

MINUTES OF MEETING OF THE
SANFORD TOURISM DEVELOPMENT AUTHORITY
SANFORD, NORTH CAROLINA

Members of the Sanford Tourism Development Authority met on Monday, January 22, 2018, at 5:30 PM, in the Gordon Wicker Room, at the Lee County Government Center, 106 Hillcrest Drive, Sanford, North Carolina. The following people were present:

Chairman Donnie Oldham	David Foster
Steve Malloy	Steve Brewer
Kevin Brown	Erica Gunter
P. J. Patel	Jeff Towson
City Manager Hal Hegwer	Mayor Chet Mann
Financial Services Director Beth Kelly	Council Member Sam Gaskins
City Clerk Bonnie Davis	Management Analyst Holly Marosites
Attorney Neil Yarborough	

SAGA Chief Executive Director Joy Thrash
SAGA Visitor Services Director Crystal McIver

CCCC President Dr. Bud Marchant
CCCC Board of Director Bobby Powell
CCCC Board of Director Bill Tatum
CCCC Board of Director Doug Wilkinson
CCCC Board of Director James French
School Board Attorney Jimmy Love

Absent:
Angela Minnick

Chairman Donnie Oldham called the meeting to order.

PUBLIC COMMENT

No citizens signed up to speak.

REGULAR AGENDA

Discussion Regarding the Funding of the TDA

Attorney Neil Yarborough explained that he has been asked to attend this meeting to provide some advice and counsel regarding the mechanisms of how the Tourism Development Authority (TDA) is going to be budgeting, some of the priorities, and the relationship between the taxing authority and the Dennis A. Wicker Civic Center. He worked on the development process of this authority through the City of Sanford for the last eight to nine months.

Attorney Yarborough said that it is important to understand that the City Council has some authority but it is a little bit remote. The City Council decides whether to levy the occupancy tax and obviously, they are very supportive of the TDA as they lobbied to get the tax passed. The

actual tax levying authority is the City Council. The Council also appoints the authority members. Other than this, the TDA is a separate authority operating under the guidelines of the public records law, Budget and Fiscal Control Act, etc.

Attorney Yarborough read from Senate Bill 552 Ratified Bill and spoke about the distribution and use of the tax revenue. He read from SECTION 1.1.(c) "Sanford shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Sanford Tourism Development Authority. The Authority shall use two-thirds of the funds remitted to it under this section to promote travel and tourism in Sanford and shall use the remaining one-third of the funds remitted to it under this subsection for the operation, maintenance, promotion and renovation of the Dennis A. Wicker Civic Center." It also says that "any funds dedicated under this subsection for the Dennis A. Wicker Civic Center that are not spent or obligated by the close of a fiscal year may be used by the Authority for the promotion of travel and tourism in Sanford.

Mr. Yarborough read some of the duties of the Authority; 11(a) to select appropriate goals for the enhancement and development of the tourism industry in the City of Sanford that are compatible with the City's Comprehensive Plan; 11(b) to seek, evaluate and choose proposals from appropriate organizations which will address the establishment and approved goals of the Authority; 11(c) to evaluate the effective and efficient implementation of the officially adopted plans of the Authority and of the City Council; 11(e) to promote travel, tourism, and conventions in the City, sponsor tourist-related events and activities in the City, and finance tourist-related projects in the City; 11(f) to support the operation, maintenance, promotion, and renovation of the Dennis A. Wicker Civic Center, and promote conventions and activities thereat; 11(l) to submit quarterly and at the close of the fiscal year to the Sanford City Council reports of its receipts and expenditures for the preceding quarter and for the year in such detail as the City Council may require; and 11(m) to submit a proposed annual budget to the Sanford City Council for their review and comment prior to the Authority's formal budget adoption.

