

State of Oregon

Work Group Report



## LEGISLATIVE REVENUE OFFICE

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Salem, Oregon 97301

(503) 986-1266

[www.oregonlegislature.gov/lro](http://www.oregonlegislature.gov/lro)

Report # 5-16

December 2016

**HB 4146**

**Transient Lodging Tax**

**Work Group Report**

**Volume II**

## Index for Volume II

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# Transient Lodging Tax Workgroup

## Appendix 1

Meeting materials from  
June 30, 2016

# **Transient Lodging Tax (HB 4146) Workgroup Meeting Agenda**

June 30, 2016  
Capitol Building, 900 Court St.  
503-986-1266

1:00-3:00 pm  
Hearing Room 350.

Meeting Facilitators: Mazen Malik and Paul Warner: Legislative Revenue Office.

## **Workgroup members:**

- Senator Rod Monroe
- Senator Bill Hansell
- Representative Nancy Nathanson
- Representative John Davis
- Danielle Cowan, Clackamas County Tourism & Cultural Affairs
- Carolyn McCormick, Washington County Visitor Association
- Mary Pat Parker, Visit Corvallis
- Jon Rahl, Seaside Visitors Bureau
- Alice Trindle, Eastern Oregon Visitors Association
- Alana Hughson, Central Oregon Visitors Association
- Scott Youngblood, Embassy Suites Tigard; Oregon Tourism Commission
- Bob Hackett, Oregon Shakespeare Festival - Ashland, OR
- Jeff Kohnstamm, Timberline Lodge - Mt. Hood
- Jeff Miller, Travel Portland

- I. Introductions of members.
- II. Tasks specified by the bill - (Decision on subgroups or special presentations).
- III. Presentation by The Department of Revenue on the TLT tax collections and statistical information and profiles.
- IV. Presentation by Travel Oregon on the program and its functions, reports and information already mandated by other requirements.
- V. Agenda suggestions for next meeting on July 11th.
- VI. Plans for future meetings (number and subgroups).





Dan Jarman  
Gwen Baldwin  
Elizabeth Edwards  
Jillian Harger  
Nastassja Pace

Mazen Malik - LRO. Discussion of the tasks specified by the bill.

Rep. Nathanson - Wants to hear from group members. Section 7 (a)

Sen. Monroe - would like to see the controversies of this bill.

Rep. Davis - talked about barriers to expansion in Section 7 (b)

Rep. Nathanson - distribution of tax revenue problems (c), and (d) homeless individuals.

(e) Local add on taxes not being paid. DOR data should be shared.

Rep. Davis - (f) Accountability and return on investment.

Mazen Malik - (g) all other issues.

Xann Culver - DOR - policy analyst

Colleen Chrisinger - DOR - senior economist

Powerpoint Presentation (see presentation for details)

Todd Davidson - Travel Oregon

Powerpoint presentation (see presentation for details)

For next meeting: Presentation by the State Economist and by Local Governments and the tourism industry.

Next meeting on July 11th at 1:30 pm

- Senator Rod Monroe
- Senator Bill Hansell
- Representative Nancy Nathanson,
- Representative John Davis
- Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural Affairs
- Carolyn McCormick, Washington County Visitor Association
- Mary Pat Parker, Visit Corvallis
- Jon Rahl, Seaside Visitors Bureau
- Alice Trindle, Eastern Oregon Visitors Association
- Alana Hughson, CEO, Central Oregon Visitors Association;
- Scott Youngblood, Embassy Suites Tigard; Member, Oregon Tourism Commission
- Bob Hackett, Oregon Shakespeare Festival – Ashland, OR
- Jeff Kohnstamm, Timberline Lodge - Mt. Hood
- Jeff Miller, Travel Portland

First Meeting                      June 30, 2016 1:00 -3:00 pm, at room 350, Oregon State Capitol.

- Introduction of members
- Tasks specified by the bill (subgroups or special presentations).
- Presentation by Travel Oregon on the program and its functions as well as the reports and information already mandated by other requirements.
- Presentation by DOR on the TLT tax collections and statistical information and profiles.
- Who else do we want to see next time

Second Meeting                      July 11, 2016 1:00 -3:00 pm, at room 350, Oregon State Capitol.

- State economist on tourism and the economy.
- Expedia AirB&B
- Cities and counties presentations.

# State Transient Lodging Tax

# Legislative History

- HB 2267 (2003) - Established a state transient lodging tax imposed at rate of 1% on “consideration rendered” for transient lodging; required lodging provider to collect the tax.
- HB 2197 (2005) - Clarified vacation homes (and other lodging used for temporary human occupancy) are subject to state transient lodging tax.
- HB 2656 (2013) - Required transient lodging intermediary or lodging provider to collect transient lodging taxes - whichever collects payment for occupancy.
- HB 4146 (2016) - Increased rate to 1.8% from July 1, 2016 to June 30, 2020 and decreased rate to 1.5% beginning July 1, 2020.

# Program Information

Program Start Date : January 1, 2004

Authority: ORS 320.300 to 320.340 and OAR 150-320.305,  
150-320.308

Purpose: To provide funds for the promotion of Oregon's  
tourism programs

Number of active taxpayers: Approximately 3,200

Annual tax revenue: \$17.8M in 2015

DOR administration budget: \$670,000 in 2015-17

# State Lodging Tax Determination

- Tax is computed on total retail price paid for occupancy of transient lodging\*, including all charges other than taxes.
- Tax is collected by transient lodging tax collector (provider or intermediary) that receives consideration rendered (payment).

\*ORS 320.300 defines “transient lodging” as hotel, motel, inn dwelling units, houses, cabins, condominiums, apartment units or other dwelling units or portions of dwelling units, that are used for temporary human occupancy or spaces used for recreational vehicles or tents during periods of human occupancy.

# Exemptions:

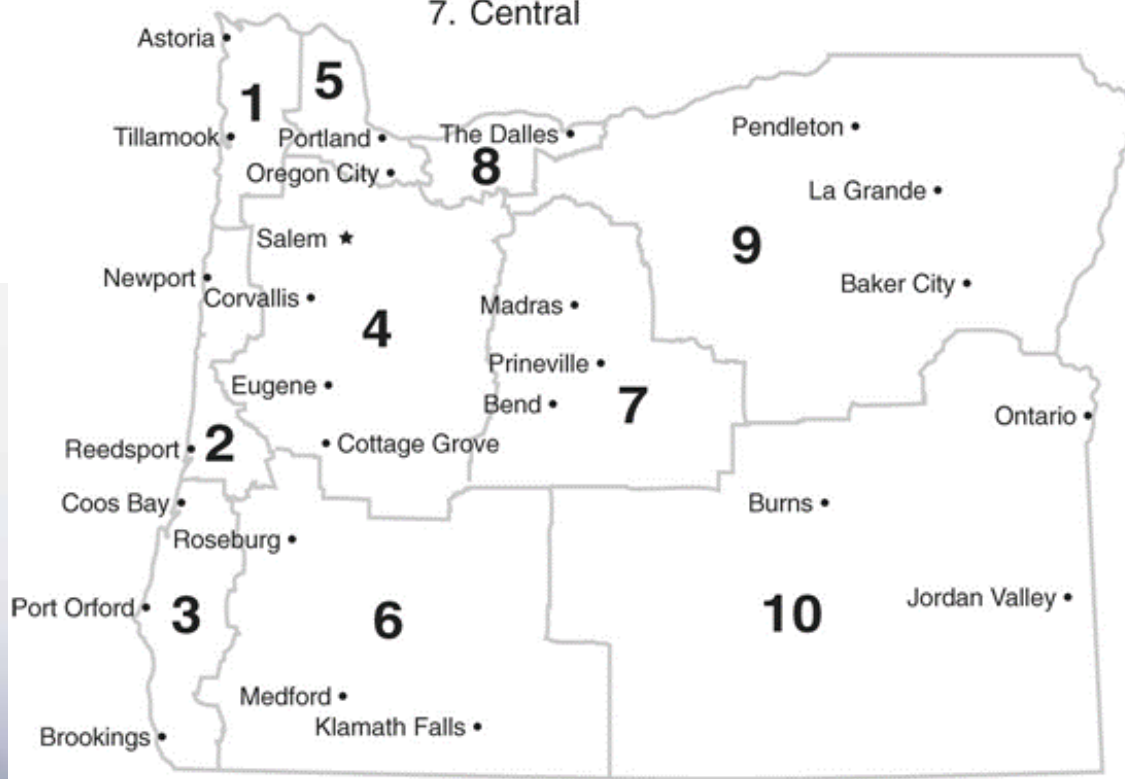
- Used for temporary occupancy less than 30 days in a year
- Leased or occupied by same person for 30 consecutive days or more
- Facilities providing mental health treatment or drug or alcohol abuse treatment
- Hospital, health care facility, or long-term care facility
- Non-profit facilities used for the non-profit purpose and not rented to general public
- Funded by federal instrumentality to provide emergency or temporary shelter
- Federal employees on official business



# Regions

## OREGON'S TEN REGIONS

- |                  |                      |                     |
|------------------|----------------------|---------------------|
| 1. North Coast   | 4. Willamette Valley | 8. Mt. Hood / Gorge |
| 2. Central Coast | 5. Portland Metro    | 9. Northeastern     |
| 3. South Coast   | 6. Southern          | 10. Southeastern    |
|                  | 7. Central           |                     |



# Administration

Tax collected by lodging provider or transient lodging intermediary and held in trust for State of Oregon.

Reporting requirements:

- Quarterly reporting required
- Lodging receipts and tax reported by region
- Tax collector retains 5 percent of gross tax for administrative burden

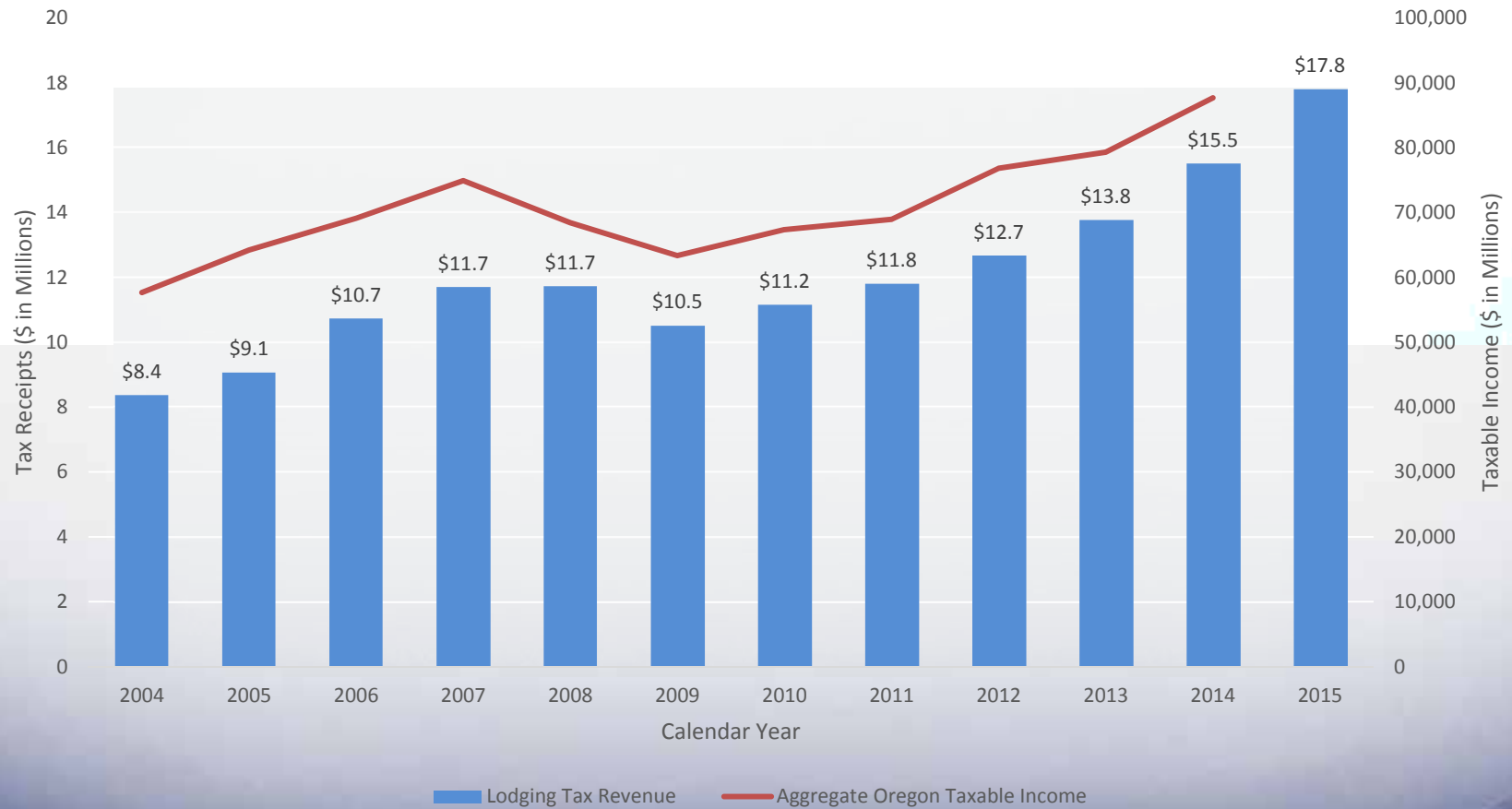
DOR reports and distributes revenues to Travel Oregon monthly.

# Administration (cont'd.)

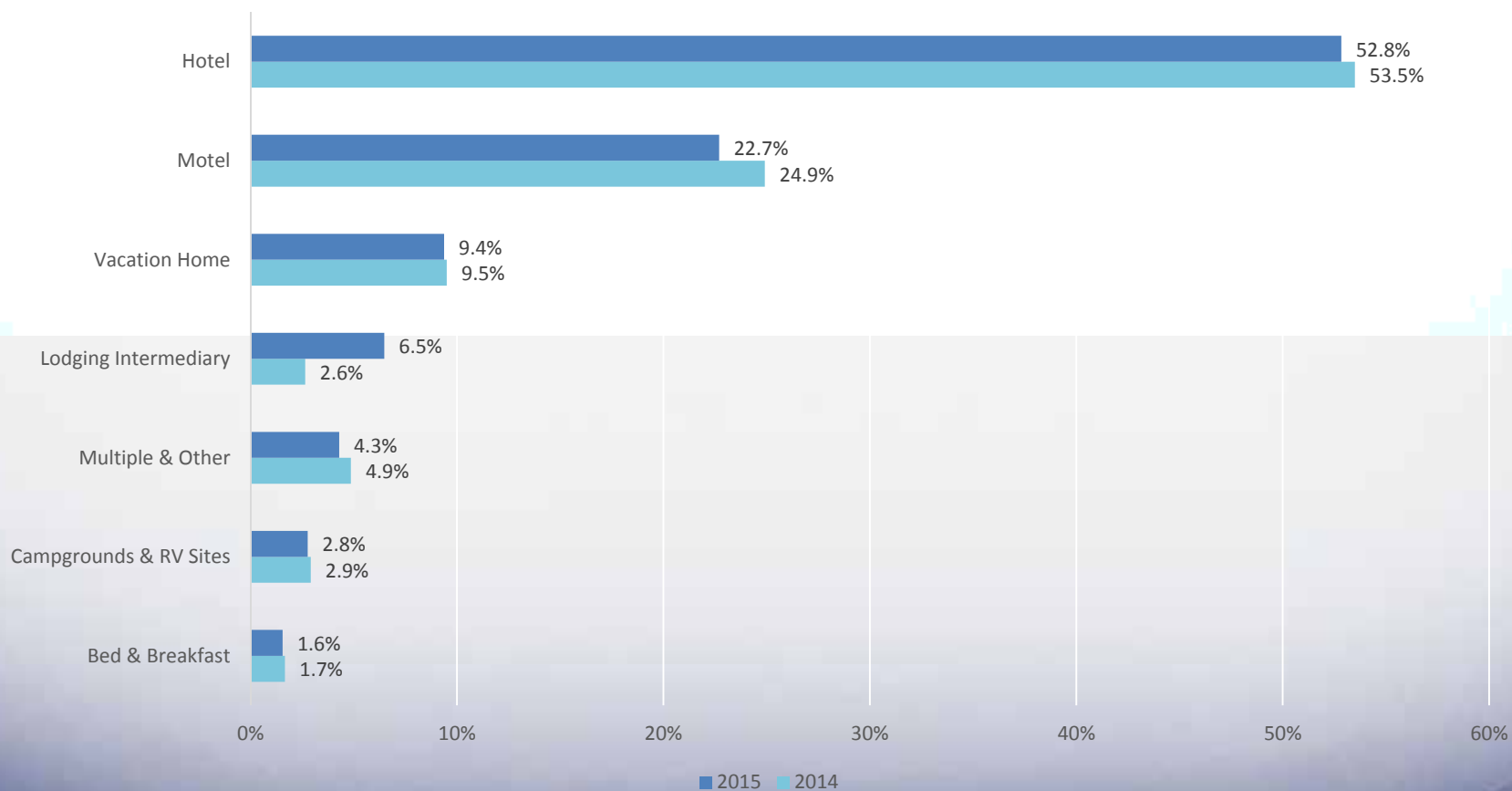
## Challenges:

- Frequent changes in ownership
- Lack of awareness that state lodging tax is different from local lodging taxes
- Multiple owners for single facility
- Multisite issues stemming from the program being based on physical location
- Difficulty in determining tax collection responsibility
- Limited funding for program administration
- Prevented from sharing information with local taxing authorities

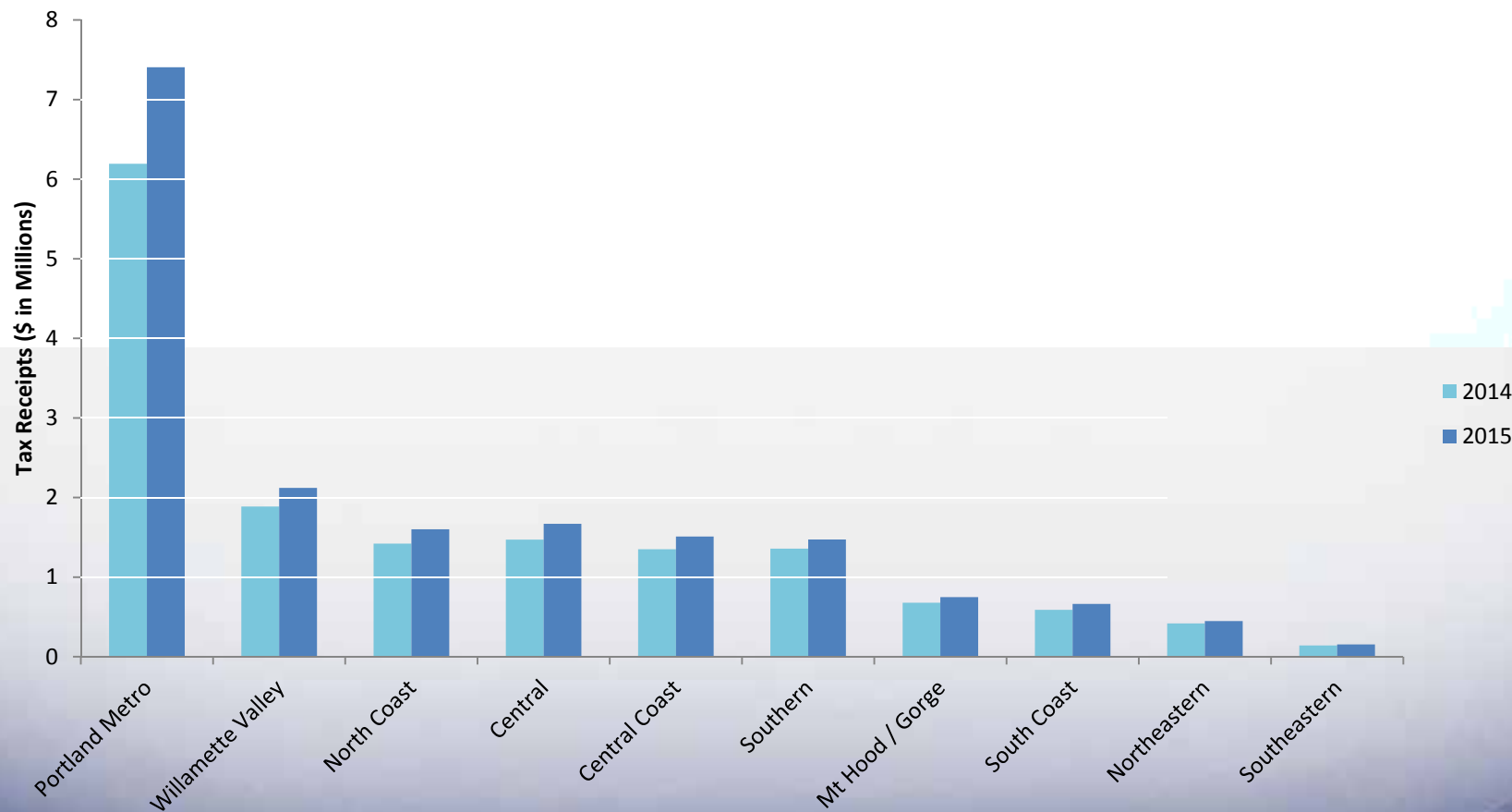
# Lodging Tax Receipts by Year



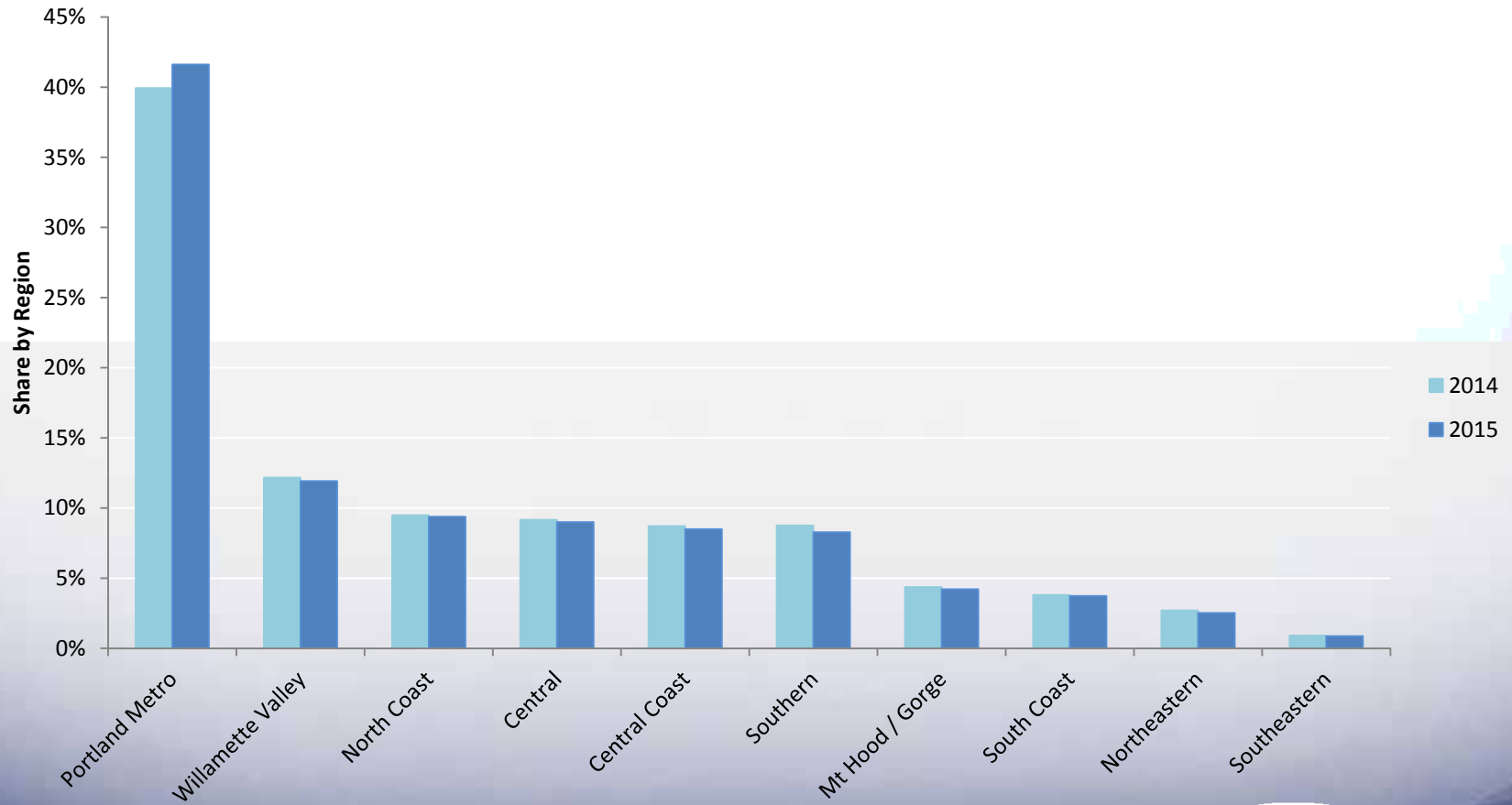
# Share by Accommodation Type



# Receipts by Region



# Share by Region



# For More Information

- [www.oregon.gov/DOR/programs/businesses/Pages/lodging.aspx](http://www.oregon.gov/DOR/programs/businesses/Pages/lodging.aspx)
- <http://www.oregon.gov/DOR/programs/gov-research/Pages/research-lodging.aspx>

If you have additional questions after today please contact:

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Colleen Chrisinger  
Senior Economist  
colleen.chrisinger@oregon.gov  
(503) 945-8745



# OREGON'S TRAVEL & TOURISM INDUSTRY OVERVIEW

6.30.16

WE LIKE IT HERE.



YOU MIGHT TOO.



# WHO IS OREGON'S TRAVEL & TOURISM INDUSTRY?

## 105,500 OREGONIANS DIRECTLY EMPLOYED\*

- Restaurants, hotels, wineries, attractions, guiding & outfitter businesses, tour operators, visitor information centers, convention and visitor bureaus
- Indirect: Gas stations, libraries, community centers, shopping centers, printers, art galleries and more...

\*2015 figure

# OREGON'S TOURISM INVESTMENT

## OREGON'S 2003 TOURISM BUDGET

- 47<sup>th</sup> lowest of the 50 states
- Losing tourism market share to other states
- Oregon needed an economic stimulus

## OREGON'S TOURISM STRATEGY

- House Bill 2267 passed and was signed: The Oregon Tourism Investment Proposal



# WHAT 2003 LEGISLATION DID

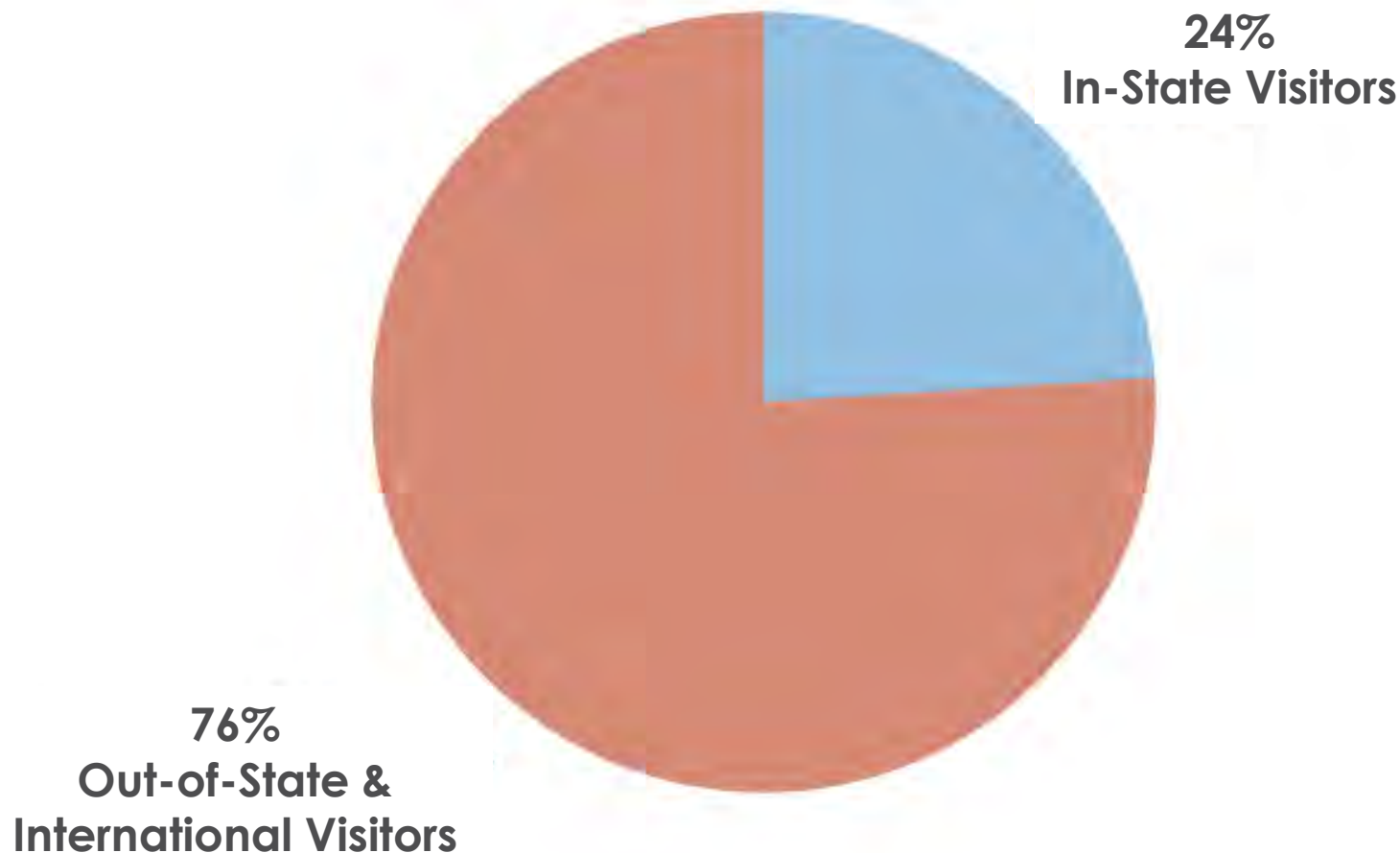
- Implemented 1% Statewide Lodging Tax
- State tax revenues fund Oregon Tourism Commission, dba Travel Oregon
- Protected local lodging taxes
  - Existing local rates and allocations for tourism were “grandfathered”
  - Future increases in local lodging tax rates require at least 70% dedicated to tourism

# OREGON TOURISM PERFORMANCE

	<b>In 2003</b>	<b>In 2015</b>	<b>Change</b>
Direct Employment	85,600 jobs	105,500 jobs	+23%
Employee Earnings	\$1.7 billion	\$2.8 billion	+65%
Visitor Spending	\$6.5 billion	\$10.8 billion	+66%
Taxes (State/Local)	\$242 million	\$466 million	+93%

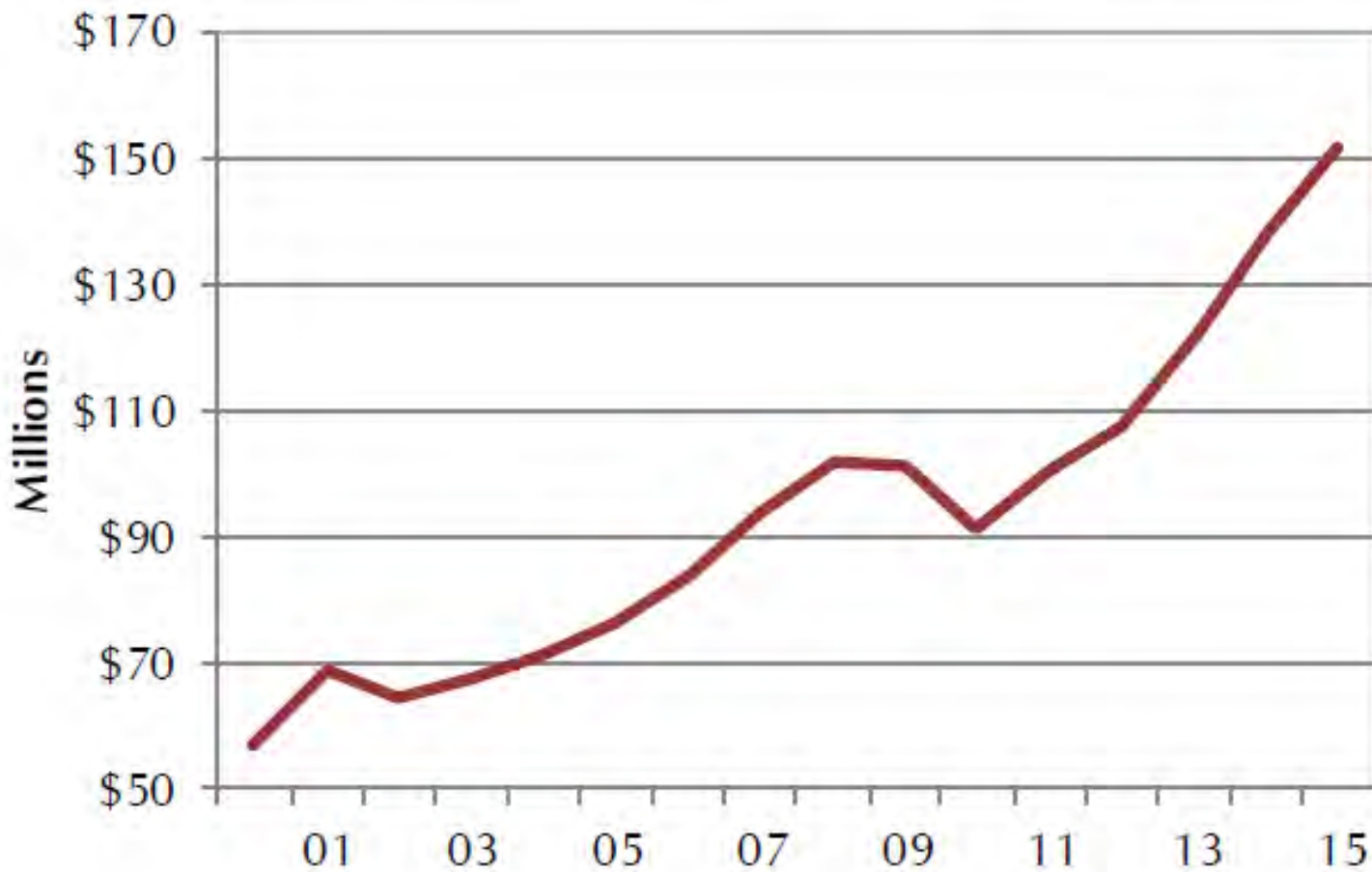
Source: Oregon Travel Impacts, Dean Runyan Associates, 2016

# REVENUE FROM OVERNIGHT VISITORS



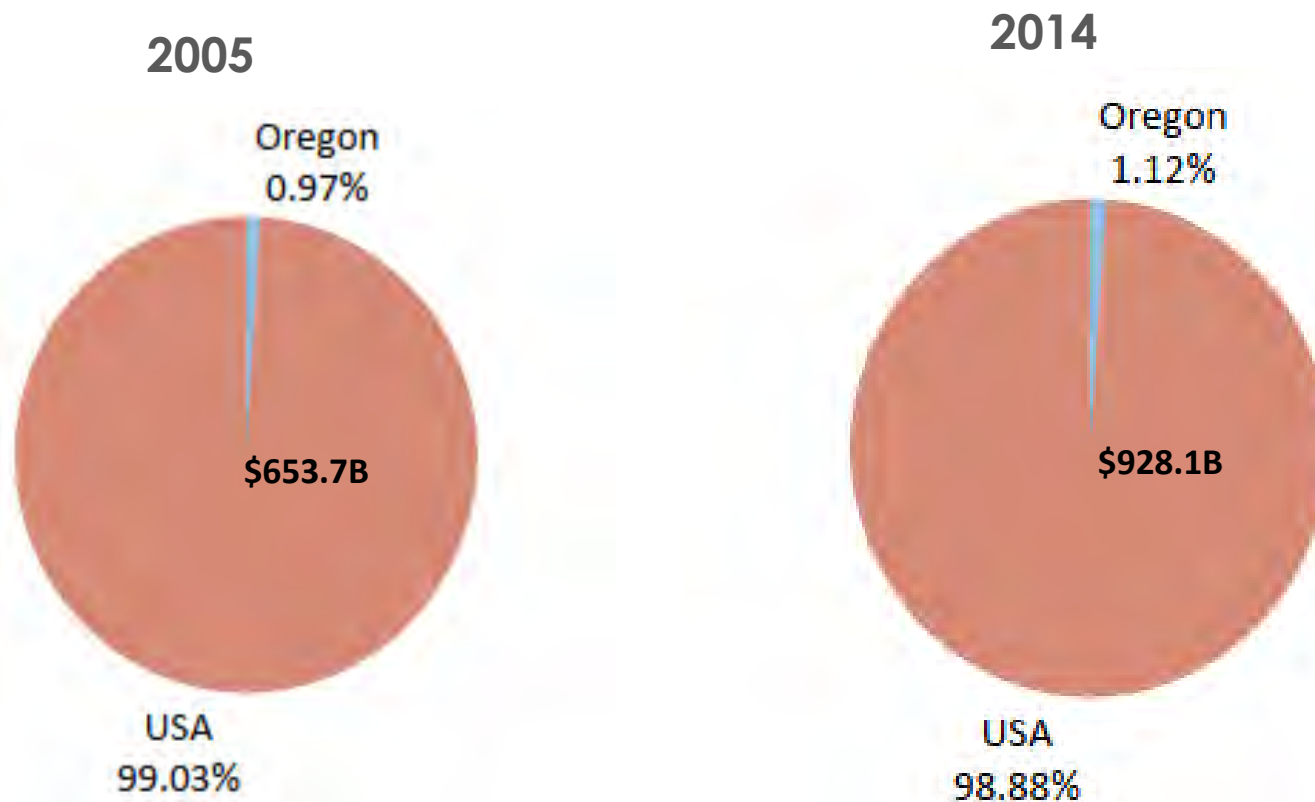
Source: Dean Runyan Associates, 2016

## Oregon Local Lodging Tax Receipts



Source: Oregon Travel Impacts 1991-2015, Dean Runyan

# SHARE OF VISITOR SPENDING

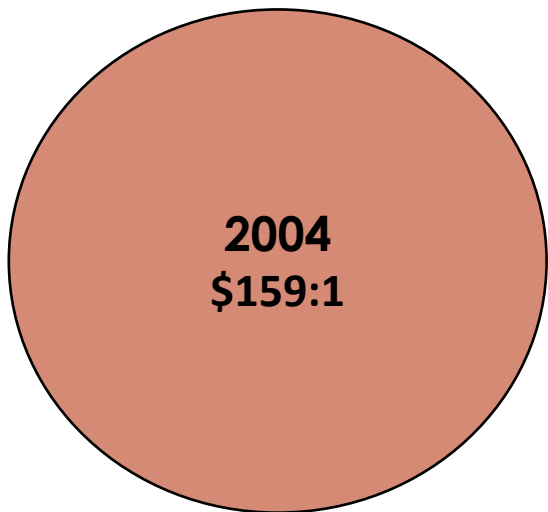


Source: US Travel Asso., US Bureau of Labor Statistics

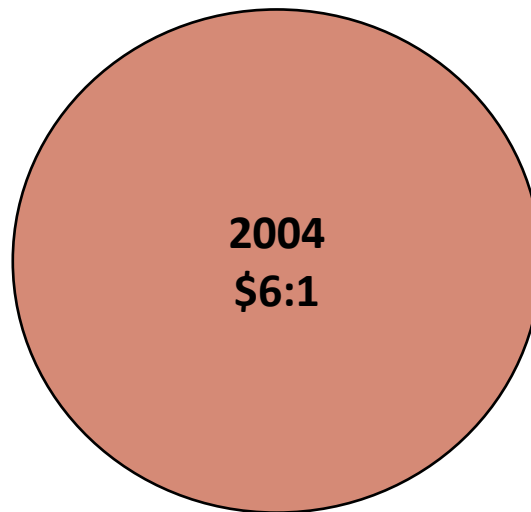


# AD ACCOUNTABILITY ROI

Increase in Visitor  
Spending

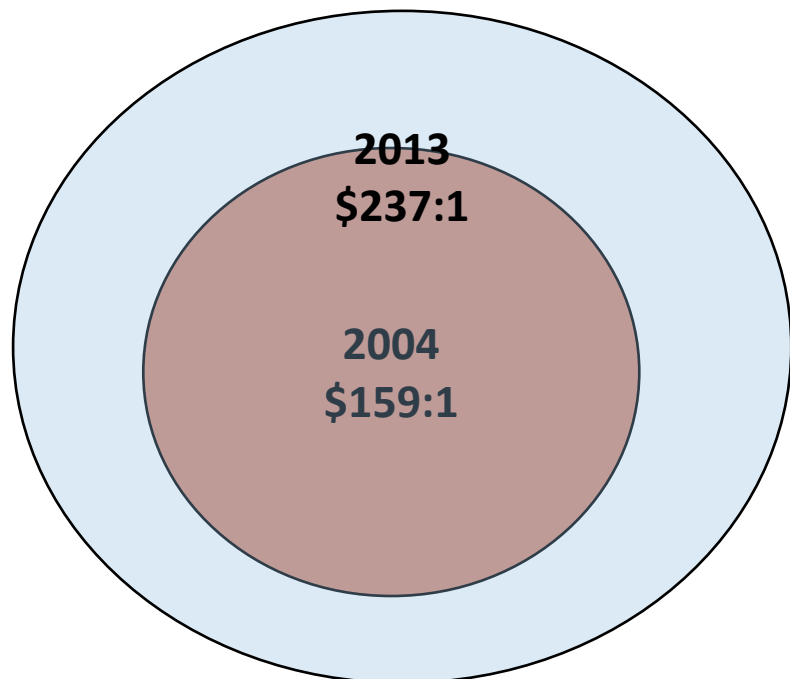


Increase in State and  
Local Tax Revenue

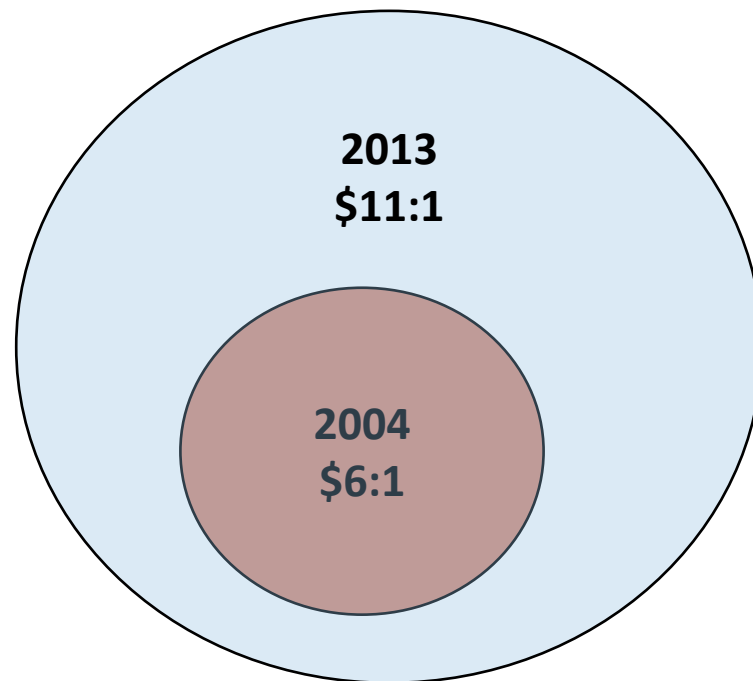


# AD ACCOUNTABILITY ROI

## Increase in Visitor Spending



## Increase in State and Local Tax Revenue



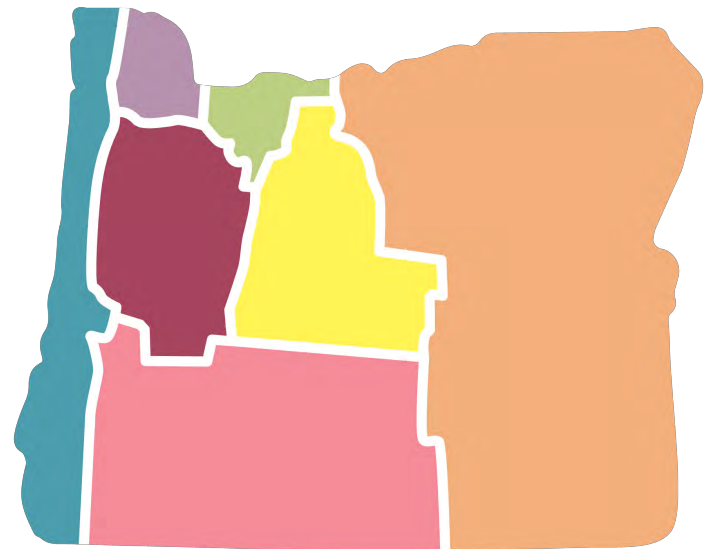
**OUR VISION:** A better life for Oregonians through strong, sustainable local economies.

**OUR MISSION:** We inspire travel that drives economic development. Through innovation and partnerships, we share the stories of Oregon's people and places, ensuring the preservation of Oregon's way of life and natural places.



# TRAVEL OREGON STRATEGIC PLAN 2015–2017 IMPERATIVES

- Optimize Statewide Economic Impact
- Support & Empower our Partners
- Champion the Value of Tourism
- Run an Effective Business



# ORGANIZATIONAL STRUCTURE

**GOVERNOR**



**OREGON TOURISM COMMISSION**  
9 APPOINTED COMMISSIONERS



**TRAVEL OREGON**  
CHIEF EXECUTIVE OFFICER



**TRAVEL OREGON STAFF**  
4 DEPARTMENTS



# COMMUNICATION

## STATEWIDE

Travel Oregon



## REGIONAL

RDMO



## LOCAL

DMO



## LOCAL

Business, Organization, Individual





# TOURISM INDUSTRY PARTNERING





# WHAT IS A DMO? DESTINATION MARKETING ORGANIZATION





# WHAT IS AN RDMO? REGIONAL DESTINATION MARKETING ORGANIZATION



# TRAVEL OREGON DEPARTMENTS AND PROGRAMS

## **Industry and Visitor Services**

- State Welcome Centers
- Oregon Tourism Conference
- Grants

## **Global Marketing**

- Consumer marketing
- Integrated and digital
- Branding and creative
- Research and analytics
- Communications

## **Global Sales**

- Domestic and int'l travel trade
- International media
- Target markets: Americas, Asia, Europe and Oceania

## **Destination Development**

- Oregon Tourism Studios
- Product development
- Travel Oregon Forever
- Regional Cooperative Tourism Program

# INDUSTRY AND VISITOR SERVICES

# **TRAVEL OREGON GRANT PROGRAMS**

## **TRAVEL OREGON MATCHING GRANTS PROGRAM**

- \$500,000 allocated for the 2016-2017 grant cycle
- New tourism projects that contribute to development and improvement of local economies and communities
- Generate overnight stays in the region via partnerships with local tourism businesses and organizations

## **OREGON WINE COUNTRY PLATES MATCHING GRANT**

- Over \$300,000 allocated to wine & culinary projects for the 2015-2017 grant cycle

## **RURAL TOURISM STUDIO GRANT**

- Administered to communities that complete the Rural Tourism Studio program to help with project initiatives that are prioritized during studio process

# OREGON'S CUSTOMER SERVICE TRAINING PROGRAM

Travel Oregon and the Oregon Restaurant & Lodging Association Education Foundation have partnered with the American Hotel & Lodging Educational Institute (AHLEI) to bring the Oregon travel and tourism industry an accredited and internationally recognized customer service training program, Oregon Guest Service Gold



# OREGON GOVERNOR'S CONFERENCE ON TOURISM

SALEM CONVENTION CENTER | MAY 10-12, 2017





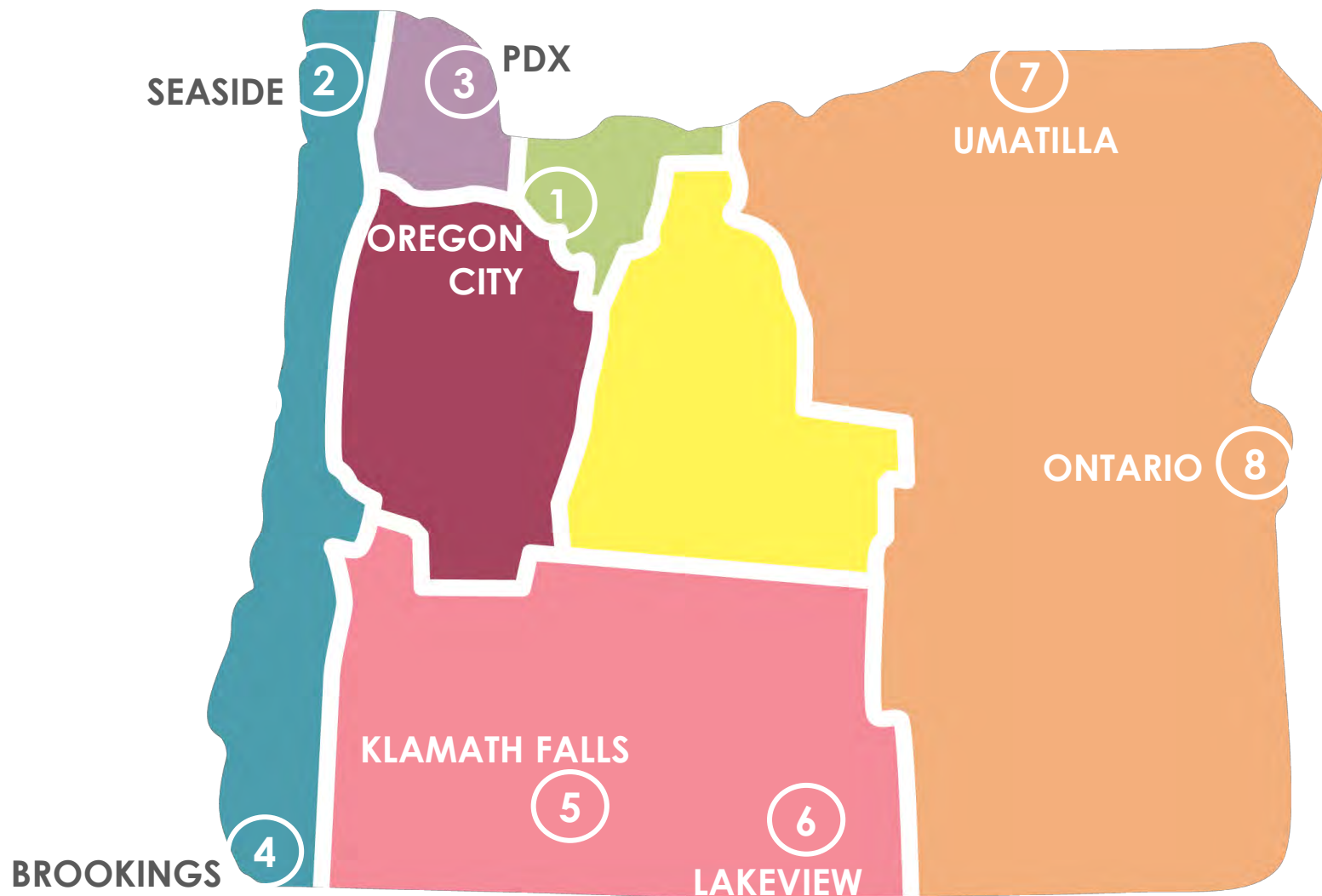
# WELCOME CENTER BROCHURE PROGRAM

- Brochures and visitor guides are displayed at one or more of the eight Oregon Welcome Centers at high-traffic gateways into the state
- In 2015, over 171,500 visitors benefitted from personalized travel planning assistance at the Welcome Centers



# STATE WELCOME CENTERS

TRAVEL OREGON OPERATES EIGHT STATE WELCOME CENTERS AT KEY ENTRY POINTS INTO OREGON





# SISKIYOU WELCOME CENTER

COMING FALL 2017



# DESTINATION DEVELOPMENT

# DESTINATION DEVELOPMENT

## OREGON TOURISM STUDIOS

- Rural Tourism Studio
- Bicycle Tourism Studio
- Culinary & Agritourism Studio
- Tour Operators, Guides, and Outfitters Trainings



**GORGE**  
TOURISM STUDIO  
January - April 2016

<b>Jan 20</b>	<b>Gorge Tourism Summit</b> Full Day Workshop
<b>Feb 2</b>	<b>Culinary &amp; Agritourism:</b> Evening Networking Event
<b>Feb 3</b>	<b>Culinary &amp; Agritourism:</b> Full Day Workshop
<b>Feb 23</b>	<b>Cultural Heritage Tourism:</b> Evening Networking Event
<b>Feb 24</b>	<b>Cultural Heritage Tourism:</b> Full Day Workshop
<b>Mar 15</b>	<b>Adventure Travel &amp; Outdoor Recreation:</b> Evening Networking Event
<b>Mar 16</b>	<b>Adventure Travel &amp; Outdoor Recreation:</b> Full Day Workshop
<b>Apr 5</b>	<b>Tourism Marketing and Communications:</b> Full Day Workshop
<b>Apr 6</b>	<b>Igniting Tourism Action Teams:</b> Full Day Workshop
<b>Apr 8</b>	<b>Community Tourism Kickoff Event</b>

This program brought to you by Travel Oregon with support from a local steering committee including representatives from:  
City of Cascade Locks, City of Mount Hood, City of Medford, Clatsop County, Clatsop County, Columbia Gorge Winegrowers Association, Columbia River Gorge Commission, Columbia River Gorge Visitors Association, Friends of the Columbia River, Hood River City Council, Hood River County Board of County Commissioners, Hood River County Visitors Center, Hood River Economic Development District, Mt. Hood Community College, Mt. Hood National Forest & Recreation District, Oregon Department of Transportation, Region 1 Oregon State Parks and Recreation, State of Oregon Parks and Recreation Department, The Dalles Area Chamber of Commerce, Travel Oregon, U.S. Forest Service, Washington Tourism Authority, West Coast Oregon Coast Chamber of Commerce.



Travel Oregon is partnering with the Gorge Tourism Studio Steering Committee to offer a professional development program designed to bolster the region's tourism economy while maintaining its rich environmental and cultural assets. The 10-week program is designed specifically for residents and organizations operating in the Columbia River Gorge region, including the 19 communities in the National Scenic Area and those surrounding Mt. Hood and Mt. Hood.

The workshop series will include hands-on skill building, planning and product development workshops with information and networking opportunities.

The program opens with an overview of the tourism industry, important trends, and sustainable tourism best practices to stimulate new thinking about your destination. The core of this program will guide participants in developing strategies for culinary and agritourism, creating world class outdoor recreation, and integrating heritage and cultural elements into the tourism experience.

The program concludes with specific training on how to develop effective action teams for ongoing projects from idea to implementation.

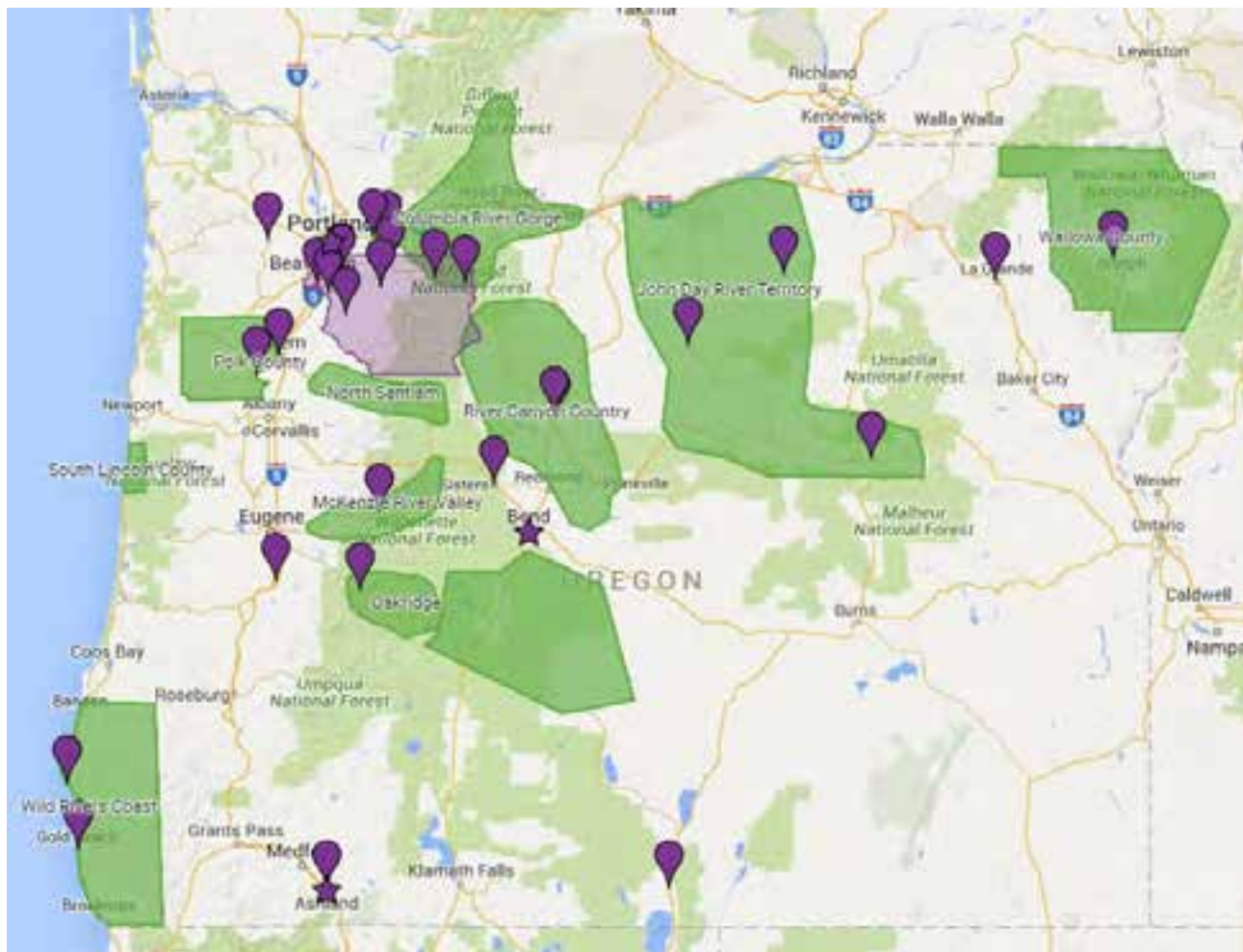
Sustainable tourism can stimulate the local economy, protect and enhance local resources, and boost community pride. Community leaders, public agencies, industry associations, tourism organizations, local operators, lodging property owners, restaurants and services will all benefit in strengthening the local economy through tourism activities linked to the program.

**Additional information available at:**  
[www.traveloregon.com/gorge](http://www.traveloregon.com/gorge)

**Questions and to register please contact:**  
**Columbia River Gorge Visitors Association**  
Cathy Smith  
503-427-0610 | [info@crvta.org](mailto:info@crvta.org)



# RURAL TOURISM STUDIOS AND BICYCLE TOURISM STUDIOS





# DESTINATION AND PRODUCT DEVELOPMENT

## INDUSTRY WORKING GROUPS

- Oregon Bicycle Tourism Partnership
- Oregon Agritourism Network
- Oregon Outdoor Recreation Leadership Team



# OUTDOOR RECREATION MEANS BUSINESS INITIATIVE

We're helping launch an Outdoor Recreation (Means Business) Initiative June 2016

We envision it being a robust coalition of the outdoor industry with conservation, land manager and user groups working together to drastically increase the economic impact and long-term sustainability of Oregon's outdoor recreation economy





**TOOLS TO ENGAGE VISITORS  
AND LOCAL BUSINESSES**

# BIKE FRIENDLY BUSINESS PROGRAM

Oregon loves bicyclists. That's why we're the first state in the nation to create a Bike Friendly Business program geared toward travelers.





# RIDEOREGONRIDE.COM

The screenshot shows the homepage of Ride Oregon Ride. At the top left is the logo, and at the top right is a search bar. Below the logo are navigation links: FIND A RIDE, RIDE INSPIRATION, EVENTS, and RESOURCES. The main content area features a search filter on the left with options for ride location, type (Mountain Biking Trails, Road Routes, Gravel Rides, Scenic Bikeways), and length (1 to 100 miles). To the right is a featured article titled "BIKE Features Oregon's Central Cascades in Bible of Bike Tests" with an image of a mountain biker. Below this are three smaller featured items: "OREGON'S TOP MOUNTAIN BIKING DESTINATIONS", "Oregon Coast Gravel Epic - Sept 26", and "Ride the Rim 2015 - Sept. 19 and 26". At the bottom is a section for "OREGON'S SCENIC BIKEWAYS" with a video player showing "Tualatin Valley Scenic...", "Madras Mountain View...", and "Sisters to Smith Rock S...".

# OREGON SCENIC BIKEWAYS



# TRAVEL OREGON FOREVER NETWORK

## SUSTAINABLE BUSINESS CHALLENGE

With your help, we can help make Oregon a better place to live and visit, now and forever.

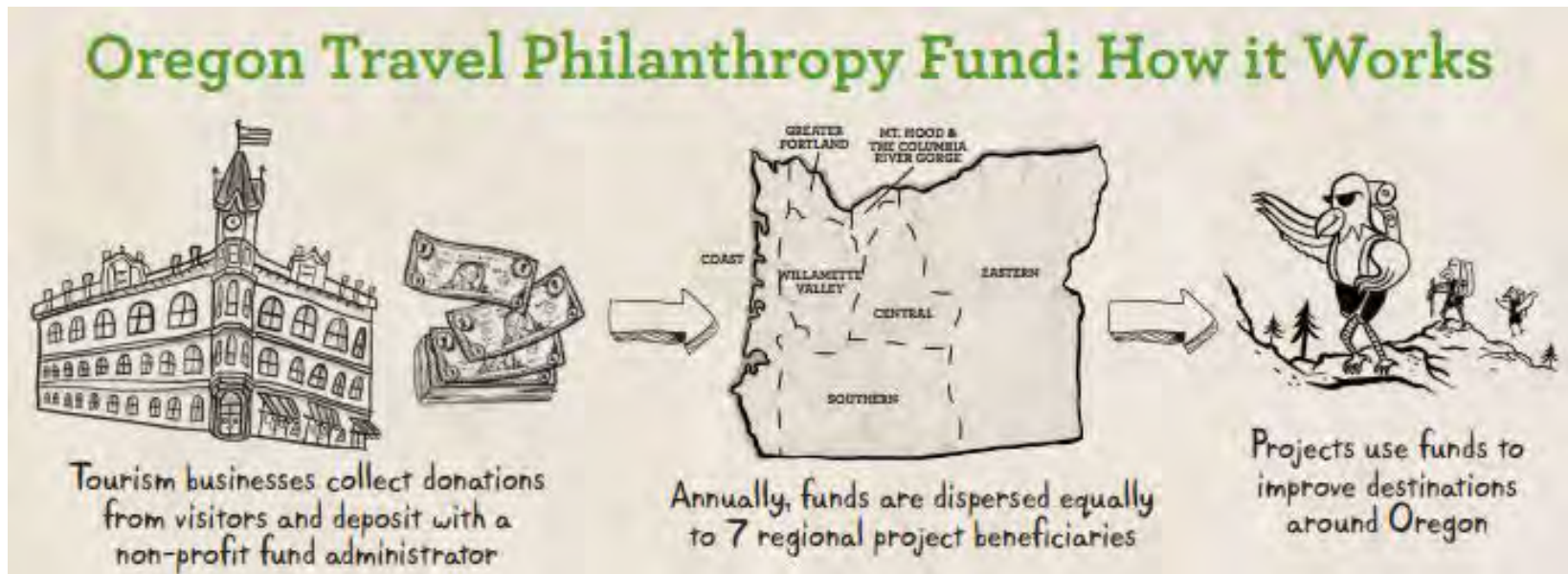




# TRAVEL OREGON FOREVER NETWORK

## TRAVEL OREGON FOREVER FUND

If we treat the places we love to see and explore gently, they'll remain available for many years to come.



# GLOBAL SALES

# GLOBAL SALES OBJECTIVES

- Grow awareness in (and traffic from) key markets
- Focus on shoulder/low season
- Support winter flight capacity increases
- Evaluate performance in key markets
- Explore potential of emerging markets:
  - Brazil
  - India



# DID YOU KNOW?

## INTERNATIONAL VISITORS

- Stay longer
- Spend more
- Book further in advance
- Book out-of-the-way places

## DOMESTIC VISITORS

- Those traveling by motor coach have a great economic impact
- Groups look for more niche market activities
- Millennials looking to do more motor coach travel



# WHO DOES OREGON COMPETE WITH?

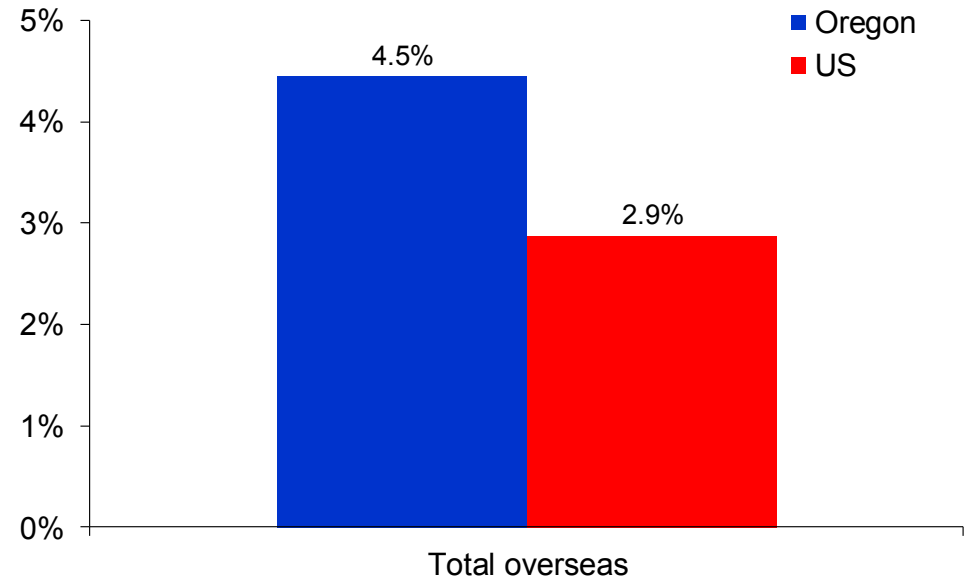




Overseas visits to Oregon grew 4.5% in 2015 compared with Tourism Economics' estimate of just 2.9% for all of the US

## Annual growth in visitor arrivals, 2015

Percent change



Source: Tourism Economics; VisaVue

# HOW WE WORK TO REACH OUR MARKET

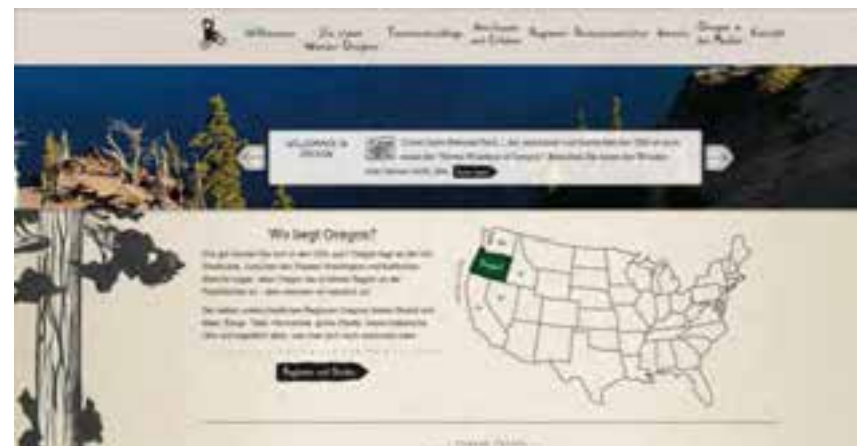


# MEDIA FROM AROUND THE WORLD



# INTERNATIONAL WEBSITES

ACCESS TRAVELOREGON.COM IN GERMAN, JAPANESE, CHINESE & FRENCH





# OREGON ROAD RALLY

## ITINERARY

April 3, Day 1: Portland

April 4, Day 2: Florence

April 5, Day 3: Grants Pass

April 6, Day 4: Sunriver

April 7, Day 5: Pendleton

April 8, Day 6: Mt. Hood

April 9, Day 7: Columbia River  
Gorge

## BY THE NUMBERS

22 Tour Operators from 8 countries

1200 Miles

7 Regions

6 of the 7 Wonders of Oregon

120 Oregon partners, hotels &  
attractions

7 Regional DMO partners

3 In-country reps



# INTERNATIONAL POW WOW (IPW)



# GLOBAL MARKETING



# GLOBAL MARKETING OBJECTIVES

- Continue to engage consumers in the Oregon brand
- Breakthrough market clutter by focusing our messages
- Engage in conversations with consumers who identify with the Oregon mindset
- Leverage fans of Oregon





# 7 WONDERS OF OREGON

OUR GOAL: INSPIRE PEOPLE TO SEE ALL 7 WONDERS IN THEIR LIFETIME.



# WINTERCATION

OUR GOAL: INSPIRE WINTER EXPLORERS TO EXPLORE EACH REGION.



# COMMUNICATIONS

## WORKING WITH THE REGIONS

CELEBRATION OF DESTINATIONS | REVELING THE REGION




# EASTERN ELITE

BY ADRIENNE SH

### EXPERIENCE OREGON'S PENDLETON AND ECHO

As never before, I wish that I could be a car to a fishing post. We roll into Pendleton, Ore., around 10 p.m. on a Saturday, and the weekend crowd has begun to swell and drift from far to far. There's just something about the two-story brick buildings, featuring a wide main street set in the dusty plains of eastern Oregon. Suddenly, I want to wear chips, not chow and grumble about it days.

SECTION: U.S. | 10 record-setting natural wonders in the United States

## 10 record-setting natural wonders in the United States

By Helen Thomas Bradley, Specials Writer  
Updated 12:08 PM EDT, 14 March 2014



Record-setting sights in the U.S.

1 2 3 4 5 6 7 8 9 10

**STORY HIGHLIGHTS**

- The United States is home to a host of beautiful sights.
- The world's largest living tree stands in California.
- In Oregon, the country's smallest lake draws nature lovers.

**Editor's note:** Please tell us about the natural wonders in your state. Share your suggestions in the comments section below.

**CNN** — Maybe we've been cooped up too much this winter. But ever more than ever, the natural wonders of our world are beckoning to us from behind glass computer monitors, buzzing cell phones and the million red brake lights ahead of us on the long commute home.

