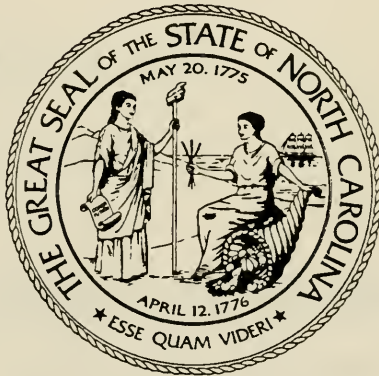


**LEGISLATIVE
RESEARCH COMMISSION**

TOURISM'S GROWTH AND EFFECT



**REPORT TO THE
1989 GENERAL ASSEMBLY
OF NORTH CAROLINA
1989 SESSION**

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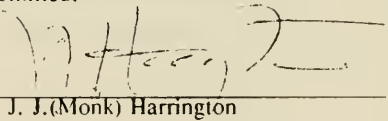
December 14, 1988

TO THE MEMBERS OF THE 1989 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on tourism's growth and effect. The report was prepared by the Legislative Research Commission's Committee on Tourism's Growth and Effect pursuant to Section 2.1 of Chapter 873 of the 1987 Session Laws.

Respectfully submitted.


Liston B. Ramsey


J. J. (Monk) Harrington

Cochairmen
Legislative Research Commission

1987-1988

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PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1987 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Co-chairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Co-chairs, one from each house of the General Assembly, were designated for each committee.

The study of tourism's growth and effect was authorized by Section 2.1(12) of Chapter 873 of the 1987 Session Laws (1987 Session). That act states that the Commission may consider House Joint Resolution 1010 and Senate Bill 1328 in determining the nature, scope and aspects of the study. Section 1 of House Joint Resolution 1010 and Senate Bill 1328 reads in part: "The Legislative Research Commission may study the issue of the growth of tourism in North Carolina, including an analysis of this growth and recommendations for ensuring that the entire State benefits from this growth." The relevant portions of Chapter 873 and House Joint

Resolution 1010 and Senate Bill 1328 are included in Appendix A. The Legislative Research Commission grouped this study in its Economic Development area under the direction of Senator A.D. Guy. The Committee was chaired by Senator Franklin L. Block and Representative Edward N. Warren. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

INTRODUCTION

Tourism is a weekend at the beach, a browse through an art museum, and a hike in the mountains. But, tourism is a lot more than just fun. Tourism is big business and it is essential to the economic stability and success of North Carolina. The creation of the LRC Committee on Tourism's Growth and Effect affirms that fact and signals North Carolina's eagerness to embrace tourism as one of its two leading industries.

From the first time the Committee convened it was clear that the study of tourism's growth in the State would be a lesson in success. According to statistics distributed to the Committee by the Division of Travel and Tourism of the Department of Commerce, tourism in North Carolina amounted to a \$5.7 billion industry in 1987, employing at least 220,000 people. (See Appendix C.)

The Committee held meetings throughout the eastern, western, and piedmont regions of the State, permitting Committee members to study this success first-hand. Numerous tourism leaders addressed the Committee throughout the course of these meetings, proudly sharing their success stories with the Committee.

However, these leaders also informed the Committee that the rapid growth and success of the tourism industry has been accompanied by expanding needs. They urged the Committee to give serious consideration to the needs of the tourism industry, such as a better funded Division of Travel and Tourism, improved roads, and a cleaner environment.

Having heard all of these facts, figures, and opinions, the Committee had to assimilate this information and then determine how the State should respond to the rapid growth and enormous economic impact of the tourism industry.

COMMITTEE PROCEEDINGS

The LRC Committee on Tourism's Growth and Effect met six times to discuss the tourism industry in North Carolina and to examine the appropriate role for the State in facilitating continued growth of that industry.

November 23rd Meeting

The Committee held its organizational meeting on November 23, 1987, in Raleigh, North Carolina. At that meeting the Committee heard informative overviews of North Carolina's tourism industry, as well as an educational briefing on North Carolina's State park system.

Janet Howard, Chairman of the Governor's Advisory Board on Travel and Tourism, emphasized the vital role that tourism plays in the well-being of the North Carolina economy, as illustrated by the fact that the tourism industry is now the third largest industry in the State and is expected to emerge as the number one industry in the State by the year 2000. While Ms. Howard spoke highly of the banner year that the tourism industry had in 1986, she also spoke of the recent growing pains suffered by the Division of Travel and Tourism due to a combination of rapid industry growth and serious budget constraints. Ms. Howard also pointed out that enormous growth potential lies untapped in the foreign tourist market. She encouraged the Committee to remember the value of the tourism dollar to the State and to consider ways to increase the volume of dollars flowing into the State.

Michael Olson, Legislative Liaison for The Travel Council of North Carolina, Inc., which is a non-profit corporation organized in 1955 to promote tourism in North

Carolina, described the goals of the Council. The Council plans to increase its efforts to fully inform the General Assembly about the importance of the travel industry, to make more cohesive efforts with all entities involved in tourism to promote tourism in North Carolina, and to draw more attention to the impact of tourism on employment resources. Mr. Olson also commented on the incredible rate of growth experienced by the tourism industry and encouraged the Committee to fully appreciate the positive impact that this dynamic industry has on the State.

William W. Davis, Director of Parks and Recreation Division, Department of Natural Resources and Community Development, briefed the Committee on the condition of North Carolina's State park system. Mr. Davis stressed the importance of State parks to a healthy tourism industry, but noted that North Carolina's State parks could not fulfill their potential role in the industry due to inadequate capital and staff. According to Mr. Davis, North Carolina ranks 50th in the nation in its per capita expenditures on State parks. Mr. Davis suggested a number of alternative funding mechanisms as keys to the future success of State parks in North Carolina, such as a bond issue for capital improvements and land acquisition, and a challenge fund that would challenge foundations to raise money for special projects in State parks to be matched by State dollars.

The Committee members then discussed possible topics for future agendas and expressed their desire to hold meetings throughout the State.

January 29th Meeting

The Committee held its second meeting on January 29, 1988, in New Bern, North Carolina. This meeting focused on the successes and needs of the tourism industry in eastern North Carolina, the role played by the State Division of Travel and Tourism in the tourism industry, and the importance of the State transportation network to tourism.

Speakers who appeared on behalf of the eastern North Carolina tourism industry were: Jim Lowry, Executive Director of the Craven County Tourism Development Authority; Jeanne Hunt, Chairman of the Craven County Tourism Development Authority; Tom Morrow, Vice-Chairman of Government Affairs-State, Eastern North Carolina Chamber of Commerce; Lockwood B. Phillips, Chairman of Travel, Eastern North Carolina Chamber of Commerce; Alma Evett, President, Coastal Carolina Pleasures; Neal Lewis, Director, Carteret County Chamber of Commerce; and Keith Hundley, Industry section of Craven County.

These speakers introduced a number of ideas for the Committee's consideration, including: creating Regional Coordinator positions within the State Division of Travel and Tourism; providing an adequate transportation system with high priority placed on Highway 17; encouraging regional and area marketing for tourism; adding project developers to the State Division of Travel and Tourism; acquiring Governor's homes for operation as historic sites; providing support for an Eastern North Carolina Tour; and creating a crisis management plan to ameliorate the effects of natural disasters upon the tourism industry.

Charles Heatherly, Chairman, Long Range Planning Committee, Travel Council of North Carolina, Inc., outlined the recommendations proposed by the Long Range Planning Committee to the Travel Council's Board of Directors. Highlights of these recommendations were: appropriating additional funds to the State Division of Travel

and Tourism to support more staff and increased advertising and matching funds budgets; completing certain four-lane interstate quality highways; developing better intrastate air transport; developing zoning regulations to protect the State's natural resources; and increasing State participation in efforts to stop acid rain.

Hugh Morton, Jr., Director of the Division of Travel and Tourism, North Carolina Department of Commerce, informed the Committee of the Division's charge, which is to promote and advertise North Carolina to potential visitors to the State, including North Carolina residents. Mr. Morton described some of the methods used by the Division to execute its charge. The Division operates toll-free telephone lines and responds to written requests for travel information, handling more than 415,000 requests a year for information. To help communities and non-profit organizations pay for tourism-related projects, the Division administers a matching grants program. Last year the Division distributed \$250,000 in grant money to 38 organizations. Some other activities of the Division include conducting trade missions to distant cities to advertise North Carolina in person and organizing "FAM" (familiarization) trips throughout North Carolina to help train travel writers.

Larry Goode, Manager of Program and Policy, Department of Transportation addressed the Committee on the Department's 1988-1996 Transportation Improvement Program. Pursuant to this Program, 2,500 miles of highway in North Carolina have been designated strategic highway corridors from a total of 9,000 miles of highway in the State. Of these 2,500 miles of strategic highways, 850 miles have been chosen to receive funding of \$1.36 billion from a \$3.2 billion budget. Mr. Goode explained that the needs are so great that there is not enough money available to make all needed improvements now. Thus, 850 miles of highway have been designated as the most strategic and the most in need of timely attention. Mr. Goode noted that the

Department has identified an existing \$11 billion highway need that is growing at a rate of \$500 million per year.

Following Mr. Goode's presentation, the Committee discussed the condition of Highway 17, located in eastern North Carolina, and the major impact that this highway has on the tourism industry. The Committee noted that, currently, the Highway Commission is reviewing highway needs and is expected to make recommendations to the 1989 General Assembly.

March 4th Meeting

The Committee held its third meeting on March 4, 1988, in Raleigh, North Carolina, receiving information on the economic impact of parks and recreation in the State, and the role of hotels, motels, and restaurants in the tourism industry. In addition, the Committee reviewed the annual budget of the Division of Travel and Tourism.

