Agenda

Board of Commissioners, Tourism Board and Tourism Development Authority Joint Meeting

6:00 PM November 30, 2026
Board Meeting Room, Town Hall Annex, 105 E. Corbin St.

1. Welcome and Introductions
   – Mayor Mark Bell, Presiding
   – Victoria Pace, Chair of Tourism Board
   – Commissioner Meaghun Darab, BOC Representative and Chair of TDA
   – Shannan Campbell, Staff Liaison Town and Tourism
2. Overview of purpose, enabling legislation, relevant town code sections
3. Financial updates – revenues and fund balances
4. Overview of Orange County/Hillsborough tourism ecosystem
5. Update from boards on goals, plans, and projects for upcoming years
6. Q&A from boards and stakeholders
7. Adjournment

Interpreter services or special sound equipment for compliance with the American with Disabilities Act is available on request. If you are disabled and need assistance with reasonable accommodations, call the Town Clerk's Office at 919-296-9443 a minimum of two business days in advance of the meeting.

Board of Commissioners, Tourism Board, and Tourism Development Authority

Joint Meeting

11.30.2026

HILLSBOROUGH
NORTH CAROLINA

1. Welcome and Introductions

A. Mayor Mark Bell of the Town Board of Commissioners, presiding
B. Victoria Pace, Chair of Hillsborough Tourism Board
C. Meaghun Darab, Town Board of Commissioners representative on Tourism Board and TDA; and TDA Chair
D. Shannan Campbell, Staff support for Tourism Board, Tourism Development Authority, and Town Planning & Economic Development Manager

2. Purpose of each board, structure, enabling legislation

Town Board of Commissioners (abv. Town Board or BOC)

- Established by NC GS via a charter establishing a local government entity (c. 1754)
- Operations and projects are mostly funded by a combination of property tax and sales tax
- Members are elected by residents of town and the board function as the town's legislative, legal, and policy making body
- Town Board of Commissioners permitted to create appointed boards to assist in serving its residents, and accomplishing its vision, mission, and achieve strategic goals



2. Purpose of each board, structure, enabling legislation

Hillsborough Tourism Board

- Established by NC GS via 'enabling legislation' in 1993
- Authorized by Town Board of Commissioners in Town Code Sec. 3-72
- Operations and projects are funded by a **1% tax on prepared food and beverage**(s) served and sold in town
- Members are appointed by Town Board of Commissioners
- 9 seats on the board
- Each seat represents a segment of the tourism industry and Food & Beverage tax payer(s) in town; and the board makes funding decisions about how to reinvest the 1% food and beverage tax proceeds back into the town's tourism economy



2. Purpose of each board, structure, enabling legislation

Hillsborough Tourism Development Authority (abr. as 'TDA')

- Established by NC GS via 'enabling legislation' in 2011
- Authorized by Town Board of Commissioners in Town Code Sec. 3-73
- Operations and projects are funded by a **3% tax on lodging nights sold** in town (commonly referred to as 'occupancy tax')
- Members are appointed by Town Board of Commissioners
- 3 seats on the board (Tourism Board Rep; Town Board Rep; Occupancy Tax seat)
- Each seat represents a segment of the tourism industry and an occupancy taxpayer; and the board makes funding decisions about how to reinvest the 3% occupany tax proceeds back into the town's tourism economy





3. Financial Updates (revenues, audits, and fund balances)

Town Board of Commissioners

- FY27 $19.5M operating budget
- $15,323,216M fund balance (FY25)

Hillsborough Tourism Board

- FY27 $587,481 operating budget
- $442,242 unrestricted fund balance (FY26)

Hillsborough Tourism Development Authority

- FY27 $141,050 operating budget
- $487,097 unrestricted fund balance (FY26)



3. Financial Updates (revenues, audits, and fund balances)

- Each board prepares a budget annually and has an audit performed annually
- Tourism Board and Tourism Development Authority budgets are reviewed and approved by the Town Board of Commissioners annually
- Tourism Board and Tourism Development Authority cannot purchase real property or process an unbudgeted expenditure over $4,999 without a budget amendment approval from the Hillsborough Town Board of Commissioners
- Both Tourism Board and TDA are currently evaluating their funding structures and options for spending down some of their fund balances with special projects in FY28 & FY29