We yearn to leave the laundry, the dishes and the bills behind and swap them out for something bigger, deeper and calmer than we could ever be, something that will, at once, make us feel insignificant and perfectly in place.

Pack your bags and wear comfortable shoes, because we've compiled a list of nature's record setters in the United States that will

**CNN recommend**

10 things to know abo

# INDUSTRY POLICY & RESEARCH

**POLICY:** Government affairs, legislative issues, agency & partner relations

**RESEARCH:** Development & marketing decisions are based on research

## PRIMARY RESEARCH STUDIES

- Local Transient Lodging Tax Survey
- Oregon Overnight Travel Study
- Oregon Travel Impacts (1991-2009 economic impacts)
- Fishing, Hunting, Wildlife Viewing & Shell Fishing in Oregon
- Tourism & Hospitality Indicators Report
- Regional Research
- Travel Oregon Reports
- Oregon Bike Tourism Research



# INTEGRATED MARKETING

## OWNED + SOCIAL MEDIA

OUR GOAL: TO HAVE TRAVEL OREGON BE THE MOST TRUSTED SOURCE FOR TRAVEL INSPIRATION & TRIP INFORMATION.



# DIGITAL CONTENT

## INSPIRATIONAL STORIES & VIDEOS



The screenshot shows a travel website interface. At the top, there is a navigation bar with several menu items: "OREGON'S SEVEN WONDERS" (with a bicycle icon), "SEE AND DO", "TRIP IDEAS" (in a green box), "CITIES AND REGIONS", "ASK OREGON", "PLACES TO STAY", "TRAVEL DEALS", and "GETTING AROUND OREGON". There is also a "Sign Out" link and a search bar labeled "Search Oregon" with a "Search" button. Below the navigation bar is a secondary menu with "Stories", "Itineraries" (highlighted in green), "Scenic Byways", "Grand's Gateways", "By Interest", and "Seasonal Features". The main content area features a large landscape photograph of a mountain peak at sunset, with a lake in the distance. Below the photo is the caption "View from the Paulina Peak Observation Site by Dennis Frates". Underneath the caption is a text block starting with "The Harris's hawk swoops directly over my daughters..." and two small inset images: one of a hawk's head and another of a hawk's tail feathers.

OREGON'S SEVEN WONDERS SEE AND DO TRIP IDEAS CITIES AND REGIONS ASK OREGON PLACES TO STAY TRAVEL DEALS GETTING AROUND OREGON

Sign Out Search Oregon Search

Stories Itineraries Scenic Byways Grand's Gateways By Interest Seasonal Features

View from the Paulina Peak Observation Site by Dennis Frates

The Harris's hawk swoops directly over my daughters, its powerful wings audible in flight. I shirk, but my children barely flinch, so riveted are they by the raptor's low flight path as it glides to perch on a snag a dozen feet away. We are at Raptors of the Desert City, a live action show at the [High Desert Museum](#) featuring birds of prey. In succession, a barn owl, a

Two Harris's hawks were brought out by

# DIGITAL CONTENT

## E-NEWSLETTERS



**Taste a World of Flavor at Portland Mercado**  
A Latin American culinary hub opens up SE Portland. [GET A TASTE](#)



**Localvore Tavern Builds on Local Flavor**  
Farm-to-table dining. [What's new](#) [20.09.11](#)



**8 Great Family Camping Trips**

Beat the heat this summer with great camping spots around Oregon. [80.08.2011](#)



**Gold Panning in Oregon**

Oregon's treasure hunt has been going strong since 1811. [GET GOLD FEVER](#)



**4 Fab Sleeps in the Willamette Valley**

Spent the night in one of a kind lodgings in Oregon's wine country. [1902.08.08.2011](#)



**Hit the Highway to Hell Canyon**

Plan an epic trip to the deepest four gorges in North America. [HEAD FOR THE CANYONS](#)



# DIGITAL CONTENT

## SOCIAL MEDIA





# MARKETING SERVICES

- Advertising
- Data Analysis & Research
- Co-Op Programs
- Travel Oregon Online Leads
- Travel Oregon Regional Pack
- Regional Cooperative Marketing Program
- Fulfillment

## VISITOR GUIDES & STATE MAPS

[industry.traveloregon.com/orderform](http://industry.traveloregon.com/orderform)

## BIKE MAPS

Oregon State Parks

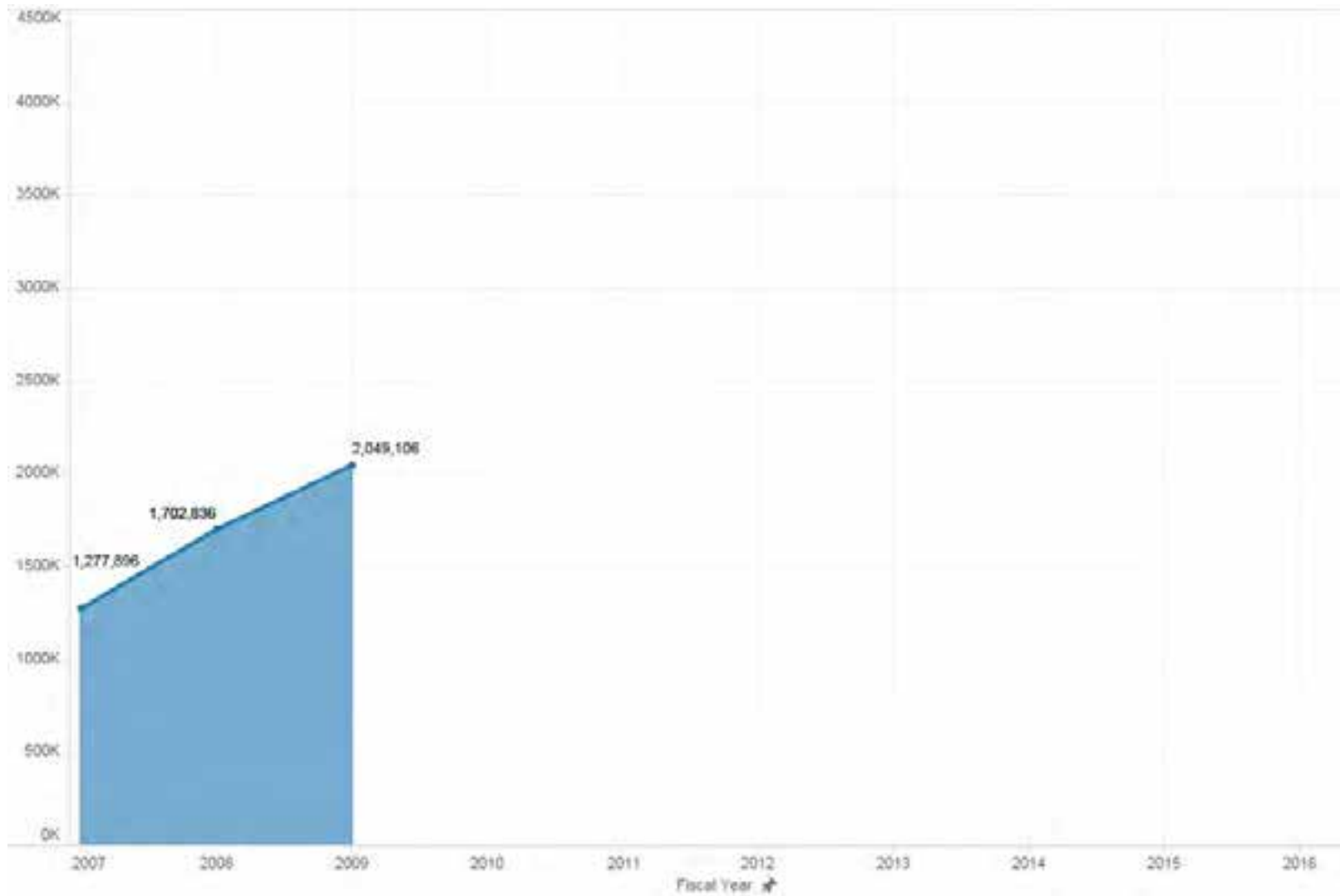
1.800.551.6949



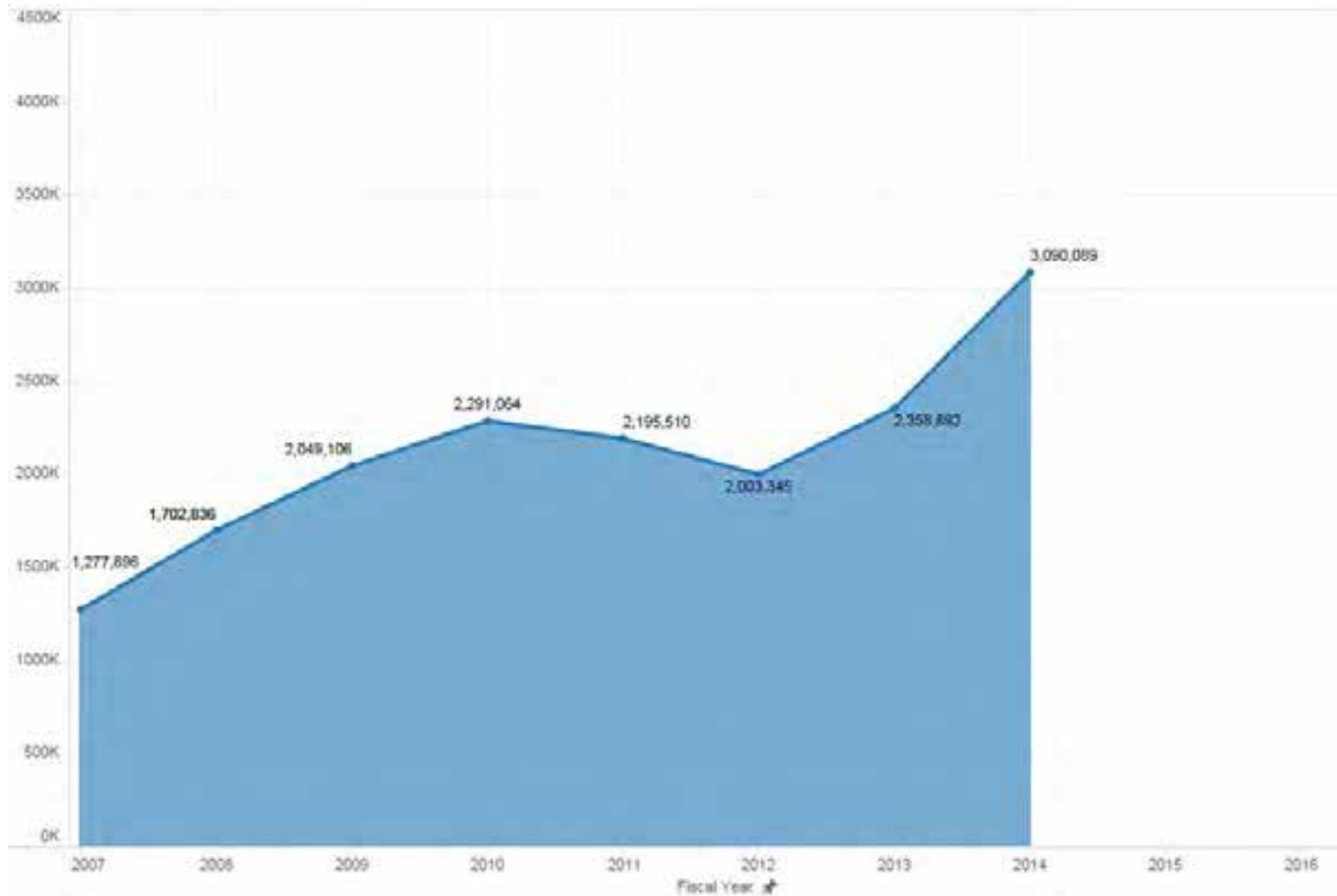
**WE LIKE IT HERE.  
YOU MIGHT TOO.**



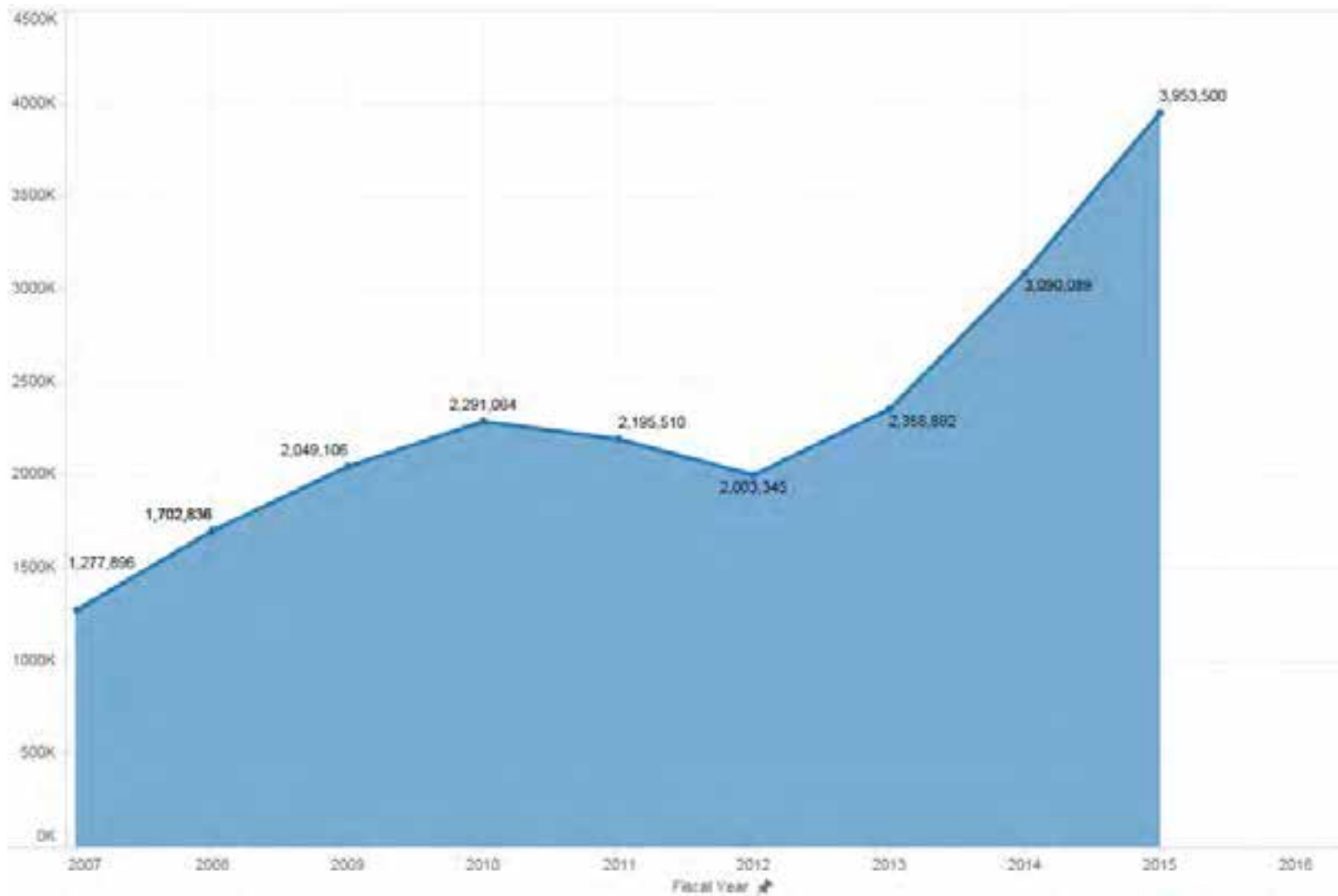
# TOTAL ANNUAL RESPONSES



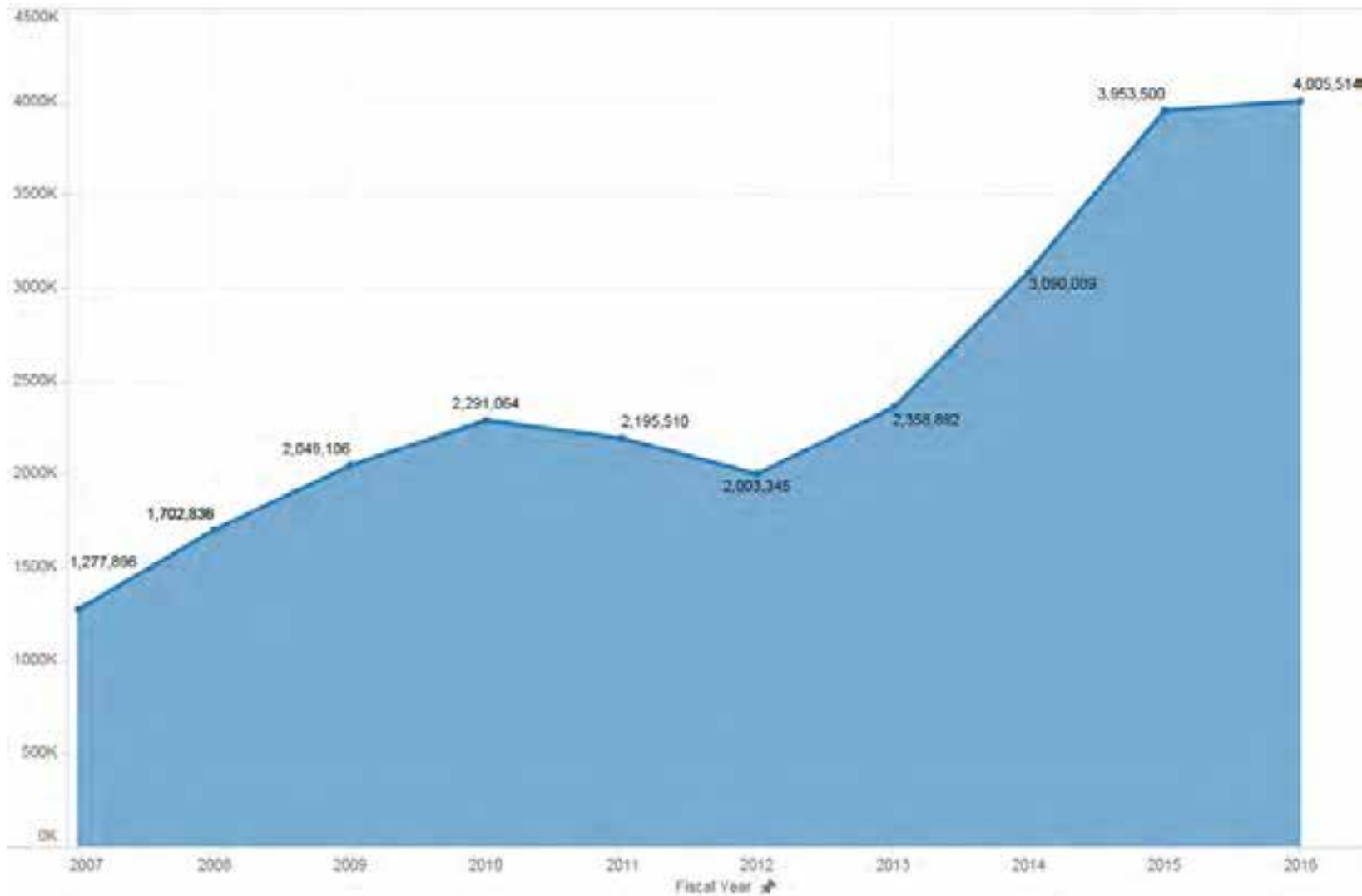
# TOTAL ANNUAL RESPONSES



# TOTAL ANNUAL RESPONSES



# TOTAL ANNUAL RESPONSES



# REGIONAL COOPERATIVE TOURISM PROGRAM

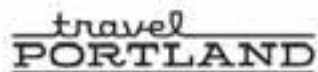


# OREGON'S 7 TOURISM REGIONS

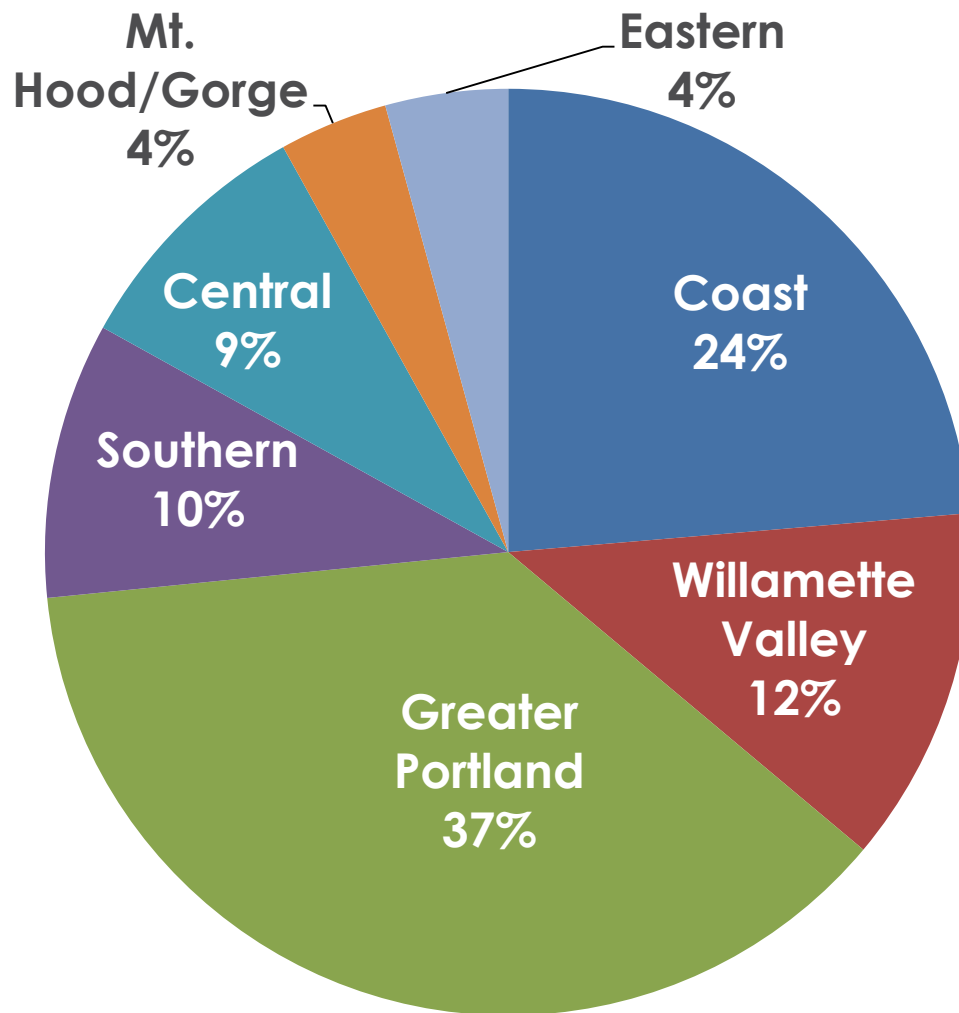


# OREGON'S REGIONAL DESTINATION MARKETING ORGANIZATIONS

- Travel Portland (Greater Portland)
- Oregon Coast Visitors Association
- Willamette Valley Visitors Association
- Central Oregon Visitors Association
- Eastern Oregon Visitors Association
- Oregon's Mt. Hood Territory (Mt. Hood/Gorge)
- Travel Southern Oregon



# AVERAGE REGIONAL DISTRIBUTION 2008-2015



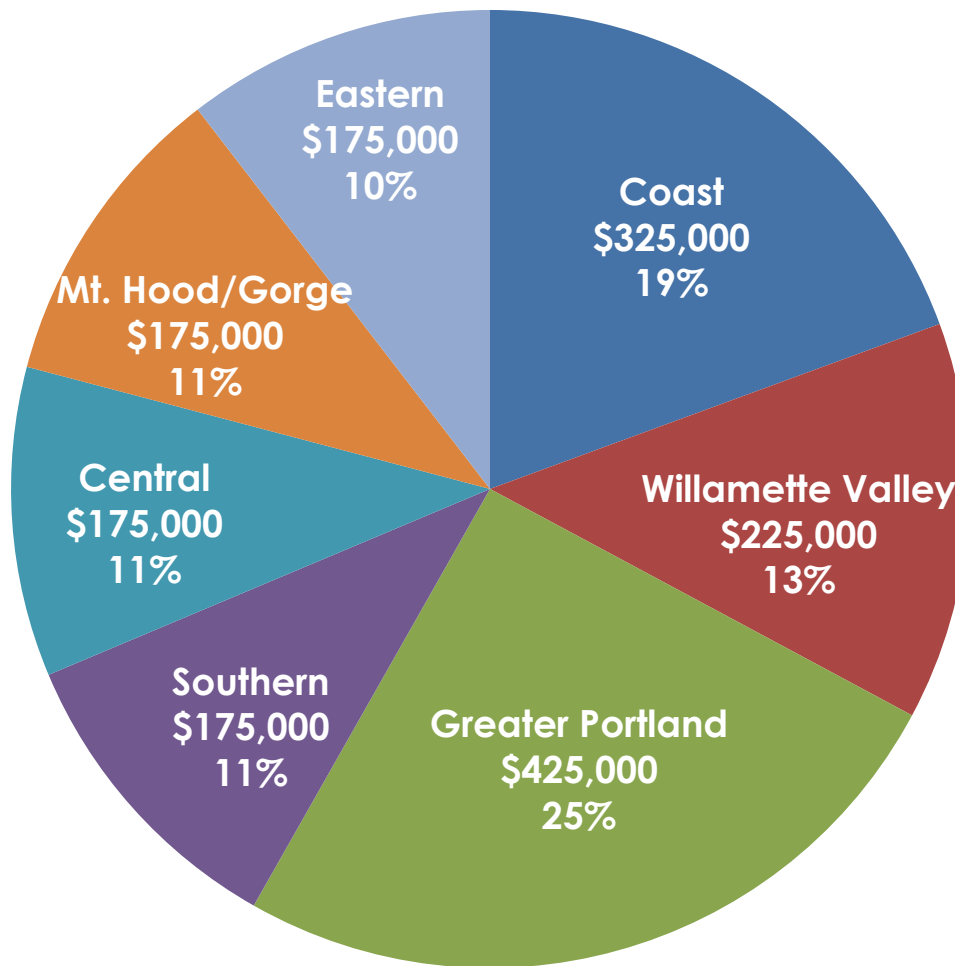
# REGIONAL PROGRAM CHANGES 2015

- Initiated in response to working with the Oregon tourism industry over a two-year period to develop the Oregon Tourism Industry Action Plan. The need to add capacity to the regional program was identified during this process
- Baseline funding set at \$175,000 per region
- Regions can spend funds on full suite of tourism development, marketing, and sales activities – not just restricted to out of state marketing and sales anymore
- Regions can allocate funding for human capacity (up to \$50,000) to carry out opportunities identified in plans

## REGIONAL PROGRAM CHANGES 2015 (cont.)

- Increased flexibility in how funds can be allocated
- Increased regional discretion in terms of how regional funds can be allocated
- Simplified reporting and metrics requirements for RDMOs
- New position created at Travel Oregon to serve as a single point of contact. Role to focus on advocating for local and regional perspectives, helping connect partners with funding and grant opportunities, and monitoring policy issues that affect successful execution of initiatives and economic development

# CURRENT REGIONAL DISTRIBUTION 2015-16







Destination Marketing Resources

State Welcome Centers

Regional Destination Marketing Organizations

Destination Marketing Organizations

**Regional Investments in Tourism**

Oregon's Target Markets

Education and Training

Destination Development

Product Development

Sustainable Tourism Development

Matching Grants Programs

Toolkits

The Orb

Oregon Tourism and Hospitality Industry Consortium

Additional Resources

- sign up for our -  
**INDUSTRY  
ENEWSLETTER**



Stay up to date with the latest Travel Oregon industry

DESTINATION MARKETING RESOURCES >

## Regional Investments in Tourism

According to Oregon statutes, the Oregon Tourism Commission (OTC) may invest state dollars in Oregon's tourism industry regionally, and appropriate up to 15 percent of the state lodging tax revenue for use in cooperative regional and multi-regional marketing.

Significant time is spent working regionally and with local partners in an effort to optimize the economic impacts of tourism in Oregon. Planning summits and additional meetings aid in the development of effective regional strategies and encourage industry alignment.

Resources are available through direct distributions and **grant programs** that members of Oregon's travel and tourism industry may apply for.

Seven **Regional Destination Marketing Organizations (RDMOs)** recognized by Travel Oregon develop and submit regional plan proposals for use of state dollars. By leveraging state dollars along with private and public resources, the RDMO's work with Travel Oregon to bolster Oregon's tourism economy.

IN THIS SECTION -

[Central Oregon Regional Tourism Plan](#)

[Eastern Oregon Regional Tourism Plan](#)

[Greater Portland Regional Tourism Plan](#)

[Mt. Hood & Columbia River Gorge Regional Tourism Plan](#)

[Southern Oregon Regional Tourism Plan](#)

[Oregon Coast Regional Tourism Plan](#)

[Willamette Valley Regional Tourism Plan](#)

### REGIONAL INVESTMENTS IN TOURISM IN OREGON

#### Central Oregon Regional Tourism Plan

The tourism region of Central Oregon lies on the eastern side of Oregon's Cascade Mountains, consisting of Deschutes, Jefferson, Crook...

#### Eastern Oregon Regional Tourism Plan

The tourism region of Eastern Oregon represents nearly of one-third of the State of Oregon and includes the following 11.

#### Greater Portland Regional Tourism Plan

The tourism region of Greater Portland represents Clackamas County



Larry Geddis

# **GATHERING INPUT FROM OREGON'S TOURISM INDUSTRY**

## **2016 REGIONAL STAKEHOLDER ENGAGEMENTS**

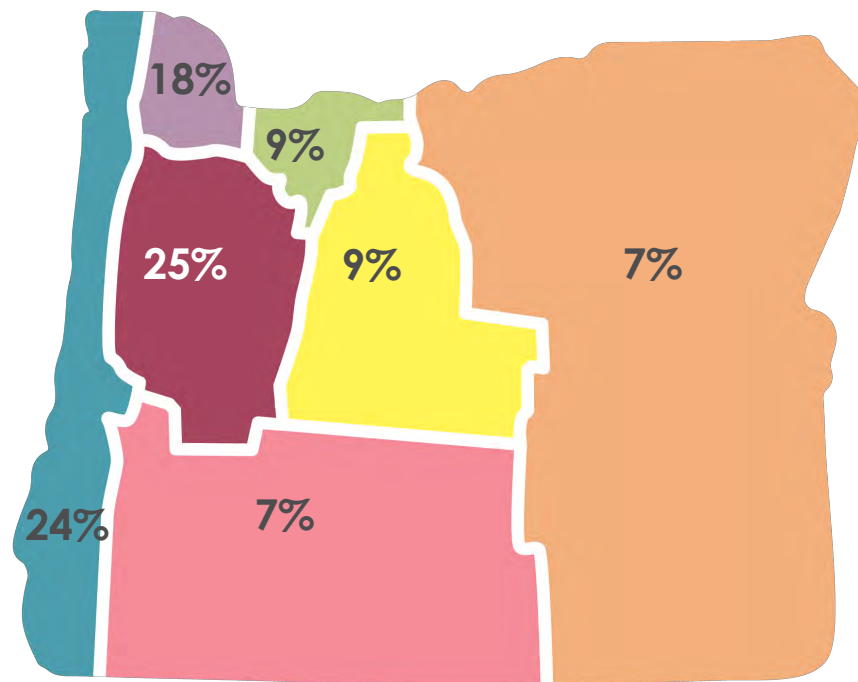
- Willamette Valley – January 20
- Mt. Hood / Gorge – January 25
- Greater Portland – January 26
- Central Oregon – January 29
- Eastern Oregon – February 4
- Oregon Coast – February 29
- Statewide Gathering – March 2
- Southern Oregon – March 6

# REGIONAL STAKEHOLDER FINDINGS

- Capacity to convene and manage projects
- Congestion reduction and alternative transportation options
- Decrease seasonality of visitation
- Education and training of frontline staff
- Effective collaboration with public land and transportation agencies
- Ensure all lodging providers are collecting/remitting TRT appropriately
- Leverage Travel Oregon's marketing campaigns/programs
- Some destinations reaching carrying capacity
- Visitor wayfinding and signage

# STATEWIDE TOURISM ENGAGEMENT SURVEY RESULTS

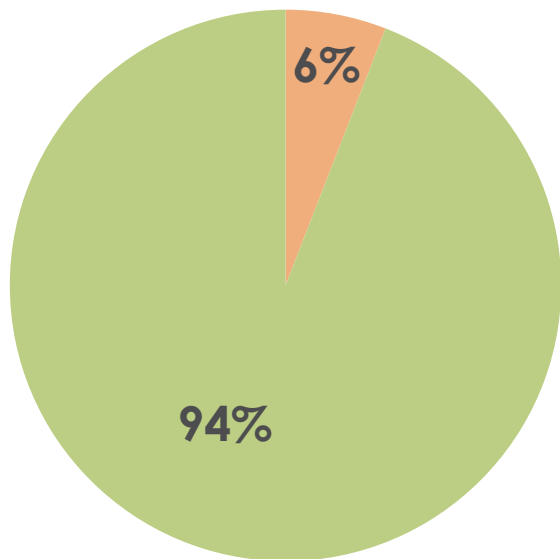
- 2016 Stakeholder Engagement survey: March 23-April 4
- 57% respondents represented small businesses/organization (1-10 people)
- 74% respondents were managers/executives or owners



**219 Respondents by Geographic Location**

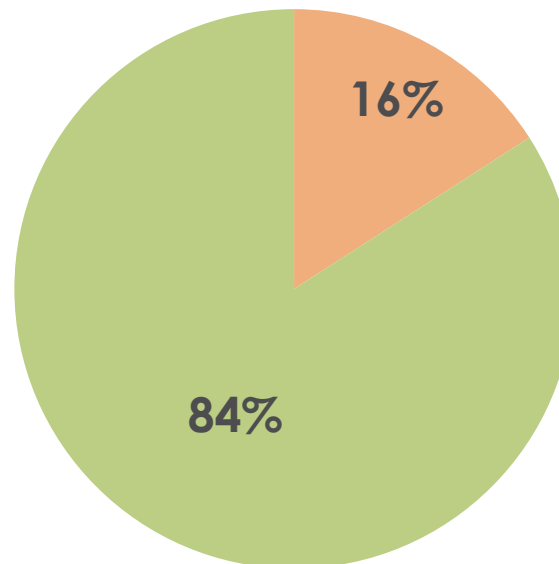
# NEW LEGISLATION AWARENESS AND OPINION

I am aware of the legislature's recent approval to increase the state lodging tax.



■ No    ■ Yes

The legislature's recent approval to increase the state lodging tax is good for Oregon's tourism industry.



■ FALSE    ■ TRUE



# STATEWIDE OPINION OF NEW LEGISLATION

84%

The state lodging tax is **good** because...

Economic Driver

Increased Funding

Low Risk

Support Community/Business

Project/Grant

Development

Funds

More Productive Development

Increased Marketing

Social Driver

Resources Proven ROI

16%

The state lodging tax is **not good** because...

Inequitable Distribution

Requires Alignment

Unknown/Unseen ROI

Reduced Demand

Misrepresented Purpose

Creates Division

# OREGON TOURISM TOWN HALLS

Astoria - May 3

Portland - May 4

Gresham - May 5

Lakeview - May 9

Klamath Falls - May 10

The Dalles - May 10

Corvallis - May 11

Scappoose - May 11

Sandy - May 12

Reedsport - May 12

Brookings - May 12

Hillsboro - May 12

Burns - May 12

Prineville - May 16

La Pine - May 17

La Grande - May 18

Ontario - May 18

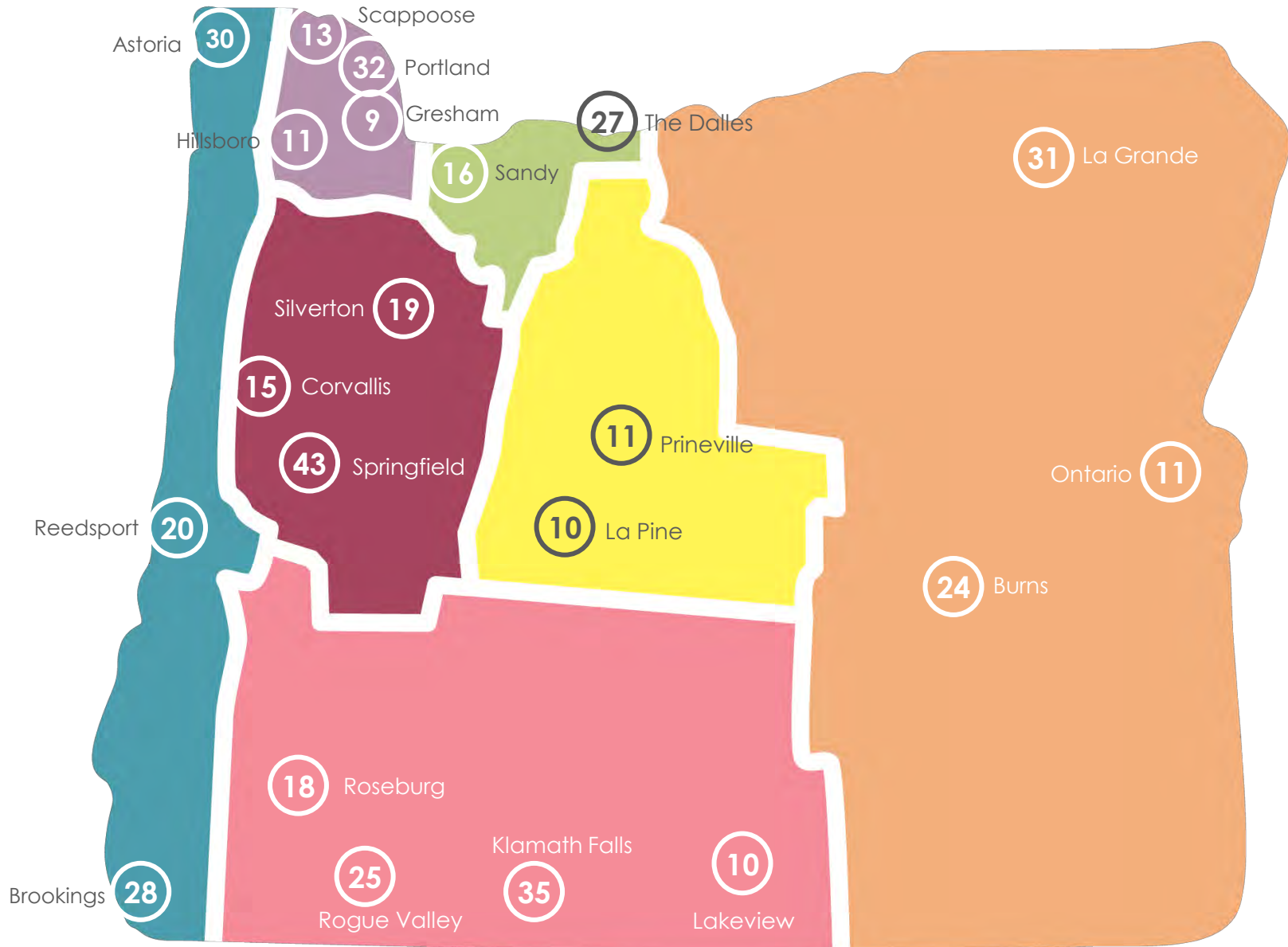
Silverton - May 19

Springfield - Jun 27

Roseburg - Jun 27

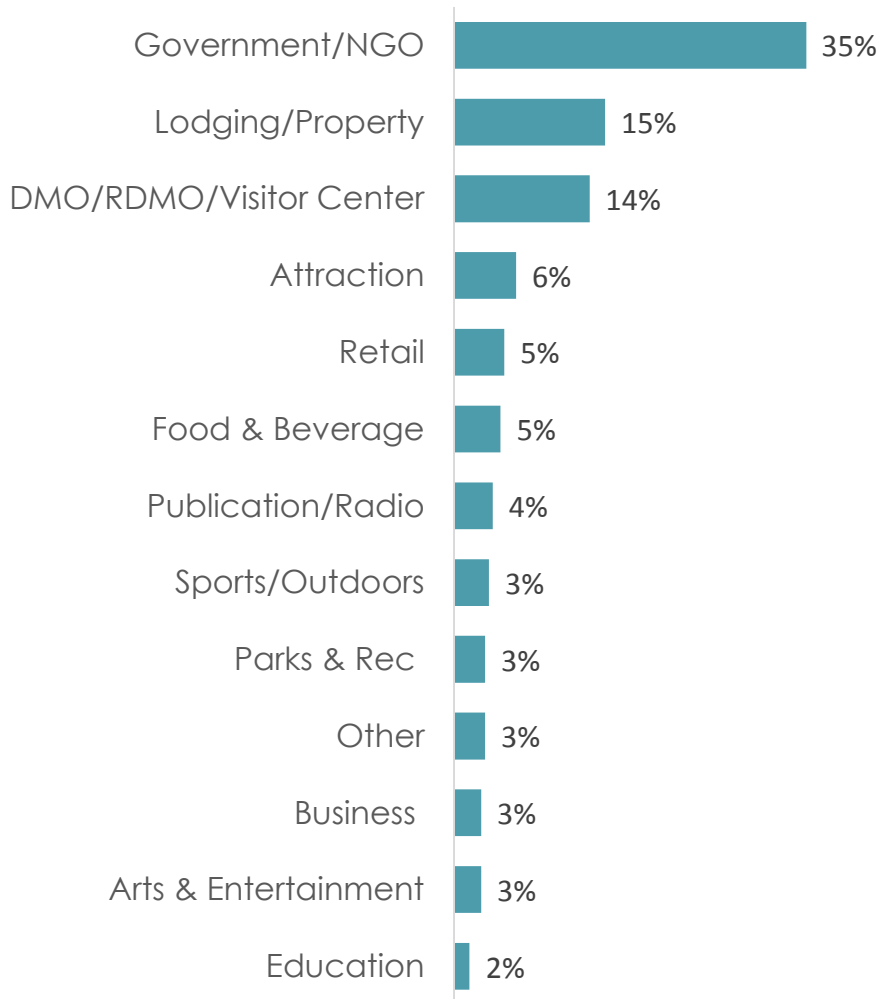
Ashland - Jun 28

# TOWN HALLS: LOCATIONS & PARTICIPATION

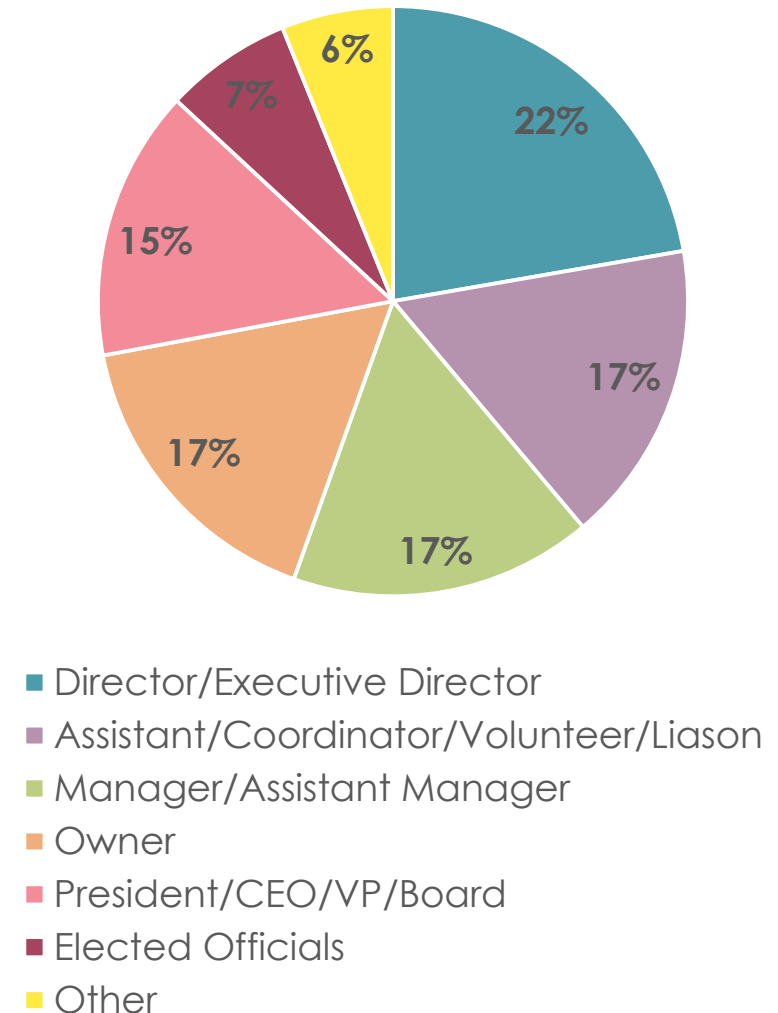


# TOWN HALLS: DEMOGRAPHICS

## Organizational Category



## Organizational Position



# TOWN HALLS: LOCAL PERSPECTIVES

WE'D LIKE YOUR THOUGHTS ON...

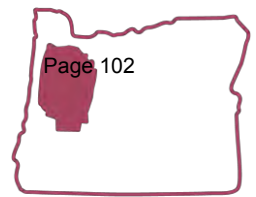


- How engaged are you with the tourism partnering structure?

**Local > DMO > RDMO > Travel Oregon**

- What opportunities/challenges currently face your business or community?
- What excites you about the role tourism plays in your future?
- What 1-3 priorities do you want us to consider as we build the Travel Oregon 2017-2019 strategic plan?

# Willamette Valley



## Development

- Leverage the excitement around existing tourism assets (Wineries etc.)
- Infrastructure is in disrepair
- More focus on agri-tourism
- Increase marketing to enhance their “dot” on the map
- Need for increased hotel/convening space

## Partnerships

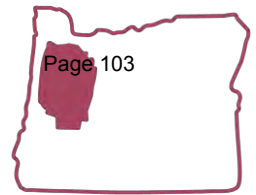
- More partnerships between DMOs and chambers of commerce
- Collaboration needed between wineries, vineyards, and farmers markets
- Improve cooperation and cross promotion of lodging, small businesses and small communities
- Assistance with marketing expertise/collateral, especially in rural areas

## Seasonality

- Increase tourism in the wet, winter months

## ***Alignment with Regional Stakeholder Findings***

- ✓ Decrease seasonality of visitation
- ✓ Leverage Travel Oregon’s marketing campaigns/programs
- ✓ Some destinations reaching carrying capacity



## Transportation

- Transportation, parking and general congestion are an issue
- Support alternative transportation options (i.e. bicycle tourism)
- Creation of new scenic byway

## Workforce

- Too few staff to market major assets

### ***Alignment with Regional Stakeholder Findings***

- ✓ Capacity to convene and manage projects
- ✓ Congestion reduction and alternative transportation options



# TOWN HALLS: KEY THEMES

## Development

Oregon is blessed with an abundance of tourism assets. Stakeholders want to see **more lodging development in rural areas**, as well as an emphasis placed on **agri-tourism, outdoor adventures and “lesser known” natural attractions**. **Sustainable development, capacity management, and support through focused marketing efforts** were also discussion themes.

## Education

Many communities need help in **educating local leaders on the role of tourism** and its impact on local and regional economies. In addition, **assistance with local marketing/branding and increased frontline staff training** are in demand to foster positive a visitor experience, especially among small businesses.

## Grants

Stakeholders find some aspects of the grant process to be **complicated and limiting**. They would like to see a **more simplified, accessible and inclusive process** that is clearly communicated.

## Partnerships

A rising tide floats all boats. Stakeholders suggest that **more structured partnerships across regions, communities and businesses** could improve the overall tourism economy through **enhanced communication and cooperative marketing efforts**.

## Seasonality

Seasonality puts pressure on Oregon tourism communities. Stakeholders would like to see fewer “peaks and valleys” with an **increased focus on options for winter and shoulder season visitation**.

## Transportation

Improvements to **transportation infrastructure** was a major theme of the regional town halls. Discussions included **mitigation of congestion, improved signage and way-finding**, and pursuing **alternative, car-free, methods of transportation** between rural destinations and attractions.

## Workforce

Ensuring that a **quality tourism workforce** is both available and sustainable is top of mind across the state. **Low wages, lack of affordable housing and fluctuating seasonal populations** were all challenges to attract and retain the workforce necessary for tourism growth.



# THANK YOU

**Stay Engaged**

[Industry.TravelOregon.com](http://Industry.TravelOregon.com)

**Contact Us**

[Industry@TravelOregon.com](mailto:Industry@TravelOregon.com)

# Transient Lodging Tax Workgroup

## Appendix 2

Meeting materials from  
July 11, 2016

# **Transient Lodging Tax (HB 4146) Workgroup**

## **Second Meeting Agenda**

July 11, 2016  
Capitol Building, 900 Court St.  
503-986-1266

**1:30-3:30 pm**  
**Hearing Room 350.**

Meeting Facilitators: Mazen Malik and Paul Warner - Legislative Revenue Office.

- I. Introduction and overview of last meeting.
  
- II. Presentation by the Office of Economic Analysis: The regional/industry footprint of tourism across the state, and the historical demand trends and the outlook.
  - Mark McMullen & Joshua Lehner
  
- III. Remarks from representatives of the tourism and travel industry.
  - Tom Pucci, Sr. Director for Tax at Expedia
  - Beth Adair, Airbnb's global director of tax
  - William Perry, Oregon Restaurant and Lodging Association
  - Scott Youngblood, Embassy Suites Tigard; Oregon Tourism Commission
  
- IV. Presentation by local governments on issues and concerns.
  - Wendy Johnson, League of Oregon Cities Intergovernmental Relations Associate
  - Carolyn Eagan, Bend Economic Development Director
  - Nancy Brewer, Corvallis Finance Director
  - Association of Oregon Counties - TBD
  
- V. Decision on meetings (subgroups, full group, or a hybrid). Section 7 on the second page.
  
- VI. Plans for next meetings Formats (dates and locations).

## HB 4146

SECTION 7. (1) The Legislative Revenue Officer shall lead a work group to study the following issues:

- (a) Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.
  - (b) Barriers to expansion and maintenance of recreational tourism in each tourism region.
  - (c) The optimal frequency for distribution of state transient lodging tax revenue and whether a mandatory distribution schedule should be adopted.
  - (d) The feasibility of exempting homeless individuals from liability for the state transient lodging tax.
  - (e) Whether and under what conditions the Department of Revenue may share with local governments data that reflect payment of the state transient lodging tax in order to assist the local governments with enforcement of local transient lodging taxes.
  - (f) Regular reporting by the Oregon Tourism Commission to committees of the Legislative Assembly on demonstrated return on investment, geographic equity and community support with respect to awards of moneys and grants by the commission.
  - (g) Any other issues the Legislative Revenue Officer and the legislative members appointed pursuant to subsection (2) of this section consider necessary and proper to the conduct of the study.
- (2)(a) The President of the Senate shall appoint two members from among members of the Senate to participate in the work group.
- (b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives to participate in the work group.
- (c) The Legislative Revenue Officer and the legislative members of the work group may ask any other persons to participate in the work group.
- (3) The work group shall submit a report in the manner provided in ORS 192.245, and may include proposals for legislation, to the interim committees of the Legislative Assembly related to revenue no later than December 9, 2016.
- (4) The Legislative Revenue Officer shall provide staff support to the work group, with assistance from the Oregon Tourism Commission upon request of the officer and the legislative members of the work group.
- (5) All agencies of state government, as defined in ORS 174.111, are directed to assist the work group in the performance of the duties of the work group and, to the extent permitted by laws relating to confidentiality, to furnish the information and advice the members of the work group consider necessary to perform their duties.





Questions were asked on these topic areas:

Danielle Cowan - Tourists spending in many areas while at an event (like in Eugene).  
Wage impact on tourism (minimum wage).

Sen. Monroe - Conventions - how much do the attendees go to other parts of Oregon after their convention, or during it? Travel Oregon does track tourists and their destinations.

Rep. Davis - What role do the lower wage jobs impact the tourism economy? We do have all three sectors, but the middle wage sector is missing. Low wage definitely fills a void that is important to the economy.

Section 7: Wants to know what role the members will play in defining the outcome for goals in this workgroup. No single answer. The bill (HB 4146) outlines what we will do?

Rep. Nathanson - Are there higher ed curriculums available for the tourism industry in Oregon's community colleges? Rep. would like to see course materials.

Expedia - Tom Pucci: Explained what they do. They facilitate locating a hotel room for leisure and tourism. They are global, and have hundreds of jurisdictions, and would like the tax to be administered by the state. Consolidated filing.

Beth Adair, Airbnb's global director of tax: Explained what Airbnb is, and how their business has tax challenges also. Standardization is needed.

Questions:

Carolyn M.- Those collecting the taxes are able to retain 5% for admin fees. Wanted to know if the presenters knew about this.

Rep. Davis: Where is AirBnb exactly, in Oregon? Ans: Four places (OR, Mult, Wash Co)190 places around the country.

Sen. Monroe: Wants to know if the 5% is a reasonable amount, and if it covers the expenses? Ans: Having the state collect the tax, and not local entities would be the biggest help.

Rep. Nathanson - Commented on the local jurisdictions, and their concerns about collecting, and not being paid by the state.

Scott Youngblood: Section 7 b (or g??). Says lodging tax dollars are very important to Oregon's economy. Tourism is not a burden.

Jennifer Yorker: Has a small independent hotel in Newport. Sees more international tourists coming in to our state and is steadily increasing.

Bill Perry: Lobbyist for restaurant and hotel industry: Talked about wages and cost of employees in the industry. Insurance and liability going up.

Questions:

Sen. Hansell - Asked Scott Youngblood about his comments about working together.

Bill Perry - talked about stable funding and working together.

League of Oregon Cities: Wendy Johnson: (See presentation materials)

Questions:

Jeff M: section g. Rep. Nathanson says the bill was focused on State lodging tax, not local collections. Rep. Davis said same.

**Nancy Brewer - Corvallis: local lodging tax is 9%. Does not want to raise local tax to 12% to allow for the 5% to hotels for admin fees. Would like DOR to collect the taxes, as they are burdened with the auditing functions.**

**Karen Eagan. Bend: Collects 10 mil in lodging taxes. 11,000 jobs in the tourism industry. Would like to make their own decisions about how to spend the taxes. More local control to solve problems.**

**Questions:**

**Rep. Nathanson: Land use and zoning. BnB's with signage and no signs. AirBnb does not have an owner present in the house. Local Bed and Breakfasts have an owner on location and responsible for conduct of renters.**

**For next meeting: Breaking into subgroups. Continued meeting in Salem?**



**DEPARTMENT OF JUSTICE**  
GENERAL COUNSEL DIVISION

November 14, 2008

Todd Davidson, Chief Executive Officer  
Oregon Tourism Commission  
670 Hawthorne Avenue SE, Suite 240  
Salem, OR 97301

Re: Opinion Request OP-2008-3

Dear Mr. Davidson:

In 2003, the legislature enacted ORS 320.300 to 320.990, which govern the collection and use of state and local transient lodging taxes. Or Laws 2003, ch 818. Transient lodging taxes are taxes “imposed on any consideration rendered for the sale, service or furnishing of transient lodging.” ORS 320.305(1). ORS 320.350 restricts how local governments may spend revenue from lodging taxes imposed or increased on or after July 2, 2003. Specifically, ORS 320.350(5) and (6) require local governments to use at least 70 percent of the net revenue generated from any new or increased lodging taxes for specified tourism-related purposes (for simplicity this opinion will refer to the net revenue generated from new and increased taxes as “new lodging tax revenue.”) One of those tourism-related purposes is funding “tourism-related facilities.” ORS 320.350(5)(a). You ask whether certain local expenditures qualify as funding “tourism-related facilities.” Your question, a short answer, and a supporting discussion follow.

**QUESTION PRESENTED**

Can local infrastructure, such as county roads or city sewers, qualify as “tourism-related facilities” under ORS 320.350(5)(a) such that local governments may fund them, without restriction, with new lodging tax revenue? If so, under what circumstances?

**SHORT ANSWER**

Based on the text, context, and legislative history of ORS 320.300(9) and ORS 320.350(5) and (6), the legislature most likely intended local roads, sewers, sewer plants, and transportation facilities to qualify as “tourism-related facilities” only if they draw tourists themselves, directly serve a specific tourist attraction (such as an access road), or are part of the infrastructure of a specific tourist attraction (such as a restroom and the on-site sewer line.) The legislature most likely did not intend “tourism-related facilities” to encompass roads and other infrastructure simply because they are used, even heavily, by tourists as well as locals.

## DISCUSSION

### 1. Method for Interpreting Statutes

To answer your question, we must interpret the relevant statutes with the goal of determining the legislature's intent. *PGE v. Bureau of Labor and Industries*, 317 Or 606, 610, 859 P2d 1143 (1993); ORS 174.020. We begin by examining the statute's text and considering statutory and judicially created rules of construction that bear directly on how to read the text, such as to give words of common usage their "plain, natural and ordinary meaning." *Id.* at 611; ORS 174.010. We do not examine the text in isolation but in context, including other provisions of the same statute. *Id.* at 610; *SAIF Corporation v. Walker*, 330 Or 102, 108, 996 P2d 979 (2000). If the text and context suggest only one possible meaning, our inquiry ends there. *PGE*, 317 Or at 610-11. If more than one meaning is possible, we examine legislative history to determine which meaning the legislature intended. *Id.* at 611-12.

### 2. ORS 320.350

#### a. Text of the Provision

ORS 320.350 provides, in relevant part, that:

(1) A unit of local government that did not impose a local transient lodging tax on July 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition of the local transient lodging tax was approved on or before July 1, 2003.

(2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July 1, 2003.

\* \* \*

(5) Subsections (1) and (2) of this section do not apply to a new or increased local transient lodging tax if all of the net revenue from the new or increased tax, following reductions attributed to collection reimbursement charges, is used consistently with subsection (6) of this section to:

(a) Fund tourism promotion or tourism-related facilities;

(b) Fund city or county services; or

(c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing or refinancing that debt \* \* \*.

Todd Davidson  
November 14, 2008

\* \* \*

(6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent of net revenue from a new or increased local transient lodging tax may be used for the purpose described in subsection (5)(b) of this section.

Accordingly, local governments must spend at least 70 percent of new lodging tax revenue on the identified tourism-related purposes, including funding tourism-related facilities, and no more than 30 percent to fund “city or county services.” You ask whether local infrastructure, such as county roads or city sewers, can qualify as “tourism-related facilities” under ORS 350.320(5)(a) and be funded without limitation by new lodging tax revenue or whether those facilities are more properly categorized as county and city services subject to the 30 percent funding limitation.

#### **b. City or County Services**

We first discuss the meaning of “city or county services.” “Services” is the plural of “service,” which, used as a noun, has a variety of meanings. Potentially relevant meanings include “the duties, work, or business performed or discharged by a government official,” “action or use that furthers some end or purpose: conduct or performance that assists or benefits someone or something: deeds useful or instrumental toward some object,” “useful labor that does not produce a tangible commodity – usually used in plural <railroads, telephone companies, and physicians perform *services* although they produce no goods>” and “the provision, organization, or apparatus for conducting a public utility or meeting a general demand.” WEBSTER’S THIRD NEW INTERNATIONAL DICTIONARY (WEBSTER’S) at 2075 (unabridged 2002).

It is not apparent from the text and context which of those meanings the legislature intended. For instance, it may be that the legislature intended city or county services to mean the provision of labor (police, fire, etc.), but not facilities funding or it may have meant the term to encompass all services provided. In such a circumstance, we consult legislative history to discern the legislature’s intended meaning.

ORS 320.350(5)(b) was enacted in 2003 as part of HB 2267. Or Laws 2003, ch 818, § 10. Originally, HB 2267 required all new local lodging tax revenue to be spent on tourism. HB 2267, § 11 (Introduced) (2003). Before 2003, local governments had not been restricted in their use of local lodging tax revenue and they opposed the new restriction. *See former* ORS 305.824 (governing local lodging taxes before 2003). Lodging and tourism groups and local government associations eventually compromised and the bill was amended to allow local governments to use up to 30 percent of new local lodging tax revenue for city and county services. The legislative history demonstrates that the legislature intended to allow local governments to use that 30 percent for *any* expenditure they chose:

Todd Davidson  
November 14, 2008

LARRY CAMPBELL: Recognize that, in this Bill, 30 percent of increased local taxes can be used any way the community wants to. They are not limited to public service or anything else.

Testimony of Larry Campbell, Oregon Lodging Association (HB 2267), July 23, 2003, tape 223, side B at 117.

REPRESENTATIVE VERGER: This bill perhaps strikes [a] balance of being able to protect 70 percent of that money at the same time [allowing] cities \* \* \* to do whatever they want to do with the 30 percent.

Testimony of Representative Verger, House Revenue Committee (HB 2267), August 12, 2003, tape 241, side A at 73.

REPRESENTATIVE SCOTT: [HB 2267] require[s] 70 percent of the new local tax revenue to be used for tourism purposes [and] up to 30 percent to be used for the needs of the local jurisdiction at their choice.

Testimony of Representative Scott, House Floor Debate (HB 2267), August 19, 2003, tape 176, side A at 065.

SENATOR METZGER: [HB 2267] creates a formula requiring 70 percent of new local room tax revenue to be used for tourism purposes and up to 30 percent to be used for the needs of the local jurisdiction as they see fit.

Testimony of Senator Metzger, Senate Floor Debate (HB 2267), August 22, 2003, Tape 281, side B at 311.

That history demonstrates that the legislature intended ORS 320.350(6) to allow local governments to use up to 30 percent of new lodging tax revenue in any way they saw fit, but to require that they spend at least 70 percent on tourism. Therefore, local governments may use up to 30 percent of new lodging tax revenue to fund local infrastructure, including roads and sewers. If the road or sewer does not qualify as a “tourism-related facility” the local government can spend no more. But, if a road or sewer qualifies as a “tourism-related facility”, the 30 percent limitation is inapplicable and the local government may expend up to 100 percent of new lodging tax revenue to fund the facility. We next consider whether city or county infrastructure such as roads and sewers can qualify as “tourism-related facilities.”

**c. Definition of Tourism-Related Facility**

ORS 320.300(9) provides that “tourism-related facility”:

(a) Means a conference center, convention center or visitor information center;  
and



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(b) Means other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.

“Conference center,” “convention center” and “visitor information center” are defined by ORS 320.300(2), (3) and (13), respectively. Facilities that fit within those categorical statutory definitions are “tourist-related facilit[ies]” for purposes of ORS 320.350(5)(a). But those definitions are very restrictive and apply to very few facilities in Oregon. For example, among other requirements, a convention center must have a room-block relationship with the local lodging industry and generate a majority of its business income from tourists. ORS 320.300(3). A conference center must meet the current membership criteria of the International Association of Conference Centers. ORS 320.300(2).

Other tourism-related facilities also can qualify as “tourism-related facilities” if they meet certain criteria set out in ORS 320.300(9)(b). Specifically, the facility must be: “other improved real property”, “ha[ving] a useful life of 10 or more years”; and “a substantial purpose of supporting tourism or accommodating tourist activities.” We examine each of those criteria in turn.

### (1) Other Improved Real Property

The first criterion is that the facility be “other improved real property.” “Other” obviously means “other than” conference centers, convention centers and visitor information centers that fit within the categorical statutory definitions.

Turning to “improved real property,” there is no common definition of that phrase. Parsing the words, the relevant definition of “improve” is “to increase the value of (land or property) by bringing under cultivation, reclaiming for agriculture or stock raising, erecting buildings or other structures, laying out streets, or installing utilities (as sewers).” WEBSTER’S at 1138. “Real” in this context means “[1] **c**: of or relating to things (as lands, tenements) that are fixed, permanent, or immovable; *specifically*: of or relating to real estate <real property>.” *Id.* at 1890. The fitting definition of “property” is: “2 **a**: something that is or may be owned or possessed: WEALTH, GOODS *specifically*: a piece of real estate[.]” *Id.* at 1818. Putting those definitions together, “improved real property” means real estate or land enhanced in value by a building or other structure, cultivation, reclamation for agriculture or ranching, or by streets and utilities, such as sewers. Therefore, land enhanced by streets or sewers or other utilities is “improved real property.”

We note “improved real property” connotes a thing – improved land – rather than a project. If the improved real property qualifies as a “tourism-related facility” the local government may “fund” it without limitation pursuant to ORS 320.350(5)(a) and (6). “Fund,” which is used as a verb in the statute, means “to furnish money for.” THE AMERICAN HERITAGE DICTIONARY at 342 (3d ed 1994) (we consulted a commonly-used dictionary other than WEBSTER’S, because it provides no definition that is applicable in this context). Applying that definition, to “fund” a tourism-related facility is to furnish money for a tourism-related facility.

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Thus if the improved real property qualifies as a tourism-related facility, the local government may use funds in any way it sees fit on the facility, including to expand or maintain it.

## (2) Useful Life of 10 or More Years

Roads and sewers and other city or county infrastructure, in the normal instance, have a useful life of 10 or more years, but that would be a factual matter to be determined on a facility by facility basis.

## (3) Substantial Purpose of Supporting Tourism or Accommodating Tourist Activities

The last criterion – that the property has “a substantial purpose of supporting tourism or accommodating tourist activities” – is the linchpin of the definition, being the one that makes the property “tourism-related.” Each of the terms in this criterion requires careful consideration, beginning with “substantial purpose.”

The pertinent definition of “purpose” is “something that one sets before himself as an object to be attained: an end or aim to be kept in view in any plan, measure, exertion, or operation: DESIGN.” WEBSTER’S at 1847. Therefore a “substantial purpose” means a substantial objective to be attained by the facility.

“Substantial” is used in the statute as an adjective to describe “purpose.” The adjective “substantial” has a range of meanings, three of which are pertinent. The first is “consisting of, relating to, sharing the nature of, or constituting *substance*: \* \* \* MATERIAL.” *Id.* at 2280. “Substance” means “essential nature: ESSENCE \* \* \* a fundamental part, quality or aspect: essential quality or import: the characteristic and essential part.” *Id.* at 2279. The second relevant definition of “substantial” is “being of moment: IMPORTANT, ESSENTIAL.” *Id.* at 2280. “Important,” in turn, means “marked by or possessing weight or consequence.” *Id.* at 1135. The third relevant definition of substantial is “being that specified to a large degree or in the main” as in “a *substantial* victory or a *substantial* lie.” *Id.* at 2280. The relevant definition of “large” is “of considerable magnitude: BIG.” *Id.* at 1272. And “main” means “outstanding, conspicuous or first in any respect: GREAT, PREEMINENT: principal.” *Id.* at 1362.

In short, “substantial purpose” may mean: (1) a fundamental, characteristic or essential part of the purpose; (2) a weighty, consequential purpose; (3) a purpose of considerable magnitude; or even, (4) the first purpose. A slight, unimportant or inconsequential purpose would not be “substantial” under any of those definitions; the purpose must be important and consequential. Under the last definition, the purpose must even be the “main” – meaning first or preeminent – purpose.

Context suggests that the legislature may not have meant “substantial” in the sense of the main or first purpose. ORS 320.300(13), a related statute defining “visitor information center,” states that it is “a building, or a portion of a building, *the main purpose of which* is to distribute or disseminate information to tourists.” (Emphasis added). We generally presume that when the legislature uses different language in related provisions it intends different meanings. *PGE*, 317

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Or at 611 (use of term in one section and not in another section of the same statute indicates a purposeful omission); *State v. Guzek*, 322 or 245, 265, 906 P2d 272 (1995) (when the legislature uses different terms in related statutes, we presume that the legislature intended different meanings.) Applying the presumption, the legislature's use of "the main purpose" in ORS 320.300(13) and "a substantial purpose" in ORS 320.300(9)(b) presumptively demonstrates that the legislature did not intend "a substantial purpose" to mean "the main purpose" as in the first or principal purpose.

Accordingly, "a substantial purpose" likely means an important, weighty, consequential purpose, but not necessarily the first or chief purpose. "Important, weighty and consequential" have both qualitative and quantitative aspects. Even in the latter sense, those terms do not lend themselves to precise quantification. Thus, it is not obvious how to determine whether a "purpose" is "important, weighty, or consequential." For that reason, it is appropriate to consult legislative history for clarification. But first we consider the meanings of "supporting tourism" and "accommodating tourist activities."

Beginning with "supporting tourism," "supporting" means "to uphold by aid[ing] \* \* \* [or] actively promot[ing] the interests or cause of [.]" WEBSTER'S at 2297. "Tourism" means "economic activity resulting from tourists." ORS 320.300(6). Therefore, "supporting tourism" means aiding or actively promoting economic activity resulting from tourists.

Facilities might aid or actively promote tourist spending in the community in a number of ways. First, facilities like convention centers, conference centers, and performing arts centers could hold conventions, conferences and other events that draw tourists – and their tourist dollars – into the community. Second, tourists could be drawn into the community by the nature of the facility itself, such as an improved recreational area or a museum. Third, a facility like a visitor's center could disseminate information to tourists that would induce them to spend their money at various places in the community. All of those facilities likely aid or actively promote tourist spending in the community.

Roads and sewers are not like those facilities; they do not "draw" in tourists or induce them to spend their money in the community. On the other hand, most roads and sewers may *indirectly* aid or promote tourist spending by providing adequate infrastructure to tourists who are drawn to the community for other reasons. The text and context do not clarify how attenuated the legislature intended the "aid" or "support" of tourist spending to be and, later in this opinion, we will look to legislative history for clarification, but first we examine the meaning of "accommodating tourist activity."

The relevant definition of "accommodate" is to "furnish with something desired, needed, or suited." WEBSTER'S at 12. "Tourist" is defined by ORS 320.300(10) to mean:

a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person's community of residence, and that trip:

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- (a) Requires the person to travel more than 50 miles from the community of residence; or
- (b) Includes an overnight stay.

“Activity” means “an occupation, pursuit, or recreation in which a person is active – often used in plural <business *activities*> <social *activities*>.” WEBSTER’S at 22. Putting the definitions of “tourist” and “activities” together, “tourist activities” are business activities, pleasure and recreation activities, and attending arts, heritage and cultural events when done by people who travel more than 50 miles from their community of residence or stay overnight in a community that is distinct from their community of residence to do so. We doubt that the legislature meant “tourist activities” to include activities of daily living, such as using local infrastructure like the roads, water, and wastewater systems, because the definition of “tourist” is limited to visitors who come to a community “for” certain activities. That limitation strongly suggests that “accommodating tourist activities” means accommodating the listed activities.

Putting it all together, an improved real property has a substantial purpose of “accommodating tourist activities” if it furnishes something desired, needed or suited for tourists to engage in business, pleasure or recreational activities or to attend arts, heritage or cultural events. Obvious examples, because they furnish places that are desired, needed or suited to those tourists activities, would be convention and conference centers, improved recreational areas, museums, and performing arts centers.

