



**CHARLOTTE REGIONAL VISITORS AUTHORITY
BOARD MEETING**

Wednesday, March 11, 2009 – 8 AM
Charlotte Convention Center Room 210 A/B

Attending: Anthony Fox , Ravi Patel, Vi Lyles, Derick Close, Tom Sasser, Tina Whitley, John Sweeney, Rai Glover, Caldwell Rose, Anthony Lindsey and Geoff Durboraw.

Absent: Joe Hallow. Attending via teleconference: Jim Nash.

Staff Present: Tim Newman, Mike Crum, Larry Williams, Jim Helms, Gina Sheridan, Ted Lewis, Winston Kelley, Jorge Rodriguez, Nick Biancofiore, Molly Hedrick, Mike Applegate, Carole Thompson, Brandy Richard, Mariel Littrell and Debbie Aldridge.

Others in Attendance: Cameron Furr, CRVA Attorney from Grier Furr and Crisp; Ron Kimble from the City of Charlotte; and Sid Smith representing the Charlotte Area Hotel Association.

Meeting Called to Order: Vice-Chairman Fox called the meeting to order at 8:00 AM noting that Chairman Nash was joining the meeting via teleconference.

Approval of February 11, 2009 Meeting Minutes: Mr. Lindsey made a motion to accept the February minutes as submitted, seconded by Mr. Durboraw. For: Nash, Fox, Patel, Close, Sasser, Whitley, Sweeney, Rose, Lindsey and Durboraw. Against: None.

Strategic Imperatives: Report of the Strategic Planning Committee - Mr. Close, Chair of the CRVA Strategic Planning Committee, reported that the Committee met on Wednesday March 4th with committee members Close, Sasser, Hallow, Patel and Durboraw and staff members Newman, Crum, Helms, Butts, Williams, Applegate, Biancofiore and Bagwell. The Committee is monitoring local and national economic conditions and received an update on local and industry economic conditions which reflect a continued downturn. The Committee discussed the impact on the travel and tourism industry. For the month of February, Visit Charlotte has booked 87,000 room nights, most of which were sports related during the summer months. Big convention bookings have slowed down and business/meeting planners have been reserved in bookings due to the recent negative publicity. Preliminary numbers are showing that the CIAA Tournament numbers are on par with last year. (Vi Lyles arrived at 8:08 AM.) The Committee reviewed the tax collection projections presented by the City at the last

board meeting. These projections will be used in preparation of the FY10 budget. The Committee reviewed the CRVA budgets/forecast for FY09. The initial draft of the FY10 Strategic Plan was reviewed with the primary focus on the BHAG numbers for revenue and fund balance. Current projected revenue is \$32 million for FY09; \$36 million for FY10; \$50 million for FY11; and \$52.5 million for FY12. For the time being, the Committee recommends that the CRVA stay on course while continuing to press forward with sales and marketing of all venues. There will be continued monitoring of the local and national economic conditions within the industry and how it impacts the CRVA organization. Mr. Fox thanked the committee on this important work. (Rai Glover arrived at 8:10 AM.)

Approval of DMAI Travel Resolution – Mr. Newman read a Resolution to support Congressional and State support for legitimate travel and tourism during these difficult economic times and has asked the CRVA Board of Directors to adopt the Resolution. Mr. Newman also noted Congressman Mel Watt’s support to promote the industry and legislative initiatives. Mr. Lindsey made a motion to adopt the Resolution as presented, seconded by Ms. Glover. For: Nash, Fox, Patel, Lyles, Sasser, Rose, Whitley, Lindsey, Sweeney, Glover, Close and Durboraw. Against: None.

VAC Membership Application Approval: Ms. Hedrick introduced the names of Jessica Graham of Central Piedmont Community College and Nick Konawalik of UNC Charlotte for membership on the Visitors Advisory Committee. Mr. Rose made a motion to accept these applicants for VAC membership, seconded by Mr. Patel. For: Nash, Fox, Patel, Lyles, Sasser, Rose, Whitley, Lindsey, Sweeney, Glover, Close and Durboraw. Against: None.