Tom Wells, Director of Recreation Resources Service (RRS), North Carolina State University, familiarized the Committee with the structure and work of the RRS. The RRS provides applied research, technical assistance, consulting services, and continuing education on parks and recreation and leisure service issues. Mr. Wells informed the Committee that he and the RRS Advisory Board have recommended that the RRS undertake a study to determine the economic impact of recreation in North Carolina. Mr. Wells indicated that this study would assist public policy makers in determining how to best allocate public funds in order to get full dollar value from parks and recreation.

Phillip Osborne, President of the North Carolina Hotel and Motel Association, described the dramatic growth of the hotel and motel industry in North Carolina during

the past few years and attributed this growth to the strong State economy, the growth of the State's tourism industry, the nature of the State's tax laws, and the quality of life and geographic advantages of the State. Mr. Osborne noted that one of the major challenges of the hotel and motel industry is to find qualified people to fill management and skilled positions in the industry. Mr. Osborne continued by stating legislative issues of interest to the hotel and motel industry, including: the importance of earmarking at least portions of local room tax proceeds for travel and tourism, promotion; the need for further refinements to the ABC laws such as Sunday service beginning at noon and allowing in-room beverage units; the need for a cohesive policy regarding directional signage to aid the traveler; and the need for budget increases to support staffing and advertising for the Division of Travel and Tourism.

T. Jerry Williams, Executive Vice-President of the North Carolina Restaurant Association, emphasized the importance of restaurants and the food service industry to the social and economic growth of the State, noting that total sales were \$4,180,009,321, for the commercial food service industry (restaurants, cafeterias, grills, taverns, nightclubs, vending, and drink stands) in 1987. Commercial food service sales of \$12,729,946,808, accounted for approximately 32% of total food group sales for 1987. Mr. Williams identified some needs that could be addressed to facilitate growth of the tourism industry. Specifically, he suggested the development of a travel and tourism directory that would identify the actual number of restaurants, hotels, and tourist attractions in every county. Also, he suggested that a study be funded to document the number of people employed in the travel and tourism industry. In addition, Mr. Williams indicated that changes in the way businesses report their sales to the Department of Revenue could result in more accurate documentation of sales and a more accurate reflection of the great significance of the commercial food services industry.

Hugh Morton, Jr., Director, Division of Travel and Tourism, appeared before the Committee to express to the Committee his endorsement of the idea of creating House and Senate standing committees on travel and tourism and to address the Division budget. Mr. Morton noted that the Division had been relying more on temporary help and therefore had to transfer funds from other line items in order to get extra funds to support additional temporary help. He particularly emphasized the need for additional money for staff, printing, and postage, due to an unexpected onslaught of information inquiries from potential tourists.

September 1st Meeting

The Committee held its fourth meeting on September 1, 1988, in Boone, North Carolina. This meeting focused on the tourism industry in western North Carolina. The specific topics discussed included the impact of the environment, transportation, regional marketing, and education on the tourism industry.

Hugh Morton, Sr., Owner of Grandfather Mountain, presented a slide show, which illustrated the beauty of North Carolina but emphasized the environmental perils that threaten to destroy this beauty. Mr. Morton discussed the precarious position of the Cape Hatteras Lighthouse, the need to actively pursue a reduction of acid rain, the need to make wiser decisions as to clear cutting timber, and the need to better maintain roadsides throughout the State. Mr. Morton challenged the Committee to begin addressing these tough environmental issues that are key to the future.

Joe Byrd, member of the Northwest Area Forum and Chairman of the Board of County Commissioners for Wilkes County appeared on behalf of the Northwest Area Forum, which is a nine-county organization created to promote tourism, economic development, and transportation improvements in northwest North Carolina. Mr. Byrd

identified the number one priority of the Forum as the four-laning of approximately 70 miles of Highway 421, from the end of the four-laned section in Yadkin County to Boone, in Watauga County. Mr. Byrd acknowledged that the Board of Transportation had included the four-laning project in its nine-year Transportation Improvement Program, but noted that this program would entail continuous construction until the end of the century. He expressed the Forum's desire that this project be addressed more rapidly, since Highway 421 is vital to the tourism industry in Northwest North Carolina.

Harris Provost, Immediate Past President of North Carolina High Country Host, addressed the value of regional marketing strategies. Mr. Provost described the successes of North Carolina High Country Host, which is a non-profit, regional travel promotion organization representing five northwestern counties of the State. According to Mr. Provost, there are three reasons why area travel and promotion organizations should be formed: (1) To promote the area as one travel destination, thereby eliminating competition among area businesses and communities; (2) To promote a spirit of cooperation within the region; and (3) To enable members to accomplish projects, for which they would not have adequate resources on their own.

Bill Williamson, also a past president of North Carolina High Country Host, interjected his concern over early school startups in the State. He indicated that the tourism industry depends on students for staff during the summer months. Mr. Williamson stated that North Carolina tourism is hurt because of competition from states that do not open schools until after Labor Day. He noted that many North Carolina tourist sites have to close operations two weeks earlier than sites in other states because of the early school starting date.

Robert E. Snead, Vice-Chancellor of Development, Appalachian State University addressed the Committee on the role of the University in the tourism industry. Mr.

Snead described the offerings of Appalachian State in the areas of cultural and educational experiences, noting that tourists demand more than recreation and entertainment. In addition, Mr. Snead emphasized the University's role in training tourism industry employees. He stated that the University has a Hospitality Management Program, which is the only four-year program in the State that trains managers for the tourism industry. He explained that East Carolina University is in the process of developing a program, but that it has not yet been fully implemented. Mr. Snead noted that the Hospitality Management Program combines liberal arts and business training to cover the full spectrum of the tourism industry from food to lodging to management.

Grady Moretz, Jr. of Appalachian Ski Mountain, which is a prosperous ski lodge in northwest North Carolina, updated the Committee on the ski industry in North Carolina. He stressed the vital role played by the ski industry in the economy of western North Carolina, noting that he has found that each dollar a skier brings into an area turns at least five times, resulting in \$100 million in expenditures by skiers in the State. Mr. Moretz contended that the State is not helping the ski industry very much and illustrated his point by stating that the ski industry had spent \$250,000 on advertising last year but the State had contributed only \$1,950. He summed up his presentation by indicating that the State could help the ski industry by four-laning Highway 421 and by appropriating additional money to the Division of Travel and Tourism.

The Committee then discussed a variety of issues, including the matching grants program offered through the Division of Travel and Tourism. Hugh Morton, Jr., Director of the Division, provided the Committee with detailed information on this program.

September 29th Meeting

The Committee held its fifth meeting on September 28, 1988, in Wilmington, North Carolina. At this meeting the Committee heard proposals from the Division of Travel and Tourism, presentations from tourism industry officials in the Cape Fear Coast area, and proposals from the Eastern North Carolina Chamber of Commerce.

After greetings from Fred Retchin, New Hanover County Commissioner, and JoAnn Fogler, President of the Cape Fear Coast Convention and Visitors Bureau, Hugh Morton, Jr., Director of the Division of Travel and Tourism, expressed the needs of that Division to the Committee. He indicated that the most pressing needs include additional staff and increased funding for postage and printing. Mr. Morton also responded to an inquiry regarding the accuracy of news reports stating that responses by the Division to over 90,000 information inquiries this year had been delayed until after most people had taken their vacations. Mr. Morton assured the Committee that the backlog of inquiries have been answered and the Division is up-to-date. He explained that the Division lacked adequate staff to respond simultaneously to both phone and written inquiries and a decision had been made to respond first to phone inquiries, thereby delaying responses to written inquiries.

A variety of speakers involved in the tourism industry in the Cape Fear Coast area addressed the Committee on tourism issues of interest to that region of the State. These speakers included Dr. Neal Conoley, Director of the Office of Marine Affairs, North Carolina Aquariums; Mary Baggett, Wilmington, N.C. Area Golf Association; Les Ligon, Cape Fear Innkeepers Association; Captain Frank Conlon, Director, U.S.S. N.C. Battleship Memorial; and Jane Peterson, Executive Director, Cape Fear Coast Convention and Visitors Bureau. The concerns expressed in this region were much the same as those expressed by tourism leaders throughout other regions of the State.

Better highways, increased funding for the Division of Travel and Tourism, cleaner environment, better signage, post-Labor Day school openings, and expansion and increase in services of State aquariums were among the needs enumerated by these speakers.

J. Jeter Walker, Executive Director of the Winston-Salem Convention and Visitors Bureau, spoke on behalf of the North Carolina Association of Convention and Visitors Bureaus. Mr. Walker described the mission of convention and visitors bureaus, funded by local option room taxes, as the promotion of entire cities and localities. Mr. Walker suggested that the Committee recommend: that the amount of matching grant dollars available for travel promoting organizations be dramatically increased; that additional budgetary support be given to allow statewide marketing groups to better pursue statewide marketing goals; that representatives of statewide interest groups be appointed to advisory and oversight commissions or boards; that the advertising image projected by the State be effectively coordinated so that North Carolina gets the best exposure; that the budget of the Division of Travel and Tourism be boosted; that the tourism industry be recognized as a "grow or die" industry; and that the local option room tax be protected.

Jeanne Hunt, Vice-Chair of Travel and Tourism for the Eastern North Carolina Chamber of Commerce, presented formal recommendations from the Chamber, as requested by the Committee at the January meeting in New Bern, North Carolina. These recommendations included: speeding up highway improvements to US-17 in eastern North Carolina; improving and expanding staff capabilities within the Division of Travel and Tourism; initiating an effort to preserve Governors' homes as historic sites; and appropriating additional funds to support a permanent Eastern North Carolina Tour.

The Committee followed-up with discussion and planned a November meeting for the purpose of determining final proposals to submit to the 1989 General Assembly.