Once again, local infrastructure is unlike those facilities because it does not directly accommodate tourist activities. But, again, infrastructure may indirectly accommodate tourist activities by furnishing something necessary, desired or suited for tourists to use the places that *do* accommodate tourist activities. For example, an access road to a recreational facility makes it possible for tourists to use the facility. It is not clear, however, whether the legislature intended facilities that provide indirect accommodation to be included.

Based on our examination of text and context, we conclude that roads and sewers fit within the definition of improved real property, but questions remain about whether they have a substantial purpose of supporting tourism or accommodating tourist activities. We next examine the legislative history for clarification.

**d. Legislative History Concerning “Substantial Purpose of Supporting Tourism or Accommodating Tourist Activities**

ORS 320.300(9) (defining “tourism-related facility”), ORS 320.350(5) (specifying the purposes on which new local lodging tax revenue could be spent) and ORS 320.350(6) (specifying the percentages that must be used for tourism and may be used for non-tourism purposes) were enacted in 2003 as part of HB 2267. Or Laws 2003, ch 818, §§ 1, 2 and 8. The primary purpose of HB 2267 was to establish a state lodging tax dedicated to increasing Oregon tourism marketing efforts. Again, the legislature originally intended all new local lodging tax revenue to be used to promote tourism. Although the state tax had wide and enthusiastic legislative support, the new restriction on how local governments could spend their local tax

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dollars was highly contentious and the subject of numerous proposed amendments, which were discussed and debated at length. Those discussions resulted in two significant compromises. The first – allowing local governments to spend 30 percent on any purpose they saw fit – we discussed earlier. The second compromise was changing the definition of “tourism-related facility” to make it more inclusive. We now address that change.

The legislature, over the course of seven months, considered 19 different proposed amendments to HB 2267. Many of them proposed alternative definitions of “tourism-related facility.” The first definition relevant to our analysis was the one proposed in the -9 amendments, which was:

[A] conference center, convention center, visitor information center or other improved real property that has a useful life of 10 or more years and *the primary purpose* of supporting tourism or accommodating tourist activities.

HB 2267, § 1(9) (-9) (2003) (emphasis added). The House Revenue Committee discussed that new definition in a work session on June 25, 2003. Much of that discussion focused on the fact that the definition appeared to require conference centers, convention centers and visitor information centers that met statutory definitions to also meet the 10-year useful life and primary purpose criteria. In the course of discussing that problem, Representative Barnhart raised concerns about the “primary purpose” language:

I have to say I have a big concern about the use of that word “primary” and let me just give you an illustration of that. The Convention Center in Portland is not “primarily” used for tourism. It’s – most of the people who use it come from the neighborhood – certainly within 50 miles – on any given event, it doesn’t matter what event it is, most of the people come from the neighborhood within 50 miles.

In Eugene, the Hult Center is another good example, obviously a tourist-related facility, but most of the people coming to events there come from within 50 miles even though the Bach Festival, for example, has people from 35 states that are going to be attending starting the end of this week. \* \* \* I really need to understand how the use of that word “primary” would not limit the use of these funds for facilities like those that certainly have a tourist-related function – a very important one – but are not “primarily” tourism-related facilities.

Testimony of Representative Barnhart, House Revenue Committee (HB 2267), June 25, 2003, tape 190, side A 411- 446. Representative Barnhart interpreted the “primary purpose” criteria to eliminate facilities that drew most of their patrons from the local community, even if they also had a very important tourism-related function. That interpretation of “primary purpose” is consistent with its plain meaning as the relevant plain meaning of “primary” is “first in rank or importance: CHIEF, PRINCIPAL.” WEBSTER’S at 1800.

No further discussion of the meaning or implications of the “primary purpose” requirement took place in that work session. But when the committee held its next work session on July 23, 2003, it considered amendments that changed the definition of tourism-related

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facility to: (1) clarify that conference centers, convention centers and visitor information centers that met statutory definitions did not have to meet additional criteria; (2) for other facilities, substitute a “substantial purpose” requirement for the “primary purpose” requirement; and, (3) expressly exclude “roads, other transportation facilities, [and] sewers or sewer plants” from the definition. HB 2267, section (1) (9) (a) - (c) (-14 and -15 amendments) (2003).<sup>17</sup>

The committee discussed the latter two changes at length. Because that discussion was so lengthy, we summarize the most pertinent points, beginning with the exclusion of “roads, other transportation facilities, [and] sewers or sewer plants” from the definition. At the beginning of the work session, Chair Shetterly told the committee that he intended to remove “other transportation facilities” from the exclusion. Testimony of Chair Shetterly, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A at 380-400. But four committee members, Representatives Haas, Barnhart, Hobson and Verger, refused to vote for the amendment even with that change, because it continued to exclude roads, sewers and sewer plants. Testimony of various legislators, House Revenue Committee (HB 2267), July 23, 2003, tape 224, side B at 010-070.

None of the legislators explained what roads, sewers, or sewer plants should be included; their objection to the exclusions was more general. Both Representatives Hobson and Verger expressed opposition to the exclusion because it “was moving in the wrong direction,” the “wrong direction” in this context being imposing greater restrictions on local governments. *Id.* Representative Barnhart opposed the exclusion because he was concerned about how a city would be able to raise a local tax and spend 70 percent of it on tourism if the restrictions on the definition of tourism-related facilities were so substantial. *Id.* Representative Hass merely stated that the exclusion was a source of consternation among his colleagues, who otherwise supported the bill. *Id.*

Two non-legislator witnesses discussed roads and sewers more specifically. The first, Ken Strobeck, representing the League of Oregon Cities, testified that he was concerned about the exclusion because coastal communities’ sewer systems and roads were heavily impacted by tourists. He testified that those communities had to build their sewer facilities to accommodate tourists, not local residents. He gave the example of Cannon Beach, stating that it had a population of 1500 to 2000, but over 1000 motel rooms. He also testified that he thought the exclusion would prevent funding public restrooms. Testimony of Ken Strobeck, League of Oregon Cities, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A at 059-314.

On the other hand, Mr. Strobeck appeared to recognize a distinction between “tourism-related facilities” and funding local infrastructure such as sewers. He testified that new restrictions on how local governments could spend the revenue were not necessary, because local governments already were “spen[ding] [50 percent of the revenue from existing taxes] on tourism promotion, tourism facilities, with the other half \* \* \* on sewers, police, etc..., which are affected by tourist traffic.” Testimony of Ken Strobeck, League of Oregon Cities, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A at 278. In other words, while he appeared to want local communities to have the flexibility to spend more money on local

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infrastructure, such as sewers and roads, his testimony also appears to acknowledge that such spending is not funding a tourist-related facility.

The second non-legislator witness, Doug Riggs, representing the Central Oregon Cities Organization, testified that the exclusion was problematic because a city like Redmond might want at some future point to expand roads or sewers around the Deschutes County Fairgrounds, a facility that drew a lot of tourists, specifically to address the needs of the tourist industry. Testimony of Doug Riggs, Central Oregon Cities Organization, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A at 318-371.

At the end of the work session, the committee decided not to vote on any proposed amendments that day, but to attempt to work out a compromise. Testimony of various legislators, House Revenue Committee (HB 2267), July 23, 2003, tape 224, side A at 371-497. The resulting compromise was the removal of the express exclusion of “roads, other transportation facilities, [and] sewers or sewer plants” from the definition of “tourism-related facility.” The definition otherwise remained the same. HB 2267, § (1) (9) (a) – (c), (-19) (2003).

After that change, when discussing the specific types of facilities that they intended “tourism-related facilities” to include, legislators mentioned the types of roads and sewers as follows. In the work session on August 12, 2003, Representative Barnhart stated that: “I am especially pleased that we left out the piece on sewers and such. I can imagine putting in a restroom in a park might very well be a substantial promotion of tourism and, of course, that involves sewer lines among other things.” Testimony of Representative Barnhart, House Revenue Committee (HB 2267), August 12, 2003, tape 241, side A at 031-113. Second, in the House Floor Debate, Chair Shetterly stated that “improvements and access to natural resources and recreational facilities” could very well fall under the definition of “tourism-related facility.” Statement of Chair Shetterly, House Floor Debate (HB 2267), August 19, 2003, tape 177, side A at 211. Representative Farr agreed. Statements of Chair Shetterly and Representative Farr, House Floor Debate (HB 2267), August 19, 2003, tape 177, side A at 237.

In sum, the history shows that the legislature did not intend to categorically exclude roads, sewers, sewer plants, and other transportation facilities from the definition of “tourism-related facilities.” If a specific road or sewer, etc., meets the criteria in ORS 320.300(9)(b), including having a substantial purpose of supporting tourism or accommodating tourist activities, it would qualify as a “tourism-related facility.” But legislators cited only three very limited types of roads and sewers that might qualify: roads that provide access to natural and recreational facilities, other improvements to recreational facilities, which could include sewers, and a restroom in a park. Those types of roads and sewers either are part of tourist attractions or directly serve them. In that sense, those facilities might “draw” tourists to the extent that the attraction itself draws tourists. No legislator stated any intent to include roads and sewers merely because they are used heavily by tourists. Consequently, the history suggests that the legislature may have intended local infrastructure such as roads and sewers to be “tourism-related facilities” only to the extent that they either are part of or directly serve tourist attractions.

For further clarification, we turn to the legislature’s discussion about the meaning of “substantial purpose.” First, Chair Shetterly explained that the change from a “primary purpose”



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test to a “substantial purpose” test was a compromise that benefited local governments by giving them more flexibility. Testimony of Chair Shetterly, House Revenue Committee (HB 2267), July 23, 2003, tape 224, side A at 010-497. In other words, “substantial purpose” was a lesser standard than “primary purpose.” Accordingly, the legislative history on that point is consistent with the context, which also suggests that “substantial” was not intended to mean the primary or chief purpose of the facility.

But no legislator provided a definition of “substantial purpose” and there appeared to be considerable confusion amongst the legislators about what facilities would meet that test. Rather than clarifying the meaning of “substantial purpose,” Chair Shetterly attempted to demonstrate the legislature’s intent by describing on the record the kinds of facilities that were meant to be included. Other legislators appeared to agree with his assessment, although Representative Barnhart appeared to intend the definition to be interpreted as broadly as possible. The following are excerpts of legislators’ statements from the time that the “substantial purpose” language was introduced to statements made during the House floor debates. We begin with committee discussions following the introduction of the “substantial purpose” language on July 23, 2003:

CHAIR SHETTERLY: I will say on the record that I think the Hult center, *because it accommodates the Bach Festival, and when it is not accommodating the Bach Festival, there is the Eugene Opera and there are concerts that are advertised and I know I have traveled several times to events at the Hult Center.* I think that there is no doubt in my mind that the Hult Center and other *regional facilities that bring people in are going to qualify under the substantial purpose test.* Keller Auditorium. I don’t know how many times a year I am up at the Keller Auditorium in Portland and I live more than 50 miles from Portland, and *I’ll bet that you’ve got a substantial number of people who are in there every time there is a show that live more than 50 miles away. I think those are the facilities that in fact do come under the substantial purpose test \* \* \** which is, again, exactly why it has been such a difficult test for the lodging association and the proponents of the Bill to move towards. \* \* \* And I think Brownsville, the Brownsville Museum, or some of those kinds of things, if those are even owned or funded by municipalities I think those would qualify. *Again, I have traveled to the Brownsville Museum on several occasions to see them [sic]. They have a sign by the freeway that draws people in off the freeway and I am sure that that would qualify under any reasonable standard of “substantial purpose.”* So I think there is more flexibility than what you are granting in your testimony with that move toward the “substantial purpose” test.

\* \* \*

\* \* \* [A] convention center that we do have in Salem now, that *we have gatherings of statewide organizations on a regular basis \* \* \* would qualify as a substantial purpose[.]*

REPRESENTATIVE SCOTT: \* \* \*. We talk about, Doug you have spoken to the Redmond facility and everyone is talking about how *folks come to these* and

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where they get the money to operate these. And now we are talking about the tourism industry that collects a tax and should that bear the burden of the facility. ***I think we need to look at really how many people affect those facilities, wherever they may be.***

\* \* \*

REPRESENTATIVE FARR: You know, we have had Mr. Chair, you placed on the record during this discussion that you feel that “substantial” includes the Hult Center and “substantial” includes the Deschutes facility and the Astoria facility and I think that placing that on record goes a long way to the interpretation of the intent of the amendments and the intent of the language of this bill.

\* \* \*

REPRESENTATIVE WILLIAMS: \* \* \*. My own concern that the “substantial” language modifying the word tourism in that sentence still creates in my mind some question as to whether some of the facilities that have been discussed today would, in fact, be protected.

Testimony of various witnesses, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A, 380-400, tape 223, side B 300-436; tape 224, side A, 010-497, and tape 224, side B, 010-070 (emphasis added).

The following are excerpts from the committee work session on August 12, 2003 following the removal of language expressly excluding “roads, other transportation facilities, [and] sewers or sewer plants”:

CHAIR SHETTERLY: There was concern still about the language of “substantial purpose” and what kind of facilities [would meet that test.]

\* \* \*

I just want to confirm my inclination for the record that these are the kinds of things that we would be looking around [at] statewide: performing arts centers, we talked about the Hult Center, I think your convention center in Salem that might not qualify as a convention center within the specific language of the statute, ***but that nevertheless was designed to facilitate statewide conferences and conventions***, I think would be one that would fall under that substantial purpose test. I can see recreational facilities, improved recreational facilities, performing arts centers, cultural facilities, ***those kinds of things would be my intent as long as you have folks coming in from out of the area and can establish that there is a substantial number of those, whatever that is. That is going to be a locally-driven test, but I think there is flexibility on all sides.***

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REPRESENTATIVE BARNHART: \* \* \* I was in Pennsylvania a few weeks ago for a family reunion and one of the things that we did while we were there was to visit some sights in the little town that the Barnhart family came from. Among the things that we saw were historical houses; there is a genealogy library set up as part of the county library there and, of course, parks, historical railroad stations, and a variety of other things. It seems to me that within the right context all of those might be considered to be tourist, might be facilities that support tourism or accommodate tourist activities. After all, while we were there, we spent money in the local restaurants and in lodging and so forth in Pennsylvania. *So, I think and I hope that this is considered to be a very broad definition. I am especially pleased that we left out the piece on sewers and such; I can imagine putting in a restroom in a park, might very well be a substantial promotion of tourism and, of course, that involves sewer lines among other things.* I think, otherwise, the Chair has mentioned most of the areas, most of the issues that I am interested in. *It is hard for us to know all of the things that bring tourists to town and I hope that anyone interpreting this language will interpret it very, very broadly.*

REPRESENTATIVE FARR: \* \* \* I just want to make sure that the understanding [is] that, for instance, fairgrounds are included in tourism facilities.

CHAIR SHETTERLY: Well, I guess my thinking would be that they are not excluded. Again, I think it is going to be a facility-by-facility test and, *depending on the nature of the crowd that comes, I think they very well could be.*

Testimony of various legislators, House Revenue Committee, August 12, 2003, tape 241, side A, 031-113 (emphasis added).

Following that discussion, the committee unanimously voted to send the bill to the floor with a do pass recommendation. These statements followed in the House floor debate:

CHAIR SHETTERLY: As you know, if you followed this Bill, one of the most contentious issues was the element of the rumination on the use of new tourism tax dollars by local communities.

\* \* \*

Examples of a tourism-related facility that local communities can fund out of their 70 percent share that is restricted under this bill would include such things as the Hult Center in Eugene. *That draws and has the substantial purpose of attracting tourists to the Eugene community.* Keller Auditorium in Portland. I know my wife and I travel up there as often as we can. We are tourists under the definition of this Bill. And even here in Salem, the planned convention and conference center that's *going to be drawing conferences from around the state; statewide conferences and meetings. Those are the kinds of facilities at the*

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*local level that would fall under this tourism facility.* County fairgrounds could very well fall under this definition as well as *cultural and historical facilities that draw people from elsewhere in the state. And also, improvements and access to natural resources and recreational facilities.* There is flexibility in this for local communities and, at the same time, there is a guarantee that to the extent that flexibility is used, *it is going to be used for facilities that draw tourists and that have as their substantial purpose that tourism promotion[.]*

REPRESENTATIVE BARNHART: One of the key issues in this was the repeated working and reworking of what it was that cities and counties could spend any new transient room taxes that they might raise on and whether, not going into the specific details of what we ended up with in the bill, except to say that, as we worked through this, we came to realize that the *cities and counties needed to have a very broad definition of what is was that they were going to be allowed to spend the 70 percent of their new or expanded tax that had to be spent on tourism promotion or tourism-related facilities.* The “*substantial purpose*” which is referred to in the bill having to do with tourism-related facilities turned out to be a very important phrase for us as we worked on this bill, because it *deals, of course, with not only facilities that are designed to primarily draw tourists, but facilities which are useful to the local community to do local things, but also, as a part of their operation and nature, will have a substantial purpose of supporting tourism and accommodating tourist activities.*

\* \* \*

[While in Pennsylvania] we visited \* \* \* a couple of local museums and the library. And, as the committee dealt with this issue of “substantial purpose” I would submit, and I believe the other committee members would agree that those facilities, small facilities that they were, *because they do in fact draw tourists from far away*, that they have, along with other reasonable purposes, they have a “substantial purpose” of supporting tourism or accommodating tourist activities.

Testimony of Chair Shetterly, House Floor Debate, August 19, 2003, tape 177, side A at 211 (emphasis added); Testimony of Representative Barnhart, House Floor Debate (HB 2267), August 19, 2003, tape 176, side B at 09 (emphasis added).

That history demonstrates that the types of facilities that legislators intended to include were things like performing arts centers, convention centers and other facilities that, by their nature and operation draw “substantial numbers” (a locally-driven and flexible test) of tourists to the community.<sup>2/</sup> Roads and sewers, while they do serve tourists, do not, by their nature and operation, draw tourists.

But the legislative history also is clear that legislators did not want to exclude roads and sewers from the definition; the only possible conclusion to be drawn from that fact is that they believed that at least some types of roads and sewers would qualify. Legislators mentioned three that might: “improvements and access to natural and recreational facilities” and “a restroom in a park.” Those facilities might be said to draw tourists as they are part of the infrastructure of a

Todd Davidson  
November 14, 2008

tourist attraction or directly serve a specific tourist attraction. No legislator expressed an intent to include local infrastructure that does not have that direct nexus to a tourist attraction simply because it is used heavily by tourists. The legislature likely intended local governments to use their 30 percent unrestricted funds to pay for those facilities.

### CONCLUSION

We conclude, based on the text, context and history of ORS 320.300(9) and ORS 320.350(5) and (6) that the legislature most likely intended local roads, sewers, sewer plants, and transportation facilities to qualify as “tourism-related facilities” only if they drew tourists in themselves, directly serve a specific tourist attraction (such as an access road), or are part of the infrastructure of a specific tourist attraction (such as a restroom and the on-site sewer line). The legislature most likely did not intend “tourism-related facilities” to encompass roads and other infrastructure simply because they are used, even heavily, by tourists as well as locals.

Sincerely,

Donald C. Arnold  
Chief Counsel  
General Counsel Division

DCA:JTM:AEA:mcg/645803

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<sup>1/</sup> At the beginning of the work session, Chair Shetterly mentioned a July 1, 2003 memo that he had circulated to the committee that “addressed changing ‘primary’ to ‘substantial.’” Testimony of Chair Shetterly, House Revenue Committee (HB 2267), July 23, 2003, tape 223, side A 006-022. That memo is not included in the legislative history materials and the Office of Legislative Counsel does not have a copy of that memo in its file, so we do not know what discussion, if any, it contained about the reason for the change from “primary purpose” to “substantial purpose.” The only memo from Chair Shetterly to the committee members concerning that change is dated July 23, 2003 and it merely tells committee members about the change without explaining the reason for it. Minutes, House Revenue Committee (HB 2267), July 23, 2003, Exhibit 4.

<sup>2/</sup> There was no discussion of visitor information centers which aid tourism spending by disseminating information, likely because those facilities are unique and fit within the categorical statutory definition.

# Local Lodging Taxes:

## Legal Requirements and Changes Needed

Taxes: ORS 320.300 – 320.990

Tourism Commission: ORS 284.101 – 284.146 and OAR 976-001-0010 *et seq*

Local: City/County adopted ordinances, charters

Wendy Johnson

Intergovernmental Relations Associate, League of Oregon Cities  
(Tax, Finance & Economic Development Portfolio)

# Local Lodging Tax.... Basic Facts (1)

- Lodging taxes are a **local option** & rate is set by city/county
- 2015 report counted **85** of the 242 cities and **15** of the 36 counties with a local lodging tax.
- Tax must be computed on the **total retail price**. (ORS 320.350(7))
- Tax generally is a **percentage of lodging charges** incurred by the customer. (Some may do a flat fee.)
- Today, tax rate ranges are **2% to 13.5%**. (Most are 6-9%.)



# Local Lodging Tax...Basic Facts (2)

- Subject to tax: Facilities that are taxed vary by jurisdiction but most seem to apply state definitions and exemptions. (Exemption of private rental houses seems most common. Some prohibit short term residential rentals.)
- Timing: Collection schedule requirements are set by local jurisdiction- some are *quarterly* and some are *monthly*.
- Where to file: File with taxing district. However, some counties and cities have agreements to collect for each other or share revenues.
- Registration: Locals set own registration and/or licensing requirements for lodging providers and collectors of tax. Requirements vary.

# State regulation of local government: (1)

- Collector reimbursement charges: state imposed moratorium on existing local reimbursement charge provisions AND local governments that impose a new tax after Jan. 1, 2001 or increase tax after that date must allow a lodging tax collector at least a 5% deduction from taxes (ORS 320.345)
- Thus, reimbursement amount is highly variable around the state (0-5%+). Collectors get another 5% reimbursement from the state!

(This preemption occurred with 2003 legislation.)

# State regulation of local government: (2)

- Moratorium on use of local transient lodging tax revenues: may not decrease percentage of total TLT revenues that were actually expended or agreed to be expended to fund “tourism promotion” or “tourism-related facilities” as of July 2, 2003. (ORS 320.350)

Frozen at 2003 percentage  
dedicated to tourism!



- Exception: if local government financing debt with TLT revenues on Nov. 26, 2003, must continue to finance debt until retirement of debt.

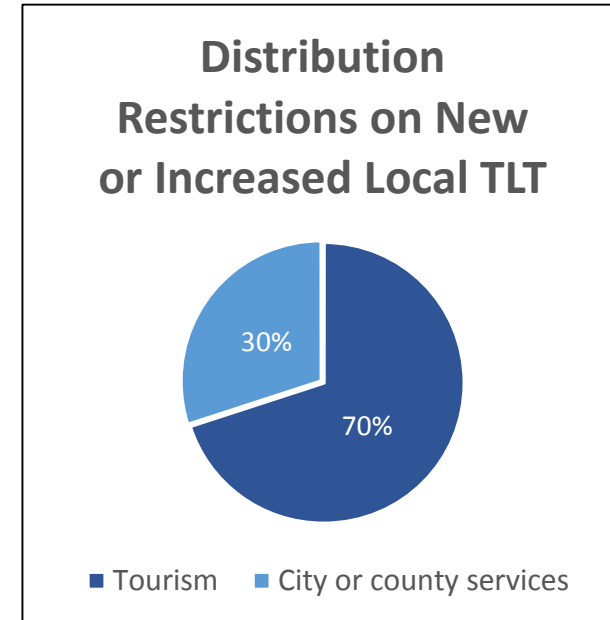
# State regulation of local government: (3)

If local government increases lodging tax or imposes a new tax (post-2003):

- 70% of net revenue from the new or increased tax shall be used for: “**tourism promotion**” or “**tourism-related facilities**” or finance/refinance debt of “tourism-related facilities”
- No more than 30% may used to fund **city or county services** (See 2008 AG opinion re local infrastructure qualification)

Thus, total percentage of local tax revenues that are restricted to tourism is highly variable around the state. (Need pre and post- 2003 percentages to figure out number)

(Preemptions on local revenue use occurred with 2003 legislation.)



## 4 Key Definitions: (ORS 320.300):

### #1

(7) “**Tourism promotion** ” means any of the following activities:

- (a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming **tourists**;
- (b) Conducting strategic planning and research necessary to stimulate future **tourism** development;
- (c) Operating tourism promotion agencies; and
- (d) Marketing special events and festivals designed to attract tourists.

## 4 Key Definitions: (ORS 320.300)

### #2

(9) “**Tourism-related facility**” means:

(a) A **conference center, convention center** or **visitor information center**; and

(b) Other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting **tourism** or accommodating **tourist** activities.

- Many cities and counties don't have a facility as defined by (9)(a)
- Subsection (b) is the catch-all for permitted use of revenues in the 70% category. It was intended to provide flexibility to cover roads, sewers, restrooms, etc. associated with tourism support. Still, it isn't as clear or as flexible as local governments would like. It has 3 components to qualify: 1) real property; 2) useful life of 10 or more years; and 3) substantial purpose of supporting tourism or accommodating tourist activities. (See 2008 AG opinion) (Complex!)

## 4 Key Definitions: (ORS 320.300)

### #3 & 4

(6) **“Tourism”** means economic activity resulting from tourists.

(10) **“Tourist”** means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person’s community of residence, and that trip:

(a) Requires the person to travel more than 50 miles from the community of residence; or

(b) Includes an overnight stay.



# State preemption on use of revenues has created basic services problems in some places

Prior to the state preemption, the

*“majority of spending in all regions was in the categories of general services, tourism facilities, and tourism marketing; the proportion of TLT revenues spent by category varied across regions in Oregon. Use of local TLT revenues to fund general services was highest in Central Oregon, Southern Oregon, the Oregon Coast, and the Columbia River Gorge. Jurisdictions in these regions may be more dependent on tourism and TLT revenues to fund basic services, as well as funding and promoting tourism.”*

-- ECONorthwest Report (2008)

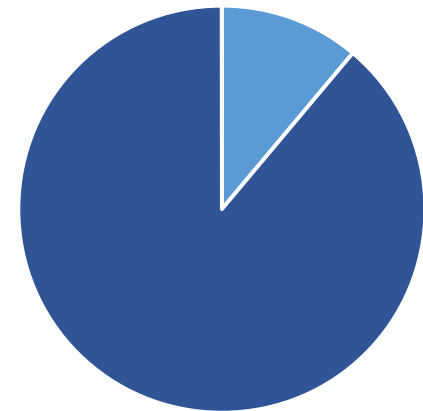
# Local Lodging Tax Revenues

- In FY 2014, local lodging tax revenue totals were approximately **\$136 million**—cities brought in just over \$87 million
- Local lodging tax receipts continue to increase around the state. Total receipts increased by 15.2% from FY 2013 to FY 2014.
- There was a significant total increase recently as the Tourism Improvement District in Portland began levying an additional 2% on lodging establishments with more than 50 rooms on October 1, 2012.

-- source 2015 Dean Runyan Report



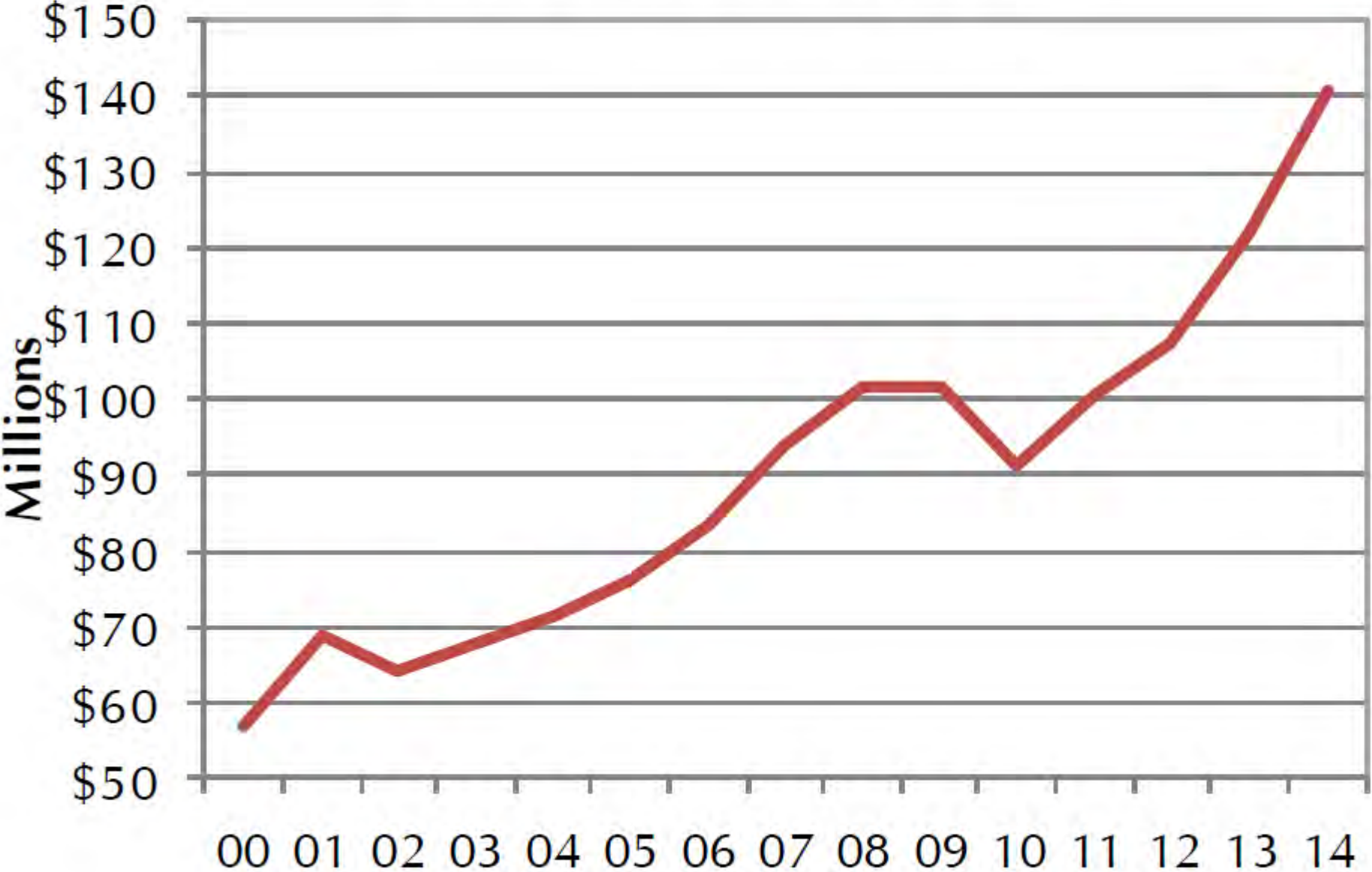
Estimated Yearly Lodging Tax Revenues



- State Lodging Tax Revenues- \$17 million
- Local Lodging Tax Revenues- \$136 million

# Oregon Local Lodging Tax Receipts

Fiscal Year ending June 30



Excerpt  
source:  
Oregon Travel  
Impacts 1991-  
2014, Dean  
Runyan  
Report, issued  
April 2015,  
prepared for  
Oregon  
Tourism  
Commission,  
page 213

Examples of Local Lodging Tax  
Revenues in three counties  
from 2004 to 2013:

### Local Lodging Tax Receipts by Jurisdiction

Fiscal Year ending June 30

Amounts in \$000

	Current Rate	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>DESCHUTES COUNTY</b>											
Bend	10.0%	2,502	2,799	3,107	3,303	3,427	2,938	2,960	3,280	3,524	3,888
Redmond	9.0%	388	406	463	493	509	436	458	504	503	533
Sisters	8.0%	146	184	213	224	267	280	275	288	308	331
Unincorporated	7.0%	3,017	3,056	3,231	3,304	3,511	3,270	2,960	3,139	3,258	3,691
<b>LINCOLN COUNTY</b>											
Depoe Bay	8.0%	348	390	441	403	401	378	457	453	473	505
Lincoln City	9.5%	2,796	3,138	3,083	3,438	3,704	4,417	4,352	4,260	4,234	4,514
Newport	9.5%	1,716	1,866	2,113	2,272	2,357	2,228	2,256	2,291	2,323	2,408
Waldport	7.0%	23	22	23	23	23	23	23	23	30	34
Yachats	7.0%	394	418	442	503	520	496	477	429	451	481
Unincorporated	9.0%	874	968	1,078	1,119	1,389	1,599	1,556	1,673	1,696	1,801
<b>MULTNOMAH COUNTY</b>											
Fairview	6.0%	51	40	39	39	43	38	38	39	45	49
Gresham	6.0%	427	442	469	556	616	563	455	495	605	664
Portland	8.0%*	13,325	14,170	15,964	17,527	19,647	23,572	16,512	19,143	21,359	28,747
Troutdale	6.95%	290	313	356	341	375	414	403	429	428	452
Wood Village	6.0%	68	84	84	98	105	100	85	89	97	105
County-Wide	5.5%	12,352	13,467	14,794	16,726	18,491	16,115	15,441	18,208	20,052	21,464
								18,208	20,052	21,464	27,435

Excerpt source: Oregon Travel Impacts 1991-2014, Dean Runyan Report, issued April 2015, prepared for Oregon Tourism Commission (See pages 214-218 for county/city details)





State Tax Stats (don't have local tax  
break down by accommodation type)

## Lodging Statistics by Accommodation Type

Table 1.1 - Annual Lodging Tax Receipts by Accommodation Type (Dollars)								
Calendar Year	Bed & Breakfast	Campgrounds & RV Sites	Hotel	Motel	Vacation Home	Lodging Intermediary	Multiple <sup>1</sup> & Other	Total
2005	165,577	266,056	4,722,575	3,054,408	268,347	N/A	612,573	9,089,536
2006	185,931	335,455	5,180,700	3,417,539	797,932	N/A	813,491	10,731,048
2007	206,764	349,773	5,703,323	3,671,511	904,703	N/A	870,570	11,706,644
2008	217,132	326,391	5,935,295	3,450,981	999,525	N/A	802,464	11,731,788
2009	191,207	333,024	5,262,565	3,089,753	963,954	N/A	693,885	10,534,389
2010	200,669	387,310	5,742,810	3,205,390	1,048,333	N/A	581,948	11,166,460
2011	200,859	361,438	6,237,208	3,277,140	1,131,626	N/A	607,507	11,815,778
2012	237,287	380,415	6,762,564	3,363,655	1,274,219	N/A	653,086	12,671,227
2013	252,920	432,088	7,456,848	3,584,728	1,283,448	64,592	704,972	13,779,597
2014	257,757	452,411	8,296,419	3,863,329	1,474,344	410,578	754,089	15,508,927
2015	276,343	491,958	9,403,850	4,039,527	1,669,100	1,153,382	763,642	17,797,802

Source: DOR Report (rev. April 2016)

[https://www.oregon.gov/DOR/programs/gov-research/Documents/state-lodging-report\\_604-005.pdf](https://www.oregon.gov/DOR/programs/gov-research/Documents/state-lodging-report_604-005.pdf)

Intermediary category is seeing largest growth.

# Tax Comparisons

## (property taxes and lodging taxes)

City	Revenue from Permanent Rate	Permanent Rate	Revenue from Bonds & Local Option	Revenue from Lodging Taxes
Gearhart	\$474,546	\$1.01	\$644,529 (\$1.37)	\$167,000
Lincoln City	\$6 million	\$4.10	\$1.3 million	\$5 million
Ashland	\$9.9 million	\$4.20	\$516,000	\$2.1 million
Bend	\$26 million	\$2.80	\$3.9 million	\$4.7 million
Hood River	\$2 million	\$2.81	\$527,000	\$1.2 million
Eugene	\$91.2 million	\$7.01	\$14.4 million	\$4 million
Astoria	\$5.5 million	\$8.17	\$0	\$1.3 million

Revenue resources and expenses vary by community. One size doesn't fit all.

# State Lodging Tax.... Basic Facts

- Lodging tax collectors must register with the Oregon Dept. of Revenue (ODOR).
- ODOR collects tax. Taxes must be paid quarterly and are due 30 days after end of quarter.
- Tax must be computed on the total full retail price.
- If you collect payment for transient lodging directly from customers, than you must collect and remit the state tax. (Includes OTCs and intermediaries)
- Lodging tax collectors are permitted to withhold 5% of the state lodging taxes collected to cover costs for record keeping, reporting and collecting the tax.



# State transient lodging includes:

Note: original 2003 definition was expanded in 2005 to include more than just hotels, motels and inns.

- Hotels and motels;
- Bed and breakfast facilities;
- RV sites in RV parks or campgrounds;
- Resorts and inns;
- Lodges and guest ranches;
- Cabins;
- Condominiums;
- Short-term rental apartments and duplexes;
- [Vacation rental houses](#);
- Tent sites and yurts in private and public campgrounds; and
- [Any other dwelling unit, or portion of a dwelling unit, used for temporary overnight stays. \(< 30 days\)](#)



# State lodging tax exemptions:

## Facilities:

- Health care facilities, including hospitals and long care facilities
- Drug/alcohol abuse treatment facilities
- Mental health treatment facilities
- Facilities that have < 30 days of rentals in a year
- Emergency temporary shelters funded by the government
- Nonprofit youth & church camps, conference centers and other qualifying nonprofit facilities

## Persons:

- Lodgers who spend > 30 days at the same facilities
- Federal employees on federal business

# State Lodging Tax Revenues



- 1.8% tax

## Distribution:

- At least **65%** to be used to fund state tourism\* programs (\*marketing deleted with 2016 bill)
- **10%** for matching grants, for projects that improve economic development of the visitor industry, which may include tourism-related facilities and tourism-generating events, including sporting events)
- **20%** must be used to fund a regional cooperative tourism\* program (marketing deleted with 2016 bill) (RCMP)
  - A regional allocation formula distributes revenues to regions, the boundaries of which are established by the Oregon Tourism Commission, in proportion to the amount of TLT revenues collected in each region. Commission has established 7 regions. (Note: Regions are different than the tax regions.)

## 2012

- Online companies sue Portland (to stop collection of city tax)

## 2013 Legislation (HB 2656--Effective October 7, 2013)

- Bill intended to require online travel companies to pay the state and local transient lodging tax on the **sale price** of the rooms they sell, rather than the **discounted price** at which they contract for rooms.
- In addition, intermediaries required to **pay tax directly** rather than forwarding tax to the lodging provider. That is, "tax shall be collected by the transient lodging tax collector that receives the consideration rendered for occupancy of the transient lodging."

## November 2013

- Online companies sue State of Oregon (DOR) in Oregon Tax Court over HB 2656 (legality of tax on intermediaries)

## 2014

### AIRBNB

- Portland agreement, July 2014
- DOR payments begin, September 2014
- Washington County agreement, effective July 1, 2016



## 2015

Settlement in online companies' case against State of Oregon (DOR)

## October 2015

- Some OTCs first start paying tax directly to DOR and some local governments after years of dispute. Some litigation/difference in practice continues. Letter sent to may cities and counties. Back taxes paid from October 7, 2013 to present in some cases.



## Intermediaries.... (Oregon law from 2013 to present)

**Definitions:** (Apply to State and Local TLT):

**“Transient lodging intermediary”** means a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging. ORS 320.300(12)

**“Transient lodging provider”** means a person that furnishes transient lodging. ORS 320.300(13)

**“Transient lodging tax collector”** means a transient lodging provider or a transient lodging intermediary. ORS 320.300(14)

**State TLT:**

“The tax shall be collected by the transient lodging tax collector that receives the consideration rendered for the occupancy of the transient lodging.” ORS 320.305(1)(c)

“Every transient lodging tax collector is responsible for collecting the tax imposed under ORS 320.305 and shall file a return with the Department of Revenue, ....” ORS 320.315(1)

**Local TLT:**

“The tax shall be collected by the transient lodging tax collector that receives the consideration rendered for the occupancy of the transient lodging.” ORS 320.350(7)(b)

## Intermediaries continued....

In 2013, the Legislative Assembly (HB 2656) clarified circumstances under which a transient lodging intermediary rather than a lodging provider would be the entity responsible for collecting and remitting transient lodging taxes. A transient lodging intermediary is defined as “a person other than a transient lodging provider that facilitates the retail sale of transient lodging and charges for occupancy of the transient lodging.” Transient lodging intermediaries include online travel companies, travel agents, and tour outfitter companies, among others. The Legislature determined that the entity collecting the payment from the customer is the entity required to collect and remit the tax. Further, the law emphasized that the tax is computed on the *total retail* price paid by the final customer, regardless of whether an intermediary has first paid a lower wholesale price to the provider. These legislative changes became effective on October 7, 2013.

Source- DOR Report (rev. April 2016)

Problem: the legislature’s intent in 2013 is still not being carried out. The legal requirements are still being debated. Most local governments have not received taxes from many intermediaries or are not receiving information requested for tax verifications.

# Changes NEEDED:

- Provide funding for DOR auditing and enforcement of TLT; zip code and property detail
- Allow DOR to collect local lodging taxes if local government enters into IGA (ORS 350.620)
- Revise state/local reimbursement fees– lower or eliminate 5% deduction requirements
- Allow sharing of information between DOR and locals (need exception to ORS 320.340)
- Fix filing requirements for OTCs
- Fix recreational immunity on public lands (Johnson v. Gibson)
- Lift preemptions on local lodging tax revenue restrictions & allow local control– one size doesn't fit all
  - Short of that:
    - Eliminate or revise the pre-2003 frozen percentage dedicated back to tourism
    - Eliminate or lower the 70/30% revenue split on new/increased taxes
    - Expand the definitions of “tourism promotion” and “tourism-related facility” that apply the 70/30% definitions to cover: roads, public safety, water/sewer, events & beautification that is visitor industry related (less marketing focused)
- Increase infrastructure funding for cities– revenue reform, grants (OBDD), etc.





# STATE OF OREGON

## Tourism and Oregon's Economy

July 11<sup>th</sup>, 2016

Oregon Office of Economic Analysis

Mark McMullen

Josh Lehner



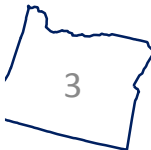
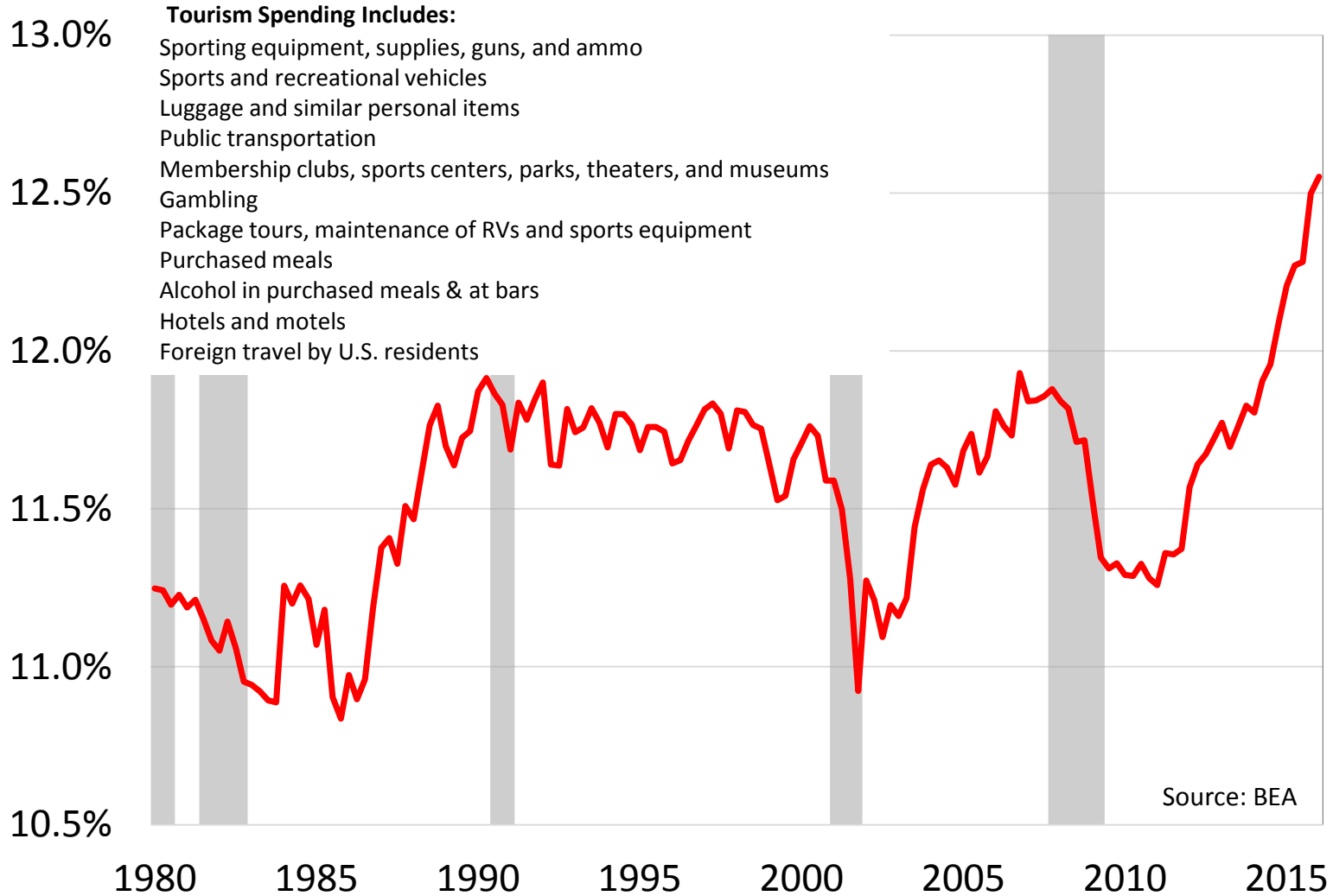
**STATE OF OREGON**

# Macro Trends



# Hitting the Road

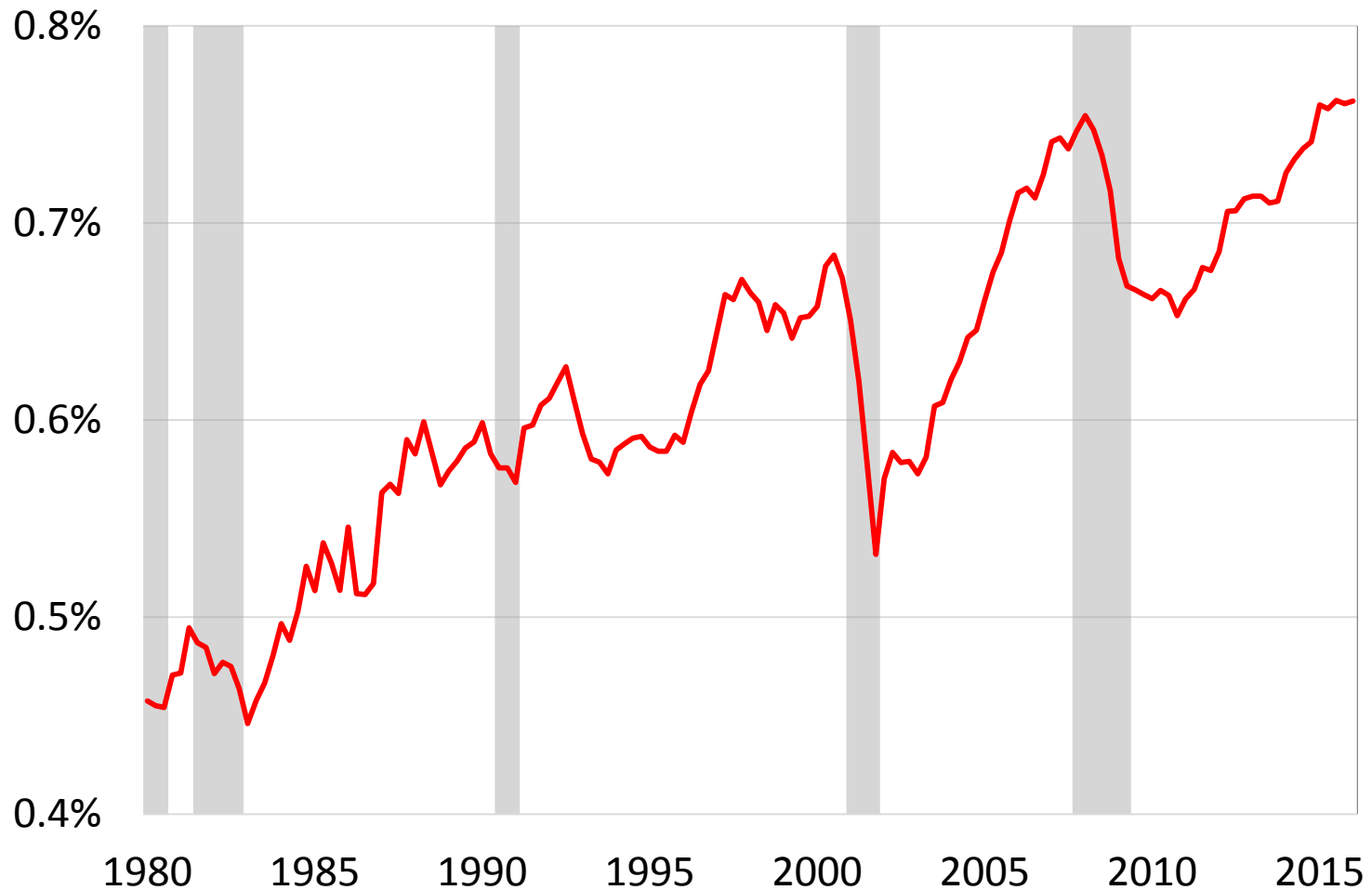
## Tourism Share of Personal Consumption Expenditures, %





# Hotel & Motel Spending

## Hotel & Motel Share of Personal Consumption Expenditures, %





**STATE OF OREGON**

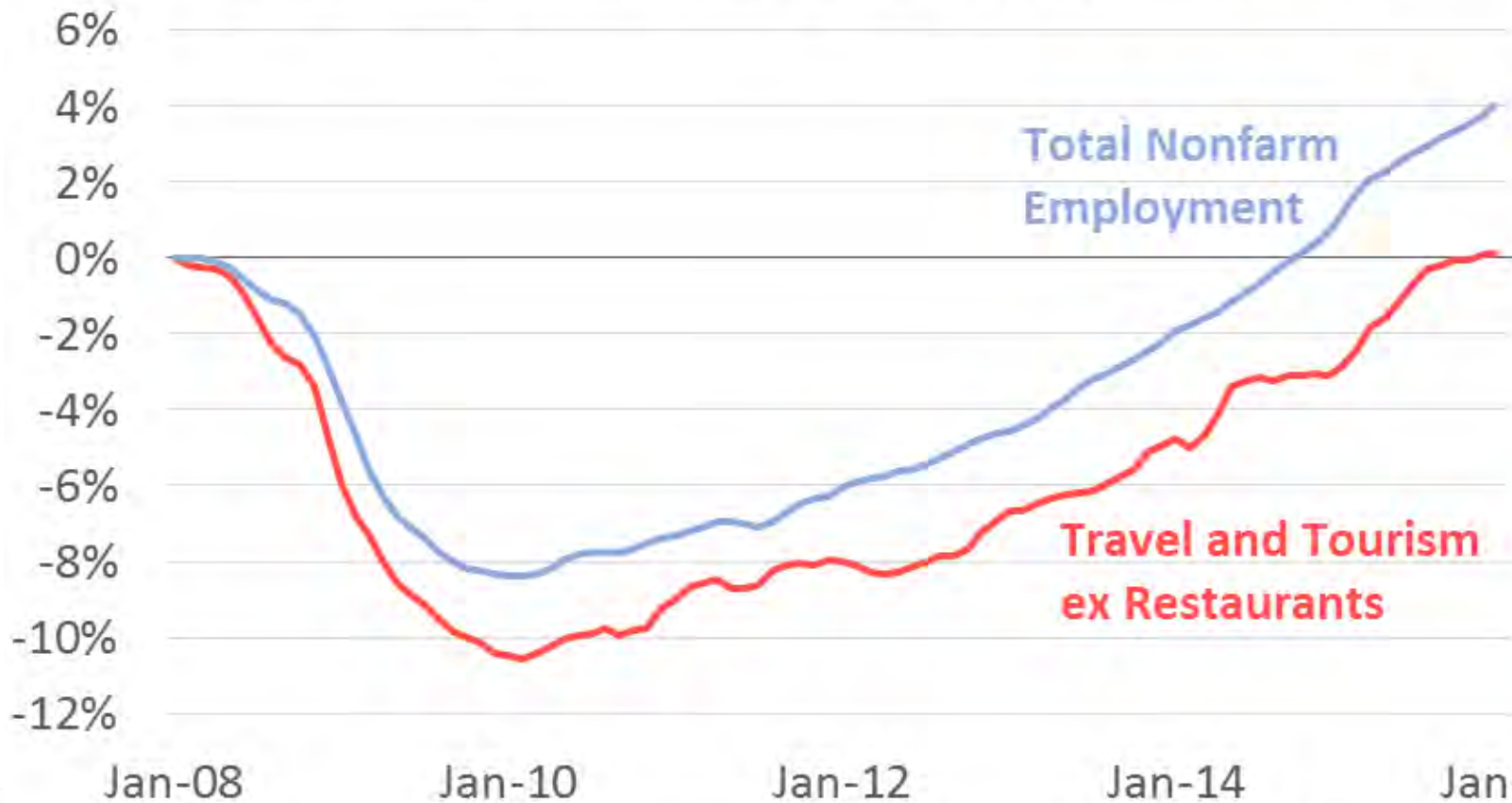
# Oregon Trends



# Back to Peak Employment

## Travel and the Great Recession

Oregon Employment Change from Pre-Recession Peak

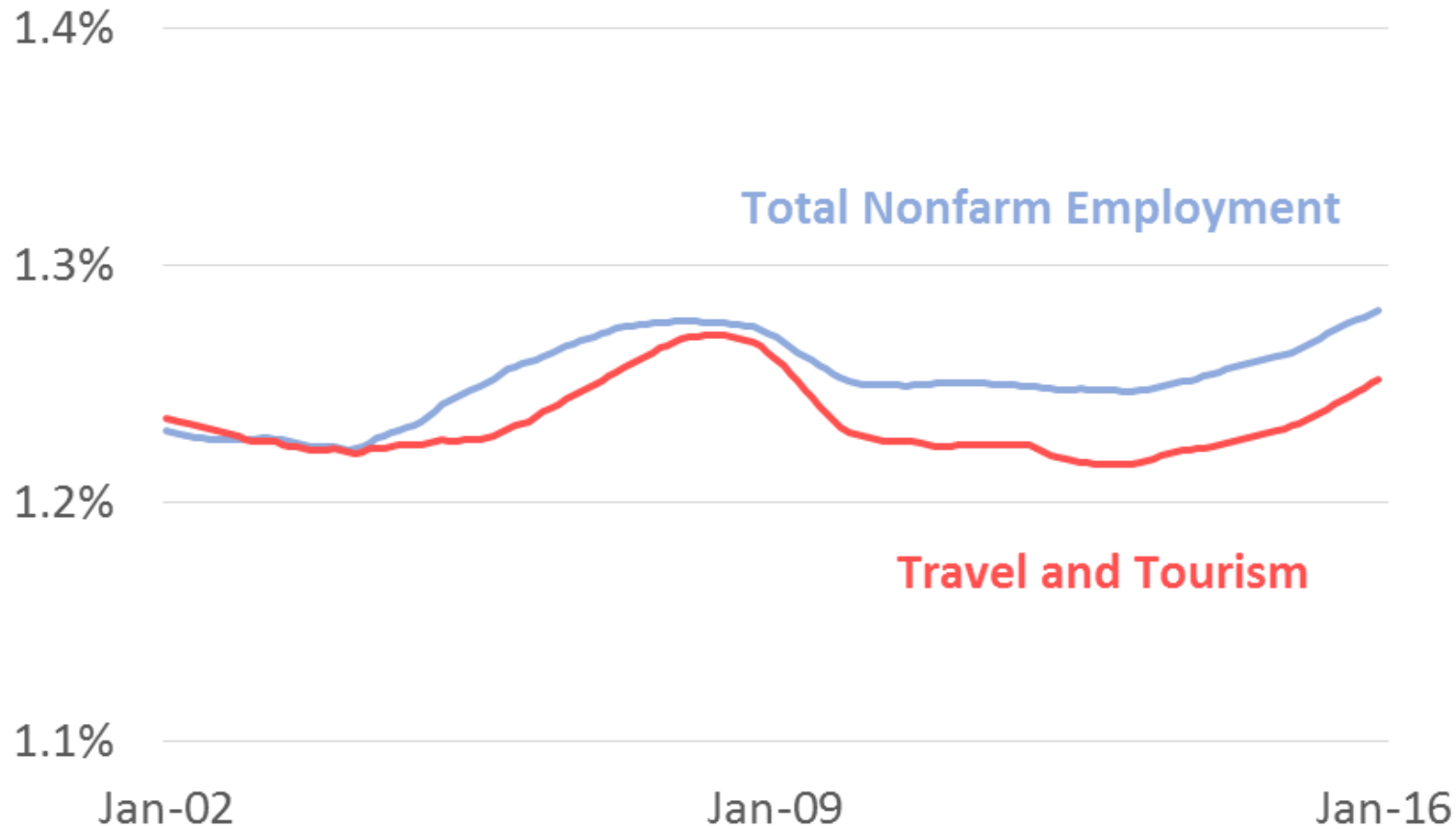




# Oregon Boom & Bust

## Oregon in Perspective

Oregon as a Share of U.S. Employment







# STATE OF OREGON

## Regional Overview



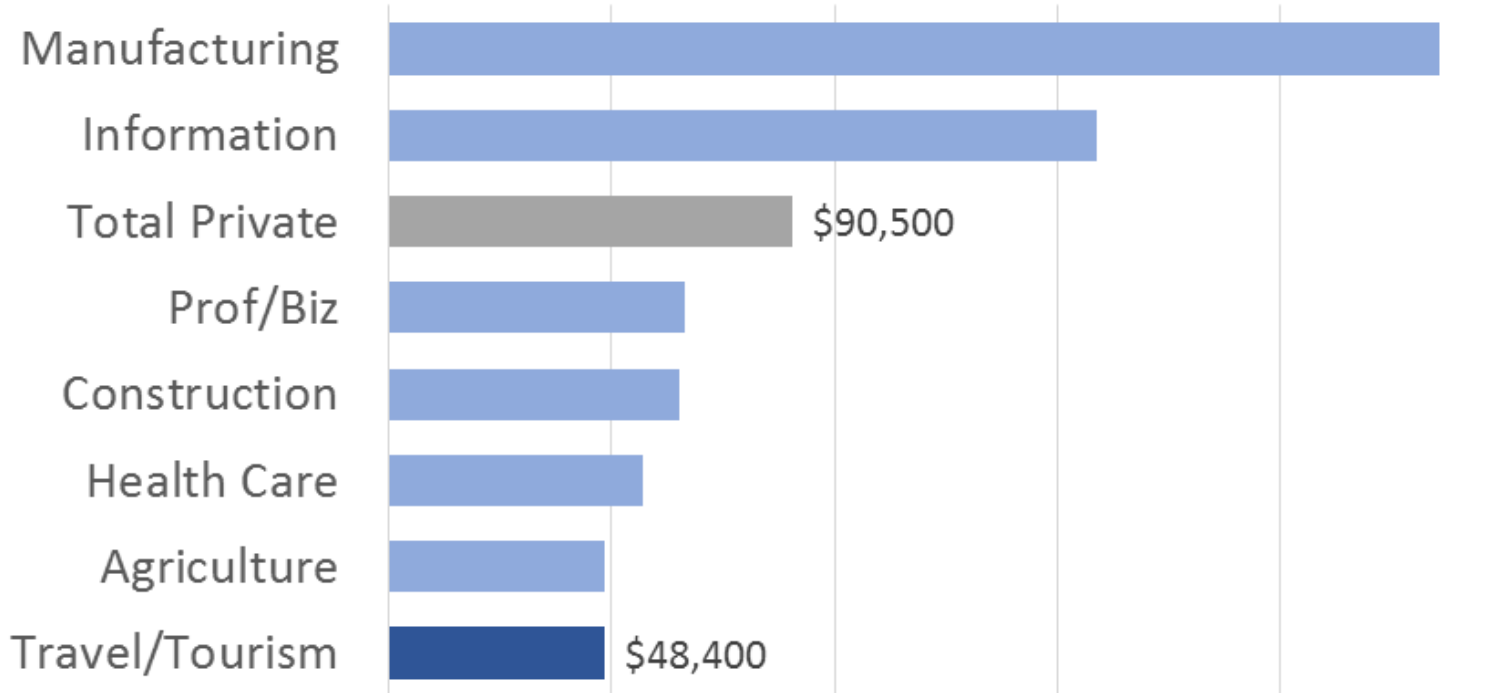
# Manual Work is Low Productivity

## Oregon Value-Added Per Worker

2014 State GDP and Employment Data

Thousands

\$-      \$50      \$100      \$150      \$200      \$250

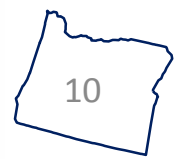
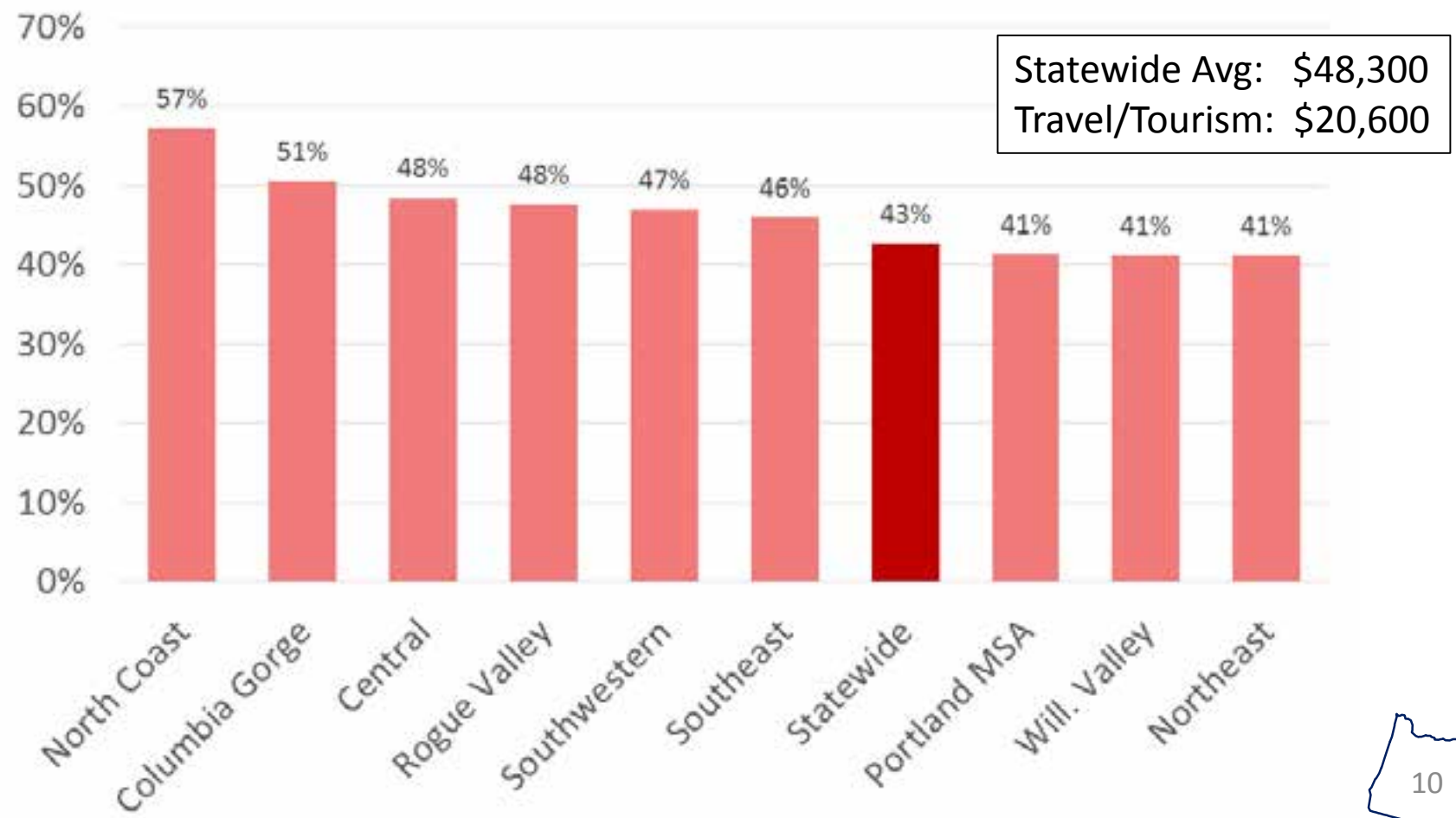




# Result is (Very) Low Wages

## Travel and Tourism Average Wages by Region

Share of Local Average Wage, 2015

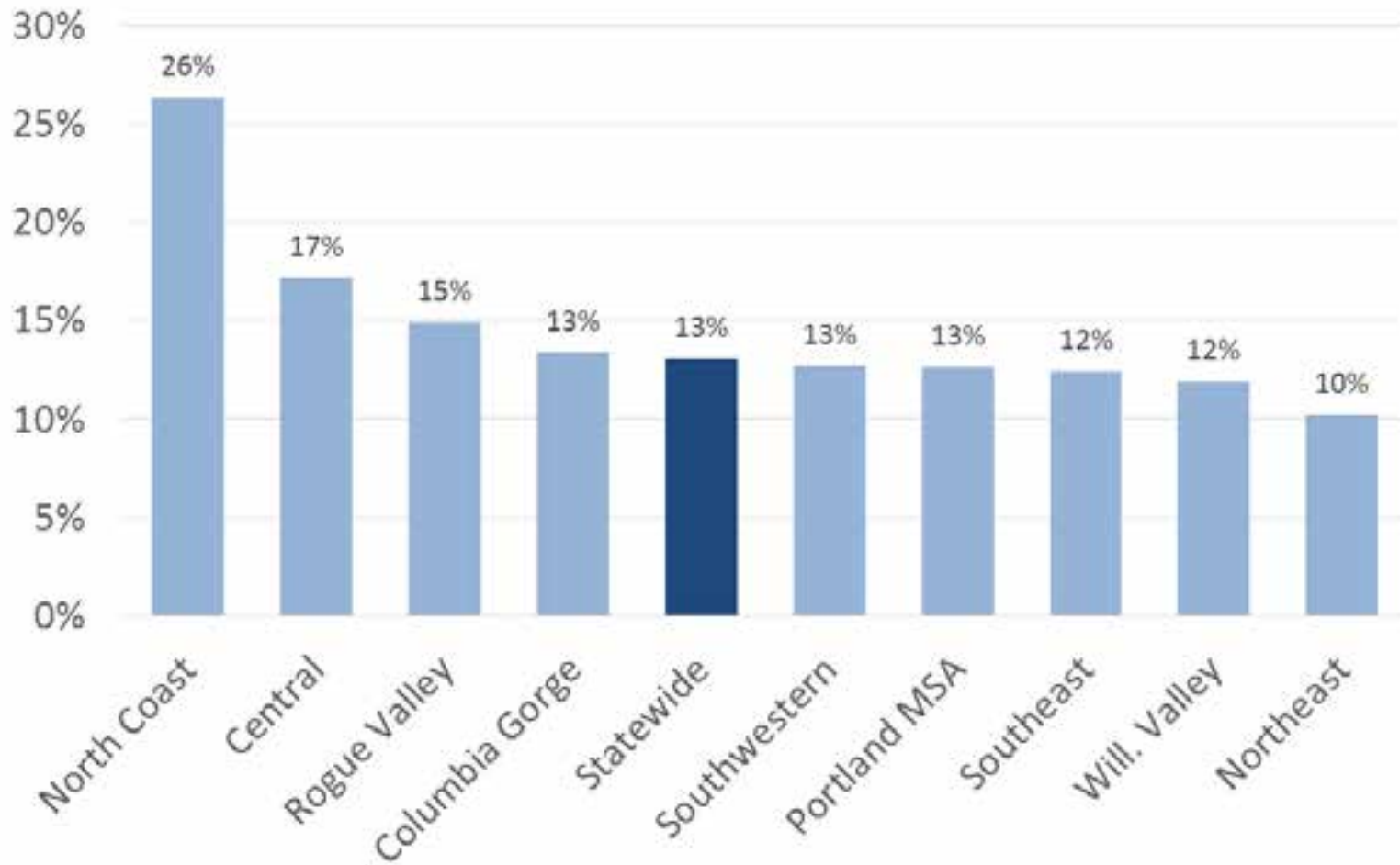




# Large Employment Sector

## Travel and Tourism Employment by Region

Share of All Local Employment, 2015

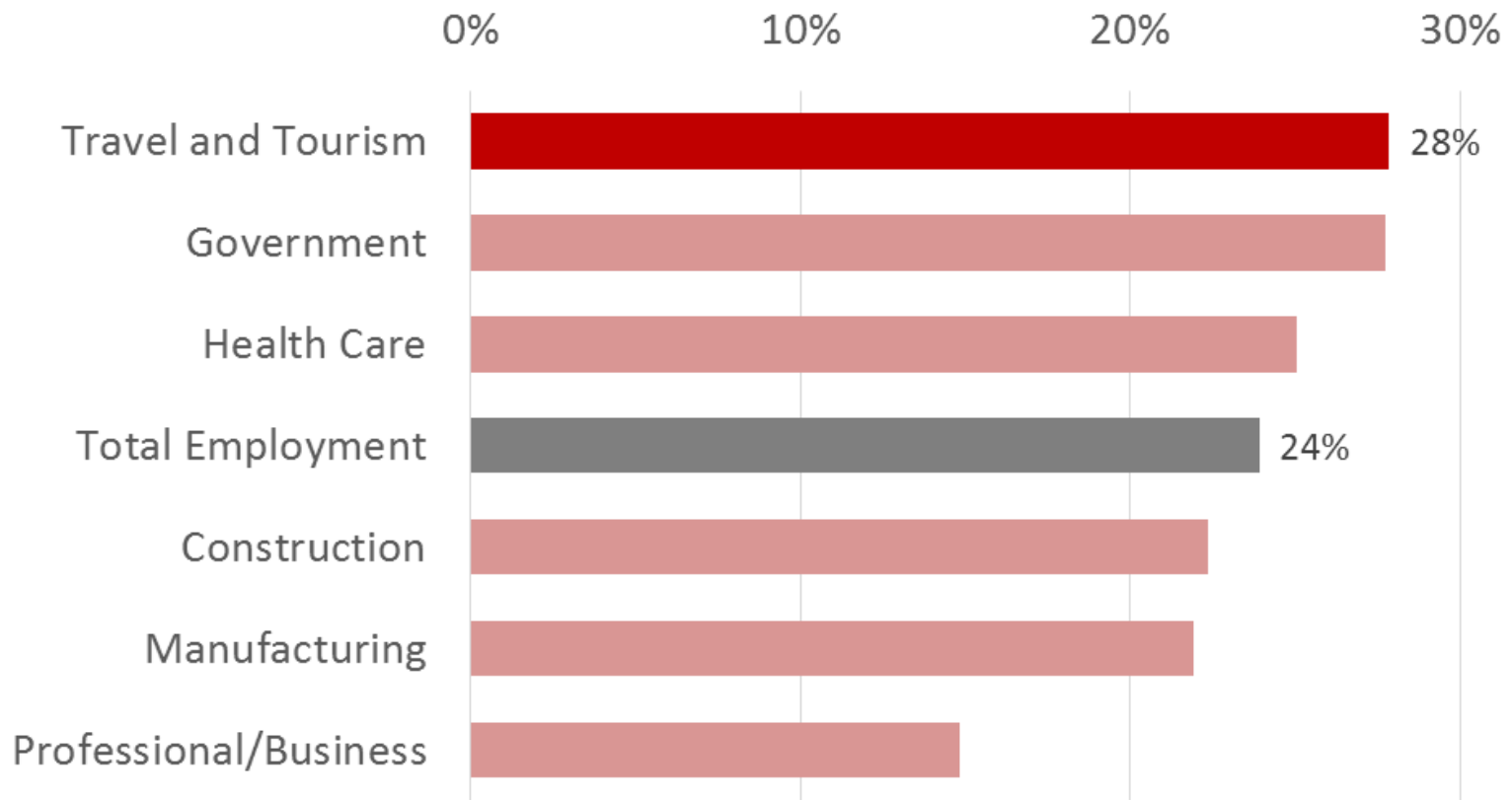




# Spread Throughout the State

## Geographic Footprint is Large

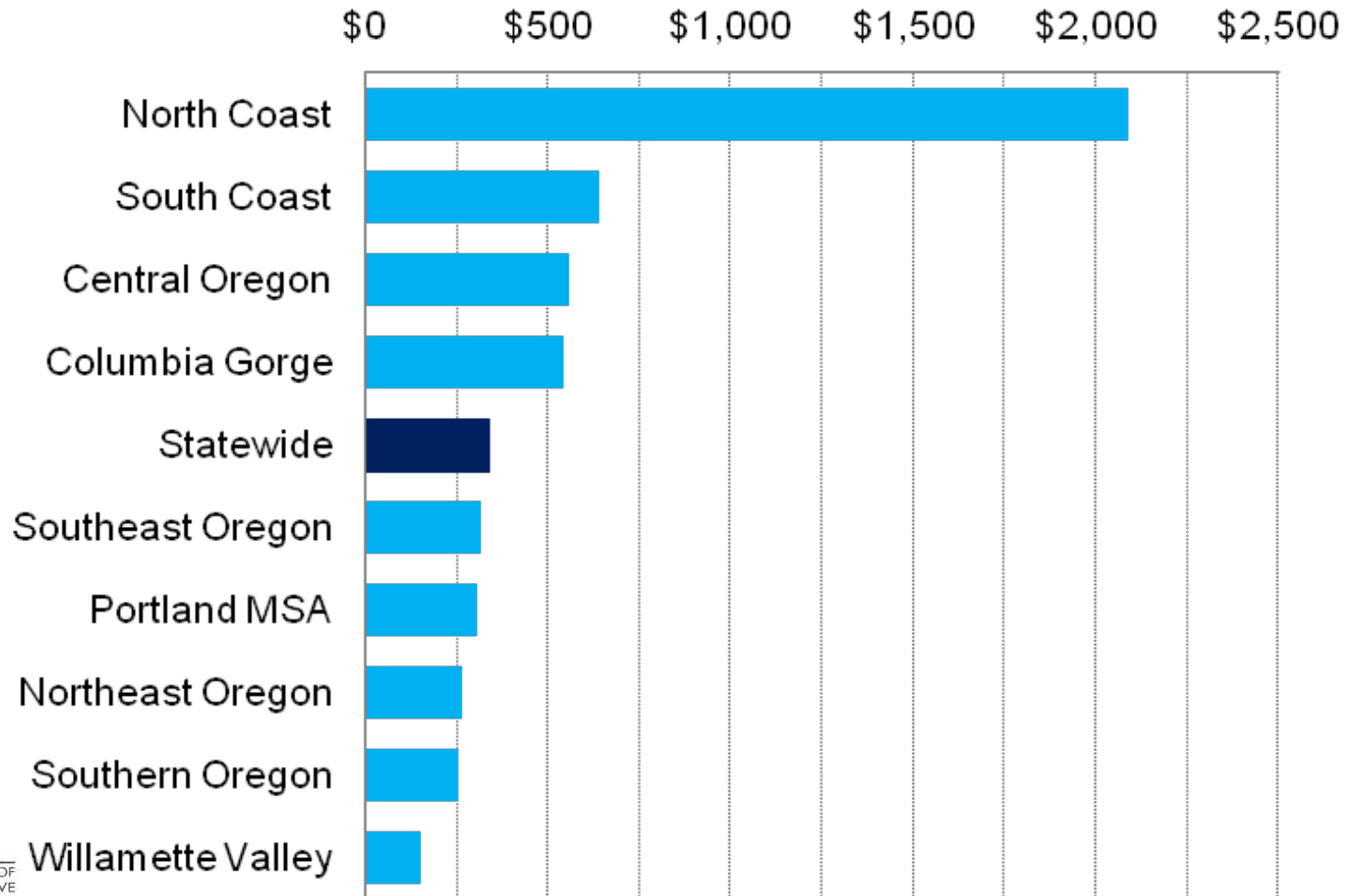
Share of All Oregon Jobs by Sector that are Outside of the Portland Metro and the Willamette Valley





