



February, 18, 2019

Chair Fagan & Members of the Committee:

My name is Angie Onyewuchi, I'm President & CEO of Travel Salem, a regional destination management and marketing organization promoting Salem and the Mid-Willamette Valley. I'm here in opposition to Senate Bill 595. We oppose any legislation that would change dedicated allocations at the state and local levels that fund one of Oregon's strongest economic drivers and employers ... the tourism industry.

I appreciate the opportunity to come before you today to talk about how tourism is invaluable to local economies by creating diverse jobs, enhancing quality of life and celebrating the unique character of our communities. But more importantly, I'd like to speak to how sustainable funding for tourism promotion is the jet fuel behind our industry's success.

When I first came to Travel Salem, our budget was \$400k. Now, we have \$1.5m and are better positioned to compete. We rely on being nimble, dynamic and innovative ... and our regional and statewide partnerships allow us to leverage our limited budget. Oregon's tourism industry is extremely collaborative and it works in concentric circles ... we leverage our dollars and align our marketing efforts with the regional efforts of the Willamette Valley Visitors Association ... and then with Travel Oregon, our statewide ambassadors. By putting our dollars hard to work side by side with our partners, we are able to accomplish more as a group than we ever could individually. Oregon's story is told through these layers – using valuable dollars secured through transient lodging taxes. Marketing is an expensive endeavor and a function of reach and frequency. Meaning ... how **many** consumers can we reach with our message, and how many **times** can we reach them. We have to buy that reach and frequency. We also rely on data and statistics that help us target our message strategies, so we're talking to the right consumers. It's expensive to do it right ... and having stable and sustainable funding creates the foundation for successful programs and ultimately, tangible return on investment for Oregonians.

I've been doing this work for 12 years now ... and have witnessed first-hand how tourism is the front door to economic development right here in the Salem area. Eight years ago, we negotiated a deal with an event planner from New York to bring 15,000 delegates over three weekends in the late spring ... he loved this community so much, he relocated his family here and established a West Coast headquarters right here in Salem. He's now planning to expand and add a second convention which will bring an additional 25,000 delegates. This exciting partnership continues to deliver significant dividends to our community.

We recruited and hosted a national BMW convention of 3,500 delegates, which resulted in 15 of these delegates purchasing Harley Davidson motorcycles from our local dealer and shipping them back home to all corners of the U.S.

We secured press coverage in USA Today for a rural boutique bed & breakfast with only 2 rooms ... this media coverage resulted in 58 bookings in just 4 hours from visitors all over the country.

Our downtown core is in the middle of a renaissance ... which started with building our award-winning convention center (which by the way ... has been in the black since day one). This economic development project has triggered a burgeoning culinary scene that is exploding with new farm to fork eateries, specialty retail stores ... and the recent groundbreaking of our new walking bridge that connects the largest inner-city park system in the United States. This has fueled diverse commercial development including downtown housing. There are hundreds of examples of this type of tangible benefit derived directly from a healthy tourism economy. And we're only one of the many tourism communities across Oregon experiencing this type of exciting growth and progress.

Our ability to market and promote the unique and special experiences that define this place ... results in broad-based benefits for the entire community. Three years ago, we secured additional transient lodging tax funds to launch a sports marketing program that has produced the best summers we've ever had, with our lodging sector being at sold out capacity 3 years in a row. Because of this success, we're compressing rooms up into Wilsonville and down to Corvallis.

We also focus our marketing efforts on shoulder season business, to drive benefit when local businesses need it the most ... for our community, it's November to March each year. We are working diligently to ensure a strong tourism sector throughout the year. In addition, we have focused our marketing efforts on Thursday through Sunday to attract the leisure consumer on weekends when vacancy is higher. And I'm happy to report, we have had the most sold out weekends ever for the past 2 years.

We developed shoulder season promotions including a Wine Charm Trail with 36 partners and more than 4,000 charms distributed in one year. We created an Ale & Cider Trail Passport ... with more than 2,700 passports sold to date. These promotions help drive visitation and create a vibrant visitor experience ... these promotions now run year-round.