Mr. Yarborough stated that the Finance Officer of the City of Sanford is also the Finance Officer of the TDA. He noted that all the prerequisites and requirements of the North Carolina Fiscal Budget and Control Act will apply to how the TDA money is handled. He explained that the money due to the Dennis A. Wicker Civic Center will be resident in the City Finance Department under a special budget and will be operated in a separate checking account. There will be two primary funds within that budget that the TDA will be operating under which are the General Fund-which is the one that will be handling general various tourist-type events and the second fund is the one-third of the funds dedicated to the Dennis A. Wicker Civic Center for identified ways. Senate Bill 552, Section 1.1. (c), refers to the one-third funds to be remitted to the Dennis A. Wicker Civic Center for the operation, maintenance, promotion and renovation of the Dennis A. Civic Center, an activity so closely related to travel and tourism in Sanford as to be credited with helping to generate as much as eighty percent (80%) of that City's tourism-related revenues. He felt this is a way of keying back to the travel and tourism component of the funding priorities within the Dennis A. Wicker Civic Center one-third reserve budget.

Mr. Yarborough explained the basic budget process of the City and the TDA. The City and TDA will receive proposals from various people to put on events. Those proposals for funding will come in and there will be a culling process. As part of those proposals, the Civic Center will

be presenting the TDA a budget of how it would like their one-third of the money to go. At some point, prior to April, Mrs. Kelly will be giving the Civic Center an estimate of what the revenues will be for the Civic Center. Then the Civic Center will propose spending items for one-third of the funds. If the Civic Center does not spend the money, then it reverts back to the City. The money will stay in two separate funds. All checks will be issued by the City.

Mr. Brewer said the funds will stay in the TDA's account and designated for a specific purpose, and asked who decides what it pays for and the purpose. If the TDA decides to hire an event planner, for example, specifically for the Civic Center to do nothing but bring events to the Civic Center for \$50,000, can the TDA decide to spend that \$50,000 because it is dedicated to the Civic Center out of that one-third funds. Attorney Yarborough replied he thought the TDA could. Mr. Brewer asked if the TDA has to ask permission from the Civic Center. Mr. Yarborough stated that has to be a symbiotic relationship between the Wicker Center and the TDA. He felt there should be some dialogue going on there and at the end of the day, you get to call the budget requirement. If you say we are going to designate this money to hire someone to be your event planner and the Civic Center does not want it, then he felt the Civic Center would say they do not want that; there has to be some type of agreement about it. You can express your preferences as to how you would like to see this money go but at the end of the day, he felt the TDA would have the authority to designate that money - to budget that money for whatever, but the Civic Center is the executive officer/executing agency on getting that done. Hopefully, there would be a lot of dialogue between the Civic Center and the TDA. This is the reason why the budget request would come in April. He felt the TDA's busiest season will be between April and June and then the budget has to be adopted by June 30. The representatives from the college will be communicating with the TDA of their needs and interests. A lot of statutory things that goes on, sometimes creates structurally awkward situations that get resolved by good cooperation. He noted that you can talk about the budget before April; it is just when the formal proposal should start coming in so the Finance Director will have time to review it.

Mr. Yarborough said that the basic function of a TDA is to put heads on beds, generate restaurant and bar activity - to stimulate the hospitality community. You are looking for a Return on Investment (ROI).

Mr. Oldham asked what does maintenance and operation mean as there are representatives from the community college present. Mr. Yarborough replied that everything that comes out of the North Carolina General Assembly is not crystal clear. However, to the extent that it is maintenance or renovation, he could legally support almost any expenditure - (an attractive facility creates the desire for more people to come; you would host more events). Somebody would have to make the case to the TDA that it is an important item. A case could be made for maintenance, renovation, or operation. A well-operated facility also attracts events. The categories are broad enough for anything. This is where the culling process comes in. All are in unchartered territory. There are some clear guidelines, as one-third will be dedicated in some form or fashion to the Civic Center and two-thirds dedicated for general activities.

Mr. Oldham asked what happens if there is an impasse. Mr. Yarborough stated that the TDA has the trump card. The ultimate decision is how you budget that line item. Mr. Brewer clarified that it is not CCCC's one-third, but it is our one-third that has to be dedicated to these

items to be given to them. Mr. Brewer said that the TDA has to dedicate one-third of its funds to the items you mentioned. Mr. Yarborough noted that you would want CCCC's input in making that decision.