# Can Be Very Important Sector

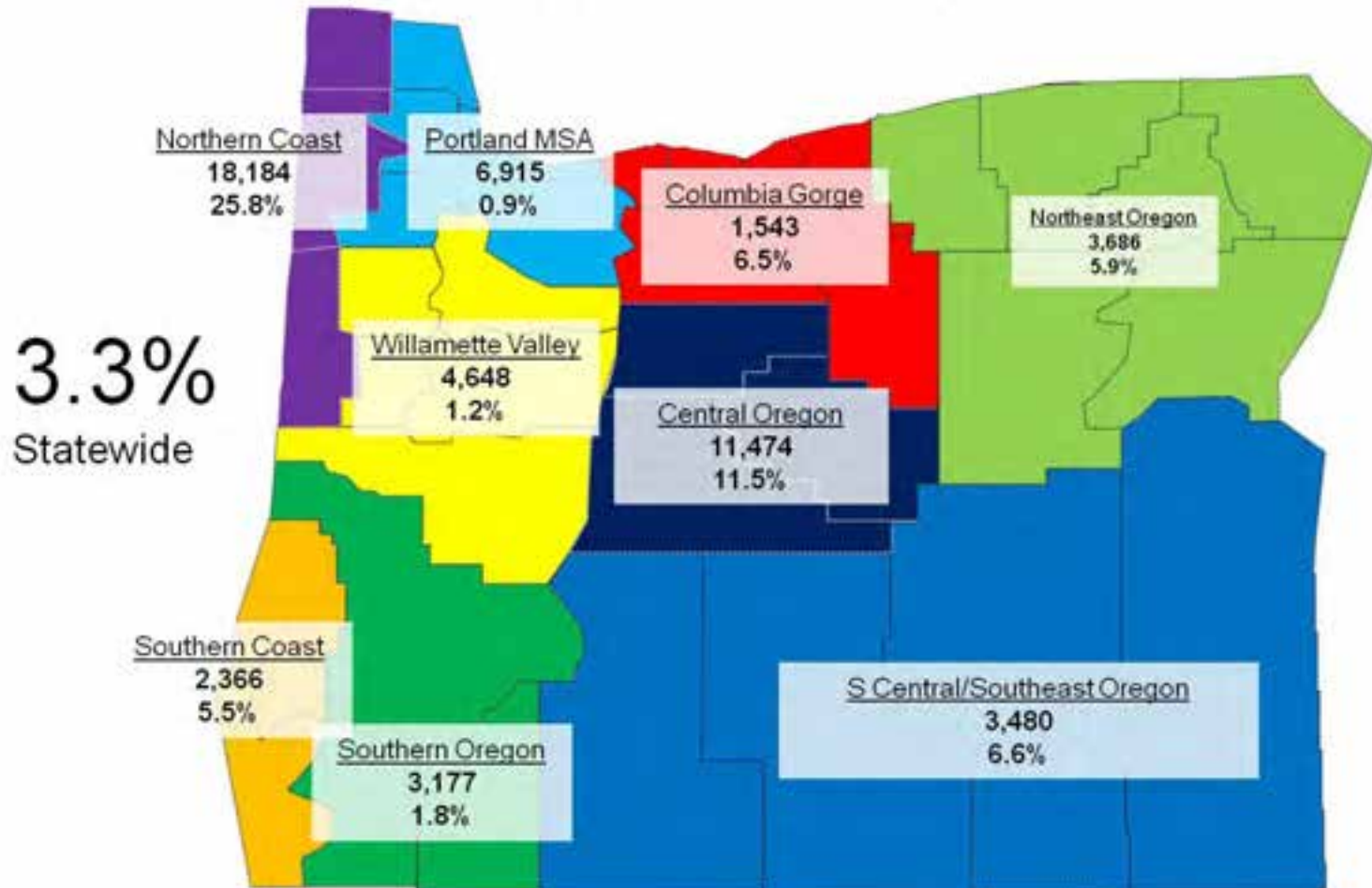
## Taxable Lodging Sales per Capita, 2012





# Broader Impacts Too

## Share of Housing Units Vacant for Seasonal, Recreational or Occasional Use







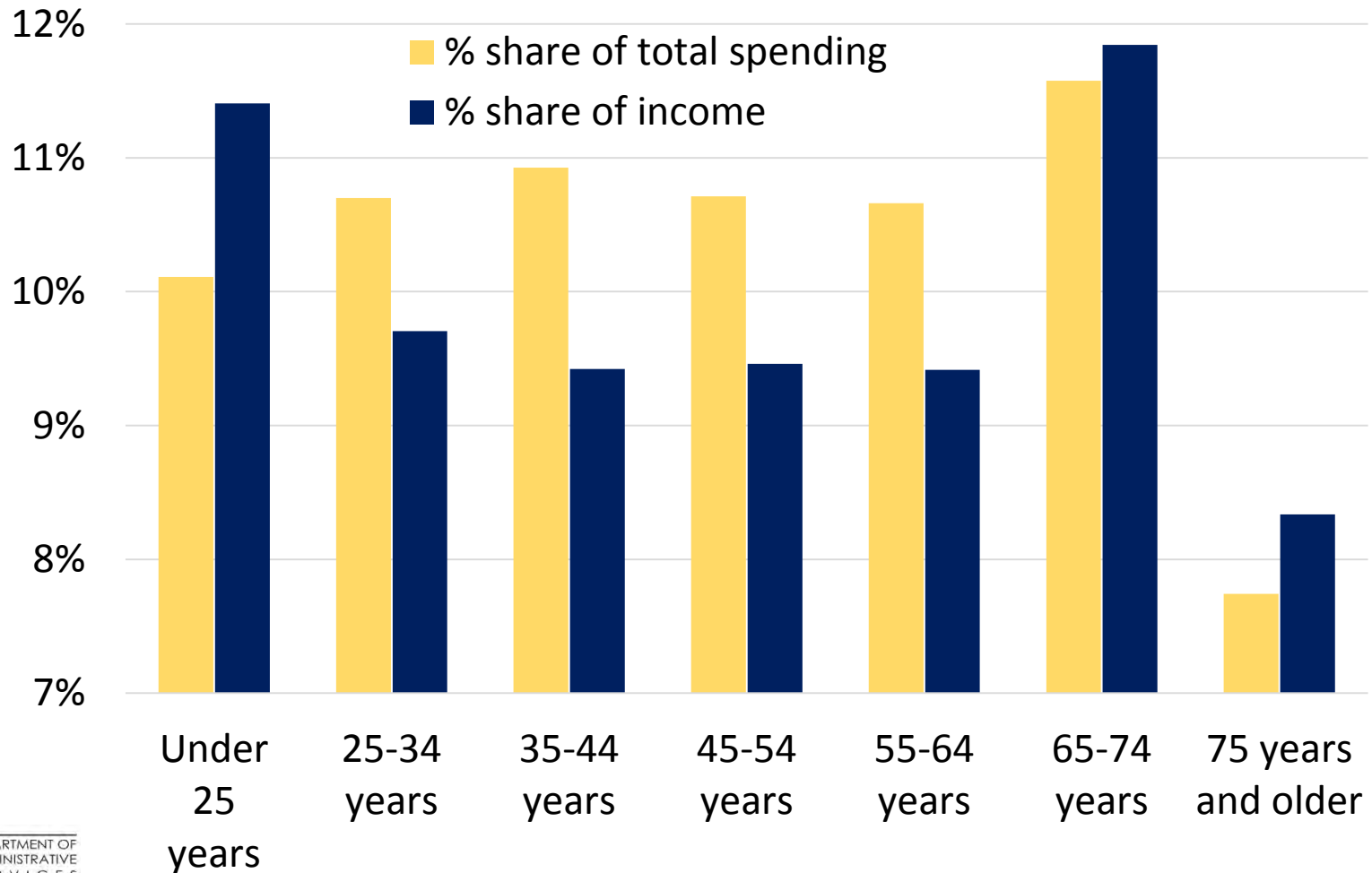
# STATE OF OREGON

## Outlook



# Tourism Spending By Age

## Total Tourism Spending, 2014



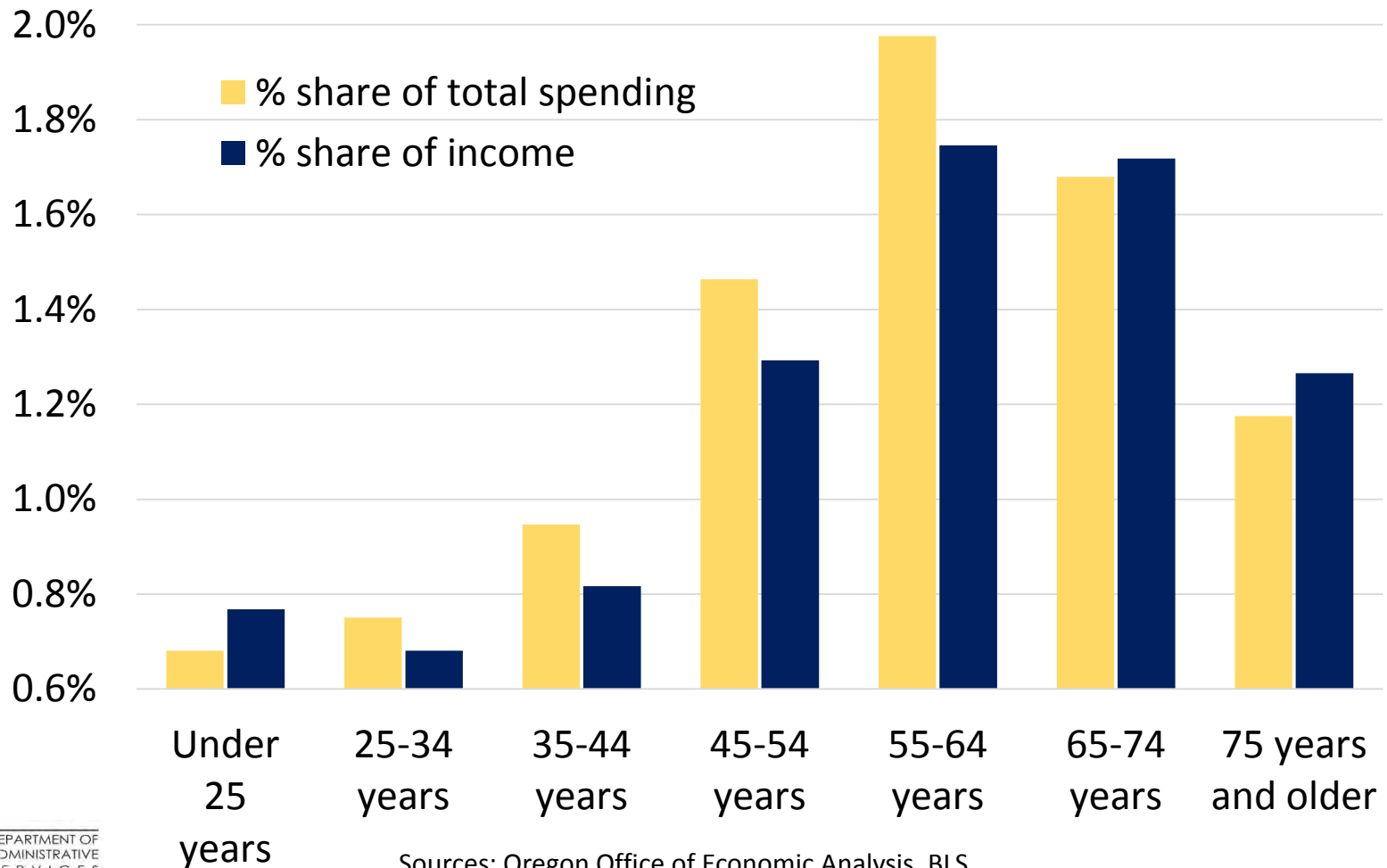
Sources: Oregon Office of Economic Analysis, BLS





# Lodging Spending by Age

## Spending on Lodging Away from Home



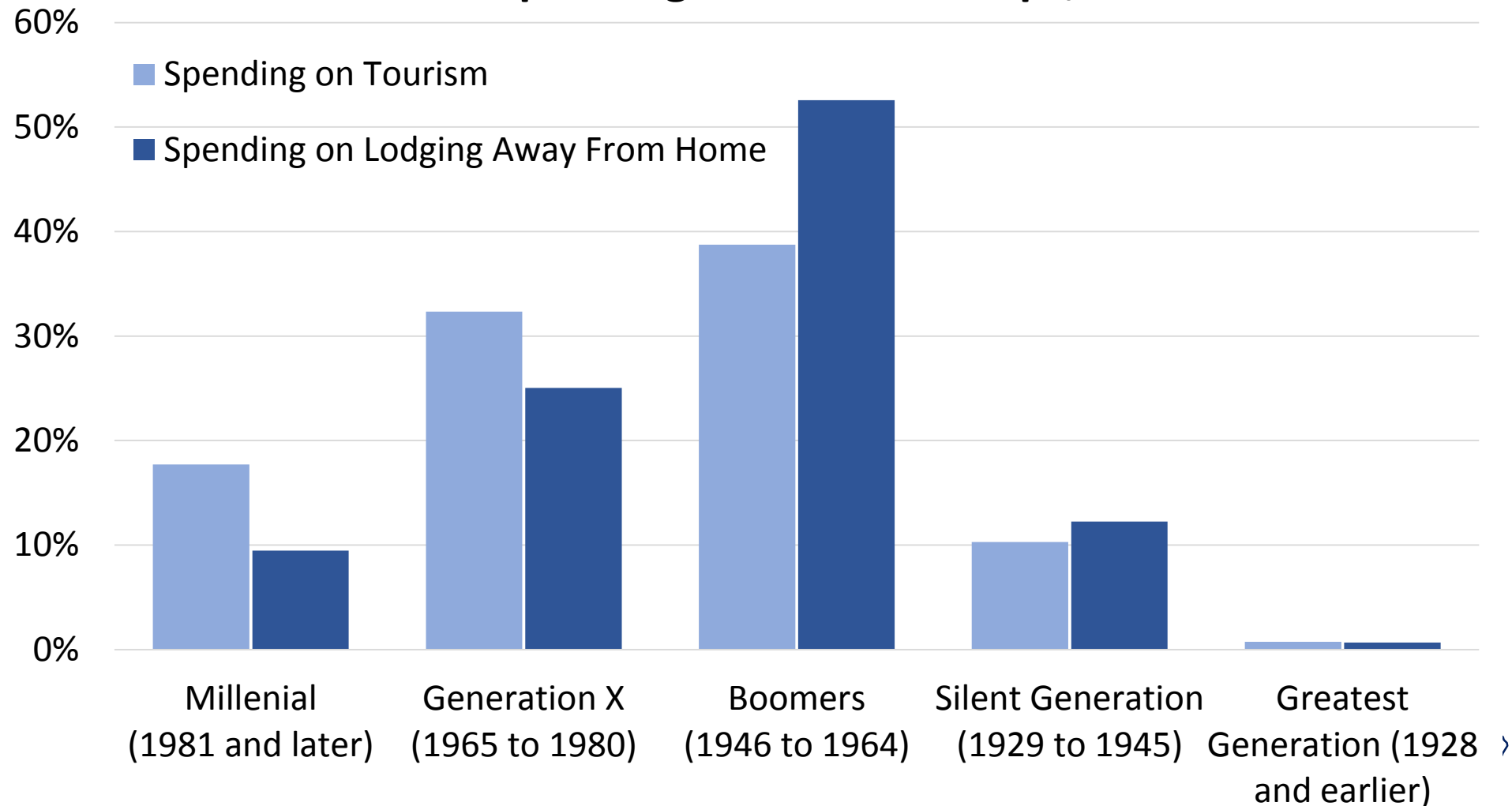
Sources: Oregon Office of Economic Analysis, BLS





# Boomers Account For Half of Spending on Lodging

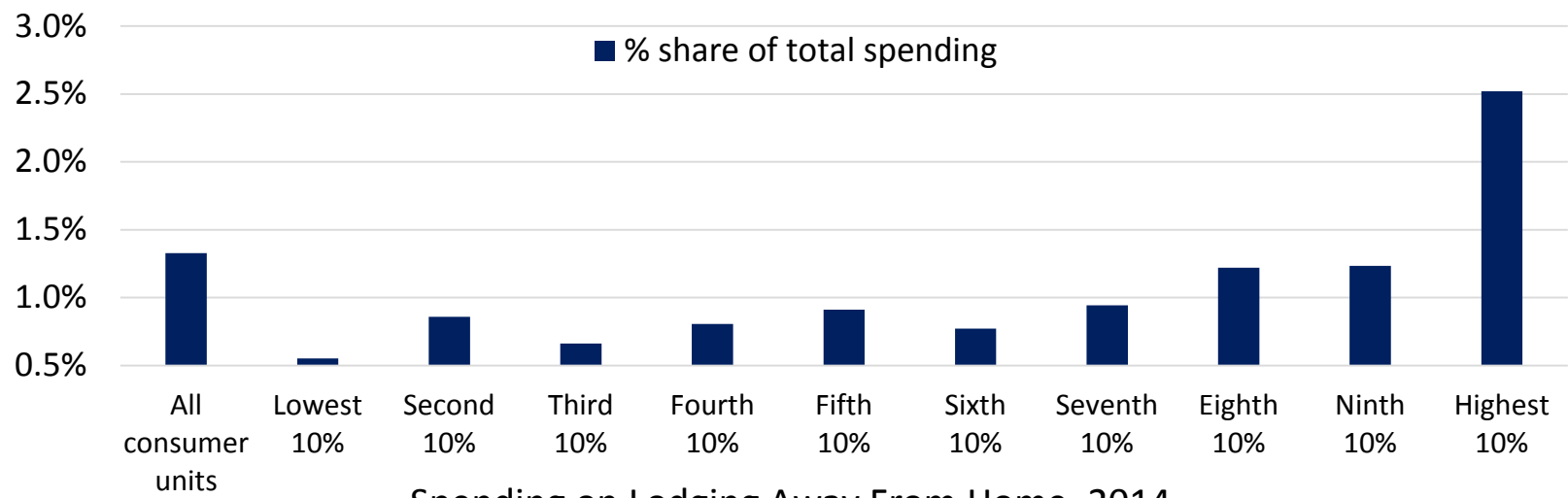
## Share of Spending Across All Groups, 2014



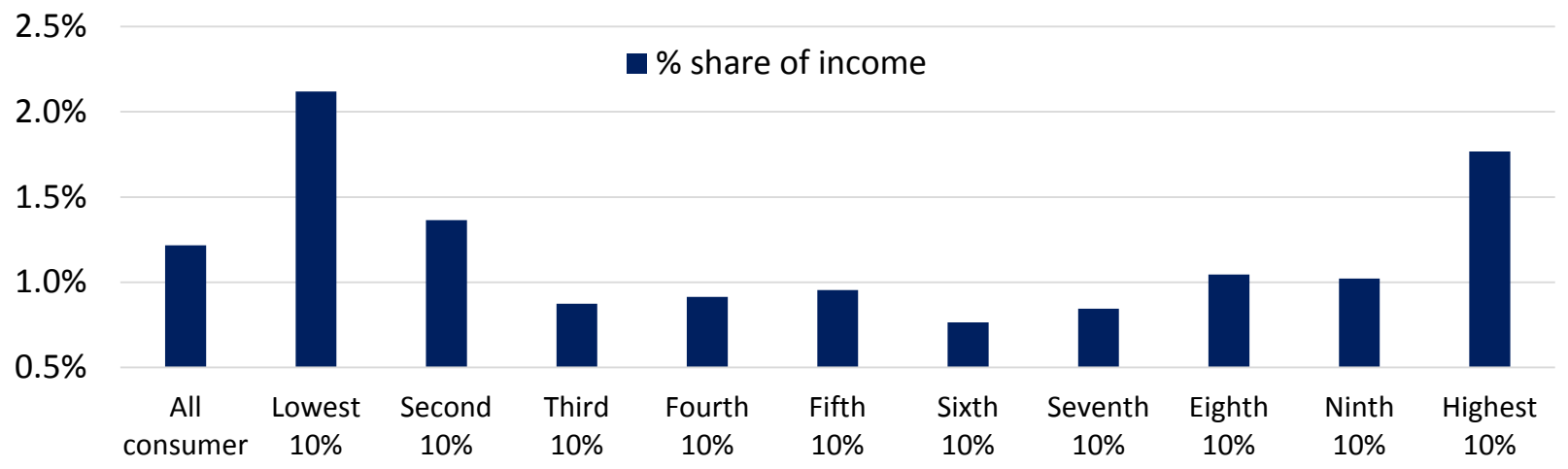


# Lodging Taxes Are Less Regressive Than Most Other Sales Taxes...

### Spending on Lodging Away From Home, 2014



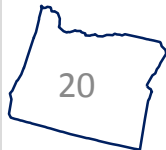
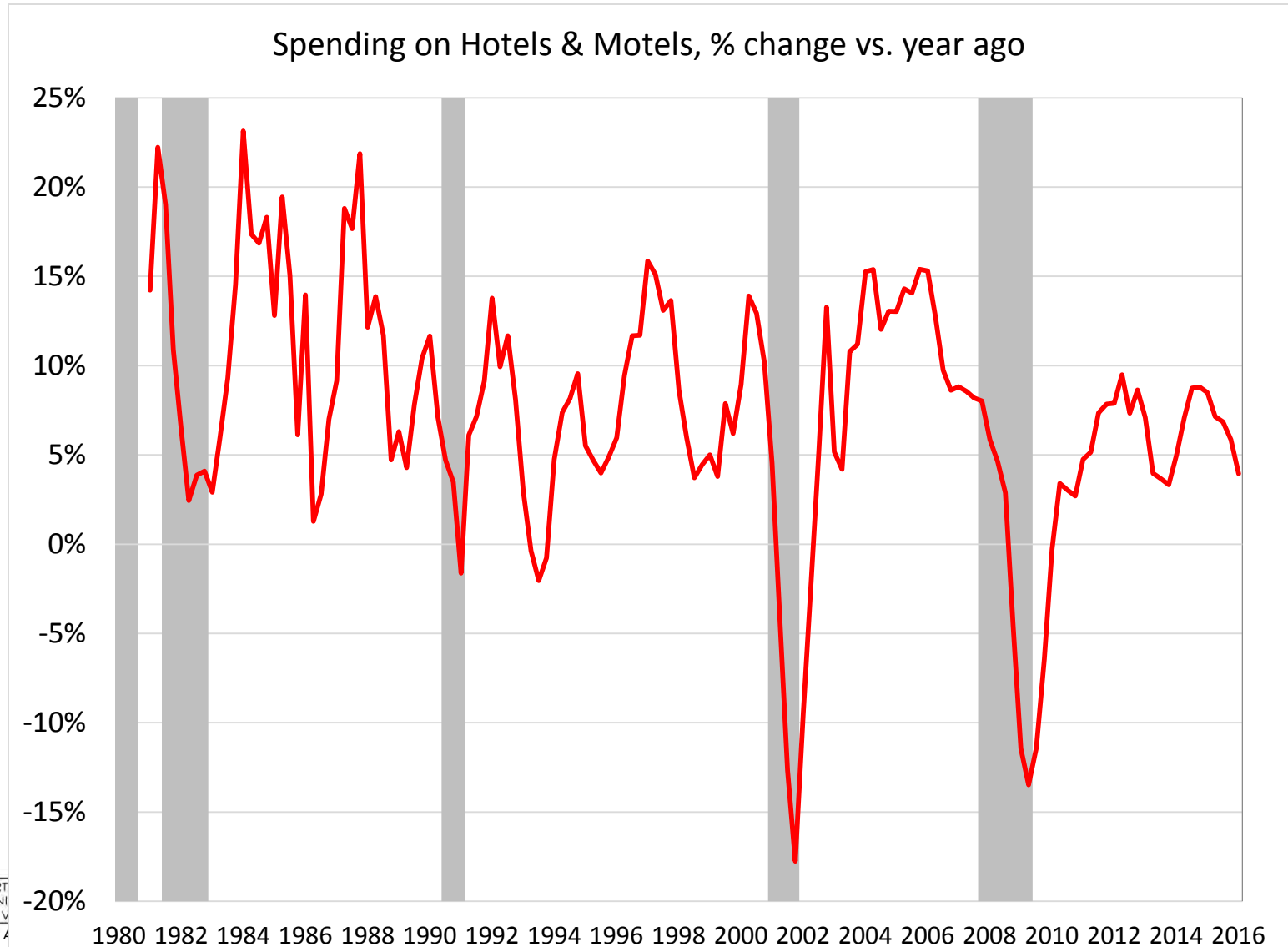
### Spending on Lodging Away From Home, 2014



Sources: Oregon Office of Economic Analysis, BLS



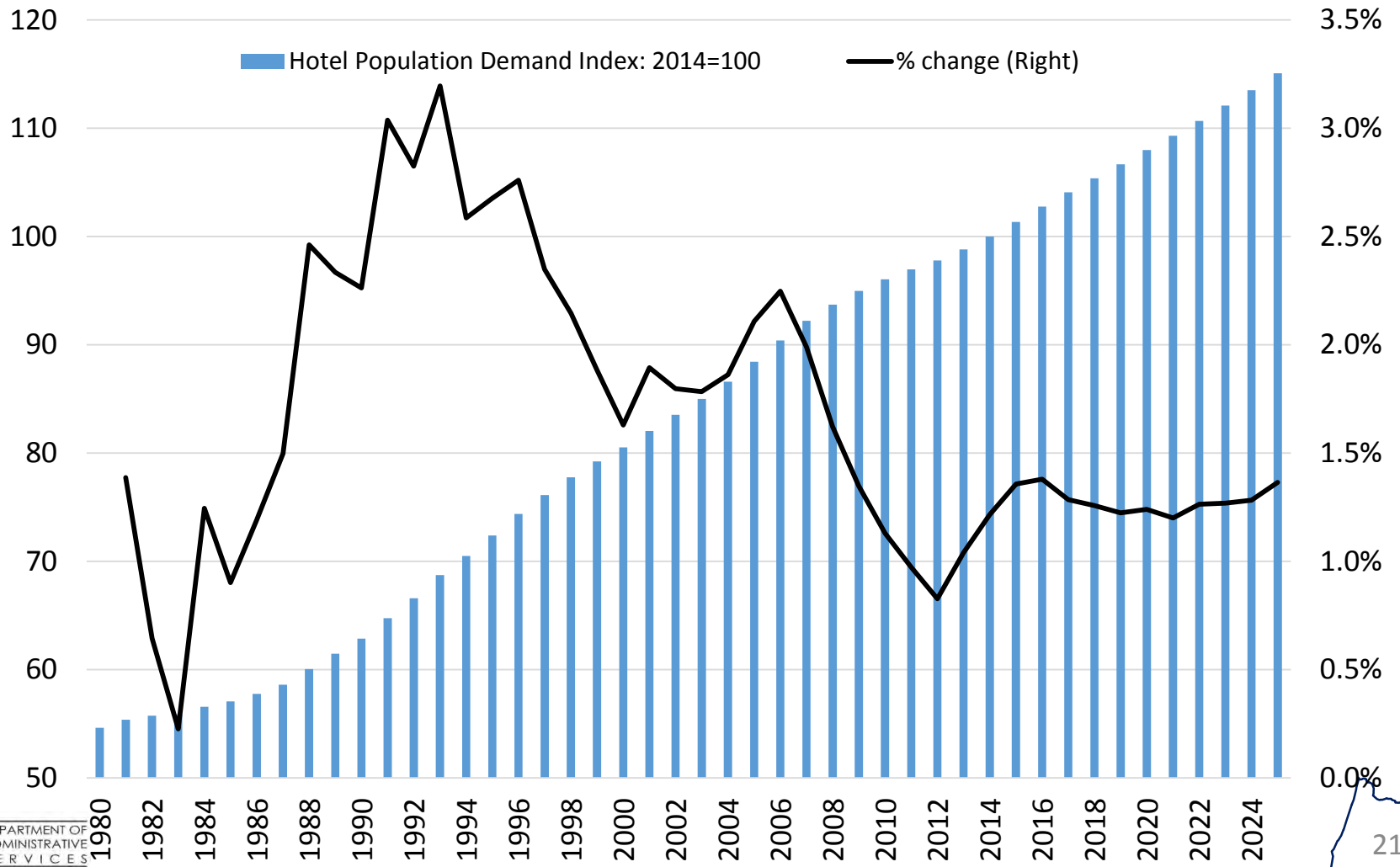
# ...But More Volatile





# Demographics and the Outlook

### Hotel Spending Profile Based on Age Mix Over Time







# For More Information

## Standard Contact:

155 Cottage Street NE

Salem, OR 97301

(503) 378-3405

[oea.info@state.or.us](mailto:oea.info@state.or.us)

[www.oregon.gov/das/oea](http://www.oregon.gov/das/oea)

## Social Media:



[www.OregonEconomicAnalysis.com](http://www.OregonEconomicAnalysis.com)



[@OR\\_EconAnalysis](https://twitter.com/OR_EconAnalysis)

# Transient Lodging Tax Workgroup

## Appendix 3

Meeting materials from  
August 31, 2016

# **Transient Lodging Tax (HB 4146) Workgroup**

## **Third Meeting Agenda**

August 31, 2016  
Capitol Building, 900 Court St.  
503-986-1266

**1:00-3:00 pm**  
**Hearing Room 343.**

Meeting Facilitators: Mazen Malik and Paul Warner: Legislative Revenue Office.

- I. Introduction and overview of last meeting.
- II. The feasibility of exempting homeless individuals from liability for the state transient lodging tax.  
(Rep. Parrish, DHS, OHCS, and members the workgroup)
- III. Whether and under what conditions the Department of Revenue may share with local government's data that reflect payment of the state transient lodging tax in order to assist the local governments with enforcement of local transient lodging taxes.  
(DOR, local governments and the workgroup)
- IV. Regular reporting by the Oregon Tourism Commission to committees of the Legislative Assembly on demonstrated return on investment, geographic equity and community support with respect to awards of moneys and grants by the commission.  
(Travel Oregon and workgroup)
- V. Future meetings (dates, changes, and locations)
- VI. Meeting 4: Tuesday Sept, 20th 1:00-3:00 (time conflict) in Salem
- VII. Meeting 5: Thursday Oct, 13th 1:30-3:30 (Portland, Salem, or Eugene)
- VIII. Meeting 6: First week of November. (Portland, Salem, or Eugene)
- IX. Meeting 7: (If needed) Mid-November in Salem

## HB 4146

SECTION 7. (1) The Legislative Revenue Officer shall lead a work group to study the following issues:

- (a) Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.
  - (b) Barriers to expansion and maintenance of recreational tourism in each tourism region.
  - (c) The optimal frequency for distribution of state transient lodging tax revenue and whether a mandatory distribution schedule should be adopted.
  - (d) The feasibility of exempting homeless individuals from liability for the state transient lodging tax.
  - (e) Whether and under what conditions the Department of Revenue may share with local governments data that reflect payment of the state transient lodging tax in order to assist the local governments with enforcement of local transient lodging taxes.
  - (f) Regular reporting by the Oregon Tourism Commission to committees of the Legislative Assembly on demonstrated return on investment, geographic equity and community support with respect to awards of moneys and grants by the commission.
  - (g) Any other issues the Legislative Revenue Officer and the legislative members appointed pursuant to subsection (2) of this section consider necessary and proper to the conduct of the study.
- (2)(a) The President of the Senate shall appoint two members from among members of the Senate to participate in the work group.
- (b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives to participate in the work group.
- (c) The Legislative Revenue Officer and the legislative members of the work group may ask any other persons to participate in the work group.
- (3) The work group shall submit a report in the manner provided in ORS 192.245, and may include proposals for legislation, to the interim committees of the Legislative Assembly related to revenue no later than December 9, 2016.
- (4) The Legislative Revenue Officer shall provide staff support to the work group, with assistance from the Oregon Tourism Commission upon request of the officer and the legislative members of the work group.
- (5) All agencies of state government, as defined in ORS 174.111, are directed to assist the work group in the performance of the duties of the work group and, to the extent permitted by laws relating to confidentiality, to furnish the information and advice the members of the work group consider necessary to perform their duties.

## Transient Lodging Tax work group

August 31, 2016  
1:30 P.M.

Hearing Room 343

**MEMBERS PRESENT:**

<p>Rep. Nancy Nathanson Rep. John Davis Sen. Hansell</p>	<p>Danielle Cowan, Executive Director, Clackamas County Tourism &amp; Cultural Affairs (on phone) Carolyn McCormick, Washington County Visitor Association Mary Pat Parker, Visit Corvallis Alice Trindle, Eastern Oregon Visitors Association Alana Hughson, CEO, Central Oregon Visitors Association; Scott Youngblood, Embassy Suites Tigard; Member, Oregon Tourism Commission Bob Hackett, Oregon Shakespeare Festival – Ashland, OR (on phone) Jeff Kohnstamm, Timberline Lodge - Mt. Hood Jeff Miller, Travel Portland</p>	
------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**STAFF PRESENT:**

Paul Warner, Legislative Revenue Officer  
Mazen Malik, Senior Economist, LRO  
Corinne Gavette LRO Office Manager

**ISSUES:**

Feasibility of exempting homeless for transient lodging tax  
DOR sharing data with local governments  
OTC reporting, and demonstrated return on investment

Paul Warner, LRO opened the meeting.

Rep. Nathanson proposed that the group state their points of view at this meeting. She proposed an outline for the meeting agenda items.

- I. Mazen Malik gave an overview of last meeting's items and discussions.
- II. Jill Grey, Leg coordinator, and Dawn Meyers of DHS gave an overview of the homeless definition, and population. Says it is difficult to get an exact number of homeless people, due to many different circumstances.

The discussion on this topic covered the demands on the hotelier, the cost of getting vouchers out to the homeless. The DHS folks did not have data on how much the voucher system cost. LRO will follow up with the action agencies on the actual costs of this.

1. Consensus was that the group thinks the administrative costs are too high for the amount saved to the homeless.
2. Challenges in Identifying homeless individuals
3. Community action agencies and how they give out vouchers.

Rep. Parrish gave testimony concerning hoteliers and identifying homeless.

- III. Dept. of Revenue staff explained that ORS 320 and 340 says they cannot share information with local governments. The disclosure law must be changed in order for them to do so. Use of zip codes in collecting the tax would expedite payments to counties/cities and enforcement of the law.
  1. State change to allow data sharing
  2. Compliance and enforcement of new law.
- IV. Scott West, Jeff Hampton from Travel Oregon outlined the OTC strategic plan and budget. The new requirements by HB 4146 will be included in the new report that will be coming out October 1st every year to LFO.

Next scheduled meeting is proposed for Tuesday, Sept 20th, 3:00 - 5:00 pm.

Jeff Kohnstamm distributed some material about hotel industry data.



**State of Oregon**  
Department of Administrative Services  
Chief Financial Office

# Chief Financial Office's Gold Star Certificate



Awarded to

## Oregon Tourism Commission

For Achieving Statewide Accounting Goals  
and Excellence in Financial Reporting  
Fiscal Year Ended June 30, 2015

*RL*

George Naughton, Chief Financial Officer

*Robert W. Hamilton*

Robert W. Hamilton, SARS Manager

February 2, 2016

Date



## CAFR Questionnaire and Disclosure Forms Year Ended June 30, 2015

From: 97600 Oregon Tourism Commission  
 Agency No. Agency Name

**Instructions:** Your agency's information is reviewed by Statewide Accounting and Reporting Services (SARS) and incorporated into the statewide financial statements. The following questions are designed to provide information and to identify areas where additional information may be needed for the notes to the financial statements. Please complete disclosure forms 1 through 3 and answer the questions below for the year ended June 30, 2015. Return your completed general questionnaire and disclosure forms to SARS by August 21, 2015. If you have any questions, you can reach your SARS analyst.

1) Does your agency have investments? Yes  No

If the answer to this question is yes, please complete disclosure form #4.A, B and C.

2) Does your agency have prepaid items? Yes  No

If the answer to this question is yes, please complete disclosure form #5.A.

3) Does your agency have inventory on hand? Yes  No

If the answer to this question is yes, please complete disclosure form #5.B.

4) Does your agency own capital assets? Yes  No

If the answer to this question is yes, please complete disclosure form #6.

5) Does your agency have any long term receivables? Yes  No

If the answer to this question is yes, please complete disclosure form #7.

6) Is your agency subject to any operating lease agreements? Yes  No

If the answer to this question is yes, please complete disclosure form #8.

7) Have agency employees earned paid vacation or compensatory time that they have not taken yet? Yes  No

If the answer to this question is yes, please provide the dollar value of these compensated absences. \$201,468.67

Are the employees at your agency members of the Public Employees Retirement System (PERS)? Yes  No

8) For accounts receivable, what is the dollar amount of those accounts for which collection is doubtful? \$0.00

9) Has your agency had any short term debt activity this year, for example through the use of a bank loan or line of credit? Yes  No

10) Does your agency have any long term debt, for example contracts, mortgages, or notes payable? Yes  No

11) Does your agency expend federal grant or contract money? Yes  No

12) Have you completed disclosure forms 1 through 3? If not, please do so.

**Agency Certification of Accuracy and Completeness**

I certify that to the best of my knowledge the transmitted information accurately and completely reflects the agency's financial activities for the fiscal year noted above, and that this information agrees with the ending account balances in the agency's financial accounting system. In addition, I certify that to the best of my knowledge the agency's financial activity is accurately and completely reflected in the agency's financial accounting system in conformity with generally accepted accounting principles and legal requirements. Any differences between the balances reported in the transmitted disclosures and the agency's financial accounting system have been communicated in writing to the agency's SARS analyst

Kathleen D. O'Brien  
CAFR Accountant

8/20/2015  
Date

[Signature]  
Chief Fiscal Officer or Director

8/20/2015  
Date

**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

**Agency # 976**

**1. VIOLATIONS OF LEGAL OR CONTRACTUAL PROVISIONS (#C)**

Did you have any violations of legal or contractual provisions during the fiscal year?

NO

If yes, please attach a description of violation(s) incurred.

Examples of violations include: (a) Expending revenues for purposes other than outlined in constitutional provisions; (b) Exceeding a legislatively approved appropriation or limitation which is a legal violation; (c) Expending federal funds for purposes other than allowable under a grant agreement which is a contractual violation; and (d) Violating legal restrictions governing deposits and investments.

**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

**Agency # 976**

**2. COMPONENT UNITS (#D)**

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government (State of Oregon), including their ongoing financial support of the State or its other component units. A legally separate, tax-exempt organization should be reported as a component unit within the reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the State, its component units, or its constituents.
2. The State, or one of its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the State, or one of its component units, is entitled to, or has the ability to otherwise access, are significant to the State.

During the fiscal year, was your agency associated with any fund-raising or other organizations that would qualify for inclusion in the State's Comprehensive Annual Financial Report?

Yes  No

If you checked yes based on the criteria above, list any qualifying organizations established during the past fiscal year as well as all component units reported in previous years. Please provide the name of each organization and a brief description of its relationship with your agency.

\_\_\_\_\_

If you checked yes, please provide financial information (balance sheet and operating statement) for each organization's most recently completed fiscal year.

Your agency is responsible to obtain financial information from each organization. If financial information for a qualifying organization is not yet available, please indicate date on which the information will be available.

**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

Agency # 976

**3.A CASH BALANCES AT FINANCIAL INSTITUTIONS OTHER THAN OREGON  
STATE TREASURY (#1.A)**

Please complete the schedules below to indicate your agency's bank and book balances at fiscal year end.

Name of Bank	Book Balance	Bank Balance
US BANK	\$3,012,793.58	\$3,386,085.01
	\$0.00	\$0.00
	\$0.00	\$0.00
	\$0.00	\$0.00
<b>Totals</b>	<b>\$0.00</b>	<b>\$0.00</b>

Of the total bank balances above, please indicate the amounts in each category of risk as defined below:

Custodial Credit Risk	Bank Balance
Insured (typically first \$250,000 per account is insured by FDIC):	\$1,226,891.54
Collateralized:	
Held by State's agent in the State's name:	\$0.00
Held by pledging bank's trust department in the State's name:	\$2,159,193.47
Held by pledging bank's trust department but not in the State's name:	\$0.00
Uninsured and Uncollateralized:	\$0.00
<b>Total Bank Balance (should agree to bank balance above)</b>	<b>\$3,386,085.01</b>

*Note: The total bank balances should equal the book balances unless there are reconciling items due to timing differences.*

**3.B CASH BALANCES AT OREGON STATE TREASURY OR PETTY CASH**

Cash Category	Book Balance	Bank Balance
Cash on Deposit - Oregon State Treasury	\$0.00	\$0.00
Cash on Hand/Petty Cash	\$216.83	\$216.83

*Note: The total bank balances should equal the book balances unless there are reconciling items due to timing differences.*

## CAFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2015

Agency # 976

### 4.A INVESTMENTS (#1.F)

Please complete the schedule below to list, by investment type, the book balance and fair value of your agency's investments as of fiscal year end. Please ensure each investment listed is classified into the proper risk category.

Investment type	Custodial Credit Risk Category *			Total** Carrying/ Reported Balance	Total Fair Value
	-1-	-2-	-3-		
U.S. Government Securities					
U.S. Agency Securities					
Corporate Stocks					
Corporate Bonds					
Municipal Bonds					
Unclassified as to Risk:					
Mutual Funds	n/a	n/a	n/a		
Real Estate & Real Estate Mortg.	n/a	n/a	n/a		
Annuity Contracts	n/a	n/a	n/a		
<b>Total</b>					

- \* Investments should be classified into the following three risk categories (if you are unsure which category to classify your investment in, contact your broker or dealer):  
 Category 1 - Insured or registered, or securities held by the agency or its agent in the agency's name.  
 Category 2 - Uninsured and unregistered, with securities held by the counterparty or the counterparty's trust department or agent in the agency's name.  
 Category 3 - Uninsured and unregistered, with securities held by the counterparty, or the counterparty's trust department or agent, but not in the agency's name.
- \*\* For those investments subject to fair value reporting under GASB Statement No. 31, the carrying and fair values should be the same.

## CAFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2015

Agency # 976

**4.B INVESTMENTS (#1.G)****Segmented Time Distribution of Maturities and Credit Ratings for Investments**

Please complete the schedule below to list, by investment type, the credit rating, maturity distribution, and fair value of your agency's investments held outside of the State Treasury as of fiscal year end.

- The groupings by credit rating should be aggregated. For example, if \$400,000 of Corporate bonds are rated AA and \$300,000 of Corporate bonds are rated A, they should be displayed on separate lines.
- Aggregated credit ratings should be the lower of Moody's, Standard & Poor's, or Fitch.
- U.S. Treasuries and obligations explicitly guaranteed by the U.S. government are considered to have no credit risk; therefore, they are the highest credit quality, AAA or Aaa.

Investment Type	Credit Rating	Investment Maturities (in years)				Total Fair Value
		Less than 1 year	1-5 years	6-10 years	More than 10 years	

**Notes about investment credit ratings:**

The highest credit quality is Aaa (Moody's), AAA (S&P) and AAA (Fitch's);

very high credit is Aa (Moody's), AA (S&P) and AA (Fitch's);

high credit rating is A (Moody's, S&P, and Fitch's); good credit rating is Baa (Moody's), BBB (S&P) and BBB (Fitch's); and speculative grade rating is Ba (Moody's), BB (S&P and Fitch's)

**4.C INVESTMENTS (#1.L)****Concentration of Credit Risk**

Do investments in any one issuer exceed 5% or more of total investments? If so, identify the issuer, investment type (e.g., Corporate bonds), and fair value of such holdings. Excluded from this calculation are U.S. Treasuries, U.S. Agency securities explicitly guaranteed by the U.S. government, and mutual funds. For debt securities, the issuer is the entity that is legally obligated to make principal and interest payments to bond holders. For equity securities, the issuer is the entity that has the authority to distribute a security or other investment.

Issuer	Investment Type	Fair Value



**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

**Agency # 976**

**5.A CHANGE IN PREPAID ITEMS (for example subscriptions, insurance, legal fees, etc.)**

Prepaid balance as of July 1, 2014		\$0.00
<u>Increases (description)</u>	Amount	
EAP Services for 2015-17	\$1,145.52	
Total Increases		\$1145.52
<u>Decreases (description)</u>	Amount	
	\$0.00	
Total Decreases		\$0.00
Prepaid balance as of June 30, 2015		\$1,145.52

**5.B CHANGE IN INVENTORY (ex. - office supplies, brochures, merchandise for sale, etc.)**

Inventory balance as of July 1, 2014		\$0.00
<u>Increases (description)</u>	Amount	
Total Increases		
<u>Decreases (description)</u>	Amount	
Total Decreases		
Inventory balance as of June 30, 2015		0

**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

**Agency # 976**

**6. CAPITAL ASSETS**

Please complete the table below to provide information about your agency's capital assets. Capital assets are assets used in agency operations that have initial estimated useful lives beyond a single year and an initial cost (inclusive of ancillary charges) of at least \$5,000.

Asset Category	Beginning Balance	Increases	Decreases	Ending Balance
Equipment & Machinery	42,506.92	117,641.82	0.00	160,148.74
Motor Vehicles	0.00			
Data Processing Software				
Data Processing Hardware	50,032.76		21,679.76	28,353.00
Land	0.00			
Building & Building Improvements	717,702.40	0.00	0.00	717,702.40
Land Improvements				
Household Improvements		0.00	0.00	
Intangible Assets	333,000.00	0.00	0.00	333,000.00
<b>Total Capital Assets</b>	<b>1,143,242.08</b>	<b>117,641.82</b>	<b>21,679.76</b>	<b>1,239,204.14</b>
Less Accumulated Depreciation	675,399.00	94,760.11	68,107.00	702,052.11
<b>Capital Assets, Net</b>	<b>467,843.08</b>	<b>22,881.71</b>	<b>46,724.24</b>	<b>537,152.03</b>

Current year depreciation expense

\$52,103.26

During the fiscal year, were there any significant and unexpected declines in the service utility related to capital assets owned or leased (capital lease) by your agency?

Yes  No

**CAFR GENERAL DISCLOSURES  
YEAR ENDED JUNE 30, 2015**

**Agency # 976**

**7. CHANGE IN LONG TERM RECEIVABLE (#15.A)**

Balance as of July 1, 2014		<u>\$0.00</u>
<u>Increases (description)</u>	Amount	
_____	_____	
_____	_____	
Total Increases		_____
<u>Decreases (description)</u>	Amount	
_____	_____	
_____	_____	
Total Decreases		_____
Balance as of June 30, 2015		<u>0</u>



Unaudited

**State of Oregon  
Oregon Tourism Commission  
Balance Sheet  
June 30, 2015**

	<u>GAAP Fund XXXX</u>	<u>GAAP Fund 8500</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,013,010.41	\$ -
Investments	-	
Cash and Securities Held in Trust	27,094.16	
Accounts and Interest Receivable	131,616.61	
Taxes Receivable	-	
Due from Other Funds/Agencies	125,325.20	
Due from Other Governments	-	
Inventories	-	
Prepaid Items	1,145.52	
Contracts, Mortgages and Notes Receivable	-	
Loans Receivable	-	
Building, Property, and Equipment (& Intangibles)	1,239,204.14	
Less Accumulated Depreciation and Amortization	(702,052.11)	
<b>Total Assets</b>	<u>3,835,344.12</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts and Interest Payable	712,845.12	
Due to Other Funds/Agencies	43,078.00	
Due to Other Governments	(1,846.44)	
Contracts, Mortgages and Notes Payable	42,810.40	
Trust Funds Payable	-	
Advances from Other Funds/Agencies	-	
Deferred Revenue	-	
Compensated Absences Payable	201,468.67	
<b>Total Liabilities</b>	<u>998,455.75</u>	<u>-</u>
<b>Fund Balances:</b>		
Invested in Capital Assets	467,843.08	
Nonspendable Fund Balance-Prepaid Items	1,145.52	
Nonspendable Fund Balance-Inventories	-	
Nonspendable Fund Balance-Revolving Accounts	-	
Nonspendable Fund Balance-Loans Receivable	-	
Nonspendable Fund Balance-Long Term Receivables	-	
Restricted Fund Balance-Enabling Legislation	2,367,899.77	
<b>Total Fund Balances</b>	<u>2,836,888.37</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,835,344.12</u>	<u>\$ -</u>

Unaudited

**State of Oregon**  
**Oregon Tourism Commission**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ending June 30, 2015**

	<u>GAAP Fund XXXX</u>	<u>GAAP Fund 8500</u>
<b>Revenues:</b>		
<b>Taxes</b>	\$ 15,508,799.66	\$ -
Licenses and Fees	-	-
Federal	244,442.00	-
Charges for Services	-	-
Fines and Forfeitures	-	-
Rents and Royalties	-	-
Investment Income	-	-
Donations and Grants (Wine Country Plates)	263,135.96	-
Sales	236,300.00	-
Other	13,773.17	-
<b>Total Revenues</b>	<u>16,266,450.79</u>	<u>-</u>
<b>Expenditures:</b>		
Salaries and Wages	4,053,136.19	-
Services and Supplies	10,589,825.03	-
Capital Outlay	-	-
Distributions to Other Governments	-	-
Special Payments	-	-
Depreciation and Amortization	52,103.26	-
<b>Total Expenditures</b>	<u>14,695,064.48</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,571,386.31</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>		
Transfers from Other Funds/Agencies	-	-
Transfers to Other Funds/Agencies	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>1,571,386.31</u>	<u>-</u>
Fund Balance - Beginning	1,137,265.80	-
Prior Period Adjustments	128,216.26	-
Fund Balance - Beginning - As Restated	<u>1,265,502.06</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 2,836,888.37</u>	<u>\$ -</u>

# OREGON TOURISM COMMISSION

2013-2015 Biennium Agreed Upon Procedures  
Financial Review Report #AUP-2015-10



Issued by: Pamela J. Stroebel Powers, CPA, MBA, CIA CRMA, CPM  
Powers CPA, LLC



Date: May 1, 2016

To: Todd Davidson, Chief Executive Officer  
Oregon Tourism Commission Members

From: Pamela J. Stroebel Powers, CPA, MBA, CIA, CRMA, CPM

Re: Independent Accountant's Report on Applying Agreed-Upon Procedures

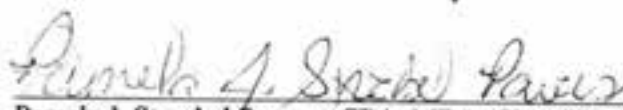
**Executive Summary**

This report summarizes the results of the required Agreed-Upon Procedures Financial Review performed to evaluate controls in place over the Oregon Tourism Commission's (OTC) cash and accounting processes. Procedures were agreed to between Powers CPA, LLC and the OTC in a contract ratified July 21, 2015, and approved by the Secretary of State's Division of Audits.

The review was performed to assist the Commission in evaluating the financial operations of the agency during the 2013-2015 biennium. Generally, it appears that adequate controls were in place over financial and accounting processes for the biennium. Procedures performed and a summary of the results are as follows:

1. **Reviewed internal controls related to handling cash, and recording revenues and disbursements:** Key controls in financial processes were identified, observed, and after testing, determined to be operating as intended.
2. **Reviewed and evaluated cash controls:** The bank balance was confirmed as of June 30, 2015 and appears to be accurately reported.
3. **Revenue and expense verification:** Generally, revenue and expense transactions reviewed were supported, approved, and with some exceptions, included necessary documentation indicating the expenses were made to further the business of the state.
4. **Budget to actual comparison:** The OTC operated within its budget and ended the biennium with a net gain of \$995,749. Actual expenditures and revenues were lower than initially budgeted for. Explanations for accounts where large variances occurred are included in Attachment A.
5. **Follow-up on prior review findings:** In report #2-14 issued December 27, 2013, 8 recommendations were made for improvements to financial procedures and controls at the OTC. In this review we found evidence that corrective action had been taken on four of the recommendations, partial corrective action had been taken on three, and management had not yet taken action on one. Details of the prior findings and action taken to date can be found in Attachment B.

This report, as well as minor opportunities for improvements to financial processes and procedures to strengthen existing controls and provide for improved efficiencies and effectiveness, were discussed with the Chief Executive Officer and VP of Operations on January 26, 2016. OTC management generally agrees with the findings and recommendations and responses are included in this report. I appreciated the cooperation of the Chief Executive Office, VP of Operations, Accounting Manager and other OTC staff by providing information to assist with the review process.

  
Pamela J. Stroebel Powers, CPA, MBA, CIA, CRMA, CPM  
Owner/Managing Member - Powers CPA, LLC

5/1/16  
Date

cc: Secretary of State, Division of Audits  
VP of Operations  
Accounting Manager

### **Background**

The Oregon Tourism Commission (OTC), doing business as Travel Oregon, is a semi-independent agency of the State of Oregon that operates under Chapters 284 and 182 of the Oregon Revised Statutes. The OTC was created in 1995 and became semi-independent in 2003. It serves to drive economic growth and job creation by strengthening tourism through the state. Travel Oregon works to enhance visitors' experiences by providing information, resources and trip planning tools that inspire travel and consistently convey the exceptional quality of Oregon.

The Commission is composed of nine members, appointed by the Governor. In addition to the Commission and the Chief Executive Officer, at the end of the biennium the agency operated with 37 staff members and it has offices in Portland and Salem. The Chief Executive Officer has been with the agency since 1996; in the official role of CEO since 2006, the first CEO of Travel Oregon once it was established as a semi-independent agency. The VP of Operations has been with OTC since 2007 and in his current role since January 2012; the Accounting Manager began in February 2015 (the prior left on September 30, 2014), and the Operations Assistant has been with the agency since mid-July 2015, although an employee who used to perform the duties is still with the agency.

### **Objectives, Scope and Methodology**

Oregon Revised Statute 182.464 requires the agency to undergo a financial review according to schedules agreed to with the Secretary of State's Division of Audits. We performed the procedures, as described below, which were agreed to by the Agency and the Secretary of State for the two years ending June 30, 2015. The OTC is responsible for the establishment of and compliance with its financial processes and internal controls. The procedures agreed to were solely to assist management and the Secretary of State in evaluating the financial operations of the OTC. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is the sole responsibility of those individuals specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below.

The following procedures were performed:

1. Internal controls relating to handling cash, and recording revenues and disbursements were reviewed and evaluated. Agency policies, procedures, and desk manuals related to (1) receiving, recording, and reporting transactions; and (2) handling cash were obtained and reviewed for adequacy. Interviews with key staff were conducted and process walk-throughs were performed to determine compliance with procedures and perform testing as determined necessary.
2. Additional cash controls were reviewed and evaluated: bank and investment balances were confirmed with financial institutions; and bank reconciliations were reviewed, as well as other related cash controls.
3. Revenue and expense verification: accounting and subsidiary records related to revenues and expenses were obtained and reviewed. A sample of transactions was judgmentally selected based on risk factors, and supporting documentation was evaluated to determine if transactions were appropriate and properly approved, classified, and recorded.
4. Budget to actual comparison: budgeted revenues and expenditures were compared to actual revenues and expenditures.
5. Follow-up was performed and analyzed on findings and recommendations from the prior Agreed-Upon Procedures Financial Review Report issued October 28, 2013.



We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the adequacy of financial operations or compliance with laws, rules, regulations or standards. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report is intended solely for the information and use of the OTC and the Secretary of State and is not intended to be and should not be used by anyone other than the specified parties.

### **Results of Procedures**

Generally, it appears that controls were in place over financial and accounting processes for the biennium. However, opportunities were found to strengthen controls and are summarized in the sections that follow.

1. **Internal Controls Related to Cash and Recording Revenues and Disbursements:** Generally, internal controls established within cash handling and processes to record revenues and disbursements appeared to be well designed and appropriately implemented. The majority of the OTC's revenues come in to the organization through transfers and on-line payments; very few checks are received in the office. Key controls in the cash receipts and disbursements processes were identified, observed, and after testing were determined to be operating as intended by management; for example, review and approval procedures are in place over deposit, expenditure, and payroll processes.

The 2011-2013 Financial Review provided three recommendations for improving controls related to cash and recording revenues and disbursements:

- **Document review of payroll information – partially implemented:** Each month, a detailed spreadsheet is prepared documenting payroll for the agency and after entry into the accounting software a payroll summary report is generated. In the prior review it was recommended that management reviewing these documents initial and date the documents to signify approval of the payroll information. During the current review we noted that although initials were consistently available documenting management's review of the payroll information, the date of the review was not consistently documented. Additionally, we did not note initials and dates signifying preparation and entry of the information into the accounting software, nor do employees consistently date timesheets. This documentation is important to support segregation of duties in key financial processes and ensure proper authorizations are occurring timely for financial information.

**OTC Response:** We agree with the reviewer on the importance of separation of duties in key financial processes. The accounting system keeps a record of entry or modification for all transactions including time/date stamp and user or preparer in the case of payroll preparation and entry. The Excel worksheet used to prepare payroll data for entry into the accounting system now includes "Prepared by" and "date" and also includes "Approved by" and "date". OTC has already implemented the recommendations of the reviewer.

- **Managerial approvals of online banking processes – implemented:** We were provided examples of emails documenting approvals of on-line banking transactions. It appears management has established individual logins to help ensure segregation of duties in on-line banking processes.
- **Managerial approvals of journal entries – not implemented:** The current process for approving journal entries is to provide executive management members with reports of accounting transactions. However, the prior review recommended approval of journal entries be documented. During the current review we discussed options for documenting this process such as having management document approval via email once they have reviewed these transactions. Additionally, in its response to the prior review management indicated it would consider implementing quarterly third-party

reviews of adjusting journal entries. OTC has done this by obtaining assistance from a third-party CPA firm. This additional review should also be consistently documented.

**OTC Response:** We appreciate the reviewer's acknowledgement that OTC has used the services of a third party, independent firm to review adjusting journal entries as recommended during the prior review. Journal entries with supporting backup are now reviewed, dated and initialed by management monthly.

The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

**We commend** the agency for action taken on prior recommendations. **We recommend** that the OTC continue to pursue action toward fully implementing the recommendations made in the previous Financial Review by ensuring accounting transactions such as payroll and adjusting journal entries are fully supported by employee, manager, and where appropriate third-party initials and dates indicating preparation, processing, review and approval.

2. **Cash Controls:** The OTC reported a checking account balance of \$234,844.48; a reserve balance of \$25,000; a revenue account balance of \$941,807.26; an Immediate Opportunity Fund balance of \$201,891.54; a payroll account balance of \$1,023,240.54; and a restricted account for the wine country plates of \$586,009.76 as of June 30, 2015. All but two of the account balances were confirmed directly with the bank and matched the agency's accounting records. The agency maintains a second spreadsheet for adjustments noted after the bank account reconciliations are complete for year-end balances and this record appeared to reconcile the variances. Good controls over the checking accounts were identified and observed including monthly documented reconciliations generally performed within a month of receiving the statements with documented preparation and review initials and dates. One reconciliation was reviewed that wasn't completed for several months; care should be taken to complete and review reconciliations timely to help ensure accuracy of financial information.

In addition to its bank accounts, the agency had a petty cash fund reported at \$216.83. The agency has historically maintained a \$200 petty cash account for small purchases and the auditor verified the petty cash amount at \$199.32. The immaterial difference of \$17.51 appeared to be a balance remaining from a cash withdrawal for an event that was never adjusted. During the review a journal entry was made to eliminate the petty cash account as it as the last recorded use was in July 2012; most employees now utilize purchase cards for small purchases.

**OTC Response:** We appreciate the reviewer's thorough review of account balances and acknowledgement of the agency maintaining good controls including documentation of account reconciliations. Additionally, it was helpful to work closely with the reviewer during this process and input from the reviewer we received over the course of the review process included suggestions for additional improvement. The agency is grateful for the reviewer's input.

The 2011-2013 Financial Review provided additional recommendations for improving controls related to cash balances:

- **Recording end of period revenues earned with a journal entry – implemented:** During the prior review it was noted that it appeared the agency was recording some revenues as of the day of the check rather than the day received. During our testing we determine that for all reviewed deposit items, revenues were recorded on the day received rather than the date of the check.
- **Recording receipts and disbursements as of the date received and paid – implemented:** No exceptions were noted during testing of transactions occurring during the biennium under review.



The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

3. **Revenue and expense verification:** The review of revenue and expenditures found, except as discussed previously and below, the majority of transactions tested were generally appropriate to further the business of the state, authorized, complete and properly classified in the accounting records.

To conclude on revenue transactions, supporting documentation was reviewed from several accounts including Governors Conference Revenue and various Lodging Tax Income accounts. Testing of these transactions found generally deposits were made timely and revenues appeared to be appropriately classified in the accounting records. The bulk of the agency's revenues come from lodging taxes collected by the Oregon Department of Revenue and passed on to the agency.

To conclude on expenses, supporting documentation was reviewed from six general business accounts including Office Expenses, Contractual Services, Research Tours, Depreciation Expense, Travel and Gifts. The majority of charges reviewed included documentation that indicated the expenses were appropriate to further the business of the agency and were generally processed in accordance with OTC's financial policies and procedures. Additionally, payroll documents, including accrual records, were reviewed for one pay period, February 2015. Although all reports reviewed showed evidence of the VP of Operations review, the date of the review was not included.

**OTC Response:** The agency response to this recommendation is noted previously in this report under "Results of Procedures" section 1.

The 2011-2013 Financial Review provided two recommendations, in several parts, for improving controls related to processing revenue and expense transactions:

- The first specified that the agency should ensure invoices and expense reports are properly approved and include adequate documentation including receipts, specified business purpose of the expense, and a statement by the employee specifying explanations are true. During the review of expense reports, good practices were noted including employee and supervisor signatures, dates and attached receipts including business purposes for many transactions, as well as a statement on the reimbursement form that the employee was certifying the explanations to be true. A policy was provided dated 2013 requiring detailed receipts. However, during testing, purchases were noted that did not include necessary documentation to clearly indicate the expenses were appropriate to further the business of the state and some purchases did not fully align with the agency's policy. Prior to approval, management should ensure an adequate business purpose to add value to the state exists and is adequately documented for each reimbursed employee purchase, in alignment with agency policy.
- The second specified that cardholders should continue to fill out credit card logs documenting the business purpose of the purchase as well as account coding, the logs should include a statement certifying the explanations are true and supervisors should document their review. All test items reviewed included a log with coding and a completed memo line. Although the memo line was always completed, some purchases were approved for which the value to the agency and clear business purpose were not always easily identifiable. Occasionally, supervisory approval was delayed for several months and some forms were noted without dates. All forms included a statement certifying expenses were authorized duty-required expenses. During testing, detailed receipts for employees were noted, although policy requirements were not always met. Additionally, an expense reimbursement for a contractor was reviewed which did not meet the parameters of this policy; we recommend that all expenses reimbursed by the agency be documented on the agency's travel form and follow the guidelines of this policy. The policy has a space for employees to sign and date however documentation of this practice was not available;



we recommend the agency follow through with this practice to help ensure all employees are aware of the requirements for documenting reimbursable expenses. Management should consider implementing more thorough reviews of expenses and implementing consequences for not following policies and procedures related to credit cards and reimbursements, in order to help safeguard OTC's financial assets. The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

**We recommend** that management continue to pursue opportunities to fully implement the recommendations from the 2011-2013 financial review such as specified above. Additionally, management should consider requiring contractors to submit expense reimbursement in the same format and meeting the same requirements of employees. Management should continue the training efforts begun on expense reimbursements and should consider having employees sign and date the policy to help ensure employees are aware of the requirements.

**OTC Response:** We accept the reviewer's recommendations and appreciate the acknowledgement of the agencies ongoing training efforts on expense reimbursements.

4. **Budget to actual comparison:** Budgeted revenues and expenditures were compared to actual amounts as reported for the two years ending June 30, 2015. Management provided reasonable explanations for most large variances (details are provided in Attachment A). The Board appears to have monitoring controls in place as evidence was available that the Board reviews financial information at its meetings.

The agency budgeted to breakeven with both revenues and budgeted at \$30,541,786; however, the agency ended the biennium with a net gain of \$995,749. The OTC operated within its approved budget as actual expenditures of \$29,173,140 and revenues of \$30,168,890 were both less than the reported budget amount.

At its June 2013 meeting the Commission approved a budget of \$27,840,000. The Commission has historically only approved the budget related to the spend of its Lodging Tax revenues which makes up the largest portion of the budget. The agency also receives revenue from the Governor's conference, some small programs and federal grants that weren't included in the overall approved budget amount as stated in the paragraph above. It did not include the rollover of unspent funds that its Commission has historically approved to be used the following biennium, as a separate budget item as had been suggested in the prior Financial Review. At its March 2015 meeting it approved a revenue surplus of to be added to the budget.

The 2011-2013 Financial Review provided a recommendation for improving reporting of financial information suggesting the budget to actual statement should reflect only budgetary amounts approved by the Commission and the agency should acquire the services of an independent CPA for guidance on presentation of financial statements. The 2013 report was issued after the budget process for the 2013-2015 biennium was underway; therefore this recommendation was not yet implemented. However, we did review Board meeting minutes supporting the current 2015-2017 budget which do appear to include additional information to support the full budgeted amount and includes an 'other' revenue line for the estimated revenues from Federal grants, the Governor's conference and other small program sources. Although the dollar amount related to the long-standing practice of the carrying over of unspent revenues is still not called out as a specific budget item, the minutes do reflect a discussion with Commission members to ensure all members were aware of this practice. Additionally, the agency did work with an independent CPA firm during the biennium and has plans to continue the relationship as needed. The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

**We recommend** that management continue to pursue opportunities to fully implement the recommendations from the 2011-13 financial review such as ensuring Board minutes fully support the agency's budget statements by including all approved amounts.