November 18th Meeting

The Committee held its sixth and final meeting on Friday, November 18, 1988, in Southern Pines, North Carolina. At this meeting the Committee heard a review of Division of Travel and Tourism needs, a summary of the successes and needs of the tourism industry in the Pinehurst area, and presentations relating to the role of historic sites and the role of community colleges in tourism. The Committee also determined findings and recommendations for transmittal to the Legislative Research Commission.

The Committee deviated from the planned agenda and began its meeting by discussing and determining findings for transmittal to the Legislative Research Commission. The Committee participated in substantial discussion to determine appropriate findings and then launched into a discussion with Hugh Morton, Jr., Director of the Division of Travel and Tourism, as to needs of the Division. Mr. Morton presented a written report to the Committee (See Appendix C) and stated that the Division would seek two new office positions - a business operation manager to serve as administrative assistant to the Director and a full-time secretary for the publications division.

The Committee then heard from tourism industry leaders from the Pinehurst area. Those who addressed the Committee included: Don Calfee, General Manager of the Sheraton Inn and Vice-Chairman of the Pinehurst Area Convention & Visitors Bureau; Charles Hayes, President of the Moore County Economic Development Corporation; John Peacock, Executive Vice-President of the Sandhills Area Chamber of Commerce; Pat Corso, President of the Pinehurst Hotel & Country Club; and Nonnie Peace,

Executive Director of the Pinehurst Area Convention & Visitors Bureau. These speakers expressed their support for the local option room tax, standing tourism committees, expansion of the matching funds tourism grants program, more effective use of Division of Travel and Tourism dollars, commuter air transport service to the Pinehurst area, increased attention to the State's highways, and the concept of a board made up of State officials and tourism industry leaders that would help formulate travel and tourism policy.

William Price, Jr., Director of the Division of Archives & History, Department of Cultural Resources, addressed the Committee on the Division's role in tourism. He indicated that the primary role of the Division is to enhance the lives of North Carolina citizens by educating them as to their past while simultaneously offering them attractions that they will enjoy seeing. Mr. Price also responded to the recommendation by the Eastern North Carolina Chamber of Commerce that a matching grant program be established, which would provide matching funds for counties that want to buy Governors' homes and preserve them as historic sites. The program would be administered by the Division of Archives & History. Mr. Price indicated that such a program is feasible but recommended that a cap be placed on the amount of matching funds available and that the grants be made on a dollar-for-dollar basis.

Roger Bone, Assistant for State Government Affairs for the Department of Community Colleges, spoke about the effort the State's Community College System is making to provide education and training opportunities for current or potential tourism industry employees. He noted that the System offers a number of curriculum programs tailored to the tourism industry, such as hotel and restaurant programs, food service programs, culinary technology programs, and travel and tourism programs. Mr. Bone also described the importance of the System's Small Business Centers, now located at

fifty of the fifty-eight community colleges throughout the State. These Centers offer training and consultation for the hospitality and tourism industry.

The Committee closed its meeting with thorough discussion of recommendations. Having approved the recommendations, the Committee then authorized Cochairman Block and Cochairman Warren, along with public members Tony Seamon and Hubert Terry, to approve the final draft of the Committee report, which is to incorporate the findings and recommendations as approved by the full Committee.

Approval of Final Report

As authorized by the LRC Committee on Tourism's Growth and Effect at the November 18, 1988, meeting, the Committee Cochairmen, Senator Franklin L. Block and Representative Edward N. Warren, and two public members of the Committee, Tony Seamon and Hubert Terry, reviewed and approved the Final Report on November 30, 1988, for transmittal to the Legislative Research Commission.

FINDINGS

(1) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT THE TOURISM INDUSTRY IS A DYNAMIC INDUSTRY THAT IS ESSENTIAL TO THE ECONOMIC STABILITY OF NORTH CAROLINA.

In 1987, tourism was a \$5.7 billion industry in this State, employing approximately 220,000 North Carolinians. Tourism currently is the second largest and fastest growing industry in the State, and by all projections will emerge as the number one industry by the year 2000.

(2) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT THE STATE SHOULD CONTINUE TO SUPPORT THE TOURISM INDUSTRY THROUGH PROMOTIONAL EFFORTS AND SHOULD STRIVE TO EXPAND AND STRENGTHEN THAT SUPPORT BY PLAYING A MORE ACTIVE ROLE IN THE DEVELOPMENT OF TOURISM OPPORTUNITIES IN THE STATE.

The creation of the N.C. Division of Travel and Tourism during the 1970's represented the State's recognition of tourism as an industry and the State's full acceptance of a role in promoting that industry. Today, the State relies heavily on the revenues and employment opportunities derived from the tourism industry. Meanwhile, the tourism industry in North Carolina faces tough competition from every other state in the nation. Because of increased reliance by the State on the tourism industry and increased competition from the tourism industries of other states, the State should continue to promote tourism in North Carolina, but should also expand its role by becoming an active player in the development of that industry.

(3) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT THE CONTINUED SUCCESS OF TOURISM IN NORTH CAROLINA DEPENDS SIGNIFICANTLY ON THE SUCCESS OF THE N.C. DIVISION OF TRAVEL AND TOURISM AND THAT WITHOUT ALLOCATION OF ADDITIONAL RESOURCES TO THE DIVISION, ALONG WITH EFFICIENT UTILIZATION OF THESE RESOURCES BY THE DIVISION, THE INDUSTRY WILL SUFFER. The rapid growth of the tourism industry in North Carolina during recent years has stretched the capabilities of the N.C. Division of Travel and Tourism to the breaking point. The Division must have additional resources - particularly, additional staff - if it is to function properly. Once these resource needs are satisfied, the Division should make diligent effort to use its resources efficiently, effectively, and wisely in order to meet the continually increasing demands of the tourism industry. The Division should position itself to lead the tourism industry as that industry seeks to promote and develop North Carolina as the "Variety Vacationland."

(4) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT THE STATE MUST INCREASE ITS EFFORTS TO PROVIDE AN ADEQUATE, EFFICIENT TRANSPORTATION NETWORK THROUGHOUT ALL OF NORTH CAROLINA IF TOURISM IS TO FULFILL ITS POTENTIAL HERE. Easy access to communities by highway, air, or water is essential to a healthy tourism industry. Obviously, tourists are less likely to visit those places that are not easily accessible. Local tourism leaders consistently cite a better transportation system as a top priority need that must be met by the State. The particular transportation needs may vary among the regions and communities of the State - some areas need a highway four-laned, some areas need commuter air service, some areas need improved ferry service - but the concerns are the same. Communities that are not

located along the interstate highway system or that are not convenient to major airports are concerned that they will be losers in the highly competitive tourism industry. And, usually, the most remote areas of the State are the areas most in need of tourism dollars.

(5) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT THE FUTURE OF TOURISM IN NORTH CAROLINA IS DEPENDENT UPON THE FUTURE OF NORTH CAROLINA'S ENVIRONMENT.

Scenery is the number one reason that tourists travel to an area. North Carolina typically is chosen as a tourist destination because of the overwhelming beauty and variety of its scenery. But, North Carolina can no longer afford to take that scenery for granted. Environmental abuse is taking its toll and the State must act now to intensify its efforts to protect our natural habitat. The gradual destruction of our scenery through neglect will result in the gradual destruction of our tourism industry.

(6) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT NORTH CAROLINA'S STATE PARKS SYSTEM MUST BE ADEQUATELY CAPITALIZED AND STAFFED IF THAT SYSTEM IS TO BECOME A FULL PARTNER IN THE TOURISM INDUSTRY.

Currently, North Carolina ranks last in the nation in per capita spending on its State parks. That ranking is reflected in the condition of our parks. Tourists should not travel miles only to be disappointed by parks in disrepair, parks that are not properly staffed, or parks that are not even open. North Carolina should learn from examples set by other states that its State parks can prove to be outstanding economic investments.

(7) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT ACKNOWLEDGES THAT ALONG WITH STRONGER PARTICIPATION BY THE STATE IN THE PROMOTION AND DEVELOPMENT OF TOURISM COMES ADDED RESPONSIBILITY. THE STATE MUST LOOK BEYOND REVENUES PRODUCED BY THE TOURISM INDUSTRY AND MUST MONITOR THE IMPACT OF THE INDUSTRY ON NORTH CAROLINA SOCIETY. The tourism industry brings many employment opportunities to the citizens of North Carolina. The State must carefully evaluate the types of jobs created by the tourism industry and then analyze their impact on the quality of life for North Carolina citizens. In addition, while eagerly welcoming tourists into its border to view its beauty, the State must seek to protect that beauty from the litter and pollution often caused by tourists. Of equal importance is the need for the State to monitor the impact of tourism on the communities that play host to that industry. The State must ensure that the influx of people into a community does not overwhelm the available infrastructure.

RECOMMENDATIONS

(1) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly create standing House and Senate committees solely dedicated to the review of tourism and travel issues. Creation of tourism committees would represent a significant step toward full recognition of the importance of tourism to a healthy North Carolina economy.

(2) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly appropriate funds to the Division of Travel and Tourism of the Department of Commerce to support:

(a) Recommendations of the Director of the Division of Travel and Tourism:

- printing budget
 - \$450,000 - Division printing
 - \$ 94,000 - Welcome Center printing
- matching funds tourism grant program
 - expand from \$250,000 to \$500,000
- additional staff
 - business operation manager to serve as administrative assistant:
 - full-time secretary for the publications division.

(b) Recommendation of the Committee:

- The General Assembly should consider restructuring the Division of Travel and Tourism in a manner similar to that illustrated in the information attached in Appendix D. This information includes a flowchart, which suggests a new Division structure, and an outline of the structure of the State of Virginia's Office of Tourism. An especially important aspect of this restructuring would be the creation of regional coordinator positions within the Division for the purposes of developing and coordinating tourism activities in the three regions of the State, recruiting tourism industries into these regions, and providing assistance if these industries choose to locate in these regions.

