

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

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Rep. Greg Smith, House Co-Vice Chair

**Date:** May 3, 2019  
**To:** Oregon Tourism Commission  
**From:** Kim To, Legislative Analyst  
**Subject:** Semi-Independent - Informational Hearing Follow-Up

As discussed during your appearance at the Wednesday, April 17, 2019 General Government Subcommittee of the Joint Committee on Ways and Means, the following is a list of follow-up information requested by the Joint Committee on Ways and Means from your agency as part of its continued deliberation on the semi-independent model and the Oregon Tourism Commission:

1. ORS 284.126 requires OTC to adopt budgets on a biennial basis using the same classifications of expenditures and revenue required of state agencies in submitting their agency-requested budgets to the Governor. The budgets that LFO has received from OTC so far only provide highlevel budget categories, not the detailed information required by law. Please provide budget-to-actuals data for the previous 5 years (2014, 2015, 2016, 2017 and 2018) that comply with the attached Accounting Code List.
2. What is the total spending, as well as per capita spending, on tourism by state for Oregon, California, Washington, Idaho, Utah, and other states comparable to Oregon? Where does Oregon rank in tourism spending among the 50 states? Please include the source of your data.
3. In your presentation, you mentioned partnerships with Keene, Nike, Laika Studios, and other private entities. Please provide an overview of the nature of each partnership with private entities, focusing on the spending on these partnerships.
4. State and local governments are trying to balance spending on marketing to bring tourism spending to the state with the cost of tourism on infrastructure and public safety, as well as natural resources. Some of our state parks and natural landscapes are being loved to death; vacation rentals are inflating property values and contributing to the lack of affordable housing. Are these types of unintended consequences and hidden costs of tourism on OTC's radar when developing its strategic plans and making investment decisions? What are some of the concrete steps that OTC has taken to track and mitigate the costs of tourism?
5. Please provide exact, detailed actual revenue and expenditures (not encumbered) numbers for the competitive grant program for 2015, 2016, 2017, 2018.
6. Please provide exact, detailed, actual revenue and expenditure (not encumbered) numbers for the Regional Cooperative Tourism program for 2015, 2016, 2017, 2018.

Thank you in advance for your prompt and thorough response.

May 14, 2019

To: Joint Committee on Ways and Means, General Government Subcommittee  
From: Oregon Tourism Commission, dba Travel Oregon  
Subject: Informational Hearing Follow-Up

Co-Chair Wagner, Co-Chair Smith and Members of the General Government Subcommittee,

We received a request for additional information as a follow up to our appearance at the informational hearing convened on Wednesday, April 17<sup>th</sup> and are happy to provide our responses to that request here. We also want to thank the Legislative Fiscal Office (LFO) for working to ensure our presentation content for that informational hearing included information of interest to the committee. We're proud of the jobs and positive economic impacts tourism creates for communities and Oregonians and are pleased to share the work we're undertaking to optimize the economic impacts of tourism, support and empower Oregon's tourism industry, champion the value of tourism and run the agency effectively.

Additionally, we want to thank the staff at LFO for their work in meeting with Travel Oregon during fall 2018 to collect information for inclusion in the December 2018 LFO Review of Semi-Independent Agency Reports. As noted in the LFO reports for 2014, 2016 and 2018 Travel Oregon submitted the required documents to LFO in compliance with statute.

Again, we're pleased to serve Oregon and grateful for the opportunity to share examples of the work of Travel Oregon at the informational hearing and through these responses to your questions. We're always eager to talk about Oregon's tourism industry and the positive outcomes it generates for Oregon communities.

Sincerely,



Todd Davidson  
CEO, Travel Oregon

Oregon Tourism Commission Question 1. Budget to actuals data for previous 5 years	Actual FY 2014 (7/2013- 6/2014)	Budget FY 2014 (7/2013- 6/2014)	Actual FY 2015 (7/2014- 6/2015)	Budget FY 2015 (7/2014- 6/2015)	Actual FY 2016 (7/2015- 6/2016)	Budget FY 2016 (7/2015- 6/2016)	Actual FY 2017 (7/2016- 6/2017)	Budget FY 2017 (7/2016- 6/2017)	Actual FY 2018 (7/2017- 6/2018)	Budget FY 2018 (7/2017- 6/2018)	Notes
<b>Sources:</b>											
Beginning Balance	1,038,893	1,038,893	605,818	605,818	2,490,812	2,490,812	3,504,386	3,504,386	11,573,504	11,573,504	
<b>REVENUE</b>											
Federal Revenues - Svc Contracts	9,000	-	244,442	212,075	-	-	-	-	21,476	-	
Sales Income	228,295	225,000	250,073	220,000	205,936	200,000	201,506	200,000	308,410	200,000	ORGC, WC Brochures
Grants, Donations and Contributions	193,151	300,000	263,136	-	281,939	-	347,143	-	360,549	-	WINE COUNTRY PLATES
Transfers In	13,471,993	13,500,000	15,508,800	14,440,000	18,807,347	18,807,347	31,428,776	32,198,178	38,017,086	36,790,000	TLT
<b>Total Revenue:</b>	<b>13,902,439</b>	<b>14,025,000</b>	<b>16,266,451</b>	<b>14,872,075</b>	<b>19,295,222</b>	<b>19,007,347</b>	<b>31,977,426</b>	<b>32,398,178</b>	<b>38,707,522</b>	<b>36,990,000</b>	
<b>Total Revenue + Beginning Balance:</b>	<b>14,941,332</b>	<b>15,063,893</b>	<b>16,872,269</b>	<b>15,477,893</b>	<b>21,786,033</b>	<b>21,498,159</b>	<b>35,481,812</b>	<b>35,902,564</b>	<b>50,281,025</b>	<b>48,563,504</b>	
<b>Uses:</b>											
<b>PERSONAL SERVICES</b>											
Salaries and Wages	2,615,500	2,620,000	2,696,176	2,688,000	3,121,568	3,188,000	3,581,940	3,672,000	4,450,016	4,686,000	
Other Payroll Expenses	-	-	9,713	-	56,526	-	81,864	-	44,458	115,000	
Worker's Comp Ins. (SAIF)	-	-	-	-	-	-	721	-	2,301	-	
Public Employees' Retire Cont	346,901	350,000	352,452	352,000	387,740	376,000	546,916	527,360	732,140	760,000	
Pension Obligation Bond	158,910	162,440	166,461	166,656	171,237	172,152	228,179	220,320	254,561	270,000	
Social Security Taxes	183,022	190,385	191,450	194,639	218,904	227,336	251,573	267,037	310,531	329,985	
Unemployment Assessments	-	-	2,010	-	4,768	-	2,950	-	4,587	-	
Worker's Comp. Assess. (WCD)	1,016	1,020	859	1,116	1,232	1,333	1,242	1,426	1,345	2,015	
Flexible Benefits	559,632	560,000	614,456	596,000	700,917	709,000	739,755	782,000	975,475	1,050,000	
<b>Total Personal Services:</b>	<b>3,864,980</b>	<b>3,883,845</b>	<b>4,033,578</b>	<b>3,998,411</b>	<b>4,662,892</b>	<b>4,673,821</b>	<b>5,435,139</b>	<b>5,470,143</b>	<b>6,775,414</b>	<b>7,213,000</b>	
<b>SERVICES and SUPPLIES</b>											
Instate Travel	383,586	400,000	393,268	400,000	282,292	300,000	417,579	418,000	433,549	440,000	
Out of State Travel	148,312	150,000	121,050	150,000	110,268	11,100	245,924	246,000	274,318	275,000	
Office Expenses	92,679	100,000	48,165	50,000	46,564	47,000	37,042	37,100	81,869	100,000	
Telecommunications	71,076	75,000	70,726	75,000	51,251	52,000	52,702	5,300	64,488	65,000	
State Gov. Service Charges	6,643	7,000	8,449	8,500	7,609	8,000	8,115	8,150	13,298	14,000	
Professional Services	3,755,166	4,000,000	3,544,566	3,600,000	5,281,723	7,325,066	9,208,543	10,050,000	10,105,766	12,000,000	
IT Professional Services	49,816	50,000	45,588	50,000	38,713	50,000	55,384	56,000	75,264	76,000	
Attorney General	6,516	7,000	16,181	17,000	30,515	31,000	17,347	18,000	18,447	20,000	
Employee Recruitment and Develop	4,313	4,500	3,163	3,200	18,148	18,200	26,645	26,700	54,359	54,000	
Dues and Subscriptions	114,383	115,000	209,428	200,000	446,422	446,500	505,974	506,000	291,655	292,000	
Facilities Rental and Taxes	227,554	228,000	218,286	220,000	274,732	275,000	597,517	598,000	387,930	388,000	
Facilities Maintenance	2,741	3,000	1,573	1,600	11,979	12,000	-	-	58,096	58,000	
Agency Program Related S and S	4,028,451	3,956,430	4,102,511	4,814,481	3,398,300	3,383,988	3,503,838	4,511,550	4,197,889	6,807,636	
Expendable Prop 250 - 5000	35,901	36,000	62,091	63,000	50,998	51,000	7,208	7,200	134,199	134,200	
IT Expendable Property	21,979	22,000	28,032	30,000	30,851	31,000	48,067	50,000	105,045	105,000	
<b>Total Services and Supplies:</b>	<b>8,949,115</b>	<b>9,153,930</b>	<b>8,873,078</b>	<b>9,682,781</b>	<b>10,080,365</b>	<b>12,041,854</b>	<b>14,731,884</b>	<b>16,538,000</b>	<b>16,296,175</b>	<b>20,828,836</b>	
<b>CAPITAL OUTLAY</b>											
Other Capital Outlay	-	-	-	-	-	-	-	-	-	777,138	
<b>Total Capital Outlay:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>777,138</b>	
<b>SPECIAL PAYMENTS</b>											
	1,549,815	2,010,915	1,734,679	1,781,497	2,182,248	2,550,795	2,150,128	12,310,370	5,747,507	19,476,469	Grants, RCTP
<b>Total Special Payments:</b>	<b>1,549,815</b>	<b>2,010,915</b>	<b>1,734,679</b>	<b>1,781,497</b>	<b>2,182,248</b>	<b>2,550,795</b>	<b>2,150,128</b>	<b>12,310,370</b>	<b>5,747,507</b>	<b>19,476,469</b>	
<b>DEBT SERVICE</b>											
Principal - Loans	12,815	12,815	13,578	13,578	14,386	14,386	6,244	6,244	-	-	
Interest - Loans	2,389	2,389	1,626	1,626	818	818	91	91	-	-	
<b>Total Debt Service:</b>	<b>15,204</b>	<b>15,204</b>	<b>15,204</b>	<b>15,204</b>	<b>15,204</b>	<b>15,204</b>	<b>6,335</b>	<b>6,335</b>	<b>-</b>	<b>-</b>	
<b>Total Uses:</b>	<b>14,379,114</b>	<b>15,063,893</b>	<b>14,656,539</b>	<b>15,477,893</b>	<b>16,940,709</b>	<b>19,281,674</b>	<b>22,323,486</b>	<b>34,324,848</b>	<b>28,819,095</b>	<b>48,295,443</b>	
<b>AUTHORIZED POSITIONS</b>											
Class/Unclass Positions	35.0	35.0	36.0	36.0	43.0	43.0	46.0	46.0	58.0	61.0	
<b>AUTHORIZED FTE POSITIONS</b>											
Class/Unclass FTE Positions	33.6	33.6	34.6	34.6	41.6	41.6	45.0	45.0	57.0	59.0	