**OTC Response:** We accept the recommendations of the reviewer and appreciate the reviewer's acknowledgement that the review of Board meeting minutes for the 2015-2017 budget does reflect the recommendations of the prior review, including use of any ending balance from the prior period.

Other minor best practices the OTC might consider to improve efficiency and effectiveness of its financial processes and procedures were discussed with the Chief Executive Officer, VP of Operations and Accounting Manager.

**Oregon Tourism Commission**  
**Budget to Actual Variance Analysis for the Biennium Ending June 30, 2015**

**ATTACHMENT A**

Account	Actual	Budget	Amount Over (Under) Budget	Explanation as provided by Management
<b>REVENUES:</b>				
Encumbered Lodging Tax Income	\$ 30,168,890	\$ 30,541,786	\$ (372,896)	Estimated income levels are an initial recommendation based on revenue forecast - income for the agency is variane and depends on receipts.
Wine Country Plates Income	\$ 1,040,793	\$ -	\$ 1,040,793	An \$840,793 of additional lodging tax increase came in which is being held for next year - it was unanticipated income tht hasn't been approved to spend yet. \$200,000 was approved by the Commission as reserved funds.
Beginning Balance	\$ -	\$ 1,644,711	\$ (1,644,711)	Revenues came in higher than initially anticipated. The carryover amount includes both fiscal years due to a limitation in QuickBooks (accounting software); it needs an adjustment as it shouldn't be this high.
<b>EXPENSES:</b>				
Administration/ Operations	\$ 29,173,140	\$ 30,541,786	\$ (1,368,646)	For the 2013-2015 biennium, the budget was not entered correctly into QuickBooks (accounting software) for individual Departments, therefore variances occurred from actual spending. For OTC, it is more effective to analyze budgeted expenses on an annual rather than biennial basis due to the rollover practice for unspent funds and timing of the revenue stream. Some expenses are budgeted in multiple years until programs are fully executed.
Promotions & Sponsorship Tourism Research Product & Business Development	1,850,797 913,642 469,886 447,665	1,481,201 1,263,075 1,072,849 840,537	\$ 369,596 \$(349,433) \$(602,963) \$(392,872)	Depreciation expense was not initially included in the budget; the additional variance is related to errors initially entering the approved budget amount into the accounting system.  These accounts have been changed for the current 2015-2017 biennium - moved to Tourism Development.
Destination Development	342,555	690,938	\$(348,383)	



Oregon Tourism Commission - Status of Prior Review Recommendations  
From Report #2-14 Issued December 27, 2013

Finding/Recommendations		Rec. #	Original Response	Current Status 2015
<b>1 – Internal Controls Related to Cash Handling and Recording Revenues and Disbursements</b>				
The VP of Operations and the Fiscal Manager should document their review of the payroll spreadsheet by initialing and dating the spreadsheet.	1a	Travel Oregon has always reviewed disbursements carefully and has already re-instated the documentation of payroll reviews as recommended during the current biennium.	<b>PARTIALLY IMPLEMENTED:</b> Documentation was available of management review of payroll information however the Accounting Manager's (preparer's) initials and dates were not available. Additionally, we noted employees are not dating timesheets and this additional documentation should be added as well. <i>This recommendation should be followed-up on during the next Financial Review.</i>	
The VP of Operations should consistently review the payroll summary report, comparing it to the payroll spreadsheet, and initial and date the payroll summary report as evidence of the review.	1b	Travel Oregon has always reviewed disbursements carefully and has already re-instated the documentation of payroll reviews as recommended during the current biennium.	<b>PARTIALLY IMPLEMENTED:</b> Evidence was available of the VP of Operations' review of the payroll summary report by his initials, however the date of the review was not consistently included. <i>This recommendation should be followed-up on during the next Financial Review.</i>	
The OTC should work with its bank to set up appropriate managerial approvals as part of the online banking process.	2	We are currently exploring opportunities that may exist to allow for online managerial approval. We have already amended our online banking transfer approval process during the current biennium and will further amend to an online system if there is such an online approval process available that will create additional controls.	<b>IMPLEMENTED:</b> The agency has established individual logins for the VP of Operations and the Accounting Manager; approvals for financial transactions occur through email and documentation is maintained and available to support transactions. <i>This key control should continue to be tested in future Financial Reviews.</i>	
Management should review and approve, in writing, all journal entries.	3	Travel Oregon has already adopted the process of approving journal entries as recommended during the current biennium and is exploring use of an independent third party for additional review of all journal entries on a quarterly basis.	<b>NOT IMPLEMENTED:</b> Evidence was not available on tested journal entries of management review and approval of entries. As explained, current practice is for Executive Management members to receive financial reports including all adjustments, however currently no documentation is being maintained for this review process. We discussed the option of manager's emailing to document review. Documentation of management's review of financial information including adjustments should be maintained. Management is working with a CPA firm for consulting and additional review of prepared journal entries and documentation of this assistance was available for some entries. <i>The recommendation for documentation of management review of journal entries should be followed-up on during the next Financial Review.</i>	

**Oregon Tourism Commission - Status of Prior Review Recommendations**  
**From Report #2-14 Issued December 27, 2013**

<p><b>2 - Internal Controls Related to Cash</b></p> <p>The OTC should record revenues earned but not yet received at year-end with a journal entry instead of recording the receipt as of the date of the check.</p>	<p>4a</p>	<p>We accept the recommendations related to use of journal entries to record revenues earned but not yet received.</p>	<p><b>IMPLEMENTED:</b> During deposit testing of transactions, all revenues tested appeared to be entered into the accounting system as of the date received rather than the check date, no exceptions were noted. <i>This key control should continue to be tested in future Financial Reviews.</i></p>
<p>The OTC should record receipts and disbursements as of the date received and paid.</p>	<p>4b</p>	<p>Travel Oregon has already implemented the recommended changes during the current biennium.</p>	<p><b>IMPLEMENTED:</b> No exceptions were noted during testing. <i>This key control should continue to be tested in future Financial Reviews.</i></p>
<p>The Fiscal Manager and VP of Operations should establish a process to verify the monthly reconciled bank accounts agree to the account balances listed in the accounting records and document the verification.</p>	<p>4c</p>	<p>We accept the recommendations related to documentation of account balance verification.</p>	<p><b>IMPLEMENTED:</b> Two bank reconciliations at the end of the biennium did not initially match to the agency's balance sheet, however a secondary reconciliation process for year-end is being performed and documented and any adjustments made to the accounting records are made to the next bank reconciliation. We were able to trace all balances from this secondary reconciliation process to the accounting records. <i>This issue should continue to be followed-up on in future biennial reviews.</i></p>
<p>The Chief Strategy Officer or VP of Operations should document the date of review of bank reconciliations by writing the date next to his initials on the monthly bank statement.</p>	<p>5</p>	<p>We accept the recommendation related to including the date of that review as part of the documentation and have already implemented the recommendation during the current biennium.</p>	<p><b>IMPLEMENTED:</b> All bank statements for June 30, 2015 were reviewed and all included both the initials and date indicating the VP of Operations' review. Miscellaneous reconciliations also reviewed for four additional months included similar documentation; one review was performed more than a month after the bank statement was issued; care should be taken for management to complete the reviews within a month when possible. <i>This key control should continue to be tested in subsequent reviews.</i></p>



Oregon Tourism Commission - Status of Prior Review Recommendations  
From Report #2-14 Issued December 27, 2013

<p><b>3 - Revenue and Expense Verification</b></p> <p>The OTC should ensure invoices and expense reports are properly approved. Employees should document the business purpose of the expense to ensure the expense will not be a taxable event to the employee. As part of their review and approval process, supervisors should ensure employees list the business purpose of the expense.</p>	<p>6</p> <p>We accept the recommendation related to ensuring invoices and expenses will not be taxable to the employee and the recommendation that business purposes are substantiated and will continue our practice of ensuring all expenses are necessary and reasonable as defined under section 162 of the Internal Revenue Code.</p>	<p><b>PARTIALLY IMPLEMENTED:</b> During the review of expense reports good practices were noted including employee and supervisor signatures and dates and attached receipts including readily identifiable business purposes for most transactions. However, during testing, purchases were noted for which the business purpose to the agency did not immediately appear fully supported and some purchases lacked a clear or easily identifiable business purpose and did not fully align with the agency's policy. Prior to approval, management should ensure an adequate business purpose to add value to the agency exists for each reimbursed employee purchase, in alignment with agency policy. <i>Expense reimbursements should continue to be tested in future financial reviews.</i></p>
<p>Card holders should continue to fill out credit card logs, documenting the business purpose of the purchase as well as the account coding.</p>	<p>7a</p> <p>Travel Oregon policy requires employees provide detail meal receipts whenever available and will continue to require detail receipts for all expenses.</p>	<p><b>IMPLEMENTED:</b> All test items reviewed included a log with coding and a completed memo line. Although the memo line was always completed, some purchases were approved for which the business purposes was not clearly identified. <i>Expense reimbursements should continue to be tested in future financial reviews.</i></p>
<p>Card holders should sign the logs with a statement certifying the explanations are true. Supervisors should review the statements and log and sign and date the logs to document approval. Supervisory reviews should include an evaluation of compliance with policy requirements, including the requirement for the cost of lodging not to exceed GSA per diem rates unless a documented exception exists as allowed by policy.</p>	<p>7b</p> <p>We accept the recommendations related to including attestation that expenses are in compliance with Travel Oregon policy and have already implemented the recommendations during the current biennium.</p>	<p><b>IMPLEMENTED:</b> Travel and expense reimbursements reviewed all included documentation of supervisory approval. Testing indicated that in some cases approval was delayed for several months and occasionally the employee did not date the form. All forms included a statement certifying expenses were authorized duty-required expenses. <i>Expense reimbursements should continue to be tested in future financial reviews.</i></p>

Oregon Tourism Commission - Status of Prior Review Recommendations  
From Report #2-14 Issued December 27, 2013

<p>The agency should also adopt a policy of requiring detailed meal receipts so the reviewer can determine if items purchased were appropriate.</p>	<p>7c Not addressed in original management response.</p>	<p><b>IMPLEMENTED:</b> A policy was provided dated 2013 which requires detailed receipts for employees; during testing detailed receipts for employees were noted although requirements as specified in this policy were not always met. Additionally, an expense reimbursement for a contractor was reviewed which did not meet the parameters of this policy; we recommend all expenses reimbursed by the agency be documented on the agency's travel form and follow the guidelines of this policy. The policy has a space for employees to sign and date however documentation of this practice was not available; we recommend the agency follow through with this practice to help ensure all employees are aware of the requirements for documenting reimbursable expenses. <i>This key control should continue to be tested in future Financial Reviews.</i></p>
<p><b>4. Budget to Actual Comparison</b> The OTC's budget to actual income statement should reflect only budgetary amounts approved by the Commission.</p>	<p>8a The use of equity balances from the prior period has been Travel Oregon's practice for 10 years and allows the agency to conduct business during the first quarter of a new fiscal year. By statute, Travel Oregon is granted exception to the spending limitations that could otherwise prohibit our use of prior period Commission approved equity balances.</p>	<p><b>PARTIALLY IMPLEMENTED:</b> The prior biennium's review report was issued after the budget process for the biennium under review was underway. We did review documents for the current biennium and it appears additional information was included in Board meeting minutes to help support Board approval of budget amounts. The agency has a long-standing practice of the Board approving carryover from the prior biennium when all budgeted funds from the prior period aren't spent; we suggested this amount be included as a separate item on the Board approved budget documents to create the audit trail for the approval of the full budget. <i>This recommendation should be followed-up on in the next biennial review.</i></p>
<p>The agency should consider acquiring the services of an independent CPA firm to provide guidance and review on presentation of its financial statements.</p>	<p>8b We accept the recommendations related to acquiring the services of an independent CPA firm and will adopt this recommendation during the current biennium.</p>	<p><b>IMPLEMENTED:</b> Documentation was available that the agency had worked with an independent CPA firm during the biennium, specifically on journal entries. Management stated this will continue to be an on-going relationship as needed. <i>Closed, no additional action necessary.</i></p>



**Engaging Explorers**

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**TRAVEL OREGON 2015-2017 STRATEGIC PLAN**



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## INTRODUCTION

*It's working.*

The world is taking note of Oregon. More people than ever are choosing to come to Oregon, and they are traveling farther than ever to get here. They are coming to enjoy the things we love: natural beauty, wilderness, adventure, amazing fresh food, wine, craft beer, world-class sports, and a vibrant arts and culture community. The result of all these visitors is a long list of powerful statistics and measures that show the profound economic power of tourism in Oregon.

And now *Oregonians* are taking note of the potential of tourism to develop sustainable local economies throughout the state. Since the last iteration of this plan in 2013, we have seen more people see the value of the tourism industry, and more people see themselves as a part of the industry.

We are seeing the bets we made in marketing and product development payoff in very big ways. In several markets we are running at capacity in prime season. The operational tempo of the industry is incredible. Even a cursory glance at the activity level in Oregon's travel industry shows there's a lot going on 24/7/365 all around the state.

You might say that we are at the end of the beginning. We have established a data driven, 21<sup>st</sup> century-ready, marketing-sales-and-development infrastructure. We are facilitating coordination with partners around the state to optimize public and private resources. And we have set clear priorities to keep us focused.

It's working, and we are just getting started.

Travel Oregon's vision is: *"A better life for Oregonians through strong, sustainable local economies."*

That is what this plan is all about. Over 2013-15 we have been working fervently to achieve this vision though focusing on four strategic imperatives:

1. **Optimize statewide economic impact**
2. **Support and empower our partners**
3. **Champion the value of tourism**
4. **Run an effective business**

In 2015-17, Travel Oregon will continue to pursue these four imperatives, with a special focus on building *aggressive regional partnerships* to achieve industry goals. This doesn't mean we'll slack off on our commitment to champion the value of tourism through highly effective marketing and promotional efforts. But it does mean we are doubling down on our efforts to build a strong foundation of support and collaboration across the industry.



### 2014-16 Oregon Tourism Industry Action Plan

In 2014, Oregon’s Tourism and Hospitality Industry Consortium (Consortium), in partnership with Travel Oregon, invited stakeholders from a variety of Oregon tourism industry groups and guilds to participate in an industry survey and a series of focus group sessions designed to identify key priorities for a statewide Oregon Tourism Industry Action Plan for 2014-16. This effort was an extension of the regional industry “Listening Sessions” conducted across the state in 2013 to incorporate regional-specific perspectives, needs and desires into the Travel Oregon 2013-15 Strategic Plan. The resulting 2014-16 Industry Action Plan calls out vital points of focus and shared values across the industry in order to prioritize *action steps* that industry leaders are willing and able to engage in.



*The 2014-16 Tourism Industry Action Plan*

**Two-Year Cycles.** The 2014-16 Industry Action Plan and 2015-17 Travel Oregon Strategic Plan will work in alignment, with alternating planning years for mutual reinforcement. They are meant to work together. For that reason, The Industry Action Plan will be referenced frequently in this strategic plan. You can find the Action Plan here:

[industry.traveloregon.com/content/uploads/2015/04/IndustryActionPlan.pdf](http://industry.traveloregon.com/content/uploads/2015/04/IndustryActionPlan.pdf)

#### *Industry Alignment and Collaboration*

Travel Oregon is twelve years old at the writing of this plan. Among the many lessons we have learned over the years is that when people work together with a clear, common purpose in mind—amazing things happen.

The quality of a visitor’s experience depends on the coordination of a thousand variables and interactions. And we know that this coordination is achieved through ongoing communication, preparation, alignment of values and goals, and the ability to *act* on those intentions. That’s why we believe it is so critical for this strategic plan and the Industry Action Plan to be in sync. The more alignment we achieve between these two plans, and the more we can support collaborative efforts across the region to bring these plans to life, the more we can rise above our individual limitations and gain the momentum that comes from achieving one success after another together.

## STRATEGIC ANCHORS

With everything changing so fast it's easy to wonder about the value of a long-term plan. Certainly a big part of the thinking in this plan is to build change-readiness into our industry to ensure adaptability and success for the long term. But another part of the planning process—indeed maybe the most important part of the process—is to identify those things we *don't* want to change very much. The strategic anchors, the mission, the brand and core values remain more or less in place and they are the central lens through which we make choices and measure success. In other words, this stuff is important and we refer to it every day.

## OUR VISION

### A Better Life for Oregonians through Strong, Sustainable Local Economies

This vision puts local economies at the center of the bulls-eye for success. In other words, increases in travel and tourism are good things to the degree that they help create better lives and make a positive impact in the form of job creation, and sustainable economic growth. We believe that positive results will flourish in the context of *local* involvement, innovation and collaboration.



*A 2015 training for tour operators, guides & operators attracted more than 50 guides from across Oregon to help hone their business acumen*

To this end, Travel Oregon is committed to reaching out to communities around the state and helping to build tourism resources from the basics. We will continue to offer support for communities working to get their message out with consistency, and with training designed to ensure that every community can offer a world-class experience for people who explore Oregon.

With this vision in mind, Travel Oregon has made commitments to:

- Build from basics
- Leverage opportunity from existing actions and events
- Align with key partners and stakeholders locally
- Optimize alignment of resources with Oregon's Travel and Tourism Industry
- Identify long term product development cycles
- Establish specific pilot efforts and measure results
- Clarify local and state key performance indicators (KPIs)

Each of these commitments will be pursued with an eye toward supporting the Industry Action Plan and priority efforts identified over the next two years by Action Plan stakeholders and work groups.

While the vision tells us where we want to go; the mission and our unique value position describes exactly what we will do and why we are ready for the job.

## OUR MISSION

**We inspire travel that drives economic development. Through innovation and partnerships, we share the stories of Oregon’s people and places, deliver world-class experiences and ensure the preservation of Oregon’s way of life and its natural places.**

We commit to sharing the stories of Oregon that promote industry success, but that’s not the only reason why we share them. Driving economic development means sharing stories that inspire and improve local business, provide good quality jobs, support entrepreneurs, and promote a sense of place and community. It’s about more than just inspiring travel: it’s about preserving Oregon’s unique vitality and spirit.

The stories of Oregon, innovations and partnerships are also about recognizing the interplay between the people and their natural surroundings. It’s a connection that demands authenticity, and a curious mix of reverence and irreverence, as we tell the stories of the people and places that make Oregon so inspiring. We understand we are in a position of stewardship, and we must protect the natural resources that this industry depends on.

We have worked hard to build a strong and inspiring story of Oregon that touches people in a visceral, moving way, eliciting an emotional connection to our state, people and culture. We know our Travel Oregon marketing and story-telling work is inspiring consumers to choose Oregon.

In 2013, we partnered with Wieden+Kennedy to build out our Oregon Explorer vision and create the enormously successful “7 Wonders of Oregon” marketing campaign. In many ways, the 7 Wonders campaign epitomized our chance to “bring it all together.” The effort was rooted in substantial industry research and marketing analysis. There were clear strategic objectives for the campaign. We were able to work with world-class partners. We engaged the substantial power of social media. And, we measured results and made adjustments all along the way.

7 Wonders represents what is possible when we act decisively and in unison. For all of its success, it, too, is just a first step.



## OUR UNIQUE VALUE

**Travel Oregon delivers unequalled tourism expertise to the entire state and tells Oregon's story to the world.**

More than a decade of hard work is paying off now in the form of improved visitor levels across the state. Since 2004 visitor spending in Oregon has increased more than 49%. More importantly, we have developed the expertise and the infrastructure to optimize our efforts and drive even better performance in the future. Travel Oregon's industry-leading sales, marketing and development expertise continues to put Oregon on the map for explorers around the world. In the coming years we will continue to invite global visitors to come and spend time in our great state and experience our beautiful, wide open spaces; unique products; unparalleled restaurants and lodging; and tax-free shopping.

## OUR BRAND INTENTION

**Travel Oregon's partners feel connected, informed, empowered, optimistic and inspired.**

Great brands offer a clear promise to the customer of the experience they will have with their people, products or service. At Travel Oregon, we are committed to providing support, education and resources to ensure our industry partners feel connected, informed, empowered, optimistic and inspired whenever they interact with us. We know the values of our organization must reflect what we value as a people and as a state. This close attention to who we are makes Travel Oregon the kind of partner the industry wants and needs. This does not mean there won't be times when we have differences of opinion. That kind of creative tension is often the catalyst for revelation and deeper respect. What it means is that our relationships are built on trust and a healthy, practical understanding of expectations.

## 2015-17 STRATEGIC IMPERATIVES

A good strategic plan is accessible and manageable. It offers clarity and focus. It is explicit about priorities and desired outcomes. The plan is supported by performance measures that reflect its priorities.

There are four strategic imperatives in this plan. Each is backed up with specific actions and initiatives that will help spin the flywheel and build momentum. Each area of focus will generate specific measures and performance indicators; these are the answers to the question, "How do we know if the plan is working?"

The four areas are:

1. **Optimize statewide economic impact**
2. **Support and empower our partners**
3. **Champion the value of tourism**
4. **Run an effective business**

Hopefully you look at those areas of focus and think, “Yeah, those make sense.” If you look at them again, you might even comment on the obvious interdependence between them: “They tie together.” If you’ve had a lot of coffee, or you are just prone to overanalyze things, you might call out their catalytic or synergistic potential—how they should work together to create an outcome greater than the sum of their individual parts.

And, if you look at them one more time you may realize that there is no way Travel Oregon can achieve these goals alone. Each will depend on stakeholders, partners, subject matter experts, public officials, business owners, and of course the traveling public. This plan, more than any other, is designed to connect with priorities and rhythms of Oregon’s travel industry and our statewide partners. We know that there is a spirit of competition between parts of the state, but we also know that our sense of unity and cooperation is far stronger. This plan celebrates the potential of working better together.

## 1. OPTIMIZE STATEWIDE ECONOMIC IMPACT

It is no accident that statewide economic impact is at the top of the list. Many counties and communities around Oregon are still struggling to find a foothold in the post-recession global economy. The industries that carried the day in the last 50 years may be weakened—or gone altogether. Most agree that continued economic recovery and development works best with a blend of service, manufacturing, and agricultural industries. Candidly, we know many people question the potential of travel and tourism to be a powerful, long term engine for Oregon’s economic development, but the numbers across the state tell a different story.

Championing the value of the travel and tourism industry is easy once we look at the details. The numbers speak for themselves. Oregon hosts nearly 26.8 million overnight person-trips annually.<sup>1</sup> Every dollar that Travel Oregon spends marketing the state generates an incremental trip and yields an average of \$237 in visitor spending in Oregon and \$11 in local and state tax revenue.<sup>2</sup> And, taking the industry as a whole, travel spending creates enough economic activity to support more than 100,000 jobs. You don’t need to be a financial analyst to see the power of the industry and the effectiveness of our investments. So what will it take to optimize the potential of the travel and tourism industry to drive statewide economic development in Oregon? In the next two years Travel Oregon will:

- Inspire overnight leisure travel through industry-leading branding, marketing and communications.
- Develop world-class tourism product in partnership with community leaders, tourism businesses and key agencies.
- Align and optimize strategies for integrating sales, marketing and destination development efforts at the local level.
- Drive business from key international markets. Deliver integrated sales/marketing plans leveraged with global partners.

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<sup>1</sup> Oregon Travel Impacts: 2014, Dean Runyan Associates

<sup>2</sup> Advertising Accountability Study: 2013, Longwoods International



Oregon is becoming increasingly known as a place where majestic beauty meets creativity. This sort of X factor captivates imaginations, whether it's that of a *New York Times* writer or the millions who say they plan on visiting this year. Because it's difficult to comprehend great beer, wine, food, art, epic recreation, gorgeous nature, and friendly and civic minded people merging in a single place.

Oregon is too good to be true. That's not a bad problem to have.

It is this inspirational quality that is captured in our brand. People come here not to get away, but to bring something back with them. The folks who choose to visit Oregon are a lot like Oregonians themselves—they are *explorers* who value what they've seen, what they've done, and what they have found along the way. Explorers pride themselves on tracking down experiences that make for great stories, and products that become the envy of their friends. Explorers see these discoveries as both fun and meaningful.

The great news is that Travel Oregon's campaign efforts have been and continue to be successful.

Overall, Oregon's international markets (Asia, Europe, Oceania and Canada) have been trending upwards for the past five years. In fact, in 2014 the increase year over year was 9%.

Canada continues to be Oregon's No. 1 international market. Emerging markets continue to demonstrate significant growth. China is Oregon's fastest growing international market with a 35% increase in 2014 vs. 2013, and is now Oregon's No. 1 overseas market. It's also the state's top-spending overseas market at more than \$48 million in 2014, up more than 30% YOY. The European Markets continue to demonstrate both stability and growth. Air service from Europe to PDX has

increased, with three non-stop flights, one year round and two seasonal. Travel Oregon's leveraging of these flights support the mature markets of U.K., Germany, France, Benelux and Scandinavia. Oceania has transitioned from an emerging to a stable market, and through targeted trade and media opportunities will continue to gain market share. Working with Brand USA and West Coast partners in the Brazil, India and Mexico markets will ensure increased market share for Oregon. Domestic tour operator product is important for economic development in rural Oregon and has expanded with the creation of itineraries throughout the state.



### International Arrivals to Oregon Increase 9% in 2014

	<u>2013</u>	<u>2014</u>
<b>Total: All International Markets</b>	<b>1,870,000</b>	<b>2,034,000</b>
<b>Total: Top 15 International Markets</b>	<b>1,681,000</b>	<b>1,804,000</b>
<b>Canada</b>	<b>1,355,000</b>	<b>1,439,000</b>
<b>China</b>	<b>46,000</b>	<b>62,000</b>
<b>Japan</b>	<b>47,000</b>	<b>52,000</b>
<b>UK</b>	<b>40,000</b>	<b>43,000</b>
<b>Germany (+A,CH)</b>	<b>36,000</b>	<b>38,000</b>
<b>Australia, NZ</b>	<b>35,000</b>	<b>38,000</b>

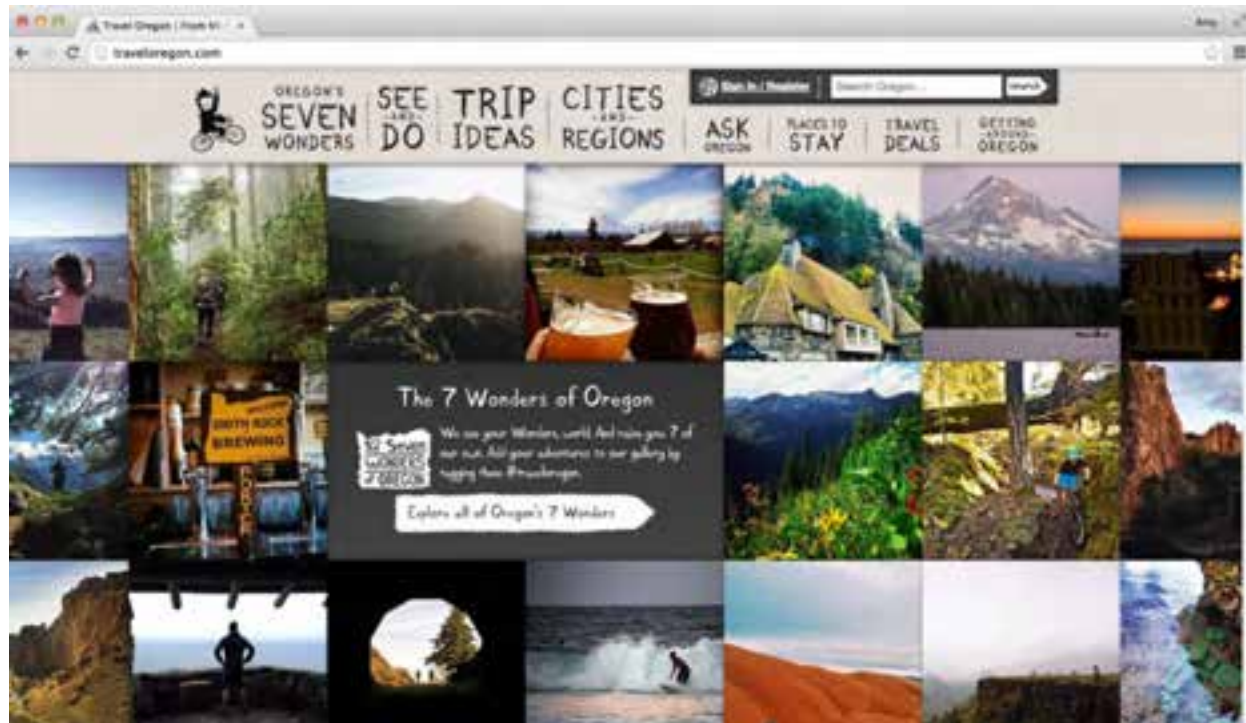
<b>Scandinavia</b>	<b>24,000</b>	<b>25,000</b>
<b>Mexico</b>	<b>21,000</b>	<b>24,000</b>
<b>Korea</b>	<b>21,000</b>	<b>21,000</b>
<b>France</b>	<b>15,000</b>	<b>16,000</b>
<b>Brazil</b>	<b>11,000</b>	<b>13,000</b>
<b>Taiwan</b>	<b>11,000</b>	<b>12,000</b>
<b>India</b>	<b>9,000</b>	<b>10,000</b>
<b>Benelux</b>	<b>7,000</b>	<b>7,000</b>
<b>Italy</b>	<b>6,000</b>	<b>6,000</b>

Travel Oregon estimates are based on and extrapolated from aggregate card usage data provided by VisaVue® Travel. They incorporated data from other independent research sources. Spending amounts and patterns are based on face-to-face Visa card transactions in Oregon. Transactions utilizing cash, pre-paid, phone, internet and other credit/debit cards are not included. Conversion factors are used to extrapolate arrivals, but spending per visitor is in its raw form (only Visa card purchases). Amounts on this sheet are rounded, with associated rounding errors. All calculations are done on un-rounded data.

The point is, you shouldn't be surprised to see busloads of ecstatic visitors from China shopping at the Woodburn Premium Outlets or visitors from Brazil standing in awe as they take in the panorama of Crater Lake on a bright summer day. Those economic activities don't just happen; they are the result of investments in travel and tourism as one of Oregon's vital industries.

More and more people from across the state, country and world are discovering the "Wonders" of Oregon. The 7 Wonders campaign, launched last spring, is resonating with visitors and Oregonians alike. The overall objectives of the campaign are to inspire people to consider Oregon as a prime travel destination and to encourage exploration throughout the entire state. The campaign has led to economic impact in communities and regions throughout the state. Consumer requests for Visitor Guides and information for every tourism region of the state was up 28-49% over 2013, indicating that more potential travelers are acting on their intentions to choose Oregon as their vacation destination in 2014.

What's more, Travel Oregon's fan base grew by more than 120,000 and [TravelOregon.com](http://TravelOregon.com) experienced a record number of unique visitors during the campaign, giving a new audience a view of all Oregon has to offer in an ongoing and engaging manner. We've invited this new fan base to share their photos of





Oregon's Wonders on social media using the hashtag #traveloregon. The best of these images are showcased on Travel Oregon content channels (TravelOregon.com, Facebook and Instagram) to inspire others long after the paid media portion of the campaign concludes. In 2014, people tagged more than 86,000 photos with the #traveloregon hashtag.

Another powerful testament to the strength of our marketing is the recognition of our peers across the country. To highlight a few recent accolades: in 2013, our culinary campaign, Oregon Bounty, was named the best overall campaign in the country and TravelOregon.com won the best state tourism website in the country, both awarded by the U.S. Travel Association. And it's not just Travel Oregon's Sales and Marketing programs that are gaining attention. It's also our Destination Development program that was recognized as a Platinum-level



*Travel Oregon accepting the HSMAI/National Geographic Platinum Award for Sustainable Tourism*

“Leader in Sustainable Tourism” by the Hospitality Sales and Marketing Association International (HSMAI) and National Geographic Traveler for its work implementing Oregon's Rural Tourism Studio. The Destination Development Program was also awarded a World Responsible Travel Award at the World Travel Market in London in 2014 for “Best Short Film for Responsible Tourism” for its *Communities Powered by Travel* video featuring the John Day River Territory. The award recognizes the residents of the John Day River Territory in Eastern Oregon and their collaborative work to improve the region through tourism.

### **Local Economic Development**

We know that there are hundreds of great ideas out in Oregon's local markets. The question is how do we get them off the ground? To be blunt, local markets in Oregon will never have enough time or money on their own to get their message out to the right potential travelers for the experiences they can deliver. Supporting local efforts is a primary focus for this strategic plan and the Industry Action Plan priorities. In order to support the efforts of the Industry Action Plan, Travel Oregon will place a high priority on facilitating and supporting efforts to increase regional collaboration and partnerships that help leverage local efforts, develop and showcase local products. Building strong bridges to the local markets is one of the biggest “aha moments,” that came from the 2013 Listening Tour and the 2014 Industry Action Plan sessions.

### **Resource Management**

Our industry focus group sessions in 2014 served to reiterate the dynamic between our state's tourism business and the policies regulating land-use and resource management. Through partnership with the Consortium we will continue to review and define the specific places where Travel Oregon can make a

difference in opening up the state's tourism potential while ensuring continued stewardship of our natural resources. The challenges and opportunities associated with land use policies and regulations are addressed in the Industry Action Plan and will be an ongoing consideration in Travel Oregon's support of action priorities over the next two years.

### **Excellent Data and Analytics**

From day one, Travel Oregon has put stock into research, measurements and analysis. Over the years our belief in the power of research, data gathering and measurement has only increased. The more things change, the more important data becomes. So how will we know if we are succeeding in our goal for statewide economic impact?

#### ***Travel Oregon will measure the following Key Performance Indicators (KPIs):***

- All regions show increase in year over year statewide lodging demand. Up 2.5% by 2016 and up an additional 2.5% by 2017.
- Establish a baseline measure for value of partner investment.
- Increase media impact index (earned, paid, owned).

Optimizing economic impact isn't only about building awareness and demand. It's about fostering and sustaining the critical partnerships that bring results across the state.

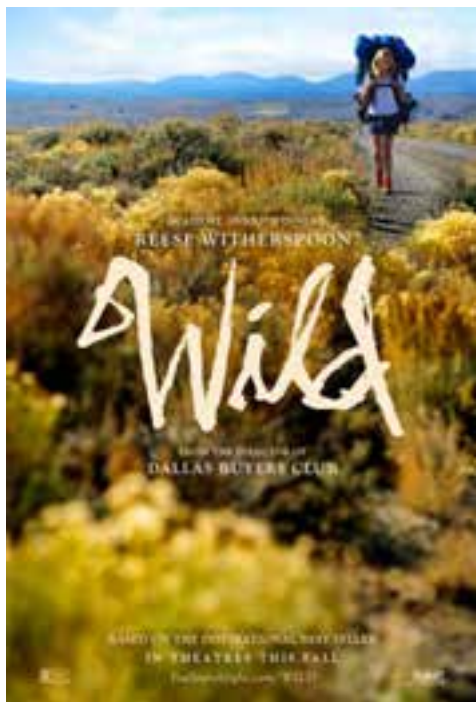
## **2. SUPPORT AND EMPOWER OUR PARTNERS**

From the one or two person entrepreneurial businesses teaching fly-fishing or making artisan baked goods, to the large state or federal agencies working to manage transportation or wildlife habitat, Oregon is incredibly lucky to have so many talented people working on her behalf. A quick glance at our industry partners and you will be struck by the diversity they represent. The industry offers an employment continuum from entry-level jobs to strong career paths, requiring deep experience and advanced education from service industries to the sciences.

If you look a little deeper you will see that for all the diversity of the industry, it's incredibly skilled in the arts of collaboration, project management and team development. We get together. We talk—all the time—about issues big and small. We are an industry that believes deeply in the power of ongoing transparent communication with one another.

This strategic plan and the Industry Action Plan are examples of our industry commitment to collaboration and transparency. These values are absolutely essential to any vision of success in achieving statewide economic impact. We know we have much more we can do to grow and strengthen our industry partnerships to build a foundation of collaborators who have passion, time, resources and commitment to rise to *action* for increased success across communities. We have only begun to realize what is possible. When we can do a better job of clarifying and sharing goals and acknowledging the interdependence that binds our fates together, we will gain the maximum impact from our resources.

This plan is about continuing to build alignment across the industry that will firmly place Oregon as one of America’s premier global tourist destinations welcoming millions of visitors every year; each one leaving with an appreciation for the wine, beer, artisan food, history, culture, natural beauty and adventure lifestyle that makes Oregon so special.



A great example of the power of partnerships is how Travel Oregon was able to leverage the movie WILD beyond anything we could have achieved on our own. We worked with the Governor’s Office of Film and Television, Brand USA, iconic Oregon brands, and regional partners throughout the state to showcase Oregon’s starring role in the movie that Reese Witherspoon called her “love letter to Oregon.” These valuable collaborations with our partners gave Oregon a greater presence around the film than could have been achieved alone. The L.A. premiere of WILD was fashioned to look like a walk through Oregon’s portion of the Pacific Crest Trail, replete with a “Welcome to Oregon” sign that capped the red carpet, and a reception that featured Oregon wine, craft beers and spirits exclusively. Strategic partnerships with Oregon outdoor gear brands like Danner Boots gave movie goers a taste of what it feels like to take a walk through the stunning Oregon wilderness.

What’s more, the partnership with Brand USA gave Travel Oregon the opportunity to showcase Oregon’s outdoors to an international audience, with the 30-second 7 Wonders Anthem showing to audiences in Germany and Scandinavia directly before the beginning of the film.

Travel Oregon’s title sponsorship of *Feast Portland, A Celebration of Oregon’s Bounty* helps us spread the word about what makes Oregon a premier culinary travel destination to a whole new audience of consumers, media and influencers in the food world. But even more than that, it’s an internationally-acclaimed food festival where our partners from across the state can showcase all of the many culinary experiences and flavors that make every region of Oregon taste so good.

When partners interact with Travel Oregon, we want them to feel connected, informed, empowered, optimistic and inspired. We are committed to those relationships, and know they will lead to real economic impact, exciting and sustainable jobs, a built-in protection mechanism for our eco-systems, and permission to live fully and authentically for those of us lucky enough to call Oregon home.



*Industry Partners are our greatest assets to help us showcase the very best of Oregon*

### ***Supporting the Statewide Tourism Industry Action Plan***

The 2014-16 Industry Action Plan reflects a practical product development approach aligned with “guild-specific” and regionally-focused, industry priorities. It is crafted from the input of guides, winemakers, government officials, hoteliers, restaurateurs, artists, travel professionals, athletes, and entrepreneurs. All of these smart people contributed to a compelling and focused view of what must be accomplished in order to empower the entire industry. They contributed their ideas as stewards, looking well beyond the purview of their own particular professional point of view. They also considered the practical challenges of accomplishing anything else—when many are over-tasked and under-resourced.

Making the Industry Action Plan work raises specific challenges for harnessing resources, leadership and commitment. But failure is not an option. It is not about a “burning platform” or about “swinging for the fences.” It is about systematically aligning and mobilizing resources to make incremental progress year over year. It will work through a combination of formal project charters and informal agreements to get things done. Like everything else, the Action Plan depends on the good will and commitment of the people like you who are reading this plan. Travel Oregon recognizes that we have a special role as the connective tissue that will ensure the Action Plan gains traction in the next two years.

While Industry Action Plan projects will be chartered and supported under the leadership of the Tourism & Hospitality Industry Consortium, Travel Oregon will also play a critical role in facilitating and supporting the formation and implementation of action efforts across local communities.

Travel Oregon is ready to go to the next level in supporting collaborative industry work with clearer goals, more opportunity, and better aligned resources. In the past we have achieved success because we were able to count on the heroic commitment of a handful of individuals and partners around the state. The next two years will be about focusing efforts toward growing and expanding coalitions, project teams, and cross-industry efforts to build a long term economic engine for the future of Oregon travel and tourism. We will explore what is really possible when we work better together with practical plans.

### ***Deliver Professional Industry Development and Training Opportunities***

During the listening tour in 2013, and in the focus groups of 2014, we heard again and again that there is an ongoing need for training and human resource development across the state. Oregon’s amazing bounty and world class marketing will fall flat if the traveler’s experience is not supported with talented, travel-savvy professionals. Over the last two years we worked hard to raise the bar on the service experience our travelers find in Oregon. Travel Oregon has developed a top-quality suite of professional development opportunities in the form of online training and resources as well as customized programs for niche markets. We will continue our commitment to promoting best practices for great service experiences and local business development across the state. And we will continue to improve and evolve the educational opportunities from programs like the annual Governor’s Conference on Tourism, Global Sales Travel Trade Workshops and through the ongoing delivery of Travel Oregon 101 and Tourism Studios.

You need look no farther than the success of our Rural Tourism Studios and Bike Tourism Studios to see how communities like Oakridge and the McKenzie River Valley have been fundamentally transformed by embracing mountain bikers and outdoor enthusiasts from around the world. Or, how South Lincoln County, a recent Rural Tourism Studio alumni, is actively working to broaden the travel appeal of its coastal region by creating a local recreation trail system that is both land and marine based.

### ***Realize Statewide Strategic Integration of Technology***

One of the hallmarks separating Oregon from other states' efforts to optimize tourism is its passion for research, data and information technologies. Travel Oregon continues to be an industry leader in leveraging technology to lure and support visitors. Travel Oregon's website is remarkable for its design, user interface, and the freshness of its information. It's clear this website wants to really help travelers, and is a trusted tool for planning and inspiration.

Oregon seems to attract explorers—and these are the very same people who push the boundaries in their use of mobile and social media technology to inform most every aspect of their travel experiences. We are seeing a world where our digital tools and resources offer more clear and actionable views of who is coming to our state, where they're coming from, why they come—and what they expect. We're poised to deliver more customized content through our industry database, based on this digital intelligence. We are also able to see more of what they say about Oregon when they go home and how they make recommendations to their social networks, spinning a virtuous cycle and driving success for our tourism efforts.

This biennium we will leverage new technology to gain deeper insights into our consumers' needs to receive content more closely matched and customized to their interests. Knowing what type of device a visitor to TravelOregon.com is using, or what their specific interests are, will help us provide improved experiences for each user. Deeper understanding of how consumers engage in our channels will help us segment and personalize our outreach through retargeting, e-communications, social media and other owned channels. The goal of this is to increase the relevance of the Oregon travel message, engage consumers with world-class content, and encourage Explorers to get out and travel the state of Oregon. Furthermore, we'll be able to use this consumer insight to better serve qualified leads to our partners.

As far as we have come, there is still a long way to go. We recognize that information management is going to be a key capacity for Travel Oregon and our partners across the state. It is not enough that we have accurate and comprehensive information, we need to ensure that Destination Marketing Organizations and trade group partners are also equipped with the relevant analysis to help make smarter, more aligned decisions.



*The Orb allows our industry partners to input data directly to share on several platforms*

Our ability to mine data from our online visitor interactions allows us to get smarter every month, serve up what visitors need, and anticipate important consumer trends. Every day the database at Travel Oregon, nicknamed the Orb, is growing to feed not only TravelOregon.com, but also websites across the state and country, with places to eat, drink, stay and things to do. It is about efficiency and making smart choices with limited resources. But it is also about being relevant and engaging in real-time interaction with the modern traveler. Our goal moving forward is to use this information backbone to help drive confidence for resource investment and to measure performance in a way that allows us to make small changes that yield big results.

To that end we are committed to:

- Statewide integration of the Orb with Destination Marketing Organizations and trade group partners.
- Launch a business intelligence platform that surfaces marketing analytics and consumer insights to benefit Oregon’s tourism industry.

### ***Implement an Industry-Leading Visitor Information Network***

As we hinted above, travelers in Oregon are becoming increasingly sophisticated in their use of mobile and social technology. A quick look at any high-tech magazine will confirm that the trend of driving everything to “the cloud”, empowering people to monitor their homes, cars, blood pressure, weather, and practically anything else, will not slow down.

While we have no illusions about the complexity of optimizing this high tech future, we also know we have the benefit of great momentum and early success. The combined expertise of our partners and the increasing sophistication of the Orb will coalesce to allow Travel Oregon to launch a state-of-the-art Visitor Information Network. This effort will be a perfect example of how Travel Oregon is able to

develop and deploy strategic resources that no single agency or business could achieve on its own. It's a resource that will benefit everyone, beginning with the traveler. In the world of cloud-based services, there is a reciprocal value relationship between the traveler who benefits from the rich information resources we can provide and our ability to better understand the desires and patterns of the travelers.

The best place to start this dialogue is to leverage the Welcome Center program, one of the primary ways Travel Oregon interacts with visitors while in the state. It's important to understand that these centers are simply one piece of the state's overall visitor information environment. This environment contains regional and local destination centers, as well as private sector locations also functioning as visitor information outlets. The mission of this environment is to deliver first class customer service and information to Oregon visitors. The desired outcome is to enhance visitor experience in hopes of extending stays and creating return customers. In the next two years, we plan to help create a stronger overall information environment by:

- Assessing the overall opportunities of the existing environment, including integration of Ask Oregon and We Speak programs.
- Support the development of the planned Siskiyou Welcome Center in Ashland and planning for needed upgrades at the Welcome Center in Ontario.



### ***Key Measures for Supporting and Empowering our Partners***

Travel Oregon will be successful when our industry partners are engaged and collaborating actively to help Oregon reach its potential as a world-class destination. We will be doing our job if people feel confidence, clarity, and momentum. They will see real results showing up at a bottom-line level.

We'll be measuring the local engagement baseline and looking at the utilization of our tools and resources by our partners and travelers. And we will create measures to effectively monitor the success of the Orb as well as the visitor information network. But really, we will know right away if we are missing the mark. We know our industry partners are smart, and they are not shy. Like we said at the top of this section, we are in communication with our partners every day and we treasure that interaction and candor. We sleep well when we have done our very best for the industry. So, "a good night's sleep" is also a reasonable performance measure.

## **3. CHAMPION THE VALUE OF TOURISM**

In a world dominated by bad news and pessimism, travel and tourism is a great go-to good news story for Oregon. The data is amazing, showing year over year growth statewide. It's not a fluke. It's evidence of a powerful economic engine that can stand side by side with manufacturing, agriculture, education and health care as a platform for Oregon's economic future.



- In 2014, visitors to Oregon spent \$10.3 billion, employing more than 101,000 Oregonians and contributing more than \$429 million in tax revenue to the state.
- In 2014, tourism contributed \$3.9 billion in GDP, making it one of the top three industries in rural Oregon
- A 2011 research project looking at consumer behavior of Oregon visitors found that 56% of them bought Oregon products once they returned home and nearly 3% said they would be interested in relocating or starting a business here (which equates to several hundred thousand prospects)

Travel Oregon will continue to work with research firms to bring up-to-date evidence of the industry's performance. Data is crucial to our understanding of how the travel industry is maturing in Oregon and how we can better anticipate the market trends and opportunities in the global marketplace.

### ***Conduct Research and Build Toolkits to Enable Partners to Take Action***

We will continue ad accountability studies to understand how our advertising is shaping perceptions of Oregon and driving travel to the state. We will constantly refine our ad spends and messaging strategies to optimize every dollar spent. We will cooperate with agencies like Oregon State Parks and Oregon Department of Fish and Wildlife, among others, to combine data and analyses to maximize our stewardship and the opportunity for travelers to find the hidden gems in Oregon. And we will continue to share what we know. Our local partners rely on us for up-to-date information that not only promotes Oregon tourism at the state level, but can be adapted easily for relevant local advocacy and planning efforts.

We are discovering that championing the value of travel and tourism can be a challenge. Even armed with great facts and evidence of economic success, there are many who continue to see tourism as a lesser priority to other "tough" economic and political issues. This is why telling the story of this plan and the vision of economic impact statewide is up to all of us. For all the momentum that we have, we can't rest in our efforts to educate local politicians and opinion leaders about the transformative power of tourism.

### ***Develop and Deliver Key Value of Tourism Messages***



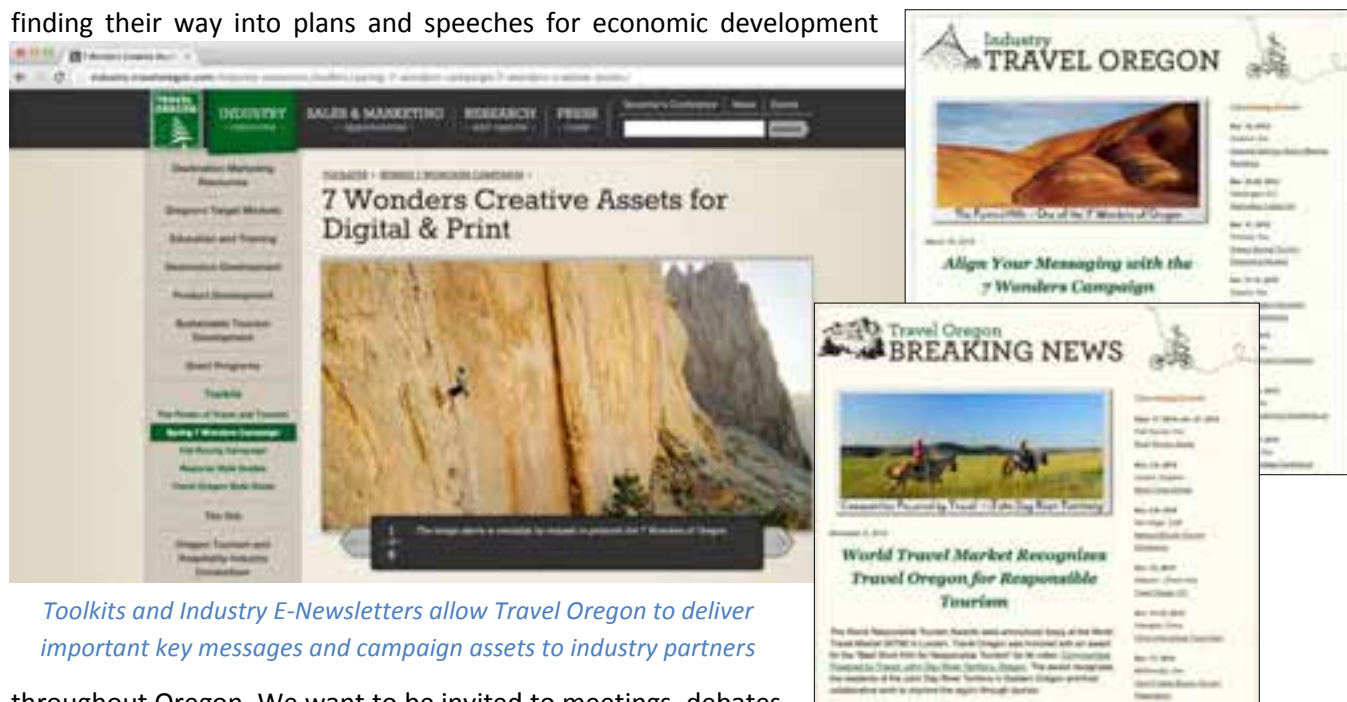
We also need to develop and focus on key messaging points that can galvanize the industry. With that, Travel Oregon created more internal capacity to promote the power of tourism with the media and policy makers throughout the state. We'll work to strengthen relationships with local media and the state's policy makers and we'll serve as a resource for industry partners in need of advocacy in the travel and tourism industry realm. This includes building and implementing a new Policy-Maker Engagement Plan and an Industry Communications and Media Outreach Plan. We will perform analyses and will support key policy changes that positively impact Oregon's tourism industry. Finally, we will work to

support the industry with intelligent engagement and research on policy positions that could help or hinder the growth of the tourism industry.

Ironically, these efforts will often take the form of limiting and summarizing information to what’s most important. Through the listening tour we heard that one of the difficulties with Travel Oregon is that there is too much information, too many reports, and the data can be extremely complicated. While we want to keep the transparency and access for those who like to “go deep” into the data (you know who you are), we are also committed to packaging and publishing data in a way that is more locally relevant and actionable.

**Key Measures for Championing the Value of Tourism**

We know we will be on the right track when we see industry partners and opinion leaders reaching out to Travel Oregon and utilizing the resources and toolkits we are producing on their behalf. We want to see the research echoed in city council and town hall meetings. We want to hear tourism talking points finding their way into plans and speeches for economic development



*Toolkits and Industry E-Newsletters allow Travel Oregon to deliver important key messages and campaign assets to industry partners*

throughout Oregon. We want to be invited to meetings, debates, and discussions focusing on developing jobs and economic prosperity in Oregon.

We also want to see the earned media impact index increase. We will continue to share the message of our powerful industry with local and regional media, engaging them in storytelling about Oregon’s tourism community, and reporting on the positive impact it’s having on creating better lives for Oregonians. And we will continue to execute on our plan to eliminate identified policy barriers that hinder the achievement of these goals.

### ***Expand Participation in Travel Oregon Forever Programs***

An interesting outcome of the Seven Wonders campaign is that we had to confront the question of our success. What if lots more people go to Crater Lake, or Multnomah Falls, or Smith Rock? Is it possible that we are endangering the very wonders we are seeking to protect? For many Oregonians, calling these locations “Wonders of the World” is not hyperbole; these places are sacred, magical and irreplaceable.

It is a distinctly Oregonian issue. A look back at Oregon’s history reflects a state that has been conflicted over its stewardship of amazing timber, water, mineral, and agricultural resources. From the comedic environmental obsessiveness referenced in episodes of Portlandia to economically critical debates over land use, Oregonians are operating with the belief that our environment is foundational—and there are better ways to do things. Oregon now stands as a state fully dedicated to finding a balance between the needs of people and the needs of the environment. Certainly this is one of the major attractions to the potential of travel and tourism as a sustainable economic driver for Oregon. Travel and tourism offer a win-win opportunity in that *there are clear economic advantages to preserving the natural wonders of Oregon*. It is no longer an “either/or” issue; either jobs **or** the environment it is a “both/and” issue; create jobs *and* protect the environment.



Our commitment to balance and sustainability shows up strongly in the ***Travel Oregon Forever*** programs. More than 55 million Americans think of themselves as sustainable travelers. Most people want to do the right thing—if they know what to do. ***Travel Oregon Forever*** programs connect people and businesses with the resources they need to participate in sustainable business practices and further enhance their triple bottom line (people, profit, planet).

**Travel Oregon’s Sustainable Business Challenge** allows partners to share their sustainability commitment with the world and our **Oregon Travel Philanthropy Fund** allows visitors to financially contribute directly to local projects. Travel Oregon leads the nation’s tourism efforts in this field simply because it is the right thing to do.

Simply put: Travel Oregon’s goal is that Oregon is a premier destination for sustainable travel and the Oregon tourism industry is recognized globally, and by Oregonians, for its leadership in sustainable development.

## 4. RUN AN EFFECTIVE BUSINESS

Working with the team at Travel Oregon, it is easy to get swept up in the quick pace of activity and the compelling values that ground what we do. The work is dynamic, changing from one place and one season to the next. It can feel like we are dealing with different worlds as we talk to a city official on the coast, a rancher in Eastern Oregon and a wine maker in Dundee all in the same hour.

As much as we think about big ideas and big values; we also recognize that Travel Oregon must operate with the pace and intensity of a world class competitive business—*and* the transparency and public interest of a high performing government agency. It means that we take our jobs very seriously and we are very conscious of the integrity that must be a part of every business decision.

Over the years we have refined “what works” at Travel Oregon. We know our people are the heart and soul of our business; their intelligence, experience, rapport and talent to get things done is what drives the business. We know we need to work systematically, with constant connections to our strategic goals on hand at all times. We have learned to love data, feedback, information, and charts and graphs of all kinds because these feedback points help us make subtle (and sometimes substantial) course corrections in real time. And we recognize that, more than ever, we depend on key technologies to keep our partners, the public and ourselves empowered and informed.

That is why we will continue to focus on the following four areas for the upcoming biennium:

- **Measure and drive improvement in employee engagement**
- **Perform strategic portfolio management**
- **Develop and deliver strategic dashboard**
- **Implement and evolve the technology roadmap**

### ***Measure and Drive Improvement in Employee Engagement***

Within Travel Oregon there is a lot of talk about “going to the next level.” As the agency has found success, they have also found the stakes going up. Oregon has captured the attention of other state tourism programs and is considered a national leader for innovation and world-class marketing. As such, Travel Oregon is committed to making sure that team members have the opportunity to learn and grow from formal development programs as well as ongoing informal “on the court” coaching.

### ***Perform Strategic Portfolio Management***

Like many modern organizations, Travel Oregon recognizes that the world doesn’t always work in a way consistent with departmental boundaries. As such, Travel Oregon is committed to managing its work along the lines of strategic portfolio management. Every department will work towards each of the areas of strategic focus. This will result in the deployment of cross-departmental project teams that will

come together as needed to optimize results. It's a new way to work, but it's not unfamiliar to the team at Travel Oregon to flow and adapt to the work and do what is necessary to get the job done right.

### ***Develop and Deliver a Strategic Dashboard***

Sure, the idea of a strategic “dashboard” is a well-worn metaphor, but we think the metaphor is more apt than ever. Travel Oregon is currently managing terabytes of data; images, maps, analytics, plans, surveys, research, videos, etc. It's all in there. The trick is *curating* that information with an eye towards the practical needs of real people doing real jobs all over the state. Nobody needs a thousand pages of numbers; they need clear trends, clear thresholds of opportunity and risk, clear answers. So yes, a *dashboard* that could be configured to suit the particular needs of an industry or regional partner who could monitor progress at a glance—or be warned when performance is slipping below par would be extremely helpful.

Like most things that are intuitive to use and apparently simple—building a dynamic information reporting dashboard for the industry is an extremely complex task. But it's a task that we believe is essential to the long term success of the industry and well worth the effort and iterations. It's not just about “pushing out information.” It's about understanding what people need and developing an appetite for trended data. It is about educating people about what information we have, the trends we can see, and learning to make inferences from those data about new situations and opportunities.

We understand that this kind of effort isn't just complicated—it's complex. By complex we mean changing, dynamic, with quick and confusing cycles of cause and effect. A complicated system can be worked out...eventually. A complex system requires ongoing adjustment and iteration. It demands that we ask new questions year over year and not fall into the trap of believing we have it all figured out.

Over the next two years you will see more efforts to dynamically gather and report data for the travel and tourism industry. From the new Action Plan Engagement tool being rolled out at the 2015 Governor's Conference to compelling tools that can be used by professionals around the state, we are committed to getting more actionable data into the hands of our partners.

### ***Implement the Technology Road Map***

Throughout this plan you have seen references to digital consumer trends that demand 24/7 interaction on mobile devices. At Travel Oregon we see technology as one of our greatest strategic strengths—allowing us to achieve quality and scale. That said, we are aware that the pace of change in the world of digital technology is incredibly fast.

Over the next two years Travel Oregon will refine and implement our technology roadmap, allowing us to optimize our current investments in technology and take steps in a market-wise fashion to improve our service quality and efficiency. This plan will take into account the priorities of the Industry Action Plan as well as the needs of our industry partners. It will ensure that we invest time and money in the hardware and software resources that will take us where we want to go. Getting out in front of technology issues is a critical factor in running an effective business.



### ***Key Measures for Running an Effective Business***

Travel Oregon has a history of “gold stars” from third-party auditors. You will frequently hear employees talking about “the highest and best use of resources.” This value shows up in smart decision making and unflinching integrity in the management of resources. Travel Oregon will continue to employ the highest level of business ethics and pay close attention to the details that create an atmosphere of care and professionalism.

Travel Oregon will continue to increase employee engagement across the organization, with special areas of need clearly identified. And we will also continue to participate in Oregon Business Magazine’s “Top 100 Nonprofits to Work for In Oregon” survey. This in-depth survey allows Travel Oregon to get an anonymous, unvarnished look at how their employees feel about their work—and how they compare with other industry leaders. You might guess that our real goal is to be the best nonprofit workplace in the state.



### **CONCLUSION**

So, here we are. Two years of conversations and thousands of miles traveled boiled down to 20+ pages filled with important words, sophisticated metrics, industry awards and images from around the world. Yes; all important stuff. Yet, when all is said and done, what we really discover (or more likely rediscover) from the time on the road is how much we treasure Oregon and our fellow Oregonians. We realize it’s why we do what we do. We love the essential idea of Oregon and know that by sharing that idea, in fact, that ideal, we find the path back to ourselves. We do it because Oregon is worth it; and, as we find, so are we.



## 2015-17 BIENNIAL BUDGET

State Lodging Tax Revenue	\$34,671,472
Other Sources	<u>\$1,268,800</u>
<b>TOTAL</b>	<b>\$35,940,272</b>
Global Marketing	\$17,211,250
Global Sales	\$5,139,026
Destination Development	\$4,833,540
Industry & Visitor Services	\$2,952,022
Operations	<u>\$5,804,434</u>
<b>TOTAL</b>	<b>\$35,940,272</b>

## OREGON TOURISM COMMISSION

Nine commissioners oversee the activities of the Oregon Tourism Commission. The Governor appoints all Commission members with five representing Oregon's lodging industry, three representing the tourism industry at-large and one representing the public-at-large:

Karen Utz, Chair  
 Alana Hughson, Vice-Chair  
 Don Anway  
 Nigel Francisco  
 Al Munguia  
 Ryan Snyder  
 Kenji Sugahara  
 Kara Wilson Anglin  
 Scott Youngblood





# Travel Oregon

## 2015- 2017 Strategic Clarity Overview

### OUR STRATEGIC ANCHORS

**OUR VISION:** A better life for Oregonians through strong, sustainable local economies.

**OUR MISSION:** We inspire travel that drives economic development. Through innovation and partnerships, we share the stories of Oregon's people and places, deliver world-class experiences and ensure the preservation of Oregon's way of life and natural places.

**OUR UNIQUE VALUE:** Travel Oregon delivers unequaled tourism expertise to the entire state and tells Oregon's story to the world.

### OUR BRAND INTENTION

Travel Oregon's partners feel connected, informed, empowered, optimistic and inspired.

### OUR VALUES

#### INTEGRITY COLLABORATION

We are passionate Oregonians committed to achieving success through mutual respect, innovation and leadership.

#### LEADERSHIP EXCELLENCE

PURPOSEFUL

INNOVATION

### OUR STRATEGIC IMPERATIVES

- Optimize statewide economic impact.
- Support and empower our partners.
- Champion the value of tourism.
- Run an effective business.

### 2015—2017 STRATEGIC IMPERATIVES

- |                                              |                                            |                                         |                                     |
|----------------------------------------------|--------------------------------------------|-----------------------------------------|-------------------------------------|
| ① <b>Optimize statewide economic impact.</b> | ② <b>Support and empower our partners.</b> | ③ <b>Champion the value of tourism.</b> | ④ <b>Run an effective business.</b> |
|----------------------------------------------|--------------------------------------------|-----------------------------------------|-------------------------------------|

### 2015—2017 KEY INITIATIVES

- |                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Inspire overnight leisure travel through industry-leading branding, marketing and communications</li> <li>• Align and optimize locally integrated sales, marketing and destination development</li> <li>• Drive business from key international markets. Deliver integrated sales/marketing plans leveraged with global partners.</li> </ul> | <ul style="list-style-type: none"> <li>• Support implementation of statewide tourism master plan</li> <li>• Enhance existing niche markets and investigate emerging opportunities</li> <li>• Provide strategic professional industry development &amp; training opportunities</li> <li>• Realize statewide, strategic integration of technology through the ORB</li> <li>• Implement industry leading visitor information network</li> </ul> | <ul style="list-style-type: none"> <li>• Conduct research and build toolkits to enable partners to take action</li> <li>• Establish industry leading sustainability standards and implementation tools</li> <li>• Develop and deliver key Value of Tourism messages</li> <li>• Build and implement policy maker engagement plan</li> <li>• Perform analysis and create a plan to identify and support key policy changes that positively impact Oregon's tourism industry</li> </ul> | <ul style="list-style-type: none"> <li>• Measure and drive improvement in employee engagement</li> <li>• Perform strategic portfolio management</li> <li>• Develop and deliver strategic dashboard</li> <li>• Implement technology roadmap</li> </ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 2015—2017 KEY MEASURES

- |                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• All regions show increase in year over year statewide lodging demand. Up 2.5% in year 1 and up and additional 2.5% in year 2.</li> <li>• Establish a baseline measure for value of partner investment</li> <li>• Increase media impact index (earned, paid, owned)</li> </ul> | <ul style="list-style-type: none"> <li>• Local Engagement Baseline increases</li> <li>• Utilization index of Travel Oregon program leads and tools increases</li> <li>• Increase statewide ORB usage by 100%</li> <li>• Develop and implement qualitative visitor survey</li> </ul> | <ul style="list-style-type: none"> <li>• Industry utilization of Value of Tourism data and messaging in their communication efforts increases</li> <li>• Earned media impact index increases</li> <li>• Continue to execute on plan to eliminate identified policy barriers</li> <li>• Establish a baseline measure for sustainability adoption and implementation</li> </ul> | <ul style="list-style-type: none"> <li>• Exemplary ratings of fiscal processes from third party evaluators are maintained</li> <li>• Employee engagement increases in identified areas of need.</li> <li>• Final development, launch and utilization of new enterprise-wide dynamic industry database</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### AWESOME BOX

- |                                                            |                         |                                   |                                                |
|------------------------------------------------------------|-------------------------|-----------------------------------|------------------------------------------------|
| Optimize locally integrated sales, marketing & development | Realize ORB utilization | Deliver Value of Tourism messages | Be one of Oregon's top non-profits to work for |
|------------------------------------------------------------|-------------------------|-----------------------------------|------------------------------------------------|

# REVENUE FORECAST AND BUDGET MODIFICATION

## Oregon Tourism Commission

JUNE 13, 2016

WE LIKE IT HERE.



YOU MIGHT TOO.

## 2015-17 Budget v. Amended

	Budget	Amended	Variance
2015-16	16,749,503	18,807,347	2,057,843
2016-17	17,921,969	32,198,178	14,276,209
Total TLT	34,671,472	51,005,525	16,334,053
Other	1,268,800	1,240,794	(28,006)
Modification	35,940,272	52,246,319	16,306,047



# Oregon Tourism Commission

## Staff Report April 2016

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## OPTIMIZE STATEWIDE ECONOMIC IMPACT

### *Inspire overnight leisure travel through industry-leading branding, marketing and communications*

As mentioned at the start of the fiscal year, we have a new quarterly reporting cadence that will allow easier comparisons year over year. Due to the nature of the quarterly schedule and the frequency of the commission reports, the Q3 commission tables will be reported out at the June commission meeting due to time constraints with the end of the quarter occurring shortly before the April commission meeting. See the reporting cadence table below.

Quarter	Commission Meeting	Months Covered		
1	12/7/2015	July	August	September
2	2/23/2016	October	November	December
	4/24/2016	<b>Quarterly Reporting Break</b>		
3	6/14/2016	January	February	March
4	10/3/2016	April	May	June

#### Response Report

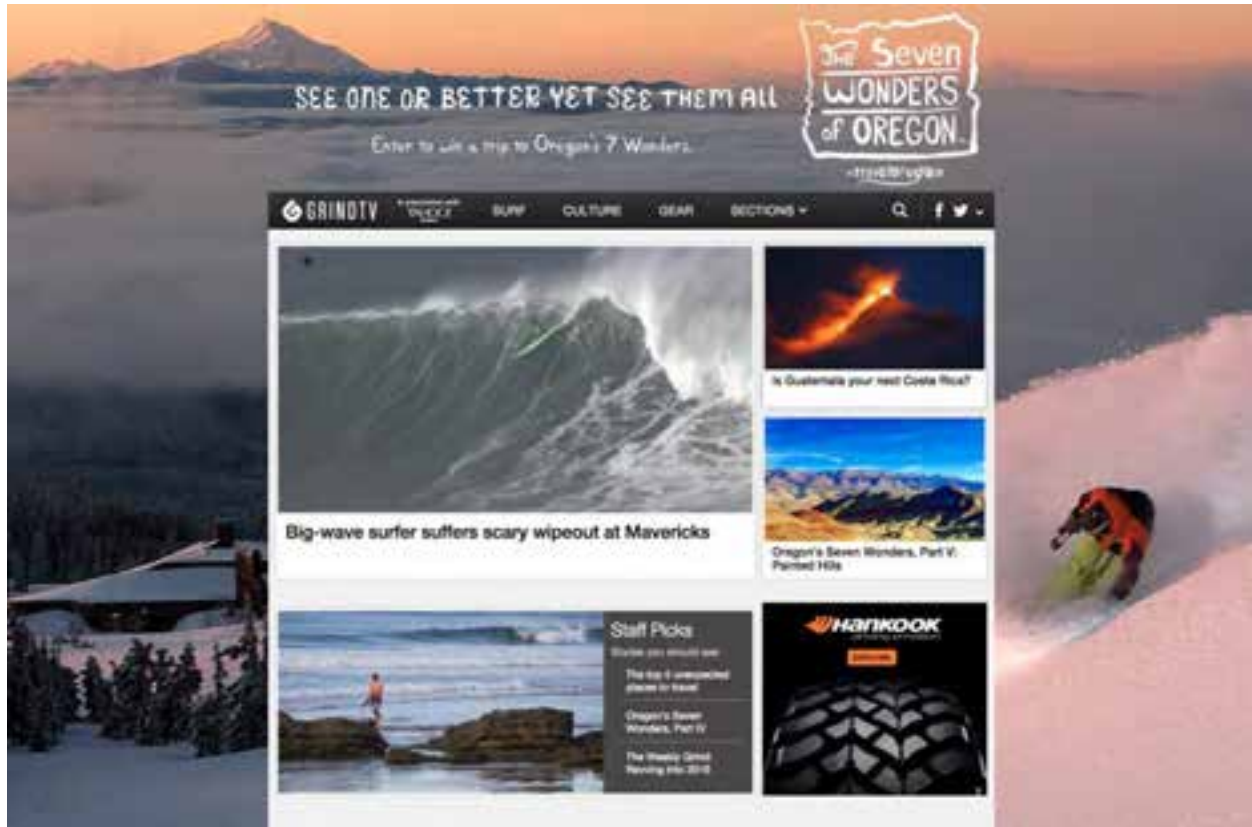
Total responses for the first two months of the 2016 calendar year showed excellent results. January had a 52.4% growth in responses over January 2015, while February saw a 17.3% jump in responses over February 2015. Fiscal year to date through February we're up 10.6% over the prior year.

#### WINTER WONDERS 2015

#### Winter Wonders Final Recap

The following is a recap of the Winter Wonders marketing campaign results. For an overview of the Winter Wonders campaign, please see the Feb. 2016 Commission Report.

Example of our featured takeover on GrindTV.com



## Winter Wonders Campaign Results

Overview:

The Winter Wonders campaign achieved its goals of leveraging the expert; showing, not telling; and generating buzz. Winter explorers spent 45,779 total minutes on the Grind TV articles for an average time of 2:10. Our articles also generated 32,448 page views, showcasing why Oregon is a great place to visit during winter. We created buzz through our 37,140 unique sweepstake entries, which was 4x what we had for the Bounty sweepstakes.

