



SALISBURY TOURISM AUTHORITY
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SALISBURY TOURISM AND CULTURAL DEVELOPMENT COMMISSION

Minutes
May 9, 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, Brian Miller, Krista Osterweil, Barbara Perry and David Redden

Staff representatives: Lauren Kanapaux, James Meacham (RCCVB), Diana Moghrabi (STCDC Secretary), Joe Morris (City Staff Liaison), Lesley Pulliam (RCCVB), and John Sofley (Assistant City Manager),

WELCOME AND OPENING REMARKS

Bill Burgin brought the STCDC meeting to order. Minutes of April 18, 2012, meeting were approved as submitted.

Financials

John Sofley provided the financial report which was received as presented. A copy of the full report is attached.

Future reports will run through the previous month. Next month the report will be through the end of May.

The county attorney has requested tax information from the City and the County regarding the Quality Inn in order to file the legal collection process for past due taxes, penalties and interest. The amount is around \$15,000-\$16,000 past due.

John will provide next year's budget at the next meeting.

REPORTS

A. Destination Development Committee Report

The Committee met May 7, 2012.

Downtown Holiday Decorations

Lynn Raker and Anna Bumgarner are working on the RFP for the purchase of the holiday decorations. The sample wreaths were determined to be too small and hung too high. We are on track for the work in the monument median in front of St. John's Church on W. Innes Street.

Wayfinding

Joe Morris reported that the Waterworks Visual Arts center directional signage should read Art Museum. The current blue signage reads Art Gallery; Ann Scott explained that they are not an art gallery but a museum.

Public Art

The mural on Fisher Street (downtown) needs financial support and has come to the STCDC for help. The committee would like to see a comprehensive plan for the mural.

Trolleys

James provided a presentation on the trolleys. James, Mark Slusser and Jake Sterling went to Tuckahoe, New York to see a model in use; it was a worthy recommendation to see a similar product that was built. The step height was a little high. The design and craftsmanship was great. The wood (mahogany) would need to be attended to as part of a regular routine. They are substantially bigger than what we have now.

John explained that, for the purchase of the two trolleys, that STCDC should make a presentation to City Council to request the City purchase the trolleys and enter an agreement for the STCDC to reimburse the City of Salisbury, NC for the cost of the trolleys over a couple years (5). City Council would then direct staff to proceed or not. Subsequently, an agreement would be approved by both boards and executed. James said a final step would be to transfer the trolleys to the RCCVB for the purpose of insurance, maintenance and operation (include that in the agreement).

Joe Morris said there would be a presentation to City Council. James volunteered to start the draft to request the City of Salisbury accept the bid with repayment from the Salisbury TDA over a 5-year period and authorize the finance director to execute an agreement.

The first payment would not be due until about May or June of 2013. The Rowan TDA/STCDC Joint Marketing Committee will need to take a vote on the proposal discussed at the April 2, 2012, Destination Development Committee meeting.

Randy Hemann made MOTION to purchase two trolleys and direct James Meacham and John Sofley to work together to draft an agreement to present to City Council.

Barbara Perry seconded the motion which was approved 6-0 with Brian Miller recusing himself.

The final agreement will come back to the STCDC for adoption.

B. The Organizational Committee

Memorandum of Understanding

The Committee has been working with Downtown Salisbury, Inc. to try to strengthen the total concept of marketing for our community through the TDA. This is the document that makes that happen. Bill said he wanted the STCDC to approve the document independent of the Rowan TDA because DSI also had their shot at it.

All three boards—DSI, RCTDA, STCDC—have approved the agreement subject to the Memorandum of Understanding. The terms of the document are what are for adoption today. Bill walked the STCDC through the document.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into this _____ day of _____, 2012, 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”) and Downtown Salisbury Incorporated, a 501c (3) Non-Profit Organization (“DSI”).