3. Financial Updates (revenues, audits, and fund balances)

Tourism Board Revenues

Month	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25**	FY26
July	$30,453.70	$31,257.81	$30,716.14	$33,289.37	$30,141.73	$36,934.94	$39,681.23	$50,598.52	$43,607.55	$41,762.48
August	$28,976.05	$30,831.82	$33,373.27	$32,927.99	$27,747.34	$34,194.86	$42,952.36	$44,315.18	$43,734.23	$54,951.22
September	$27,050.52	$30,232.18	$30,144.31	$31,530.78	$28,978.57	$32,071.32	$41,000.07	$40,292.48	$45,549.93	$46,487.95
October	$29,910.50	$30,910.25	$31,212.46	$32,507.15	$32,439.75	$42,225.31	$47,306.55	$42,885.73	$42,100.79	$39,044.25
November	$28,563.38	$28,064.84	$27,845.69	$32,791.66	$26,556.92	$33,296.27	$38,487.16	$31,463.71	$43,976.03	$50,019.95
December	$29,221.43	$33,632.97	$34,700.52	$35,102.52	$32,051.89	$32,841.50	$43,540.72	$50,623.98	$46,152.11	$43,056.43
January	$24,142.18	$24,189.98	$30,528.22	$33,471.34	$27,658.67	$31,213.91	$35,566.32	$38,269.81	$40,969.91	$41,676.38
Feburay	$26,610.30	$29,746.09	$27,012.88	$27,360.99	$27,666.32	$33,829.54	$45,426.08	$41,900.67	$41,065.58	$39,282.76
March	$31,319.16	$35,203.76	$32,737.49	$26,125.77	$33,038.95	$36,250.16	$39,965.61	$42,895.16	$39,988.80	$46,081.70
April	$28,317.73	$31,415.35	$31,713.63	$27,325.30	$34,293.11	$44,108.70	$46,018.28	$57,121.69	$46,021.65	$41,917.19
May	$33,371.01	$31,731.17	$31,266.83	$26,026.84	$34,501.60	$41,870.82	$43,563.55	$53,602.69	$46,813.42	$53,087.86
June	$29,256.32	$35,870.73	$31,034.18	$27,227.52	$33,630.05	$39,865.00	$38,687.15	$43,771.74	$46,944.61	$51,857.35
YTD total	$347,192.28	$373,086.95	$372,285.62	$365,687.23	$368,704.90	$438,702.33	$502,195.08	$537,741.36	$526,924.61	$549,225.52
YoY Change		7.5%	-0.2%	-1.8%	0.8%	19.0%	14.5%	7.1%	-2.0%	4.2%

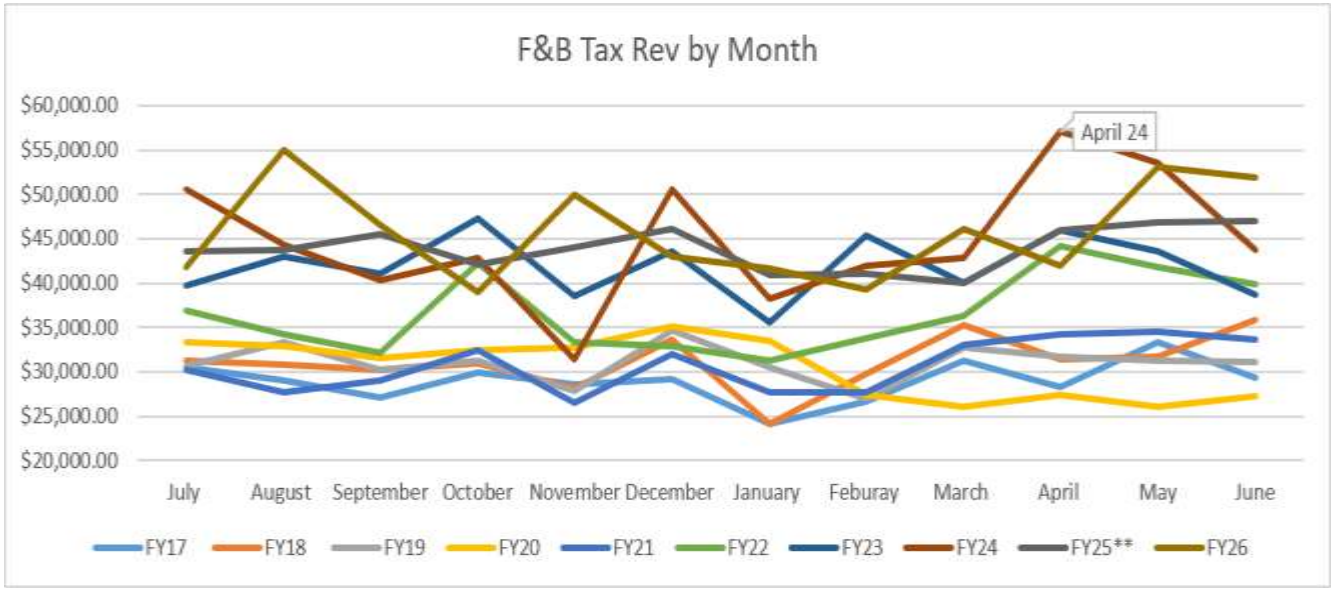
- 58.2% total growth, 5.9% average annual growth
- Imputed Sales - $34.72m FY17 -> $54.92m FY26