The “Winter Wonders” campaign performed very well on Grindtv.com against benchmarks

- General 7 Wonders creative over delivered impressions by 17% (10.7M vs 12.6M), while overall impressions, including co-ops, over delivered by 5.2% (17.6M vs 18.5M).
  - When we look at the results from a page-view perspective, we can see that we drove 32,448 page views on GrindTV.com during this campaign compared to 9,727 page views on Eater.com during the Bounty campaign
    - A key metric is the average time spent on site for these articles. Ultimately, readers on GrindTV.com spend an average of 2:10 with the articles, which is higher (2:01) than what we saw on TravelOregon.com during the same time frame
    - Our most engaging articles included [Greater Portland](#), [The Coast](#), and [The Willows](#).



- We also compared the cost-per-article view for winter campaign with the Bounty campaign.
  - From this examination, we learned that the cost per view for the winter campaign was half the cost of a view during Bounty. That comes out to winter being 98% more cost effective than Bounty. (\$3.62 per view for winter and \$7.20 for Bounty)
  - This will be an interesting metric to keep an eye on as we consider native content partnerships.
- Average click through for all the ads came in at 0.24%, which is just under the click through rate we saw with our latest Bounty campaign 0.27%.
  - However, the ads performed 3.0 times better than typical display banner ad units (at 0.08% average CTR)

### Promotions

Oregon Winter Wonders Getaway Sweepstakes Results:

- We had 37,140 unique sweeps entries from folks who were motivated by the campaign to enter to win the trip to Oregon. Note: sweeps sign ups have primarily been driven by Travel Oregon email blasts and Facebook posts.
- In the end, we had 5,460 people subscribe to the Travel Oregon email newsletter list from the sweeps form.
  - When looking at last year's winter campaign, Madden contributed ~13,000 unique sweeps entries and 1,100 email subscriptions. Therefore, our email subscriptions were up 436% over last year.

### Content Support

To inspire and educate winter travelers about the diversity of the winter experience in Oregon, the editorial team selected 30 of our most compelling Trip Ideas from TravelOregon.com's archives. The stories represented all regions of the state and included activities from [storm watching](#) on the Oregon Coast and [snowshoeing](#) at Crater Lake to [waterfall hikes](#) in the Willamette Valley to [shopping](#) on Mississippi Avenue in Portland.

These trips were featured across TravelOregon.com during the duration of the campaign and were promoted by influencers Johnny and Janna's posts on GrindTV.

Finally, the anchor story on TravelOregon.com during the promotion was a live [unfolding trip blog](#) by Johnny and Janna. The story was updated daily and chronicled their daily experiences in Oregon through vivid photography, video and narratives.





## Social

The following provides a review of the social media plan for the campaign.

- Social Media Parameters:
  - Timing: Dec. 2015-Feb. 2016
  - Target audience: M&F, 25-54, who choose active vacations and enjoy outdoor activities.
  - Markets: Vancouver B.C., Seattle, Boise, Portland & San Francisco
- Media Objectives:
  - Increase awareness of Johnny and Janna’s 7 Winter Wonders trip.
  - Drive traffic to winter content on TravelOregon.com
  - Increase entries to Winter Wonders sweeps
- Media Strategies:
  - Johnny & Janna Support: Utilize a mix of paid social to drive awareness of Janna & Johnny’s journey through the 7 Wonders in Winter.
  - TravelOregon.com: Drive traffic to long-form content that entices users to experience a deeper story about Oregon in winter, and engage in trip planning.
  - Promotion: Use web click Facebook ads to drive participation in sweepstakes
  - Budget Breakdown:
    - \$6,100 for 13 Promoted Posts on Facebook
    - \$4,000 for Web Click Ads for sweepstakes promotion
    - \$2,300 for Johnny and Janna support on Facebook, Twitter and Instagram

## “Winter Wonder” Social Results

The “Winter Wonders” campaign performed very well on social against benchmarks.

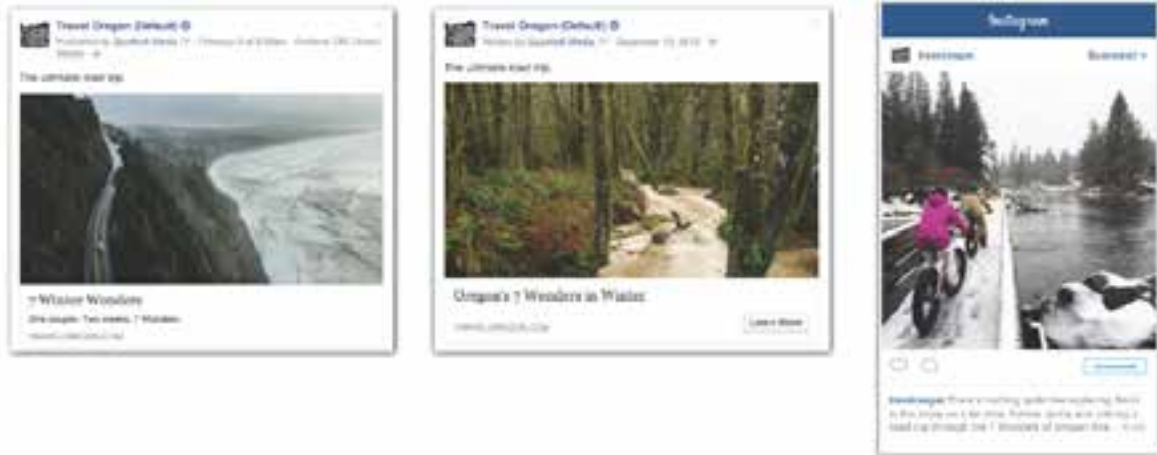
- Overall the social campaign generated more than 3.5 million impressions and resulted in 74,796 clicks to TravelOregon.com at an average cost-per-click of \$0.11. This was much lower than CPC for Bounty, which was \$0.23.
- We continued our experimentation with Instagram ads, promoting two winter itineraries and a sweeps message. While the efforts drove 3,291 clicks, the average CPC was much higher at \$1.28.
- General winter sweeps messaging drove nearly 32,297 clicks to TravelOregon.com at a CPC of \$0.12. This represented 43% of all clicks for the campaign and supports the fact that a compelling experiential prize will drive engagement with explorers.



Examples of Promoted Posts highlighting unique winter travel ideas in Oregon



Instagram ads promoting winter getaway ideas and a sweeps promotion



Promoted posts of Johnny and Janna's road trip through Oregon.

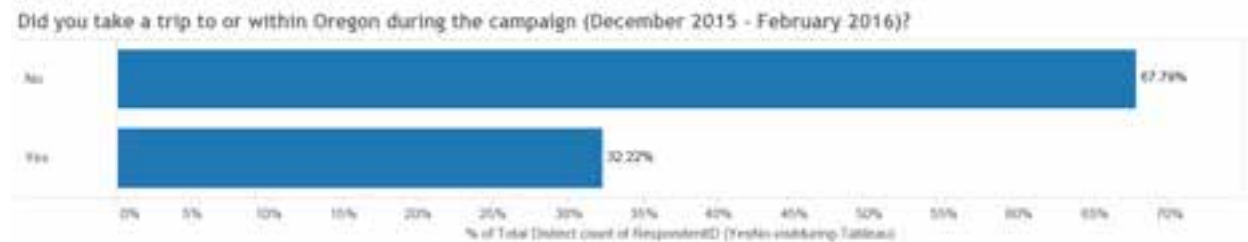
### Website Traffic Results

Key results comparing the Winter Wonders campaign (Dec. 10-Feb. 14) to the same period last year:

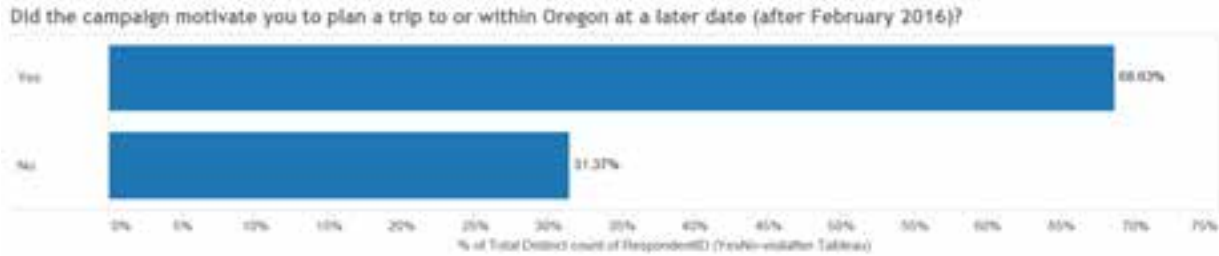
- Overall traffic was up 29.89% (548,843 v 422,552 page views)
- Page Views for winter content was up 123.25% (256,372 vs 114,835)

### Winter Wonders Survey Highlights

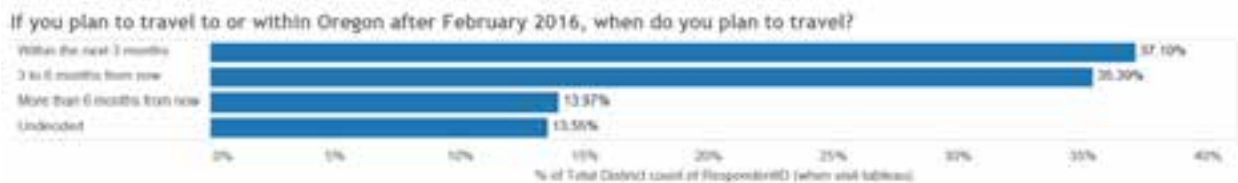
We sent a campaign review survey out to entrants from our Winter Wonders Sweepstakes to gain feedback on how the campaign performed. The survey went out to more than 37,000 people. We ended up with 4,871 respondents for a 13% response rate. The following charts outline some of our key learnings.



Due to the presumed difficulties of traveling during the winter season, we had less respondents take a trip to or within Oregon during our winter campaign when compared to the Bounty campaign (50.6%).



However, when we asked if the campaign inspired a visit to Oregon at a later date, we saw similar results to the Bounty campaign. Ultimately, 68.6% indicated a potential future visit with this campaign compared with 67.6% during Bounty. Despite the different campaign messages, both campaigns were effective at driving future trips to Oregon.



Like we saw with the Bounty campaign, just over 72% of the respondents indicated that they are planning on visiting within the next 6 months. It is encouraging to know that our campaigns are consistent in promoting expedited trips to the state despite different marketing messages.

Lastly, we asked respondents to indicate which outdoor activities they participated in while on their trip and to rank the importance of those activities in relation to making their travel plans. In the end, we saw that visits to the 7 wonders, hiking and scenic drives were the most influential motivators even during winter. While skewing high as a primary motivator for sizeable portion of the respondents, winter activities, like skiing/snowboarding and snowshoeing, didn't rank as high overall because less people participated in the sports as incidental activities. For example, it is much harder to go skiing or snowboarding if you didn't come with the gear.

### Learnings from Media Performance

- The earlier we can get into market the more time we'll have to influence winter trips with our Explorer target. Ideally, prior to Thanksgiving.
- Articles released at the end of the week performed the best.
- When working with exclusive content partners, we need to make sure that we have complementary but different content on Travel Oregon so visitors are motivated to visit TravelOregon.com with new, engaging content. This will help facilitate an efficient handoff between the content partner and TravelOregon.com
- Instagram ads are great for engagement & awareness, but not as effective for website clicks as Facebook ads.

- Fans still love 7 Wonders-branded messaging.
- Targeting based on TravelOregon.com pixel data is more costly than general interest-based targeting.
- The sweepstakes website clicks ads performed very well thanks to compelling creative assets.
- Promoted video on Twitter had an above-average engagement rate. We anticipate that spring campaign spots will perform well on the platform.

## SPRING CAMPAIGN 2016

Travel Oregon launched the Spring 2016 “We Like it Here” Brand Campaign on Friday, March 18.

### Creative:

- A campaign style guide and partner asset kit, is available on our Industry website in the “We Like it Here” [toolkit](#)
- We’ve integrated the new brand elements throughout Travel Oregon’s channels:
  - “We Like it Here” [campaign website](#)
  - [Facebook](#)
  - [Twitter](#)
  - [YouTube](#)
  - We will continue to update creative materials over the next 6 months. Priority will be given to materials that have a high consumer reach (example: e-newsletter template). All other materials will be updated as reprints are ordered or a new version is developed (example: bags for the welcome centers).
- YouMightLikeOregon.com (YMLO): YMLO supports the new brand with quirky, unique and one-of-a-kind Oregon experiences fostering serendipity and discovery. Visitors will have the ability to see a variety of curated trip ideas by clicking on a “show me something else” button. Visitors can also choose to learn more about the resource they are viewing by clicking “Learn More”. By clicking “Learn More” they will be sent over to TravelOregon.com for the full story (or resource detail). Finally, visitors and locals can also share what they like about Oregon through the site’s submission form.

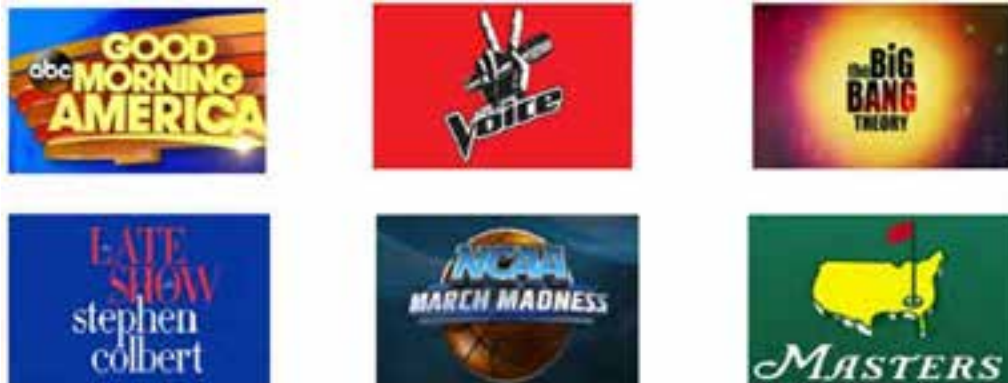


### Media Plan

- Media Flowchart
  - See the following flowchart for a snapshot of the advertising media plan
    - Note: we provided details about the media strategy in the February 2016 Commission Report

	2016														EST Impressions/ Clicks/Views	% of Budget			
	Mar				Apr				May				Jun						
	29	7	14	21	28	4	11	18	25	2	9	16	23	30	6	13	20		
<b>US MEDIA</b>																			
Print	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														6 Pages	4%			
OOH	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														27MM Imps	17%			
Cinema	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														2.7MM Imps	8%			
TV (Broadcast + Cable)	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	27%			
Digital TV Extension	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														11MM Imps	18%			
Custom (Experiential/Digital)	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]																		
The Onion - Article 1: 3/20 & Article 2: Mid April	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														6MM Imps	4%			
Core Search	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														50K Clicks	3%			
YouTube Video Search	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														25K Views	0.6%			
Paid Social	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	1.7%			
Ad- Serving	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	0%			
<b>TOTAL US MEDIA</b>																<b>83%</b>			
<b>CANADA MEDIA</b>																			
Cinema	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														1.48MM Imps	3%			
TV - Local Broadcast	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	7%			
Digital TV Extension	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														3.4 MM Imps	6%			
Custom (Experiential/Digital)	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]																		
The Onion - Article 1: 3/20 & Article 2: Mid April	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														200K	0%			
Core Search	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														17K Clicks	1%			
YouTube Video Search	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														7K Views	0.1%			
Paid Social	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	0.6%			
Ad- Serving	[Gantt bars: Mar 19-21, Apr 10-12, May 8-10, May 28-30]														TBD	0%			
<b>TOTAL CANADA MEDIA</b>																<b>17%</b>			

- Media Tactics
  - TV:
    - Flights: March 19-April 10; May 8-May 28
    - Markets: SF, Seattle, Portland, Boise, Vancouver BC
    - Impressions: 22.1 Million
    - Strategy:
      - Target premieres and high profile local sporting events
      - Broadcast and cable networks and shows that deliver Explorers
        - Cable includes Comedy Central, Discovery, ESPN, TBS, Travel Channel



Sample of TV shows



- Cinema:
  - Flights: March 18-April 3; May 6-May 19; May 27-June 9 Markets: SF, Seattle, Portland, Boise, Vancouver BC
  - Markets: SF, Seattle, Portland, Boise, Vancouver BC
  - Impressions: 4.1 Million
  - Strategy:
    - Two-week flights scheduled around upcoming blockbusters and franchise movies



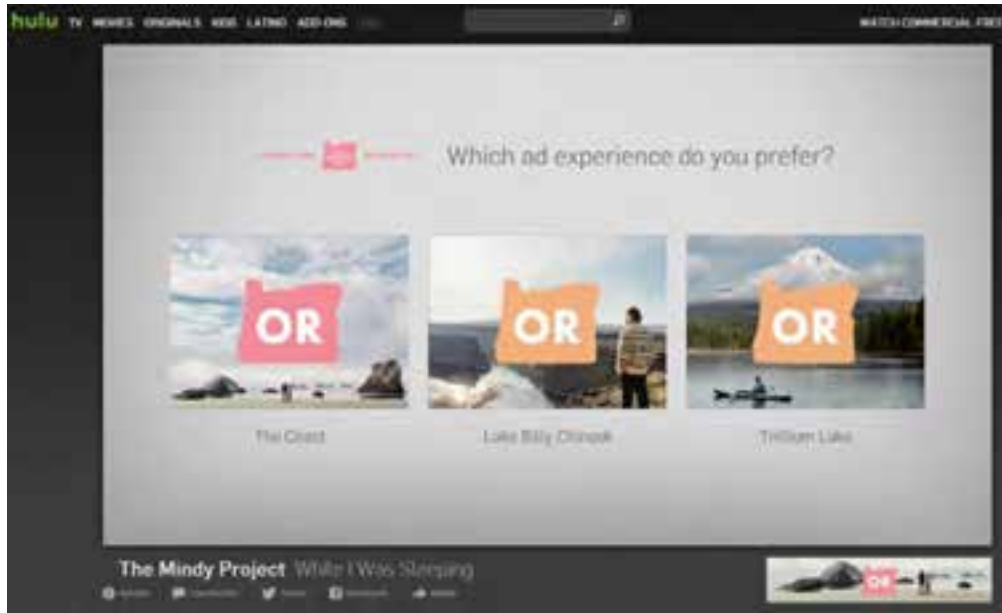
Sample of movie releases

- W+K was able to negotiate added value with Cineplex (Vancouver, BC). We'll be running our ad-like unit creative on the in-lobby network at 13 theaters (see the following photo)

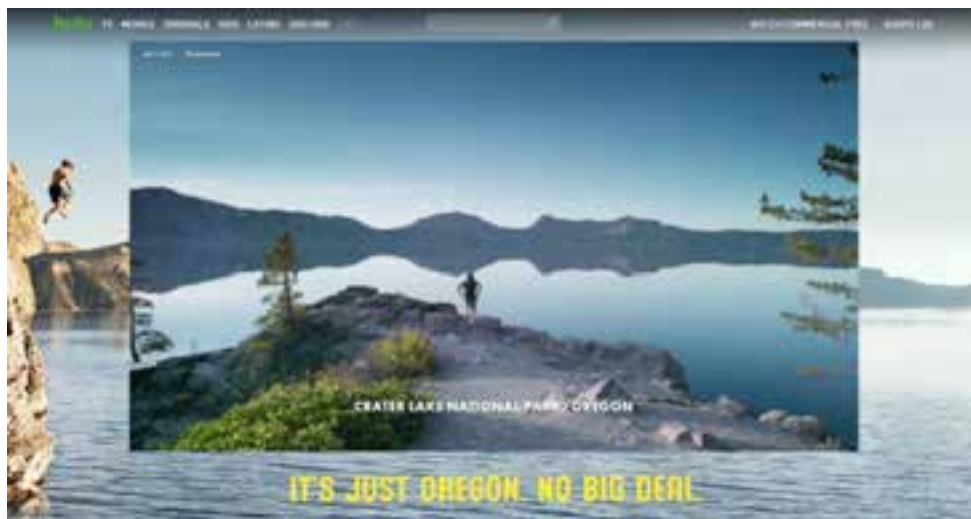




- Digital Video:
  - Flight: March 20-June 5
  - Markets: SF, Seattle, Portland, Boise, Vancouver BC
  - Impressions: 16.3 Million
  - Strategy:
    - Use large-format, full episode partners
    - Use partners with good view-ability and completion rates
  - Channels include: Hulu, YouTube, Discovery, Viacom, Conversant, Crackle, and Media Corps

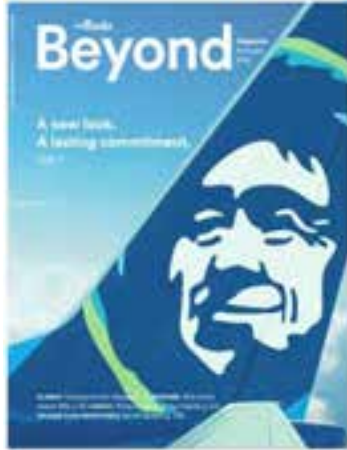


Screenshot of Hulu player with option that gives viewer control of which Travel Oregon spot to watch



Screenshot of Hulu player with special Spring 2016 Campaign skin

- Print Media:
  - Flight: April - June
  - Circulation: 6.2 Million
  - Markets: Western US
    - Note: Outside Magazine gave Travel Oregon a bonus full circulation in the April issue at no added cost
  - Strategy: Focus on key publications that reflect the Explorer's active lifestyle



April & May issues  
(Alaska & Horizon Editions)



April & June issues

- Out of Home (OOH) Media:
  - Strategy:
    - Use strategically placed highly visible wallscape units to create impact near downtown areas (one per market)
    - Blanket the market with transit units to build reach and display multiple creative executions to help tell the campaign story



SF Wallscape with “We Like it Here” campaign creative



Seattle Bus King

Oregon. We Love Dreamers.



Portland Bus Shelter

- TV Heavy-up Co-op Buy
  - Travel Portland has partnered with Travel Oregon to heavy-up the San Francisco reach of the Portland Forest Park :15 second TV spot buy. The following provides buying strategy highlights:
    - Purchase well-performing programming with competitive CPP's (Cost per Points)
    - Focus buy within cheaper dayparts (late night and prime access) to increase frequency in the broadcast buy
    - Complement the overall Travel Oregon media buy already in place

**Social Media Plan:**

The following provides a review of the social media plan supporting the campaign.

- Social Media Parameters:
  - Timing: March 18, 2016 – early July 2016
  - Target: Explorers (Active Adventurers who are 25-54 years old)
- Media Objectives
  - Drive awareness of Oregon's unique offerings.

- Allow explorers to get to know Oregon from a local perspective.

Media Strategies

- Message amplification: spring campaign assets will be distributed across social channels organically and with the support of paid media. Pacing, targeting and ad budget allocation will be based on the volume of assets and the cross-promotional usage for the partner co-op ad buy. The campaign support on social media includes, but is not limited to, the seven :15 TV spots, hero photography as well as using a mix of social advertising (promoted posts, web click ads etc.) to drive traffic to YMLO and stories on traveloregon.com (examples below show sample promoted posts on Facebook and Instagram)



Promoted post examples from Facebook and Instagram.

- Rich Content: We will create 15-20 pieces of new content to amplify the campaign across social channels. This content will be a mix of animations, GIFs, parallax photography, cinemagraphs, and 360 video. This content will be promoted April-July and will help supplement the co-op advertising push in order to alleviate fan fatigue of existing assets.
- Partner co-op: We are offering our partners the opportunity to leverage the attention and audience of the new campaign via a co-op retargeting campaign. This plan will retarget TravelOregon.com visitors from April-July



and will direct them to related partner content via Facebook. For example, users who visit pages about the Willamette Valley will be retargeted with Facebook ads to Willamette Valley partner website content. Additionally we'll use site traffic to create "lookalike audiences" based on the pixel group. This will drive the cost down, as well as help to avoid audience fatigue. Six out of the seven Regional partners have opted into this new co-op.

- "My Oregon": Will leverage local influencers to showcase Oregon. We will identify Instagram influencers with unique, Oregon-focused stories to share on their social channels. Each influencer will share a photo accompanied by a story that highlights the voice and messaging of the spring campaign. They will direct followers to find out more by clicking the link in their bio (which will direct to either TO or YML0 campaign site). This portion of the campaign will be activated in May-July.
- Surprise and Delight: We are creating custom pins that feature 15 key Oregon niches (ex: cycling, hiking, wine etc.) The integrated team will distribute them to fans that engage on Travel Oregon social Channels. These pins will also be made available to Welcome Centers to share with guests and Global Sales to give out to partners at trade shows.

### Industry Outreach

On March 18 an email was sent informing the Industry that media had launched for the We Like It Here campaign and that there were new assets available to help partners leverage the campaign.

For each marketing campaign we put together a [toolkit](#) including creative assets and ideas for how partners can leverage the campaign. The toolkit includes:

- Style Guide
  - We developed an extensive style guide this year; including assets that will allow a broad cross section of industry partners to leverage the campaign. Elements include:
    - Still photography from nine different locations
    - Targeted regional assets, the following have been specifically developed for easy regional use
      - ❖ Logo
      - ❖ Copy
      - ❖ Postcards
      - ❖ Map
- Media Plan
  - Informs our industry partners when Travel Oregon will have media in market and where. We have been working one on one with regional partners to make sure they have the individualized assets they need to leverage the campaign. While we created a few standard executions across all regions our partners all need slightly different materials for execution on their channels. This can

range in a variety of assets including custom photo sizing with logo overlay to banner ad execution for their home page.

- Social Media Plan
  - How Travel Oregon is activating across different social platforms, when we'll be in market and how partners can share content pertinent to their region
- Communications Plan
  - Includes the strategy behind our targeted consumer outreach. It allows partners to leverage the work of Travel Oregon and be aware of opportunities that may come from this outreach

### Regional Meetings

At the March regional meeting, Travel Oregon staff and Wieden+ Kennedy introduced a draft style guide to share regional assets that were being developed. At that time we were able to see if the regions wanted any other specific assets to help them leverage the campaign which informed final style guide deliverables.

### Industry Partner Use

Eastern Oregon Visitors Association is using approved campaign lines in a great execution:





Willamette Valley Visitors Association has placed a campaign ad on their homepage to leverage the campaign and tie back to the co-op:



### Public Relations Plan:

The following provides an overview of the public relations plan supporting the campaign.

#### PR Objective/Goals

- Generate coverage about Oregon that inspires travel, inclusive of all regions and across a wide variety of activities.
- Boost stays and visits throughout Oregon
- Drive traffic to [YouMightLikeOregon.com](http://YouMightLikeOregon.com)

#### Strategies

- Partner with local experts to showcase the multitude of unique, memorable, shareable and personal experiences Oregon offers
- Craft specifically tailored pitch angles highlighting these storytellers and the destinations that serve as the settings for their tales to inspire media coverage
- Create custom adventures for top-tier media and influencers to experience Oregon first-hand

#### Target

- Media: Travel, lifestyle and niche outlets (outdoor, sports, nature, culinary)
- Key Markets: Oregon, Seattle, Boise, San Francisco; NY/National

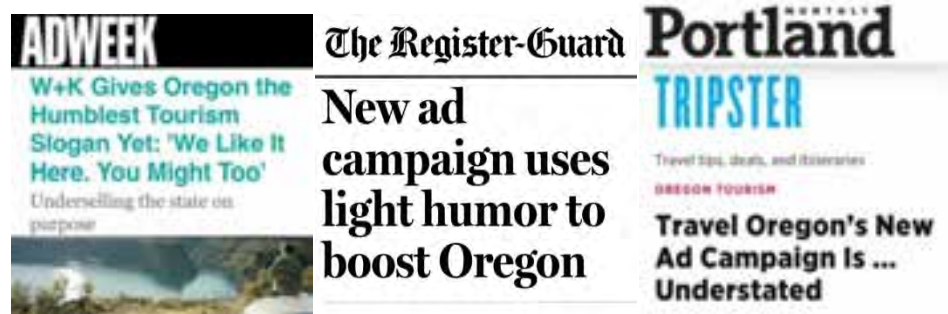
#### Timing

- March-June: Industry Activation (press release, pitch National Travel and Tourism Week media tour (NTTW), execute NTTW media tour, NTTW media tour follow up)
- April, June, August: "Vacation Like an Oregonian" media mailers
- May-June: "Choose Your Oregon Adventure" media visits
- March-June: Proactive pitching

### You Might Like Oregon Earned Media Results as of 3/28/16

- 3/18/16, AgencySpy, "[W+K Portland Likes Oregon, Thinks You Might Too](#)"
- 3/18/16, Hood River Biz Buzz, "[New Travel Oregon ad campaign says 'We like it here..'](#)"
- 3/21/16, MediaPost Agency Daily, "[Oregonians Think You Might Like Their New Tourism Campaign](#)"
- 3/22/16, Marketing Daily, "[Oregon Uses Charming Humility In Latest Visitor Invite](#)"
- 3/22/16, Ad Week, "[W+K Gives Oregon the Humblest Tourism Slogan Yet: 'We Like It Here. You Might Too'](#)"
- 3/22/16, The Register-Guard, "[New ad campaign uses light humor to boost Oregon](#)"
- 3/22/16, FastCo. Create, "[Even Oregon's Tourism Ads Have A Detached Sense Of Cool](#)"

- 3/22/16, Portland Monthly Magazine, "[Travel Oregon's New Ad Campaign Is...Understated.](#)"
- 3/28/16, Portland Business Journal, "[How Wieden+Kennedy's understated Travel Oregon approach deftly spotlights the state's charms](#)"
- 3/28/16, The Oregonian, "[Forget outdoors adventure, new Travel Oregon ads promote chillaxing, and 'looking at things'](#)"



## COMMUNICATIONS

Travel Oregon's hosted media included:

- Marian Bull (*Buzzfeed*)
- Jess Thomson (*Edible Seattle, Seattle Met, Sunset*)

Coverage Highlights:

- 2/23/16, Buzzfeed.com, "[Meet America's Next Top Truffle Dogs](#)" (circ. 31,040,980)
- 1/14/16, PDX Monthly, "[The Oregon Truffle Festival Returns with Triple the Truffles](#)" (circ.152,112)
- 1/15/16, Register Guard, "[Eugene hosting final leg of Oregon Truffle Festival](#)" (circ. 192,515)
- 1/17/16, Statesman Journal, "[Dog gets champion's share of truffles](#)" (circ. 466,375)
- 1/17/16, KVAL, "[Truffle hunting competition gains popularity in Eugene](#)" (circ. 122,974)

## National Media Tour, New York City - February 8-10, 2016

Travel Oregon met with more than a dozen key media contacts as part of our ongoing national media relations program. This year, regional PR contacts were invited to participate. A representative from the Willamette Valley Visitors Association joined Travel Oregon and Lane PR for the New York media tour.

NYC Media Tour Coverage thus far:

- 2/26/16, Eater.com, "[Get to Know a New Side of Tempranillo](#)"  
An article about the history of Tempranillo in Spain and highlighting Earl Jones of Abacela winery in Southern Oregon as one of the U.S.'s pioneers for this varietal.
- 3/32/16, Vine Pair, "[5 Wine Regions You Need to Visit This Spring](#)"  
A round up of five wine regions people should visit this spring. The article leads

with Oregon and mentions the Willamette Valley to Walla Walla wine trail, Bounty of Yamhill County and International Pinot Noir Celebration.

### Feast 2016 PR Sponsorship

Travel Oregon's Communications team will be focusing this year's Feast efforts around four Pre-Feast media tours to the following regions: Hood-Gorge, Central Oregon, Oregon Coast and the Willamette Valley. Together with Feast, we will invite a mix of top-tier national media, bloggers and social media influencers. New to the trips this year will be celebrity chef integration, where chefs selected by Feast will join for a hands-on on the tour. Each trip will include six media, one Travel Oregon/Lane PR representative, one regional/local guide and one-two Feast chef/artisan ambassadors.

### Media Newsletter

To not inundate the media with monthly outreach and to not desensitize them to our content, beginning in February 2016, we moved back to a quarterly distribution for the "What's New" media newsletter. Media will still receive our press releases and proactive pitches in a timely and targeted manner.

### 2016 RDMO Tour Schedule

- May 4-5 - Mt. Hood/Columbia River Gorge
- June 27-July 1 - Eastern Oregon
- July 18-22 - South Coast to Southern Oregon
- August 14-22 - Central Oregon
- TBD - Willamette Valley
- TBD - Greater Portland

### Additional Earned Media Coverage Highlights. See [FY15-16 Coverage Log](#) for full report

- 2/14/16, OPB.org, "[Happy Birthday Oregon: Learn 18 Facts in 50 Seconds](#)" (circ. 220,840)
- 2/19/16, Statesman Journal, "[Crater Lake, Painted Hills see record visits in 2015](#)" (circ. 466,375)
- 2/25/16, The Oregonian, "[Painted Hills Scenic Bikeway approved, a 160-mile tour of the colorful Oregon wonder](#)" (circ. 7,997,375)
- 3/5/16, The Oregonian, "[Thumbs up for the lodging tax and the 2021 Outdoor Championships: Oregon track & field rundown](#)" (circ. 7,997,375)
- 3/6/16, National Parks Traveler, "[Crater Lake Partners with 'Sister Park' In China](#)" (circ. 128,025)
- 3/12/16, Statesman Journal, "[Opening up Santiam Canyon outdoors](#)" (circ. 466,375)
- 3/17/16, The Oregonian "[Ron Wyden wants to cut red tape, make it easier to get outdoors](#)" (circ. 7,997,375)



### World Legacy Award Finalist

Travel Oregon finished as a finalist for the Destination Leadership category of the prestigious National Geographic World Legacy Awards presented at ITB Berlin in March 2016. The award recognizes the work being done across the state by rural communities and business leaders to transform the places they call home into world-class travel destinations - while raising awareness for community livability, economic vitality and preservation of natural and cultural assets. More than 100 entries, representing 51 countries across six continents, were received.



### **STRATEGIC PLANNING**

#### Regional Cooperative Tourism Program

The industry engagement strategy with Travel Oregon's Regional Cooperative Tourism Program is progressing nicely. In addition to completing all of the regional stakeholder gatherings, a statewide RDMO gathering was hosted in Portland on March 2nd, 2016.

The Statewide RDMO Gathering provided RDMO's and the Travel Oregon team the opportunity to exchange information and gather ideas for inclusion in the 2016-17 program applications. These gatherings provide each region an opportunity to take a fresh look at their activities and to determine how to generate the best return on the investment of the tourism support dollars provided through the Regional Investment Program

The Statewide RDMO gathering also provided an opportunity to review the results of the recent stakeholder survey data. An inhibiting factor of the survey results is that some regions did not have the same sample size of survey respondents for the data (i.e. Willamette Valley and Eastern Oregon had greater participation in the survey than Central Oregon and Greater Portland.) This disparity in sample size skewed the outcomes of what

surfaced as priorities in the regions. The suggestion moving forward is to have a more informed and balanced perspective and larger sample sizes to reduce the impact of anomalies in responses. Though there are subtle differences, many of the regions are prioritizing the same things – there are many similarities statewide.

Throughout this engagement cycle, many shared themes, priorities and concerns have come into focus, which historically, have not been addressed by the RDMO network. Given the change in the program – not being exclusively focused on out of state marketing and sales initiatives – the RDMO network and their stakeholders responded excitedly to having new ways of looking at and taking advantage of issues and opportunities.

One common theme across all RDMO networks, is that a statewide response should be developed around the below items:

- Collaboration with federal land management agencies and transportation organizations on vision strategy and implementation
- Development of visitor wayfinding and signage across the state
- Collaborating with transit and private shuttle systems to develop solutions to address increased mobility and a reduction in congestion (regions within 90 min radius of PDX)
- Education and training of frontline staff. In-person trainings such as a statewide “We Speak” model
- Ensuring that transient room taxes are being collected – particularly by vacation rentals
- Working cooperatively to leverage Travel Oregon’s marketing programs
- Proactive management planning where carrying capacity is becoming an issue – how to develop impactful strategies to ensure Oregon is “not being loved to death”
- Capacity to convene and manage projects is still an issue with the “convene and collaborate” dollars

The question of how to measure the success of the regional investment strategies was addressed during the statewide RDMO gathering. Given the program has evolved and new funding opportunities are available, there was agreement around the development of a new set of metrics. Since this measurement is nuanced based on region, a working group will be established to develop a strategy for measuring the success of the regional investments.

For the remainder of the 2015-2016 fiscal year, the Regional Cooperative Tourism Program will work with the RDMO network to develop and approve each regions’ 2016-2017 fiscal year plan.



*Drive business from key international markets. Deliver integrated sales/marketing plans leveraged with global partners.*

ALL MARKETS

Oregon Road Rally - April 3-9

Travel Oregon hosted the first ever “Oregon Road Rally”, April 3-9. This one week trek across the state featured the 7 Wonders of Oregon and their exciting adventures in between. With flights sponsored by Delta Air Lines, Oregon hosted 22 tour operators and trade media from Germany, UK, Canada, Australia, New Zealand, The Netherlands, China and France driving to all 7 regions of the state, experiencing the beauty and bounty of Oregon.

These tour operators are looking to create new or additional product in Oregon within their respective markets. After a day in the Greater Portland Region, welcoming party at the Nines Hotel, key stops along the road rally route included dune buggy rides on the Oregon Coast, jaw-dropping

views and snowball fun at Crater Lake, hikes at Smith Rock, a stop at the Painted Hills, a Let'er Buck experience in Pendleton and a final night celebration at Resort at the Mountain.





## **TRADESHOWS/SALES MISSIONS**

### **Mountain Travel Symposium - April 3-6**

Travel Oregon in partnership with Travel Portland, Mt. Hood Meadows and Mt. Bachelor attended Mountain Travel Symposium; the single largest gathering of mountain travel professionals in North America. There are many opportunities and different market segments surrounding this show, Travel Oregon's focus was the Trade Exchange. The Trade Exchange brings together almost 400 different buyer and supplier companies, some 600 total attendees, face to face in pre-scheduled appointments. Trade Exchange buyers are the top tour wholesalers and operators worldwide, with almost 200 individual attendees. The split is 55% domestic, 45% international. Team Oregon had pre-scheduled meetings with 30 plus wholesalers. The wholesalers provided very positive feedback regarding Oregon as a ski destination.



### **NAJ EAST, New York City - May 1 & 2**

New York City is where the concept of the receptive tour operator was born in 1965. Today it remains the epicenter for visitors arriving from Europe and the Middle East and, consequently, nearly seven out of 10 New York RTOs service clients from Europe. Over the past three years, however, there's been a surge of Asian RTOs who have opened offices in New York, and many of them attend the RTO Summit Marketplace. This show gives Travel Oregon the opportunity to meet with many of these receptive tour operators to discuss Oregon hotel and attraction product and itineraries.

### **Canadian Sales Mission - May 9-13**

Travel Oregon in Partnership with Travel Portland, Oregon Coast, Clackamas County and Washington County will attend a sales mission across Alberta and Ontario in partnership with Air Canada to support the direct flights to PDX from Toronto, Calgary and Vancouver, BC. The team will host events in Edmonton, Calgary and Toronto.

### **Sunset Celebration Weekend - May 14-15**

Sunset will host its 19<sup>th</sup> annual Celebration Weekend featuring world-renowned celebrity chefs and the West's freshest trends in gourmet food truck cuisine, travel destinations, outdoor living, and home design. The show brings in just over 21,000 Sunset enthusiasts. The show is in a new destination this year; Sonoma, California. Travel Oregon in partnership with Travel Southern Oregon, Eugene, Cascades & Coast and Central Oregon Visitors Association join together to serve up a taste of Oregon.

### **TAP Dance - June 5-9**

Travel Alliance Partners, LLC is a partner-owned organization of 40 premiere tour operators in the United States and Canada. Each is a regional expert with new and unique itineraries.

TAP partners have GUARANTEED the departures of 75 tours throughout the world. Oregon partners in attendance: Travel Oregon, Travel Portland, Eugene Cascades & Coast, Travel Southern Oregon, Newport Chamber and Elizabeth Street Inn.

### North American Journeys (NAJ) – Active America China

NAJ, producers of the leading B2B tradeshow platform connecting Chinese tour operators to US based suppliers has announced that Active America China Summit 2017 will be held in Portland Oregon, April 22-27, 2017. The summit will bring approximately 70 Chinese tour operators to Oregon to meet with Oregon partners and to develop Oregon tourism product for Chinese customers before, during and after the tradeshow.

### MEDIA/TRADE FAM TRIPS

#### Globus / Cosmos – March 28 – April 4

Product Managers from Globus/Cosmos visited Oregon March 28 – April 4 to do site visits for their new 2017 tour: Oregon Coast, Cascades and Craft Beers. It had been years since Globus/Cosmos has developed new product in our region and they are very excited about all of the new offerings we have around the state.

#### German Journalist – May 12-15

After meeting a journalist at ITB Berlin she pitched Oregon stories to the biggest news agency in Germany. She was then assigned two stories that will include biking in Oregon, Happy Canyon in Pendleton, and the 7 Wonders of Oregon. Travel Oregon's contractor in Germany has had a fantastic experience working with this journalist and is confident that Oregon will see more stories in local, regional and national newspapers than currently confirmed.

#### UK MegaFam, Brand USA – May 15-18

Oregon and Washington have been chosen as one of this year's UK MegaFams seven USA destinations. Airfare and transportation will be hosted by Brand USA and Oregon will work with partners to cover the itinerary logistics. Brand USA has built the reputation of MegaFam to become one of the best FAM tours to go on. Their key aim is to provide agents with experiential activities in each destination to ensure that they get a great feel for the places that they visit and gain more insight into the attractions and experiences to offer consumers across the UK. Travel agents participate in an incentive campaign to earn a spot on the MegaFam. The incentive details will require agents submitting American Airlines and British Airways flights sold to the USA during a specific entry period, in combination with completing a specified number of badges on the USA Discovery Program, Brand USA's official award-winning agent training website. The incentive is open industry-wide, which will result in entries both from independent companies, as well as well-known operators.

#### Icelandair & America Empress, UK – May 26-31

Travel Oregon, along with Icelandair and America Queen Steamboat Company have invited top tour operators to join a FAM in Oregon and on the Columbia River steamboat, the

American Empress. The impressive list of tour operators include, Titan Travel, Bon Voyage, North American Travel Service, Audley Travel, AmeriCan & Worldwide Travel, and Trailfinders to name a few. The tour operators will experience a portion of the cruise from The Dalles to Astoria as well as discover Portland, the central Coast and wine country. Icelandair has also offered their popular package of a free stopover in Iceland on the way to Portland.

#### Tour Operator FAM, Taiwan – May

Travel Oregon in partnership with the Port of Portland and Delta Air Lines will host 6 Taiwanese tour operators during a product development trip designed to showcase student and leisure product in Oregon.

#### Asia Media FAM – May/June

Travel Oregon in partnership with the Port of Portland and Delta Air Lines will host 3 influential media during a press trip highlighting Portland's accessibility from Asia via Delta Air Lines. The visiting media have confirmed coverage showcasing Portland, the Oregon Coast and Oregon's natural beauty.

#### Athlone Golf Travel – May 25 – June 3

The President of Athlone Golf and Sports Travel and his partner, are visiting Oregon May 25 – June 3. This FAM is golf focused as the Athlone Golf Travel team is working to develop and expand their Oregon product. This relationship was initiated at IAGTO.

#### Dutch Journalist – June 2-11

A Dutch journalist will be visiting Oregon with a motor home collecting stories for several Dutch newspapers. On his tour he will visit wineries, breweries, focusing on Oregon's culinary. He is also editor of two hiking magazines where stories will be published.

#### Swiss Journalist- June 16-22

A Swiss journalist will visit Oregon in June writing a 6-8 page feature. The publication is printed 10 times a year with a circulation of 35,000. Bolero will feature Oregon as it's only USA destination this year to be published in the fall.

#### New Zealand Media – June 23 – July 2

One of New Zealand's more recognized celebrity chefs who has hosted numerous events, TV shows, appeared on talk back radio and has a column in NZ Women's Weekly (#1 circulation for all NZ media) will be visiting Oregon after IPW. Her interests are around food/drink angles.

#### **NEW PRODUCT**

##### Japan Student Tours (JST)

JST is offering a new day tour to Central Oregon. Japan Student Tours will begin offering a group day tour to Central Oregon which includes Smith Rock and overnights in Portland for 4 nights.

### Alpine Travel Service

Alpine Travel Service, Japanese hiking tour specialists, finalized new product for the Pacific Northwest as part of their, “World Mountain Tours” series. This new product features Crater Lake National Park, Smith Rock, Mt. Hood, the Columbia River Gorge and Portland. ATS is now selling two departures, one in late July and another in late August each departure includes 4 nights in Oregon.



### LuLu Trip

LuLu Trip is offering 3 new multi-day tours that include Portland, Florence, Woodburn Premium Outlets and the Columbia River Gorge and include 3 and 2 night stays in Oregon. These tours offer weekly departures year-round and seasonally.

## **SUPPORT AND EMPOWER OUR PARTNERS**

*Enhance existing niche markets and investigate emerging opportunities*

### **BICYCLE TOURISM DEVELOPMENT**

#### Oregon Bicycle Tourism Summit

The inaugural Oregon Bicycle Tourism Summit took place on March 15, 2016 in Portland in conjunction with the Bicycle Transportation Alliance’s Oregon Active Transportation Summit. Over 80 stakeholders from across state attended – to be inspired, to learn and to gather up to date research and findings on bicycle tourism trends. Participants were also provided an opportunity to network and foster collaboration around state bicycle tourism development priorities.



Speakers presented on the previously established priorities of the Oregon Bicycle Tourism Partnership – i) Improve Transportation Connections Across Oregon for Bicyclists, ii) Improve Recreational Off-road Riding Opportunities in Oregon iii) Develop Connected Network of Bike/Ped Paths throughout Oregon, and iv) Support and Highlight Tourism-Related Business Development – and then broke up into groups to develop strategies for moving these items forward.

Jim Sayer of Adventure Cycling Association provided a lunchtime keynote speech; afternoon panels included information about grants and funding sources and marketing resources.

## **AGRITOURISM DEVELOPMENT**

### **Oregon Agritourism Network**

Travel Oregon held an Agritourism Network meeting on February 19, 2016 at Oregon State University. The OAN occurred in conjunction with the OSU Extension Small Farms Conference. This event was an opportunity to engage local ranchers and farmers from rural areas of the state. The purpose of the OAN meeting was to highlight and celebrate leading agritourism operators that also shared their best practices and lessons learned, to receive updates from the state agritourism action teams, and to foster collaboration across the organizations working to improve agritourism opportunities in Oregon.

### **Agritourism Action Team Updates**

1. The Marketing Action Team has completed the content for the agritourism marketing toolkit, which provides basic best practices for marketing agritourism for businesses, integrating marketing efforts into existing channels, messaging, storytelling, visual assets, and crafting guest experiences, accessibility, signage and event design. The Marketing Action Team is now drafting a concept paper for the development of an agritourism business recognition program focusing on establishing a network of farm and ranch operations in Oregon and working to establish a minimum level of quality across recognized businesses.
2. The Policy Action Team is developing a comprehensive inventory of policies that impact the development of agritourism in each of Oregon's 36 counties. This will also be used to provide emerging and potential agritourism operators with resources to successfully navigate regulatory agencies both regionally and statewide. Travel Oregon is contracting with Erika Polmar, founder of Plate and Pitchfork and Policy Team Leader, to create multiple matrices and interactive maps that make Oregon's agritourism and land use policies more understandable to the general public. She will also create a glossary of land use terms, summary of legislative actions, and create the 'Complying with Legal and Regulatory Requirements' policy section of the Agritourism Handbook.
3. The Handbook Action Team is supporting contractor Kathi Jaworski to develop and review the Oregon Agritourism Handbook. During April 2016, half of the content was finalized. These sections include agritourism opportunities, assessing agritourism business potential, policy, managing risk, and developing your business plan. This document will be an asset shared statewide with agriculture tourism operators, businesses, and producers.

## OUTDOOR RECREATION DEVELOPMENT

### Historic Columbia River Highway State Trail

2016 Centennial Season of Celebration - Excitement is building around the "2016 Season of Celebration" for the Historic Columbia River Highway State Trail. As the Oregon Heritage Commission prepares to announce the official statewide designation of the Historic Highway Centennial, the entire state of Oregon is gearing up to celebrate America's greatest highway on its 100th Anniversary. A myriad of events are scheduled to commemorate the highway's anniversary this summer including a re-dedication ceremony on June 7 at Multnomah Falls and the 10th Annual Gorge Ride (bicycle event) on June 18. A list of all events can be found on ODOT's website at:

<https://www.oregon.gov/ODOT/HWY/HCRH/Pages/Centennial.aspx>

**Oregon Solutions Project to Reduce Congestion** - As a sponsor of the Oregon Solutions process to develop and implement short-term solutions to combat congestion along the Historic Columbia River Highway State trail this summer, Travel Oregon is playing a key role in the development of a communications strategy and in the development of a pilot public transit option with ODOT. The public transit option would likely start up in June and offer service at 2-hour intervals Friday-Sunday from the Gateway Transit Center on the outskirts of Portland to Multnomah Falls. The public transportation would also loop through an auxiliary parking lot that will be created in order to ease parking congestion that is regularly occurring at the Multnomah Falls parking lot. In addition to this new public transit option, Travel Oregon is working to link private Gorge shuttle companies into the development of this new public transit option so that a cohesive system of transportation for visitors to the Gorge exists.

**Grayline of Portland** will launch its Gorge Shuttle on June 16th. Grayline has developed this new product offering in recognition of the growing demand by local residents to visit the Gorge and in recognition of the need to reduce congestion along the transportation lines to, from, and within the Gorge. The shuttle service will depart four times per day from downtown Portland and visits 7 points of interest in the Gorge on Thursdays to Sundays from its launch in June until September 4th. Full Day passes for adults begin at \$25 and children under 5 ride for free.

*Provide strategic professional industry development & training opportunities*

## OREGON TOURISM STUDIOS

### Tourism Studio Applications

Community Applications for Travel Oregon's 2016/2017 Tourism Studio programming closed on February 26, 2016 and are now under review. Community selections will be announced by April 15<sup>th</sup> for both the Rural Tourism Studio and Bicycle Tourism Studio



programs. No submissions were received for the Agritourism Studio, however Travel Oregon will be accepting applications on a rolling basis for this program.

The full list of Community Applications for 2016/2017 are below:

Community	Region	Lead Applicant (Organization)
<b>RURAL TOURISM STUDIO</b>		
South Columbia Co.	Greater Portland	South Columbia County Chamber
Newberry Country	Central Oregon	La Pine Chamber of Commerce
Klamath Basin	Southern Oregon	South Central Oregon Economic Development Dist.
Coquille River Valley	Coast	42 & Spruce Downtown, Inc.
Coos County	Coast	South Coast Development Council
Sandy/Estacada/Villages of Mt Hood	Mt. Hood/Gorge	City of Sandy
<b>BICYCLE TOURISM STUDIO</b>		
East Lane Co.	Willamette Valley	City of Oakridge
Umpqua Valley	Southern Oregon	Umpqua Basin Economic Alliance

Travel Oregon’s assessment and selection of the Community Applications are based on:

- A community’s readiness to proceed: Are there enough stakeholders willing and able to implement the program and use it as a catalyst for future destination management?
- A local convener: Is there a local convener that has the capacity to plan and facilitate monthly meetings during the program and throughout program follow-up. Does this person also have the trust and respect of local community leaders?
- The location’s potential to benefit: Is there a specific type of tourism product development or intervention that will unlock added value for the destination?
- Willingness to engage and give feedback: Is the community willing to engage in the program and provide feedback on how Travel Oregon can improve the model?

### Gorge Tourism Studio

The Gorge Tourism Studio, which started in January, is complete. More than 120 Gorge region stakeholders from Oregon and Washington have participated in the program. This is the largest attendance Travel Oregon has had to date at any of its Tourism Studios.

The final workshops took place in early April and included i) a full day on Marketing and Communications, ii) a workshop led by The Metropolitan Group, and iii) a full day dedicated to Igniting Tourism Action Teams. During the Igniting Tourism Action Teams session Gorge business and community leaders will come together to map out structures and next steps for carrying out their top 3-4 priority projects identified during the program.

Priority project ideas emerging from the program include:

#### Management

- Create and solidify one tourism management entity for the Gorge Region
- Establish a liaison to review Gorge Commission Management Plan Update – ensure regional tourism goals and priorities are integrated into the new management plan
- Develop a ‘One-Gorge’ Pass System
- Develop a regional plan for a seamless car-free transportation system that supports linkages to outdoor recreation amenities

#### Marketing

- Aggregate all high-quality visitor content from the entire region to be shared online and via mobile devices; develop new content including itineraries
- Develop a Gorge-wide strategy for addressing seasonality; identify where new product is needed
- Food Systems
- Increase connections between local growers and restaurateurs
- Create a new Event, ‘Taste of the Gorge’
- Community Awareness, Culture & Education
- Set up a ‘Community Livability’ Action Team
- Train and educate locals about the industry and its history; train frontline staff about the region (what’s available, local history)
- Integrate the Native American culture into the visitor experience; ensure salmon is cornerstone
- Stewardship
- Develop a sustainability manifesto for Gorge tourism so that everyone operates from the same playbook

The Gorge Tourism Studio was designed and implemented in coordination with a Steering Committee comprised of representatives from 27 organizations. The Steering Committee created the below statement of intent to guide the development process:

The Gorge Tourism Steering Committee is committed to developing the region as a world-class sustainable tourism economy. This recognition includes protecting and enhancing the scenic, natural, cultural and recreation resources of the Columbia River Gorge and neighboring Cascades. Key to future sustainability is the need to continue to enhance the visitor experience, and understand and manage the impact of tourism on the local economies and communities.

The Gorge Tourism Steering Committee believes the immediate focus must include strategies aimed to:

- Increase the seasonality of visitation
- Reduce congestion during peak seasons and in high-use areas
- Increase the economic impact of tourism and spread its benefits throughout the Gorge
- Integrate cultural heritage into the visitor experience, authentically and respectfully
- Ensure the Gorge continues to offer high-quality experiences while protecting and enhancing the scenic, natural, cultural and recreation resources
- Connect resources to optimize destination marketing; and support the continued development of unique and compatible product offerings
- Capitalize on the visionary projects already underway in the Gorge to ensure it remains a world-class destination

### Northeast Oregon Agritourism Studios

The Destination Development team is currently collaborating with regional leaders and agritourism working groups to design and deliver Agritourism Studios in Northeastern Oregon and in Oregon's Rugged Country this May. These studios will assist farmers, ranchers, and business owners to plan, create, and promote existing agritourism operations.

Eastern Oregon Visitor Association's public commitment to develop agritourism in Eastern Oregon makes this region a perfect fit for these studios. Each studio will be delivered in parallel with the convening of working groups that will be tasked with creating an inventory of existing and potential agritourism businesses, regional sub-marketing plans, and public outreach opportunities for the region.

### Tourism Studio Follow Up

1. The John Day River Territory was awarded \$5,000 in follow-up funding for their collaborative regional travel kiosk project. Kiosks will be located strategically throughout the region and designed to help direct tourists into communities off the main highways. Specific assets to promote will include educational centers, scenic bikeway routes, parks/monuments, and outdoor recreation highlights.
2. The Polk County Cycling Action Team is utilizing its matching grant funds to work with Sea Legs Media, a local media team, to produce a county wide destination cycling video that highlights the epic multi-modal cycling diversity and scenic routes in their region.

3. The McKenzie River Valley was awarded \$5,000 in follow-up funding for supporting the five signature regional events, which include the new McKenzie Frenzy, that celebrate the official opening of the O'Leary Trail - an IMBA designated 'Epic' trail.
4. Wild Rivers Coast: OCVA/OSU - After the RTS on the Wild Rivers Coast, the Destination Development team contracted support to help build a regional backbone that would unify the communities between Bandon and Brookings. To further build upon the successes of the last 18 months and develop long term sustainability of the development efforts, two new positions are being hired. Both positions will work in a coordinated fashion and contribute to the new regional tourism backbone:
  - a. OSU extension assistant professor position for Tourism and Business Development - The faculty member will develop a Tourism and Business Development program that helps provide and conduct applied research, instruction, and community coordination efforts related to tourism in Coastal Oregon (primarily on the South Coast). This position will work with stakeholder groups such as businesses, local government, and local non-profits to encourage regional collaboration and strategy development in an effort to build capacity for tourism in an economically disadvantaged area. The program home for the position is Sea Grant and the academic home is the school of business.
  - b. Oregon Coast Visitors Association - This position will be based on the South Coast and focus on convening south coast stakeholders, gathering marketing content and fostering ongoing collaboration between tourism stakeholders.

## **CHAMPION THE VALUE OF TOURISM**

*Conduct research and build toolkits to enable partners to  
take action*

### **TRAVEL OREGON FOREVER**

#### **Forever Fund**

The Travel Oregon Forever Fund has now raised more than \$90,000 since 2012 in support of 14 projects across the State. A total of \$22,350 was raised in 2015.

In February, Travel Oregon selected 7 new project beneficiaries to receive funding for the next two years via the Fund. Special attention during the selection process was placed on connecting the Forever Fund grants to existing investments by Travel Oregon. An example of this was the selection of the development of diver access in Port Orford, which was an action outlined during the Wild Rivers Coast Rural Tourism Studio.

The 2016/2017 Travel Oregon Forever Fund project beneficiaries are:

- Oregon Coast | Redfish Rocks Community Team  
Diver Access in Port Orford – This project will establish a safe access point for scuba diving at the port of Port Orford along the southern Oregon coast.
- Greater Portland | SOLVE  
Portland Metro Park Restoration – SOLVE will host eight volunteer events in parks located in the greater Portland Metro area. These events will directly enhance a park’s environment through the large-scale removal of harmful trash, debris and invasive vegetation and then by planting native, ecologically-appropriate vegetation.
- Willamette Valley | Oregon Wine Country Electric Vehicle Byway Alliance  
Plug & Pinot – This project will install new charging stations through the Willamette Valley and build awareness of where you can take your electric vehicle wine tasting.
- Southern Oregon | Elkton Community Education Center  
Monarch Butterfly Project – This project will develop an extensive demonstration butterfly habitat at the Elkton Community Education Center. The expanded habitat will support monarch research programs and increase capacity for visitors to enjoy the Butterfly Pavilion and to learn how to create backyard butterfly habitats.
- Central Oregon | Sisters Area Chamber of Commerce  
Sisters Tourism Directory Kiosks – This project will install traveler information kiosks in the town of Sisters, to inform and direct visitors to the location of trails, green spaces, downtown merchants, restaurants, bike friendly businesses and the arts district.
- Mt. Hood / Columbia River Gorge | Sandy River Basin Watershed Council  
Sandy River Water Trail Recreation and Restoration Guide – This project will develop a new Sandy River Water Trail Recreation and Restoration Guide. The guide will be available in both print and digital editions to engage recreational enthusiasts to experience the Sandy River and to educate visitors on sustainable river stewardship.
- Eastern Oregon | Joseph Branch Trail Consortium  
Rails with Trails Project – This project will begin building a multi-use non-motorized trail alongside the Wallowa Union Railroad between Wallowa and Union county in eastern Oregon.

### “GIVING WEEK” CAMPAIGN

Travel Oregon marked Feb. 8-15 as “Giving Week” in a promotion to spark awareness for the Travel Oregon Forever Fund. The weeklong social media/PR campaign saw television coverage in the Portland, Eugene, Medford and Klamath Falls markets and a 2014-15 project Fund beneficiary, the Camus County Mill and Schoolhouse, showcased on an episode of Grants Getaways. The successful social media campaign garnered more than 320,000 impressions and a Facebook video ad detailing the Fund was shared more than 1,600 times.



Coverage highlights from “Giving Week”

- 2/1/16, Portland Business Journal, “[During Oregon's birthday week, funds sought for sustainable tourism](#)” (circ. 40,249)
- 2/8/16, KDRV.com, “[Give Back to Oregon Week](#)” (circ. 10,311)
- 2/15/16, PR Newswire, “[Oregon’s Visitors Give Back to Local Communities through Innovative Travel Philanthropy Program](#)” (circ: 900,258)

*Develop and deliver key Value of Tourism messages*

**INDUSTRY COMMUNICATIONS**

In its March issue, Oregon Business Magazine highlighted the newly renovated International Arrivals Area at Portland International Airport and took a closer look at how travel and tourism businesses across the state are impacted by the growth in international visitation. Read the complete article at OregonBusiness.com, [Destination: Oregon](#).

Travel Oregon highlights articles that showcase the power of the travel and tourism industry in its [Power of Travel & Tourism Toolkit](#).

**Outdoor Recreation Bill (Recreation Not Red Tape Act—RNRT)**

Travel Oregon worked with Senator Wyden and his staff in drafting the bill that contains a numbers of elements that were needed in order to bolster the outdoor recreation and tourism economy – including streamlined permitting, use of technology, dedication of ski area permit fees to recreation (rather than going to Treasury unencumbered) and others. While passage may mean additional tasks for the agencies, we are hopeful that the appropriations process will result in additional resource for implementation. With the “dropping” of the bill, sponsored by Senator Wyden in the Senate and Congressman Blumenauer in the House, Todd was quoted in the [press release](#) distributed by both offices.



### Destination Capitol Hill

Travel Oregon, along with industry partners from the Oregon Caves National Monument, the Port of Portland, and Travel Portland, met with Oregon's federal policy makers during US Travel's annual Destination Capitol Hill. The group met with all seven members of the state's federal legislative branch and discussed key issues for national travel including: increasing the Passenger Facility Charge, supporting the Visa Waiver Program and ensuring that travel and tourism officials have a place at the table when crises occur that may affect the tourism industry.



### National Tourism & Travel Week (May 1-7)

To support National Tourism & Travel Week (NTTW) Travel Oregon will:

- Promote the full value of tourism on the state of Oregon, sharing the YouMightLikeOregon.com campaign prior to National Travel & Tourism Week.
- Secure deskside meetings for Todd/Scott/Linea with business and travel media, as well as editorial boards in key media markets throughout Oregon, including, but not limited to: Portland, Salem, Eugene, Medford/Grants Pass, Klamath Falls, Bend/Redmond, Pendleton, Hood River, Astoria, Coos Bay.
- Travel Oregon will distribute YMLO branded wrist bands that are also flash drives with the [Power of Travel & Tourism Toolkit](#) at the Governor's Conference.

### Industry Press Releases

2/15/16, "[Oregon's Visitors Give Back to Local Communities through Innovative Travel Philanthropy Program](#)"

2/24/16, "[Oregon Introduces New Scenic Bikeway](#)"

2/25/16, "[Oregon State Officials Sign Sister Park Agreement with China](#)"

3/18/16, "[Oregonian Voice Defines Travel Oregon's New Marketing Campaign](#)"

## **RUN AN EFFECTIVE BUSINESS**

### *Measure and drive improvement in employee engagement*

#### **GALLUP ENGAGEMENT SURVEY**

##### **Q-12 Process and Action Planning**

The results are in on Travel Oregon's most recent engagement survey and we're very pleased with the continuing improvement trend. As you recall from previous reports on staff engagement, for the past three years Travel Oregon has enlisted the help of the Coraggio Group to provide administration of our staff survey measuring engagement and to seek input on areas staff identify as needing improvement and as successes. Each of the past three years we've seen improvement in engagement scores and we believe the process is paying great dividends for the organization. We met as a staff last month to review the overall scores and then broke out into departments to consider how teams responded. Then, department teams developed "Action Plans" representing steps they can take to continue to support one another. We'll ask Coraggio to bring information to a future Commission meeting. Consider just a few results reported out by businesses with the highest engagement:

- 48% fewer safety incidents
- 21% higher productivity
- 65% lower turnover

#### **STAFFING**

##### **New Staff**

The Commission approved budget for 2015-16 included funding for (4) positions that had not been filled prior to the February report. We're proud to announce the additions of Jenna Markowick, Sachie York, Andrew Grossmann and Scott Bricker to the Travel Oregon family. Jenna is filling the Account Manager role within our Global Sales team; Sachie has accepted the position of Content & Publishing Coordinator, rounding out our Integrated Marketing studio; Andrew and Scott are both serving the industry as members of the Destination Development team, Andrew as a department Coordinator and Scott as a Development Manager.

We are honored to welcome these talented folks to our staff. They will be on-hand and available to meet face-to-face at the Governor's Conference later this month.

##### **Vacancies**

Preparation for recruitment to fill the vacancy in our Global Communications team created by the promotion of Linea Gagliano earlier this year is underway. We are also currently recruiting for a vacant Travel Advisor position to work at the PDX Welcome Center. The competitive recruitment process will be completed by the end of April and we'll report out on the results of that recruitment as well as any others in future Commission

reports. Excellent candidates for these or any other future positions are encouraged to make an application on our Careers site at <http://TravelOregon.HiringThing.com>.

### *Perform strategic portfolio management*

#### PLANNING FOR THE FUTURE

##### Travel Oregon 2017-19 Strategic Plan

Travel Oregon has begun the initial process and preparation to develop staff recommendations that will be provided to CEO and the Commission as we work toward the next planning cycle. We believe the organization forwards the best ideas and programs when we develop our planning in a way that is informed by input from a broad and geographically diverse set of external stakeholders in addition to our internal process. With changes to the statewide lodging tax beginning July 1, this inclusive approach is more important than ever. In addition to developing a strategic planning process, we'll be coming to the Commission with changes to Oregon Administrative Rule as relates to the Oregon Wine Country License Plate program, requesting a budget modification for the current fiscal year as income exceeds the adopted budget, developing revenue forecasts for 2016-17 and working on continuing to strengthen the state regional cooperative tourism program. It's an exciting time for Oregon's Tourism Industry and Travel Oregon continues to move forward with purpose and deliberation. We recognize our responsibility to all of Oregon and anticipate involvement of the entire state in shaping our planning. Already this year, Travel Oregon has conducted regional surveys, a statewide survey and is scheduling Town Hall meetings to talk about the impacts of our current programs and to engage in discussions about areas of the greatest need in the state. Specific details on outreach and opportunities for Commissioners and others to get involved will be coming in the next few months.



# Oregon Tourism Commission

## Staff Report June 2016

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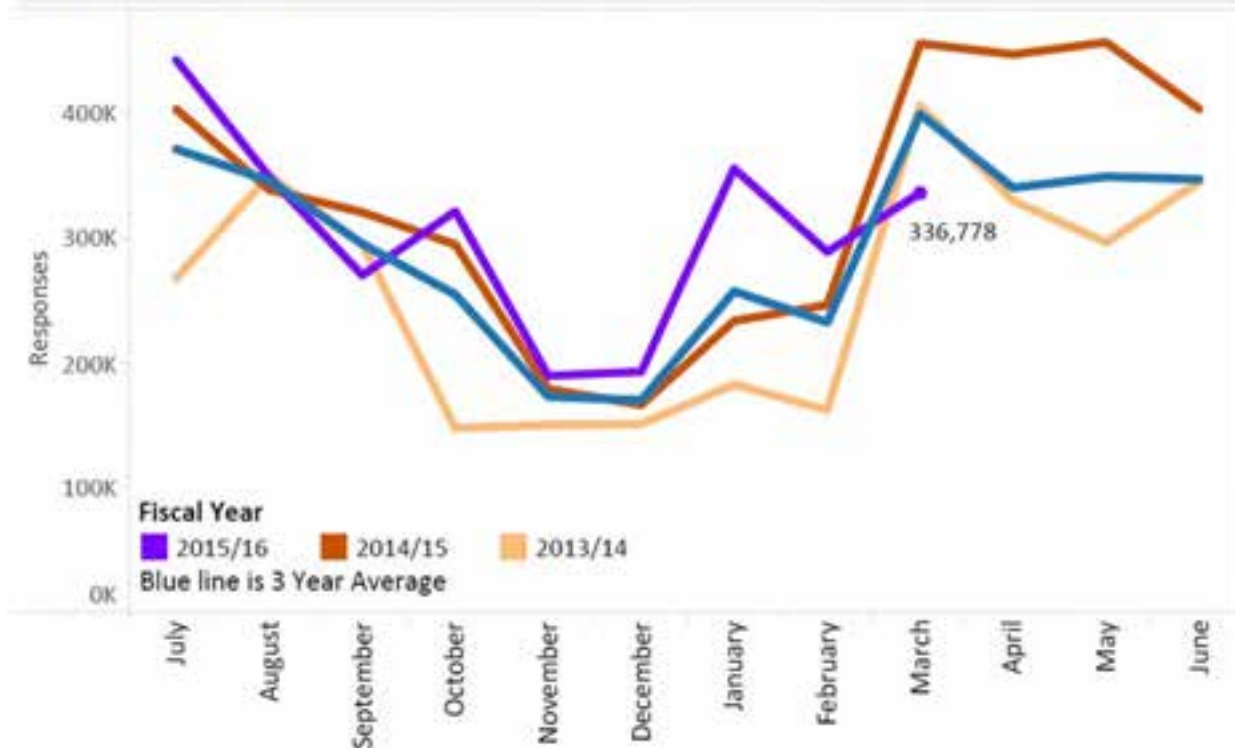
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## OPTIMIZE STATEWIDE ECONOMIC IMPACT

*Inspire overnight leisure travel through industry-leading branding, marketing and communications*

### OVERALL RESPONSE REPORT

#### Travel Oregon Total Responses



KPI Table 1

	Q3	Q3	Qtr Change	Compared to Goal	
	2015	2016		% to Qtr	% to FY
Total Responses	937,764	982,630	4.8%	90%	59%

Total responses for the third quarter (Jan-March) of FY 15/16 were up 4.8% from Q3 in FY 14/15.

- Much of this increase was seen in the first two months of Q3 2016 and can be attributed to the Winter Wonders campaign that ran from January 4<sup>th</sup> through February 7, 2016.
- March 2016 showed a decline in total responses, which is due to a later launch of the spring campaign (the Spring 2016 campaign launched on March 19, 2016 while the

Spring 2015 campaign launched February 27, 2015). This difference in campaign launch timing gives 2015 a full month of advertising impact vs. 2016 that only has 11 days. This timing will have impacts on a majority of our Q3 KPI's but we expect to make up the difference in Q4. Despite the decline in March, responses are still up for the quarter.

