



# TOWN COUNCIL

## Work Session

St. Charles Parish Hall

April 27, 2011

5:00 p.m.

At approximately 5:00 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Work Session of Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Sullivan and Veber and Councilwoman Natali. Councilmen Bennett and Evans were not in attendance. Also present was Town Manager Heather Arcos, Lynne Lochen, Tourism Development Specialist with the Virginia Tourism Corporation, Meaghan Neville from Virginia Farm Bureau and representing the Cape Charles Business Association (CCBA) were Bill Paine and Malcolm Hayward. There were several other business owners in attendance.

Mayor Sullivan announced the business for the evening would be to meet with the members of the Cape Charles Business Association and added that she and Town Manager Heather Arcos had invited Mss. Lynne Lochen from the Virginia Tourism Corporation (VTC) and Meaghan Neville from Virginia Farm Bureau to speak to the business owners regarding tourism during the shoulder season and health insurance.

A. *Ms. Meghan Neville – Virginia Farm Bureau*

Ms. Neville gave an overview of various types of health insurance available to small business owners and suggested that the business owners review their policies on an annual basis. Ms. Neville went on to explain that new legislation had been passed stating that in-network annual wellness visits would be covered 100% but older policies would be grandfathered. Wellness visits included PSA, PAP, mammograms, colonoscopies, etc. Dependents up to 26 years of age would now be covered with the exception of maternity coverage. A change of some kind needed to be made to the policy for this legislative change to take effect.

Councilwoman Natali asked about legislation in other states mandating larger groups for insurance purposes to help reduce rates and added that she had talked with Delegate Lynwood Lewis who stated that legislation of this type may be discussed in the future. Ms. Neville responded that she was not aware of legislation of this type at this time but added that individuals with higher health needs would do better in a group plan since the rates were based on the number of claims within the group but healthy individuals typically could obtain lower rates on an individual plan.

Vice Mayor Bannon asked whether the pre-existing condition provision had taken effect yet. Ms. Neville responded that she had heard that in 2012, the waiting period for pre-existing conditions would change to 90 days, but the downside would be increased premiums. Currently, coverage was available in a high-risk pool but those policies have a 6-month wait for pre-existing conditions and people were leery about changing policies and having to wait 6 months. The insurance companies instituted waiting periods to discourage people from waiting until they were diagnosed with an illness before they obtained health insurance coverage. This provision would at least have the individual(s) pay into the policy for a minimum period of time before claims could be filed.

Ms. Neville concluded by pointing out various brochures with information regarding her products and offered her services if anyone wanted to discuss their insurance needs and review their options.

B. *Ms. Lynne Lochen – Virginia Tourism Corporation*

Heather Arcos introduced Ms. Lynne Lochen, the Tourism Development Specialist recently appointed by Governor McDonnell. Ms. Lochen received her undergraduate degree from Florida State University and began her tourism career 30 years ago with the Colonial Williamsburg Foundation. Ms. Lochen was a former high school teacher and adjunct professor of tourism at Norfolk State University and was listed in the *Who's Who Among America's Teachers*. More recently, Ms. Lochen served as Director of the Orange County Department of Tourism and prior to that was the Executive Director of the Portsmouth Convention and Visitors' Bureau and the Director of Convention and Visitors' Services in Norfolk. Ms. Lochen also served on the executive boards of the Virginia Association of Convention and Visitors' Bureaus, the Virginia Hospitality and Travel Association, the Virginia Civil War Trails in both the Orange County and Portsmouth Chambers of Commerce. In 2005, Ms. Lochen was named the Virginia Travel Person of the Year and we were all very fortunate to have her working with us.

Ms. Lochen thanked the attendees for coming out tonight and added that in the tourism business, liquid sunshine was just another reason to express gratitude.

