



**SALISBURY TOURISM AUTHORITY
dba
SALISBURY TOURISM AND CULTURAL DEVELOPMENT COMMISSION**

Minutes
August 8, 2012

The Salisbury Tourism and Cultural Development Commission met at the Gateway Building, 204 East Innes Street, second floor, at 11:30 a.m. for their regular meeting and joint meeting of the Rowan County TDA and STCDC.

STCDC: Boris Bunich, Bill Burgin, Randy Hemann, Mark Lewis, Brian Miller, Krista Osterweil, Barbara Perry, David Redden

Absent: one vacant position formerly held by Michelle Patterson. Kelly Alexander has agreed to fill that position; City Council must make the appointment.

Rowan TDA: Amie Baudoin, Millie Cress, Suzanne Jones, Wes Thompson, Andrew Waters, Gretchen Witt

Staff representatives: James Meacham (RCCVB), Diana Moghrabi (STCDC Secretary), Joe Morris (COS Staff Liaison), John Sofley (Treasurer), Lesley Pulliam (RCCVB),

WELCOME AND OPENING REMARKS

Bill Burgin, Chair, brought the STCDC meeting to order. Minutes of the June 27, 2012, STCDC meeting were approved as submitted.

FINANCIALS

John Sofley stated that the financial reports are presently unaudited for June 30, 2012, and also provided reports for July 31, 2012. The reports are attached.

The wayfinding signage has not been purchased, there was an extra monthly payment made to RCCVB to help with the staff transition expenses (DSI). Quality Inn still owes some money.

DESTINATION DEVELOPMENT COMMITTEE

August 6, 2012, the committee met. Minutes of that meeting were made available.

The Public Art Committee recommended the TDA use their (PAC) guidelines for the acquisition of art for the destination with a few minor changes to those guidelines. There was discussion on the matter with no decision, yet.

The Destination Development Committee voted 6-1 to resubmit their proposal for the purchase of new downtown holiday decorations to the full commission. Boris voted against the proposal on the grounds that it was over the original budget allowance.

This proposal comes as a **MOTION** (and a second) from the Destination Development Committee to approve:

The original bid request was for 89 60" wreaths which was cut to 79 wreaths at \$475 each (\$37,525). The installation, take-down and storage cost is \$10,200. Final figures for the improvements and lights for the median in front of St. John's church came to \$7,500. The E. Innes Street Bridge right-of-way electrical cost is \$6,500. The miscellaneous LED lights, cords and accessories about \$3,695 for a total of about \$65,420. This amount is over budget even with the banners and ten smaller poles deleted and ten regular poles reduced (89 to 79). The star is not in the bid so add another \$1,000 for that installation totaling \$66,420.

The decorations are subject to approval from Duke Energy and meeting NCDOT standards. There are restrictions to be considered in choosing the decorations. The TDA will obligate funds for installation and storage for one year while a long-term solution can be figured out.

Mark Lewis AMENDED the motion to add the condition that the committee withholds the purchase pending the Duke Energy approval. Krista Osterweil seconded the amendment with all members voting AYE. (8-0) The final vote for the amended motion was 7-1 with Boris Bunich voting NAY.

James will speak to the marketing committee about paying for 24 banners on the E. Innes Street Bridge and the square. The subcommittee will go to the Hickory plant (it was closed for the month of July) to choose the bows and accessories for the wreaths. The weight of the decorations on the poles is of consideration.

The STCDC thanked Barbara Perry, the Downtown Holiday Decorations Subcommittee, and the Destination Development Committee for their research and hard work.

The next Destination Development Committee meeting would fall on Labor Day, so they have changed the September meeting to September 10 at the Gateway Building in the first floor conference room at noon.

ORGANIZATIONAL COMMITTEE

Due to some recent changes, the committee presently consists of two people; the committee will be restructured with five voting members.

Organizational Committee membership will consist of the commission chair, vice chair, past chair (new), Destination Development Committee Chair, Joint Marketing Committee Chair or Salisbury representative to the Joint Marketing Committee or as appointed by the chair. Non-voting members are the secretary, treasurer and staff liaison. The chair may appoint a member of the STCDC to create a 5-member Organizational Committee.