RECITALS

WHEREAS, the STCDC and the RCTDA operate as public authorities charged with promoting 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”) in a manner which will make the district the economic, governmental, social and cultural center of Rowan County; and

WHEREAS, the STCDC, the RCTDA, and DSI seek to maximize community resources through collaborative and strategic oversight of the marketing, event management and promotion, and the tourism development of Downtown Salisbury; and

WHEREAS, the STCDC, RCTDA and DSI seek to:

1. Create a framework, based on organizational strengths, to effectively market and develop Downtown Salisbury as a Flagship Visitor Destination,
2. Recognize common values between hospitality related businesses, cultural organizations and merchants within Downtown Salisbury in order to advance Downtown Salisbury,
3. Utilize limited financial resources to strategically market the Downtown Salisbury,
4. Focus on the uniqueness and authenticity of Downtown Salisbury as a competitive advantage, and
5. Acknowledge the important roles of history, art, culture and events in distinguishing Downtown Salisbury as an ideal location for a memorable visitor experience, and

WHEREAS, the STCDC, the RCTDA, and DSI recognize the importance of inter-governmental and interagency cooperation in promoting travel and tourism as an economic and community development strategy for our City, County, Region and State;

NOW, THEREFORE, for and in consideration of the foregoing premises and mutual understandings and obligations of the parties, the STCDC, the RCTDA and DSI agree as follows:

I. GENERAL CONDITIONS

1. This MOU is expressly conditioned upon and subject to the parties hereto entering into a mutually acceptable written agreement as to all aspects of the transfer of Downtown Salisbury marketing and event management to the STCDC and the RCTDA for the purpose of marketing and supporting efforts to transform Downtown Salisbury into a Flagship Visitor Destination.
2. Unless superseded by a written amendment, this MOU contains the understanding of the parties.

II. PARTIES TO THIS MEMORANDUM OF UNDERSTANDING

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

III. STCDC AND RCTDA RESPONSIBILITIES

1. Seek to actively market and support efforts to transform Downtown Salisbury into a Flagship Visitor Destination
2. Effective July 1, 2012, assume the marketing and event management responsibilities currently performed by DSI, including but not limited to events, promotions, marketing related communications, merchant marketing programs and other (insert) duties performed by DSI. (Insert Marketing Duties Performed by DSI.)
3. Perform marketing in a manner that does not conflict with the North Carolina Main Street Program, the Downtown Salisbury Master Plan, and the Salisbury-Rowan County Tourism Master Plan.
4. Effective July 1, 2012, transfer the Promotions Manager from DSI to the tourism staff of the RCTDA as the Director of Downtown Marketing and Cultural Development. (There is a longer term initiative coming in the Master Plan called "our towns." This would be about taking the Salisbury marketing model to other Rowan County towns – leaving a capacity to grow.)
5. Effective July 1, 2012, agrees to maintain funding at or above the DSI Promotions Budget for Fiscal Year 2011-2012 (Approximately \$85,000), which includes costs for the DSI Promotions Manager
 - a. The STCDC and the RCTDA would determine annual funding amounts related to Downtown Salisbury marketing in excess of the Fiscal Year 2011-2012 DSI Promotions Budget.
 - b. The STCDC and the RCTDA agrees to implement DSI promotional activities that have already been coordinated and planned for FY 2012-2013.
6. Develop comprehensive marketing programs and events in partnership with the DSI Promotions Committee. The DSI Promotion committee is to be appointed by the DSI Board of Directors and serviced by the STCDC and RCTDA.
7. Annually plan and implement a Comprehensive and Inclusive Event and Marketing Program in accordance with resources allocated in a manner consistent with Section III, Item 5;
 - a. Based on mutually agreed upon goals and objectives,

- b. Derived from substantive and informed market research and analysis,
- c. Strategically implemented in accord with best practices,
- d. Promotes Downtown Salisbury in a manner that enhances brand awareness,
- e. Creates opportunities for further economic growth in Downtown Salisbury in a manner that increase commerce in Downtown Salisbury
- f. Involves and supports Downtown Salisbury partners through collaboration, input and targeted events and promotions.