“When Governor McDonnell decided to create this position, he was making a true commitment to the Eastern Shore and to the value it had to the State of Virginia. My job was to help enhance the tourism potential of the Eastern Shore. I am not here to do the work for us and I did not come with a checkbook, but using some of the resources of the State and some of my past experiences, I feel that I could help things along. I want to begin my brief presentation with some national and statewide trends and statistics in tourism just to give you the bigger picture to see what we are trying to hook into. Tourism generated \$704B in this country last year which is pretty significant. Visitors spent the rate of \$1B per day which equates to \$1.3M per minute or \$22.3K per second. This is an amazing amount of money. 7.4M people in this country make their living because of tourism.” Ms. Lochen pointed out a gentleman wearing a hat and stated “I might want to pass the hat around to see who would like to put in some money. Who has \$950 at the end of the year that you don't want? Without tourism, every single person in this country would pay an additional \$950 in taxes. That is how important tourism is to the tax base of this country. I'm not going to talk much about the business traveller tonight because that is not the primary target market. Leisure travel outpaces business as the main reason people take trips. This has not always been the case but they have been neck and neck. The number one activity for travellers, other than visiting friends or family, is shopping. This fact always amazes me but it has held true year after year. Some other main reasons why people travel and what they want and as I mention these reasons, you as business owners need to think of where your business fits in and what your product does in relation to what people want. I already stated that shopping is the number one activity for travellers but here, near the water, are some of the others. If it sounds like it is custom-made for this area, count your blessings. Rural sightseeing is the next most important reason why people want to travel. After that are beaches, fine dining, State and National Parks, urban sightseeing and historic sights, churches and museums. 85% of leisure travellers come by car and stay approximately three nights. These are national statistics compiled by the US Travel Association. What are some of the trends and what is happening now? What do experts see as the future? That's where we should really hone in to keep in tune with all the important trends. Good news is that people are feeling more financially confident about travelling but the increasing price of gasoline is becoming a concern. What about economic factors in general such as credit card debt, the decline in real estate and investment values and the fear of losing a job? Will these things change the way people travel? The answer is “yes” but it does not mean that they will not travel. Americans feel that it is their god given right to travel and they are going to travel but they will do it differently. This is where we, as business owners and as people in tourism, have to respond to the current state of affairs because we can't keep doing business the way we have been.

With the way people are changing and with the economic fears, the travel deals and special offers will continue to be crucial if you are going to attract the traveling public. More good news is that the *Wall Street Journal* just reported that spending on airline seats, hotel rooms and rental cars rose 3% for the end of 2010. Another impact, trend or important thing to remember about travel is the environment, which again, can't be better for Cape Charles. There is a significant increase in awareness of green issues with travelers becoming more conscious of their carbon footprints than ever before. While more people are seeking travel companies, lodging establishments, destinations, etc. that are environmentally responsible, they are not willing to pay extra for it. That is a reality that we have to deal with. Perhaps one of the most influential and important aspects of travel and, in fact, everything we do is technology. We can't live with it and we can't live without it. There is not a day that goes by that somebody does not curse and bless their computer at the same time. It is a complex issue in travel, as it is in every avenue. Leisure travelers feel more empowered than ever to negotiate deals based on internet research whether it's realistic or not and that is becoming an issue. However, the number of travelers using a traditional offline, old-fashioned travel agency increased 26% in the last couple of years. People are citing increased frustration with travel websites and how complicated it was getting. What does all this mean? It's hard to say. The long term impact of social media is still to be determined. For every person who says that it saved their business, you will hear three others who say that it didn't do a bit of good. In spite of advanced technology including smart phones, GPSs, etc., most people are not yet using these technologies to actually book reservations and they are not using as many of the mobile sites as you would think. However, travel reviews, both online and off line, have a profound effect on the traveling public, perhaps more than any other single thing. If they see something on YouTube that is wonderful or terrible, you can bet that it will have an impact. All the sites where you can find out what people think about anything are having a tremendous impact on the traveling public. It does not matter whether it's a souvenir shop, fine dining restaurant, Bed & Breakfast or the Ritz Carlton, people are reading reviews and they are listening to them. From a technology point of view, that may be the biggest lesson that we have to be aware of. So what is the conclusion? Don't put all your eggs in this basket but don't leave them out either. That is not very helpful but the word "value" will still be the key word in trip planning. Americans suffer from something called "time poverty." We are just too busy. An average of almost 450M vacation days go unused in America. How are we dealing with that or marketing to that and how can we come up with a strategy to find those people suffering from time poverty and get them to use some of the 450M vacation days that are left on the table every year? Who is the traveling public? Up until now, we could unequivocally say the baby boomers. The people with the spare time, spare money and the people who came from the generation that said "I want it, I can have it, I worked hard for it." For the first time, the baby boomers, while still a major component, are starting to be outpaced by the Generation Xers. The next generation is starting to impact travel. It is important to know who these people are and how to market to them. It is important to know how to market to each of these segments because these are the people we want to attract. They are the ones who will travel and spend money and you could impact their decision on where they're going. The baby boomers are as different as night and day from the Gen Xers and you have to reach them differently. Again, you can't keep doing business the way you have always been doing it if you want to make progress. These are national trends, many of them fit with who we are and they all have to be listened to because this is where the progress is being made. In Virginia, tourism was a \$17.7B industry last year. That was how much money tourism generated for the Commonwealth. It provided over 204K jobs in Virginia and \$1.24B in State and Local taxes. That was enough to educate over 76K students in the State. Virginia ranked eighth in domestic visitation up from tenth a few years ago. 60% of Virginia's visitors come to visit friends and family, which is the general trend. 84% come by car. 30% do not spend the night. These are important things to know if you are in the tourism business in Cape Charles. Most of the people who are not spending the night are day-trippers. 50% of people surveyed said that they were extremely satisfied with Virginia

