



## Legislation Text

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File #: 23-141, Version: 1

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### Appointments to the Carrboro Tourism Development Authority (CTDA) and selecting a Chairperson

**PURPOSE:** The purpose of this item is for the Town Council to consider appointments to the Carrboro Tourism Development Authority (CTDA) and to select a chairperson.

**DEPARTMENT:** Town Clerk / Economic Development

**CONTACT INFORMATION:** Wesley Barker, Town Clerk, [wbarker@carrboronc.gov](mailto:wbarker@carrboronc.gov), 919-918-7309; Jon Hartman-Brown, [jhartman-brown@carrboronc.gov](mailto:jhartman-brown@carrboronc.gov), 919-918-7319

**COUNCIL DIRECTION:**

☒ Race/Equity ☐ Climate ☐ Comprehensive Plan ☒ Other

The Town Council follows the Advisory Board Recruitment and Appointment Policy which was adopted on 11-21-2017. Text amendments to this policy were approved by the Town Council on 12-1-2020 and 4-13-2021, respectively, to the section entitled “Composition” which related to expanding the racial and ethnic diversity on advisory boards and commissions. It should be noted that the Advisory Board Recruitment and Appointment Policy has been evaluated using the Racial Equity Lens tool, has been reviewed by the CORE team, and will be sent to the Racial Equity Commission for the next step in the review process. This review process should be completed by May 2023. Further, it should be noted that CTDA appointments fall under the section entitled “Appointments to Authorities” within the Advisory Board Recruitment and Appointment Policy which states the following: “The OWASA Board of Directors and Tourism Development Authority are considered “Authorities” under NC General Statutes. The Town Council will consider applications for those authorities and be responsible for making appointments as they are directed per law. The Council may at times choose to interview applicants for the representative seats by any method that they choose. All appointments will be made in open session by the ballot procedures established in the policy.”

**INFORMATION:** The CTDA was established by Chapter 8A in the Carrboro Town Code entitled Hotel and Motel Room Occupancy Tax. A copy of this chapter is included as attachment B.

Section 8A-5 within Chapter 8A is entitled Carrboro Tourism Development Authority: Appointment and Membership and states the following:

“(a) The Carrboro Tourism Development Authority (CTDA) is hereby created, which shall be a public authority under the Local Government Budget and Fiscal Control Act.

(b) The CTDA shall consist of three members appointed by the Town Council. Members need not reside within the Town, but at least one member must be affiliated with businesses that collect the tax in the Town and two members must be currently active in the promotion of travel and tourism in the Town.

(c) Subject to subsection (d), members shall be appointed for terms of one year. The initial terms of all appointees shall expire on January 31 of the year that follows the initial appointments. Subsequent terms shall run from February 1 of one year to January 31 of the following year. Vacancies shall be filled for the remainder of the unexpired term. Members may be appointed to successive terms without limitation.

(d) Members shall serve at the pleasure of the Town Council and may be removed by the Council at any time with or without cause.

(e) Members shall serve without compensation.”

Currently, the CTDA has one active member, Marlin Fludd. Mr. Fludd serves as a member who is affiliated with a business that collects occupancy tax within the town. Mr. Fludd’s term is up for re-appointment and is willing to continue to serve another term.

Further, Town Council appointed Donald Strickland in May 2022, but it was determined that Mr. Strickland did not meet the criteria to serve on the CTDA. Therefore, this leaves only one active member on the CTDA, and the CTDA cannot meet quorum to hold meetings. A quorum of the TDA is two (2) members.

One application has been received from Bridget Pemberton-Smith for the CTDA. Ms. Pemberton’s application can be found in attachment C. Based on Ms. Pemberton’s application with operating a business in Carrboro and serving on the Carrboro Business Alliance, she would need to meet criteria of serving in a CTDA seat that qualifies as “currently active in the promotion of travel and tourism in the Town.”

The CTDA has some upcoming important business to conduct, including the FY 23 audit and FY 24 budget approval. In order to conduct business, a quorum of the CTDA is required, so there must be another member appointed to achieve this quorum.

**FISCAL IMPACT:** The Hotel/Motel Room Occupancy Tax is a tax for the Town of Carrboro and the distribution of the tax is outlined in Section 8A-4 of the Carrboro Town Code:

Section 8A-4. Distribution and Use of Tax Revenue states:

“The Town shall, on a quarterly basis, remit the net proceeds of the occupancy tax to the Carrboro Tourism Development Authority (CTDA). The CTDA shall use at least two-thirds of the funds remitted to it under this section to promote travel and tourism in Carrboro and shall use the remainder for tourism-related expenditures. The following definitions apply in this section:

(1) Net Proceeds. Gross proceeds less the cost to the town of administering and collecting the tax, as determined by the finance officer, not to exceed three percent (3%) of the first five hundred thousand dollars (\$500,000) of gross proceeds collected each year and one percent (1%) of the remaining gross receipts collected each year.

(2) Promote travel and tourism. To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in these activities.

(3) Tourism-related expenditures. Expenditures that, in the judgment of the CTDA, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in the town by attracting tourists or business travelers to the town. The term includes tourism-related capital expenditures.”

**RECOMMENDATION:** It is recommended that Town Council review the CTDA application for Bridget Pemberton-Smith and consider appointment to a CTDA seat for a term of one-year, and to re-appoint Marlin Fludd for another one-year term. Further, it is recommended that Town Council select a chair for the CTDA (Attachment A).