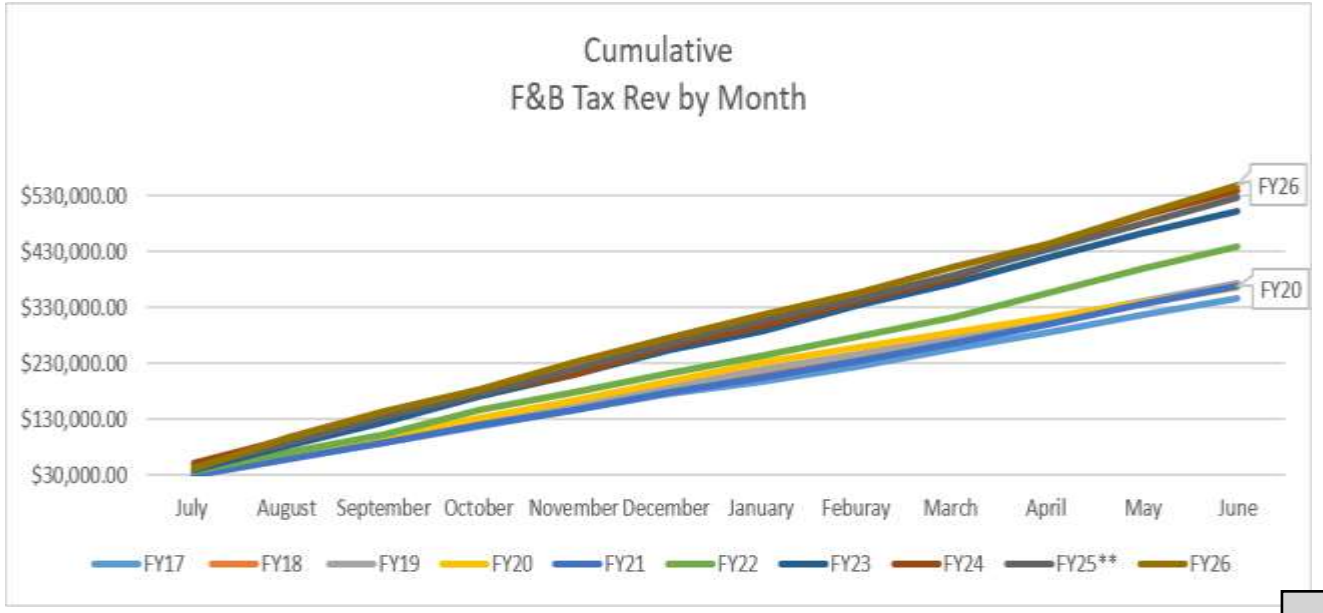
3. Financial Updates (revenues, audits, and fund balances)

Tourism Board Revenues

- FY17-FY21 average $30,449/month
- FY22+ (new normal) - $42,579

- Low Month - Jan (avg $32,768)
- Peak Months – Varies (avg $42,398)