and would return. Currently, the price of gas in Virginia is below the national average. One of the most recognized brands in American is “Virginia is for Lovers,” which is second only to “I love New York” in terms of national slogans. We need to use it and capitalize on it. Another great thing Virginia has going for it is that we have a Governor who supports tourism – the most that it has been supported in years. The Governor is spending some money and making a commitment to continue. Now I want to talk about Cape Charles. Last year, \$56M in overall revenue was generated from tourism in Northampton County. That is a lot of money but where did it go? It is out there and somebody is getting it. We offer many of the things that the statistics told us visitors want. We offer rural sightseeing, the beaches, fine dining and historic sights. We are a drive destination and we just heard that it was how 84% of people were traveling in Virginia. We also have some things other places do not but just talking about it doesn’t help. Each person in this room must think how they are going to capitalize on these trends and plusses. One of the plusses is that we are on a major transportation route with no shortage of passersby. We are in a proximity to a major population center of over a million people for day-trippers. We have an accessible harbor for boaters. We have cultural amenities, theaters, galleries and artists at work. We have great golf and fabulous Bed & Breakfasts. We have what people want, but what do visitors see when they come to town? We can’t see it anymore because we’re in the middle of it. We have to put on our tourist hat to see what they see. I can tell you what they see because I’ve heard it and experienced it. The visitors see a beautiful, quaint, nostalgic waterfront town with a few shops, all of them closed. What do they want to see? They want to see unique shops that are cute, open and inviting that sell things they can’t get anywhere else. So they can go back home and say “Look at what I bought in Cape Charles” and people will say “Oh yeah, I got that at CVS. What do you mean Cape Charles?” They want things that can’t be found anywhere else. They want shop windows and displays that clearly indicate what’s for sale inside and they want outdoor cafes. This is what people tell us they want to see in Cape Charles. So, what was wrong? Why aren’t people flocking to Cape Charles, to the shops, the restaurants, and the amenities? There are tough times. No one’s going to deny that. This is very important. We can’t blame the economy for everything. There are businesses and destinations that are thriving all over the place. The statistics I read at the beginning of this discussion talked about many locations. I mentioned the Wall Street Journal report that air travel and hotel stays are up. All of these things are rising so somebody is doing something right, but we’re not. So that’s what we have to look at. It’s really, really time to stop looking at the external picture that we cannot change and start looking internally at what we can change. This isn’t easy but it’s not hard. It’s going to take effort and it’s going to take a commitment. So, we’re going to begin by taking a good, hard and maybe painful look into your own businesses to see what the visitor sees, or in some cases, doesn’t see. In fact, it’s time for a reality check. Sadly, I’ve been in municipal government for many years and the tourism departments in the various locations where I’ve worked, and it’s always the same story. “What can you do for me?” meaning the City Council, Town Council, County Administrator’s Office or Board of Supervisors. It’s always the same. You’re in private business. It’s up to you and that’s a hard thing to say, but I’ve been on the other side too, in municipal government. I can tell you your refrain is the same as everyone else’s but the businesses have to do this themselves and we’ll talk about that in just a bit. So what is this reality check? You check these off in your head as I’m saying them. Do you have consistent, visitor-friendly hours of operation? Notice that I said visitor-friendly, not what’s easy for you. Do you have attractive, compelling window displays that are well lit after hours so the people taking a stroll at night can’t wait to go back the next day and make their purchase? Do you have clutter free, welcoming entrances? Do you have diversification of product? Products people want to buy, not necessarily what you want to sell. This isn’t about you. If you’re all selling the same thing, why should anyone come in your store? Is there enough diversity to truly, honestly give people a reason to shop in more than one place? If they’ve been here before, is there something new for them to buy? Let’s face it, it’s the bottom line. You have to get them to buy something. Have you changed anything about your product,