Mr. Yarborough spoke on some issues he felt the TDA needed to think about now since there are no promotional activities. He noted that money will need to be budgeted for audits, insurance, bank charges, advertising, etc. If the money could accumulate through this fiscal year, it will go into the General Fund for general expenditures. In Senate Bill 552, it states that "Any funds dedicated under this subsection for the Dennis A. Wicker Civic Center that are not spent or obligated by the close of a fiscal year may be used by the Authority for the promotion of travel and tourism in Sanford." He suggested the TDA enter into an agreement (like a hold harmless agreement) where any money collected this fiscal year, would be kept in the two separate funds – one-third in the Civic Center fund and two-thirds in the TDA's account. Then at the beginning of the next Fiscal Year 2018-2019, the Program of Work can begin; you will have some money accumulated in the two funds, once the TDA gets an approved budget. This would avoid any controversy. He is just giving legal advice and wanted everyone to know how he felt, in his opinion, based on research and review.

Mr. Yarborough answered a question by Council Member Gaskins whether the expenditures come out of the proceeds and then the money is divided up. Mrs. Kelly replied yes.

Dr. Bud Marchant asked when is the proposal due from the Civic Center, as they have a board meeting in February and another one at the end of April. Mrs. Kelly replied that the end of April would be fine to submit their proposal.

Attorney Yarborough suggested that the TDA should consider a couple of decisions at this meeting or the next meeting. The first thing to do is to decide whether the TDA plans to solicit any outside agency requests for funds for next year's budget. If so, the TDA need to go ahead and set a deadline first. You may not want to because you may find it difficult to budget until you see a full-year cycle. You may want to devote this year's budget into next year's budget to internal expenditures to fund your Program of Work. You need to decide whether you plan to solicit requests for outside funding for this year.

Attorney Yarborough suggested adopting a resolution to say that the Dennis A. Wicker Civic Center will get their proposal in by the end of April. Dr. Bud Marchant stated that this would be fine. Attorney Yarborough stated that if you pass these two resolutions, you can proceed forward and it will help the TDA as it gets organized. This would give SAGA some insight on how to plan the Program of Work. Neil Yarborough left at this point in the meeting (6:15 PM).

Mr. Brewer stated that it would be a good idea to do these resolutions as we do not know where we are going and do not need any outside agency to ask for a funding request.

P. J. Patel made the motion that the TDA would not accept any funding requests in this fiscal year. Seconded by Steve Brewer, the motion carried unanimously.

Mrs. Kelly noted that the TDA will follow the same budget process as the City. Regarding the budget, City staff goes line by line reviewing the City requests from various departments; the Civic Center requests will be handled the same way. Staff will ask the questions they feel the TDA will need. Staff can send this information out before the meeting.

Steve Brewer made the motion for the Dennis A. Wicker Civic Center to submit their budget request no later than April 26, 2018. Seconded by Steve Malloy, the motion carried unanimously.

Steve Malloy asked if we need to do something formal about the Civic Center funds not used this year and that the funds will be held over in their account for next fiscal year. Mr. Hegwer noted that otherwise, if CCCC does not request the funds, it will lapse and go into the General Fund. Mr. Brewer added that it will let them know that it is not the TDA's intention to touch that money. Beth Kelly stated that the funds would revert back to the TDA's funds if there is not a request/spend out or obligation. She noted that you would need an agreement between the TDA and CCCC if that was going to be handled differently; it should not be a gentlemen's agreement. Mr. Brewer noted that we can wait until CCCC gives us their proposal. It was the consensus to wait on a formal agreement.

Discussion of Proposal from SAGA

Mr. Hegwer stated that we need to clear up a motion made at the last TDA meeting in the minutes. Mrs. Kelly explained that she and City Clerk Bonnie Davis listened to the recording and there were multiple discussions going on at one time. The first motion made was to contract for the \$7,900 that was in the original quote but that was for a full-time employee. Then later Ms. Thrash said the TDA would be billed for less because we agreed to keep the part-time person only, so \$7,900 would be the max but we are only going to be billed for a part-time person and not for a full-time person, with a not-to-exceed \$24,000. The TDA members clarified that is correct.