Travel Salem recruited a new national high school basketball tournament in December that has grown in the last couple years to draw teams from across the country and more than 20,000 spectators. This event brings visitors into our market during the winter, when our businesses need the help. These visitors stay in our hotels, eat in our restaurants and explore our bountiful recreational wonderland. They visit our attractions, wineries ... buy gas and groceries ... do dry cleaning and get their tires serviced at Les Schwab. They leave their dollars behind, and those dollars flow into all corners of our economy, turning over a minimum of 7 times.

When they eventually move here – which thousands do each year – they buy homes, open accounts at our local banks, contribute taxes to our schools, libraries and roads. And as the cycle looks to repeat ... developers come in and build new hotels, hiring local construction companies and vendors ... and providing new jobs to our citizens.

I'd like to mention that here in Salem, tourism contributed \$593 million dollars last year to our economy ... and we've grown the economic impact by \$100m in 10 years. Tourism provides roughly 7,000 direct jobs in this area. It's critical to the region's economic well-being.

This type of activity doesn't just happen ... as tourism marketing professionals, we have to make it happen through smart branding, compelling storytelling and expert marketing strategies. Successful tourism promotion requires an arsenal of tools, ingenuity and a healthy marketing budget. We utilize our visitors center for one-on-one interaction to lengthen the stay, we use state of the art social media tactics, public relations strategies, a printed visitors guide with itineraries and human interest stories, and deploy a host of other marketing strategies to drive bookings and business to our local partners. We're in the inspiration business – positioning our community as an appealing and worthy investment for the consumer's limited resources – and getting them to say "Yes" to Oregon. To choose Oregon. That's our job.

Our lodging facilities, large and small, have all stood up ... as private sector businesses ... and agreed to tax themselves to fund the tourism engine. They had a vision of sustainable funding for tourism promotion that would ultimately ensure their long-term success. But it wasn't simply about putting heads in beds, but a "rising tide" philosophy at its heart. They wanted the communities they work in to be healthy and strong for the employees that work for them. They knew that when the transient lodging tax is reinvested in tourism promotion, it would result in more visitors coming to Oregon and leaving their dollars behind in our communities ... creating jobs and quality of life for all Oregonians to enjoy. Yes, the lodging folks definitely win when tourism promotion is doing its job, but they also know that the entire tourism ecosystem and community at large wins as well. To collect this tax, they have to price themselves to stay competitive ... and it's not easy. But we should all be so thankful for their vision and investment in Oregon that goes far beyond the bricks and mortar. The tourism and hospitality industry is a major employer for the state ... providing family wage jobs, full-time jobs, and much needed seasonal and part time jobs for seniors and students. The tourism sector is critical to diversifying the jobs economy so there is strength across all categories ... all year-round.

A healthy tourism engine is critical to a healthy Oregon. Here in Salem, I'm not just competing with other Oregon destinations for the visitor to book their trip to my destination ... but I'm competing with London, Rome, Cape Town, Singapore and everywhere in between. Tourism is an extremely competitive industry, and its success is fueled by tourism promotion. It's expensive to promote your brand, vie for the visitor's attention, secure their discretionary dollar which they can choose to spend anywhere in the world. If Oregon wants to remain competitive, we have to protect our tourism promotion funding, so we can continue to tell our story and stand out in the competitive landscape. When tourism is hard at work, Oregonians

have good jobs, small businesses thrive, and we have pride in this place we're lucky enough to call home.

It takes a village, a city, a county, a beautiful Oregon to come together and stand behind our vision for sustainable funding that fuels our tourism ecosystem. That ecosystem is comprised of citizens who are our most important ambassadors selling Oregon's charm and authenticity, our businesses who pour their heart into unique products and experiences, and you ... our policy leaders who set the tone for a thriving tourism economy and smartly reinvesting tourism dollars to deliver the highest and best use of those limited funds. We are your partners in tourism economic development and through your dedicated investment in tourism, Oregon stands strong.

Thank you for your time.

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