(3) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly authorize the creation of the North Carolina Travel and Tourism Commission. This Commission would advise the Governor, General Assembly, and Secretary of Commerce on policy and budgetary matters related to tourism promotion and development. The Commission membership would consist of the Director of the Division of Travel and Tourism, tourism industry leaders, local government officials, and other members of the public. (See Appendix E for Legislation.) (See Appendix F for letter from Claude E. Pope, Secretary of Commerce, stating the objections of the Department of Commerce to the creation of this Commission.)

(4) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly authorize the continuation of the LRC Committee on Tourism's Growth and Effect. While the Committee made significant progress in analyzing the tourism industry and determining the type of support the

State should provide this industry, many important issues remain unaddressed. (See Appendix G for Legislation.)

(5) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly authorize the creation of a matching grants program to provide assistance to counties that want to buy and restore the homes of North Carolina Governors. This program would be administered by the Division of Archives and History. (See Appendix H for Legislation.)

(6) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly support the findings and recommendations of the Highway Study Commission and seek to establish a more cohesive transportation policy for the State, encompassing all forms of transportation. In particular, emphasis should be placed on:

- (a) Increasing the quality of, availability of, and access to rural airports by urging Congress to encourage the Federal Aviation Authority to fund the Airport Improvement Program at higher levels by using the surplus reserve generated by excise taxes and urging Congress to provide adequate funding for substantial new community air service through the Essential Air Service Program.
- (b) Speeding up strategic highway construction projects.
- (c) Increasing limited access to highways.

(7) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the State significantly increase its efforts to reduce environmental problems, such as acid rain, which threaten to destroy North Carolina's natural beauty.

and to reduce any negative environmental impact produced by tourism. The State should seek every opportunity to set a good environmental example for industry. For example, the State should use biodegradable plastic products whenever possible. In addition, the State should enhance the beauty of its roads by eliminating the use of weed killers along roadsides. North Carolina's natural beauty must be preserved if the tourism industry is to continue to flourish.

(8) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly appropriate additional funds to support our State parks and also consider the concept under review by the Commission on State Parks and Recreation Areas, which proposes to establish a new State department and cabinet level secretary for wildlife, parks, and tourism. Alternatively, consideration should be given to the possibility of establishing a separate tourism department and cabinet level secretary for tourism. A separate department would highlight the importance of tourism to North Carolina.

(9) THE LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT RECOMMENDS that the General Assembly encourage local boards of education to design their school calendars so that the first day of the school year is after Labor Day rather than in August. This step would prevent North Carolina tourist sites from having to close down their operations two or three weeks earlier than sites in many other states. The tourism industry would be able to maintain a high level of business throughout the latter weeks of August, into the first weekend of September.

APPENDIX A

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION
RATIFIED BILL

CHAPTER 873
HOUSE BILL 1

AN ACT TO AUTHORIZE STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION. TO CREATE AND CONTINUE VARIOUS COMMITTEES AND COMMISSIONS. TO MAKE APPROPRIATIONS THEREFOR. AND TO AMEND STATUTORY LAW.

The General Assembly of North Carolina enacts:

PART I. TITLE

Section 1. This act shall be known as "The Study Commissions and Committees Act of 1987."

...

PART II.-----LEGISLATIVE RESEARCH COMMISSION

Sec. 2.1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1987 bill or resolution that originally proposed the issue or study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

- (12) Tourism's Growth and Effect (H.J.R. 1010-Perdue; S.B. 1328-Barker).

...

Sec. 2.6. Reporting Dates. For each of the topics the Legislative Research Commission decides to study under this act or pursuant to G.S. 120-30.17(1), the Commission may report its findings, together with any recommended legislation to the 1989 General Assembly.

Sec. 2.7. Bills and Resolution References. The listing of the original bill or resolution in this Part is for reference purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

...

-----EFFECTIVE DATE

Sec. 31. This act is effective on July 1, 1987.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1987

H

I

HOUSE JOINT RESOLUTION 1010

Sponsors: Representatives Perdue: Anderson, Burke, Chapin, Cooper, Diamont, Bob Etheridge, Greenwood, Judy Hunt, Hunter, James, Kennedy, Lineberry, Neshitt, Redwine, Tart, R. Thompson, S. Thompson, E. Warren, Watkins, Wiser.

Referred to: Appropriations.

April 29, 1987

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH
2 COMMISSION TO STUDY THE ISSUE OF THE GROWTH OF
3 TOURISM AND ITS EFFECTS ON THE ECONOMIC GROWTH OF
4 NORTH CAROLINA.

5 Whereas, tourism constitutes the third largest and fastest growing
6 industry in North Carolina, producing in excess of four billion six hundred
7 million dollars (\$4,600,000,000) in 1986; and

8 Whereas, the tourist industry of North Carolina results in the
9 employment of more than two hundred thousand North Carolina citizens; and

10 Whereas, North Carolina has consistently supported the tourism
11 industry through an investment of five million eight hundred thousand dollars
12 (\$5,800,000) in order to generate the four billion six hundred million dollars
13 (\$4,600,000,000) in revenues; and

14 Whereas, the tourism industry has an economic impact on North
15 Carolina through wages, revenues from hotels, motels, restaurants, taxable
16 motor vehicle fuel, gasoline stations, and other tourist related entertainment
17 revenues; and

1 Whereas, the increasing numbers of tourists in North Carolina
2 require increasing amounts of public services, such as highways, water,
3 electricity, waste disposal, and health care; and

4 Whereas, this tourism industry is expected to continue growing,
5 and, with proper State support, can surpass all other economic development in
6 North Carolina;

7 Now, therefore, be it resolved by the House of Representatives, the Senate
8 concurring:

9 Section 1. The Legislative Research Commission is authorized to
10 study the issue of the growth of tourism in North Carolina, which study may
11 include an analysis of this growth and recommendations as to how to ensure
12 that the entire State benefits from this growth.

13 Sec. 2. The Legislative Research Commission is authorized to
14 make an interim report, including any recommendations, to the 1987 General
15 Assembly, Regular Session 1988, and a final report to the 1989 General
16 Assembly.

17 Sec. 3. This resolution is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1987

S

1

SENATE BILL 1328

Short Title: Tourism L.R.C. Study.

(Public)

Sponsors: Senators Barker; Basnight, Block, Guy, Martin of Pitt, Rand.

Referred to: Rules and Operation of the Senate.

May 28, 1987

A BILL TO BE ENTITLED

2 AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION
3 TO STUDY THE ISSUE OF THE GROWTH OF TOURISM AND ITS
4 EFFECT ON THE ECONOMIC GROWTH OF NORTH CAROLINA.

5 The General Assembly of North Carolina enacts:

6 Whereas, tourism is the third largest and the fastest growing
7 industry in North Carolina, producing in excess of four billion six hundred
8 million dollars (\$4,600,000,000) in 1986; and

9 Whereas, the tourist industry of North Carolina creates jobs for
10 more than 200,000 North Carolinians; and

11 Whereas, North Carolina has consistently supported the tourism
12 industry, where an investment of five million eight hundred thousand dollars
13 (\$5,800,000) by the State in 1986 generated a return of four billion six
14 hundred million dollars (\$4,600,000,000) in revenues to the State; and

15 Whereas, the tourism industry has an economic impact on North
16 Carolina through wages, revenues from hotels, motels, restaurants, taxable
17 motor vehicle fuel, gasoline stations, and other tourist related entertainment
18 revenues; and

1 Whereas, the increasing number of tourists in North Carolina
2 require higher levels of public services with more highways, water, electricity,
3 waste disposal, and health care; and

4 Whereas, the tourism industry is expected to continue growing, and
5 with proper State support, can surpass all other industries in growth and
6 revenues; Now, therefore,

7 The General Assembly of North Carolina enacts:

8 Section 1. The Legislative Research Commission may study the
9 issue of the growth of tourism in North Carolina, including an analysis of this
10 growth and recommendations for insuring that the entire State benefits from
11 this growth.

12 Sec. 2. The Legislative Research Commission may make an interim
13 report, including any recommendations, to the 1988 Session of the General
14 Assembly, and shall make a final report to the 1989 Session of the General
15 Assembly.

16 Sec. 3. There is appropriated from the General Fund to the
17 Legislative Research Commission the sum of twenty thousand dollars (\$20,000)
18 for the 1987-88 fiscal year to fund the study described in Section 1 of this act.

19 Sec. 4. This act shall become effective July 1, 1987.

APPENDIX B

MEMBERSHIP OF LRC COMMITTEE ON TOURISM'S GROWTH AND EFFECT

Pres. Pro Tem's Appointments

Sen. Franklin L. Block, Cochair
520 Princess Street
Wilmington, NC 28401
(919) 763-3463

Sen. William H. Barker
Post Office Box 1339
New Bern, NC 28560
(919) 638-1901

Sen. Marc Basnight
Post Office Box 1025
Manteo, NC 27954
(919) 473-3474

Sen. Wanda H. Hunt
Post Office Box 1335
Pinehurst, NC 28374
(919) 295-3794

Mr. Hubert Terry
Carolina Telephone Company
720 Western Boulevard
Tarboro, NC 27886
(919) 823-9840

Mr. Tony Seamon
Post Office Box 38
Morehead City, NC 28557

Staff: Ms. Catherine Hubbard
Legislative Services Office
(919) 733-2578

Clerk: Ms. Margie Kirby
(919) 733-5770 (O)
(919) 243-3528 (H)

LRC Member: Sen. A. D. Guy

Speaker's Appointments

Rep. Edward N. Warren, Cochair
412 BB&T Building
2000 Venture Tower Drive
Greenville, NC 27834
(919) 758-1543

Hon. Allen C. Barbee
Post Office Box 339
Spring Hope, NC 27882
(919) 478-5114

Rep. N. J. Crawford
15 Edgemont Road
Asheville, NC 28801
(704) 252-6972

Rep. Beverly M. Perdue
Post Office Box 991
New Bern, NC 28560
(919) 633-2667

Rep. Raymond A. Warren
Post Office Box 23415
Mint Hill, NC 28212
(704) 535-0388

Rep. Wade F. Wilmoth
Post Office Box 268
Downtown Station
Boone, NC 28607
(704) 264-2969

RESEARCH AND STATISTICAL DATA

Based on an annual travel survey by the N.C. Department of Commerce, travel expenditures in 1987 reached almost \$5.7 billion. This record spending represented a 12% increase over the \$5.1 billion in 1986. Of this, approximately \$4.1 billion, or 72%, was spent by visitors from other states and foreign countries. About \$1.59 billion, or 28%, was spent by Tar Heel residents.