## Competitive Grant Program

Oregon Tourism Commission

FY15 - FY18

Question 5: Competitive Grant Program details 2015-2018

	FY 2015	FY 2016	FY 2017	FY 2018
<b>Net Received State Transient Lodging Tax Revenue</b>	15,508,800	18,807,347	31,428,776	38,017,086
			obligated 10% of TLT to fund future grants starting 7/1/2016 (HB 4146)	obligated 10% of TLT to fund future grants starting 7/1/2016 (HB 4146)
			3,142,878	3,801,709
<b>Grants: 10% of State TLT</b>				
<b>Grant Disbursements</b>				
- Matching grants	See list	70,153	49,757	177,590
- Small grants	See list			249,190
- RTS grants	See list			52,000
Subtotal		17,500	35,500	478,780
Program administration	(up to 5% starting 7/1/2017)	-	-	171,742
<b>Total</b>		87,653	85,257	650,521

### Travel Oregon Grants Disbursed: FY15-FY18

2014-2015	
Matching Grant Recipients	Amount Disbursed
Discover Klamath Visitor & Conv Bureau	1,250
Eastern Oregon Visitors Assoc	7,653
Eastern Oregon Visitors Assoc	7,653
Estacada Development Association	4,000
Hollywood Theatre	10,000
International Mountain Bicycling Assoc.	10,000
Port Orford Ocean Resource Team	10,000
Team Dirt	1,250
Travel Lane County	3,348
University of Oregon, Community Service	8,000
US Farm Stay Association LLC	3,250
Wildlife Images Rehab. & Ed. Center	3,750
<b>Matching Grants Total</b>	<b>70,153</b>

2015-2016	
Matching Grant Recipients	Amount Disbursed
Mid-Columbia Economic Development Dist.	3,750
Port of Alsea	3,750
Wild Rivers Coast Alliance	10,000
<b>Rural Tourism Studio Grants Total</b>	<b>17,500</b>
<b>2014-2015 TOTAL</b>	<b>87,653</b>

2015-2016	
Matching Grant Recipients	Amount Disbursed
Discover Klamath Visitor & Conv Bureau	1,250
Estacada Development Association	4,000
Hollywood Theatre	10,000
International Mountain Bicycling Assoc.	10,000
Port Orford Ocean Resource Team	5,000
Team Dirt	1,160
Travel Lane County	3,348
University of Oregon Grant (300370)	8,000
US Farm Stay Association LLC	3,250
Wildlife Images Rehab. & Ed. Center	3,750
<b>Matching Grants Total</b>	<b>49,757</b>

2015-2016	
Rural Tourism Studio Grants	Amount Disbursed
Oakridge Westfir Tourism Alliance	5,000
Prineville-Crook County Chamber	5,000
City of Monmouth	5,000
Eastern Oregon Visitors Assoc	2,500
Mid-Columbia Economic Development Dist.	4,000
McKenzie River Chamber of Commerce	4,000
Wild Rivers Coast Alliance	10,000
<b>Rural Tourism Studio Grants Total</b>	<b>35,500</b>

**2015-2016 TOTAL** 85,257

2016-2017	
Matching Grant Recipients	Amount Disbursed
Central Oregon Visitors Assoc.	10,000
Central Oregon Visitors Assoc.	10,000
City of Gold Beach	5,000
City of Redmond	3,750
City of St Helens	20,000
Discover Klamath Visitor & Conv Bureau	2,500
Eastern Oregon Visitors Assoc	15,000
Eastern Oregon Visitors Assoc	23,225
Eastern Oregon Visitors Assoc	6,968
Emerald Art Center	5,000
Friends of the Oregon Caves & Chateau	37,500
Greater Bandon Association	2,500
Joseph Center for Arts and Culture	3,150
Joseph Center for Arts and Culture	1,141
Klamath Trails Alliance	25,000
Lan Su Chinese Garden	7,500
Lincoln City Visitors Bureau	3,250
Main Street Oregon City, Inc.	25,000
Oregon Trail Preservation Trust	11,000
Oregon Trail Preservation Trust	11,000
Portland Center Stage	6,875
Portland Center Stage	6,875
Portland Japanese Garden	11,250
Tillamook Forest Heritage Trust	12,500
University of Oregon Grant (300410)	12,500
<b>Matching Grants Total</b>	<b>278,484</b>

2016-2017	
Rural Tourism Studio Grants	Amount Disbursed
City of Monmouth	5,000
Columbia River Gorge Visitors Assoc	10,000
Columbia River Gorge Visitors Assoc	10,000
Eastern Oregon Visitors Assoc	2,500
Grow EDC/North Santiam Canyon Ec Dev Corp	5,000
La Pine Chamber of Commerce	5,000
Northeast Oregon Economic Dev. Dist.	2,500
<b>Rural Tourism Studio Grants Total</b>	<b>40,000</b>

**2016-2017 TOTAL** 318,484

**OVERVIEW:** Prior to passage of HB4146, Oregon statute provided for a matching grant program, but it did not require the program nor did it prescribe funding for this program. In FY15 and FY16, the agency provided for a Matching Grant program in compliance with state law. Upon passage of HB4146, which directed Travel Oregon to provide a "Competitive" grant program with 10% of Travel Oregon's net received statewide transient lodging tax (TLT), the agency began drafting program guidelines and reserving funds for the program. Travel Oregon reserved 10 cents of every dollar that came in during the 2016-17 fiscal year to fund program implementation in fiscal year 2017-18 and continues that "future facing" approach to ensure compliance with state law and afford grant applicants information on available of competitive grant funds each cycle. Travel Oregon convened industry and stakeholder focus groups during fiscal 2016-17 to provide input for development of the Travel Oregon grant program guidelines, identified and trained staff to manage the program, and put a grant selection process in motion. Grant funds are collected in one year for award and/or distribution in the following fiscal year(s) – i.e. 10% of TLT in 2016-17 was reserved for grants awarded in 2017 forward.

