

**MINUTES**  
**GASTONIA TOURISM DEVELOPMENT AUTHORITY**  
**MONDAY, AUGUST 19, 2013, 2:00 P.M.**  
**GASTONIA CONFERENCE CENTER,**  
**145 SOUTH MARIETTA STREET, GASTONIA, NC**

The Gastonia Tourism Development Authority (GTDA), met on Monday, August 19, 2013, at 2:00 p.m. at the Gastonia Conference Center. Authority members in attendance were:

Nicole Bolt, Hampton Inn & Suites  
Jesse Cole, Gastonia Grizzlies  
J.D. Deva, Maya Hotels  
Ed Munn, City of Gastonia  
Bill Owen, Gastonia Conference Center

Council Member in attendance was: Walt Kimble

City staff members present were: Rachel Bagley, Managing Exec.-Mktg./Revitalization Initiatives  
Flip Bombardier, Assistant City Manager-Public Infrastructure  
Ash Smith, City Attorney  
Melody Usery, Director of Financial Services

Guests: John Endress, Sumner Group  
Walt Israel, Gaston County Travel and Tourism

Mr. Ed Munn opened the meeting and thanked everyone for coming. Mr. Munn asked if there was a motion to approve the minutes of the Gastonia Tourism Development Authority (GTDA) meeting of May 14, 2013. A motion was made, and the Authority voted unanimously to approve these minutes.

**ITEM 1: UPDATE ON GASTONIA CONFERENCE CENTER OPERATIONS:**

Mr. Munn recognized Mr. Bill Owen, General Manager, Gastonia Conference Center, for an update on the operations of the Conference Center. The information provided to the Authority included a 2012/2013 financial review, a 2013/2014 budget review, a 2013/2014 marketing plan, a review of the website redesign and Social Media Optimization, and information on hotel partnerships.

Mr. Owen provided descriptions of the revenue line items for the 2012/2013 financial review. He also provided descriptions of costs of sales, payroll, contract labor, and other items. Mr. Owen advised the advertising and promotions expenses will increase from \$18,800 spent last year to a budget of \$52,000 this year. \$25,000 of the advertising and promotions funding has already been spent. Mr. Owen stated that close to half of these monies went to the recent web redesign. Additionally, the monthly maintenance of the Social Media Optimization package is \$1,300, which includes updates, blogs, pictures, galleries, and provides feedback on the effectiveness of the package.

For 2013/2014, the actual budget forecast is \$730,000, which is a 22% increase over 2012/2013. Currently, the Conference Center has approximately 20 accounts just outside of Gastonia. Ninety-nine percent of the Conference Center business is local. The web redesign is important to provide name exposure for the facility and to recruit regional groups to come to Gastonia. Ms. Lauren Braxton, Sales Manager, handles the local marketing segment and is committed to growing the business. In September, in preparation for the holiday season, direct mail will be sent to every business with over 50 employees, along with an email blitz. Additionally, an insert advertising the Conference Center will be included in the City's utility bills. Mr. Owen advised that a partnership with the **Gaston Gazette** has developed, whereby the **Gaston Gazette** uses the Conference Center facilities for meetings, and the Conference Center is provided print services in the newspaper. A full-page advertisement for the Conference Center will be coming out this week called "*Behind the Scenes.*" Ms. Rachel Bagley suggested that Mr. Owen check with the **Gaston Gazette** to possibly use tiles and banner headlines on their website for additional advertising. Mr. Owen stated he would contact the **Gaston Gazette** in this regard.

Mr. Owen recognized Mr. John Endress, Sumner Group, which manages the Conference Center website, to present the features of the redesigned web site. Mr. Endress stated that based on the analytics, the number of visits to the website dropped off at the end of 2013 through April, 2014. In order to generate traffic to the web site, a determination was made to utilize a Social Media Optimization package. One of the features of the package includes blog writing, based on key words for the conference center market. Article submission is another portion of the social media optimization. There are approximately 400 web sites that reproduce articles. These articles contain a link to the Conference Center's website. Eventually, YouTube videos will be included. Since this package has been implemented, the number of visits to the website has increased. In June, there were 500 visitors to the website. In July, there were 700 visits to the website. Testimonials are also included in the website, and many of them contain reciprocal links.

