

## Stephanie Brown

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**From:** Stephanie Brown  
**Sent:** Friday, February 7, 2020 10:18 AM  
**To:** Jim Muth  
**Subject:** RE: On another topic  
**Attachments:** H347-CSSTXR-52-v-4.pdf; Guidelines for OT (revised+Sept+2013).pdf

The Buncombe County enabling legislation is attached along with the North Carolina guidelines.

**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Friday, February 7, 2020 10:05 AM  
**To:** Stephanie Brown <sbrown@exploreasheville.com>  
**Subject:** On another topic

Can I get a copy of the Occupancy Tax Guidelines for Buncombe County as they exist now.

I had a copy years ago but cannot locate it.

Thanks  
Jim

## Kathi Petersen

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**From:** Kathi Petersen  
**Sent:** Friday, February 14, 2020 10:36 AM  
**To:** Jim Muth  
**Subject:** RE: checking in

Sure Jim, or I can meet you somewhere. I will be downtown leaving the office at 11:45 for an event 12-1:30, then will have a window of time 1:30-3 where I was probably just going to keep my parking space since the 3pm event is nearby.

Kathi

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**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Friday, February 14, 2020 10:23 AM  
**To:** Kathi Petersen <kpetersen@exploreasheville.com>  
**Subject:** checking in

Hi Kathi,

Can I swing by the CVB sometime today and pick up the information you have for me. You could leave it with Charlie if you are not around.

Thanks  
Jim

## Kathi Petersen

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**From:** Kathi Petersen  
**Sent:** Friday, February 14, 2020 11:10 AM  
**To:** Jim Muth  
**Subject:** Re: checking in

Ok I'm at my desk.

Kathi M. Petersen  
Director of Public Information & Community Engagement

Explore Asheville Convention & Visitors Bureau  
27 College Place | Suite 200 | Asheville, NC 28801  
P: 828.318.8960 | C: 828.712.1286  
kpetersen@ExploreAsheville.com  
ExploreAsheville.com

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**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Friday, February 14, 2020 10:44:45 AM  
**To:** Kathi Petersen <kpetersen@exploreasheville.com>  
**Subject:** Re: checking in

Kathi,

I will come by the CVB at 11:15 and pick it up if that works.

Thanks  
Jim

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**From:** Kathi Petersen <kpetersen@exploreasheville.com>  
**Date:** Friday, February 14, 2020 at 10:35 AM  
**To:** "jim.muth@muthmail.com" <jim.muth@muthmail.com>  
**Subject:** RE: checking in

Sure Jim, or I can meet you somewhere. I will be downtown leaving the office at 11:45 for an event 12-1:30, then will have a window of time 1:30-3 where I was probably just going to keep my parking space since the 3pm event is nearby.

Kathi

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**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Friday, February 14, 2020 10:23 AM  
**To:** Kathi Petersen <kpetersen@exploreasheville.com>  
**Subject:** checking in

Hi Kathi,

Can I swing by the CVB sometime today and pick up the information you have for me. You could leave it with Charlie if you are not around.

Thanks  
Jim

## Jonna Sampson

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**From:** Jonna Sampson  
**Sent:** Tuesday, February 18, 2020 8:35 AM  
**To:** Jim Muth  
**Subject:** RE: a question

Hi Jim – yes, I do have a new email for James Poole. It's: [jpooleAFI@gmail.com](mailto:jpooleAFI@gmail.com).

Have a great day!

**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Tuesday, February 18, 2020 7:37 AM  
**To:** Jonna Sampson <jsampson@exploreasheville.com>  
**Subject:** a question

Hi Jonna,

Do you have a current email address for James Poole?

My correspondence with him keeps bouncing back.

Thanks  
Jim

## Jonna Sampson

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**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Tuesday, February 18, 2020 10:26 AM  
**To:** Jonna Sampson  
**Subject:** Re: can you give me Joe Belchers email

You are awesome.....but no surprise there.

I can't believe I didn't have this somewhere.