Travel Oregon does not establish available funding for grant awards on forecast revenues, but instead collects the lodging tax and publishes actual available funds before opening the grant award process. This process necessarily results in encumbering future grant dollars as a reserve until the grant application, review, determination and the grant award process is completed. Many grant award commitments and disbursements do not fall within a single fiscal year; some grant awards are made on multi-year grant proposals and distribution of state TLT is distributed on a schedule that includes progress toward completion rather than fully funded in advance of grant project work. As a result, Travel Oregon retains awarded but not yet distributed grant funds, until grant recipients have met the contractual requirements to receive final distribution. There are occasions in which grant recipients do not require the full balance of committed grant monies. For example, if a project is completed under budget, the grant recipient does not receive the full amount of monies but instead only the amount of award needed for project completion. All encumbered grant dollars that are not distributed are held by Travel Oregon and "roll" into the next grant cycle and are available at that time for award.

2017-2018	
Matching Grants Recipients	Amount Disbursed
City of Gold Beach	5,000
City of Redmond	3,750
City of St Helens	20,000
Eastern Oregon Visitors Assoc	15,000
Eastern Oregon Visitors Assoc	16,258
Emerald Art Center	3,574
Friends of the Oregon Caves & Chateau	25,000
Friends of the Oregon Caves & Chateau	12,500
Greater Bandon Association	2,500
Joseph Center for Arts and Culture	2,009
Klamath Trails Alliance	25,000
Lan Su Chinese Garden	7,500
Lincoln City Visitors Bureau	3,250
Portland Japanese Garden	11,250
Tillamook Forest Heritage Trust	12,500
University of Oregon	12,500
<b>Matching Grants Total</b>	<b>177,590</b>

2017-2018	
Competitive Small Grant Recipients	Amount Disbursed
Association of Oregon Counties	10,000
Association of Oregon Counties	8,000
Association of Oregon Counties	2,000
Cascade Pacific RC&D	10,000
Cascade Pacific RC&D	1,700
Chehalem Valley Chamber of Commerce	10,000
Chehalem Valley Chamber of Commerce	8,000
Chehalem Valley Chamber of Commerce	2,000
City of Dunes City	1,775
Discover Your Northwest	10,000
Eastern Oregon Visitors Assoc	7,500
Educate Ya, Inc	10,000
Friends of Rogerson Clematis Collection	7,200
Friends of Rogerson Clematis Collection	4,780
Friends of the Columbia Gorge	10,000
Go Wild American Adventures	3,295
Hanthorn Cannery Foundation	600
Joseph Center for Arts and Culture	10,000
Joseph Center for Arts and Culture	3,340
Maupin Area Chamber of Commerce	6,250
Mid-Columbia Econ. Dev. Dist.	10,000
Oregon Coast Visitors Association	10,000
Oregon Environmental Council	10,000
Oregon International Port of Coos Bay	10,000
Oregon International Port of Coos Bay	2,750
Oregon State Parks Foundation	10,000
Restore Oregon	10,000
Salem Brewery Association	10,000
Trailkeepers of Oregon	10,000
Trans-Cascadia Backcntry Guiding & Outf	5,000
Travel Medford	5,000
Umatilla Chamber of Commerce	10,000
Visit McMinnville	10,000
Visit McMinnville	8,000
Visit McMinnville	2,000
<b>Competitive Small Grant Total</b>	<b>249,190</b>

2017-2018	
Rural Tourism Studio Grants	Amount Disbursed
South Coast Development Council, Inc	10,000
South Coast Development Council, Inc	10,000
Umpqua Economic Development Partner	5,000
Umpqua Economic Development Partner	5,000
Visit Tillamook Coast	5,000
Visit Tillamook Coast	5,000
<b>Rural Tourism Studio Grants Total</b>	<b>40,000</b>

2017-2018	
Rural Tourism Studio Grants - from Destination Development Funds	Amount Disbursed
Grow EDC/North Santiam Canyon Ec Dev Cor	5,000.00
McKenzie River Chamber of Commerce	1,000.00
Mid-Columbia Economic Development Dist.	1,000.00
Prineville-Crook County Chamber	5,000.00
	12,000.00
<b>2017-2018 TOTAL</b>	<b>478,780</b>

# Regional Cooperative Marketing Program / Regional Cooperative Tourism Program

Oregon Tourism Commission

FY15 - FY18

Question 6: Regional Cooperative Program details 2015-2018

		Regional Cooperative Marketing Program FY 2015	Regional Cooperative Marketing Program FY 2016	Transition Year Regional Cooperative Tourism Program FY 2017	Regional Cooperative Tourism Program FY 2018
<b>Net Received State Transient Lodging Tax Revenue</b>		15,508,800	18,807,347	31,428,776	38,017,086
<b>RCMP / RCTP funds from Transient Lodging Tax</b>		up to 15%	up to 15%	up to 15% under current contracts with RDMOs; obligated 20% of TLT to fund future contracts starting 7/1/2016 (HB 4146)	obligated 20% of TLT to fund future contracts starting 7/1/2016 (HB 4146)
<b>RCTP 20% of State TLT</b>				6,285,755	7,603,417
<b>RCMP / RCTP Expenditures</b>		1,654,411	1,675,020	1,675,000	5,289,476
COAST	OCVA (Oregon Coast Visitor Assoc)	373,034	325,000	325,000	1,011,845
WILLAMETTE VALLEY	WVVA (Willamette Valley Visitor Assoc)	201,350	225,020	225,000	575,583
PORTLAND	Greater Portland (Travel Portland)	665,793	425,000	425,000	1,943,769
SOUTHERN	SOVA (Southern Oregon Visitors Assoc)	140,455	175,000	175,000	400,278
CENTRAL	COVA (Central Oregon Visitor Assoc)	148,333	175,000	175,000	486,340
MT HOOD/GORGE	CCTCA (Clackamas County Tourism)	62,517	175,000	175,000	160,369
	CCTCA (Clackamas County Tourism) Additional to \$300K				139,631
EASTERN	EOVA (Eastern Oregon Visitor Assoc)	62,930	175,000	175,000	157,435
	EOVA (Eastern Oregon Visitor Assoc) - additional to \$300K				142,565
Subtotal to RDMOs		1,654,411	1,675,020	1,675,000	5,017,815
Program Administration	OTC Admin - up to 5% starting 7/1/2017			25,000	271,661
<b>Total</b>		<b>1,654,411</b>	<b>1,675,020</b>	<b>1,700,000</b>	<b>5,289,476</b>

**OVERVIEW:** Prior to passage of HB 4146 in 2016, state law provided that up to 15% of the statewide transient lodging tax (TLT) would be distributed to the Regional Cooperative Marketing Program (RCMP). The RCMP required the dollars be spent on out of state marketing and sales efforts. HB4146 eliminated the regional “marketing” program (RCMP) and established the Regional Cooperative “Tourism” Program (RCTP) which represented an important shift in Oregon’s approach to regional and local use of statewide TLT. In addition to marketing and sales efforts, Travel Oregon established the new program such that destination development efforts were now eligible as acceptable use of the statewide lodging tax. In addition, HB4146 also directed that 20% of the statewide lodging tax be used to implement the program. Travel Oregon began capturing 20 cents of every dollar that came in during the 2016-17 fiscal year to fund program implementation in 2017-18 and both distributes prior period pro rata share and retains 20% of the TLT for distribution in the next period. Based on testimony during hearings on HB4146, Travel Oregon built a program to ensure that critical timing and funding notification elements of the new RCTP program continue in a manner consistent with how the regional distribution program was treated historically. The calendar year, not fiscal, is used to determine regional pro rata share of statewide TLT.

