office phones that we want to get rid of.

Connie Baird, seconded by Tony Gray, moved to declare the large printer and old office phones as surplus and try to sell them on GovDeals for whatever we can get.

VOTE: AYE – 4
 NAY – 0

Outdoor Recreation Update:

Wright updated the board on infrastructure projects. We have a contract discrepancy with Marland Architecture on the Rocky Knob Park bathroom plans. She feel like she has fulfilled the contract with the plans that she has submitted. Robert Marsh from the County says that the mechanical/engineered plans are not sufficient for bidding the

project. Our attorney, Four Eggers is handling this dispute with correspondence at this point. As a result, the bathroom construction will most likely be a spring project.

Wright mentioned that the County got an estimate of about \$15,000 from BREMCO as the cost to run power to Rocky Knob. Once we get a more detailed number from BREMCO and/or the County, Wright will bring it back to board for action.

New Horizon's is about finished with all their landscape/hardscape work at Rocky Knob. There are a few items like staining the railings and replacing some dead trees that still have to be done, but it has been too wet so far.

Watauga Gorge Park railing has been repaired, the concrete pad has been completed and the picnic table has been installed.

The work on the Holloway Mountain project has been completed and we have submitted all final paperwork to the state for re-imburement on that.

Wright shared with the board some survey information by John Whitehead at App State from surveys of riders at Rocky Knob Park.

Pine Run / Green Valley Grant Contract:

Wright briefed the board that we finally received the grant contract from the state for the Pine Run /Green Valley project. Wright told the board that if the board wanted to separate the projects that we could make that request to the grant committee. Wright talked to Darrell McBane, the State Trails Program Manager and he said that if the TDA board wanted to try and change the grant contract to only one of the two projects that it would have to go before their grant review committee and that it may or may not be approved. It is; however, a possible option if the TDA board wants to consider it.

Tony said that he is afraid that if we reapply to separate the projects that we will lose it all and that he supports going forward with the \$75,000 grant for both projects. Matt Vincent said that he agrees with that. Matt asked Eric Woolridge if he felt like it would hurt us for future grant consideration if we didn't accept this grant. Eric said that it could but that the state also understands that boards and priorities change. The board then discussed what the project at Green Valley Park would include.

The board recognized the guests from the Green Valley Park board and asked them about the impact of water activities at Green Valley Park and what the grant would do to help their facilities. Green Valley Park is currently being used by (2) commercial outfitters (River Girl and High Mountain Expeditions) as well as the general public that is tubing, kayaking or canoeing without going through an outfitter. They estimate that usage has more than tripled in the last few years.

Wright noted that much of the concern from the board so far has been the long-term maintenance of the Pine Run part of the project. The Green Valley Park board has agreed to maintain the improvements made to Green Valley Park.

Tony Gray, seconded by Matt Vincent, moved to accept the \$75,000 RTP grant and approve the contract as presented.

VOTE: AYE -2 (Gray, Vincent)
 NAY – 2 (Baird, Rogers)

The motion failed.

Mr. Hutchins interjected that if it would help to change the vote, Green Valley Park would be willing to take on the maintenance at Pine Run because this is an important grant for Green Valley.

Kim Rogers stated that the reason that she voted against it is because she collects the occupancy tax funds and that it is to promote tourism. She stated that she has rented to visitors for over 30 years and that she doesn't see the return from these projects. She said the numbers don't work for her. Her tourist base doesn't travel to that part of the county. She said that when she came on the board she made it clear that she wanted to finish the existing projects that the current board inherited and try to promote those to see if they impacted tourism, but that she doesn't want to get involved in more. She stated that that is her opinion and that she is only one vote.

Denny Norris said that he thinks the outdoor stuff is bringing in lots of tourists. He said they see people from all over the place like Atlanta, Raleigh and Washington, and that we need to give them places to get on the river.

Wright reminded everyone that we have already had discussion and a vote on this and that the motion did not pass. He then asked the board if there was an interest in separating the projects and proposing to move forward with one of the two elements. Kim noted that we had 2 board members absent from the discussion and vote.

Matt said he would be in favor of at least going for one. Tony Gray agreed with that and asked if the Green Valley Park board could apply for the grant and the TDA could provide the match. He said he is open to looking at other ways to approach this. Connie said that she didn't feel like we have a clearly defined amount of what all this is going to cost us in the long run and that she is not in favor of anything else at this time. Tony said what has happened is that we had a prior board that was interested in making Watauga County the outdoor recreation mecca of the east and that we were moving in that direction. Then another board comes along that is primarily made up of people who are in the lodging industry that are concerned that they are not getting enough advertising for their buck, at the same time we are 10% up according to numbers at the success of bringing more people or money into Watauga County. He further stated that at some

point when we get a change in board composition we might go back to that whole process, but that right now we have cut off a direction and that is why we are in limbo. He said Watauga County for years and years has been an outdoor recreation destination. He further said we have to have a reason for people to come here other than just spending money on more advertising.