Travel Expenditures In
North Carolina

<u>YEAR</u>	<u>\$ BILLIONS</u>
1977	\$1.7
1978	\$1.9
1979	\$2.1
1980	\$2.4
1981	\$2.7
1982	\$3.1
1983	\$3.4
1984	\$4.2
1985	\$4.6
1986	\$5.1
1987	\$5.7

Research shows that visitors to North Carolina tend to be professional, technical and sales people with annual incomes greater than \$25,000. A significant number (47%) are over 50. Almost 70% do not have children accompanying them on the trip.

During 1987, travel inquiries totalled 417,777. Paid advertising (mail coupons, toll-free calls and reader-service inquiries) accounted

for 359,614 or 86 percent. Of these, 129,578, or 31%, were from toll-free calls. This was more than twice the number of calls recorded a year earlier.

In order of inquiry origination, the top ten states were New York, Florida, Pennsylvania, Ohio, New Jersey, Illinois, Michigan, Virginia, Indiana, and Georgia.

The average visitor stays 3.2 nights. For Tar Heels, the average stay is 1.9 nights; for out-of-state visitors, it is 4.4 nights. Travel parties spend an estimated \$442 while in the state. Of this, 18% is for lodging, 21% for food, 32% for transportation, 9% for entertainment and recreation, and 10% for miscellaneous items.

It is estimated that during 1987, approximately 90 million person-nights were spent in North Carolina by visitors.

ECONOMIC IMPACT:

In 1987, the estimated private enterprise employment in the travel and tourism industry increased 7%. In total, an estimated 227,900 jobs depend significantly or entirely on travel and tourism.

Private-sector wages and salaries related to travel rose 12% in 1987. Total wages are estimated to exceed \$2.01 billion.

INQUIRY CONVERSION STUDY:

Maintaining the growth of the travel industry requires strategies to meet two key objectives: (1) Build awareness of North Carolina as a vacation destination and (2) Develop inquiries which can be converted to actual visits.

Research indicates inquiries are an important barometer of actual travel. Based on a 1985 study, 51% of those who request travel information actually visit within twelve months. Phone inquiries are

slightly more prone to visit than mail inquiries (53% vs 47%).

Travel information has an impact on the decision to visit the state. Almost half (48%) said they used the information to make a final destination decision and 80% used the information to decide where to visit and what to see while here.

Because of the publications in which advertising is placed, those who inquire were well educated and had relatively high incomes. Some 42% had completed college and an additional 25% had attended college. One in five had incomes over \$50,000 and 67% had incomes over \$25,000.

The study showed that older households provided many of the visitors. Some 47% were 50 or older and 62 percent had no children living at home.

Some 65% visited North Carolina as part of a vacation, while 25% were seeing friends and relatives. On the average, each party consisted of 2.6 people. Each trip lasted an average of 9.7 days, of which 6.5 days were spent in North Carolina.

People spread their vacations around: 35% said their primary region visited was the mountains, 38% said the Piedmont, and 27% said the coast.

As expected, heaviest travel was in the summer: 58% visited during the summer months, 44% during the shoulder months of April, May, September and October, and 16% during the winter. These percentages total more than 100 because visitors could name more than one trip.

Almost 90 percent of all travel parties used a private car to reach the state.

REPORT TO THE LEGISLATIVE RESEARCH COMMISSION ON TOURISM'S GROWTH AND EFFECT - PREPARED BY HUGH MORTON, JR. - NOVEMBER 18, 1988

UPDATE AND OVERVIEW

1987-88 was a record year for inquiries at the North Carolina Travel & Tourism office: 435,163. Of this total, 129,278 were toll-free calls. 1987 was also a record year for statewide travel revenues: \$5.7 billion, as compared with \$5.1 billion in 1986.

Independent research figures show that, based on the January-July figures, 1988 will set another record for statewide travel revenues: probable revenues of at least \$6.2 billion, an increase of nearly 9% over 1987 figures.

Toll-free calls jumped from 104,814 in 1986 to 129,278 in 1987, an increase of 23.3%. This follows the 56.5% increase in toll-free calls between 1985 and 1986.

Travel inquiries are up 332.8% since fiscal year '74-'75. Travel revenues are up 470% since fiscal year '74-'75.

Between 1985 and 1987, visitation at the state's eight interstate highway Welcome Centers increased by 33.9% - from 5,510,000 visitors to 7,378,000 visitors. 1988 visitation (through September) is up 11% when compared with the same period in 1987.

The Division has relied heavily in recent years on temporary employees because it runs most of its advertising and receives most of its inquiries during the first six months of the year. Eleven temporaries were employed at different times during 1987. Temporary employees do not receive any state employee benefits or any type of health insurance, and regulations require that a temporary employee be released from his/her duties after 12 months of service. It is difficult to attract a temporary employee who is willing to work for 12 months with no benefits; the temporary employee turnover rate is high; and it takes days and often weeks for a permanent employee to train a temporary employee who may be in his/her position only two or three months before being released.

Recognizing the pressing need to add more staff to answer telephones and package brochures, the Division began planning in mid-1987 to move much of its packaging operation to the Women's Prison in Raleigh

The program began in late 1987 with three inmates; at the present time there are 10 inmates actively involved in preparing travel packages for mailing. The program has worked very well thus far, and it has saved the taxpayers of the state thousands of dollars since each of these women is paid only \$1 per day. There is strong incentive for inmates to sign up for this program: For every five

days she spends working for Travel & Tourism, the inmate has one day removed from her sentence (this is known as "Gain Time #3").

By having inmates involved in our packaging program, the Division has been able to move several of its former packaging employees into other assignments, including answering toll-free telephones.

The net result of the inmate packaging program is that during the summer and fall of 1988, when compared with the same period of 1987, Division staff has been able to answer phones more promptly, publish literature much more promptly, and answer mail much more promptly.

For example, when someone phones the Travel & Tourism Division this week, that person's travel package will be mailed out within two business days. Based on private surveys conducted by the Fayetteville Area Convention & Visitors Bureau and McKinney & Silver Advertising, North Carolina's improved response time means that we are now ranked among the top ten states in terms of rapid response to travel inquiries.

As just mentioned, because of the hiring of inmate labor, several staff members who formerly performed other functions have been available in 1988 to answer toll-free lines, thus freeing our publications secretary to work exclusively on organizing and keying information for the calendar of events, the statewide accommodations directory, and other publications. Previously this person had to spend many hours each week answering telephones and substituting for operators who were either sick or on vacation. By focusing this secretary's time on the calendar of events, the Division was able to deliver the finished artwork for the calendar of events to the printer in October; it was delivered two weeks ago, and each of you has received a copy of it.

In an effort to save on weight, and therefore on postage, the decision was made to publish two calendars instead of one. Volume I includes events which will take place from January through August; Volume II will include events which will take place from July through December.

Thanks to the early delivery of the calendar of events (Volume I) and the availability of inmate labor, the Division is now beginning the process of prepackaging 100,000 travel literature packages for mailing in January and February during the peak inquiry season. This will eliminate the problem of inquiry backlog which has plagued the Division for years. Response time will be rapid, because all that will be needed is a mailing label for each package and the required sorting by ZIP code.

In response to recent newspaper coverage which suggested that the delayed mailing of thousands of travel packages may have cost the State millions of dollars in lost tourism revenues, the Division conducted an unscientific telephone survey of 70 men and women in 35 states who had received their travel literature several months after it was originally requested. Their inquiries had come to the State through reader service cards mailed to a variety of magazines.

The survey was conducted in late October and early November. 100% of those surveyed said that the arrival date of the travel package had no bearing whatsoever on their 1988 vacation or travel plans. 27.1% said that they had already visited North Carolina in 1988. 37.1% said they would definitely visit the State within the next three years, and an even larger percentage stated that they were considering, but had not yet decided upon, a vacation in the State.

Also of interest is the fact that 45.7% of those surveyed said they had ordered travel packages from five or more states, and this included two persons who had ordered travel literature from all 50 states.

In that the survey included a random sampling of only 70 persons, it is possible that a small number of persons may have delayed or altered their North Carolina travel plans. 88.6% of those surveyed stated that they were "gathering information for a possible trip to North Carolina," in most cases one to three years in the future. It is, therefore, clear that 1988 reader service inquiries are likely to be of considerable value to the State in 1989, 1990 and beyond.

In October the Division mailed acceptance letters to 143 matching grants recipients - a new record. A total of approximately \$250,000 will be used through these grants to promote a variety of festivals and other tourism events and projects in all areas of the state.

Members of the North Carolina Association of Broadcasters have been very generous in allocating an estimated \$1 million dollars worth of air time to Travel & Tourism PSAs during the first 10 months of 1988. These PSAs were narrated at no cost by Andy Griffith. Other travel PSAs, narrated by private sector travel executives, were produced in April and May in conjunction with National Tourism Week, and those spots have also received excellent air play.