Determining pro rata distribution on a 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 distributed the \$1.675M established as regional funding via existing contracts and pulled 20% of every dollar for future regional program implementation. The impact of this reduced resource available for other Travel Oregon departments but was the best approach to avoid potential cash flow problems in the 2017-19 biennium and beyond. Additionally, during the FY2017 transition year, Travel Oregon put out an RFQ for Regional Destination Management Organizations (RDMOs), established new contracts, organized staff to manage the program, established new reporting metrics and criteria and began collecting the 20% of funds (7/1/16) to allocate to the Commission designated RDMOs.

Due to these administrative and program demands, the newly established RCTP program as reflected in HB4146 was able to be fully realized in FY18. There are two financial lags in the program: 1) Due to the manner in which Travel Oregon receives TLT revenue from the Department of Revenue, the clearest and most accurate revenue information and pro rata calculations are based on a calendar year. Therefore, the RCTP FY2018 allocation for RDMOs was calculated via the 2017 calendar year (Jan 1, 2017 - Dec 31, 2017) not the FY17 accrual budget. 2) The RDMO contracts allow distribution of their funding award once a year in lump sum as it provides them with concrete and accurate numbers instead of values that are based on forecasts.

#### **Example RCTP Timeline - FY18-19\***

**April - May 2018:** Listening sessions to gather public input

**June 2018:** Listening session results released

**July 2018:** RDMO's complete annual report and annual financial audit

**September 2018:** Tourism stakeholder engagement survey to gather public input

**November 2018:** Tourism stakeholder engagement survey results released

**November 2018:** Travel Oregon forecasts FY19-20 RCTP financials

**Nov - Dec 2018:** RCTP RFP

**Jan - Feb 2019:** RDMOs selected / confirmed by OTC (2 year contracts)

**Feb - Mar 2019:** RDMO draft 19-21 plans

**March 2019:** Travel Oregon announces FY19-20 RCTP financials

**Mar - Apr 2019:** RDMO plan open for public input

**May 2019:** Finalize plans

**June 2019:** OTC adopts FY19-21 RDMO Plans

**June-August 2019:** Annual financial audit

**July 2019:** Travel Oregon releases FY 19-20 RCTP funds to RDMOs in lump sum

**September 2019:** Biannual report delivery

**September-November 2019:** Tourism stakeholder engagement meetings to report back on finalized 19-21 plans

\*Schedule overview does not include Travel Oregon FY19-21 Strategic Plan

\*RDMOs also have quarterly check-in meetings with Travel Oregon staff

\*\*EOVA has a 1 year contract to review performance

**2) What is the total spending, as well as per capita spending, on tourism by state for Oregon, California, Washington, Idaho, Utah, and other states comparable to Oregon? Where does Oregon rank in tourism spending among the 50 states? Please include the source of your data.**

On March 3, 2016 Oregon lawmakers passed HB4146, increasing the state transient lodging tax from 1 to 1.8% for four years effective July 1, 2016 and then effective July 1, 2020 reduces the state transient lodging tax from 1.8 to 1.5%.

The legislation directs 20% of the state transient lodging tax to a Regional Cooperative Tourism Program and 10% of the state transient lodging tax to a competitive grants program. Therefore, Travel Oregon’s program and operation budget is composed of 70% of the total state transient lodging tax collected. This will be reflected in the budget calculations below.

The most recent available and comprehensive state tourism budget data is from 2016 – 2017 and is available through US Travel’s website. This budget data was compared against 2017 US Census population numbers.

**Total State Tourism Budget**

- 2016-2017 Travel Oregon total budget: \$32,139,400
  - Oregon ranks 8<sup>th</sup> nationally
- 2016-2017 Travel Oregon total budget adjusted for 30%: \$22,497,580
  - Oregon ranks 9<sup>th</sup> nationally

Ranking	State	Total Budget
1	California	117,331,184
2	Hawaii	87,298,000
3	Florida	86,006,900
4	New York	60,000,000
5	Illinois	52,757,963
6	Texas	42,500,000
7	Michigan	34,000,000
<b>8</b>	<b>Oregon</b>	<b>32,139,400</b>
9	Utah	22,511,630
10	Arizona	22,075,377
11	Tennessee	21,762,258
12	Missouri	19,478,614
13	Montana	19,029,275
14	Colorado	18,900,000
15	Virginia	18,153,646
16	Nevada	16,872,344
17	Arkansas	16,858,430
18	Louisiana	16,804,510
19	Wisconsin	15,711,200

20	South Dakota	15,600,000
21	South Carolina	15,211,931
22	Minnesota	14,568,235
23	Alabama	13,475,000
24	Maine	13,450,260
25	New Mexico	12,815,807
26	Kentucky	12,307,800
27	Maryland	12,251,535
28	North Carolina	12,050,042
29	Oklahoma	11,737,399
30	Pennsylvania	11,474,142
31	Wyoming	10,862,514
32	West Virginia	10,502,222
33	Ohio	10,000,000
34	New Jersey	9,000,000
35	Georgia	7,443,293
36	Indiana	6,739,950
37	Nebraska	6,567,219
38	Connecticut	6,435,000
39	Mississippi	5,491,528
40	North Dakota	5,165,748
41	Idaho	4,967,700
42	Iowa	4,375,820
43	Kansas	4,050,174
44	Massachusetts	3,258,000
45	Vermont	3,174,386
46	Delaware	2,316,800
47	Alaska	2,233,000
48	Washington	234,472

*New Hampshire and Rhode Island data are not available*

**Total State Tourism Budget - Per Capita Spending**

Ranking	State	Total Budget	2017 Population	Per Capita
1	Hawaii	87,298,000	1,424,203	61.30
2	Wyoming	10,862,514	578,934	18.76
3	Montana	19,029,275	1,053,090	18.07
4	South Dakota	15,600,000	873,286	17.86
5	Maine	13,450,260	1,335,063	10.07
<b>6</b>	<b>Oregon</b>	<b>32,139,400</b>	<b>4,146,592</b>	<b>7.75</b>



7	Utah	22,511,630	3,103,118	7.25
8	North Dakota	5,165,748	755,176	6.84
9	New Mexico	12,815,807	2,093,395	6.12
10	West Virginia	10,502,222	1,817,048	5.78
11	Nevada	16,872,344	2,972,405	5.68
12	Arkansas	16,858,430	3,002,997	5.61
13	Vermont	3,174,386	624,525	5.08
14	Illinois	52,757,963	12,786,196	4.13
15	Florida	86,006,900	20,976,812	4.10
16	Louisiana	16,804,510	4,670,818	3.60
17	Nebraska	6,567,219	1,917,575	3.42
18	Michigan	34,000,000	9,976,447	3.41
19	Colorado	18,900,000	5,615,902	3.37
20	Tennessee	21,762,258	6,708,794	3.24
21	Missouri	19,478,614	6,108,612	3.19
22	Arizona	22,075,377	7,048,876	3.13
23	New York	60,000,000	19,590,719	3.06
24	South Carolina	15,211,931	5,021,219	3.03
25	Alaska	2,233,000	739,786	3.02
26	Oklahoma	11,737,399	3,932,640	2.98
27	California	117,331,184	39,399,349	2.98
28	Idaho	4,967,700	1,718,904	2.89
29	Alabama	13,475,000	4,875,120	2.76
30	Kentucky	12,307,800	4,453,874	2.76
31	Wisconsin	15,711,200	5,792,051	2.71
32	Minnesota	14,568,235	5,568,155	2.62
33	Delaware	2,316,800	957,078	2.42
34	Virginia	18,153,646	8,465,207	2.14
35	Maryland	12,251,535	6,024,891	2.03
36	Mississippi	5,491,528	2,989,663	1.84
37	Connecticut	6,435,000	3,573,880	1.80
38	Texas	42,500,000	28,322,717	1.50
39	Iowa	4,375,820	3,143,637	1.39
40	Kansas	4,050,174	2,910,689	1.39
41	North Carolina	12,050,042	10,270,800	1.17
42	New Jersey	9,000,000	8,888,543	1.01
43	Indiana	6,739,950	6,660,082	1.01
44	Pennsylvania	11,474,142	12,790,447	0.90
45	Ohio	10,000,000	11,664,129	0.86
46	Georgia	7,443,293	10,413,055	0.71
47	Massachusetts	3,258,000	6,863,246	0.47

48	Washington	234,472	7,425,432	0.03
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*New Hampshire and Rhode Island data are not available*

- 2016-2017 Travel Oregon total budget: \$32,139,400
  - Oregon ranks 6<sup>th</sup> nationally (\$7.75 per capita)
- 2016-2017 Travel Oregon total budget adjusted for 30%: \$22,497,580
  - Oregon ranks 12<sup>th</sup> Nationally (\$5.43 per capita)