Thank you  
Jim

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**From:** Jonna Sampson <jsampson@exploreasheville.com>  
**Date:** Tuesday, February 18, 2020 at 10:21 AM  
**To:** "jim.muth@muthmail.com" <jim.muth@muthmail.com>  
**Subject:** RE: can you give me Joe Belchers email

Sure! Here you go: [joe.belcher@buncombecounty.org](mailto:joe.belcher@buncombecounty.org)

**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Tuesday, February 18, 2020 10:18 AM  
**To:** Jonna Sampson <jsampson@exploreasheville.com>  
**Subject:** can you give me Joe Belchers email

Thanks as always 😊  
Jim

## Kathi Petersen

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**From:** Kathi Petersen  
**Sent:** Wednesday, February 19, 2020 12:22 PM  
**To:** John Winkenwerder Hampton Inns of Asheville (cjwink@bellsouth.net)  
**Cc:** Stephanie Brown  
**Subject:** RE: letter  
**Attachments:** Newman Letter - 2.18.20.pdf

Hello – Here you go, John. Apologies for the difficulty in reading – it was a photograph of the letter that was then put on Twitter.

Kathi

### Kathi M. Petersen

*Director of Public Information & Community Engagement*

## Explore ASHEVILLE

### Explore Asheville Convention & Visitors Bureau

27 College Place | Suite 200 | Asheville, NC 28801

P: 828.318.8960 | C: 828.712.1286

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### [ExploreAsheville.com](http://ExploreAsheville.com)

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**From:** Stephanie Brown <sbrown@exploreasheville.com>  
**Sent:** Wednesday, February 19, 2020 11:24 AM  
**To:** Kathi Petersen <kpetersen@exploreasheville.com>  
**Cc:** John Winkenwerder Hampton Inns of Asheville (cjwink@bellsouth.net) <cjwink@bellsouth.net>  
**Subject:** letter

Kathi – we have had a request from John Winkenwerder to provide the clearest copy of the letter as a pdf.

Thanks,  
Stephanie

### Stephanie Pace Brown

*President & CEO*

## Explore ASHEVILLE

### Explore Asheville Convention & Visitors Bureau

### Buncombe County Tourism Development Authority

27 College Place | Asheville, NC 28801

P: 828.258.6104

[sbrown@ExploreAsheville.com](mailto:sbrown@ExploreAsheville.com)

**ExploreAsheville.com**

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February 21, 2020

Senator Terry Van Duyn  
Senator Chuck Edwards  
Representative Susan Fisher  
Representative Brian Turner  
Representative John Apple

Dear Senators and Representatives,

Tourism has been an important part of the economy of Asheville and Western North Carolina for more than a century. It creates many jobs, generates tax revenues and brings many benefits to the region. However, the recent unprecedented growth of visitors and hotel construction in Asheville has elevated public concern about how tourism is impacting the community, including issues ranging from wear and tear on infrastructure and growing needs for affordable transportation. Many tourism jobs pay so little that local government must subsidize housing and other basic needs so these workers can afford to live here, which further burdens our taxpayers.

The driver in this surge of tourist visitation is the Buncombe County hotel tax, which generates \$25 million in annual revenue. Under the current state law, 75% of these revenues, more than \$18 million per year, must be spent on more advertising for hotels and 25% must be spent on the Tourism Product Development Fund. The public believes, and we strongly agree, that the hotel tax policy should be changed in the following ways, each of which will benefit our community:

1. **Greater community investment.** The revenue formula should be changed so that more of the funds can be invested to meet important community priorities (which can also benefit the tourism sector) and less money should be spent on advertising. It is our understanding that the local hotel association is willing to change the funding formula from 75% 25% to 65% 35%. While this would be a step in the right direction, frankly most people believe it should go further. Investing into needs that benefit the community and the tourism sector, rather than just more advertising, would be one of the most powerful policies that could be enacted for the future wellbeing of the people of Buncombe County. We believe any hotel tax revenue growth over \$25 million should be allocated at least 50% for non-advertising community priorities.
2. **Flexibility in use of community funds.** The current law requires that the "Tourism Product Development Fund" can only be invested in new capital projects that attract tourists. However, the state-wide "Guidelines for Occupancy Tax Guidelines" which was created by the hospitality industry in North Carolina, recommends providing local communities more flexibility. The guidelines simply state that the funds must be invested in activities that are "tourism related" and allow communities to define what that means for them. Projects could include both capital costs, maintenance of existing facilities and operating costs. We support changing the existing hotel tax language, which is highly unusual and restrictive, and replace it with the commonly used state guidelines language. This could allow investments in infrastructure and other

important needs, such as improved public transportation, which would benefit the community and the tourism industry. We recommend changing the name from "Tourism Product Development Fund" to "Tourism and Community Development Fund."