IV. DOWNTOWN SALISBURY INC. RESPONSIBILITIES

1. Focus on the economic development of Downtown Salisbury in a manner which will make the district the economic, governmental, social and cultural center of Rowan County.
2. Effective July 1, 2012, will transfer the marketing and event management responsibilities currently performed by DSI to the STCDC and the RCTDA.
3. Effective July 1, 2012, transfer the Promotions Manager position to the RCTDA.
4. Provide any necessary documentation, database support, contact information and relevant files and information in relation to event management and marketing of Downtown Salisbury to the STCDC and RCTDA.
5. Maintain a Downtown Salisbury Inc. Promotions Committee.
6. Transfer of revenues raised via sponsorships of DSI Promotional activities to the STCDC and RCTDA:
 - a. DSI agrees to assist in securing all sponsorships for FY 2012-2013 ~~add—after 2012-2013 it shall be the responsibility of STCDC and RCTDA.~~
 - b. STCDC and RCTDA agree that all sponsorship revenues raised on behalf of Downtown Salisbury events and marketing efforts will be dedicated specifically to Downtown Salisbury marketing and event efforts. (~~add—~~ “As detailed in Section III, #5”)

V. TERMS AND OBLIGATIONS

1. The MOU's term is from July 1, 2012 to June 30, 2015, at which time, upon the agreement of all parties, the MOU may be extended.
2. The STCDC and the RCTDA agree to fulfill all responsibilities as defined in section III.
3. DSI agrees to fulfill all responsibilities as defined in section IV.
4. The DSI Promotions Committee will be appointed by the DSI Board of Directors and serviced by the staff of the RCTDA for purposes of administration and brand continuity.
5. Regular channels of communication regarding marketing and event management between all parties will be established by the respective Boards of the STCDC, the RCTDA and DSI.
6. Any changes to the agreement require the approval of all three parties, the STCDC, the RCTDA and DSI ~~add— and this agreement is terminated.~~
7. Either party may withdraw from this agreement based on 120 days (~~add—written notice to make withdrawal effective at the end of the current fiscal year~~). It would make sense to redo the agreement if someone pulled out.

SIGNATURES

The parties to this MOU hereby acknowledge their intent to proceed in good faith for the purpose of advancing the economic and community benefits of increased tourism in Salisbury and Rowan County, North Carolina.

**Salisbury Tourism and Cultural Development Commission
Authority**
A North Carolina Public Authority

Rowan County Tourism Development
A North Carolina Public Authority

By: _____
Mark Lewis, Chairman

By: _____
Michelle Patterson, Chairman

Downtown Salisbury Incorporated
501c (3) A Non-Profit Organization

By: _____
Teross Young, President

Krista Osterweil made a MOTION to accept the above Memorandum of Understanding with the above five amendments. Barbara Perry seconded the motion that was unanimously APPROVED except for Randy Hemann who recused himself.

Krista Osterweil requested a commitment from the STCDC for a 13th payment distribution to the RCCVB (\$16,000 monthly payment) to help cover the transition expenses of payroll, Friday Night Out, medical coverage, computers and other miscellaneous expenses. RCCVB has to keep their fund balance in check. John said the payment could be in the 2013 budget and paid July 1, 2012.

Krista made a MOTION that the STCDC commit \$16,000 for a 13th distribution payment to the RCCVB for transition expenses July 1, 2012. All members VOTED AYE except for Randy Hemann who recused himself.

Joint Marketing Committee

Krista Osterweil brought the Rowan TDA meeting to order and James made a report on behalf of the Joint Marketing Committee.

- The FCCA soccer tournament brought about 250 teams to the area that generated about 200 local hotel room nights. The tournament is lined up for 2012 and 2013.
- Annual Crossroads Classic bicycle competition is booked here for the next three years.
- The summer marketing campaign will launch in mid-June through August. Lauren has put together a list of prizes. It incorporates Pintrest, twitter, facebook, and radio. There are data and tracking mechanisms in place for this campaign.
- The mobile versions of the website and mobile application have not launched yet due to database synchronization issues. We want to be sure it is ready before launching it.
- There is an advertisement running in the June issue of *Our State Magazine* promoting the June 22, 2012, Arts Night Out.