**Comparison to other Western States (Per Capita Spending)**

**2016-2017 Travel Oregon Total Budget: \$32,139,400**

Ranking	State	Per Capita
1	Hawaii	61.30
2	Wyoming	18.76
3	Montana	18.07
4	South Dakota	17.86
<b>6</b>	<b>Oregon</b>	<b>7.75</b>
7	Utah	7.25
8	North Dakota	6.84
9	New Mexico	6.12
11	Nevada	5.68
27	California	2.98

**2016-2017 Travel Oregon total budget adjusted for 30%: \$22,497,580**

Ranking	State	Per Capita
1	Hawaii	61.30
2	Wyoming	18.76
3	Montana	18.07
4	South Dakota	17.86
6	Utah	7.25
7	North Dakota	6.84
8	New Mexico	6.12
10	Nevada	5.68
<b>12</b>	<b>Oregon</b>	<b>5.43</b>
27	California	2.98

*The average per capita spend for the 48 states reporting their budgets = \$5.31 (\$0.12 less than Oregon’s adjusted per capita spend)*

*Additional note about calculating state tourism budgets: Many states have additional funding resources through major metropolitan areas contributing to the state budget and leveraging funds across*

agencies. For example, in California, the cities of Los Angeles, San Francisco and San Diego have their own major tourism destination management organization (DMO) budgets. San Francisco Travel, the city's DMO FY18-19 budget was \$41,536,100. Visit West Hollywood, a neighborhood in Los Angeles, FY16-17 annual budget was \$6,042,500. The San Diego Tourism Authority's FY16 operating expenses were over \$24 million. Outside of the City of Portland, Oregon does not have other major metropolitan areas that are leveraging DMO funding in the tourism industry at such large quantities.

**Sources:**

- 2016-2017 US Travel State Tourism Budgets (requires research log-in):  
<https://travelanalytics.ustravel.org/Budget/Ranking#tab:category>
- US Census 2017 National and state population estimates:  
<https://www.census.gov/data/datasets/time-series/demo/popest/2010s-state-total.html>

**3) In your presentation, you mentioned partnerships with Keene, Nike, Laika Studios, and other private entities. Please provide an overview of the nature of each partnership with private entities, focusing on the spending on these partnerships.**

When Travel Oregon forms a partnership with a for-profit business, funds are not being paid directly to these corporations, nor from these corporations, but rather are used to leverage resources to provide more economic return to our statewide partners. These partnerships give Travel Oregon the opportunity to access a broader range of resource and expertise for the travel and tourism industry. These types of strategic partnerships raise awareness of our marketing, sales and development programs and elevate the Travel Oregon brand awareness outside the industry. Below is a brief overview of our most recent key partnerships.

**LAIKA**

In January through March 2019, Travel Oregon had the opportunity to serve communities and businesses impacted by wildfires through a partnership with Oregon Film and Hillsboro-based, renowned animation studio Laika. The partnership celebrated the 10th anniversary of Laika's Oregon produced film *Coraline* and helped raise funds for areas impacted by recent wildfires. Part of the #OregonMade Film Series, *Coraline* was shown in eight communities, including six historic theatres across the state - from Portland's Hollywood Theatre, to the Egyptian Theatre in Coos Bay to the Varsity Theatre in Ashland (the film's fantastical setting). Ten thousand dollars were raised from the box office and are currently being distributed to the North Umpqua Trail Project and the Lower Deschutes River Post-fire Restoration Project. Travel Oregon funded small reception events prior to the movie showings to connect tourism industry leaders with local officials and impacted businesses. Travel Oregon did not pay Laika any dollar amount nor did Travel Oregon receive any money from Laika.

**DESCHUTES BREWERY**

Travel Oregon and Central Oregon's Deschutes Brewery are working together to coordinate branding for release of an "Only Slightly Exaggerated IPA" as Deschutes Fall seasonal beer in August 2019. The partnership will involve co-branded packaging (Only Slightly Exaggerated is Travel Oregon's current advertising campaign) and marketing materials, cross content marketing and in-store marketing across Deschutes distribution channels in 28 states. Plans are also in development around the release of the beer to include an opportunity to give back to wildfire relief efforts. The partnership is still evolving, and no funds have been exchanged. Travel Oregon will not pay Deschutes Brewery any dollar amount nor will Travel Oregon receive any money from Deschutes Brewery.

## **NIKE**

The last partnership Travel Oregon developed with Nike was in 2014 and it was focused on the city of Portland hosting the National Tour Association (NTA) Conference. Travel Oregon worked with Nike to develop a social media campaign called the “Road to PDX” to inspire potential conference attendees to register for the conference in Portland. To kick off the project, potential conference attendees received a pair of Oregon inspired Nike shoes (all developed and donated by Nike) to help Travel Oregon secure a high conference attendance. Travel Oregon did not pay Nike any dollar amount.

## **KEEN**

KEEN’s most recent partnership with Travel Oregon started in 2016 with the initial launch of the Oregon Outdoor Recreation Initiative. A representative of the organization served on the 25-person Leadership Team that helped establish the 15-year vision and related priorities for advancing outdoor recreation in Oregon and in preparation for the establishment of Oregon’s Office of Outdoor Recreation. A representative from KEEN sits on a six-person core team that meets weekly to discuss the continued advancement of what is now the Oregon Outdoor Recreation Network. As part of their commitment to the Network, KEEN was a financial sponsor of the upcoming Oregon Outdoor Recreation Summit happening in Bend May 13-14. Travel Oregon did not pay KEEN any dollar amount, nor are we the beneficiary of sponsorship.

**4) State and local governments are trying to balance spending on marketing to bring tourism spending to the state with the cost of tourism on infrastructure and public safety, as well as natural resources. Some of our state parks and natural landscapes are being loved to death; vacation rentals are inflating property values and contributing to the lack of affordable housing. Are these types of unintended consequences and hidden costs of tourism on OTC’s radar when developing its strategic plans and making investment decisions? What are some of the concrete steps that OTC has taken to track and mitigate the costs of tourism?**

Travel Oregon’s mission is to inspire travel that drives economic development and its vision is to create a better life for all Oregonians through strong, sustainable local economies. While Travel Oregon certainly wants to increase and grow positive economic impacts, the agency recognizes that “growth” in visitor volume alone is not the answer, and, when done without foresight and planning it can contribute to problems. Travel Oregon has always been deliberate in the agency’s key imperative to optimize statewide economic impact. Travel Oregon continues to review and refine the target audience for advertising and marketing with every campaign. Staff evaluate the breakdown for seasonal spend when reviewing the core objective of the campaign and drive that statewide economic impact. Travel Oregon knows that this work requires the attention and support of a strong industry and hundreds of people in different professions, each contributing to create those moments of wonder that feel custom made for diverse visitors.

Travel Oregon is one of pioneers of destination development and has spent a decade moving beyond the strict purview of marketing and direct resources toward the development of tourism product and destination management. Travel Oregon started its development program in 2008 and has grown it to encompass a robust set of initiative to foster sustainable tourism development at the local level, create new experiences in places seeking more demand and help to foster smart management decisions in high-use areas. The examples below highlight some of Travel Oregon deployment of resources, through staff and financial commitments, to destination development and management practices in an effort to mitigate some of the externalities for which tourism can be a contributor.

**2019-2021 Draft Strategic Plan**

Travel Oregon’s strategic plan is updated every two years to reflect the dynamic and changing nature of the tourism industry. The agency receives feedback on agency initiatives and programs through various methods including statewide listening sessions, surveys, staff engagement and feedback from RDMOs, the public and industry stakeholders. The public comment period for the current draft plan closed May 1, 2019. It will be finalized and presented to the Oregon Tourism Commission for consideration and adoption at the June 11, 2019 meeting in Joseph, Ore.

Travel Oregon’s Draft FY19-21 Strategic Plan includes four strategic imperatives with initiatives and measures to achieve these imperatives during the next two years. By responding to industry and Oregon community needs, Travel Oregon can remain focused on driving visitor-related positive economic impacts to the state, while also being mindful and responsive to the needs of Oregonians. The chart below highlights the proposed 2019-2021 Travel Oregon Strategic Plan Overview.