Mr. Hutchins again stated that he wants to make sure the TDA board understands that the Green Valley Park Board is making an offer to cover long-term maintenance at Pine Run Road. It was stated that the board understands that.

Wright thanked the guests for coming and again stated that we had already taken action on the topic and unless the board wanted to make a motion to separate the projects, we needed to move on.

Matt Vincent, seconded by Tony Gray, moved to ask the grant agency to approve a new contract for only the Green Valley Park improvements part of the original grant application.

VOTE:	AYE- 2	(Vincent, Gray)
	NAY – 2	(Rogers, Baird)

The Motion Failed

For the record, there was no longer a need to discuss the agenda item regarding a proposed contract with Destination By Design since the board did not approve accepting the RTP grant contract.

Executive Directors Report:

Wright referenced the Executive Directors report that was given to the board for updates on marketing and promotion activities. He noted that we increased our summer radio campaigns and extended them through late August and into early September. He also noted that we bought some Pandora Radio in addition to traditional radio buys in our 3 major in-state markets.

Wright briefed the board that we have contracted with Magellan Strategies to manage the RFP and Agency selection process for an Advertising Agency and website design firm. Magellan just finished a similar process for the Asheville CVB. It will include branding, marketing & advertising strategies, and media buying.

It was noted that we received the required annual report from Tweetsie Railroad documenting that they spent the \$150,000 from the TDA on marketing/advertising. This

is the last year of our multi-year marketing agreement with Tweetsie. The agreement calls for us to make the annual payment no later than early December.

Wright briefed the aboard about the numerous visits we have had by travel writers this summer. He and Michelle have split time working with these journalists while they were in town.

Wright told the board that he presented the proposed Bylaw changes to the Watauga County Commissioners. He said that they wanted to have a requirement that a person had to live in Watauga County to be eligible to serve on the TDA board. Connie expressed concern that someone may have a tourism related business in Watauga County but not necessarily live in the county. She feels like a residency requirement might keep qualified candidates from being able to serve. The TDA board agreed to propose that the language be “a person must have their primary residence or primary business located in Watauga County” in order to be eligible to serve on this board. Wright will suggest this modified language to the County Commissioners.

Wright asked the board if they had an interest in contributing funds to help pay for the production and reprinting of the Watauga County roadmaps. After discussion it was decided that the TDA is not interested in helping fund this project.

Denny Norris and Eric Woolridge asked if Green Valley Park provided the grant match of \$18,750 would it be possible for the TDA to accept the grant. They stated that it would not cost the TDA any money, but that the TDA would just be the fiscal agent. Eric stated that it would probably be complicated to change the fiscal agent on the contract, but that Green Valley Park and High County Pathways could raise the funds. Kim Rogers expressed concern that the TDA would still be responsible if our name was on the grant contract. Mr. Hutchins said he didn't understand what the TDA was afraid of. Kim said we aren't afraid of anything, but we would still be responsible for the execution of the project including insurance and oversight. Margaret asked if the contract or state would allow the funds to come from another source because the contract and grant proposal stated that the matching funds would come from the TDA. With this proposition, the TDA would be the pass-through and all bills would have to run through us. The question was asked about the proposed \$17,000 project management contract with Destination By Design. Eric stated that would be “nil...don't worry about that.” He stated he would do all the administrative work to help save the grant. Wright stated he felt like we should get a legal opinion from our TDA attorney and that the TDA would need to have some sort of written agreement with Green Valley Park before considering this request. Matt asked how much longer we could draw this out with the granting agency. Wright stated that we would probably need to have a called meeting prior to our regularly scheduled September meeting if we wanted to pursue this option. The board discussed approving this request provided certain conditions/stipulations are met. Margaret stated that she could not recommend that to the board today. She stated that she would want the TDA attorney to review the contract and the agreement with Green Valley Park. She noted we do not have anything in writing from the Green Valley Park

Board so we are approving verbally an agreement with no language in front of us. She stated that she can't tell the board not to do that, but the auditors have cautioned us against that in prior years. Connie stated that she is not going to vote for anything else today. She is concerned that we need to have complete information before the board takes a vote on something. It was again pointed out that we have two board members absent that might have input on this. After further discussion it was suggested that the TDA could have a called meeting at a later date if necessary. Chairman Vincent asked the board members present to hold Tuesday, August 27, as a possible date for a called meeting if necessary.

The Meeting was adjourned at 10:24am

The next regularly scheduled meeting will be on September 10, 2013 at 8:30am.

WCTDA Board Chair – Matt Vincent

WCTDA Executive Director – Wright Tilley