- Website Traffic: Traffic to TravelOregon.com was up 6% in the third quarter of FY15/16 as compared to the same time period in FY14/15. Strong YOY growth was seen in January & February 2016 (+32%), leading into a YOY decline in March 2016 (-19%). The decline in March is again related to the later launch of the Spring 2016 campaign.
  - Note: Because we have a microsite (YouMightLikeOregon.com) with a different URL and are sending traffic to both sites, we combined the total unique visitors for a better comparison between March 2016 and March 2015
- It should also be noted that website traffic has picked up momentum since the campaign launch. Unique users in April 2016 vs April 2015 are up 5%. Facebook Engagement (Likes + Comments + Shares): Engagement is up 7% in Q3 of FY15/16 versus Q3 of FY14/15. Most of this growth was seen in January 2016 versus January 2015 (+182%), due primarily to the increased reach the promoted Winter posts provided in January 2016. February Facebook engagement was up 4% (driven mostly by a higher number of posts in February 2016 vs February 2015). March showed a 56% YOY decline, which was driven by fewer posts (25 posts in March 2015 vs 23 in March 2016) and 3% fewer paid impressions in March 2016 as compared to March 2015. Despite a later launch of the Spring campaign, the engagement per post for the YouMightLikeOregon campaign is on pace with the engagement for the 7 Wonders campaign.
  - Facebook continues to be one of the main drivers of traffic to the website. During Q3 of FY15/16, it was the third highest driver of traffic to the site, accounting for 11% of the total sessions.
- Consumer Inquiries (guide orders & digital guide views): The number of requests for guides (digital and printed) is up 31% in Q3 FY15/16 vs the same time period in FY14/15.
  - The majority of this growth was in January and February during the Winter Wonders campaign, which generated guide orders from the sweeps page.

## **SPRING 2016 MID-CAMPAIGN RESULTS**

In the February and April 2016 Staff Reports, we provided the details of the Travel Oregon Spring 2016 “We Like it Here” Brand Campaign, which launched on Friday, March 18. In this report, we’re providing an overview of the mid-campaign results through April 30, 2016.

### **Campaign Overview**

- As a reminder of the campaign elements, see the following flowchart:





Target Markets: Boise, Portland, San Francisco, Seattle, Vancouver BC

**Media Objectives**

- Drive awareness for the unique offerings of the state
- Allow the Explorer to “Get to know” Oregon from a truly local perspective
- Provide opportunities for Explorers to craft a vacation that’s miles from the expected

**Media Strategies**

- Impact: Focus on impact placements that deliver the message in its entirety
- Engagement: Seek media opportunities that capture the audience’s attention and foster high rates of engagement
- Utility: Align with partners that who can offer true utility in the vacation planning process / experience

**Advertising Results Overview (as of 4/30/16)**

So far, the launch of the new Spring campaign has gone very well. The new program is in line with the results of last Spring’s 7 Wonders campaign and shows a positive outlook for the back half of the campaign.

- Overall, video is performing very well for us due to placing our content in front of long form video.
  - Video completion rate (VCR) is 6% over industry averages and 9% over LY 7 Wonders campaign at 84.23%.
  - Video click through rate (CTR) through the first half of the campaign is coming in at 0.63%. This is below the industry average of 0.70%, but above LY 7 Wonder’s average of 0.54%.
- Standard display media continues to drive efficient clicks. The majority of our display placements are adjacent to video content, which is proving to be an effective strategy.

- Display ads' click through rate is coming in at 0.23%, which is 13% over the industry average of 0.10% and 4% over LY 7 Wonders campaign. This is on track with what we were seeing at the launch of the campaign.
- Cinema placement was also a highlight for us as our video ads were featured during the opening weekend of Captain America: Civil War, which held the #5 biggest box office opening ever. This is great considering the box office and attendance were both up YoY.

#### Content Partnerships: The Onion

- In the first half of the campaign, partnered with The Onion to launch two custom content stories: one infographic on "[Tips For Setting Up A Campsite](#)" and a :47 video playing off our new campaign slogan, "[It's Just Oregon, No Big Deal.](#)"
  - The content was geo-targeted in the US and in Canada.
- Overall the partnership has proven to be a large success, especially from a PR perspective. News outlets across the nation picked up and ran stories about our unique advertising partnership, including the Washington Times.
- From an engagement standpoint, The Onion content performed well.
  - Engagement rate for the content is double The Onion's benchmark for its own content at around 9%.
  - Average time spent with the content came in at 2:05, which is 5% below the average time on site during our winter campaign on GrindTV.
    - It is importance to note that the GrindTV content was larger form content and required more time to get through.

#### Mid-Campaign Optimizations

- To keep the campaign running as effectively and efficiently as possible, a number of optimizations have been made to increase performance in the back half of the campaign. Here are the highlights:
  - For search, we switched from a manual CPC to auto bidding (4/12) to help with volume and efficiency in the US.
  - For a few of our digital video media partners, Wieden + Kennedy expanded geo-targeting or included additional relevant sites to insure our pacing is on track to deliver volume goals by the end of the campaign.

#### Social Media

As a reminder, the media strategies for bringing the new brand to life were as follows:

- Message Amplification: Spring campaign assets distributed across social channels organically and with the support of paid media including promotion of the 15-second video ads and Web Click Ads (mid Mach-May).
- Extended Storytelling Through Rich Content: We will create 15-20 pieces of new content to amplify the campaign across social channels. This content will be a mix of animations, GIFs, parallax photography, cinemagraphs, and 360 video (April-July).

- Partner Co-Op: We offered our partners the opportunity to leverage the attention and audience of the new campaign via a co-op retargeting campaign. This plan retargets TravelOregon.com visitors from April-July, directing them to related partner content via Facebook (April-July).
- “My Oregon”: Will leverage local influencers to showcase Oregon - we will identify Instagram influencers with unique, Oregon-focused stories to share on their social channels. Each influencer will share a photo accompanied by a story that highlights the voice and messaging of the spring campaign (Late May-July).
- Pin Distribution: We’ll be surprising and delighting folks using the #traveloregon hashtag on Instagram and Twitter. Preference will be given to folks with a higher social reach, “superfans” who use the hashtag often and those that are highly engaged in one of the niche activities (cycling, golf, etc.). Pin distribution will happen between June 15-August 1 and we’ll aim to give away 25-35 pins/week while supplies last.

### **Social Media Results**

The You Might Like Oregon (YMLO) social campaign kicked-off on March 18<sup>th</sup>. We opened the week with the Crater Lake 15-second TV spot, which we then supported with website click ads to articles on Travel Oregon. Those efforts were also supported with website click ads to the YMLO site, which performed well.

- Message Amplification – Video Ads: It is difficult to make one-to-one comparisons between campaigns or have numerical benchmarks figured out prior to launch. This is even more challenging on social platforms (particularly FB) because algorithms and priorities within channels are constantly changing.

Despite garnering a low cost per engagement (CPE), engagement on the Promoted Posts for the Crater Lake and Alvord spots were less than expected. Our theory is that the video assets from this campaign are more powerful when used to generate awareness with the top of the funnel (Explorers, but not current fans) rather than to instigate engagement with the established audience of existing Travel Oregon fans most likely looking for more brag-worthy content from Travel Oregon.

Therefore, we switched targeting tactics on the 15-second videos from Explorer fans of Travel Oregon and non-fans to non-fan Explorers only during Weeks 3-5. This allowed us to optimize the content for video views and increase distribution exponentially. As a result we served the new creative to more than 1.2 million potential Oregon visitors.

- Message Amplification
  - Web Click Ads: With an average cost-per-click (CPC) of \$0.20, these ads are performing well and are in line with Wintercation and Bounty benchmarks of a CPC of \$0.11-\$0.27.
  - Twitter: Our Twitter strategy has been very successful thus far because the tone and sensibility of the campaign fits perfectly with the Twitter audience. Our rollout plan for Twitter has been to promote the :15 spot video tweets right after posting them organically. This allows our audience to organically interact with them, as well as serves the video to an audience wider than our followers. Twitter engagement is typically around 2.76%; the campaign content has boosted engagement to 3.27%.

This year we also used Twitter as an earned media tool to reach a specific list of targeted local and regional personalities with campaign messaging. This campaign saw an even higher engagement rate at 8.4%.

The My Oregon and pin distribution program will kick off in late May and mid-June respectively. We'll share an update in the next report.

### Learnings from Social Media Performance

- On Instagram the initial ad (:15 Crater Lake TV spot) underperformed with only 2.5% of those served the ad watching it through to completion. This is not a big surprise as Instagram is not a great platform for video. Photos outperform videos on Instagram as photography is the primary experience users have come to expect from the platform. Since we get higher engagement from organic Instagram posts vs. paid, we decided to push campaign related content organically.
- The premium content we produced has been a runaway hit. These new assets were created to give potential travelers to Oregon a deeper, more immersive experience of our destination. The Smith Rock and Columbia River Gorge 360 videos were the most popular pieces of content posted during this spring campaign in terms of likes, comments and shares.

### Public Relations Results

As of 5/20 Travel Oregon has garnered 34 stories (print, online and broadcast) highlighting the launch of You Might Like Oregon (YMLO) with a total circulation of 27,758,103 and an average score of 8.3/10.



We Like it Here. You Might Too.

### YMLO Highlights:

- 4/13/16, The Oregonian, "[Travel Oregon launches advertising campaign in The Onion](#)"
- 4/13/16, The Washington Times, "[Travel Oregon is advertising in The Onion. Seriously.](#)"
- 4/14/16, The Daily Blog (MediaPost.com), "[Travel Oregon Taps 'The Onion' For Native Ads](#)"
- 4/14/16, KPTV.com, "[Travel Oregon's newest ad campaign on The Onion website](#)"
- 4/26/16, East Oregonian, "[Travel Oregon likes it here. Others might too.](#)"
- 5/10/16, Portland Business Journal, "[Oregon sets \\$10.6B tourism record as international attention grows.](#)"
- 5/11/16, The Drum, "[Oregon sees record tourism growth, cites successful marketing and W+K creative](#)"
- 5/11/16, KEZI.com, "[Oregon Sets Another Tourism Record](#)"
- 5/11/16, KMTR.com, "[Tourism Booming in Oregon](#)"

### YMLO Pitches

To continue to tell the "You Might Like Oregon" story of exploring off-the-beaten path places around the state, the Communications team is focusing their efforts from May through August on pitching hidden gems, secret spots and foodie finds around the state.

The goal is to generate high-quality earned media coverage that highlights the infinite opportunities for destination stories that Oregon offers.

#### Primary Targets:

- Regional: The Oregonian, Thrillist, 1859 Magazine, Seattle Magazine, VIA, Boise Weekly
- National/Niche: Conde Nast Traveler, Travel & Leisure, Huffington Post, The New York Times, Backpacker, Real Simple, National Geographic, Bon Appetit, Lucky Peach

#### "Vacation Like an Oregonian" Custom Regional Media Mailer:

- "We Like it Here" regionally branded media mailers will contain everything a visitor needs to know to travel and experience Oregon like a native.
- Media mailers will highlight the to-do, see, eat, drink and photograph in each region and contain fun and quirky gifts.
- A total of 35 mailers to targeted top-tier media will be sent.
- Fifteen mailers were sent out the week of 5/2 highlighting products from Eastern, Southern and Central Oregon (5 per region). The remaining regional mailers will be shipped out by the end of June.

#### Choose Your Own Oregon Adventure Media Trip:

- Each contact receiving a media mailer is being invited on a choose your own adventure trip to Oregon (35 total invites).



Southern Oregon mailer



Central Oregon mailer



Eastern Oregon mailer

## FALL 2016 / WINTER 2017

The Marketing team began to review media strategy for Fall 2016 and Winter 2017 this past January. We worked with the team at Wieden+Kennedy to strategize a plan to make sure our media dollars that we're spending in the shoulder season are supporting our partners in the best manner. We had an hour long winter information meeting with each region to get on the ground knowledge of what marketing support each region needs and what the regional leads felt their strongest product is during the winter. Wieden+Kennedy used this information to help inform our Winter 16-17 strategy that includes two phases:

- Phase 1: Broad Awareness (Media) - October
  - Kicking off in October, we'll remind people of all the great winter places and spaces Oregon has to offer through awareness placements (video, display and OOH).
- Phase 2: Enhance/Immediacy (Media) - Late December
  - We'll give people in Oregon (and neighboring markets) a way to seek out the conditions they desire with a tool that helps them find activities based on current weather conditions.

## DIGITAL CONSUMER PLATFORMS

### Program at a Glance

#### Email Marketing:

Travel Oregon's consumer email newsletters continue to be a key component of our communication plan, which is designed to allow us to have ongoing dialogue with potential visitors. As part of the Key Performance Indicator (KPI) for FY 15/16, we identified improved methods of monitoring the success of this channel. See page 12 for KPI Table 2.

- List Growth:
  - While the general list size is consistent with the third quarter of FY14/15 (-1.8% YOY), what may not be readily apparent is the success we've seen in the relative list growth for the period.
    - New sign-ups for the General list were 56% above goal at 7,996. This combined with a 26% drop in the number unsubscribes/errors, puts the



net gain for the list at 3,882 subscribers (this vs. a net loss of 673 subscribers for the same period last year). This growth is primarily due to a change in our acquisition strategy. On March 18th, we launched 2 initiatives, designed to capture additional sign-ups. (See “Email Optimization Strategy” bullet for more detail.)

- The two niche lists (outdoor and culinary) both showed YOY growth in the third quarter of FY 15/16 compared to the same time period in FY 14/15 (Outdoor: +20%; Culinary: +14%).
- Email Optimization Strategy:
  - We continue to optimize our email marketing strategies. A major improvement has been seen in the above-mentioned reminder email. Launching the reminder email doubled the average number of daily sign-ups. Prior to the reminder email, the daily average was 98 sign-ups and following the launch of the reminder it is now at an average of 200 per day. On March 30th, we launched a redesigned email pop-up modal with a sweepstakes designed to capture email sign ups. While the preliminary results have been very positive, the full effect will be revealed in the fourth quarter. We also have a number of upcoming projects revolving around acquisition and retention that we expect will continue to drive positive results during Q4 and into the next fiscal year.

KPI Table 2

		Q3	Q3		Compared to Goal	
		2015	2016	Qtr Change	% to Qtr	% to FY
<b>General Email</b>	Total List Size	176,959	173,859	-1.8%	99%	100%
	Sign Ups	4,886	7,996	63.7%	156%	65%
	Unsubscribes/Errors	5,559	4,114	-26.0%	81%	64%
	Avg Read Rates	17.3%	16.7%	-3.8%	▲ 2%	▲ 3%
	Avg Editorial Content CTR	18.0%	20.5%	13.8%	▲ 19%	▲ 12%
	Avg Advertising CTR	2.4%	3.4%	40.6%	▲ 8%	▲ 9%
<b>Outdoor Email</b>	Total List Size	17,162	20,644	20.3%	88%	80%
	Sign Ups	1,678	1,382	-17.6%	55%	82%
	Unsubscribes/Errors	448	537	19.9%	139%	162%
	Avg Read Rates	25.50%	21.00%	-17.6%	▼ 15%	▲ 16%
	Avg Editorial Content CTR	18.00%	26.27%	45.9%	▲ 51%	▲ 26%
	Advertising CTR	3.29%	4.43%	34.5%	▲ 19%	▲ 4%
<b>Culinary Email</b>	Total List Size	18,429	21,078	14.4%	95%	90%
	Sign Ups	964	744	-22.8%	43%	63%
	Unsubscribes/Errors	482	595	23.4%	126%	90%
	Avg Read Rates	24.0%	27.0%	12.5%	▲ 13%	▼ 7%
	Avg Editorial Content CTR	18.0%	22.0%	22.2%	▲ 40%	▲ 43%
	Avg Advertising CTR	3.7%	2.4%	-34.4%	▼ 62%	▼ 52%

Note: Metrics with arrow icons indicate % above or below the target average

**INTEGRATED MARKETING - PLATFORMS**

**2015/16 TravelOregon.com Site Traffic**

Traffic to TravelOregon.com, RideOregonRide.com and YouMightLikeOregon.com was up 5.2% in Q3 (Jan., Feb. March) compared the same period last year (759,910 visits to 721,910 visitors).

As stated earlier, much of this increase was driven by the enhanced winter campaign in January and February. The lift in March was not as substantial due to the later start of the spring campaign.

KPI Table 3

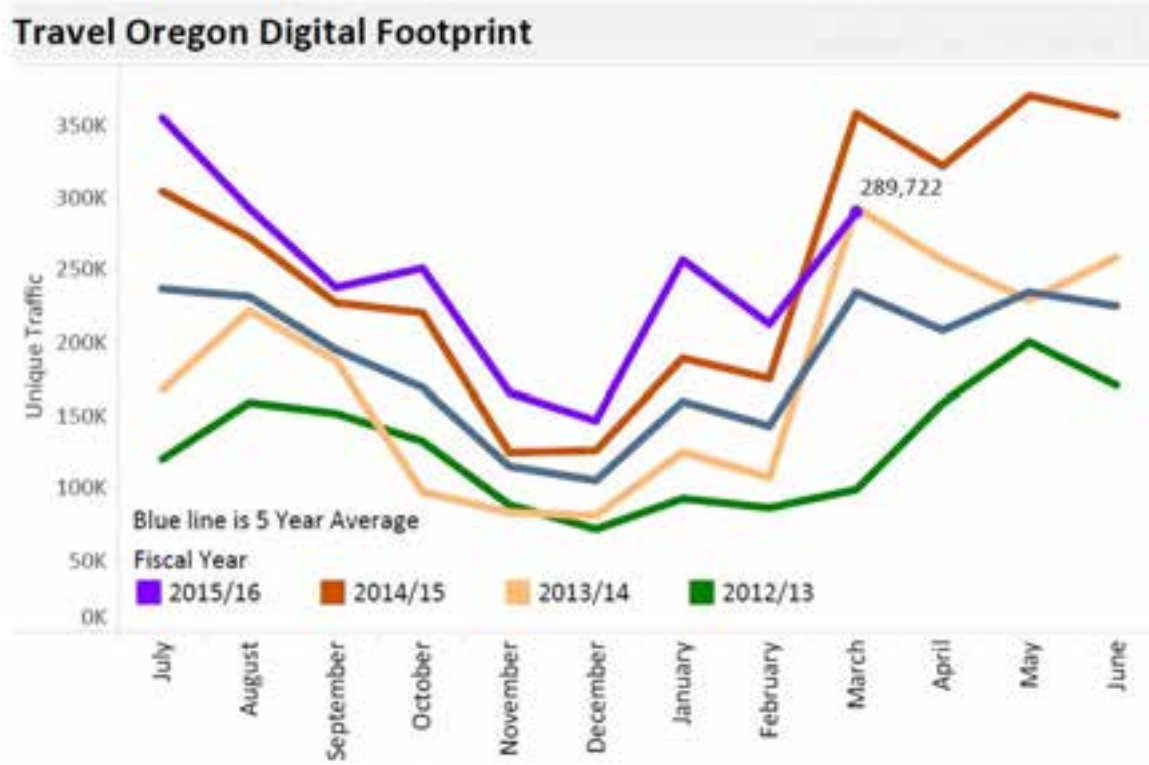
		Q3	Q3		Compared to Goal	
		2015	2016	Qtr Change	% to Qtr	% to FY
<b>TO.com*</b>	<b>Total Visitors (TO.com + ROR.com)</b>	721,910	759,177	5.2%	85%	59%
	Visitors	682,595	723,918	6.1%	85%	59%
	Time on Site (mins)	2.76	2.29	-17.1%	▲ 6%	▲ 5%
	Bounce Rate	52.01	58.95	13.3%	2%	▲ 1%
	Pages/Session	2.71	2.41	-11.2%	▼ 2%	▼ 3%
<b>ROR.com</b>	Visitors	39,315	35,259	-10.3%	82%	57%
	Time on Site (mins)	2.64	2.63	-0.6%	▲ 25%	▲ 20%

Note: Metrics with arrow icons indicate % above or below the target average

\* TO.com includes YMLO

Other trends we're watching:

- Referral traffic from Oregon.gov is down 29.38% (3,608 vs 2,548). Oregon.gov has historically been a top referral source and recently launched a new site. We anticipate that referrals will pick back up once the site gets more search traction.
- Continued algorithm changes on Facebook are also impacting us. Mobile and desktop traffic from Facebook is down 70% and 66% respectively.



### Q3 TravelOregon.com Engagement

Engagement on TravelOregon.com as defined by goals and events is mixed this quarter. Goals are down 3.2% while Events are up 14% as a result of strong growth in digital views and downloads of our trip planning resources (see tables on prior page). For site goals, the decline is a result of a decrease in guide orders (down 9.1%) and trip planner accounts created (down 33%).

KPI Table 4

	Q3	Q3	Qtr Change	Compared to Goal	
	2015	2016		% to Qtr	% to FY
<b>Goals</b>					
Trips Planned	1,886	2,373	25.8%	101%	34%
Guide Orders	9,299	8,455	-9.1%	76%	63%
Trip Acct Created	1,135	762	-32.9%	77%	34%
Total Goal Completions*	13,334	12,907	-3.2%	80%	48%
<b>Events</b>					
Video Views	48,040	41,522	-13.6%	71%	55%
Shares	1,783	1,566	-12.2%	76%	55%
Digital Guide Downloads	4,676	13,263	183.6%	190%	68%
Total Events**	172,406	197,113	14.3%	64%	55%
*Total Goal Completes includes all goal metrics + other internal metrics not represented here					
**Total Events includes all event metrics + other internal metrics not represented here					

We believe that there are two major factors driving the engagement decreases:

1. Q3 typically delivers strong engagement due to the launch of our spring campaigns. This year, our campaigns started much later in March than usual.
2. YML0 Site: A drop in engagement on TravelOregon.com is a result of driving a large portion of our spring traffic to our campaign site which does not provide as many consumer engagement opportunities as TravelOregon.com.

**Social Engagement**

Overall social engagement is strong and holding true to engagement patterns on the website (i.e. strong engagement in January and February) and slightly lower engagement in March). Highlights:

- Despite pausing posts frequently due to the occupation at the Malheur National Wildlife Refuge, January was a stellar month on [Facebook](#)-- thanks greatly to the Wintercation media buy. The account gained more than 5,000 fans for a 1.5% increase. Most notably, engagement jumped more than 100% with the average engagement per post at an impressive 6,450 actions. The post about [winter on the Oregon Coast](#) earned the most likes and shares, while the [John Day Fossil Beds](#) post received the most comments.

Facebook fans grew by almost 3,000 in February, and our engagement rate remained strong.

- On Twitter, engagement continues to be strong. The strong creative from the Winter Wonders influencers of the The Enthusiast Network (TEN) propelled strong engagement on Twitter. Unsurprisingly, a tweet that included [a snowy Crater Lake photo](#) was the most engaged tweet.

KPI Table 5

	Q3		Qtr Change	Compared to Goal	
	2015	2016		% to Qtr	% to FY
<b>Social</b> Facebook Engagements	169,815	178,917	5.4%	111%	50%
Instagram Usage of #traveloregon	31,349	47,232	50.7%	81%	33%
Twitter Engagements	5,189	6,649	28.1%	86%	40%

### TRAVELOREGON.COM REFRESH

As stated in the last report, the Integrated team is focused on refreshing the TravelOregon.com site. The project is currently on hold due to our agency, Substance, going out of business. We’re currently undergoing an agency search and hope to restart this project started in mid-late May.

### PUBLISHING & CONTENT

#### New Visitor Guide



We’re excited that 300,000, 2016/17 Visitor’s Guides were published in April and now available for order. Highlights of the guide include:

- Redesigned in the new brand look taking on a cleaner, modern look.
- This year, we are featuring an inspirational front-of-book section called “Oregon 101” that anchors the guide with a clear sense of place, tapping into the voice of Oregonians to offer visitors a crash course in what makes Oregon a distinct destination (e.g., divided into sections that include a pronunciation guide [It’s ORE-uh-g’n!], quirky local curiosities, furry friends, foodie facts, road trip mix tape with Oregon bands and a historical timeline of Oregon etc.).
- We refined the trend started last year of keeping a more “magazine type” pacing in the front of the book with more photos and more scanable copy to draw folks in.

- Revised “Local’s Picks” from general round-ups of each region to themed profiles of each region. For example, Southern Oregon’s theme was “water play” and Central Oregon’s was beer.
- The guide will continue to be available on Apple iBooks & Google Play and on newsstands in regional markets outside of Oregon including Barnes & Noble stores.
- We also sent out a dedicated visitor guide email prompting subscribers to order the new guide. It was an overwhelming success, where we saw 5,760 visitor guide orders from 5/11-5/13. This beat our highest monthly order record of 3,351.

### Scenic Byways

In partnership with ODOT, the 2016/17 Oregon Scenic Byways Driving Guide has been published. The Scenic Byways guide is our third most-requested guide after the Oregon Visitor Guide and the Oregon State Map, and provides both domestic and international visitors (along with its companion website) all the resources necessary to plan their vacations along the extensive Oregon Scenic Byways system. This redesign represents the first major overhaul of the guide since 2007. Key features include:

- The guide is available in English, Chinese, French, German and Spanish.
- New Roads - In the 8 years since the last design, Oregon has expanded our road trip portfolio. In addition to the byways systems we’re also using this guide to educate travelers about other road trip opportunities by integrating other initiatives such as ODOT’s Electric Vehicle Byways program and Oregon State Parks’ Scenic Bikeways program.
- Modern Reading Sensibilities - Update the guide to reflect modern traveler reading habits and sensibilities with enhancements including:
  - New content, more context, less text. The rewritten narrative provides folks more useful content such as things to see and do along the byways.
  - More photography. The content of this guide will be driven by visually stunning photography. While the main focus remains epic scenery, we also included more experiential images of people enjoying activities along the byways.
  - Larger, navigable map. Moved the map to a front cover gatefold. Positioning the map here puts it in a prominent position and makes easier for the reader to refer to the map as they are looking through the many pages of the guide. It could also be pulled off as a separate map.





## TravelOregon.com

We oversaw the development, production and distribution of 49 stories on TravelOregon.com. The publishing line-up included:

- 15 “feature stories”: This includes long lead “Spring Features” and “Grant’s Getaways” content designed to evoke an emotional response and ignite a desire to travel to Oregon.
- 17 “news stories”: These stories are informational in nature and are designed to keep Oregon “top-of-mind” with information about events and happenings within 3 months.
- 10 “blogger stories”: Stories from local Oregon personalities and content partners using their independent voice.

The spring edition of “Seasonal Features” was published in March.



Overall content highlights for Q3 include:

- Ongoing content support of the Travel Oregon Forever Fund beneficiaries with stories about the [Camas Country Schoolhouse](#), [riding in Post Canyon](#) and [fishing on the Sandy River](#).
- Our [video about sustainable honey](#) from Bee Local was picked up by Williams-Sonoma and will be streaming in-store at select locations as part of the “Meet the Makers” series. In addition, the video will also be streaming at distribution locations in Japan and will be subtitled for that market. While specific location information and views will be tough to track, we’re excited about this because it proves the value of creating quality content can endure on its own beyond our channels.
- Ask Oregon ambassador Kristen Mohror visited Oakridge and did an Instagram takeover of the @traveloregon account. She then [wrote up a story about her trip](#) and mentioned that a video is what inspired her to visit Oakridge in the first place - which we figured out was our own [Communities Powered by Travel video!](#)
- We partnered with Destination Development to build awareness of the Travel Oregon Forever Fund during “Give Back to Oregon Week” (week of Feb. 14<sup>th</sup>) across our channels. We executed a small Social Media buy utilizing promoted tweets and targeted Facebook ads. On Facebook, we showed a takedown of the Oregon Forever

Fund video and retargeted those who watched the majority of the video with website click ads. All ads clicked through to the [Give Back to Oregon](#) hub page on TravelOregon.com. In addition to the targeted paid posts, we also did several organic posts on Twitter and Instagram. Despite the narrow targeting, the ads experienced a 4.6% click through rate which is slightly above the rates for Bounty 2016 and Wintercation 2015-16.

- We partnered with Eastern Oregon Visitors Association (EOVA) to experiment an influencer driven cross-account storytelling experiment. The week of 2/29, Joe Whittle, a freelance photographer and seasonal US Forest Service ranger, took over both the Eastern Oregon and Travel Oregon Instagram accounts to show audiences the incredible outdoor experiences of the Eagle Cap Wilderness area. We repeated this a few weeks later with Joni Kabana, a storyteller who started a journey along the byways of the John Day River Territory to tell the story of region’s history and heritage. Both stories started on @traveloregon and finished on the @easternoregon account and resulted in account growth for both channels along with a story (Trip Idea) for both websites. [Joe’s story can be viewed on TO.com.](#)
- In a continuing effort to expand our editorial range we’re proud of this year’s [spring whale migration story](#). Instead of producing a newsier piece about whale migration and where to spot whales in Oregon, we produced a more enduring story about why whales migrate and the environmental threats facing these magnificent creatures. Travel is the best education and we believe that our content can also play a small role in enriching readers’ lives.

## COMMUNICATIONS

Consumer media coverage is consistent with 2015 for the number of stories, but with lower circulation numbers. This is due to more targeted outreach to niche publications with lower circulation, but higher engagement. We may continue to see circulation trending down as we pursue more niche-focused story placement.

**KPI Table 6**

	Q3	Q3	Qtr Change	Compared to Goal	
	2015	2016		% to Qtr	% to FY
Stories	32	32	0.0%	132%	75%
Circulation	179,068,661	78,498,675	-56.2%	54%	42%
Avg Score	8.25	8.06	-2.3%	▼ 8%	▼ 6%

**OREGON SCENIC BIKEWAYS**  
**Updated Oregon Scenic Bikeway Maps**

The Oregon Scenic Bikeways program is a one-of-a-kind program that promotes the best of the best bikes rides in Oregon, and thus the best rides in the nation. In partnership with the Oregon Parks and Recreation Department, the Travel Oregon team published an [updated map](#) of the 14 designated Oregon Scenic Bikeways in May of 2016. The updated map includes the new Painted Hills Scenic Bikeway and observed the removal of the Metolius Scenic Bikeway. Printed versions of these new bikeway maps are available for [order online on our Industry Website](#).



*Align and optimize locally integrated sales, marketing and destination development*

**REGIONAL COOPERATIVE TOURISM PROGRAM**  
**Industry Engagement Component of the Regional Cooperative Tourism Program**

Travel Oregon has concluded the stakeholder engagement component of the Regional Cooperative Tourism Program. Now Regional Development Marketing Organizations are tasked with drafting 2016-17 regional plans utilizing input from stakeholders in their respective regions.

For the remainder of the fiscal year, the Regional Program Manager will work with the RDMOs to develop and finalize their respective 2016-2017 Fiscal Year plans. These Regional Cooperative Tourism Plans will go into effect once vetted by Travel Oregon.

*Drive business from key international markets. Deliver integrated sales/marketing plans leveraged with global partners.*

**ALL MARKETS**

**International Pow Wow (IPW), June 19-24**

IPW is the travel industry's premier international marketplace and the largest generator of travel to the U.S.; it is not a typical trade show. In just three days of intensive pre-scheduled business appointments, Travel Oregon will meet with close to 300 international buyers and media from more than 15 countries and conduct business negotiations that result in the generation of millions of dollars of ROI for Oregon and the 30 delegates participating in the show. Travel Oregon and Visit California are co-sponsoring the opening wine reception of the Chairman Circle Honors Event on Saturday, June 19, where the top 100 buyers from around the world are honored. The sponsorship includes Oregon Wines from the Willamette Valley served at the reception and each client will receive a Travel Oregon branded Hydroflask and Gift Card at the end of the evening.



**TRADESHOWS/SALES MISSIONS**

**Canada: Sales Mission, May 9-13**

Travel Oregon in partnership with Travel Portland, The Oregon Coast, Mt. Hood Territory and Tualatin Valley, and Air Canada hosted a Canadian sales mission to Edmonton, Calgary, Toronto and Montreal May 9-13. The mission included training sessions for over 75 agents and wholesalers across Canada, promoting Oregon product and the non-stop service on Air Canada to PDX from Toronto, Calgary and Vancouver, BC. The final evening of the Mission featured a cocktail paring Oregon Distillery House Spirits and a local chef's menu highlighting Oregon ingredients.



**Australia: Snow Travel Expos, May 22-29**

Travel Oregon in partnership with Travel Portland and our mountain partners at Mt. Hood Meadows and Mt Bachelor attended the Snow Travel Expo in both Melbourne and Sydney Australia. The Snow Travel Expo is Australia's largest consumer show where consumers have the opportunity to talk to industry experts about their travel plans and ideas. This is

the first time Oregon Ski Product delegates have participated at the show and it is a great step forward in promoting winter product in this high potential market.

**Japan: Travel Portland Consumer Marketing Campaign, May 2016**

Travel Oregon participated in launch events surrounding Travel Portland’s first ever large scale consumer marketing campaign in Tokyo, Japan. The campaign kicked off with a mix of public relations outreach, a content partnership with VICE Japan, social media promotion, grassroots promotion, alignment with identified Oregon businesses such as Hand Eye Supply, Orox Leather and Columbia Sportswear as well as a temporary installation at T-Site in Tokyo from May 10–26, 2016. The installation introduced people to Portland by showcasing a mix of Portland products and the “Odnarotoop” music video featuring Ages and Ages.

**UK: Brand USA Hampton Court Flower Show, July 4-8**

The Hampton Court Flower Show is the world’s largest gardening charity (RHS) with over 420,000 members. RHS Members are active travelers spending more than \$650 million (nearly 2 million a day) on travel with an average of 21 nights away each year. Three USA destinations will be showcased at this show; Oregon, Charleston and Austin. Oregon will receive a full page destination advertorial in the Telegraph Saturday Magazine, iPad News app, online display on travel homepage and within special interest sections, photo gallery, video on Discover America hub, approximately 600,000 impressions across Telegraph and \$60,000 in value. A new Oregon fly drive package will be created and promoted with America As You Like It and a group tour with Brightwater Tours. Oregon will also participate in a VIP Media event prior to the opening of the show. See below images of Oregon Garden, inspired by UK Garden Designer and Oregon Garden’s Ty Boland.



**India: Brand USA Sales Mission, September 18-23**

This is Brand USA’s fifth sales mission to India. It provides an appropriate platform for US DMO’s and suppliers to interact directly with tour operators, airline representatives, travel



agents, incentive and meeting agents and media. The main focus is to encourage Indian visitation to the US and educate the Indian travel industry on the limitless potential of the country as a travel destination. In addition to returning to New Delhi and Mumbai; in 2016, Bengaluru, the capital of South India has been added to the itinerary, bringing even more opportunities to meet with top travel buyers. Previous sales mission participants have successfully expanded their footprint in India and this trend will continue through 2016.

**Japan: Japanese Association of Travel Agents, September 22-25**

Travel Oregon and a delegation of tourism partners from Travel Portland and America's Hub World Travel will attend the annual JATA- Japanese Association of Travel Agents – tourism forum and travel showcase. The JATA travel showcase is the leading travel expo in Japan and saw 110,000 buyers last year with 37,000 of those buyers representing leading tour operators, travel trade professionals and media.

**MEDIA/TRADE FAM TRIPS**

**Australia: Journalist, May 29 – June 3**

A member of WYZA Travel and contributor to Vacations and Fairfax, will visit Oregon May 29 – June 3. The journalist has a confirmed story of 1000+ words plus images for WYZA.com.au. This article will focus on travelers age 50 and older and will be nature focused with an emphasis on quirky accommodations and how green and conservation-oriented Oregon is.

**Australia: Brand USA Journalist, June 24 - 28**

Through our partnership with Brand USA, Travel Oregon has the opportunity to host Australian journalist who will be traveling to Oregon to do a story on the 100th anniversary of the US National Parks and 48 hours in Portland for Escape Travel.

**Germany: Faszination Fernweh, June 30-July 6**

A representative from Faszination Fernweh will be in Oregon June 30 – July 6. This is their second product development trip to Oregon and the goal is to add new, unique activities. Faszination Fernweh is an experienced, knowledgeable and family-owned tour operator based in Weinheim, Germany and is a leading special interest tour operator in the German speaking market.

<http://www.faszination-fernweh.de/usa/usa-westen/oregon/>

**China: CCTV, July**

CCTV is developing a United States focused cycling tourism television series that will feature Oregon and Oregon's scenic bikeways as well as Crater Lake National Park. Production is slated to being in late July and this program will include a call to action for booking of cycling tours with China Youth Travel Service (CYTS).

**UK: Western & Oriental, September 15-20**

Western & Oriental is sending a Senior Product Manager for USA & Canada to visit Oregon for the first time in September. W&O's goal in creating a package is to create unique trips



that match every individual wish of their clients and make memories that last a lifetime. They have a team of experts that pride themselves on knowing the ins and outs of a destination. This will be W&O's first trip to Oregon.

<http://www.westernoriental.com/tour/usa-tours/original-oregon/>

### **The Netherlands: September 15-25**

Columbus Magazine is sending a return journalist/editor who previously visited Crater Lake National Park for the National Park publication. In September, the journalist and a photographer will research Portland for a 6-8 page feature to be published in their Best City Break special. Portland will be the only USA destination featured. They will continue their trip through Oregon visiting the Oregon Coast to write an article about the Oregon Coast in their special publications Great American Roadtrips. Circulation 50,000+ and an online portal with 2 million page views per month.

### **Germany: Brand USA MegaFam September 17-20**

Oregon and Washington have been chosen as one of this year's German MegaFam's seven USA destinations. Airfare and transportation will be hosted by Brand USA and Oregon will work with partners to cover the itinerary logistics. Brand USA has built the reputation of MegaFam to become one of the best Fam tours to participate in. Their key aim is to provide agents with experiential activities in each destination to ensure that they get a great feel for the places that they visit and gain more insight into the attractions and experiences to offer consumers across Germany. Travel agents participate in an incentive campaign to earn a spot on the MegaFam.

## **SPECIAL PROMOTIONS**

### **Canada "At Par" Campaign, May 16 - July 15**

Travel Oregon officially launched a Canada "At Par" campaign May 16, which is being targeted to Canadian leisure travelers across the country. The definition of "At Par": American businesses who accept the Canadian dollar at par with the American dollar.

Travel Oregon is working with a select group of hoteliers from each region of the state who have agreed to offer an "At Par" rate to Canadian travelers. Key advertising is being placed across Canada and in partnership with our partners at Air Canada that will direct visitors to a landing page on TravelOregon.com, where they will find a list of our key hotel partners. Interested visitors will have the ability to obtain this rate by booking over the dates of May 16 -July 15, and have the ability to travel through the end of 2016. Bookings will be directed to each property with a special booking code that would alert their team and allow those visitors to obtain the



rate. Some blackout dates and exclusions will apply. A press release about this program was distributed.

<http://traveloregon.com/canadaatpar> <http://traveloregon.com/canadian-deals>

## **NEW PRODUCT**

### **China: INTraveler**

INTraveler is re-launching Oregon ski tours to include Mt. Bachelor/Bend and Mt. Hood. Winter group tours are scheduled weekdays, January 2017 through March 2017, with a goal of securing 200 actualized bookings during the first year of this offer.

### **Japan: TravelKo Chan**

Japanese online travel information resource website, TravelKo Chan developed several pages of content centered on Oregon's beer culture in Portland, Bend and Eugene. TravelKo Chan is the number one travel information portal site in Japan and it partners with 200 national travel agencies, tour operators and OTA's. This portal has 3.4 million unique users per month.

## **SUPPORT AND EMPOWER OUR PARTNERS**

### *Support implementation of statewide tourism master plan*

## **GLOBAL SALES INTERNATIONAL PARTNER EDUCATION**

### **Governors' Conference on Tourism**

Emerging International Markets Panel:

This workshop was focused on educating Oregon on the following:

- Best practices for selling a destination, product or service to the rapidly expanding middle class in India
- How to market and sell to the ever-changing tastes of experienced Chinese travelers
- Early stage learnings of selling in the profitable yet dynamic market of Brazil

Ask the Operator (Tour Operator Panel):

Conference attendees were invited to participate in the popular Ask the Operator session. A panel of US and Canadian Receptive Tour Operators provided an overview of their operations, current market trends and answered market specific questions. The Ask the Operator session content was driven by attendees and successfully engaged statewide partners.

## CAR FREE TRANSPORTATION OPTIONS

### Columbia Gorge Express

Travel Oregon has been a key partner in the Oregon Solutions' Historic Columbia River Highway Collaborative project. The aim of the project is to develop strategies that reduce congestion along the Historic Columbia River Highway and State Trail. One outgrowth of this initiative is the creation of the Columbia Gorge Express, a new public transit service launched by the Oregon Department of Transportation on May 27. The Columbia River Gorge Express will cost riders \$5 per round trip from Gateway Transit Center in Portland to Multnomah Falls. To further alleviate parking congestion, the Columbia Gorge Express will also provide service from Rooster Rock State Park to Multnomah Falls. The Express will run on weekends and federal holidays. Visit the [Columbia Gorge Express website](#) to learn more.

## TOWN HALL MEETINGS

In May, Travel Oregon hosted 18 Oregon Tourism Town Halls across the state and more are being scheduled for late June. The Oregon travel and tourism industry was invited to join the town halls to discuss their business' and/or community's tourism priorities. Over 290 individuals thus far have participated in the community events. Travel Oregon is looking for the best and most efficient ways to enhance the economic impact of travel and tourism and the quality of life our industry has on communities throughout Oregon. Input from the town halls is being captured, and the information found will help inform our upcoming 2017-2019 strategic planning.

Town hall locations and dates that have taken place thus far include:

- ASTORIA: Tuesday, May 3
- PORTLAND: Wednesday, May 4
- GRESHAM: Thursday, May 5
- LAKEVIEW: Monday, May 9
- KLAMATH FALLS: Tuesday, May 10
- THE DALLES: Tuesday, May 10
- CORVALLIS: Wednesday, May 11
- SCAPPOOSE: Wednesday, May 11
- REEDSPORT: Thursday, May 12
- BROOKINGS: Thursday, May 12
- HILLSBORO: Thursday, May 12
- BURNS: Thursday, May 12
- PRINEVILLE: Monday, May 16
- LA PINE: Tuesday, May 17
- LA GRANDE: Wednesday, May 18
- ONTARIO: Wednesday, May 18
- SILVERTON: Thursday, May 19

Upcoming locations and dates include:

- SPRINGFIELD: Monday, June 27
- ROSEBURG: Monday, June 27
- ASHLAND: Tuesday, June 28

*Enhance existing niche markets and investigate emerging opportunities*

**CULINARY & AGRITOURISM**

**Northeastern Oregon & Oregon’s Rugged Country Agritourism Studios**

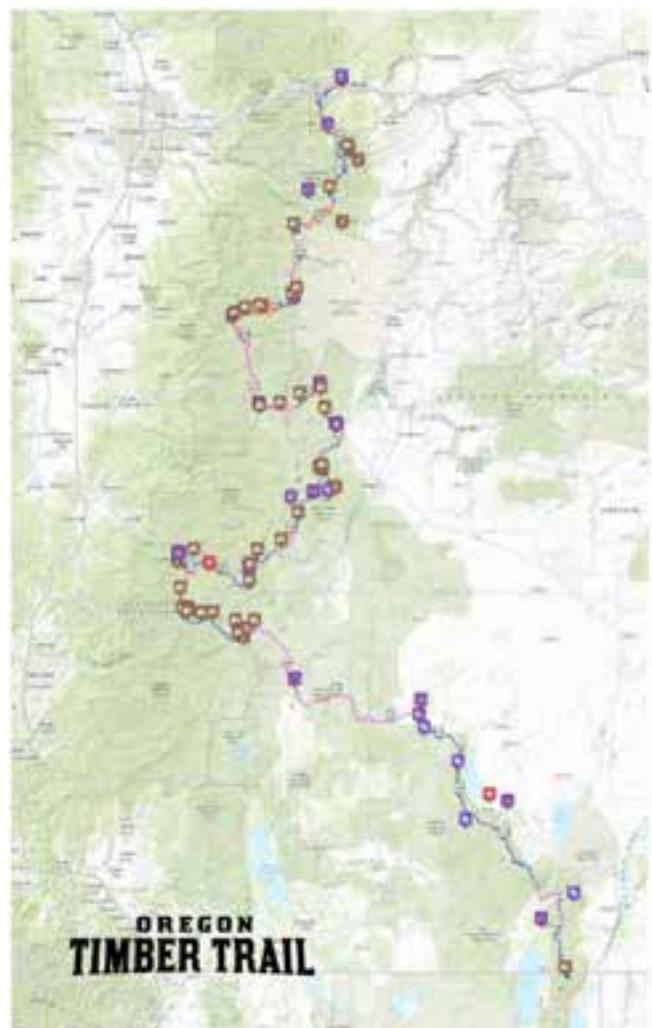
In collaboration with the Eastern Oregon Visitors Association and the Northeastern Oregon Economic Development District, Travel Oregon developed two agritourism studios in Eastern Oregon. The first two-day agritourism studio was held in La Grande, Oregon on May 23<sup>rd</sup> and May 24<sup>th</sup> and was open to Baker, Wallowa, and Union Counties. The second two-day agritourism studio will be held in Boardman and Hermiston on June 21<sup>st</sup> and 22<sup>nd</sup> and will be open to Morrow and Umatilla County. The focus of these studios is to build infrastructure and excitement around agritourism offerings in the state and to deliver content that includes agricultural tourism best practices, success factors for operation of an agritourism business, and how to prepare for the arrival of visitors.

**DEVELOP CONNECTED NETWORK OF BIKE/PED PATHS IN OREGON**

**Oregon Timber Trail (OTT)**

The Oregon Timber Trail (OTT) will create an iconic singletrack mountain bike route that runs across Oregon and connects California to the Columbia River Gorge. The proposed trail connects existing trail infrastructure that is open to bicycle access. The goal of the OTT is to create a world-class destination asset for an emerging tourism product niche that will drive new visitors, and their wallets, to the splendors of Oregon and its rural communities.

By the numbers the Oregon Timber Trail is 645 miles long, of which roughly 55% is singletrack. The length of the OTT and its rider experience provides a unique and desirable experience when compared to other iconic off-road bicycle routes. By current estimation an average rider would take 20-30 days to complete the route. To increase the accessibility of the OTT riders will also be encourage to tackle the trail in four more palatable tiers during four unique rides.



The trail concept has found unprecedented support from a variety of organizations such as the International Mountain Biking Association, Pacific Crest Trail Association, Oregon Wild, Pacific Northwest Region Forest Service, Bureau of Land Management, and local tourism bureaus.

The Oregon Timber Trail’s goals for 2016 are to:

- Collaborate with land managers, local communities, and organizations through a series of informational charrettes across the state
- Verify the route’s alignment, logistical components, and collect data for mapping and future improvements
- Publish the route online and encourage Timber Trail pioneers to ride and vet the Timber Trail

Travel Oregon’s Destination Development team is excited to announce that the Timber Trail has been prioritized by the RTP committee and is eligible to receive funding via the Oregon Recreational Trails Grants (RTP). The grant money would provide the funding needed to formally map out the Oregon Timber Trail, develop downloadable maps, and create a simple website to promote this new opportunity for the state.

***Provide strategic professional industry development & training opportunities***

**OREGON TOURISM STUDIO PROGRAM**  
**Applications for 2016/2017 Oregon Tourism Studios**

Eight applications were submitted to Travel Oregon to receive Oregon Tourism Studios for the 2016/2017 calendar. A committee of Travel Oregon staff and other industry leaders reviewed and assessed each application to determine the applying communities’ readiness and alignment with the objectives of the Oregon Tourism Studio program. Five of the eight applications have been confirmed for the 2016/2017 calendar based on the tentative schedule below:

SEPTEMBER 2016 - JANUARY 2017		
<i>Studio Type</i>	<i>Host Community</i>	<i>Lead Applicant Organization</i>
Rural Tourism Studio	Newberry Country (Central)	La Pine Chamber of Commerce
Bicycle Tourism Studio	East Lane Co. (Willamette Valley)	City of Oakridge
FEBRUARY 2017 - MAY 2017		
Bicycle Tourism Studio	Umpqua Valley (Southern)	Umpqua Basin Economic Alliance
Rural Tourism Studio	Klamath Basin (Southern)	South Central Oregon Economic Development Dist.
SEPTEMBER 2017- JANUARY 2018		
Rural Tourism Studio	Sandy/Estacada/Villages of Mt Hood (Hood/Gorge)	City of Sandy

In addition to the five communities listed above, applications from the Coquille River Valley (Coquille, Myrtle Point, Powers, and surrounding areas) and Coos County (Lakeside, North Bend, Coos Bay, Coquille, Myrtle Point, Bandon, and Powers) remain under consideration for the 2016/2017 calendar. The focus of the continued review is to assess the opportunity to merge both applications into one Oregon Tourism Studio delivery. The combined effort would address a slightly larger region on the south coast and would also complement the existing investments by Travel Oregon along the Wild Rivers Coast, a community that received an Oregon Tourism Studio in 2013 and 2014. If the applications are merged, Travel Oregon will tentatively deliver an additional Oregon Tourism Studio along the south coast between September 2017 - January 2018.

As a next step Travel Oregon will work with selected applicants during the summer of 2016 to confirm program timing, finalize program design, and solidify relationships and expectations with the local steering committee in each community.

### **Gorge Tourism Studio Follow Up**

After wrapping up the Gorge Tourism Studio in April the Gorge Tourism Steering Committee has been busy starting its Tourism Studio follow up work.

During the Gorge Tourism Studio's final *Igniting Tourism Action Teams* workshop, participants established five action teams that are tasked with the development and delivery of catalytic projects that were identified as priorities through the Gorge Tourism Studio. Action team projects will provide the initial foundation for the successful achievement of the Gorge Community Tourism Vision, an additional outgrowth of the Gorge Tourism Studio. You can learn more about the results of this studio online at [Industry.TravelOregon.com/Gorge](http://Industry.TravelOregon.com/Gorge).

Each action team convened their first follow up meeting in May of 2016. Actions teams and the action project concepts they are working on are listed below:

- 1) Culinary & Agritourism
  - Getting more local food/products to tourists
  - Develop a farm trail (event-driven)
  - Build and support regional food hub
- 2) Cultural Heritage Tourism
  - Storytelling series
  - Robust cultural heritage guide
  - Mobile storytelling
  - Training workshops
- 3) Building World Class Outdoor Recreation
  - Bring the Gorge Towns to Trails and Historic Columbia River Highway State Trail to life
  - Create self-guided and guided multi-day tour itineraries



- Solve missing trail linkages
- Engage local use and support of trails
- 4) Tourism Marketing & Communications
  - Develop a Gorge front line training program to put forward a concise message across Gorge
  - One-stop trip planning Gorge website
- 5) Developing a Network of Car-free Transportation
  - Support existing initiatives (Gorge Transit for example)
  - Provide clear transportation options for visitors

Coordinate transit between Gorge + Mt. Hood: Another upcoming follow up task for the Gorge Tourism Studio is the evolution of the Gorge Tourism Steering Committee into the "Gorge Tourism Alliance," a regional and bi-state coalition of tourism industry stakeholders along the Columbia River Gorge. The Gorge Tourism Alliance will set the strategic direction for tourism in the Columbia River Gorge region and to provide oversight on the work of the action teams. The Columbia River Gorge Visitors Association (CRGVA) will be responsible for convening the Gorge Tourism Alliance and Travel Oregon will be responsible for providing third-party facilitation assistance.

As a next step the Gorge Tourism Alliance will be submitting a \$20,000 Rural Tourism Studio Matching Grant application to support priority initiatives undertaken by the Action Teams by October 2016.

### **Oregon Tourism Studio Accelerator – North Santiam River Region**

At the start of 2016 Travel Oregon developed and delivered its first abbreviated offering of the Oregon Tourism Studio program. Effectively titled a *Rural Tourism Studio Accelerator*, Travel Oregon hosted this pilot offering in the North Santiam River region between March and April 2016. The geographic scope of this program included the communities of Aumsville, Scio, Stayton, Sublimity, Lyons, Mill City, Gates, Detroit and Idanha.

The program was delivered through two interactive in-person workshops that were supplemented by a series of four online training webinars. The trainings were designed to support residents and businesses to identify existing tourism assets in the community and to consider opportunities for tourism development related to them.

65 individual community members attended one or more of the two in-person workshops and 21 of them participated in the online trainings. During the final workshop participants were asked to identify catalytic tourism action projects for the region that could be completed within a 12-18 month timeframe. Participants selected the below projects to focus on:

- 1) Strengthen local networks for tourism by creating business to business connections
- 2) Develop a coordinated tourism marketing strategy for the region
- 3) Create a North Santiam river-wide festival

As a next step Travel Oregon will offer six to eight months of technical assistance to the North Santiam River region. With a focus on maintaining momentum from the program, the technical assistance will formalize leadership capacity and begin work planning to bring at least one of the project concepts to fruition.

Due to the outstanding participation and enthusiasm in the pilot program from the North Santiam, Travel Oregon will continue to refine the Accelerator model in preparation for offering it to the Newberry Country region (La Pine, Sunriver, Three Rivers South, Crescent, Gilchrist and Fort Rock) in the Fall of 2016.

### **Oregon Tourism Studio Gathering**

More than fifty community and industry leaders from every corner of the state came together at the second annual Oregon Tourism Studio Gathering in Pendleton on April 22<sup>nd</sup> and 23<sup>rd</sup>.

During this intensive two day gathering representatives from all ten of the graduate communities of the Oregon Tourism Studio program presented on their experience and provided an update on the status of their action teams and the priorities projects that were identified. In addition to the community level presentations, representatives from three funding agencies provided information on how to apply for their funding, who qualifies, and how to make an application stand out. Two small businesses also detailed their experience with Travel Oregon's business engagement programs and how participation benefitted their business and their community.

In support of the presentations time was also allocated for discussion on key statewide tourism development issues. These issues included:

- 1) capacity building
- 2) car-free transportation options
- 3) frontline staff education
- 4) wayfinding and signage
- 5) business development and support
- 6) 2017 eclipse management
- 7) matching tour operators with destinations

Every participant was active in contributing to the discussion by sharing their insights and lessons learned from leading tourism development work after the completion of an Oregon Tourism Studio. Several common factors for action team success included i) the willingness to pursue collaborative opportunities, ii) local capacity and champions to complete projects, iii) extensive community buy-in, and iv) understanding of the benefits (and limitations) of tourism, funding support networks.

## CHAMPION THE VALUE OF TOURISM

*Conduct research and build toolkits to enable partners to take action*

### RESEARCH

#### 2015 Oregon Travel Impacts Report

Dean Runyan Associates recently released the new 2015 Oregon Travel Impacts report, which confirms that last year was the Oregon travel industry's sixth consecutive year of accelerated growth and economic impact, reaching new heights in revenues for the state. Visitor spending grew by nearly \$500 million last year to achieve a record \$10.8 billion in revenues. The report, which provides detailed statewide, regional and county travel impact estimates, found:

- Visitors to Oregon generated \$10.8 billion in revenue for the state in 2015. This is a 6.6% percent increase in spending in real dollars over 2014 and marked the sixth consecutive year of growth
- Last year 27.7 million overnight visitors traveled to Oregon destinations, increasing hotel room demand across all of Oregon's tourism regions by 4.8 percent
- Domestic visitor air arrivals to Oregon grew 8.9 percent for the year
- Travel-generated employment increased 4.1 percent over the prior year, resulting in more than 105,500 travel industry jobs across the state
- Re-spending of travel-generated revenues by businesses and employees generates additional impacts. In 2015, these secondary impacts were equivalent to 54,800 jobs with earnings of \$2.4 billion
- The gross domestic product of the travel industry was \$4.3 billion in 2015. Overall, the travel industry is one of the three largest export-oriented industries in rural Oregon counties

Findings reported by Dean Runyan Associates demonstrate the economic significance of the travel industry in Oregon. To read the report in its entirety, including specific regional and county breakouts, go to [Industry.TravelOregon.com/Economic Impact](http://Industry.TravelOregon.com/EconomicImpact).

#### Oregon Visitor Report: 2015, Longwoods International

In June, Longwoods International will be delivering the new 2015 Oregon Visitor Report (statewide and regional breakouts). The purpose of the study is to research the size and structure of Oregon's domestic travel market (overnight and day trips) during the 2015 travel year. The report includes estimates of the following: visitor volumes, demographic information, key sources of business, trip characteristics, activity/experience participation, and travel expenditures. The study also provides comparisons to the U.S. travel market. Upon review, Travel Oregon will share with the industry early next fiscal year.

## INDUSTRY COMMUNICATIONS

Industry media coverage is stronger than anticipated this year. With the end of the 7 Wonders campaign, which was a business and travel media darling, we believed we would see a downward trend in circulation and story numbers. However, the smart and fresh new campaign, We Like It Here. You Might Too. has resonated with trade publications, local and national media (see coverage highlights in the campaign-specific section).

**KPI Table 7**

		Q3	Q3	Qtr Change	Compared to Goal	
		2015	2016		% to Qtr	% to FY
<b>Industry</b>	Stories	59	75	27.1%	122%	74%
	Circulation	16,548,287	61,909,154	274.1%	201%	77%
	Avg Score	8.76	7.49	-14.6%	▼ 10%	▼ 10%

To help showcase the power of tourism, Travel Oregon’s Communications team distributed more than 450 flash drive bracelets at the Governor’s Conference on Tourism. Each flash drive contained tools to help our industry partners champion the value of tourism in their communities during National Travel and Tourism Week and throughout the year. In addition, we created the Power of Travel toolkit on [Industry.TravelOregon.com](http://Industry.TravelOregon.com). This toolkit contains inspirational videos showcasing the myriad of faces that make up the travel and tourism industry, including the video released at the Governor’s Conference on Tourism: [The Power of Travel – Faces of Travel & Tourism: Winding Water River Expeditions](#). The Power of Travel toolkit also features the new Dean Runyan Economic impact numbers, inspirational media coverage and links to documents that our partners can easily share with media and policy makers throughout the state

### Industry Email Communications

Over the first four months of 2016, Travel Oregon has sent 17 industry-wide emails with an average open rate of 29.2%. The open rate has increased from an average of 28.5% over the course of 38 communications sent in 2015. Travel Oregon continues to grow its Industry Communications email list entering mid-May 2016 with 3,821 members, an increase of 408 subscriber’s year-over-year. The addition of targeted communications focusing on destination development programming areas should help to increase open rates as subscribers gain flexibility in determining what content they have the most interest in. Since the creation of the online email signup form in mid-January, Travel Oregon is averaging 18 new signups per week. In Q3 of 2016/17, the Industry site received 14,768 visitors; this is approximately 16% higher than the same period for the last fiscal year (12,780 visitors). Engagement with the site is relatively flat, with users spending approximately 2.5 minutes on site viewing 2.5 pages.

### Oregon Business Magazine

In its June issue, Oregon Business Magazine highlights how Southern Oregon Regional Economic Development Inc. (SOREDI) uses the region's tourism attributes and quality of life to encourage new businesses to relocate to Oregon. The full-page spread article is titled: Southern Oregon Recruitment Efforts Benefit From Lifestyle Allure.

### Industry Press Releases

- 4/25/16, [“Travel Oregon Announces Recipients of 2015 Travel and Tourism Industry Achievement Awards”](#)
- 5/2/16, [“Travel Oregon Welcomed Tour Operators from Eight International Countries on the Inaugural ‘Oregon Road Rally’”](#)

*Establish industry leading sustainability standards and implementation tools*

### **TRAVEL OREGON FOREVER**

#### Travel Oregon Forever Fund

Travel Oregon has received increased interest in the Travel Oregon Forever Fund. Since March of 2016 five new businesses have signed up and agreed to include donations into the cost of their products and services. In addition to the increase in interest, another noteworthy development is that many of the new business partners are not the traditional lodging partners that make up the majority of donor organizations. The Forever Fund now partners with three tour operators and three restaurants.

## **RUN AN EFFECTIVE BUSINESS**

*Measure and drive improvement in employee engagement*

### **PERFORMANCE AND DEVELOPMENT**

The Managers at Travel Oregon are scheduling and preparing for annual performance reviews to be concluded by the end of June. While our current model still involves a formal and prescribed one-on-one meeting between each supervisor and direct report, we have been working intentionally over the past year to begin movement toward a better and more impactful process that is built more around clear, shared expectations and competencies and less around a generalized and standardized approach. Our intention as stated in Travel Oregon strategic plan is that our partners, in this case the Travel Oregon team itself, feel “connected, informed, empowered, optimistic and inspired.” To this end, the value we’re placing on the upcoming meetings is in the conversation itself, the coaching and idea sharing that fosters an invested and engaged team. By putting the ownership for individual

development into the hands of employees and working a process of individual development planning, our goal is in continued improvement in employee engagement.

## **STAFFING**

Position descriptions are under review in our Global Communications, Global Marketing and Operations teams with recruitment processes expected to be completed for a Global Marketing Assistant and a Global Communications Manager by the end of the fiscal year. An Operations Accounting Coordinator position description is in process of development to provide specific accounts payable and receivable as well as contracting support to the organization.

## *Perform strategic portfolio management*

## **BUDGET MODIFICATION**

### **Travel Oregon 2015-17 Adopted Budget**

The Oregon Tourism Commission biennial budget was adopted in June 2015 and anticipated a lodging tax growth rate of 8% the 2015-16 year and 7% for the 2016-17 year. Visitor spending as measured by the 1% statewide tax will exceed the adopted budget creating “unanticipated revenue” – a good problem to have. With one monthly DOR distribution remaining for Q4 of 2015-16 fiscal, lodging tax revenue stands at 99.5% of budget. Estimates currently have Travel Oregon ending the year with \$1.9m of unanticipated revenue. The revenue growth changes our basis from which to forecast fiscal 2016-17 and coupled with this is the legislative passage of HB 4146 which will increase the state lodging tax rate from 1% to 1.8% effective July 1, 2016. It’s important to note that lodging providers remit tax to DOR on a quarterly basis, additionally, DOR must process tax received and schedule distribution to Travel Oregon. While the new tax rate goes into effect July 1, Travel Oregon likely won’t see increased revenue resulting from the new tax rate until November or December of 2016. For this purpose, forecasting for the 2016-17 budget modification includes determining a rate of growth to apply to the new basis (Travel Oregon has historically taken a conservative approach to this) and applying a 1.8% rate to only a portion of the year’s lodging tax distributions. At the June meeting, we will provide the Commission with a review of our revenue forecast modeling and ask for a discussion and action on recommended budget modification. The total revenue modification for the biennium with all factors considered will be approximately \$15m. Travel Oregon will ask the Commission to authorize the expenditure of the unanticipated revenue recognized with any budget modification.

Additionally, Travel Oregon staff is considering the impacts of HB4146 on the 2017-19 biennium and is making appropriate preparation for those impacts in fiscal 2016-17. Current Commission practice has been to maintain an operating reserve of 7.5% of budgeted lodging tax. Handled on a cash basis, this operating reserve of \$1.3m appears on the balance sheet. As the revenue forecast and adopted budget increase, so will the amount of operating reserve dollars required to maintain that account at 7.5%. If fiscal 2016-17 budget is modified



to \$30m, this reserve would need to be increased from \$1.3m to \$2.25m. With no changes in direction from the Commission, the Operating Reserve account will need to have nearly \$1m added to it during 2016-17 fiscal under this scenario. Staff anticipates recommending action to the Commission on the Operating Reserve that would change how Travel Oregon accounts for these reserve dollars.

HB 4146 also made changes to certain Travel Oregon program funding, specifically requiring 20% of TLT to be used for implementation of the regional program and 10% of TLT to be used for a competitive grants program. Travel Oregon recommends capturing 30 cents of every dollar that comes in during the 2016-17 fiscal year to fund program implementation in 2017-18, and then continue that “future facing” approach in subsequent years. The staff also recommends that critical timing and funding notification elements of these programs continue in a manner consistent with how they have been treated historically. That is to say, in keeping with the current method for determining pro rata share of regional money and by providing a fixed amount available to would-be-applicants for the competitive grants each cycle. The legislature heard testimony during HB4146 committee hearings that the frequency and distribution for the regional program under the current method, which was developed in response to requests from the regional recipients several years ago, is effective and working well. It is not our recommendation to change this aspect of our regional program. Using the current timing to determine pro rata distribution (calendar year) allows the regional recipients to know with certainty what amount they will have to work with in developing regional plans. Additionally, this timing for pro rata determination affords Travel Oregon the opportunity to develop contracts with each regional recipient inclusive of state lodging tax actual amounts instead of relying solely on estimates. Effectively, during fiscal 2016-17, Travel Oregon will distribute the \$1.675m established as current regional funding and will pull 20% of every dollar for future regional program implementation. The impact of this recommendation reduces resource available for other Travel Oregon departments and programs, but we believe it is the best approach to avoid potential cash flow problems in the 2017-19 biennium and beyond. These models will be discussed in greater detail during upcoming Commission meetings.

### *Develop and deliver strategic dashboard*

#### **WELCOME CENTER DATA PROJECT**

The marketing services team has been working with the IVS team to streamline data collection at the welcome centers. Currently data from visitors is collected manually via paper forms, entered into SurveyMonkey.com and then extracted for use in Tableau dashboards. The latest project will use digital tablets at each of the welcome centers to collect data from visitors and drastically cut down on the manual effort of the current process, while also cutting down on the number of errors in the data. Along with these improvements, we also plan on delivering a more in-depth visitor questionnaire via email in order to learn even more about people travelling to Oregon.

Summary of Travel Oregon/Oregon Tourism Commission Reports  
8/29/16

	REPORT	HOW OFTEN	WHAT ADDRESSES	WHERE GOES	WHAT AUDIENCE
A	Comprehensive Annual Financial Report (CAFR)	Annually	A comprehensive and detailed look at commission finances	Oregon Department of Administrative Services	Legislature, Government Administration
B	Audit/ Financial Review	Biennial	An audit of public spending	Oregon Secretary of State Audits Division	Legislature, Government Administration, general public
C	Strategic Plan and Budget	Biennial	Biennial commission strategic plan and budget including metrics, ROI, regional programming	Oregon Legislature, Oregon Governor	Legislature, Government Administration, general public
D	Budget Modification	Whenever a modification takes place	The modification to the commission budget	Oregon Legislative Fiscal Office	Legislative Fiscal Officer
E	New report identified in HB 4146	Annually (first one due Oct 1, 2017)	(a) The funds received by the commission during the prior fiscal year pursuant to ORS 320.305; (b) The awards and commitments approved by the commission of these funds and of funds received in prior fiscal years; and (c) Information requested by the Legislative Fiscal Officer regarding these funds.	Oregon Legislative Fiscal Office	Legislative Fiscal Officer
F	Commission reports	Quarterly	Commission minutes, staff reports, agendas and presentations, ROI, metrics, statewide and regional programming	Industry Travel Oregon website	Commission, Industry, general public
G	Appearances and Testimony	Per request (though this occurs regularly during session and interim)			Legislature: Transportation & Economic Development (House), Commerce (Senate), Revenue (House, Senate), Rules (Senate); Agencies: Transportation, OLCC, ODFW, State Parks and others.

Summary of Travel Oregon/Oregon Tourism Commission Reports  
8/29/16

A. **Comprehensive Annual Financial Report (CAFR)** – 2015 report attached

The objective of the CAFR financial audit is to determine whether the state's financial statements are presented in accordance with generally accepted accounting principles. Statewide Accounting and Reporting Services (SARS) is responsible for overseeing the year end closing process on a statewide basis. SARS prepares a statewide financial report for the State in accordance with generally accepted accounting principles (GAAP). This statewide financial report is published in the form of a Comprehensive Annual Financial Report (CAFR). Provided to the Oregon Department of Administrative Services annually.

B. **Audit/Financial Review** – 2015 report attached

Performance audits or financial reviews for all state agencies are conducted annually. These audits/reviews are performed by financial entities that have been qualified by the Secretary of State. The performance audits/reviews focus on identifying improvements an agency or program can make to better achieve its objectives and mission. Provided to the Oregon Department of Administrative Services biennially.

C. **Strategic Plan & Budget** – 2015-17 plan attached (includes budget)

The Travel Oregon staff develops and implements a biennial strategic plan which includes advertising and marketing, publication development, cooperative promotions, consumer fulfillment, public relations, international marketing, tourism product development, State Welcome Centers, research, and industry relations. Travel Oregon cooperates extensively with local communities, industry associations, government agencies, and private businesses in the development and implementation of its strategic plan. A nine-member board appointed by the Governor, the Oregon Tourism Commission governs the Travel Oregon staff and programs and has the authority to adopt the biennial plan and budget; the agency is funded by a 1.8% statewide transient lodging tax. Prior to taking formal action on the plan and budget, the Tourism Commission provides the biennial plan and budget to the Governor, legislature and tourism industry trade associations for their review and recommendation. Further, public notice is given of a public hearing on the plan and budget at least 15 days prior to the hearing and subsequent action to adopt the plan and budget. Provided to the Oregon Governor, Legislature, Industry Associations and general public biennially.

D. **Budget Modification** – 2016 modification attached

As required by statute, budget modifications are reported to Oregon Legislative Fiscal Office. Prior to taking formal action on a budget modification, public notice is given of a public hearing on the proposed budget modification at least 15 days prior to the hearing and subsequent action to modify the budget. Provided to the Oregon Legislative Fiscal Office as needed.

E. **New Report Identified by HB 4146** – first report due October 2017

Beginning on October 1, 2017, the Oregon Tourism Commission shall submit an annual report to the Legislative Fiscal Officer that identifies funds received by the commission during the prior fiscal year, awards and commitments approved by the commission of these funds and of funds received in prior fiscal years, and information requested by the Legislative Fiscal Officer regarding these funds.

The Legislative Fiscal Officer may request additional information with respect to any grants of \$2 million or more made by the commission from funds appropriated to the commission. Provided to the Oregon Legislative Fiscal Office annually.

F. **Commission Reports** – April & June 2016 reports attached

Oregon Tourism Commission Staff Reports are timely summaries provided to the Commission updating them on the staff's progress toward the implementation of its strategic plan. The Oregon Tourism Commission meets five times annually. Meetings are open to the public and a copy of the agenda is posted online at least 14 days in advance of each meeting. Agendas, supporting documents (including the staff reports), and meeting minutes are available online at <http://industry.traveloregon.com/organization/commissioners/oregon-tourism-commission-meetings/>. Provided to the Oregon Tourism Commission five times per year and made available to the public.

G. **Appearances and Testimony**

By request, these are made to the Legislature: Transportation & Economic Development (House), Commerce (Senate), Revenue (House, Senate), Rules (Senate); Agencies: Transportation, OLCC, ODFW, State Parks and others. Provided as requested.

# Transient Lodging Tax Workgroup

## Appendix 4

Meeting materials from  
September 20, 2016

# Transient Lodging Tax (HB 4146) Workgroup

## Fourth Meeting Agenda

September 20, 2016  
Capitol Building, 900 Court St.

**12:00-2:00 pm**  
**Hearing Room 167-A.**

Meeting Facilitators: Mazen Malik and Paul Warner: Legislative Revenue Office.

- I. The optimal frequency for distribution of state transient lodging tax revenue and whether a mandatory distribution schedule should be adopted.  
  
(DOR, Travel Oregon, and the workgroup)
  
- II. Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.

ORS 284.131 (4)(c): [As much as 15] Twenty percent must be used to implement a regional cooperative tourism [marketing] program that:

- (A) Requires fund allocations to focus on creating new business from out-of-state and international markets;
- (B) Utilizes a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;
- (C) Distributes revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;
- (D) Requires advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism [marketing] program to carry the Oregon Tourism Commission logo and marketing tag line; and
- (E) Encourages funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements.