<b>STRATEGIC IMPERATIVES</b>			
Optimize Statewide Economic Impact	Support & Empower Oregon’s Tourism Industry	Champion the Value of Tourism	Run an Effective Business
<b>INITIATIVES</b>			
Align and optimize Travel Oregon sales, marketing, development and partnership programs and empower the industry to do the same	Develop an organization-wide approach to offering development and training opportunities for the industry	Grow and align strategic partnerships and stakeholder base to leverage resources and build capacity	Deploy agency-wide IT training on agency expectations and utilization of shared technology platforms
Facilitate the development of world-class tourism product and experiences with a focus on gap areas	Support and enhance an industry-leading information network as the trusted source for all things Oregon	Activate, engage and inspire new and existing advocates through compelling communication tools and messaging	Prioritize professional development and wellness through a diverse, equitable and inclusive culture of learning and continuous improvement
Support high-use destinations to manage the impacts that stem from visitation	Convene industry action networks to influence stakeholder action and increase collaboration	Improve industry and public feedback channel/process	Continuously improve, communicate and ensure alignment on policies and procedures
Inspire overnight leisure travel from key markets	Fulfill and respond to unforeseen opportunities and challenges as defined by Oregon’s tourism industry		Establish cross-functional strategies in alignment with state and agency values to improve interdepartmental communication, workflows, productivity and outcomes
			Prioritize improvement of employee and industry engagement in identified areas of greatest need
<b>KEY MEASURES</b>			
Quantify variations in lodging demand, average length of stay and visitation volume to establish a baseline index of seasonal trends in overnight trip	Increase stakeholder survey responses by 100% over the biennium and ensure statewide representation	In year one set baseline of earned media and circulation that mentions economic impact and number of	Meet or exceed executive branch performance expectations for reporting and accountability

<p>characteristics in year one; reduce seasonal variations across all regions in year two</p> <p>Increase Oregon’s market share of total U.S. visitor spend (international and domestic)</p> <p>Monitor an index of destination management needs</p> <p>Grow strategic partner investment</p>	<p>Develop an aggregate measurement system for tracking industry engagement, set baseline and determine future growth</p>	<p>jobs; increase in year two by 10%</p> <p>Local travel and tourism investments remain stable or grow</p>	<p>Maintain exemplary ratings and reputation as a high performing state agency</p> <p>100% of employees are trained on and engaged in agency work on culture, equity and inclusion</p> <p>100% of staff trained on use of agency-wide established technology platforms, values, policies and performance expectations</p> <p>Maintain or improve employee engagement and satisfaction scores</p>
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Many of the proposed initiatives are focused on the needs that Oregon communities identified through surveys and listening sessions including:

- Facilitate the development of world-class tourism product and experiences with a focus on gap areas\*
- Support high-use destinations to manage the impacts that stem from visitation
- Fulfill and respond to unforeseen opportunities and challenges as defined by Oregon’s tourism industry

*\*"gap areas" could be anywhere there is a deficit of experiences available to visitors– whether that be in a specific location or within a specific experience-type, or during a community’s off season. Travel Oregon will help to up elevate less visited areas and diffuse impact from areas experiencing high visitation.*

**TRAVEL OREGON PROGRAMMING**

**Travel Oregon Marketing/Promotion Programming**

Travel Oregon has always recognized that there are locations across the state that have more visitor sensitivity than others and is increasing formality/review of the destinations promoted by the agency. The agency is in process of formalizing guidelines and policies that will be utilized for all consumer-facing marketing and social media. In general, when Travel Oregon selects locations for major campaigns, staff review the location and messaging information with regional/local destination or public land managers. The marketing team also has resources with specific information about highly sensitive areas and how areas should be shown/messaged. Examples of this include the Painted Hills/John Day Fossil Beds National Monument, Multnomah Falls, Smith Rock and more. Each of these locations have guidelines and information defining what can and cannot be shown in campaigns/promotion. Additionally, this work allows marketing efforts to serve as a tool to communicate with visitors and locals about how to visit these destinations responsibly.

### **Travel Oregon Destination Development Programming**

Travel Oregon has a nine-person Destination Development team that works directly with communities in every corner of the state, along with local businesses to help them realize their tourism potential and better participate in the state's growing tourism industry. The team also helps high-use destination areas manage the impacts that stem from visitors and population growth.

The flagship effort of this department is the [Oregon Tourism Studio program](#). The Oregon Tourism Studios assist communities in creating a 15-year shared vision to boost tourism, manage demand and develop unique offerings for visitors. The program helps increase high-value, authentic experiences for travelers in Oregon, while benefiting the livability and natural environments of rural communities. Travel Oregon's Tourism Studio program was recognized as a leader in the tourism industry for environmental, cultural and community best practices. In 2016 Travel Oregon received recognition as [National Geographic World Legacy Award Finalist for Destination Leadership](#).

The Destination Development team offers three types of tourism studios:

- **Rural Tourism Studios** open up new destinations within Oregon to inspire visitors to travel away from high-use areas and into new parts of the state
- **Tourism Experience Studios** develop new visitor experiences within existing tourism destinations to increase the diversity of options available for visitors during their stay
- **Destination Management Studios** support communities with strong tourism demand to work collaboratively to address the unintended impacts that can stem from visitation

A list of the more than 25 destinations that have completed an Oregon Tourism Studio are [available online here](#).

### **Inspiring community-based solutions and strategies**

Travel Oregon work in rural communities and the vision for responsible tourism as an economic strategy for communities is shared in the Communities Powered by Travel video series. The series showcases Oregon destinations that have participated in an Oregon Tourism Studio program and highlights Oregon communities and business working collaboratively and with passion to develop the local tourism economy through community-based projects across the state. These targeted efforts have led to new trail systems; upstart businesses and large-scale recreational events; better local customer service; and ultimately, a better Oregon. A list of the videos in this series is below:

- [The Columbia River Gorge](#)
- [Oakridge](#)
- [Wild Rivers Coast](#)
- [John Day River Territory](#)
- [Wallowa County](#)
- [Bicycle Tourism](#)
- [McKenzie River](#)

### **Travel Oregon Tourism Project Development and Management Programming**

***INITIATIVE: Support high-use destinations to manage the impacts that stem from visitation (strategies that allow Travel Oregon to work collaboratively within traditional and non-traditional tourism partners on efforts that manage visitation impacts)***

## 1) Public-Private Partnerships

### Oregon Outdoor Recreation Network

In 2016, Travel Oregon convened a leadership team comprised of 25 members that represent stakeholder groups from key sectors of the outdoor recreation economy around the goal of expanding access to outdoor recreation and increasing the economic impact and sustainability of Oregon's outdoor recreation economy. Participants in this network came together to develop a vision statement and to identify the nine impact areas listed below to focus collaborative efforts on:

- World-class experiences and infrastructure
- Diversity of participants
- Economic impact
- Stewardship of natural resources
- Transportation and distribution of impacts
- Marketing and communications
- Leadership & advocacy
- Community livability and well-being of residents
- Education

Within those nine impact areas, a set of 36 priority strategies were identified for the group to consider moving forward. As of September 2017, the following action teams were established to advance these priority strategies:

1. **Office of Outdoor Recreation** - The creation and establishment of the Office of Outdoor Recreation, which is housed within the Oregon Parks and Recreation Department
2. **Recreation Transportation Options** – Travel Oregon partnered with the Oregon Department of Transportation to research visitor transportation options to signature recreation destinations to better understand how services can be developed or enhanced to reduce congestion in high-use recreation areas.
3. **Signature Trails** – Led by Stephanie Noll, a Travel Oregon contractor, and her Oregon Trails Coalition, this group is working to advance signature trail systems in Oregon like the Salmonberry Trail, the Oregon Coast Trail and the Historic Columbia River Highway.
4. **The Roadmap to the Outdoors** – Led by Dan Little, Oregon's First Gentleman, this action team supports his larger initiative to increase access to the outdoors. A key project was the Roadmap to the Outdoors Symposium event that was hosted in 2018.
5. **Oregon Outdoor Recreation Economic Impact** – Travel Oregon is leading an effort to complete an Oregon Outdoor Recreation Economic Impact Study to estimate the economic impact and contribution of recreational spending (tourists and locals) during trips for outdoor recreation on local, state, federal public lands and private lands in Oregon. The study will be released in May 2020. Travel Oregon is working with Oregon Parks and Recreation Department and Oregon Department of Fish and Wildlife to secure the funding needed to complete the study.
6. **Responsible Outdoor Recreation Initiative** – Led by Travel Oregon, this project aims to deploy messages to create a change in visitor behavior based on the five priority areas (Safety, Trip Planning, Protecting Nature, Sharing Space, Giving Back).