3. **Community voices in decision-making** Currently, the make up of the FDC is dominated by hotel owners. We believe there should be more community voices added to the decision-making process, especially as it relates to the investments of the non-advertising funds.

These changes reflect how we believe in principle the tourism tax could best serve the community for the future. With that said, we recognize that changes to the Buncombe hotel tax require approval of the legislature. Securing passage of a bill during the 2020 Short Session requires that it be relatively non-controversial. The state hotel industry association has informed us they would oppose any bill during the short session which is inconsistent with the state-wide guidelines. For this reason, we recognize that it is probably not possible to change the funding revenue any more than to the 66% - 33% formula, so we would support this in the 2020 Short Session.

If the Buncombe hotel tax law is updated, it is critical that there not be restrictions imposed on our community's use of the funds above and beyond the state-wide industry guidelines that the funds must be invested in "tourism related" activities. Once revised, we may have to live with the new law for many years into the future. In light of how rapidly the tourism economy has changed in recent years, it is critical that the legislation not bind the hands of how the funds may be invested.

We ask you to actively oppose any bill that revises the Buncombe hotel tax law if it dictates the use of the non-advertising funds in a way that is more restrictive than the state guidelines. It would be better to leave the legislation as it is today than to change it if it contains such a provision. **Unfortunately, it is our understanding that the Buncombe County hotel association is advocating for a bill that impose such restrictions on the use of these community investments. Hopefully, they may reconsider their position on this issue so that a bill could move forward which has broad support.**

Thank you for your consideration of this important issue and for your dedicated service to the people of Buncombe County and Western North Carolina.

Sincerely,

## Stephanie Brown

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**From:** Stephanie Brown  
**Sent:** Wednesday, February 19, 2020 2:14 PM  
**To:** Jim Muth  
**Subject:** RE: DRAFT - Update from The Asheville Buncombe Hotel Assn. ( ABHA)

I'm happy to share this with the board as requested. Thanks very much, Jim.

**From:** Jim Muth <jim.muth@muthmail.com>  
**Sent:** Wednesday, February 19, 2020 2:07 PM  
**To:** Stephanie Brown <sbrown@exploreasheville.com>  
**Subject:** DRAFT - Update from The Asheville Buncombe Hotel Assn. ( ABHA)

Hi Stephanie,

I would appreciate it if you would share the attached information with the BCTDA Board.

It was the intention of the Hotel Association (ABHA) to go before the County Commissioners last night to communicate our support for changes to the Occupancy Tax legislation.

After weeks of meetings with City and County elected officials, and the WNC Delegation to the General Assembly, we felt that we had come to an understanding of the changes we were recommending, and the value of those changes to the community. We had communicated with all parties that we would be attending the commissioners meeting to communicate our recommendations.

However at the last minute I received an email from Chairman Brownie Newman which stated:

*As we all said at the meeting, we can not support any bill that imposes restrictions on the use of the 33% funds above and beyond the general state guideline requirement that the funds must be invested in tourist related activities. From your email, I am concerned that you are continuing to support that position with your industry members. Could you provide us with a date by which the local hotel association can make a final decision on where it stands on this part of the policy?*

*At this point, I feel the need to communicate to the Commissioners, the general public and our state legislators that, while we are open to supporting a bill in the short session that makes some changes, we can not support any bill that unduly restricts how the non-advertising funds are invested. I plan to send a letter to the our legislative delegation clearly outlining the policies we could support and those which, if included in a bill, we would urge them to oppose the bill.*

Chairman Newman also posted additional information of a similar nature on a Facebook post at that time. Considering those comments we decided to postpone our presentation until we had greater clarity on these issues.