pricing, staffing or service from when you were doing better? You're saying your business is down because of the economy. Are you sure? Have you changed anything for the good or for the bad? What are you doing differently from when you were being more successful? Are you doing business exactly the same way you were when the economy was better and wondering why business is failing? Do you have an up-to-date business plan? Notice I said "up-to-date." You probably all needed one to get started but is it up-to-date? Have you taken into consideration that the economy peaked, and it went down and have you taken into consideration any of the trends we just talked about tonight and here's the big one, how's your customer service? I don't care if your staff is just you; answer this next question to yourself honestly. Do you have an upbeat, trained staff who NEVER complained in front of customers and who appear friendly and attentive? Do you and your staff consistently go above and beyond to satisfy the wishes of the customer, and listen to this last part, while not compromising the mission of the business? When I was a young girl, my dad owned a small restaurant, kind of a sandwich shop/coffee shop. I was kind of an old-fashioned kind of place that appealed to locals, not to visitors. It was in a neighborhood where there were a lot of workers and people came in just for breakfast and lunch. It had a lunch counter, some booths, a couple of tables and when he started out, he immediately had a following because there was a need for that. Business went well. Business increased but somehow profits were going down. How was this possible? It didn't seem possible. It was almost a one-man operation. My dad was in the kitchen and he did all the prep work, all the cooking, everything. He had a couple of waitresses who had been with him for quite a while and more and more the same people were coming in every day. The locals loved it. The food was great. This was before when you went into a restaurant and they refilled your coke or coffee every two seconds with every sip you took until you floated out the door. When you ordered a coke, you got a coke. When you wanted another one, you ordered it and paid for it. I mention that because it impacts this. We started to investigate why this business was decreasing when it seemed like it should have been increasing and we found an example of customer service gone awry. It was almost too good. The waitresses had befriended the locals who came in. The locals never left. They just sat there. The waitresses kept refilling everything. Some came in and bought a cup of coffee and sat for 45 minutes. We kept refilling the coffee. They got to know that the food was good and not expensive. The wait staff was going to love having them there. Newcomers came and couldn't get a place to sit so they didn't come back. It was an example of giving away the farm to people who were there, who were local, who everyone knew and it became a wonderful gathering place, but in a small sandwich shop, turnover is what makes the business go. So a lot of things were being given away in the name of friendly local community stuff. So customer service is a balance. It's a big balance and we have to find that balance for each individual business."

Mayor Sullivan asked what he did.

Ms. Lochen continued, "He put a stop to a lot of it and he would have liked to knock out the doors. Today's concepts with the cushy seats and stuff didn't exist then. It gradually got better. It wasn't easy to stop that once you started. There's not an easy answer. It happens more in restaurants than anything else. It happens in small towns and it happens where you know the people and they come in and you give them stuff. You just give it away and you can't do that. Customer service is so important but not just in small businesses like dad's sandwich shop, but huge businesses get the importance of customer service as well. In 1991, Southwest Airlines was big on the arena. In 1991, every single airline in this country lost money. Every airline lost money except Southwest Airlines. That same year, 1991, Southwest Airlines made \$26M profit. In a year where every other airline lost money. Do you know what they found statistically? They said that if there had been one less person on each flight they would have lost money that year. One less person on each flight was the difference in losing money and making \$26M. The lesson there - it was customer service that initially set Southwest Airlines apart from their competition. In all the surveys that people