The commission VOTED unanimously to accept the proposal from the Organization Committee to restructure to a 5-member committee. (8-0)

The RCTDA has an appointment to the STCDC. Kelly Alexander will be recommended to City Council for appointment to replace Michelle Patterson (who has rotated off the RCTDA) on the STCDC.

The STCDC recessed for lunch at noon and reconvened at 12:17 for the joint meeting with the RCTDA.

RCTDA Chair, Krista Osterweil, call the Rowan County Tourism Authority meeting to order. Both Salisbury and Rowan County Tourism Development Authority meetings ran concurrently.

MARKETING

- The Joint Marketing Committee reported on the **Get Real–Go Real Marketing Campaign** running through the end of August 2012. James made an updated presentation of the integrated campaign. Handouts were provided. Pinterest is doing a great job in telling the story of the destination with 562 pins that have been picked up by other media. The campaign is going well.
- **Crossroads Classic** was August 1-5. Looks like 140-165 rooms were added across six hotels for the event. Some participants camped at Dan Nicholas Park.

News coverage was better than in the past. The *Salisbury Post*, *News 14* and the *Charlotte Observer* ran stories. The organizers are excited about Salisbury's 3-year commitment to this event.

- The Krazy Night Out was rained out. The Summer Night Out received mixed reviews. It was suggested that the Nights Out be more focused on the visitor.
- Gold Hill will receive more services from the RCCVB to include the visitor website, social media, marketing and promotions. There is a follow-up meeting August 14.

- **The Norfolk Southern Heritage Locomotive Event** at the North Carolina Transportation Museum July 3 and 4, 2012, brought in about 4,000 plus attendees from a broad area with about 425 room nights.
- The Trolley had about 17 tours, not counting the Saturday tours. Ridership was 681 at \$3,700 in revenue. July was very hot and uncomfortable.
- The Democratic National Convention is coming up September 3-6, 2012. The RCCVB will coordinate with the hotels and hospitality desks to provide Salisbury-specific products of value.
- **Fishers of Men** will hold their 2013 National Championship on High Rock Lake. It is an 8-day event. Date TBD.
- **The Historic Salisbury Foundation** received a marketing grant for the 2012 October Tour (October 11 through October 14, 2012) in the amount of \$8,960. This marketing campaign looks very good—integrated and fresh.
- **The television series *Homeland*** was filmed in Salisbury in August. This brought approximately 170 room nights for the Holiday Inn.

ROWAN ARTS COUNCIL

- **The Rowan Arts Council (RAC)** is going well. They have a good Grants Roots Grant Committee in place with applications “in.” The NC State Arts Council is very pleased with the RAC improvements.

MASTER PLAN IMPLEMENTATION COMMITTEE

Mark Lewis will be the Chair of the Master Plan Implementation Committee. The committee will be the clearing house of strategies and programs to bring back to the full Commission for approval on how we can accomplish these goals built into the master plan.

The first two years of the master plan are pretty concise; as it gets a little further out in time it gets broader and there are more opportunities for interpretation.

The minutes of the August 1 meeting were distributed and reflect that a lot of work has begun. One of the first items is to look at how the two separate organizations can become “one” and “enduring.” We have long-term commitments, but we are a short-term organization.

Page 33 of the Master Plan is where the implementation begins.

The committee took organizational actions internally. It looks like the visitor center will be moving to a more “cost-effective digital visitor center baseline platform.” June 27 there was an in-depth discussion meeting between both boards about leaving the Gateway Building to a different location such as the Plaza. We are spending “\$60,000 a year to service about 5,600 visitors opposed to spending \$7,400 on 174,000 [visitors].” This is in response to visitors going more mobile.

There has not been much synergy or evolution in the TDA or EDC relationship with the Rowan County Chamber of Commerce. In response to that, Brian Miller is quoted as saying, “The Chamber is a valuable organization within this community.” Bill Burgin said the Chamber communicated that they want to be involved, but they are not sure how to do that or where the connection is, but the willingness is there. One organization is inward and one is outward.