I have attached the notes for my 3 min. presentation to the Board, and more detailed points of background information on our position, that were intended to be left behind to better inform interested parties.

Thanks for providing this information to the BCTDA Board.

Best Regards

Jim

## Kathi Petersen

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**From:** Kathi Petersen  
**Sent:** Wednesday, February 19, 2020 5:54 PM  
**To:** Jim Muth  
**Subject:** Op-ed from Asheville Buncombe Hotel Association

Op-ed for Asheville Citizen Times

Casey Blake

[cblake@citizentimes.com](mailto:cblake@citizentimes.com)

February 19, 2020

### **Asheville Buncombe Hotel Association Calls for Change in the Occupancy Tax**

*By Jim Muth, Executive Director, Asheville Buncombe Hotel Association*

The members of Asheville Buncombe Hotel Association acknowledge the challenges presented by tourism. With more than 75 percent of the area's hotels being family-owned businesses, run by people who live here (many for decades and even generations), our members are keenly aware that the community's needs are changing.

In response, our organization representing all the local hotels has worked tirelessly to develop proposed changes to the law that governs the use of the occupancy tax collected from visitors by our members. We've been in discussions with our local delegation to the North Carolina General Assembly to ask for help in making these changes.

Our proposal includes increasing the portion of the tax available for community projects, going from 25% to 33%. That means \$8.3 million more each year available for parks, sports facilities, cultural arts, heritage and history projects and city and county infrastructure through the Tourism Product Development Fund, administered by the Buncombe County Tourism Development Authority.

It also includes expanding the flexibility of the Tourism Product Development Fund to go beyond the current limits of only "brick and mortar" capital projects. We propose funding the City's Transit Master Plan as one of the top priorities.

Our vision through this proposal would also fund the administration, design and maintenance of TPDF-approved projects. For example, a park or sports facility that received TPDF funding would no longer need to rely on taxpayer dollars for maintenance, freeing up those City and County dollars for other purposes.

And our proposed changes would make it possible to use the occupancy tax to pay the debt service on bonds to support major projects.

The proposal also reduces the funding dedicated to marketing Asheville and Buncombe County from 75 percent to 67 percent, and expands the membership on the Buncombe County TDA board to bring in a broader range of tourism partners, including representatives of ticketed attractions, arts organizations, restaurants, and short-term rental owners.

What took so long?

This has been a months-long process. The Asheville Buncombe Hotel Association was formed last summer to address various issues affecting the hotel industry – with an immediate desire to focus on changing the occupancy tax.

In addition to countless meetings with our members and the WNC delegation, we've spent considerable time with local elected officials, including Buncombe County Commission Chair Brownie Newman, Asheville Mayor Esther Manheimer, and the two non-voting appointees to the Buncombe County TDA, City Council member Julie Mayfield and County Commissioner Joe Belcher.

Discussions have been collaborative, sometimes with conflicts to work through, but ultimately with compromise.

The proposed changes that the ABHA has worked on for months are consistent with recent recommendations by the Urban Land Institute and members of the City's Multimodal Transportation Commission.

We are proud of the positive impacts that the Tourism Product Development Fund has had on our community and want to see it continue and expand. One TPDF recipient was featured on the front page of the Asheville Citizen Times this past week: the LEAF Global Arts Center, a cornerstone in the continued rebirth of Asheville's historic African American business district known as The Block. This vibrant organization received a lead gift of \$705,000 in TPDF funding, which founder and executive director Jennifer Pickering called "transformational" at the recent ribbon-cutting.

The Asheville Buncombe Hotel Association likes the idea of creating more transformational opportunities through these proposed changes to the occupancy tax.

In the end, we all want what is responsive to community needs and still consistent with the purpose of the tax, which has been a successful strategy for Asheville and Buncombe County, attracting customers to local businesses, providing jobs and creating tax revenue.

*Jim Muth is Executive Director of Asheville Buncombe Hotel Association, which he helped form in 2019 after he and his wife sold the local bed and breakfast they owned for 12 years. His volunteer term as a member of the Buncombe County Tourism Development Authority expired last year after six years, including two as chair.*