The Division and private sector travel groups from across the state have hosted several dozen foreign and domestic writers in 1988, and more visits are being planned for the near future.

The Great American Fly-In, co-sponsored with American Airlines, and a Piedmont Airlines travel mission to St. Petersburg/Tampa led to personal contacts with more than 500 travel writers, meeting planners, tour operators, AAA Representatives and travel agents in 1988. Future missions with US Air/Piedmont have been planned for Orlando (February 7-9, 1989) and Pittsburgh (March 13-16, 1989). The Division and the two airlines are considering a variety of sites for 1990 and 1991 missions, and those markets include Toronto/Montreal, Paris, Dayton, New York, Baltimore, Washington and Tokyo.

The Division participated in more than 10 major travel conferences and trade shows in 1988, and in late November the State will again be represented, along with six private sector organizations, at the World Travel Market in London, the world's largest international travel show.

Earlier this year the Division worked with numerous private sector groups in leading three familiarization trips to the coast for Legislators and their spouses. These trips were sponsored entirely by private sector groups. The Division also participated in numerous group tour seminars and conferences in 1988, including several NTA and ABA functions.

The new Blue Ridge Parkway film, which the Division co-produced with the State of Virginia, recently won prestigious national and international film festival awards.

Approximately 4,000 color slides and black and white photographs have been distributed in 1988 through the Division's photo library. More than 35 press releases and feature articles have been written this year, resulting in widespread newspaper, magazine, and broadcast exposure about North Carolina travel opportunities.

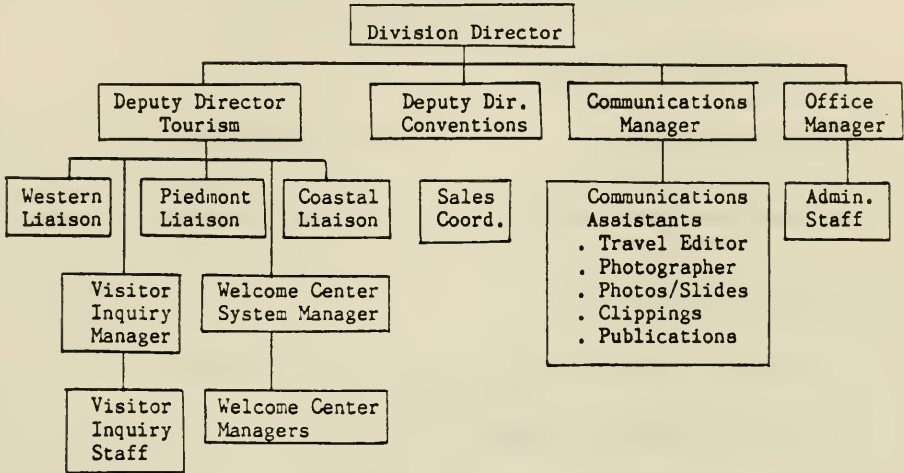
A revised group tour manual was prepared in 1988 and will be distributed this month to nearly 1,000 representatives of the motorcoach and group tour industry.

The Division was featured this year - at no cost - on five hour-long, nationwide cable television travel programs. The program, "State To State," is produced by the Agency for Public Telecommunications, a division of the NC Department of Administration.

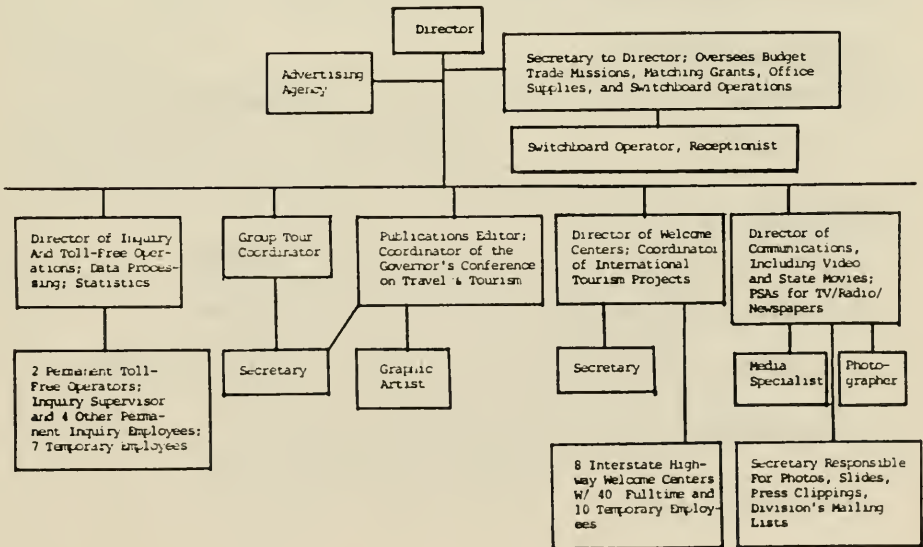
For many years the Division has sponsored an annual statewide travel conference known as the Governor's Conference on Travel & Tourism. The conference is entirely funded by registration fees paid by attendees. Last year's conference, held in Greenville, attracted more than 300 participants. The 1989 conference will be held May 3-5 in Boone.

APPENDIX D

RESTRUCTURED DIVISION OF
TRAVEL AND TOURISM



CURRENT DIVISION STRUCTURE



STATE OF VIRGINIA OFFICE OF TOURISM

1. DIRECTOR	12. ADMINISTRATIVE ASSISTANT/ OFFICE MANAGER
2. ASSISTANT DIRECTOR OF DOMESTIC MARKETING	13. SECRETARY
3. DIRECTOR OF INTERNATIONAL MARKETING	
4. DIRECTOR OF RESEARCH	14. SECRETARY
5. DIRECTOR OF GROUP TRAVEL	15. SECRETARY
6. GROUP TRAVEL ASSISTANT	
7. DIRECTOR OF COMMUNICATION	16. SECRETARY
8. PUBLIC INFORMATION ASSISTANT	
9. DIRECTOR OF WELCOME CENTERS	
VIRGINIA FILM OFFICE:	
10. DIRECTOR	17. SECRETARY
11. ASSISTANT	
MAILROOM:	
BROCHURE INVENTORY	2 CLERICAL
RESPONSE PACKET FULFILLMENT	3 CLERKS
800 NUMBER	3 OPERATOR/CLERKS
RECEPTIONISTS	2
WELCOME CENTER STAFF	65
TOTAL	<hr/> 92

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1989

D

89-RH-5
THIS IS A DRAFT 1-DEC-88 17:48:58

Short Title: Travel and Tourism Commission.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO CREATE THE NORTH CAROLINA TRAVEL AND TOURISM
3 COMMISSION.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 143B of the General Statutes is amended by adding a
6 new section to read:

7 "§ 143B-434.1. The North Carolina Travel and Tourism Commission - creation,
8 duties, membership.--(a) There is created within the Department of Commerce the
9 North Carolina Travel and Tourism Commission.

10 (b) The function and duties of the Commission shall be:

11 (1) To assist and advise the Secretary of Commerce in the planning and
12 implementation of policy and priorities for the promotion and
13 development of travel and tourism in the State;

14 (2) To assist and advise the Secretary of Commerce in the development of
15 a budget for the Division of Travel and Tourism;

16 (3) To recommend programs to the Governor, the General Assembly, and
17 the Secretary of Commerce that will promote the State as a travel and
18 tourism destination and that will develop travel and tourism
19 opportunities throughout the State;

- 1 (4) To serve as a search committee to seek out, interview, and recommend
2 to the Secretary of Commerce, an advertising agency, which will assist
3 the Department in promotion of the State as a travel and tourism
4 destination;
- 5 (5) To adopt rules, regulations, or standards that may be necessary to
6 administer a matching funds tourism grant program;
- 7 (6) To administer a matching funds tourism grant program and approve
8 projects that qualify for participation in the program;
- 9 (7) To promote the exchange of ideas and information on travel and
10 tourism between State and local governmental agencies, and private
11 organizations and individuals;
- 12 (8) To advise the Secretary of Commerce upon any matter that the
13 Secretary may refer to it.
- 14 (c) The Commission shall consist of 17 members as follows:
- 15 (1) The Director of the Division of Travel and Tourism, serving "ex
16 officio";
- 17 (2) Two members associated with the tourism industry appointed by the
18 Governor, one from a list of nominees submitted by the The Travel
19 Council of North Carolina, Inc. (or its successors), and one from a list
20 of nominees submitted by the North Carolina Association of
21 Convention and Visitors Bureaus (or its successors);
- 22 (3) Two members associated with the tourism industry appointed by the
23 General Assembly upon the recommendation of the President Pro
24 Tempore of the Senate in accordance with G.S. 120-121, from a list
25 of nominees submitted by The Travel Council of North Carolina, Inc.
26 (or its successors);
- 27 (4) Two members associated with the tourism industry appointed by the
28 General Assembly upon the recommendation of the Speaker of the
29 House of Representatives in accordance with G.S. 120-121, from a list
30 of nominees submitted by The Travel Council of North Carolina, Inc.
31 (or its successors);
- 32 (5) Two public members appointed by the Governor, each interested in
33 matters relating to travel and tourism;

- 1 (6) Two members associated with local chambers of commerce appointed
2 by the General Assembly upon the recommendation of the President
3 Pro Tempore of the Senate in accordance with G.S. 120-121:
- 4 (7) Two members associated with parks and recreation appointed by the
5 General Assembly upon the recommendation of the Speaker of the
6 House of Representatives in accordance with G.S. 120-121:
- 7 (8) Two members associated with county governments, one appointed by
8 the General Assembly upon the recommendation of the President Pro
9 Tempore of the Senate in accordance with G.S. 120-121, and one
10 appointed by the General Assembly upon the recommendation of the
11 Speaker of the House of Representatives in accordance with G.S.
12 120-121:
- 13 (9) Two members associated with municipal governments, one appointed
14 by the General Assembly upon the recommendation of the President
15 Pro Tempore of the Senate, and one appointed by the General
16 Assembly upon the recommendation of the Speaker of the House of
17 Representatives in accordance with G.S. 120-121.
- 18 (d) All members of the Commission, except a member serving "ex officio," shall
19 serve the following terms: four for a term of one year, four for a term of two years,
20 four for a term of three years, and four for a term of four years. At the end of the
21 terms of office of these initial members, all succeeding appointments to these positions
22 shall be for terms of four years and until their successors are appointed and qualify.
- 23 (e) No member of the Commission, except a member serving "ex officio," shall
24 serve more than two consecutive terms. Members serving "ex officio" shall serve so
25 long as they hold that office.
- 26 (f) Appointments to fill vacancies in the membership of the Commission that occur
27 due to resignation, dismissal, death, or disability of a member shall be for the balance
28 of the unexpired term and shall be made by the same appointing authority that made
29 the initial appointment.
- 30 (g) The Governor may remove any member of the Commission from office in
31 accordance with the provisions of G.S. 143B-16 of the Executive Organization Act of
32 1973.
- 33 (h) Commission members who are employees of the State shall receive travel
34 allowances at the rate set forth in G.S. 138-6. All other Commission members shall
35 receive per diem, subsistence, and travel expenses at the rate set forth in G.S. 138-5.