Ms. Thrash updated the TDA of several activities going on. She and Crystal McIver will be attending the 2018 Visit North Carolina 365 Conference; this is North Carolina's main conference for tourism and development. The cost of this conference will be covered by the funds they previously had and is no expense to the TDA. They are going to see how they can develop the TDA's Program of Work. There are also a couple of associations they will become members of and those funds will also come out of the funds they have now: (1) Destination Marketing Association of North Carolina (other TDAs suggested joining this association) and (2) North Carolina Festival Association (membership fee of \$215) and a (3) Motorcoach Association (membership fee of \$395). They plan to deliver the coloring books to the first graders soon.

Suggestions/Ideas for the Program of Work

Joy Thrash said she was glad to hear the vote to postpone providing any funds for events because she felt that is something that could be part of the Program of Work and they could talk about the process of it. She has an example of the application and request for funding that could be used. She researched and received several examples from Rutherfordton County, Wilson County, the State, Scotland County, Bozeman County, and there were a couple of long-term plans from Southern Pines and Asheboro. All of them have their own ideas of what they wanted to do in their community. There is no real formal structure as to what you do for the Program of Work.

She presented a Program of Work that was used in the Growth Alliance Program of Work for Visitors Services as a starting point. Some of the items that were discussed are in this Scope of Work; however, some items are not. This Program of Work gives some metrics to measure what was a success or was not.

Crystal McIver went into the community and developed a SWOT analysis (Strength, Weaknesses, Opportunities and Threats) from interviewing various people. They have a mission statement that was based off the Growth Alliance – purpose, vision, and some goals. After reviewing this information, she suggested that the TDA develop a Plan of Work committee of three to four members from the TDA, along with some members from the Visitors Services Committee to develop a Program of Work. This would expedite the development of the Program of Work before Fiscal Year 2018-2019. An inventory of attractions could be done through various committees. You can then assess your market for who you think you would be attracted to and there is also an economic development survey that could be done for lodging, food, retail and entertainment. These are things that can be prepared and sent to the 600 businesses in the community, along with other committees. The importance of gathering this information would be to help the marketing firm that is hired. Ms. Thrash said her suggestion is to develop this committee and take a look at the Program of Work. This Program of Work was developed from the planning group that came together for the Growth Alliance, from the community as a whole. We need to take this information gained from the inventories and assessment and then build on the Program of Work and bring it back to the TDA for approval.

Mr. Oldham agreed with having a committee to develop the Program of Work. He felt one thing the TDA needs to do is to figure out in the Program of Work a joint benefit with the Civic Center; that way when it comes time for budgeting, we will have an idea of how much of it is of mutual benefit to the Civic Center and maybe some of the one-third funds that goes to the Civic Center would go toward funding the joint Program of Work.

Ms. Thrash felt the marketing firm hired would certainly market the Civic Center and some of the funds could go toward it. Mr. Oldham felt David Foster with the Civic Center needs to be on the committee. Volunteers were David Foster, Steve Brewer, P. J. Patel and Kevin Brown. Mr. Brewer felt that as the TDA develops its plan, the easiest way to get heads in beds is to have groups come by the hundreds for three-day events. TDA members discussed various events that attracted large numbers of people.

Ms. Thrash thought the committee should meet a minimum of once per month and possibly bi-weekly in order to expedite the matter. After the Program of Work is established and approved by the TDA, they would not have to meet again until next year at the same time to review the past year for changes. The TDA gave Ms. Thrash approval to set up the meetings.

Mr. Brown asked who is paying for the Depot renovations. Mr. Hegwer replied that the City is paying for the renovations. Ms. Thrash gave an update on the proposed concept drawing of improvements to the Depot Building.