A proposal has been developed from the Tourism Development Authority to Downtown Salisbury, Inc., and to the City of Salisbury for consideration of a move. Additionally, the Rowan County Chamber of Commerce had a series of called board meetings and meetings with entity leaders involved to inform their board of directors of the discussions regarding the end of leases for both the Economic Development Commission and the Rowan County Convention and Visitors Center (Bureau). They recognize there has been a change and the “Chamber” would like to build a new model and better partnership whether the RCCVB is located in the Gateway Building or elsewhere. The Chamber was not flexible on the cost of the use of the space for tourism in the Gateway Building.

Brian Miller recommended that the Chamber of Commerce sponsor a “Night Out” downtown event. It would be a great opportunity to gain memberships. They could do this throughout the county.

Brian also suggested that the Chamber host a visitor center kiosk in the Gateway Building. James reported that the president of the Chamber told him “dealing with an extra 7 visitors a day is a hardship on their staff.” James added that he likes the idea of a continued presence in the Gateway Building. Barbara Perry agreed with Brian that it is a good idea.

PROPOSAL

James provided a handout outlining the proposal to relocate the visitor information center. It is essentially a multi-level partnership between the Rowan County Tourism Development Authority, Downtown Salisbury, Inc. and the City of Salisbury, NC. This is attached to the minutes.

Randy reported that the proposed front entrance of the Plaza is not the main entrance for residents of the Plaza and that the residents have not yet received the proposal. Residents do have a separate elevator.

The RCCVB's current lease runs out January, 2013. James would not like to move during the Main Street Conference scheduled at the end of January, 2013. Bill Burgin called the Plaza renovation for the proposal a "paint and fix-up."

Joe Morris noted that there is an interesting dimension in the financial strategy; the Rowan County TDA's enabling legislation does not allow them to make capital expenditures whereas the Salisbury TDA's legislation allows that—that needs to be spelled out.

James will talk to the press and provide a press release.

Bill Burgin called for a motion from the Salisbury TDA to proceed in the direction outlined in the handout (attached). Barbara Perry made the **MOTION** to approve moving forward with the proposal with Boris Bunich offering a second. All members voted AYE for approval.

Krista Osterweil called for a similar motion from the Rowan County TDA to proceed in the direction outlined in the handout (attached). Wes Thompson provided the MOTION to approve that was seconded and unanimously approved.

WRAP UP

Millie Cress received a plaque thanking her for her service to the RCTDA. Millie has been on the Rowan County TDA Board for eight years. Suzanne Jones, Dan Peters and Amie Baudoin are the newest members to have been appointed to serve the Rowan County TDA.

ADJOURNMENT

The STCDC meeting adjourned at 1:18.

- The Master Plan Implementation Committee will meet September 5 at noon at the Gateway Building.
- The Joint Marketing Committee will meeting September 6 at 10 a.m. at the Gateway Building.
- The Organizational Committee will meet September 10 at 11:15 at the Gateway Building.
- The Destination Development Committee will meet September 10 at 12 p.m. at the Gateway Building.
- The next full STCDC meeting is Wednesday, September 12, 2012, at 11:30 a.m. at the Gateway Building, 204 East Innes Street, on the second floor.

Respectfully submitted,

Diana Moghrabi

Salisbury Tourism and Cultural Development Commission

Balance Sheet

June 30, 2012

Unaudited

ASSETS

Cash and investments	\$	273,672
Accrued interest		<u>536</u>
Total assets	\$	<u><u>274,208</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$	<u>-</u>
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FUND EQUITY

Fund balance:

Reserved for Capital	\$	232,968
Unreserved		<u>41,240</u>
Total fund equity	\$	<u><u>274,208</u></u>

Total Liabilities and Fund Equity	\$	<u><u>274,208</u></u>
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Salisbury Tourism and Cultural Development Commission
Statement of Revenues and Expenditures and Change in Fund Balance
For the Year to Date Period Ending June 30, 2012
Unaudited