RAC

The Grassroots Grants process begins in June. The RAC is gearing up for Arts Night Out which is on June 22.

North Carolina Tourism Day—James will be in Raleigh May 16 with the NC Transportation Museum who hired a lobbyist and is now to receive \$300,000 in recurring funds. This is \$100,000 short of what they need to maintain the facility as they were.

Master Plan

Krista commented that there some items in the master plan that we will need to act upon fairly quickly. “The relationship between the two boards is very unbalanced. Salisbury transfers money to Rowan and Rowan bears all the financial responsibility which is hard on them, but also, takes away Salisbury’s ability to say how that money is spent. Once it is transferred, it is their (Rowan’s) money. We need to look at the Memorandum of Understanding and look at a longer term for it—with more meat to be sure the relationship is better balanced.”

Brian said he would rather work from a plan than react. There are a lot of things moving. We are entering into a long-term structural agreement based on a 1-year structural agreement between organizations. From a legal standpoint, everything is loaded onto one side.

We all care about bringing visitors here and sharing the decision making. We have been hearing that the relationship is rare and a model for others. It is built on personalities.

Joe suggested that, in the future, the RCCVB will contract with Salisbury TCDC to “do the work.” “We can only go so far. We cannot create a covenant that carries on infinitely. We can create something that works based on the resources and the people that are available for a stand of time.”

There is some research into the RCCVB becoming a IRC 501(c)(6) for nonprofit "commercially-oriented" organization. That conversation should take a while.

ADJOURNMENT

The STCDC meeting adjourned at 1 p.m. The next full committee meeting is Wednesday, June 13, 2012, at 11:30 a.m. in the Gateway Building, 204 E Innes Street, Salisbury.

Respectfully submitted,

Diana Moghrabi

Salisbury Tourism and Cultural Development Commission

Balance Sheet

May 8, 2012

ASSETS

Cash and investments	\$	242,418
Accrued interest		<u>1,057</u>
Total assets	\$	<u><u>243,475</u></u>

LIABILITIES AND FUND EQUITY

LIABILITIES

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

Fund balance:

Reserved for Capital	\$	216,053
Unreserved		<u>27,422</u>
Total fund equity	\$	<u><u>243,475</u></u>

Total Liabilities and Fund Equity	\$	<u><u>243,475</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 May 8, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES:			
Occupancy Tax Receipts	\$ 247,310	\$ 298,000	\$ (50,690)
Interest Income	1,021	2,000	(979)
Total revenues	<u>\$ 248,331</u>	<u>\$ 300,000</u>	<u>\$ (51,669)</u>
OTHER FINANCING SOURCES:			
Appropriated fund balance	\$ -	\$ 79,000	\$ (79,000)
Total revenues and other financing sources	<u>\$ 248,331</u>	<u>\$ 379,000</u>	<u>\$ (130,669)</u>
EXPENDITURES:			
Marketing	\$ 206,861	\$ 258,000	\$ 51,139
Capital	7,613	112,000	104,387
Administrative Fee	7,419	9,000	1,581
Total expenditures	<u>\$ 221,893</u>	<u>\$ 379,000</u>	<u>\$ 157,107</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ 26,438</u>	<u>\$ -</u>	<u>\$ 26,438</u>
FUND BALANCE, JULY 1, 2011	<u>\$ 217,037</u>		
FUND BALANCE, APRIL 17, 2012	<u>\$ 243,475</u>		

Salisbury Tourism and Cultural Development Commission
Collection Summary Report for FY2012 as of May 8, 2012

Total Receipts Previously Reported	\$ 235,367.20
Total Receipts April 18 – May 8	<u>11,942.81</u>
 Total Gross Receipts Received	 <u>\$ 247,310.01</u>