Sales and Marketing: Visitor Statistics - Mr. Helms noted that Charlotte’s ADR is -1.7% compared to the US’s -5.2%. Charlotte’s Occupancy is -16.3% compared to the U.S. at -10.7%. There is a decrease in Occupancy and RevPAR for January in 2009 compared to 2008. Charlotte and the Comp Set is about equal in January Occupancy, but below the U.S. average. Charlotte full-service hotels were above the Comp Set in Occupancy for January. Charlotte was slightly below the Comp Set in ADR for the month. Charlotte was about equal in Occupancy in the limited service industry to the Comp Set and below the Comp Set in ADR. Mr. Patel noted that “full service” includes hotels within a three-mile radius from the center city, whereas “limited service” includes the hotels in the whole area such as Rock Hill, Monroe, Mint Hill, Matthews, etc. Mr. Helms noted that there was more transient business in January 08 compared to January 09 whereas groups and contract business remained about the same. Speaking on the 2010 GSF goals, the CRVA still has a long way to go to meet their goal. The Convention Center is not expected to make revenue goals for 2009. Meeting planners are delaying their bookings. The Ovens and Bojangles’ complex experienced a big drop towards their goal for FY09 in January. The Visit Charlotte revenue goal is okay since most revenue comes from tax collections. The CRVA as a whole is below the \$33,000,000 goal as of January 09. The Time Warner Cable Arena is on track as far as expenses versus budget.

Sales Activities – Mr. Butts is attending the Meeting Planner Convention in Washington, D.C., so Mr. Helms gave the Sales Report. One hundred eighteen (118) events were booked for the month of February for FY09 with 102 of those events being in sports for

this summer. Visit Charlotte is ahead of pace for room night goals. Lost business of note was the Global Event Services for August 2010 due to the hotel rates. A discussion pursued on what our competitors are doing to win business in this tough economic time such as cutting hotel rates and giving credits to the meeting planners.

Marketing Activities – Ms. Sheridan showed an American Bus Association follow-up piece. The “Spring” tv spot started this week targeting adults 35+ and skewed toward females to connect with families planning summer travel. The ad is running in Charlotte, Greensboro, Raleigh and Greenville-Spartanburg, SC on ABC, CBS, NBC and FOX networks. Prime programming has been purchased on American Idol, Survivor, Desperate Housewives and Dancing with the Stars. Ms. Sheridan showed on-line banner branding ads appearing on the chicagotribune.com and USA Today web sites. From March 1-7 there were 659 requests for the Official Visitor Guide. From these requests, staff can get email addresses for the data base for follow up. The Visitor Guide encourages them to stay longer and do more. Ms. Sheridan spoke on the improvements being done on the web site for special seasonal offers and she spoke on reaching out to every leisure publication in which the CRVA placed advertising in FY09, in search of extra exposure at no additional cost. An example was shown of a sweepstakes package created with partners. Names of those who register are collected to market to them. Other marketing publications were made available for board review. It was noted that the new Meeting Planners Guide will come out in August.

Measures: January Financial Report - Mr. Williams reviewed the Financial Report for the period ending January 2009. The CRVA recorded a net surplus of \$8,333 resulting from the Food and Beverage profit sharing agreement with the Bobcats. Visit Charlotte is ahead of budget by \$22,000 for the month. The Convention Center had a gross operating deficit of \$129,000 versus a budgeted deficit of \$14,000. Revenues came in below expectations by 21% mainly due to lower than expected food and beverage revenues from budgeted events such as ABA, Fight Night and Conference for Women. Expenses were down 12% overall mainly due to reduced spending. The Ovens Auditorium /Bojangles’ Coliseum Arena Complex recorded a gross operating deficit of \$83,000 versus budget deficit of \$25,000. Staff has been meeting to work on expense reductions and ways to increase revenues. At the Time Warner Cable Arena, expenses were under budget by \$33,000. FYTD, the facility is \$24,000 ahead of budget. Actual expenses were \$103,000 versus budget of \$227,000 for the NASCAR HOF primarily due to timing differences as to when advertising and promotion expenses will occur. Expenses for the Airport division were under budget by \$7,468.

Fund Balance Projection: January 2009 is the first month the CRVA shows the effects of the CRVA Parking Operations budgeted charge against the fund balance of \$200,000. The board approved this budget amendment at the January board meeting.

Vendor Diversity Report Ending December 31, 2008 – The CRVA purchased goods/services totaling \$520,511 (15.2%) from VDP vendors for the second quarter ending December 31, 2008. For the same quarter in 2007, the CRVA spent 7% with VDP vendors.

Consent: *Management Reports* – There were no comments for discussion on the management reports. Mr. Newman noted the typo on the agenda for the Historic Landmark Status item which was left on from last month’s meeting.

Executive Session: A motion was made by Ms. Glover, seconded by Mr. Rose, to move into Executive Session at 9:00 AM in accordance with North Carolina General Statute section 143.318 11(3) for the purpose of consulting with an attorney retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body. For: Nash, Fox, Lyles, Patel, Sasser, Rose, Whitley, Lindsey, Sweeney, Glover, Close and Durboraw. Against: None.

The regular meeting of the board was resumed at 9:23 AM. There being no further business, the meeting was adjourned at 9:24 AM.

Vi Lyles, Secretary