	<u>Actual</u>	<u>Budget</u>	Variance with Budget Positive (Negative) <u>(Negative)</u>
REVENUES:			
Occupancy Tax Receipts	\$ 299,625	\$ 298,000	\$ 1,625
Interest Income	1,545	2,000	(455)
Total revenues	<u>\$ 301,170</u>	<u>\$ 300,000</u>	<u>\$ 1,170</u>
OTHER FINANCING SOURCES:			
Appropriated fund balance	\$ -	\$ 79,000	\$ (79,000)
Total revenues and other financing sources	<u>\$ 301,170</u>	<u>\$ 379,000</u>	<u>\$ (77,830)</u>
EXPENDITURES:			
Marketing	\$ 227,397	\$ 258,000	\$ 30,603
Capital	7,613	112,000	104,387
Administrative Fee	<u>8,989</u>	<u>9,000</u>	<u>11</u>
Total expenditures	<u>\$ 243,999</u>	<u>\$ 379,000</u>	<u>\$ 135,001</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 57,171</u>	<u>\$ -</u>	<u>\$ 57,171</u>
FUND BALANCE, JULY 1, 2011	<u>\$ 217,037</u>		
FUND BALANCE, MAY 31, 2012	<u>\$ 274,208</u>		

Salisbury Tourism and Cultural Development Commission
Statement of Revenues and Expenditures and Change in Fund Balance
For the Year to Date Period Ending July 31, 2012

	<u>Actual</u>	<u>Budget</u>	Variance with Budget Positive (Negative)
REVENUES:			
Occupancy Tax Receipts	\$ 24,887	\$ 310,000	\$ (285,113)
Interest Income	-	2,000	(2,000)
Total revenues	<u>\$ 24,887</u>	<u>\$ 312,000</u>	<u>\$ (287,113)</u>
EXPENDITURES:			
Marketing	\$ 48,400	\$ 194,400	\$ 146,000
Operating Expenses		5,000	5,000
Capital			
Trolley		58,976	58,976
Other		44,324	44,324
Administrative Fee	746	9,300	8,554
Total expenditures	<u>\$ 49,146</u>	<u>\$ 312,000</u>	<u>\$ 262,854</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ (24,259)</u>	<u>\$ -</u>	<u>\$ (24,259)</u>
FUND BALANCE, JULY 1, 2011	<u>\$ 274,208</u>		
FUND BALANCE, MAY 31, 2012	<u>\$ 249,949</u>		

Salisbury Tourism and Cultural Development Commission

Balance Sheet

July 31, 2012

ASSETS

Cash and investments	\$	249,413
Accrued interest		<u>536</u>
Total assets	\$	<u><u>249,949</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$	<u>-</u>
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FUND EQUITY

Fund balance:

Reserved for Capital	\$	241,015
Unreserved		<u>8,934</u>
Total fund equity	\$	<u><u>249,949</u></u>

Total Liabilities and Fund Equity	\$	<u><u>249,949</u></u>
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**Proposal to Increase Economic Development Capacities & To Establish
A Centrally Located Digital Visitor Information Center**

THIS PROPOSAL has been developed for consideration, by and between the Salisbury Tourism Development Authority DBA the Salisbury Tourism and Cultural Development Commission, a North Carolina Public Authority ("STCDC"), the Rowan County Tourism Development Authority, a North Carolina Public Authority ("RCTDA"), Downtown Salisbury Incorporated, a 501c (3) Non-Profit Organization ("DSI"), and the City of Salisbury, a North Carolina body politic ("City").

RECITALS

WHEREAS, the STCDC and the RCTDA operate as public authorities charged with promoting and developing increased tourism for purposes of community and economic development within Salisbury and Rowan County, North Carolina; and

WHEREAS, DSI operates a non-profit organization charged with promoting, enhancing and managing the development of the central business district ("Downtown Salisbury") and managing the City owned Plaza Building ("Plaza") in a manner which will make the district the economic, governmental, social and cultural center of Rowan County; and

WHEREAS, the City seeks to enhance economic development in Salisbury and Rowan County in a manner that efficiently utilizes resources, supports local citizens, businesses, visitors and increases prosperity for all; and

WHEREAS, the STCDC, the RCTDA, and DSI seek to maximize community, visitor and economic development resources through collaborative and strategic partnerships that support increased efficiencies, promote shared resources, enhance the experience of citizens, visitors and businesses and supports the economic and tourism development of Salisbury and Rowan County.