(Travel Oregon, DOR and the workgroup)

- III. Meeting 5: Thursday Oct, 13th 1:30-3:30 (Portland, Salem, or Eugene)
- IV. Meeting 6: November 1st, 1:00 - 3:00 (Portland, Salem, or Eugene)
- V. Meeting 7: Mid-November in Salem



SECTION 7. (1) The Legislative Revenue Officer shall lead a work group to study the following issues:

- (a) Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.
  - (b) Barriers to expansion and maintenance of recreational tourism in each tourism region.
  - (c) The optimal frequency for distribution of state transient lodging tax revenue and whether a mandatory distribution schedule should be adopted.
  - (d) The feasibility of exempting homeless individuals from liability for the state transient lodging tax.
  - (e) Whether and under what conditions the Department of Revenue may share with local governments data that reflect payment of the state transient lodging tax in order to assist the local governments with enforcement of local transient lodging taxes.
  - (f) Regular reporting by the Oregon Tourism Commission to committees of the Legislative Assembly on demonstrated return on investment, geographic equity and community support with respect to awards of moneys and grants by the commission.
  - (g) Any other issues the Legislative Revenue Officer and the legislative members appointed pursuant to subsection (2) of this section consider necessary and proper to the conduct of the study.
- (2)(a) The President of the Senate shall appoint two members from among members of the Senate to participate in the work group.
- (b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives to participate in the work group.
- (c) The Legislative Revenue Officer and the legislative members of the work group may ask any other persons to participate in the work group.
- (3) The work group shall submit a report in the manner provided in ORS 192.245, and may include proposals for legislation, to the interim committees of the Legislative Assembly related to revenue no later than December 9, 2016.
- (4) The Legislative Revenue Officer shall provide staff support to the work group, with assistance from the Oregon Tourism Commission upon request of the officer and the legislative members of the work group.
- (5) All agencies of state government, as defined in ORS 174.111, are directed to assist the work group in the performance of the duties of the work group and, to the extent permitted by laws relating to confidentiality, to furnish the information and advice the members of the work group consider necessary to perform their duties.

## Transient Lodging Tax work group

September 20, 2016  
12:00 P.M.

Hearing Room 167 A

**MEMBERS PRESENT:**

<p>Rep. Nancy Nathanson Rep. John Davis Sen. Hansell Sen. Monroe</p>	<p>Danielle Cowan, Executive Director, Clackamas County Tourism &amp; Cultural Affairs</p> <p>Mary Pat Parker, Visit Corvallis Alice Trindle, Eastern Oregon Visitors Association</p> <p>Alana Hughson, CEO, Central Oregon Visitors Association;</p> <p>Scott Youngblood, Embassy Suites Tigard; Member, Oregon Tourism Commission</p> <p>Jeff Miller, Travel Portland</p>	
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**STAFF PRESENT:**

Paul Warner, Legislative Revenue Officer  
Mazen Malik, Senior Economist, LRO  
Corinne Gavette, LRO Office Manager

Paul Warner, LRO opened the meeting.

Mazen Malik gave an overview of last meeting's items and discussions.

- I. **Frequency of Distributions:** Xann Culver from Dept. of Revenue gave an overview of how money is distributed to their organization. Todd Davidson, Travel Oregon gave overview of distribution criteria. Regional budgets are due in June. Travel Oregon distributes the money to regions by projections from their forecast. They use calendar collections instead of forecasting, for everyone to build their budgets. There is a six month's lag from collections until distribution. All agreed that the current cycle of distribution is working as-is.
- II. **Regional tourism boundaries:** Individual regions would like to have more autonomy in how they spend their funds. They don't want to be dictated to by Travel Oregon on specifics (more flexibility). Scott Youngblood, who is a member of the Tourism Commission, said they will work toward flexibility that every region needs. Alice Tindle of Eastern Oregon would like her region to be subdivided into at least four regions, as the distances are huge. This tax may generate \$30 Million. The group agreed that no statutory change is needed for this section concerning boundaries.
- III. **The bill may be a Revenue Committee bill, which will have to be given to Leg. Counsel by Monday September 27th deadline.**

- IV. Recreational liability is still an issue that has not been discussed. It may have to be a separate bill through another committee.**
- V. Next meeting may be in Portland.**

**REGIONAL  
COOPERATIVE  
MARKETING  
PROGRAM  
&  
GUIDELINES**

**OREGON TOURISM COMMISSION**  
250 Church Street SE, Suite 100  
Salem, Oregon 97301  
503.967.1560

## Overview

On November 27, 2003 House Bill 2267 became law. This law implements a 1% statewide lodging tax and comprehensively overhauls how Oregon addresses and funds statewide and local tourism marketing efforts. Revenues from the new statewide lodging are continuously appropriated by the legislature to the Oregon Tourism Commission. Within the scope of the legislation, the Oregon Tourism Commission may appropriate as much as 15% of the revenue from the statewide lodging tax to Oregon's tourism regions for cooperative regional and multi-regional marketing efforts.

HB 2267 mandates that, "As much as 15 percent shall be used to implement a regional cooperative marketing program. The program shall:

- (A) Require that fund allocations focus on creating new business from out-of-state and international markets;
- (B) Utilize a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;
- (C) Distribute revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;
- (D) Require that all advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism marketing program carry the Oregon Tourism Commission logo and marketing tag line; and
- (E) Encourage funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements."

In order to gain tourism industry input on disbursement guidelines for the Regional Cooperative Marketing Program (RCMP) funds, the commission held nine meetings in various locations around the state in late 2003. Those comments and suggestions, along with those of the OTC members and staff, and the requirements of HB2267 were incorporated in the initial guidelines.

As the RCMP unfolded, additional suggestions were brought forward by industry partners and subsequent revisions were made to the program's guidelines. Then, in January 2006, Travel Oregon hired PricewaterhouseCoopers (PwC) to analyze the first year's implementation of the RCMP program. PwC interviewed nearly two dozen industry partners who are responsible for or involved in the implementation of the RCMP in the state's seven tourism regions. In some instances, the interviewees represented statewide tourism industry trade associations and organizations. The results of these interviews and the various alternatives proposed by PwC were reviewed by the Tourism Commission and further revisions to the RCMP were proposed. In November 2013 Travel Oregon convened a call with representatives from the then current regional RCMP fund recipients to discuss solutions that would provide certainty to regions for RCMP fund planning. In February 2014, Travel Oregon brought the Tourism Commission a recommendation that the RCMP program guidelines be revised by using the prior calendar year to determine regional pro-rata share. The change to calendar year allows Travel Oregon to determine the actual amounts of regional pro-rata share in March and eliminates the use of pro-rata estimates. A few housekeeping changes were also recommended. The revisions were unanimously approved and adopted.

### Goals of the Regional Cooperative Marketing Program

- Maximize the benefits to Oregon's economy from the new statewide lodging tax.
- Comply with the requirements of HB2267.
- Encourage multi-regional and targeted niche marketing
- Formalize simple, straightforward RCMP procedures.
- Maximize benefits from RCMP funds to the regions.
- Leverage OTC's programs.
- Deliver consistent messages, outstanding experiences, and efficient use of resources.
- Minimize RCMP-related administrative workload on OTC and the regions.

### Definition of Regions (for partial counties, zip code delineations are available)

- **Oregon Coast:** Clatsop, Tillamook, Lincoln, Coos, Curry, and the coastal portions of Lane and Douglas counties.
- **Portland Metro:** Washington, Columbia and portions of Multnomah and Clackamas counties.
- **Mt Hood/Columbia River Gorge:** Hood River and portions of Wasco, Multnomah and Clackamas counties.
- **Willamette Valley:** Yamhill, Polk, Benton, Marion, Linn and portions of Lane and Clackamas counties.
- **Southern Oregon:** Klamath, Lake, Jackson, Josephine, and portions of Douglas counties.
- **Central Oregon:** Jefferson, Deschutes, Crook and portions of Wasco counties.
- **Eastern Oregon:** Sherman, Gilliam, Wheeler, Morrow, Union, Umatilla, Wallowa, Grant, Baker, Harney, Malheur counties.

*Any region wishing to modify its defined boundary should bring that request to the attention of the Travel Oregon CEO. Regions are encouraged to have agreement among all parties involved in the proposed regional boundary modification prior to bringing the request to Travel Oregon.*

### Procedural Guidelines

- A. Each of the seven regions will nominate a tourism entity that will contract with Travel Oregon to:
  1. Represent the entire region, including rural areas, incorporated and unincorporated communities,
  2. Serve as Travel Oregon's primary RCMP contact,
  3. Serve as the regional marketing organization,
  4. Serve as fiscal agent by contracting with Travel Oregon to receive and be accountable for RCMP funds,
  5. Oversee the implementation of the regional marketing plan.
- B. The Tourism Commission has authorized the Travel Oregon staff to then review these nominations and either accept them or work with the region to modify their recommendation.
- C. The DMO selected to implement the RCMP in each region will be a defined DMO that must have:
  1. A non-profit status or be a governmental entity that is a recognized destination marketing organization

2. Been in existence for at least one year
- D. These DMO's will not only have the responsibility to implement the RCMP plan and account for the RCMP funds, they have the *authority* to implement the plan on behalf of the region once the region's plan is adopted by the Travel Oregon staff and the Oregon Tourism Commission.
  - E. A region may elect to have a DMO from another, perhaps adjacent, region implement their RCMP for them. This will not necessarily result in that region no longer being seen as a "tourism region" for the purposes of Travel Oregon's marketing materials (Travel Oregon magazine, website, etc), but should enable efficiencies in the implementation of RCMP plans. It is expected that, in the event that one region selects a DMO from an adjacent region to implement/administer their RCMP plan, the two regions will develop a collaborative marketing plan encompassing both regions.
  - F. A region may elect to ask Travel Oregon to implement their RCMP marketing plan on their behalf.
  - G. Failure of a region to select a DMO to implement their RCMP marketing plan may result in Travel Oregon implementing that region's marketing plan on their behalf. Failure of a region to develop an approved regional marketing plan may result in those funds originally appropriated to that region not being disbursed and Travel Oregon utilizing those funds to implement their statewide marketing programs. Please note that the Travel Oregon staff are available to provide facilitation services to any region needing assistance in identifying a regional marketing entity.
  - H. Each regional entity will develop a cooperative marketing plan for marketing to out-of-state and international visitors. Regional entities are encouraged to develop their plans through a collaborative process, seeking input and support from regional tourism partners. Prior to beginning their regional planning efforts, regional representatives will meet with the Travel Oregon staff to review and discuss the state tourism office's current and potential domestic and international marketing strategies and programs, explore possible multi-regional and state/regional cooperative strategies and determine appropriate metrics for tracking the ROI for each regional plan.

Marketing plan elements shall include, but not be limited to:

1. Brief tourism inventory including current attractions, events, niche markets.
2. Contact information for the regional marketing entity.
3. Description of on-going intra-regional communication process.
4. Target markets; out-of-state and international visitors' profiles.
5. Marketing goals/objectives.
6. Plans, strategies, and budgets for incorporating the "Q" Program within the region.
7. Brief description of the region to be marketed, including rural incorporated and unincorporated communities, Tribes, state and federal land management agencies.
8. Actions with budgets, timeline, responsible parties, metrics (unless actions leverage OTC programs for which there are existing metrics)
9. Description of the collaborative process used for developing the marketing plan and efforts to inform local governments and decision makers about this plan.



- I. Regional entities are encouraged to partner directly with Travel Oregon in carrying out their regional marketing plans. A menu of partnership opportunities is available from the Commission and includes consumer ads, publication ads (Travel Oregon, Kid's Guide, etc), participation in domestic and international trade or consumer shows and others. Regions may also choose to implement marketing strategies that are not part of the menu. No additional metrics are required when regional entities use their RCMP funds to partner directly with Travel Oregon as the metrics are already included in Travel Oregon's Strategic Marketing Plan.
- J. Multi-regional marketing efforts are strongly encouraged. Regions will achieve stronger results by combining resources with other regions to promote targeted niche markets. Travel Oregon encourages regional entities to use the multi-regional approach to market golf, snow sports, culinary, cultural, heritage, Scenic Byways, outdoor recreation/adventure, bird watching, bicycling, agri-tourism, Tribal tourism, and other niche markets as appropriate.

Regional partners have expressed great interest in having Travel Oregon facilitate summits to explore and develop their plans and multi-regional opportunities in the future. Therefore,

1. Travel Oregon staff will convene regions collectively to explore multi-regional co-ops and co-ops with Travel Oregon.
  2. Travel Oregon staff will work internally and with the regions to develop a menu of Travel Oregon's domestic and international marketing programs where the regions can propose to invest their allocated RCMP funds.
  3. Travel Oregon staff will provide media plans and other information necessary to develop regional RCMP plans in a timely manner.
  4. The timeline for presenting RCMP plans will be modified to allow staff to work with each region to identify and agree upon appropriate ROI metrics, allow each region time to prepare their plans to meet those metrics, and to negotiate elements of the region's RCMP plans prior to the plans going to the Commission for adoption.
- K. RCMP funds cannot be spent to market any destination that is outside of Oregon. However, in the case of a region that may be involved with a joint marketing campaign with destinations in a bordering state, RCMP funds may pay for the relative share of the Oregon region's participation in that campaign.
- L. Recent data document that at least 50% of Oregon's visitor revenues are derived from out-of-state and international visitors. It is reasonable to expect that tourism employees interface with those out-of-state and international visitors and that the Q Customer Service Training will affect those interactions. Therefore, RCMP monies can be used to support Q trainings, promotions, and marketing efforts. The statewide goal of the Q Program is to train at least 10% of our tourism workforce annually. In addition, Travel Oregon will encourage training of those entering the workforce, in academic or industry education programs.
- M. The Commission encourages the use of RCMP funds to leverage OTC's programs and target OTC's markets. A list of those programs is found in Travel Oregon's Strategic Marketing Plan ([www.traveloregon.com](http://www.traveloregon.com)).

- N. Success of the region's plan will be measured using metrics included in the regional marketing plans. A demonstrable return on investment in trip generation, response generation, building awareness (in short term) and other metrics must be clearly defined. If the region is using RCMP funds to partner directly with Travel Oregon, the metrics are already contained in Travel Oregon's Strategic Marketing Plan.
- O. OTC will disburse RCMP funds in three checks to each region. The first check will be for 25% of the regional funds. This will be disbursed no later than August 15. The second check for one-half the balance of the funding will be disbursed no later than October 15. The third check, for the remainder of the funding will be disbursed on December 15.
- P. Mid-year progress/accomplishment reports for the 2006 RCMP plans are required by August 1, 2006. The year-end accomplishment reports for the 2006 RCMP plans are due on February 1, 2007.

For the 2007 RCMP plans, contracts will run for 18 months (until June 30, 2008) to bring the plans in line with a July 1-June 30 fiscal year. For this contract, interim progress reports will be due on August 1, 2007 and February 1, 2008. The contract-end report will be due on August 1, 2008.

For subsequent RCMP plans and contracts, mid-year reports will be due on February 1 and year-end reports will be due on August 1.

For the 2014 RCMP plans and for subsequent plans, unless further amended, regional pro-rata share of RCMP funds will be based on lodging tax collections from the preceding calendar year.

- Q. No cash or in-kind match of RCMP funds is required at this time.
- R. Regions are required by law to incorporate Travel Oregon's tagline and/or logo on all marketing materials and are encouraged to follow Travel Oregon's style guide and direction.
- S. RCMP funds may be used for fulfillment costs and travel expenses (e.g. attendance at travel/trade shows) resulting from the increased marketing activities.
- T. RCMP funds may be used for staff if it is demonstrated that the staff are a necessary component of achieving the ROI metrics contained in the region's sales and marketing program.

To provide greater regional flexibility and achieve greater regional accountability, the method of submitting, negotiating, approving and implementing each region's RCMP marketing plan will be modified to include:

1. Each DMO selected to implement the RCMP program in each region is contractually granted the authority to carry-out the program on the region's behalf. Industry input is necessary and desired in developing the plan, and the DMO has an

obligation to report regularly to their regional industry partners on their progress in implementing the RCMP plan. But the contracted DMO's, once the plans are adopted by the Travel Oregon staff and the Commission, are authorized and empowered to implement the plan.

2. The regional RCMP plans already include marketing goals and objectives, but will be expanded to include ROI metrics. These metrics will be provided by Travel Oregon and the region. Efforts will be made to utilize broadly recognized and standardized performance measures such as those included in Travel Oregon's Strategic Marketing Plan and those developed by the International Association of Convention and Visitor Bureaus.
  3. Numbers of individuals and businesses participating in the Q and other recognized customer service training programs are allowable metrics.
  4. Regional RCMP plans will then address what ROI metrics will be measured and how they will be achieved.
- U. Travel Oregon and the regions will evaluate the current RCMP procedures periodically, making course corrections at OTC's discretion.
- V. A regional marketing organization can submit amendments to their approved RCMP plan to the Chief Executive Officer and to any other Travel Oregon staff designated by the CEO for review and approval. Amendments to the plan will also include any unexpended funds that are the result of original budget amounts that were over actual costs. The Travel Oregon staff will submit a report to the Commissioners outlining any changes to the original plan.
- W. Travel Oregon staff are authorized to negotiate elements of each region's RCMP plan and, if necessary, reject elements of proposed plans that won't achieve the ROI metrics agreed upon.
- X. Contracts with DMO's commencing on January 1, 2007 will have a duration of 18 months in order to bring that contract and all future contracts in line with fiscal years of July 1-June 30.

Information regarding Oregon Tourism Commission's travel market mix, demographics, strategies, marketing/development objectives, and metrics can be found in the Commission's Strategic Marketing Plan on [www.traveloregon.com](http://www.traveloregon.com).

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Adopted: April 2, 2006

Adopted: February 11, 2014



## HB 4146 Legislative Work Group Meeting 9-20-2016 Travel Oregon Regional Program Overview

Travel Oregon has provided LRO with the current guidelines for the Regional Cooperative program. These guidelines are being updated now to address any necessary “house-keeping” changes. For example, the guidelines refer to the Regional Cooperative Marketing Program (RCMP). The legislative changes enacted by HB 4146 included insertion of the word “Tourism” in place of the word “Marketing.” As such, the guidelines will be amended to refer to the Regional Cooperative Tourism Program (RCTP).

At the June 2016 meeting of the Oregon Tourism Commission, Travel Oregon staff was directed to conduct a review of the Regional program and its guidelines. The result of this review will be provided, along with any recommended program changes, to the Commission at the October meeting. Since passage of HB4146, Travel Oregon has conducted an industry survey and 23 in-person town hall meetings across the state to gather input on the Regional program and other programs as a part of our due diligence in program review. An internal, cross functional staff team and an external stakeholder advisory group were formed to consider the Regional program as a part of preparation for the October Commission meeting. In addition, staff will bring information to the Commission from the Legislative Work Group as an update in October at the public meeting of the Oregon Tourism Commission.

A brief summary of the Regional Cooperative Tourism Program, policies on regional boundaries and distribution of State Lodging Tax follows. The Oregon Tourism Commission designates both tourism regional boundaries and designates recipients of regional money (Regional Destination Marketing Organizations). The tourism regions (7) and their boundaries are established based on visitor experience and through industry input. Regional boundaries in place today are not dissimilar from the boundaries in place prior to 2003 when Travel Oregon was created as a semi-independent state agency. A list of the current regions and the counties, or partial counties, included within those regions is included in the Regional Program guidelines. The Commission may amend the boundaries or designated regional funding recipients at any public meeting held in compliance with state public meetings law.

\*There is no staff recommendation currently, or anticipated, for regional boundary changes included in the October staff report to the Oregon Tourism Commission.

There are currently seven Commission designated regional representative organizations that receive program funds. These regional recipients of state lodging tax dollars are required to enter into a contractual relationship with Travel Oregon prior to the disbursement of any state funds. The agreements include standard contractual language and the Statement of Work identifies the obligation that the “Contractor” or recipient of state lodging tax dollars adhere to the program guidelines in preparation of a regional plan for use of the state dollars. Once contracts are fully executed and the regional plan has undergone staff qualitative and compliance review, the plans and staff report on the sufficiency of plans are shared in summation with the Oregon Tourism Commission. This typically takes place at the last Oregon Tourism Commission meeting of the fiscal year in June. The plans in place, both

Travel Oregon and the regional recipients are ready to move forward to distribution of regional funding. Last year, regional recipients requested that Travel Oregon provide up to \$25,000 of regional funding following contracting and plan approval to provide resource to be used in executing on regional plans. Travel Oregon agreed to this request and provided the \$25,000 to regional recipients after the July 1 start of fiscal year for which the plans were developed. Otherwise, distribution of funds is according to schedule where 50% of regional funding is provided in September and the balance of funding is provided in December. Distribution of funds may be delayed for any number of reasons, including: failure to receive an executed contract or the required contractual elements such as Federal Tax ID, no current Federal form W-9; regional plan development that is incomplete or still in progress; regional recipient failure to provide an invoice for accounting process and payment; or in the case of insufficient availability of state funds. The distribution process is typically without incident and goes according to schedule. Prior to the 2016 fiscal year, Travel Oregon received state lodging tax from the Oregon Department of Revenue on a quarterly basis. Thus, September and December allowed for the agency to receive quarterly revenue and make distribution to regional recipients based on Travel Oregon funding. The Oregon Tourism Commission, in response to staff recommendations and to HB 4146, has directed staff to sequester 20% of State Lodging Tax income this fiscal year as preparation for the next fiscal year's regional distribution. In short, Travel Oregon could provide full regional funding at the start of the fiscal year for which the regional plans are developed if all other requirements are in place.

\*There is no staff recommendation currently, or anticipated, for changes to the distribution frequency included in the October staff report to the Oregon Tourism Commission.

As expressed by Department of Revenue staff at the last Legislative Work Group meeting, the State Transient Lodging Tax dollars collected and transferred to Travel Oregon are identified as generated by region. Travel Oregon does not receive information on County level collections. Each year, regional amounts received are analyzed as a part of the total state collections to determine the annual regional pro rata share. 20 percent of State Lodging Tax received by Travel Oregon is used to implement the Regional Cooperative Tourism Program. Program guidelines and regional use of state funds is according to statute:

*(A) Requires fund allocations to focus on creating new business from out-of-state and international markets;*

*(B) Utilizes a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;*

*(C) Distributes revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;*

*(D) Requires advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism [marketing] program to carry the Oregon Tourism Commission logo and marketing tag line; and*

*(E) Encourages funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements.*

\*Travel Oregon anticipates no request to the legislative body to amend the statutes that govern this successful program.





**LEAD FULFILLMENT**

		FY 2016/2017					
		Mid-Year Check-in Results		Final Results		FY'16/'17	
Related Tactics		Result	% of Goal	Result	% of Goal	Goal	
<b>TORP</b>							
Number of Guides Fulfilled			---		---		Results are whole numbers (x,xxx) 12,000 (based on historical data)
Cost per Guide Fulfilled		\$0.70	0% Change	\$0.70	0% Change	\$0.70	Results are dollars (\$0.70); Calculated: TORP Cost/# of Guides Fulfilled No standard (use baseline from previous yr's metrics)
<b>TRAVEL GUIDE (NOT TORP)</b>							
Number of Guides Fulfilled			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per Guide Fulfilled			---		---		Results are dollars (\$x.xx); Calculated: Cost/# of Guides Fulfilled No standard (use baseline from previous yr's metrics)

**PAID ADVERTISING**

		FY 2016/2017					
		Mid-Year Check-in Results		Final Results		FY'16/'17	
Related Tactics		Result	% of Goal	Result	% of Goal	Goal	
<b>TELEVISION</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 \$10.04 (based on Travel Oregon :15 second ad buy in SF, Seat, PDX, Boise)
<b>BANNER ADS</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 \$10.82 (based on Travel Oregon banner ad buy)
Clicks			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Click Through Rate(CTR)			---		---		Results are percentages (x.xx%); Calculated: # of clicks to website/# of impressions 0.08% Industry standard
Cost per click (CPC)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Clicks \$9.53 (based on Travel Oregon banner ad buy)
<b>DIGITAL VIDEO</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Views			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per view (CPV)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Views No standard (use baseline from previous yr's metrics)
Clicks			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per click (CPC)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Clicks \$9.53 (based on Travel Oregon banner ad buy)
<b>KEYWORD SEARCH</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 \$5.52 (based on Travel Oregon keyword search buy)
Clicks			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Click Through Rate(CTR)			---		---		Results are percentages (x.xx%); Calculated: # of clicks to website/# of impressions 0.51% (based on Travel Oregon keyword search buy)
Cost per click (CPC)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Clicks \$1.08 (based on Travel Oregon keyword search buy)
<b>EMAILS</b>							
Impressions			---		---		No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 No standard (use baseline from previous yr's metrics)
Clicks			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Click Through Rate(CTR)			---		---		Results are percentages (x.xx%); Calculated: # of clicks to website/# of impressions No standard (use baseline from previous yr's metrics)
Cost per click (CPC)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Clicks No standard (use baseline from previous yr's metrics)
<b>FACEBOOK ADVERTISING</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 \$0.59 (based on Travel Oregon Facebook ad buy)
Clicks			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Click Through Rate(CTR)			---		---		Results are percentages (x.xx%); Calculated: # of clicks to website/# of impressions 0.10% (based on Travel Oregon Facebook ad buy)
Cost per click (CPC)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Clicks \$0.40 (based on Travel Oregon Facebook ad buy)
<b>RADIO</b>							
Impressions			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 No standard (use baseline from previous yr's metrics)
<b>PRINT</b>							
Impressions*			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per thousand (CPM)*			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 No standard (use baseline from previous yr's metrics)
Inquiries (leads)			---		---		Results are whole numbers (x,xxx) No standard (use baseline from previous yr's metrics)
Cost per Inquiry (CPI)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Inquiries No standard (use baseline from previous yr's metrics)

Note: Only report out on the mediums used (add other media types as need)  
\*If available

**CONSUMER SHOWS**

		FY 2016/2017					
		Mid-Year Check-in Results		Final Results		FY'16/'17	
Related Tactics		Result	% of Goal	Result	% of Goal	Goal	
Impressions (# of attendees)			---		---		Results are whole numbers (x,xxx) 20,000 (Based on Sunset Celebration show)
Cost per thousand (CPM)			---		---		Results are dollars (\$xxx.xx); Calculated: (Cost/# of Impressions) x 1,000 \$75.00 (Based on Sunset Celebration show)
Inquiries (leads)			---		---		Results are whole numbers (x,xxx) 450 (Based on Sunset Celebration Show)
Cost per Inquiry (CPI)			---		---		Results are dollars (\$xxx.xx); Calculated: Cost/# of Inquiries \$3.33 (Based on Sunset Celebration Show)

**DEVELOPMENT (TRAINING)**

FY 2016/2017			
Mid-Year Check-in Results	Final Results	FY'16/'17	



	Related Tactics	Result	% of Goal	Result	% of Goal	Goal	Notes	Directional Baseline
Customer Service Training			---		---		Results are whole numbers (x,xxx) # of trainees	No standard (use baseline from previous yr's metrics)
Other Training			---		---		Results are whole numbers (x,xxx)	No standard (use baseline from previous yr's metrics)

**DESTINATION DEVELOPMENT**

		FY 2016/2017						
		Mid-Year Check-in Results		Final Results		FY'16/'17		
	Related Tactics	Result	% of Goal	Result	% of Goal	Goal	Notes	Directional Baseline
Destination development workshops within region			---		---		Results are whole numbers (x,xxx) # of workshops	No standard (use baseline from previous yr's metrics)
Total number of workshop participants			---		---		Results are whole numbers (x,xxx)	No standard (use baseline from previous yr's metrics)
Number of destination development projects funded			---		---		Results are whole numbers (x,xxx) # of development projects funded by RCTP money	No standard (use baseline from previous yr's metrics)
Grant (or other) funding raised from external sources to augment destination development projects			---		---		Results are whole numbers (x,xxx) dollar figure of aggregate amount of grant money received	No standard (use baseline from previous yr's metrics)
Number of tourism-related businesses that received direct technical assistance							Results are whole numbers (x,xxx) of businesses assisted	No standard (use baseline from previous yr's metrics)
Human capacity augmented or added in underserved regions through RCTP funding							Results are whole numbers (can this include decimals like .25 or 1.5?) (XX) of positions funded through RCTP funding	No standard (use baseline from previous yr's metrics)
Tactical goal metric - Fill in blank			---		---		Results are whole numbers (x,xxx) this is to be interpreted by region. EG metrics could be trail miles, # of signs installed, agritourism trails developed, maps developed	No standard (use baseline from previous yr's metrics)
Tactical goal metric - Fill in blank			---		---		Results are whole numbers (x,xxx) this is to be interpreted by region. EG metrics could be trail miles, # of signs installed, agritourism trails developed, maps developed	No standard (use baseline from previous yr's metrics)

**CO-OP PROGRAM**

		FY 2016/2017						
		Mid-Year Check-in Results		Final Results		FY'16/'17		
	Related Tactics	Result	% of Goal	Result	% of Goal	Goal	Notes	Directional Baseline
Incremental Dollars Generated			---		---		Results are dollars (\$xxx.xx)	No standard (use baseline from previous yr's metrics)
Participating Partners			---		---		Results are whole numbers (xx), # of participating partners	No standard (use baseline from previous yr's metrics)

**TRAVEL OREGON: 2014/2015 RCMP Program**

**RCTP Budget Summary Chart**

Region:

Date:

Please conform to this budgeting format so that Travel Oregon and the Commission may evaluate plans consistently. Leave blank categories that do not apply.

If you have an advertising strategy, provide related detail using the template in the "Paid Advertising Flowchart" worksheet within this Excel document (see red tab below)

Objective	2015-16		2016-17				Total \$\$	Notes
	RCTP \$\$ prior year	Total \$\$ prior year	Contract SOW #1-RCTP	Contract SOW #2-Alignment	Contract SOW #3-Reg.Rep	Contract SOW #4-WCP		
OBJECTIVE A: #1. Tactic/Strategy** #2. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
OBJECTIVE B: #3. Tactic/Strategy #4. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
OBJECTIVE C: #5. Tactic/Strategy #6. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
OBJECTIVE D: #7. Tactic/Strategy #8. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
OBJECTIVE E: #9. Tactic/Strategy #10. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
OBJECTIVE F: #11. Tactic/Strategy #12. Tactic/Strategy		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
ADMINISTRATIVE COSTS*** #1. Item #2. Item		\$0					\$0	
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total Plan Spend:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**RCTP Budget Detail**

\* Leveraged \$\$'s=investment by partners that supplements and/or supports specific RCTP strategies/tactics

Source	Plan \$\$
Rollover \$\$ from last year	

**TRAVEL OREGON: 2014/2015 RCMP Program**

\*\* Use Paid Advertising Flowchart template to provide detail/timing for paid advertising tactics/placements

\*\*\*miscellaneous administrative costs not associated with specific marketing objectives

<u>FY'16/'17 Plan Budget</u>	
<b>Total Budget</b>	<b>\$0</b>
<u>Total FY'16/'17 Plan Spend</u>	<u>\$0</u>
<u>Over/Under Budget</u>	<u>\$0</u>

## **Regional Cooperative Tourism Program 2016-2017**

### **Executive Summary Template:**

Below is a template for writing the executive summary portion of your 2016-2017 RCTP plan. You do not have to follow this template exactly, but it is here to provide guidance on how you can craft your executive summary. Shoot for the executive summary to be around 2 pages and to present information regarding your strategies in a format that the average tourism business or stakeholder would be able to comprehend. NOTE if your region does not have a strategy in any one of the below categories it is ok to refrain from completing that paragraph (and corresponding strategy).

#### **First Paragraph: Introduction**

The most important part of an executive summary is the first paragraph that clearly explains what the 2016-2017 plan entails. One way to think about this is that your executive summary needs an executive summary. The first paragraph needs to compel the reader to read the rest of the summary. Set the context. What's the current state of tourism industry within your region? Provide a 20,000' overview of the RCTP strategy as it applies to regional needs. Identify how you developed this strategy and who helped inform this strategic process.

#### **Second Paragraph: Marketing**

Detail the region's approach to marketing strategy and some of the strategic and tactical actions that will be taken to help achieve the overall marketing strategy for the region. Please be sure to include a synopsis on why these specific strategies and actions are being pursued.

#### **Third Paragraph: Sales**

Detail the region's approach to sales strategy and some of the strategic and tactical actions that will be taken to help achieve the overall sales strategy for the region. Please be sure to include a synopsis on why these specific strategies and actions are being pursued.

#### **Fourth Paragraph: Destination Development & Training**

Detail the region's approach to destination development strategy and some of the strategic and tactical actions that will be taken to help achieve the overall destination development strategy for the region. Please be sure to include a synopsis on why these specific strategies and actions are being pursued.

#### **Fifth Paragraph: Next Steps**

For the conclusion briefly recap above strategies and then in short detail discuss how those strategies will be carried out. Finish by foreshadowing the region's 17-18 plans and how the region will be working to achieve those strategies. If your region has not developed a strategy in any of the above categories, this would be an ideal place to say how you will be developing strategies in those categories if the region plans on doing so.

# **Mock RCTP Plan Region X FY 2016-2017**

**This is a mock plan built from objectives and strategies pulled from several regions' plans from previous years**

May 1, 2016

Dear Regional Partner,

This is a mock plan built from objectives and strategies pulled from several regions' plans from previous years. Please use this as your template for the RCTP portion of your plans. Note: this is the same RCTP plan template that you have used previously, so you can use your plan from last year as a starting point if you prefer.

Thank you, The Travel Oregon team

**Name of Region**

**DATE PLAN SUBMITTED**



# Name of Region: Objectives

- A. Grow international and/or domestic visitation from Japan & Europe through the Travel Trade
- B. Build awareness for Region X through earned media programs domestically and in Europe
- C. Build awareness for Region X as a premier travel destination through paid ad campaigns or opportunities
- D. Increase engagement with target audience through inspirational content
- E. Grow audience/relationship network by increasing number of fans / subscribers / unique users
- F. Increase understanding of consumer behaviors and travel trends to enhance marketing efforts

# Objective A: Grow international and/or domestic visitation from Japan & Europe through the Travel Trade

TACTICS/STRATEGIES	RATIONALE/EXPECTED OUTCOME
<p><b>#1. Trade Shows</b> -Attend Pow Wow &amp; ITB</p>	<p>Aligns with Travel Oregon program to provide greater presence with trade and generate leads from Tour Operators</p> <p><b>Outcome:</b> Generate 25 leads per show with Tour Operators for a total of 50 new product opportunities.</p>
<p><b>#2. Research Trips</b> -Host 5 travel trade on research tours from targeted markets in Europe and Asia.</p>	<p>From our 5 research trips, we've seen significant growth in tour product from Scandinavia, Germany and Japan country. This will help grow the number of itineraries in next year's catalogues.</p> <p><b>Outcome:</b> Secure 3 new itineraries/product in catalogues</p>
<p><b>#3. Product Development</b> -Develop product/itineraries/sales collateral to support Oregon product through trade in Japan and UK focusing on outdoor recreation and culinary</p>	<p>Culinary is a growing trend for Japanese travelers. Unique ski destinations is a key opportunity in the UK.</p> <p><b>Outcome:</b> Secure 3 new itineraries/product in catalogues.</p>

# Objective B: Build awareness for Region X through earned media programs domestically and in Europe

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#4. PR Pitches</b></p> <ul style="list-style-type: none"> <li>-Developing pitches around new product in outdoors, culinary, and heritage.</li> <li>-Proactively pitch media on regional stories and align them, where relevant/possible, with Travel Oregon themes &amp; campaigns</li> <li>-Build a content matrix for our region to help us track stories.</li> </ul>	<p>Our approach is to plan our pitches for an entire year and synergize content throughout our channels (PR pitches, blog, e-news) based on the best stories we've identified for our region</p> <p><b>Outcome:</b> Develop and deliver at least 4 new international story pitches to media per quarter. Have new content matrix in place by July 1, 2016</p>
<p><b>#5. Research Trips</b></p> <ul style="list-style-type: none"> <li>-Host 10 media on research visits</li> </ul>	<p>We believe it is critical to set aside funds to host journalists that emerge from either our pitches or leads from Travel Oregon.</p> <p><b>Outcome:</b> Host 10 media, follow up on story leads</p>
<p><b>#6. PR Development</b></p> <ul style="list-style-type: none"> <li>-Fund XX agency to execute PR strategies</li> </ul> <p>(Please include timing where relevant)</p>	<p>We don't currently have PR resources in house and believe the most efficient use of our funds is to hire a contractor to help deliver this part of our program. They will meet with us monthly &amp; with the TO PR team quarterly. (<b>Note:</b> PR contractor to also help with domestic pitches and content development)</p> <p><b>Outcome:</b> Expert PR resource works as part of team, delivers xx results and reports out on our PR goals on a monthly basis</p>

# Objective C: Regional Planning and Destination Development

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#7. Support Rural Tourism Studio Action Teams</b>            Provide \$X in resources to regional rural tourism studio action teams to help them develop their associated products and services in conjunction with their 15 year tourism vision</p>	<p>The X Action team from the X rural tourism studio region has a great track record of success in developing new recreation assets. Supporting the work of this action team supports grassroots tourism networks and will reinforce the regional tourism strategy.</p> <p><b>Outcome:</b> TBD, but should result in new product that aligns with their region's and sub region's tourism priorities</p>

# Objective D: Increase engagement with target audience through inspirational content

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#8. Content Development</b>            -Develop new content for e-news, blog, Facebook, and Ride Oregon</p>	<p>We need fresh content to keep our fans engaged. This work will be part of our PR contractor's scope and will deliver bi monthly blog postings, e-news stories and 6 new rides on RideOregonRide.com. The content will be viewed and planned holistically and in coordination with broader regional &amp; Travel Oregon themes</p> <p><b>Outcome:</b> Deliver 20 new stories used both in PR pitches but also as stories on blog, e-news, etc.</p>
<p><b>#9. Content Enrichment</b>            -Develop :60 regional inspiration video to deploy through our website, YouTube, and for partner use</p>	<p>To date we have not been able to produce a regional video. We will create an engaging piece targeted to Adventure travel leveraging footage from videos shot by DMOs and Travel Oregon</p> <p><b>Outcome:</b> Have :60 video for use in all our channels by September 1, 2016.</p>

# Objective D(continued): Increase engagement with target audience through inspirational content

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#10. Social Media</b> -Refine social media strategy to align postings with regional themes/promotions, etc.</p>	<p>While Social Media needs to respond to current events, we have seen success in aligning Social Media themes with our homepage, e-news and blog content and will continue to plan the coming year in a similar way</p> <p><b>Outcome:</b> develop content matrix for year that addresses social media and other e-stories/themes we'll push out to fans</p>

# Objective E: Grow audience/relationship network by increasing number of fans / subscribers / unique users

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#11. Website</b> -Re-launch website</p>	<p>We have run our website on an antiquated platform and in addition have a new brand look. This upgrade will help ensure better SEO, consistency with our other branded materials, and a greatly improved user experience.</p> <p><b>Outcome:</b> Launch new 400 page website w/130,000 unique visitors per year</p>
<p><b>#12. Quarterly E-Newsletter</b> -Introduce quarterly e-newsletter</p>	<p>We know the importance of building relationships with fans that we can continue to market to with our products and messages and we have not, up to this date, been able to launch this kind of important marketing tool. Our next step in this project would be to introduce our own ad network so that regional partners can have more opportunities to get visitors closer to the sale.</p> <p><b>Outcome:</b> Launch e-news and drive at least 10,000 subscribers over first year.</p>
<p><b>#13. Facebook Promotion</b> -Participate in Facebook co-op promotion with Travel Oregon</p> <p>(Please include timing where relevant)</p>	<p>We saw the number of fans increase by 19 times during last year's promotion and recommend repeating this successful program.</p> <p><b>Outcome:</b> Increase fan base by 100% (from 10,500 fans to 19,950)</p>



# Objective F: Increase understanding of consumer behaviors and travel trends to enhance marketing efforts

STRATEGIES/TACTICS	RATIONALE/EXPECTED OUTCOME
<p><b>#14. PhoCusWright research co-op</b> -Purchase PhoCusWright travel research through Travel Oregon group subscription program</p>	<p>Leverage PhoCusWright’s extensive library (500+) of national and international research studies/reports that provide current trends in consumer behavior related to travel. Subjects covered include:</p> <ul style="list-style-type: none"><li>• Travel consumer behavior</li><li>• On-line travel buying behavior</li><li>• Mobile travel buying behavior</li><li>• Traveler technology behavior</li><li>• International travel buying patterns</li><li>• Website consumer requirements and trends</li></ul> <p><b>Outcome:</b> Increase our knowledge of current travel trends to help with our planning strategies. And, provide to our partners as a resource to help inform their marketing efforts.</p>

Show collection of creative/design samples related to key strategies/tactics within your plan here (2 slides max), also show graphical elements of destination development planning here.

Attach Larger plans as appendixes to RCTP plan package

# PRINT ADVERTISING



# ONLINE/BANNER & WEBTILE ADS



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THE PEOPLE'S COAST

**START EXPLORING ALL 363 MILES.**

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or 888.628.2101

**The People's Coast.**  
Where everyday is a natural masterpiece.



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The **OREGON COAST** is **OFFICIALLY YOURS.**  
363 miles of open beaches and jaw dropping beauty.

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# DESTINATION DEVELOPMENT



Flat Creek – Salmon Creek  
Trail Linkage Proposal

# DESTINATION DEVELOPMENT



## Signage and Wayfinding Plan for community X

# Metrics Section

- Regions: please fill out Excel metrics charts provided. You do not need to import it into the PowerPoint (it will likely be too small to read). We will use the Excel documents along with this PowerPoint as the regional plan.



# Region X Budget

- Regions, please fill out Excel BUDGET sheet provided separately. You do not need to import it into the PowerPoint (it will likely be too small to read). We will use the Excel documents along with this PowerPoint as the regional plan
  - **NOTE:** All objectives and strategies/tactics must be consistent between documents for clarity purposes
- Please do not change the format of the spreadsheet

# Appendix

# RCTP Committee & Process

- Please provide outline/counties in your region
- Please include a list of RCTP partners/committee actively involved in the planning and evaluation process (and their roles)
  - E.g.,
    - Marcus Hinz, Executive Director, OCVA
    - Lorna Davis, Executive Director, Greater Newport COC
    - Etc.
- Briefly outline your planning process (e.g., we hold quarterly RCTP stakeholder meetings where we develop the next year's plan and regularly evaluate the current year plan)
- Document how stakeholders are informed of this plan once its put into effect
- How are you sharing this plan with the larger tourism community?
- Thoroughly outline your intra-region communications process (e.g., we hold biannual public meetings; we sent monthly newsletter to members; we xyz, etc.)

# Transient Lodging Tax Workgroup

## Appendix 5

Meeting materials from  
October 13, 2016

# Transient Lodging Tax (HB 4146) Workgroup

## Fifth Meeting Agenda

October 13, 2016

1:30-3:30 pm

1 World Trade Center  
121 SW Salmon, Suite 205  
Portland, OR 97204

Meeting Facilitator: Paul Warner: Legislative Revenue Office.

- Barriers to expansion and maintenance of recreational tourism in each tourism region.
  - Identification of main issues and what is needed. (50 minutes) (Regional representatives)
  - Special topic (25 minutes): Challenges regarding liability and pre activity releases for recreational facilities.
    - Brad Stanford, Attorney at Farleigh Wada Witt, will present the legal problem.
    - John Gifford, Executive Director. Pacific Northwest Ski Area Association will provide examples of current effects on tourism.
    - Michael Whitesel, Owner of the Lumberyard (an indoor Portland Bike Park) will present ideas for a legislative solution.
- Report back from DOR on needed changes.
- Consensus and impressions about the issues discussed in the all the previous meetings.
- Meeting 6: November 1st, 1:00 - 3:00 (Salem) if needed to review report.
- Meeting 7: November 15th, 10:00 - 12:00 if needed.

- SECTION 7. (1) The Legislative Revenue Officer shall lead a work group to study the following issues:
  - (a) Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.
  - (b) Barriers to expansion and maintenance of recreational tourism in each tourism region.
  - (c) The optimal frequency for distribution of state transient lodging tax revenue and whether a mandatory distribution schedule should be adopted.
  - (d) The feasibility of exempting homeless individuals from liability for the state transient lodging tax.
  - (e) Whether and under what conditions the Department of Revenue may share with local governments data that reflect payment of the state transient lodging tax in order to assist the local governments with enforcement of local transient lodging taxes.
  - (f) Regular reporting by the Oregon Tourism Commission to committees of the Legislative Assembly on demonstrated return on investment, geographic equity and community support with respect to awards of moneys and grants by the commission.
  - (g) Any other issues the Legislative Revenue Officer and the legislative members appointed pursuant to subsection (2) of this section consider necessary and proper to the conduct of the study.
- (2)(a) The President of the Senate shall appoint two members from among members of the Senate to participate in the work group.
- (b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives to participate in the work group.
- (c) The Legislative Revenue Officer and the legislative members of the work group may ask any other persons to participate in the work group.
- (3) The work group shall submit a report in the manner provided in ORS 192.245, and may include proposals for legislation, to the interim committees of the Legislative Assembly related to revenue no later than December 9, 2016.
- (4) The Legislative Revenue Officer shall provide staff support to the work group, with assistance from the Oregon Tourism Commission upon request of the officer and the legislative members of the work group.
- (5) All agencies of state government, as defined in ORS 174.111, are directed to assist the work group in the performance of the duties of the work group and, to the extent permitted by laws relating to confidentiality, to furnish the information and advice the members of the work group consider necessary to perform their duties.

## Transient Lodging Tax work group

October 13, 2016

ODOT Conf Room  
123 Flanders NW  
Portland, Oregon

1:30 P.M.

<b>MEMBERS PRESENT:</b>	Sen. Rod Monroe Rep. Nancy Nathanson Sen. Hansell (Aide Brandon)	Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural Affairs  Carolyn McCormick, Washington County Visitor Association  Mary Pat Parker, Visit Corvallis (On Phone)  Jon Rahl, Seaside Visitors Bureau  Alice Trindle, Eastern Oregon Visitors Association  Alana Hughson, CEO, Central Oregon Visitors Association;  Bob Hackett, Oregon Shakespeare Festival – Ashland, OR  Jeff Kohnstamm, Timberline Lodge - Mt. Hood  Jeff Miller, Travel Portland
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**STAFF PRESENT:**            **Paul Warner, Legislative Revenue Officer**  
                                         **Corinne Gavette, LRO Office Manager**

- **Brad Stanford**, Attorney at Farleigh Wada Witt, presented the legal problem. Suggests that the court case of *Bagley v Mt. Bachelor* be fixed with legislation. It will hamper all outdoor recreation if this is not remedied. All outdoor sports will be hampered if this does not happen. Many businesses are still able to afford insurance, but only by upping their deductible amounts (like spending \$25,000 out of pocket before the insurance will pay for anything).
- **John Gifford**, Executive Director. Pacific Northwest Ski Area Association will provide examples of current effects on tourism. Liability waivers are meant to protect community activities. Now they are unenforceable. At the end of the day, people need to take responsibility for their own



actions. Businesses and communities can't be held accountable for every unforeseen action by the user. Minnesota and Wisconsin laws say each person should be responsible for their own self.

- **Michael Whitesel**, Owner of the Lumberyard (an indoor Portland Bike Park) presented ideas for a legislative solution. Feels the liability issue must be addressed, or all businesses like his will cease to exist. He cannot guarantee that all clients will not have an injury. Training of staff, signage for patrons, safety equipment etc. is the extent of what he can do to keep all safe. Just one lawsuit will force him to close. Businesses like his can barely afford their liability as it is right now. The law needs to be changed to continue to grow the recreational tourism. He read from some draft language to be proposed in legislation. (This will be uploaded to the TLT web page).

Rep. Nathanson - reminded the group that Legislative Counsel likes us to just state the problem, and a proposed solution. We should not submit actual language. We need background information, and studies to present for them to draft the language. Thinks the report may need to be heard in a few other policy committees as background information.

Jeff Kohnstamm - would like a comment in the bill on the professionalism of the Tourism Oregon, and all of the good they have accomplished.

Carolyn McCormick - suggests that we meet one more time face to face to go over items for the report, and have input on it.

Paul Warner - The report is due on December 9th, and will be presented to the Revenue Committees. It seems there is a consensus that we should meet one more time on November 15th.



Airbnb, Inc.  
 888 Brannan Street  
 Fourth Floor  
 San Francisco, CA 94103

September 19, 2016

The Honorable Nancy Nathanson  
 Oregon State Representative  
 900 Court St. NE H-280  
 Salem, Oregon 97301

Re: Airbnb Voluntary Collection Agreement – Audit Provisions

Dear Representative Nathanson:

We understand that you and other workgroup members would like background information on the Voluntary Collection Agreement ("VCA") which Airbnb is executing with local Oregon jurisdictions. It is our understanding that there is a particular interest in the VCA's audit provisions.

In its VCAs, Airbnb assumes the role of an "operator," as described in the local transient lodging tax statute, on behalf of its hosts, for purposes of collecting and remitting applicable local transient lodging tax ("TLT"). Pursuant to the VCA, Airbnb also subjects itself to audit by the jurisdiction.

Upon request of audit, Airbnb provides details of every transaction for the period under audit, including the following data:

- Confirmation number
- Booking date
- Check in date
- Checkout date
- Number of days in the stay
- Accommodations charges
- Cleaning fees
- TLT collected
- City and state of the listing

The VCAs that Airbnb executes with local jurisdictions do not require Airbnb to share personally-identifiable information about individual hosts and listings without binding legal process. This is because we take the data privacy of our users very seriously, and also because it is administratively burdensome for us to provide this data to individual jurisdictions. Further, this data is not necessary for a jurisdiction to perform a complete audit of collections and remittances of TLT by Airbnb. The local governments with which Airbnb has worked have also agreed that personally-identifiable information of Airbnb hosts is not necessary to ensure the jurisdictions are receiving the applicable TLT from Airbnb on behalf of its hosts.

888 Brannan Street  
 Fourth Floor  
 San Francisco, California 94103  
 United States



Should you require any additional information about the audit provisions of Airbnb's VCAs, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink that reads 'Beth Adair'. The signature is written in a cursive style and is positioned above a horizontal line.

Beth Adair  
Director of Global Tax

1.

## Pre-Activity Recreational Release Issue in Oregon

For: OR. HB 4146 (section 7) workgroup considering (b) “Barriers to expansion and maintenance of recreational tourism in each tourism region.”

Date: August 2016

Subject: The recent Oregon Supreme Court decision regarding the use of recreational activity liability releases.

Background: The use of pre-activity recreational releases had been common law and practice in Oregon for over 35 years. Liability waivers and releases inform the participant of the inherent (and other) risks associated with the activity for which they are about to participate in, and make it clear that the participant assumes such risks. Such releases also often set forth the rules of use, contain warnings, and further educate the participant regarding the nature of the activity. In exchange for choosing to participate in a risky activity, the participant releases the provider from ordinary negligence by signing a prospective liability release. Such releases do not shield the provider from claims for gross negligence or intentional misconduct.

In 2014, however, the Oregon Supreme Court radically changed release law in Oregon when it handed down its decision in Bagley v. Mt. Bachelor. In Bagley, the Court found that the release on a ski season pass was “unconscionable and therefore unenforceable.” In making this ruling, the Court adopted an extreme minority position. The vast majority of states, either by judicial decision or statute, permit the use of prospective liability waivers and releases. The plaintiff’s bar in Oregon is now using Bagley to attack the enforceability of any release used in a recreational context.

Note: Safety is a top priority for ski area operators. There is no reason why an operator would intentionally or willfully want to cause a guest injury, however natural obstacles exist, and yes, human error and accidents do happen. In the ski industry in particular, the State of Oregon, through its 1979 Oregon Skier Statute, has previously determined that ski areas should not bear the burden of defending themselves against claims arising from accidents that occur as a result of the sport’s inherent risks.

2.

Pre-Activity Recreational Release Issue in Oregon - Cont.

Analysis: The citizens of Oregon and visitors to this state should enjoy a maximum ability to participate in sports and recreational opportunities. Citizens and visitors to this state should also have a fundamental right and responsibility to make decisions concerning the activities in which they desire to enter. Individuals are accustomed to making these conscious choices on their own behalf. Such choices, when voluntarily made upon consideration of appropriate information, should not be ignored and should be afforded the same value and legal effect as other choices and contractual obligations.

It is logical to conclude that this court ruling could be applied across the broad spectrum of recreation businesses and organizations who engage in inherently risky activities. It appears that many people and even our lawmakers and policymakers are not yet completely aware of this issue and its potential sweeping affect. Oregon businesses and organizations who will be affected by this could include landowners who allow access to their land for recreation, parks and recreation programs, outfitter/guides, amusement parks, youth soccer, youth summer camps, resorts, running events such as marathons, mudders, triathlons and the like, indoor recreation facilities such as bike parks & climbing gyms, and even progressive public/private partnerships such as "Biketown," Portland's new bike sharing program. Liability waivers and releases encourage the availability and affordability of sports, support services, and recreational opportunities.

In light of Bagley, pre-activity releases can no longer be relied upon to keep a recreation operator out of court, and many small independent businesses simply cannot afford the costs of defending themselves from lawsuits based on inherent risks of the activity in which their customers engage. As a consequence, the breadth and depth of recreational activities offered in the state is at risk, and in turn, virtually every Oregonian who recreates will be affected. In addition, ancillary businesses such as renters, retailers and manufacturers of outdoor equipment, as well as various other tourism sector partners, will be negatively affected by this.

This development strikes at the heart of Oregon's outdoor ethos, and its reputation as a destination for quality recreation. It flies in the face of our heritage, our cherished access to the great outdoors, our active lifestyle, as well as general health and well being, and that of our children.

####

At the HB 4146 Transient Lodging Tax work group meeting on August 31, 2016, we were asked to research two questions related to sharing information with local governments.

- 1) Is a legislative change necessary to require lodging tax collectors report lodging tax information by zip code or street address detail?
  - DOR has broad authority to prescribe the form of the tax return in addition to authority to adopt administrative rules requiring transient lodging tax collectors provide certain information regarding imposition of the state transient lodging tax. Although it could be argued that the detail of lodging tax collections by zip code or street address is not necessary for the calculation of the state transient lodging tax by region, the information could be useful, and therefore reasonable for DOR to require, in performance of audits. A statutory change to require detailed reporting of lodging tax receipts by zip code or street address would provide certainty of DOR's authority and reduce risk of litigation.
  
- 2) What is the cost for DOR to collect zip code or street address information from all lodging tax collectors?
  - To collect a list of zip codes or street addresses offering lodging accommodations in Oregon would cost approximately \$20,000 to develop an Import Spreadsheet to accommodate large amounts of data from lodging tax collectors.
  - To collect lodging sales by individual zip code or street address would cost approximately \$30,000 to develop an Import Spreadsheet to accommodate large amounts of data, including sales by zip code or street address, from lodging tax collectors.

As previously stated, a statutory change is necessary to authorize DOR to share information collected in the administration of the state lodging tax, with local jurisdictions imposing a local lodging tax.

In addition to 1) and 2) above, DOR's tax accounting and return filing system could accommodate requests for additional information that would aid Travel Oregon in evaluating the health of the lodging sector by region and county and, potentially, assist in measuring the effectiveness of the regional tourism programs. Occupancy rate information (number of rooms/units available and number of rooms/units occupied) by zip code or street address could be requested from lodging tax collectors with quarterly tax return reporting. A statutory change is necessary in order for DOR to require occupancy rate information from lodging tax collectors, because it is not necessary for administration of the state lodging tax program, and DOR needs statutory authority to share this information with Travel Oregon at the county and regional level. There are no additional costs anticipated to include occupancy rate information if implemented as part of 2) above.

*Xann Culver*

## **Presentation**

My name is Brad Stanford – attorney at Farleigh Wada Witt in Portland.

Have represented recreational businesses for about 25 years.

One of your mandates is to study the “barriers to expansion and maintenance of recreational tourism . . . .” (HB 4146 sec. 5(1)(b)).

I have been asked to discuss with you a particular problem that definitely constitutes such a barrier.

That problem is this: The Oregon Supreme Court recently ruled in *Bagley v. Mt. Bachelor* that a release of liability contained in a season ski pass agreement was unconscionable and unenforceable.

This decision reverses decades of settled law in Oregon that permitted the use of liability releases in the recreational context. Settled law that ski areas and other recreational businesses had relied upon.

*Bagley* directly affects ski areas – which, as you know, are a very important component of Oregon’s recreational tourism. You all know how the significant role that ski areas play in our tourism economy – particularly in rural areas.



But *Bagley* has had and will have a much broader impact – it will affect every recreational provider in this state. That is because the plaintiff’s bar is going all out to use *Bagley* to invalidate any recreational release of liability.

The use of such releases in recreation in Oregon is widespread. They are used in rafting, bicycling, running, rock and mountain climbing, motor sports, gyms, surfing, kite boarding, zip lines and rope courses, all manner of team sports – virtually any activity you can think of. Most of these activities are made available by small businesses, governments, nonprofits and charities. *Bagley* threatens not only snow sports, but all such recreational activities.

We recommend to you that you recommend to the Legislature that the *Bagley* barrier be removed. We have a legislative proposal that will be described a little later that will permit the use of liability releases in sports or recreational activities.

This is important because sports and recreational activities have inherent risks that cannot be eliminated. That is what makes them fun. That’s what draws tourists to Mt. Hood to ski; to Hood River to take kite boarding lessons, to Bend to rent a mountain bike and go riding. Releases educate users about the inherent risks and inform them that they assume those risks.

By removing the *Bagley* barrier, release law will simply be returned to what it has been for decades. That is: that the participant assumes the risk of the activity and releases the provider for ordinary negligence in exchange for access to an activity that makes Oregon Oregon – recreation.

You will hear some say that doing away with the *Bagley* barrier will make recreation unsafe and will deprive people of their day in court. Not true on both counts.

First, our recreation providers have had an outstanding safety record – long before *Bagley* ever came along. They are about providing fun and life-affirming experiences. Their business model fails if people don't have a good time.

Second, people can still sue for gross negligence (reckless conduct) or intentional wrongdoing.

The fact is, prior to the *Bagley* barrier, the recreational tourism experiences in Oregon were second to none. And the few recreational providers that were bad actors could still be taken to court.

What will happen if the *Bagley* barrier is not removed? We're already seeing the effects – reduced recreational opportunities, increased insurance costs and higher prices. *Bagley* constitutes a quintessential barrier to the expansion and maintenance of recreational tourism in Oregon.

We urge you to recommend to the Legislature that the *Bagley* barrier be eliminated.

[Explain proposed bill]

Thank you.

PREAMBLE: check with Leg. Counsel

Section 1. (1) As used in this section:

(a) “Sport or recreational activity” includes, but is not limited to, any activity involving physical exertion, physical prowess, physical skill, or inherent risk.

(b) “Operator” means those persons, entities and organizations and their agents, officers, directors, employees, members, or representatives who:

(A) Offer persons the opportunity to participate in a sport or recreational activity; or

(B) Operate or provide a facility or place where a person can participate in a sport or recreational activity.

(c) “Person” means any person, including minors.

(2) Except as provided in subsection (3) of this Section, an operator may require a person who participates in a sport or recreational activity to release the operator from any claim for ordinary negligence before such person participates in the sport or recreational activity. Any such release is not unconscionable and is not void as against public policy.

(3) An operator may not require a person who participates in a sport or recreational activity to release the operator for claims that constitute greater than ordinary negligence. Any such release, or portion thereof, is severable from any release for ordinary negligence.

Section 2. Section 1 of this Act applies to releases executed before, on and after the effective date of this Act.

Section 3. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

## 1.

Pre-Activity Recreational Release Issue in Oregon

For: OR, HB 4146 (section 7) workgroup considering (b) "Barriers to expansion and maintenance of recreational tourism in each tourism region."

Date: August 2016

Subject: The recent Oregon Supreme Court decision regarding the use of recreational activity liability releases.

Background: The use of pre activity recreational releases had been common law and practice in Oregon for over 35 years. Liability waivers and releases inform the participant of the inherent (and other) risks associated with the activity for which they are about to participate in, and make it clear that the participant assumes such risks. Such releases also often set forth the rules of use, contain warnings, and further educate the participant regarding the nature of the activity. In exchange for choosing to participate in a risky activity, the participant releases the provider from ordinary negligence by signing a prospective liability release. Such releases do not shield the provider from claims for gross negligence or intentional misconduct.

In 2014, however, the Oregon Supreme Court radically changed release law in Oregon when it handed down its decision in Bagley v. Mt. Bachelor. In Bagley, the Court found that the release on a ski season pass was "unconscionable and therefore unenforceable." In making this ruling, the Court adopted an extreme minority position. The vast majority of states, either by judicial decision or statute, permit the use of prospective liability waivers and releases. The plaintiff's bar in Oregon is now using Bagley to attack the enforceability of any release used in a recreational context.

Note: Safety is a top priority for ski area operators. There is no reason why an operator would intentionally or willfully want to cause a guest injury, however natural obstacles exist, and yes, human error and accidents do happen. In the ski industry in particular, the State of Oregon, through its 1979 Oregon Skier Statute, has previously determined that ski areas should not bear the burden of defending themselves against claims arising from accidents that occur as a result of the sport's inherent risks.

## 2.

Pre-Activity Recreational Release Issue in Oregon - Cont.

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# Transient Lodging Tax Workgroup

## Appendix 5

Meeting materials from  
November 15, 2016





Alana Hughson – supports the language in this paragraph. No additional Legislative action

Jeff Hanson – Said there was no change to distribution at regional meeting. It is the Commissions responsibility to distribute funds and regional boundaries. The legislative change has 20 cents per dollar received, to be placed into a fund. The funds will be distributed now on July 1<sup>st</sup>, not in three allocations throughout the year.

Jim McCauley (for Carolyn McCormick) – wanted to know if the DOJ had input on this change of distribution of funds.

Jeff Hanson: Said yes, DOJ had input, but that as a public agency, the RDMO's must be reaffirmed as to distribution of funds. The recipients could be more than one per tourism region. Now it is one recipient per region.

Jim McCauley – Referenced his letter to the workgroup (attached), and said that this different way of distribution was unknown at the time the bill passed. The RDMO did not know of the change.

Rep. Nathanson: There may be more than one interpretation of what is going on. Her understanding is that the RDMO setup would be reviewed at a later date after the original setup of these groups. She doesn't think the "Review" has happened. It was supposed to be a competitive bid process. The Commission has not changed this process. The money is for statewide development as well as regional.

Mary Pat Parker: Doesn't think that the RFQ process with Travel Oregon is germane to the work group.

Sen. Monroe: Said that raising taxes is always a difficult process. Going from 15 to 20% was a hard decision when crafting the bill. We need to follow the legislative intent. This is why he is here, to review the bill and address issues not covered in the bill. The balance between the Legislature and the tourism groups must be balanced.

Alana Hughson: As a Commissioner and also an RDMO participant, she feels like they have done all they can to be transparent, and giving proper notice to everyone. Wanted to thank all four legislators here today for their work.

Jeff Miller: is comfortable with the report. As an RDMO, he has no problem with the RFQ process. Does want to see more communication between the Commission and the RDMO's. Likes the distribution cycle as is now. July 1 is a good date for their purposes and region.

Alice Trindle (on phone): Eastern Oregon association feel very confident about the report, and has great communication with the Travel Oregon. Differences on page 12 and 13 need to be addressed. Small re-write on these sections.

Sen. Hansell: Echo's Sen Monroe's statement above.

Jim McCauley: Has been lobbying for three decades. Is not happy with the level of communication between Commission and RDMO. Says it is too vague on distribution of funds to regions. He referenced a letter submitted to the workgroup. (See Volume II document, 6.2).

Wendy Johnson (LOC): Would have liked more communication on Grant program. Says the Grants should not be decided by the regions.

Alana Hughson: Says the RDMOs do not make the decisions about Grants in each region. RDMOs have always had to submit plans, RFQ's to insure that this public money is used wisely.

Sen. Monroe: Locals like the firm 20%, not (up to 15%) because it was vague. Grants come out of the other 80%.

Rep. Davis: RFQ process, funds were supposed to be 20% to each region. Wants that piece clear, for each region to get their share. Legislation does not specify the regions.

Rep. Nathanson: Says grant applications should be through RDMO, because their value in each region is appropriate.

Paul Warner: Clarifies that Legislative intent is to insure 20% to each of the seven regions. The RFQ process re-establishes the entity. The workgroup encourages communication between all entities. and to make sure that all are fully aware of the new guidelines.

Section 7 (b):

Wendy Johnson: Wanted to know if *Johnson v. Gibson 2016* was brought up at the last meeting.

Mazen Malik: It was, but legislation in this topic area will probably be sent through the Judiciary Committee, not the Revenue Committees.

Section 7 (c): No Changes were suggested

Section 7 (d): No Changes were suggested

Section 7 (e):

Sen. Monroe: Says DOJ's recommendation is that we DO enact legislation to fix this problem. Information sharing is very important.

Rep. Nathanson: Says LC, DOJ and Dept. of Revenue have gotten together to craft this legislation. Some of this issue will be taken care of by Administrative Rules.

Wendy Johnson: Say LOC is really glad that is legislation is being put forth.

Xann (DOR): Discussion of auditing procedures through Dept. of Revenue.

Mazen: This could be a committee bill, or member bill. Please email any further suggestions to him.

Alice Trindle (on phone): Says there is a discrepancy between section 7 e, and summary in front of report page (third bullet, page 2). She read their suggestions, which were also emailed.

Rep. Davis and Sen. Monroe: Thanked all who participated in the workgroup.

John Rahl: Has really appreciated the collaborative effort from all parties in this workgroup.

Brian Doran (for Jeff Miller): Thanked all, including the four Legislators

The final report will be emailed to the group, and then presented to the House and Senate Revenue Committees at December legislative days.



# WASHINGTON COUNTY

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## OREGON

November 14, 2016

Mazen Malik  
Legislative Revenue Office  
State Capitol  
Salem, Oregon

Thank you for providing the draft final report for the TLT Work Group. I appreciate everyone's hard work and while not officially serving on the work group I have been active monitoring the process and serve as a backup for Carolyn McCormick President and CEO for the Washington County Visitors Association.

I am good with all the final comments except for the conversation regarding local distribution of shared State TLT revenue with Regional Destination Management Organizations (RDMO). During the 2016 session, Washington County and others brought forward the issue of local revenue distributions and control over that revenue as HB 4146 was being deliberated. We wanted flexibility for a more significant role in determining the use of State TLT shared revenue within the existing RDMO structure. Our concern is reflected in HB 4146 as an issue for work group assessment under Section 7 (1).

*(a) Policies related to the distribution of revenue for the regional cooperative tourism program under ORS 284.131 (4)(c), including but not limited to the establishment of regional tourism boundaries and the distribution of state transient lodging tax revenue within each tourism region according to the proportion of total revenue collected in the counties within the region.*

Clearly the point of the section above was to address the issue of regional distribution and decision-making within the RDMO level.

At the September 20<sup>th</sup> meeting, I represented work group member, Carolyn McCormick. At that meeting I specifically referenced the "local distribution" issue. Todd Davidson, CEO with Travel Oregon (TO) response was (paraphrased), "*Travel Oregon has always been open to a different approach for local funding and would have been happy to evaluate and support a change.*" This was news to me and, based on response from around the table, no one else was aware of this position either.

Given Mr. Davidson's comments, I felt the issue may well have been resolved, and with some additional time, a path forward without legislation could be identified. Today, unfortunately my earlier concerns remain in place and have been reinforced by a new distribution structure that TO developed outside the work group process and received support from the Oregon Tourism Commission October 3rd. This new system replaces a direct allocation of shared State TLT revenue with an open competitive bid process. From my perspective this was not discussed

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during the legislative process, during the work group effort and is a major change from the current process. For this reason I cannot support the final report language without addressing this issue that I believe is an important item moving forward.

I want to be very clear. These concerns have nothing to do with TO's performance or ability to showcase what Oregon has to offer. TO has demonstrated its efforts have put Oregon on the global map and have made many critical investments to expand Oregon's tourism industry.

I think it is fine to move forward with a final report provided it is edited to reflect the new distribution system in place and concerns about certainty for RDMOs. I believe it's important to advance the idea that there must be a commitment between TO and staff leadership amongst the RDMOs to discuss the new RFQ process in greater detail and respond to concerns about certainty. In addition, I'm requesting that future significant policy development regarding the state TLT include staff leadership within the RDMO structure.

I appreciate the opportunity to provide input and look forward to the conversation tomorrow. My apologies in advance for the timing, but I have been traveling all day and did not get a chance to review the report until 5pm today.

Sincerely,

Jim McCauley  
Government Affairs  
Washington County



November 14, 2016

**TO: HB 4146 WORK GROUP MEMBERS**

**FROM: OREGON DESTINATION MARKETING ORGANIZATIONS**

**RE: HB 4146 TRANSIENT LODGING TAX WORK GROUP DRAFT REPORT**

On behalf of the Oregon Destination Marketing Organizations, its Board of Directors would like to express its appreciation to the HB 4146 Work Group members and staff for the diligent work performed to address the topics identified in HB 4146.

The Board had an opportunity to review the draft report late last week and found it very thorough and an excellent summation of the Work Group meetings and discussions. We are in concurrence with the findings as presented in the draft report. However, perhaps because we are so close to these issues from an industry perspective, we do have some suggestions that might help provide some clarification to the following summary bullet points.

- The current distribution structure as modified by HB 4146 provides an adequate framework for allocating tourism related dollars. No additional statutory changes are recommended at this time. The additional revenue generated by the rate increase will allow for additional human capacity and programming at the regional level to more effectively manage and promote tourism activity throughout the state. Work group members emphasized the need to maintain flexibility in spending at the regional level in recognition of the diverse tourism assets around the state. The work group also acknowledged that the guidelines are being developed to implement the programs effected by HB 4146.
- The work group recognized that structural changes in the lodging industry such as the involvement of intermediaries, vacation/home rentals, can complicate the ability of state and local governments to ensure compliance with the transient lodging tax laws. To improve the information available to both state and local governments, the work group recommends that the Department of Revenue be granted statutory authority to enter into information sharing agreements with local governments concerning transient lodging taxpayers.

- The work group is supportive of the Tourism Commission's efforts to provide a predictable distribution system for state transient lodging tax revenue. The two payment process based on prior year collections adopted by the commission ensures accuracy and predictability for regional recipients. The work group was also supportive of regular reporting by the Tourism Commission to legislative committees.

Several of the ODMO Board members that are on the HB 4146 Work Group would be happy to explain these changes at the November 15<sup>th</sup> meeting. In conclusion, we agree with the substance of the findings and the report, and appreciate the opportunity to offer some clarifications.