did, people liked to fly Southwest. They liked the light-hearted, fun flight attendants. They liked the customer service. They loved it. People flocked to Southwest when every other airline lost business. It comes down to one person on each flight and the chance that someone could have turned them off with an angry look, a nasty comment or just being inattentive. That was the difference between a profit and loss. What are some of the immediate strategies we need to be looking at? Examine your product. Is it too pricey? Is it what visitors want? Is it exactly the same as your neighbor's product? Do you have enough variety? What makes you unique? Examine how your things are displayed. Does your store look closed when it isn't? Are the lights on when you are closed? And, here's the most important and easiest piece of research you will ever do – talk to your customers. Some of you do it every day. Some of you never do it. Some of you do it but don't use what you've learned. That's a waste of your time. Where are they from? Don't just wait for them to sign a book if you have that. Where are they from and how did they hear about you? Very important questions. How did you hear about Cape Charles? We need to know that. How else are we going to market to them? Where are you staying? What types of things would you like to buy if I had them? It's easy to ask these questions. It's easy to have a casual, upbeat conversation. Observe them. What do they linger over in your store? What do they walk right past? You might be very surprised to see the things they're not interested in are the things that you thought were the big deal. Again, watch your customers and then use the information to create a profile of who your customers are, what they want, where they come from and all that good stuff. And this is another important thing – you have to cross sell. Anybody who comes into your business should be told about every other business in Cape Charles. There's no shortcut to that. You've got to do it. Research. Find out what businesses and destinations in the country are doing well and find out what they're doing to do it well. That takes effort. You might find some of it online. You can talk to people – anybody who travels or knows someone who does. Find out where these destinations are that are succeeding. Find out where the restaurants and stores are that are succeeding and learn their tricks. Partner with each other. People asked me for years, when I was in the Hampton Roads tourism market, they said “Well, there are Portsmouth, Chesapeake, Virginia Beach and Norfolk. Do you cooperate or compete?” I looked them straight in the face and said “Yes” and that should be your answer. There are times when, yes, you're competing, but more times you need to cooperate. You know the saying “The rise in tide floats all boats.” If one is successful, you'll all be successful. Why do you think Burger King always open across the street from McDonald's? That's the way it is. You need to build, if you don't already have one, a very strong business association. You need to have that business association meet regularly, welcome all businesses and anyone willing to help. That how you find solutions and that's how you figure out how to help yourself. You have to see value in your business association or no one else will. You, a business association, are the grass roots of success in any town. The Downtown Norfolk Council is one of the finest examples of a business association you will ever see. They'll come make a presentation; I know them well, if you want to know what constitutes their success. You must have a strong business association. The big picture strategies – How do we get people off Route 13? We beautify, beautify, beautify. We make it so they can't wait to turn at that intersection. We've got to do it. How do we get people here in the shoulder seasons? That's a big one and that leads me to one of the biggest strategies that I think can help. Festivals, events and things of that sort. People love to go places. Not everyone wants to travel in June, July and August. Maybe May and maybe a little of September. We just said that baby boomers are still a huge force in travel and they're all retiring. They don't have to go on the weekends. How do we do this shoulder seasons? They don't have to go when their kids are on vacation. Let's market to them but let's have things they want to do. Let's find out. Let's do some research. This tall ships initiative that you've all agree to be part of is fabulous because it speaks to who you are. All of your events and festivals should do that and they should be professionally produced and more importantly, every business and the business association should take the lead on this. Every business has to be involved and committed. That is fabulous shoulder season