- (i) The Commission shall elect a chairperson from its membership.
- (j) A majority of the membership shall constitute a quorum.
- (k) The Secretary of Commerce shall provide clerical and other services as required by the Commission."

Sec. 2. G.S. 120-123 is amended by adding a new subdivision to read:

"(56) The North Carolina Travel and Tourism Commission, as established by G.S. 143B-434.1."

Sec. 3. This act is effective upon ratification.



North Carolina Department of Commerce
430 North Salisbury Street • Raleigh, North Carolina 27611

James G. Martin, Governor

November 30, 1988

Claude E. Pope, Secretary

Senator Franklin L. Block, Co-Chairman
Representative Edward N. Warren, Co-Chairman
Legislative Research Commission - Travel & Tourism
Legislative Office Building
Raleigh, North Carolina 27611

Dear Senator Block and Representative Warren:

I have been informed by Hugh Morton, Jr., the Director of our Travel & Tourism Division, that at your recent LRC meeting in Southern Pines it was proposed that your commission's report to the General Assembly should contain a resolution calling for the creation of a policy-making, regulatory board of directors who would govern the activities of the Travel & Tourism Division of the Department of Commerce.

As Secretary of Commerce I am responsible for the overall direction and program content for the Travel & Tourism Division, along with the aid, guidance, recommendations and counsel of the highly professional Governor's Advisory Board for Travel & Tourism. This board meets quarterly with Hugh Morton, Jr., Deputy Secretary Bill Dunn and myself. This is a very strong, active and professionally qualified board whose names and occupations are attached for your review. In addition, the Travel & Tourism Division frequently makes presentations before the Governmental Operations Committee for their oversight, review, comments and recommendations. Thirdly, the Travel & Tourism committee of the Department of Commerce's Economic Development Board meets quarterly to review, evaluate and direct the activities of the Travel & Tourism Division.

I would like to take this opportunity to strongly object to your including in your report to the General Assembly a resolution calling for the creation of another board. Let me mention that of all the agencies and divisions of state government, Travel & Tourism certainly is one of the most accountable. Their activities are literally governed, if you will, by hundreds of the men and women who make up the travel industry of the state.

There has never been a time in my memory when Travel & Tourism was not accountable to the Legislature, or the general public and the travel industry, or when the decisions of the division were anything

less than open and public. More than most other agencies of state government, Travel & Tourism is visible - highly visible - statewide, nationally and internationally. The Division's advertisements, public service radio and television spots, travel posters and brochures are seen everywhere, almost literally.

The accountability doesn't end with the boards and committees mentioned above. Indeed, the Director of the division is a member of the board of directors of the Travel Council of North Carolina. He attends all of their meetings, and meets frequently with their various subcommittees. Numerous members of the division's staff are actively involved with Travel Council activities, constantly meeting, sharing ideas, and hammering out goals and programs. I am confident that we are actively involved with no fewer than seven or eight subcommittees of the Travel Council.

As you know, we co-sponsor and jointly conduct travel trade missions and travel shows with the members of the Travel Council, and we also co-sponsor out-of-state travel missions with various regional travel industry associations, including High Country Host (a five-county chamber of commerce organization headquartered in Watauga County) and Coast Host (whose members are from numerous eastern counties). In the next four months we will co-sponsor a mission to Orlando with High Country Host and a mission to Pittsburgh with Coast Host. Piedmont Airlines will provide us with complimentary airline tickets, and the 60-65 professionals who make each of these trips will make sales calls within those markets, both of which provide us with many tourists each year. This same format has worked very well for us in past missions to New York, Chicago, Washington, London, and Tampa.

This is not a new concept. The division has been working closely with airlines, the Travel Council, Coast Host, Smoky Mountain Host, High Country Host, the North Carolina Association of Convention and Visitors Bureaus, the North Carolina Bed and Breakfast Association, the North Carolina Hotel/Motel Association, the North Carolina Restaurant Association and numerous other travel-related organizations for as long as those organizations have been in existence.

The whole concept behind having a Division of Travel & Tourism is to market the state as a travel destination in the best possible way. In an effort to achieve that goal, we engaged in the mid-1970's the services of McKinney & Silver Advertising of Raleigh. Their hundreds of awards, both regionally and nationally, qualify them as one of the leading and most professional advertising agencies in America.

Their work for the North Carolina Travel and Tourism account has been absolutely outstanding in every measurable way. Our working relationship with that agency has been most rewarding from our standpoint. Their research, marketing and creative work has contributed to our travel program becoming one of the best travel programs in the nation.

Inquiries to the division have literally skyrocketed since we first retained that ad agency. Let me share those numbers with you:

FY '74-'75	100,548 inquiries
FY '75-'76	124,000 inquiries
FY '86-'87	398,206 inquiries
FY '87-'88	435,163 inquiries

We have already set a new record for inquiries in this current year. In fact, by the end of October we were already ahead of the 435,163 inquiry record we set last year. As we have shared with you, inquiries are vital to the success of the industry statewide. More than 50% of those who telephone us and/or send us coupons ultimately visit the state, specifically, within 12 months. These travelling parties spend an average of more than \$450 per visit. Generating inquiries can and should be looked at as making sales.

Insofar as the quality of our ad agency's work is concerned, you have heard on several occasions that they won (for our account) the top award in America in 1986 for any and all types of print advertising, The Stephen Kelly Award.

We do, of course, spend a portion of our advertising budget dollars promoting some of our specific travel activities, especially golfing, boating, and snow skiing. You have each received copies of all of our travel literature, and I know you share my enthusiasm for the great results we achieved for the golf industry with our March '88 golf insert (32 pages) in Golf Digest, which reached more than 1,000,000 avid golfers in the eastern United States. The way this was achieved was through a public/private partnership whereby the private sector paid for nearly the entire section through their golf and resort advertisements.

Let me use that March '88 golf section as an example of our excellent public/private working relationship. We "married our dollars" with those of Pinehurst Hotel and Country Club, Pinehurst Area Convention & Visitors Bureau, Pinewild, Pinehurst National Golf Club, The Pit Country Club, Pine Needles, Mid Pines, Foxfire, Seven Lakes, Tanglewood, Elk River, High Hampton, Landfall, Sea Trail and other advertisers. We served as the catalyst - working with Golf Digest, we promoted and made the 32-page section come together.

As our financial contribution to the section, we chose to list every golf course we could identify in the state. That is in keeping with our policy to represent all parts of the state fairly, regardless of the size, location, or number of rounds played per year on any given golf course.

We also paid to overrun, or overprint, some 50,000 copies of this special North Carolina golf section. We have mailed out and distributed tens of thousands of these booklets. They are a popular item at our eight Welcome Centers.

And their results? One convention bureau reported receiving more than 1,000 inquiries from their ad - direct inquiries to their office from golfers who are anxious to visit their area of the state. Overwhelming results like this tell us that we are being responsive to the needs and wishes of the travel industry, and that

we are making good, sound decisions about where to spend taxpayers' dollars to promote visits to the state. We feel that our travel program is fully intact.

Turning to the membership of our fine Advisory Board, who are appointed by the Governor (as was the case in previous administrations), I draw your attention to the attached list. It is a little unfair, almost, to single out certain members of the board as having outstanding track records and backgrounds in the travel industry, but let me mention just a few of the many accomplishments of our board members.

Peggy Kirk Bell is "the Babe Ruth of women's golf in this country;" she is a renowned, fulltime golf professional and owner of Pine Needles Resort.

Marshall Digh recently retired as president and chief executive officer of Western Steer - Mom & Pop's, Inc., one of the largest and most successful restaurant chains in America.

Jim Godfrey is executive director of the Lenoir County Chamber of Commerce; Robert Hanzlek is active with the Onslow County Tourism Development Authority; Donald Helms is Mayor of Surf City; and both Hertha Laskey and Sheila Wright are in the travel agency business.

Bill Hensley has held nearly every position of leadership imaginable in the local, statewide, and national travel industries. He is a former Director of the Division of Travel & Tourism; and active in the Society of American Travel Writers, the Southeast Tourism Society, and the Travel Industry of America. He is a golf and travel writer, and he serves as a consultant to golf resorts, hotels, inns, and airlines.

Wayne Kinser is co-owner of Asheville's Great Smokies Hilton and is chairman of the board of Peppertree Resorts, one of the largest and most successful resort management firms in the nation.

Gerri Martin is part owner and manager of Pineview Inn and Conference Center near Chapel Hill.