RFPs for Marketing Firm

Ms. Thrash thanked Mr. Brewer for his work on the RFPs. Jennifer St. Clair sent her the RFP and she made some changes to it. She asked for direction on sending the RFP to five companies; however, three would be better. The three companies that SAGA has already vetted are: DCI; Trone Brand Energy and Large Mouth Communications. Large Mouth Communications made a good impression on the group. Her suggestion would be to go with two to three companies that SAGA has interviewed and two to three that Downtown Sanford interviewed. She felt if we can get a marketing firm we are already doing business with, we might get a larger return on our investment. She would like to have three to five companies that would be willing to do a presentation. You can pick a smaller group to listen to the presentations, or they can make their presentations to the entire TDA, at its next meeting. Mr. Brewer stated that Downtown Sanford chose MSA because they came to Sanford and interviewed people on the streets and asked what they did and did not like about Sanford. It was a very eye-opening experience. Out of the three firms Downtown Sanford interviewed, he felt MSA should be interviewed. Large Mouth Communications is more of a destination marketing firm that would fit what the TDA is looking for in a firm. After discussing the issue, Mr. Brewer suggested interviewing Large Mouth Communication, MSA and DCI, and it was the consensus of the members to interview these three companies.


Mr. Oldham asked the committee members if they were okay with Ms. Thrash surveying the companies to see if they could make a presentation in February or March. Mr. Oldham stated that between 5:30 P.M. and 8:30 P.M., we could see the presentations in the West End Conference Room. Ms. Thrash will see what kind of equipment is necessary for their presentation. Mr. Brewer stated that we could hold a special meeting just for the presentations. Ms. Thrash stated that maybe we could see the presentations in mid-March and make a final decision at the regularly scheduled meeting in March. Members were in consensus.

Mr. Brown suggested changing the date of the agenda from January 20 to January 22.

ADJOURNMENT

Kevin Brown made the motion to adjourn the meeting. Seconded by P. J. Patel, the motion carried unanimously.


Bonnie Davis, City Clerk



Donnie Oldham, Chairman



Goal: Develop Visitor Services

Strategy: Market Sanford as a destination location

Action: Collaborative marketing effort with the new branding initiative - COMPLETED

Action: Dedicate staff support for marketing, special events, recruitment of events (Ongoing)

Action: Conduct an asset inventory for visitor attractions (2018)

Action: Integrate calendar of events into the new web portal (2018)

Action: Seek expansion of the occupancy tax and use the additional three cents for tourism promotion (2016) - COMPLETED

Strategy: Enhance venues that bring visitors to Lee County

Action: Partner on a study of future direction for the civic center

Action: Develop a plan for a multi-purpose athletic facility to leverage bond investments

Action: Explore a state park development

Action: Lead effort to establish a visitor center at an existing or new location with partners (2018)

Strategy: Promote local events

Action: Work with local events to provide assistance with marketing and promotion

Metrics

Metric	Goal
Event Participation	Report annually
Visitor Traffic at Visitor Center	Report annually
Civic Center Events	Report annually
Hotel Occupancy	Report annually
Occupancy tax revenue	Report annually
Retail Leakage	Report annually

Responsible Agencies: SAGA

1. Continue to work with VisitNC to utilize resource opportunities and build the relationship to connect with representatives at VisitNC to make certain Sanford is recognized and marketed by the state as appropriate.
2. Attend approved conferences to represent Sanford at industry related events.
3. Provide outreach to conference organizers, event planners and event groups to consider Sanford as a destination to hold meetings and events.
4. Coordinate and assist with selection of a marketing firm to work with the STDA to provide professional marketing services. SAGA would work with the selected marketing firm to provide necessary day to day connection to the firm.
5. Work with local groups to provide promotion outside of Sanford to encourage attendance at select local events and activities.
6. Provide onsite presence at select local events.
7. Coordinate, organize and manage a community calendar.
8. Continue professional development outreach to understand current best practices in the visitor services and tourism industry.
9. Manage Certified Retire Community activities.
10. Manage current website presence on SAGA website for updates, revisions and additions.
11. Produce monthly Visitor Services blast email for outreach to contacts outside of Sanford.
12. Manage and build contact list for contacts outside of Sanford.
13. Provide connection to NC Welcome Centers to continue publication placement for Sanford.
14. Continue to assist in development of the Depot as the Visitor Services Center.
15. Develop volunteer program to assist with Visitor Services related activities.
16. Provide a dedicated Director position that will focus on Visitor Services activities.
17. Provide support staff to assist with Visitor Services related activities.
18. Provide staff coverage for Sanford Welcome Center.
19. Provide management of Depot Park Visitors Center once it is complete.