business. Additionally, you really, absolutely, need to have a marketing plan. You have to blitz the market in the off season. That's what your competitors are doing. You have to find a way to do that and I'm going to tell you that one of the ways is through the Virginia Tourism Corporation grants. We've got money and we want to give it away and it's all for marketing. We'll talk more about that. I've got some sheets that explain it and Heather and I have talked about it quite a bit already. You have to think regionally if you want to succeed. Our visitors don't know where our boundaries are and they shouldn't. If a family is staying for five days in Chincoteague, don't you think they might want to come to a fun festival here? Don't you think they might want to take a harbor cruise here? Don't you think dad or mom wants to play golf at Bay Creek? Don't you think they'll want to experience your beach? Because they do. You do not need a passport to go from Chincoteague to Cape Charles and back and that is something that's a mindset we have to change if that's the mindset you have. Because visitors don't have that mindset. They think nothing of driving up and down so we must think regionally and we must market to the people who are already here staying nearby. And, again, the grants. I want my message to be that most importantly, this is your responsibility. You have to look inside yourself, your business, your commitment and decide where you want to be with this. I will leave you with just one thought. Hope is not a strategy. You need a plan. For those of you who can do this, on May 11<sup>th</sup>, the Virginia Tourism Corporation is sponsoring what we call a mini help desk where representatives from the Virginia Tourism Corporation are here to sit down with you. This will take place at the old Eastville Inn and we'll have tables set up to tell you how to do the grants. We'll answer how to do electronic marketing. Whatever your needs are, we'll be stationed around the room to talk with you about that and that night, representatives from Virginia Tourism whose job it is to do the research, will give a presentation. Please put that on your calendar and tell everyone you know that this is a good thing. I do again want to emphasize that you need a plan and it works better when you plan together. Hope is not a strategy." Ms. Lochen distributed flash drives to the attendees suggesting they could put their new business plans on them.

A business owner asked whether Ms. Lochen or anyone on her staff had given any thought regarding how to get people off Route 13. Ms. Lochen stated that she had struggled with this question herself because Route 13 had various stages but no "wow" factor and added that part of the issue, not so much in Cape Charles, was that passersby saw what looked like very deteriorated, bombed out and decrepit buildings, which had to go. Something had to happen with them because people would not want to turn if what they were already seeing was so bad. Ms. Lochen recommended some kind of welcoming gateway to Cape Charles at the Route 13 intersection adding that the Town had the advantage of having a traffic light where people have to stop.

Mayor Sullivan added that was being done. Mr. Richard Foster of Bay Creek was working with the Town right now regarding the gateway into Town.

Another business owner commented that there were a million people over in Hampton Roads and in discussions with them he learned that they just could not conceive getting on the bridge to come to the Eastern Shore. Ms. Lochen stated that was a marketing issue and added that we had to market the Chesapeake Bay Bridge Tunnel (CBBT) as an attraction and stop trying to hide it as an expense. That was a huge strategy that had to happen.

Mayor Sullivan asked Ms. Lochen her opinion of the curb appeal on the entrance into Town and what she felt the Town needed to do. Ms. Lochen stated that banners would help. There was some discussion regarding the banners throughout Town and the fact that they were not changed very often.

Vice Mayor Bannon added that he felt the biggest thing currently was working with Bay Creek regarding plantings around the Welcome Sign and entrance to Town from Route 13, as well as signage notifying passersby that Cape Charles has a public beach.

Heather Arcos explained that Bay Creek had offered to donate the materials and labor to install beautiful landscaping at the entrance to Town and we were waiting for approval from the Virginia Department of Transportation to begin the project. The Town would maintain the area after planting. Also, the Town, as part of the FY 2012 budget, was looking into adding signs to the existing business signs along Route 13, both north and south bound, to publicize the Cape Charles Public Beach. Ms. Lochen stated that the more businesses listed on those signs, the more reasons people had to make that turn.

Ms. Lochen added, in answer to the question about the people of Hampton Roads, that we had to stop apologizing for the CBBT and start selling it. The CBBT was one of the engineering wonders of the world and one of the seven man-made wonders of the world. It had so much going for it. People would think nothing about paying \$12 to go into an attraction so it had to be sold as an attraction.

A business owner suggested a mass marketing campaign in Hampton Roads. Ms. Lochen stated that was where the businesses should be marketing themselves and added that there was grant funding available to do so. Ms. Lochen explained that there were two different kinds of grants and information could be found online. The next round of applications were due in June 2011 with distribution of awards in July. Applications were accepted every six months.

Councilman Veber stated that the Town and its businesses had some success with advertising at the Welcome Center at the CBBT and asked Ms. Lochen her opinion regarding a big sign or billboard placed approximately three to four miles south of the Cape Charles traffic light. Ms. Lochen responded that it would be wonderful if it was done correctly. It needed to be professional, official and be maintained. Councilman Veber added that Council had had this discussion but decided to table the issue. Ms. Neville stated that she had looked into renting two billboards for Virginia Farm Bureau and the cost was approximately \$17K for the two billboards for the summer months. Councilman Veber stated that Council had reviewed the pricing for a billboard approximately three miles south of the Cape Charles traffic light and he thought the price was about \$800 per month, half of which would have been paid by the Cape Charles Business Association. Councilman Veber added that he felt it would have been a good investment and asked Ms. Lochen for some other ideas to catch the attention of the thousands of travellers along Route 13. Ms. Lochen stated that making the entrance to Town at the Cape Charles traffic light as attractive as possible would attract the people's attention. The more businesses listed on the official signs along Route 13 would also let people know there was something here. The public beach sign would also be fabulous.

