



March 20, 2019

House Committee on Economic Development
Oregon State Legislature
900 Court Street, NE
Salem, OR 97301

RE: HB2733

Dear Chair Lively and Committee Members,

Travel Oregon's vision is a better life for all Oregonians through strong, sustainable local economies. This includes enhancing economies throughout the state by helping communities better leverage the state's \$11.8 billion tourism industry. It also means encouraging multi-regional tourism programs and providing the ability to leverage Travel Oregon programs at both the local and regional level through the Regional Cooperative Tourism Program (RCTP), outlined in ORS 284.131.

As mandated in ORS 284.131, 20 percent of revenues generated by the statewide transient lodging tax (TLT) are directly allocated through the RCTP. The funds use a pro rata regional allocation formula to distribute revenue to regions in proportion to the amount of the TLT collected in each region. Regional boundaries are largely developed utilizing a mixture of county lines, tourism product considerations and marketability. Regions can be modified to be market responsively but require stakeholder engagement and local buy-in in order to be adjusted.

Each region is managed by a Regional Destination Management Organization (RDMO). RDMOs are vetted and selected through a public RFP process and then approved by the Oregon Tourism Commission (OTC). Each RDMO creates a biennial Cooperative Regional Tourism Strategy that is defined through an extensive tourism stakeholder driven process. This results in two-year regional strategic plans that address tourism opportunities and constraints. The plans must include goals and objectives, as well as ROI metrics. These metrics, which are broadly recognized and standardized performance measures utilized by Travel Oregon in our own Strategic Plan, are provided to the regions to help inform and guide their regional plans.

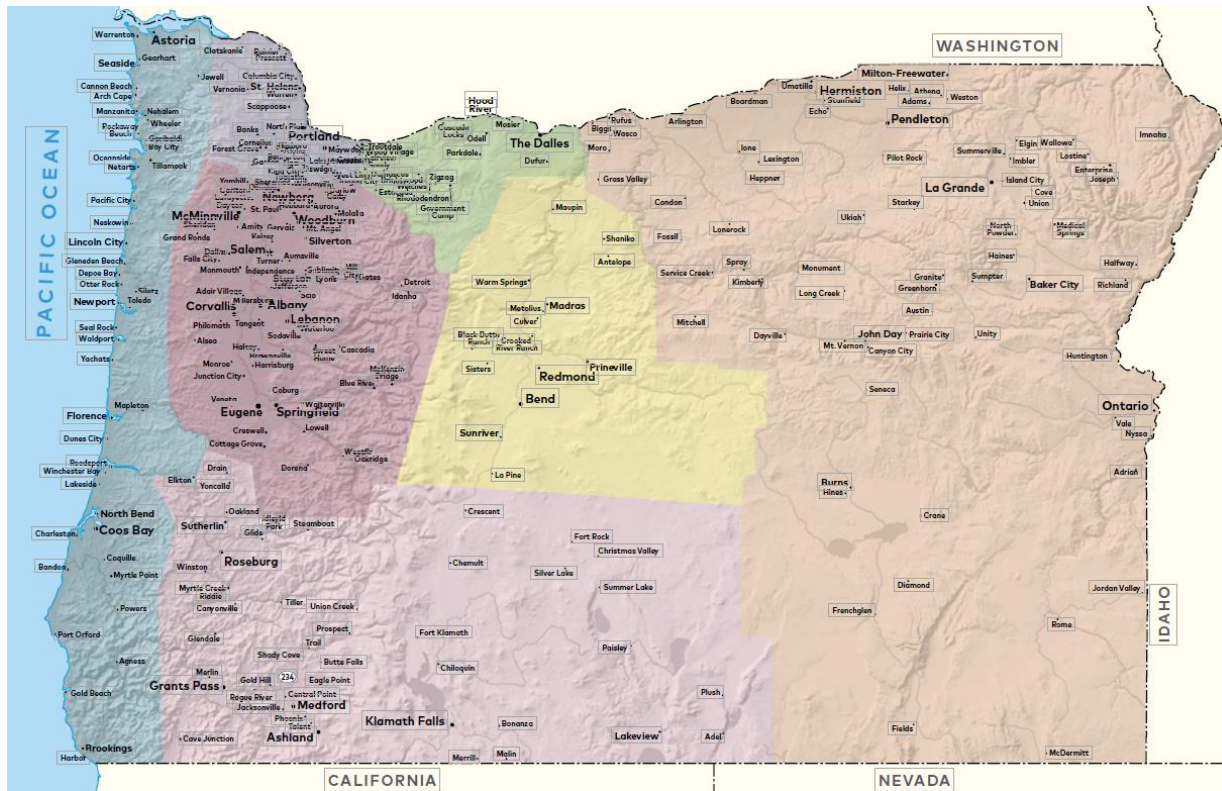
These plans are approved by Travel Oregon staff and are tracked via dashboard on the following website: <http://industry.traveloregon.com/industry-resources/regional-cooperative-marketing-plan/regional-cooperative-tourism-program/>. Travel Oregon staff conduct quarterly in-region consultations with each RDMO, hold annual financial audits, and biennial regional stakeholder feedback via survey. Regional performance is assessed based on the return on investment as it pertains to specific strategies, tactics and alignments with regional stakeholder input. A comprehensive biennial report is submitted by the RDMOs to the OTC to provide a transparent overview of the work led by the RDMO and investment success associated with the allocated funding. All RCTP related funds must be spent by RDMOs within the biennium.

RDMOs are required to commit a minimum of 10 percent of their RCTP funding to a Strategic Investment Fund or regional grant process. The purpose of this resource is to provide funding for regional projects and programs outside of their organization that will display a strong return on investment and address regional tourism needs. Additionally, Travel Oregon's Destination Development and Management Team works closely with state agencies, such as the Oregon Department of Transportation and regional transit providers to provide intra-community transit opportunities to visitors while also as partnering to create transit options to areas with high-visitor traffic. For example, Travel Oregon was a partner in the creation of the Columbia Gorge Express shuttle that brings thousands of visitors to Multnomah Falls every summer. This team also works closely with local communities on identifying and

developing tourism markets and products, creating agricultural opportunities and helping to develop opportunities in the outdoor recreation and cycling tourism space.

Current RCTP Regions

- Oregon Coast: Clatsop, Tillamook, Lincoln, Coos, Curry and coastal portions of Lane and Douglas Co.
- Greater Portland: 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 and Malheur counties



The existing RCTP program provides tourism regions that are market responsive, creates biennial strategic plans to guide regional tourism development, is transparent in its program tracking with a comprehensive website and complete biennial reports, while also providing a regional tourism grant program. This program has maximized the benefits to Oregon’s economy from the statewide lodging tax and has provided a crucial leverage point for local Destination Marketing Organizations, cities and counties in funding and guiding their tourism products, promotional initiatives, and tourism-related facility development. Please don’t hesitate to contact me if I can be of further assistance.

Sincerely,

TODD DAVIDSON

Todd Davidson
CEO, Travel Oregon