3. Financial Updates (revenues, audits, and fund balances)

Tourism Development Authority Revenues

Month	FY16	FY17	FY18	FY 19	FY20	FY21	FY22	FY23	FY24	FY25**	FY26
July	$6,412.32	$6,622.14	$5,604.00	$6,267.28	$6,797.64	$4,855.98	$8,181.56	$8,132.51	$10,687.85	$10,647.47	$10,848.85
August	$6,335.36	$6,458.94	$6,094.39	$5,288.34	$6,390.74	$4,381.47	$9,090.84	$11,288.27	$7,286.14	$11,088.07	$10,118.93
September	$5,428.49	$5,401.73	$4,985.52	$9,242.30	$6,265.60	$4,685.04	$9,688.30	$9,105.77	$9,921.99	$10,655.44	$7,742.65
October	$6,208.61	$7,925.60	$7,028.33	$7,774.28	$5,598.44	$5,117.90	$9,918.92	$11,250.80	$16,372.05	$11,966.48	$11,400.31
November	$5,742.22	$6,209.44	$5,492.54	$6,095.06	$6,516.02	$4,496.83	$8,168.62	$9,249.59	$12,043.98	$9,624.11	$10,392.08
December	$4,100.27	$3,201.66	$4,238.66	$4,569.26	$2,608.42	$4,191.23	$5,791.34	$6,406.47	$8,236.79	$7,919.84	$9,451.59
January	$3,505.92	$3,923.49	$4,469.38	$3,437.93	$3,203.58	$4,616.82	$6,258.71	$9,472.21	$8,429.19	$6,655.05	$6,159.01
Feburay	$4,235.02	$4,375.99	$4,144.12	$3,611.76	$6,783.07	$6,257.41	$7,003.14	$7,608.99	$7,279.30	$7,380.99	$8,123.29
March	$5,403.98	$5,266.85	$5,263.71	$5,285.74	$4,023.83	$6,947.85	$7,977.29	$11,422.90	$11,806.95	$10,171.33	$10,020.77
April	$7,136.84	$6,718.14	$7,299.26	$6,523.68	$3,501.62	$7,200.18	$12,473.66	$11,248.82	$13,679.95	$10,902.97	$12,815.29
May	$2,834.44	$6,800.03	$5,149.78	$6,948.12	$3,916.17	$8,718.04	$11,221.93	$12,615.64	$13,537.25	$11,431.33	$13,517.61
June	$10,502.66	$5,698.33	$8,967.06	$5,984.40	$4,333.70	$9,943.45	$9,813.66	$13,049.55	$11,084.78	$9,320.32	$11,285.95
YTD total	$67,846.13	$68,602.34	$68,736.75	$71,028.15	$59,938.83	$71,412.20	$105,587.97	$120,851.52	$130,366.22	$117,763.40	$121,876.33
YoY Change		1.1%	0.2%	3.3%	-15.6%	19.1%	47.9%	14.5%	7.9%	-9.7%	3.5%

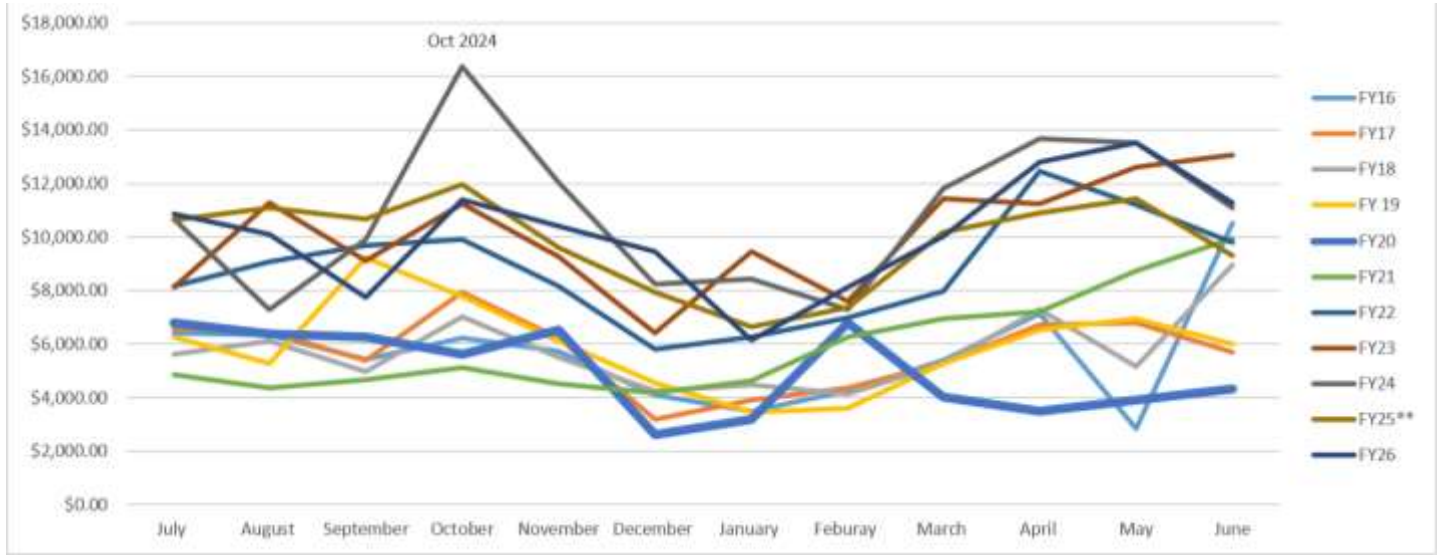
- 79.6% total growth, 6.7% average annual growth
- Imputed Sales - $2.26m FY16 -> $4.06m FY26