### North Coast Tourism Management Network



Travel Oregon, in partnership with a local steering committee, offered a series of tourism management workshops along the North Coast of Oregon between Pacific City and Astoria from September 2018 to January 2019. The focus of these workshops was to advance a sustainable regional tourism economy along the North Coast by activating a network of partners across the region around a common vision, action plan and strategic investments. Workshop topics included regional collaboration, outdoor recreation, visitor transportation and cultural heritage. The workshops focused on developing solutions to address critical visitor management issues and preserve and enhance the area's natural and cultural assets.

As a result of the workshop series, the local participants have formed the North Coast Tourism Management Network to manage efforts to advance the long-term vision for the destination. \$70,000 has been earmarked by Travel Oregon and other partners to fund the initial set of projects that will begin in summer 2019.

### **Columbia Gorge Tourism Network**

Travel Oregon, in partnership with a local steering committee, offered a series of tourism management workshops within the Columbia River Gorge National Scenic Area between January and April 2016. The focus of these workshops was to advance a sustainable regional tourism economy throughout the Gorge by activating a network of partners across the region around a common vision, action plan and strategic investments. Workshop topics included regional collaboration, agritourism, cultural heritage and outdoor recreation. Workshops focused on developing solutions to address critical visitor management issues and preserve and enhance the area's natural and cultural assets.

As a result of the workshop the community came together to establish the Columbia Gorge Tourism Network, a collaboration between more than 60 entities within the Gorge to advance projects that support the vision established in 2016. A summary report of this work is [available here](#).

## **2) Communications to shift visitor behavior in destinations**

### **Responsible Outdoor Recreation Initiative**

The Oregon Outdoor Recreation Network Communication Action Team is leading the Responsible Outdoor Recreation Initiative. This initiative aims to inspire responsible outdoor adventure in Oregon to help preserve Oregon for future generations. It's focused on statewide adoption and cultural integration; visitor awareness and adventurers taking precautions; responsible recreation; and economic impact throughout the state. As of now, the messaging is being framed around the following: Safety, Trip Planning, Protecting Nature, Sharing Space, Give Back. The draft language is currently being reviewed by multiple stakeholders including public land managers, search and rescue officials, Roadmap to the Outdoors committee, and more. Target audiences include: Oregonians, visitors, industry, and government.

The current timeline is the following:

- 2019 Spring/Summer: introduce toolkit for stakeholder alignment and implementation
- 2020 Winter (Feb 14, 2020): launch campaign to raise awareness of responsible recreating in Oregon
- 2020: Elevate campaign

Travel Oregon is funding the development of a communications toolkit to support local partners by helping them leverage the messaging in order to enhance their own programs. Moreover the deployment of the statewide campaign will reach recreationists before they arrive at their destinations.

### **Ready, Set, GOrge!**

Developed as part of a larger Oregon Solutions project to reduce congestion in the Columbia River Gorge, Travel Oregon partnered with the U.S. Forest Service and Friends of Columbia Gorge in 2016, to develop the Ready, Set, GOrge! program. The project team worked with other public land managers and conservation groups in the area to develop and communicate tips to make trips to the Gorge both fun and safe by advising visitors to avoid crowds by going east; visiting early or midweek; planning ahead to have a safe and fun experience; and taking steps to help protect the Gorge, so future visitors can enjoy it, too. You can learn more about this project on [ReadySetGorge.com](http://ReadySetGorge.com).

Travel Oregon provided funding and staff time throughout the effort and has provided resources to build a website and print more than 100,000 brochures to distribute at businesses and visitor sites throughout the area.

### **Gorge Trailhead Ambassadors**

Developed as a result of the Gorge Tourism Studio, and in response to the Eagle Creek Fire of 2017, the Mt. Hood and Columbia River Gorge Regional Destination Management Organization partnered with the Friends of the Columbia River Gorge, Oregon Parks and Recreation Department, and the U.S. Forest Service to develop the “Trailhead Ambassador” program as a tactic to provide comprehensive, real time trail information for visitors looking to find fun and safe hiking experiences in the Gorge. The program launched in spring 2018 and will continue in 2019. In just over four months, the 94 volunteers connected with more than 23,500 visitors and provided information on safety, leave-no-trace principles, trail closure information, and suggestions for communities to visit during their trip.

## **3) Congestion Management**

### **Columbia Gorge Express**

Travel Oregon has been working in partnership with the Oregon Department of Transportation, U.S. Forest Service, Oregon Parks and Recreation Department and others on the Columbia Gorge Express that travels between Portland and The Dalles, which provides visitors with a car-free option to visit Multnomah Falls. Travel Oregon has provided updated content to partners to encourage travelers visiting Multnomah Falls to use the shuttle. Travel Oregon also provided ODOT with \$10,000 to extend the shuttle season two extra weekends in October 2018.

### **Car Free Travel Itineraries**

Travel Oregon developed example itineraries for visitors to traverse Oregon without needing to use a passenger vehicle. The purpose of these itineraries is to inspire replicable experiences for traveling without a car to great outdoor recreation and for travel between major cities. These are marketed via Travel Oregon’s social media account and posted on the Travel Oregon consumer facing website (TravelOregon.com).

Trip ideas include car-free travel to and within:

- Columbia River Gorge
- Mt. Hood
- North Coast

- South Coast
- Bend and Mt. Bachelor
- Klamath Falls and Crater Lake
- Central Coast
- Eugene
- Willamette Valley Wine Country

#### **4) Affordable Housing**

Travel Oregon collaborates with Destination Management Organizations and Regional Destination Management Organizations to bring visitors to local communities during shoulder months (October–May). This effort helps ensure employers and employees can keep jobs, pay bills, and stabilize income year-round. A 2008 EcoNW study on the local transient lodging tax in cities and counties across the state found that around 40% of transient lodging tax dollars collected were spent on general services including public safety, transportation and affordable housing.

#### **AirBnB – Tax Collections**

Travel Oregon recognizes that jurisdictions across the state, both at the city and county level, are finding it challenging to manage short-term rentals, as well as collect taxes from the operators. Travel Oregon is not currently partnering with AirBnB on either Vacation Rentals nor their Experience platform statewide. This is due to the fact that AirBnB is not currently collecting, filing, and paying the transient lodging tax for all cities and counties across the state, as state law requires under House Bill 4120. This position has been communicated to AirBnB’s policy team.

#### **5) Giving Back / Shared Stewardship**

##### **[Travel Oregon Forever Fund](#)**

Travel Oregon developed the Forever Fund in 2012 to enable visitors in Oregon to give back to projects that make Oregon a better place to live and travel. As a travel philanthropy program, donations are collected from visitors by tourism businesses across the state throughout the year. More than \$42,000 was raised in 2018 and more than \$215,000 has been raised since 2012.

28 tourism-related projects have been supported since 2012. The current Forever Fund projects are listed below and were selected for their ability to improve visitor experiences in Oregon by protecting or enhancing our state’s natural landscapes.

- Oregon Coast: Explore Nature
- Portland Region: Gateway Green
- Southern Oregon: Restoring the North Umpqua Trail
- Central Oregon: Cascade Lakes Mountain Bike Trail
- Willamette Valley: Bunchgrass Trail Rehabilitation
- Mt. Hood / Columbia River Gorge: Ready, Set, GORge!
- Eastern Oregon: Oregon Desert Trail

#### **Oregon Coast Trail**

The Oregon Coast Regional Destination Management Organization, Oregon Coast Visitor Association (OCVA), has partnered with Oregon Parks and Recreation Department to fund a part-time year-round stewardship coordinator on the North Coast whose primary responsibility is recruiting and training

volunteers to coordinate trail work parties on the Oregon Coast Trail. The position was filled in mid-August 2018 and plans to run at least 20 stewardship events and at least 10 trainings.

### **Wildfire Marketing Co-Op Advertising**

After wildfires occur, communities often need an infusion of economic resources to help compensate for the impact of closed businesses during active wildfires. Travel Oregon partners with the local community and the Regional Destination Management Organization to develop a marketing cooperative(co-op)- to help promote the area via a marketing campaign to drive visitation post-wildfire. After the Eagle Creek fire, an Expedia co-op was completed in the Columbia River Gorge, and in 2018, another Expedia co-op was completed in Southern Oregon. Because of these ad campaigns, the hotel bookings in the area were relatively flat instead of heavily negatively impacted. Driving visitors to impacted communities after wildfires, when safe to do so, helps bring business to communities' lodging, restaurants, retail, attractions, guides and more when they need it most.