Spencer Robbins is executive vice president of the Elk River Development Corporation, and he holds the same position with Tweetsie Railroad, one of the state's most popular travel attractions. He and his family developed Hound Ears and Beech Mountain, and he was the original founder of High Country Host travel organization.

Don Ward is executive vice president of the North Carolina Petroleum Marketing Association, and he is a member of the board of directors of the Travel Council of North Carolina.

Finally, H.A. "Humpy" Wheeler, president and general manager of the Charlotte Motor Speedway, is one of America's leading travel promoters. A member and past president of several local and statewide travel organizations, he presides over the second largest one-day sporting event in the nation: the 600-mile race at Charlotte.

I could go into great detail about the significant contributions of board members Janet Howard (chairperson), Ward Barnett, Mary Brawley, Paul Burton, Ernest Koury, Sr., William McGee, David Morehead, and William Land Parks. These men and women are dedicated to improving our state's travel industry and making certain that I, as Commerce Secretary, and the Director of the division are doing all that we can to promote travel to and within North Carolina.

The results suggest that we - and I include former Secretaries and Directors - have done a credible job in enhancing the state's travel industry. Not only have inquiries risen from 100,548 in '74-'75 to 435,163 in '87-'88, but the state's travel revenues have risen from \$1 billion to \$5.7 billion during that same twelve year-period.

As of this date we are responding to travel inquiries within two business days - making ours one of the most efficient travel offices in the nation.

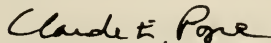
The reason we have been able to speed up our response time so dramatically is because we are now using women inmates in Raleigh to package our travel literature for us. At a cost of \$1 per inmate per day, we are not only able to answer mail quickly, but we are also able to pre-package for our heavy inquiry season. When we begin the major portion of our advertising campaign in January, we will already have 100,000 travel packages assembled and ready for mailing. Our goal is to keep our turn-around time at two days. By continuing to utilize prison labor, we think this goal is achievable.

The 1989 calendar of events was printed in October and is already being distributed. We have complete control over an excellent inventory of travel literature, and that literature is helping to influence thousands of people to visit our state.

I believe that we are constantly helping to build and improve a strong travel economy in North Carolina by adding to the more than 227,000 current travel-related jobs we now have in our state. I urge you to reconsider the resolution in question and to move that it not be submitted as a proposal to the General Assembly.

I welcome your questions and response to this letter, and certainly look forward to continuing our excellent relationship in the session ahead.

Sincerely,



Claude E. Pope
Secretary of Commerce

CEP:mh

Attachments

TRAVEL AND TOURISM DIVISION - INQUIRIES

<u>FISCAL YEAR</u>	<u>INQUIRIES</u>
'74-'75	100,548
'75-'76	124,000
'86-'87	398,206
'87-'88	435,163

TRAVEL AND TOURISM - TOLL FREE CALLS - (800) VISIT NC

1984	33,016
1985	66,978
1986	104,814
1987	129,278

TRAVEL AND TOURISM - STATEWIDE REVENUES

'61-'62	\$400,000,000
'71-'72	926,000,000
'74-'75	1,000,000,000
'76-'77	1,700,000,000
'85-'86	5,100,000,000
'86-'87	5,700,000,000

Ward Barnett; Box 159; Frisco, NC 27936; 919/995-5208; owns Frisco Woods Campground.

Peggy Kirk Bell; Box 88; Southern Pines, NC 28387; 919/692-7111; owner, president, and golf professional at Pine Needles Resort.

Mary Brawley; Route 5, Box 96; Mooresville, NC 28115; 704/663-2635; owns Clair's, an apparel store.

Paul Burton; Box 8528; Wrightsville Beach, NC 28480; 919-256-4313; president of Burton Steele Company.

Marshall Digh; Box 399; Claremont, NC 28610; 704/483-3125; recently retired as president and chief executive officer of Western Steer-Mom & Pop's, Inc.

Jim Godfrey; 2910 Hodges Road; Kinston, NC 28501; 919/527-1131; executive director of the Lenoir County Chamber of Commerce.

H. Robert Hanzlek; Box 509; Sneads Ferry, NC 28460; 919/327-2840; member of Onslow County Tourism Advisory Committee; formerly an environmental analyst in New Jersey.

Donald Helms; Box 2445; Surf City, NC 28445; 919/328-8371; manager of the New River Shopping Center and Mayor of Surf City.

Bill Hensley; 1451-D Seneca Place; Charlotte, NC 28209; public relations consultant with Hensley Communications and former director of Travel & Tourism.

Janet S. Howard, Chairperson; 6J - Station One; Wrightsville Beach, NC 28480; former realtor.

Wayne Kinser; Box 6319; Asheville, NC 28816; 704/254-8991; co-owner of Asheville's Great Smokies Hilton and chairman of the board of Peppertree Resorts Ltd.

Ernest Koury, Sr.; Box 850; Burlington, NC 27215; 919/226-5581; president of Carolina Hosiery.

Hertha M. Laskey; 2801 Blue Ridge Road; Raleigh, NC 27607; 919/782-1900; owns Hickory/Beeline Travel of Raleigh and Fort Lauderdale.

Gerri Martin; Route 10, Box 265; Chapel Hill, NC 27514; 919/967-7166; part owner and manager of Pineview Inn and Conference Center.

William McGee; Box 16048; Winston-Salem, NC 27105; 919/668-7245; chairman of the board of TWM Services, Inc., a contract food service firm.

David Morehead; 625 East Florida Street; Greensboro, NC 27406; 919/379-9877; retired from the US Department of Housing and Urban Development.

William Land Parks; First Federal Savings Bldg.; Durham, NC 27701; 919/682-5513; lawyer.

Spencer Robbins; Box 188; Blowing Rock, NC 28605; 704/264-9061; executive vice president of the Elk River Development Corporation and executive vice president and general manager of Tweetsie Railroad.

Don Ward; Box 30519; Raleigh, NC 27622; 919/782-4411; executive vice president of the NC Petroleum Marketing Association.

H.A. "Humpy" Wheeler; Box 600; Harrisburg, NC 28075; 704/455-2121; president and general manager of Charlotte Motor Speedway.

Sheila Wright; 247 7th Street, NW; Taylorsville, NC 28681; 704/632-6997; president of Carefree Tours, Inc., she is also affiliated with Winston-Salem's Panders and Shipp Travel Agency.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1989

D

89-RH-7

THIS IS A DRAFT 1-DEC-88 17:50:30

Short Title: Tourism Study Continued.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO CONTINUE THE LRC STUDY COMMITTEE ON TOURISM'S
3 GROWTH AND EFFECT.

4 Whereas, Chapter 873 of the 1987 Session Laws authorized the Legislative
5 Research Commission to study tourism's growth and effect;

6 Whereas, the Legislative Research Commission established the LRC
7 Committee on Tourism's Growth and Effect;

8 Whereas, the LRC Committee on Tourism's Growth and Effect began a
9 comprehensive review of the tourism industry and its impact on North Carolina;

10 Whereas, the LRC Committee on Tourism's Growth and Effect did make
11 significant progress in evaluating the rapid growth of the tourism industry and the
12 substantial effects of that growth on the State, it was unable to examine all of the issues
13 that should be addressed;

14 Whereas, the LRC Committee on Tourism's Growth and Effect identified
15 many important issues that need further examination;

16 Whereas, the Legislative Research Commission could continue the
17 comprehensive review of tourism's growth and effect and could fully address these
18 important issues; Now, therefore,

1 The General Assembly of North Carolina enacts:

2 Section 1. The Legislative Research Commission is authorized to continue
3 to study the issue of the growth of tourism in North Carolina, the impact of this growth
4 on the State, and ways to ensure that all areas of the State benefit from this growth.

5 Sec. 2. The Legislative Research Commission may make an interim report
6 to the 1990 Session of the General Assembly, and shall make a final report to the 1991
7 Session of the General Assembly. The report shall include any legislation needed to
8 implement the Commission's recommendations.

9 Sec. 3. There is appropriated from the General Fund to the Legislative
10 Research Commission the sum of twenty thousand dollars (\$20,000) for the 1989-90
11 fiscal year to fund the study described in Section 1 of this act.

12 Sec. 4. This act shall become effective July 1, 1989.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

D

89-RH-6

THIS IS A DRAFT 2-DEC-88 16:23:08

Short Title: Preservation of Governors' Homes

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO ESTABLISH A MATCHING GRANTS PROGRAM WITHIN THE
3 DIVISION OF ARCHIVES AND HISTORY TO ASSIST COUNTIES IN THE
4 PRESERVATION OF GOVERNORS' HOMES.

5 Whereas, North Carolina citizens as well as visitors from outside our borders
6 have an appreciation for the history of our State; and

7 Whereas, that history has been enriched significantly throughout the years by
8 our Governors; and

9 Whereas, the public should be encouraged to develop knowledge of our
10 Governors and of the times in which they lived; and

11 Whereas, the homes of our Governors may provide rich learning
12 opportunities, revealing valuable information about the lives led by our Governors; and

13 Whereas, the homes of our Governors are important sites that should be
14 preserved and protected; Now, therefore,

15 The General Assembly of North Carolina enacts:

16 Section 1. There is appropriated from the General Fund to the Division of
17 Archives and History, Department of Cultural Resources, the sum of fifty thousand
18 dollars (\$50,000) for the fiscal year 1989-1990 and the sum of fifty thousand dollars
19 (\$50,000) for the fiscal year 1990-1991 for the acquisition and rehabilitation by

1 counties of homes of the Governörs of North Carolina. A maximum of one grant per
2 county may be awarded each year. Each grant shall be for no more than ten percent
3 (10%) of the funds allocated by this section each year. All grants to counties shall be
4 contingent on a local dollar-for-dollar match.

5 Sec. 2. This act shall become effective July 1, 1989.