Councilwoman Natali asked if individual businesses could apply for the grants through the VTC. Ms. Lochen stated that there had to be at least three partners applying for the grant, at least one with a Federal ID#, and each partner had to contribute something. Ideally, the business association should be the one to apply and the money had to be used strictly for marketing. The Governor had earmarked this money to be administered by the VTC. There was also an additional \$1M just added for OpSail. Ms. Lochen continued to explain the two tiers of grants. The first tier went up to \$10K with a one-to-one match. The second tier went up to \$50K with a two-to-one match. The applications had to include a plan and the businesses had to work together. The VTC would also review an application if it was submitted early and notify the applicant if there were any errors or omissions or if there was anything that could be done to improve the application.

A business owner asked whether the VTC had access to copywriters, advertising professionals, photographers, etc. to help businesses with their advertisements. Ms. Lochen responded that the VTC did not have these types of professionals on staff. They had the money to give away in grants and the recipients of the grants would have to hire a professional to do the work on the advertisements.

Malcolm Hayward asked for more details regarding the grants. Ms. Lochen distributed an information packet which contained an application and stated that more information was also available online at [www.vatc.org](http://www.vatc.org).

Ms. Lochen continues to state that we had an advantage in being small and that we did not need thousands of people to come in order to make an impact. Ms. Lochen continued as follows: “I’m going to give you all an assignment to get in your car tonight, if it’s still light out, and drive up and back on Mason Avenue and think of yourself as a visitor. Pretend you’ve never been here before and you’re making the decision on whether to stop or not, stay the night or keep going. Look at everything that you see. Think of things you see. What vacant building do you see? Where are they located? What vacant storefronts do you see? What kind of impression does that have on you? What is the parking like? I’m not saying these are bad things, but they are things to look at. How many restaurants do you see and do you get a sense of what’s inside of them as you drive by slowly? Do you get a sense on whether you can bring kids in there or is it fine dining? Do you see activity on the street or people walking? Do you see stores that are well lit and inviting and clearly define what they are? Or, are they all businesses that aren’t tourism-related? Are the eye doctors, dentists, insurance companies and real estate companies? Are they services tourists really aren’t going to be interested in? What is the cleanliness factor? Can you see the water? That’s our claim to fame. Can you access the water? Can you get to the water? Is the signage good that tells you where you have to go? These are not criticisms but this is what a visitor sees when they’re driving down the street. They have a few seconds to make up their mind as to whether or not they’re going to stop or keep going. You have a big challenge to get them off Route 13 in the first place, there better not be a negative when they get here or they’re going to be the ones on the social media with the reviews that we don’t want to have. They may not even have had a chance to interact with the friendly people in this room. Not everybody does. Promise me you are all going to do that. What do you see that a visitor will like or not like and what they won’t like, fix it.

Vice Mayor Bannon mentioned that the word “Cape” was a word that drew people. Ms. Lochen agreed and added that in New England, Cape Code was referred to as “the Cape.” There was also Cape Hatteras and Cape Lookout which drew people. These were also our competition and we needed to keep that in mind.

Ms. Lochen stated that everyone had her business card and to call her at any time. Ms. Lochen went on to explain that when she worked at Colonial Williamsburg, she took people on tours dressed in colonial costume and was told that “If you say it with authority, people will believe you” and reminded the attendees that – “Hope is not strategy. You’ve got to do something.”