## **6) Professional Development Opportunities for the Industry**

### **Community Leadership Bootcamp**

Travel Oregon hosts annual Community Leadership Boot Camps for tourism studio steering committee and action team leaders who are actively working on tourism development. An overarching purpose of the training was to continue to advance the number of tourism development staff across the state. Workshops focus on food trail development, transportation development, tourism network development, outdoor recreation development, how to successfully implement a Resource Assistance for Rural Environments (RARE) Americorps program placement and how to keep tourism volunteers engaged in project work.

### **Resource Assistance for Rural Environments**

Travel Oregon completed a second-year partnership with the University of Oregon to deliver the RARE Americorps program. Twenty percent of RARE placements in Oregon are focused on tourism development in communities that have completed an Oregon Tourism Studio. Four of the positions were funded in partnership with Travel Oregon, Regional Destination Management Organization's and other local and regional partners, which were then matched with contributions from the University of Oregon. These positions are used both in management of existing tourism markets as well in the development of tourism product in communities across the state. For the 2018-2019 placements, these tourism-related RARE positions are located in:

- Klamath Falls
- Condon
- Hood River
- Port Orford

### **[Guest Service Gold Tourism Oregon](#)**

Travel Oregon partnered with the Oregon Restaurant and Lodging Association to develop an Oregon-specific version of the internationally accredited Guest Service Gold program created by the American Hostel and Lodging Association. The Guest Service Gold Tourism Oregon program is targeted for frontline staff at tourism-related businesses to support them advance their careers and improve local visitor experience. More than 1,400 tourism staff in Oregon have been certified through the program since 2015 and more than 40 trainers have been trained to deliver trainings across the state.

**Strategic Plan INITIATIVE: Facilitate the development of world-class tourism product and experiences with a focus on gap areas (strategies that allow us to redirect visitors away from high use areas and towards underserved areas)**

In order to assist communities that already have strong tourism demand and may be vulnerable to the unintended impacts of high visitation, Travel Oregon partners with local communities and industry members to develop tourism experiences and products in gap areas of the state to redirect visitors to travel to these lesser known destinations.

**Oregon Scenic Bikeway program**

Travel Oregon partnered with the Oregon Parks and Recreation Department and Oregon Department of Transportation to develop the Oregon Scenic Bikeways program in 2009. The purpose of the program is to identify a series of signature road biking routes across the state that inspire folks to leave urban or high-use areas and opt for scenic bike rides along off-the-beaten path areas of Oregon. Since 2010, 17 Oregon Scenic Bikeways have been designated. A 2014 study by Travel Oregon found that each Bikeway generated an average of \$1.2M in annual visitor spending in Oregon communities throughout the state.

**Oregon Food Trails**

As a result of the growing interest in developing agritourism in Oregon, Travel Oregon has developed the Oregon Food Trails program to provide a framework for communities across the state to promote their local food-related tourism assets. Oregon Food Trails, which are a series of self-guided culinary adventures that connect visitors with producers, farmers and the bounty of the local region. Visitors have the opportunity to learn about how the product is grown and farmers have the opportunity to connect with visitors and improve direct sales. Businesses and communities along the Oregon Food Trails have reported an immediate increase of visitation due to this targeted and coordinated marketing and branding effort. Four Food Trails currently exist in Oregon:

- [North Coast Food Trail](#) (from Lincoln City to Tillamook to Cannon Beach)
- [Wild Rivers Coast Food Trail](#) (from Reedsport to Bandon to Brookings)
- [East Gorge Food Trail](#) (from Mosier to The Dalles to Dufur)
- [Great Umpqua Food Trail](#) (from Roseburg to Reedsport)
- [South Willamette Valley Food Trail](#) (from Junction to Cottage Grove)

**Product Development**

Every year, Travel Oregon develops tourism product in partnerships with communities and agencies across the state. For example, in FY17-18 Travel Oregon led, partnered on, or funded the development of 31 tourism-related projects across the state to support the continued development of the Oregon experience. A few of the projects are listed below:

<b>Projects Delivered</b>	<b>Region</b>	<b>Lead Project Partners (in addition to Travel Oregon)</b>
Oregon Scenic Bikeways Map	Statewide	Oregon Parks & Recreation Department
Uncork Polk Country	Willamette Valley	Polk County Tourism Alliance
Whiskey Run Trail	Oregon Coast	Oregon Coast Visitors Association

Regional Welcome Kiosks—John Day River Territory, River Canyon Country	Eastern Oregon, Central Oregon	Mid-Columbia Economic Development District, Maupin Chamber of Commerce, Prineville-Crook County Chamber
Oregon Scenic Bikeway Video—Oregon Outback	Southern Oregon	Oregon Parks & Recreation Department
Columbia Express—service expansion to Hood River	Mt. Hood/Gorge	Oregon Department of Transportation
Crooked River Canyon Scenic Bikeway	Central Oregon	Oregon Parks & Recreation Department

### [Oregon Timber Trail](#)

In 2016, Travel Oregon identified an opportunity to create a 670-mile mountain bike trail that stretches from Oregon’s border with California to Washington by connecting a network of existing multi-use trails and logging/gravel roads. The results of this concept led to the creation of the Oregon Timber Trail and the Oregon Timber Trail Alliance, a non-profit group that works directly with the U.S. Forest Service to maintain trails along the route. Much of the 670-mile trail is on unmaintained trails in National Forests, so a key component of this body of work has been having the Oregon Timber Trail Alliance host trails skills trainings and work parties along the trail to support the backlog of maintenance on public lands in Oregon. Travel Oregon has provided the Oregon Timber Trail project with \$57,377 on foundational planning work and route refinement.

### **RESEARCH**

Research helps Oregon’s tourism and hospitality industry make informed decisions regarding product development, enhances the industry’s marketing efforts, helps track trends and performance at state and national levels and provides performance measures for the agency and the industry. Travel Oregon initiates original research by contracting with professional researchers, purchases relevant studies and partners with others to develop research that will benefit Oregon.

In addition to annual economic impact numbers, Travel Oregon also completes multiple studies on visitor profiles, advertising accountability and niche research on cycling, agritourism, and outdoor recreation. Below are additional research efforts that have been led by Travel Oregon.

### **Tourism Workforce Analysis with EcoNorthwest**

Travel Oregon is currently working with EcoNW on a tourism workforce analysis for the state of Oregon. The purpose is to understand the contextual considerations that lead to barriers and opportunities for tourism workforce in Oregon. Travel Oregon has heard that workforce development is a concern across the state, but little work has been done to understand the variation in the needs across geography, sector and time of year. The results of the study will build on the 2018 Oregon Talent Assessment completed by EcoNW at the request of Governor Kate Brown so that our state has additional data to support strategic direction for workforce development outside of just the tourism industry.

### **Wildfire Response**

The wildfire seasons of 2017 and 2018 burned more than two million acres in Oregon, including some of the state’s most significant visitor destination areas. In addition to proactive messaging around wildfire prevention and preparation, a wildfire [toolkit](#) for industry partners, developing a [wildfire video](#) to inform visitors, Travel Oregon conducted two studies on wildfires to capture impacts on the tourism industry and Oregon communities.

- **Economic Impact** – Wildfires in 2017 caused an estimated \$51.1 million in lost revenue (visitor spending). Employees and working proprietors lost \$16 million in earnings, and \$368,000 and \$1.5 million in local and state tax receipts, respectively. Impacts were felt most strongly by food and beverage service (\$13.9 million) and lodging (\$13.5 million), followed by retail businesses (\$3.9 million).
- **Wildfire Visitor Perception** – A visitor perception study found that approximately 82% of all respondents plan to travel to and in Oregon in the future. Of these visitors, about 53% reported that wildfire is, or might be a factor in deciding when they will visit. There was also considerable interest in visiting Oregon in seasons other than summer, in particular fall and spring.

#### **Columbia River Gorge / Mt. Hood – Visitor Profile Study**

To help inform future transportation decisions in the area, Travel Oregon is completing a Visitor Profile Study on travel decisions to and within Sandy, the Villages of Mt. Hood, Government Camp, and Estacada. The results of this work will help inform the opportunity for realizing an around-the-mountain coordinated transportation service, an effort that is being led by multiple agencies including the Oregon Department of Transportation.