Ms. Nicole Bolt asked about the focus of the marketing plan. Mr. Owen stated that he is focusing his efforts on the outside with the website, getting exposure and positioning the Conference Center in the market, the ongoing relationship with **Gaston Gazette**, and magazine articles being published throughout

the year. Ms. Bolt then addressed the issue of hotel partnerships. Mr. Owen stated that the Hampton Inn is a primary partner. However, the lack of hotels and the distance to and from hotels hinders the marketing efforts of the Conference Center. Ms. Bolt stated that when out-of-town businesses are hosting conferences, transportation can be requested from the hotels and rates adjusted accordingly. Much discussion ensued regarding Conference Center marketing and partnering with area hotels. The Authority members voiced their support for the success of the Gastonia Conference Center. Mr. Owen also stated that he will fully support the efforts of Gastonia's partner hotels.

Mr. Walt Israel, Gaston County Travel and Tourism, stated that one of the problems in the hotel industry in Gastonia is that there are not enough hotels. The other issue is that hotels need to increase the average daily rate. Gastonia's average daily rate is approximately \$60-\$61, whereas, Charlotte's average is approximately \$90. Mr. Israel stated even though the proposed downtown hotel is not a new facility, a gap will be filled in the downtown market, and it will be good for Downtown Gastonia. Mr. Munn stated that a new hotel would impact Gastonia's economic development, just as industrial development does. The City continues to work with Gaston County and the Chamber to recruit new businesses to Gastonia.

Mr. Munn advised that at the next meeting, Ms. Bolt will speak to the Authority about activities to focus on. In addition, the Authority will develop a vision for the City's tourism. This vision would be complementary to Gaston County's vision.

### **AUTHORITY ACTION**

This item was presented as information to the Authority; therefore, no action was taken.

### **ITEM 2: REHABILITATION OF THE GASTONIA CONFERENCE CENTER:**

Mr. Nathan Kirby, owner of the Lawyers Building, and other investors are proposing to redevelop the building into a boutique hotel, which would include a restaurant and approximately 35 hotel rooms. Other additions include a new elevator, a patio area on the west side, and a surface parking facility on the east side. A property tax value increase in excess of over \$2 million is expected. Annual tax revenues are estimated to increase by approximately \$20,000 for both the City and the County. The developer has asked the City and County to provide an annual economic development grant for ten years in order to assist in funding the project. A management company or a general manager will run the day-to-day operations of the hotel. A little over \$40,000 per year will be a line item in the budget for marketing and advertising. A hotel will be a valuable asset to have within walking distance of the Conference Center. Mr. Kirby stated this is the most viable option for the commercial use of this property. Mr. Deva asked if the hotel would be franchised. Mr. Kirby stated not at this time, however, the partners will continue to pursue having a brand for the hotel, as it lends itself to a more successful product. If everything is approved, construction will begin in September, with a completion date of December 31, 2014. Operations could commence in the first quarter of 2015.

Mr. Munn stated the County Commissioners voted to support this project two weeks ago, and City Council will vote on Tuesday night (August 20, 2013) whether to approve Mr. Kirby's proposal. Mr. Kirby stated that having the hotel downtown should not have a negative impact on the existing hotels in the area, and it should make a huge impact on the Conference Center's business. Additionally, the restaurant and bar would add to the downtown amenities. Mr. Munn noted that the numbers provided by Mr. Kirby and his partners are estimates. These projections can fluctuate due to room rates, occupancy rates, and the economy. The impact of recession on the hotel industry in the Gastonia area was discussed by the Authority, as occupancy rates have remained low for several years

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This item was presented as information to the Authority; therefore, no action was taken.

### **ITEM 3: OTHER BUSINESS**

Mr. Munn addressed Mr. Israel for his presentation to the Authority. Mr. Israel advised the Authority of a City/County joint marketing opportunity. Mr. Israel proposed that the Authority buy into a six-month ad campaign with Time-Warner Cable, beginning in March, to advertise Gastonia and Gaston County in the North and South Carolina markets. The cost of the program will be \$78,000, with approximately 40% paid by the City of Gastonia. Over 6,000 advertisements would be run, costing approximately \$12 to \$13 per advertisement. In order for the Authority to make an informed decision, financial information on the Authority's fund balance along with information on the proposal will be provided to the Authority for their review.

### **AUTHORITY ACTION**

Since a decision will need to be made within 30 days by the Authority on whether or not to participate, the Authority will hold a special meeting on September 4, 2013, at 1:00 p.m. to take up the matter further.

With no other business, the meeting was adjourned at 3:55 p.m.