Councilman Veber expressed his concern that there were approximately 100 businesses in Town that paid BPOL taxes and it was terrible that those business owners were not in attendance this evening. Councilman Veber went on to state that he did not know what could be done to get them here but asked everyone in attendance to tell others what they heard this evening and we could possibly ask Ms. Lochen to come back again at a later date. Even some of the people that addressed Council a while back were not here this evening and that bothered him because the Town was concerned but what could the Council do if they could not get the businesses to attend this meeting? Ms. Lochen stated that it started and ended

with the businesses. It was easy to say that the government should do something but that was not the answer. The Town Council was not the answer to getting customers here and she could not emphasize that enough. There were three areas where Town Council could help: i) Facilitation of festivals and events. Not be the ones to produce them but facilitate the permit and approval process to ensure their ease to obtain; ii) Economic Development and be business-friendly. Make it easy to set up and open a business in Town regarding the laws and required permitting. Go after the types of businesses that were compatible with tourism. Ms. Lochen added that she had worked for a locality where a business wanted to set up but the permitting and approval process were so difficult, the business gave up and went to another locality; and iii) Code enforcement. Get rid of the old buildings or enforce the code to fix them up.

Vice Mayor Bannon mentioned that the Pirates and Wenches Ball was coming up and stated that he had purchased a pirate flag for his building and asked for some ideas for the businesses in Town. Ms. Lochen stated that anything that focused on pirates would be good. Every business should have a flag, specials in their windows and be open for extended hours.

Mayor Sullivan thanked Ms. Lochen for coming to the meeting to present her information.

*C. Discussion with Cape Charles Business Association and Other Cape Charles Business Owners*

Mayor Sullivan introduced several new faces: Mr. David Gammino of the Cape Charles Hotel, Ms. Miriam Elton who was opening a home-based bakery, Ms. Lisa Coughlan who operated the ice cream truck and Ms. Donna Kohler who just opened the Fig Street Inn Bed & Breakfast.

Malcolm Hayward presided over the CCBA portion of the meeting and stated that Ms. Lochen was a hard act to follow and she had done a great job with her presentation this evening and we needed to reinforce what she told us. As Ms. Lochen stated, we would only be successful if we had a successful business association and our business association was not successful because we only had 20 members and only 3-4 people did all the work. The business members pay \$50 per year and non-business members pay \$25 per year and the CCBA spent \$6,400 last year. Malcolm Hayward listed some of the things done by the CCBA over the last year: i) Design, printing and distribution of the Visitor's Guide and Restaurant Guide which were distributed to the Visitor's Center, real estate offices and most businesses in Town; ii) Printing of the Cape Charles brochures which were also distributed to the Visitor's Center, real estate offices and businesses; iii) an advertisement was purchased in the Northampton Passport which was distributed to most of the businesses in Northampton County; iv) two rack displays were purchased at the Visitor's Center; v) 10 crab pot Christmas Trees were purchased and placed on each lamp post on Mason Avenue, which looked great; vi) Kept the Birding Festival in Cape Charles by donating funds and labor to the effort; and vii) a billboard was rented on Route 13. Approximately \$1,800 per year had been spent for two years. Unfortunately, it was not a good billboard. Ms. Lochen said that signs were good but had to be done correctly. Ours was not done correctly. Mayor Sullivan added that in regards to the billboard, there were only four people involved in the planning and design, no meetings were held, and additional members were not recruited to help with the project. The CCBA needed to become a group that works together to get things done.

Malcolm Hayward stated that elections would be held in two weeks and all positions were open. If anyone was interested in serving on the Board of Directors, please contact him. Malcolm Hayward added that we needed to listen to what Ms. Lochen said and by doing so we would be a successful business association which took the lead and worked with the Town in making things happen. But, it took all of us working together to do so. Malcolm Hayward continued to state that many of the attendees owned shops in Town and everyone had

different business hours. This needed to be fixed and the people in the room were the ones that had to fix it. The Town was not to blame. The Town did not have anything to do with it. The Town did not tell us what our hours of operation should be. We needed to work together to fix things.

Someone suggested getting three to four people together in Sullivan's conference room to call the business owners in Town to explain the benefits of joining the CCBA with an objective to triple the membership.

The next CCBA meeting was scheduled for Tuesday, May 10<sup>th</sup>, beginning at 5:30 p.m. at St. Charles Parish Hall.

Malcolm Hayward adjourned the CCBA meeting.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali to adjourn the Town Council Work Session. The motion was approved by unanimous consent.**

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Mayor Sullivan

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Town Clerk