WHEREAS, the STCDC, RCTDA ("Tourism") and DSI seek to:

1. Continue to expand upon the marketing partnership between Tourism and DSI by creating a framework based on organizational strengths and shared capacities in order to effectively market and develop Downtown Salisbury as a Flagship Visitor Destination, and enhance economic development,
2. Recognize common values between hospitality related businesses, cultural organizations, public entities and businesses within Downtown Salisbury in order to advance Downtown Salisbury,
3. Combine appropriate operational functions in order to better utilize limited financial resources,
4. Provide a cost effective and central location for Tourism offices, visitor services and launch a digital visitor center,
5. Provide a central location for Tourism and Downtown personnel, services, development and leadership, with capacity to add additional development partners and/or organizations in the same central location.

WHEREAS, "Tourism", DSI and the City recognize the importance of inter-governmental and interagency cooperation in developing and providing strategic and efficient platforms for economic, tourism and community development for the City, County, and Region;

I. GENERAL CONDITIONS

1. This PROPOSAL is expressly conditioned upon and subject to the parties hereto entering into a mutually acceptable written agreement as to all aspects of locating Tourism offices, visitor services and a digital visitor center in the Plaza Building, 100 West Innes St, Salisbury, NC 28144 and the development of shared capacities between Tourism and DSI to further expand economic development and continue to focus on efforts to transform Downtown Salisbury into a Flagship Visitor Destination.

II. PARTIES TO THIS PROPOSAL

1. Salisbury Tourism and Cultural Development Commission (Tourism), (STCDC), a North Carolina Public Authority.
2. Rowan County Tourism Development Authority (Tourism), (RCTDA), a North Carolina Public Authority.
3. Downtown Salisbury Incorporated (DSI), a 501c (3) Non-Profit Organization.
4. City of Salisbury (City), a North Carolina body politic.

III. PROPOSAL COMPONENTS:

1. Relocate Tourism offices, visitor services and visitor information from 204 East Innes Street, Suite 120, Salisbury, NC to the Plaza Building, 100 West Innes Street, Salisbury, NC.
 - a. Renovate and convert first floor entrance on West Innes street into a welcome/visitor area.
 - b. Renovate the second floor monumental stair landing area and convert the area to a second floor reception/administrative support/visitor information area and improve access to second floor restrooms.
 - c. Relocate City of Salisbury Facilities Management to 132 North Main Street, Salisbury, NC
 - d. Convert second floor space currently utilized by Facilities Management into Tourism offices.
 - e. Develop a touch screen digital information center next to the Innes Street first floor entrance into the Plaza.
2. Initiate shared operational functions between Tourism and DSI focused on administrative functions, communications, office equipment and staff support.
 - a. During renovations create the capacity to share networks, communication platforms, meeting space, and centralize office equipment.
 - b. Create an operational platform that additional development partners, if located in the Plaza can connect with and benefit from shared operational functions.
3. Establish the capacity to include additional development organizations through design and layout.
4. Implementation of the PROPOSAL coincides with goals from Completion and Connection, the Salisbury-Rowan County Tourism Master Plan, which calls for a more cost effective visitor center model, digital visitor information centers and developing Downtown Salisbury as a Flagship Destination.
5. Tourism and any additional development partners would be responsible for the costs associated with renovations to the Plaza.
 - a. Any renovations to be approved by the City and coordinated through DSI as the Plaza leasing and management organization.
6. Request that the City of Salisbury provide Tourism the visitor information and office space outlined in the proposal at a cost of zero dollars per year, for a lease of up to 10 years, with lease terms coordinated between Tourism, DSI and the City.

IV. PROPOSAL BENEFITS

1. Increases the operational capacity of Tourism and DSI.
2. Decreases overhead costs for Tourism and DSI freeing up capital to be utilized for increased marketing, tourism, downtown and economic development.
3. Supports the City's Fiscal Year 2012-2013 Focus Area of Economic Development with Objective 2 of Economic Development to: Improve and enhance Downtown Salisbury.
4. Fosters and expands the strategic partnership and marketing alliance formed between Tourism and DSI and creates greater synergy between the organizations.
5. Demonstrates the City's commitment to tourism, downtown and economic development.