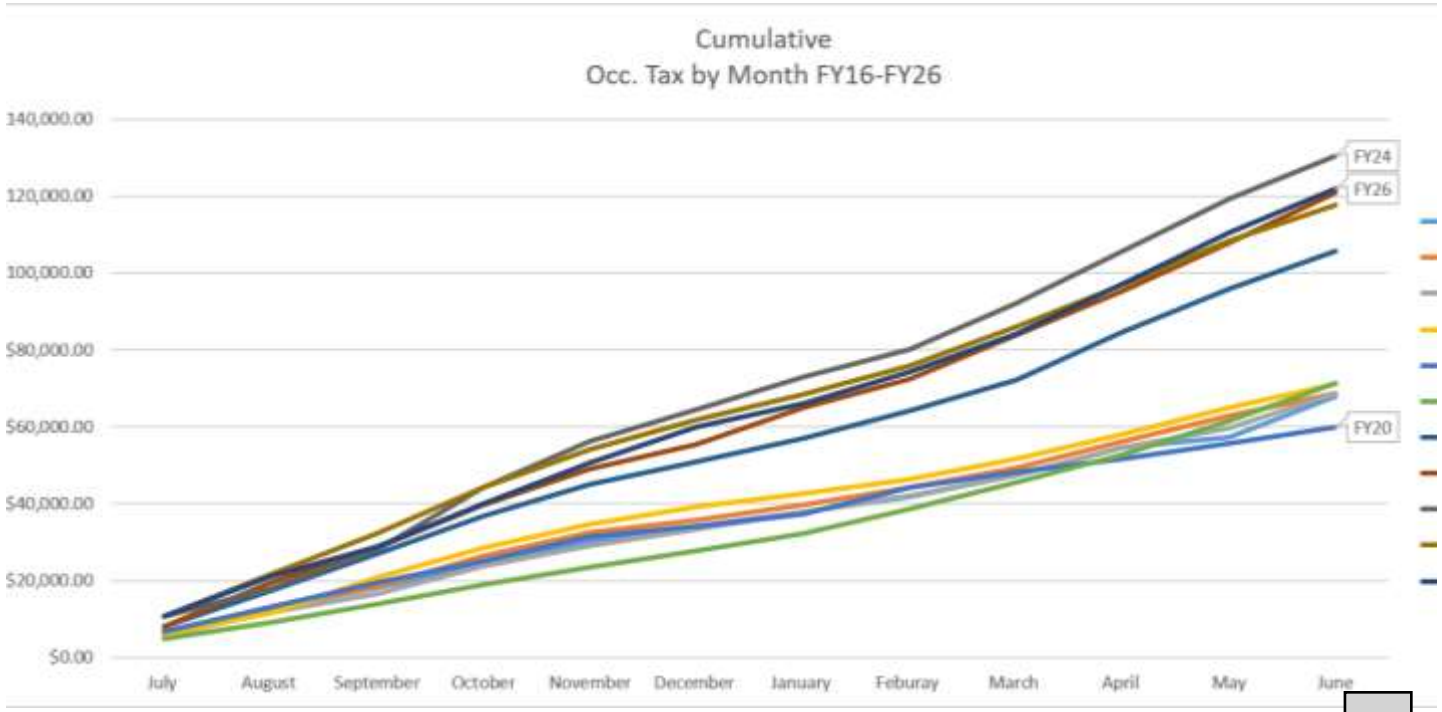
3. Financial Updates (revenues, audits, and fund balances)

Tourism Development Authority Revenues

- FY16-FY19 (pre-COVID) average $5,754/month
- FY20 - $4,994 (13% drop)
- FY21 – FY22 (recovery) - $7,375
- FY22+ (new normal) - $10,226

- Low Months – Dec – Feb (avg $5,686)
- Peak Months – Oct, June (avg $9,115)





4. Overview of Orange County/Hillsborough tourism ecosystem

How are we the same? How are we different?

Each municipality and the County all have legislative bodies that oversee their appointed tourism bodies and revenues; except Chapel Hill (1987)

- **Orange County- OC Board of County Commissioners**

  Orange County Visitors Bureau (est.1991)

  - funded by 3% occupancy tax in the County and 3% occupancy tax in the towns; funds are more flexible use-wise

- **Town of Carrboro- Carrboro Town Council**

  Carrboro Tourism Development Authority (est.2001)

  -funded by 3% occupancy tax in the town

  100% of proceeds must be used for tourism

4. Overview of Orange County/Hillsborough tourism ecosystem

- **Town of Hillsborough- Town Board of Commissioners**

Hillsborough Tourism Development Authority

- funded by the 3% occupancy tax collected in the town
- Net revenues must be used to either “promote travel and tourism” or for “tourism-related expenditures” to increase visitation

Hillsborough Tourism Board

- funded by the 1% prepared food and beverage tax collected in the town
- Net revenues must be used for 'visitor services' or tourism 'programming'

100% of the revenues must be used for tourism

4. Overview of Orange County/Hillsborough tourism ecosystem

What does '100% of revenues must be used for Tourism', mean?' As defined by the enabling legislation and Town Code for the Hillsborough Tourism Board:



The Tourism board shall allocate proceeds each year for purposes stated in both subsections (1) and (2) below. The purposes are:
(1)**To provide visitor services**, including any of the following:
a. Operation of a center where visitors can be provided with information about the community, about facilities and businesses in it, and points of historical or cultural interests.
b. Production and distribution of a free directory of restaurants to include the name, address, and phone number of each restaurant in the town.
c. Production and distribution of pamphlets, film clips, and other informational materials on the community.
d. Advertising the town and publicizing special events in it.
e. Doing market research pertaining to tourism.
f. Responding to mail and telephone inquiries submitted by visitors or potential visitors.
g. Providing other services to visitors designed to make their stay pleasant and instructive.
(2)**To provide facilities, programs, and services designed to attract tourists to the town**.



4. Overview of Orange County/Hillsborough tourism ecosystem



What does '100% of revenues must be used for Tourism', mean?' As defined by the enabling legislation and Town Code for Tourism Development Authority:

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.



Tourism-related expenditures. Expenditures that, in the judgment of the HTDA, 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.

4. Overview of Orange County/Hillsborough tourism ecosystem

The Hillsborough Tourism Program invests in the following tourism pillars:

- History (telling our unique story/past; celebrating our architecture and historic assets)
- Arts & Live Music (promoting our many art galleries, writers, and creatives; bringing folks into town for free festivals & performances; public/private art installations)
- Outdoor Recreation (promotion of Mountains to Sea trail, Riverwalk, Occoneechee Mountain, Speedway, parks)
- Unique Dining & Shopping (promotion of shops and restaurants you literally can't find anywhere else but HERE!)



4. Overview of Orange County/Hillsborough tourism ecosystem



5. Update from the Boards on their goals, plans, and projects for upcoming fiscal year(s)

- **Hillsborough Town Board of Commissioners**
- **Hillsborough Tourism Board**
- **Hillsborough TDA**



Word ON THE Street
ORANGE COUNTY'S LITERARY FESTIVAL

UPROAR
Festival of Public Art

6. Q&A from board members and tourism stakeholders

- **Open Q&A on board structure(s), budgeting, planned projects, etc?**

7. Adjournment