

House Interim Committee on Economic Development & Small Business

September 21, 2022

PRESENTED BY SPORT OREGON

Maika Janat-Vennemann, Chief Operating Officer
Matt Reed, Director of Sports Tourism

The background of the slide is a photograph of the Oregon State Capitol building in Salem, Oregon. The building is a large, light-colored stone structure with a prominent central dome topped by a golden statue. It is surrounded by a well-maintained green lawn and rows of cherry blossom trees in full bloom, their pink and white flowers creating a soft, scenic frame. The sky is a mix of blue and orange, suggesting a sunset or sunrise. In the bottom right corner, there is a black, curved banner with the text "SPORT OREGON" in white, bold, sans-serif font, with a registered trademark symbol (®) next to "SPORT".

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INTRODUCTION — SPORT OREGON



501c 6: 125+ like-minded members who see sports as an engine for economic development through sport. Members' support provides the funding necessary to bring the best in sport to Oregon.

Members include-

- Providence Health & Services
- UBS
- Adidas
- US Bank
- Portland Timber & Thorns
- Travel Portland
- Nike
- Travel Oregon
- Portland Trail Blazers
- Mortenson Construction
- Confederated Tribes of Grand Ronde
- Port of Portland

501c 3: provides grants and conducts programs to support youth sports, with an emphasis on both underserved youth, young girls and increased physical activity.

We have strong relationships with local, regional and state tourist and business associations such as *Travel Oregon, Travel Portland, Oregon Business & Industry, Business Oregon, Oregon Restaurant and Lodging Association, Portland Business Alliance, and Greater Portland Inc.* to effectively drive and contribute to the economic development & recovery efforts impacting the state through sports tourism and the sports industry ecosystem.

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GOALS - OBJECTIVES

Sport Oregon strives to pursue the goal of sports and enhancing the lives of Oregonians.

Sporting events of all kinds remain an economic driving force that empowers and aids local communities and particularly small businesses.

Sport Oregon has over 30 years of experience marketing the state and its regions to the sports event industry. A reliable “bid fund” or pool would provide a competitive advantage for a team of Sport Oregon, Oregon Travel Industry professionals and host communities to secure and maintain Oregon’s share of economically valuable sports events into the future

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OREGON EVENTS/PARTNERSHIPS



- INDYCAR GRAND PRIX OF PORTLAND
- MLS CUP
- NCAA MEN'S BASKETBALL TOURNAMENT
- XFINITY NASCAR SERIES
- IRONMAN 70.3 - SALEM
- TRIPLE CROWN VALLEY INVITE
- OREGON WINE COUNTRY HALF MARATHON – INDEPENDENCE
- WORLD ATHLETICS CHAMPIONSHIPS OREGON22 – EUGENE
- EUGENE MARATHON
- OREGON SPORTS SUMMIT
- TRACK TOWN USA
- WOMEN'S INTERNATIONAL CHAMPIONS CUP

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EVENTS- WOMEN'S FINAL FOUR

- Sport Oregon led the bidding group and processes from the NCAA and organized the first-ever virtual site tour of Portland in August 2020.
- While losing out on that effort to Tampa and Phoenix sport Oregon learned a great deal from that experience.
- Sport Oregon submitted a proposal for the 2024 Women's Final Four and *was selected as one of the finalists for that bid.*
- Last week Sport Oregon and its partners welcomed the NCAA site visit team to Portland.

Potential economic impact:

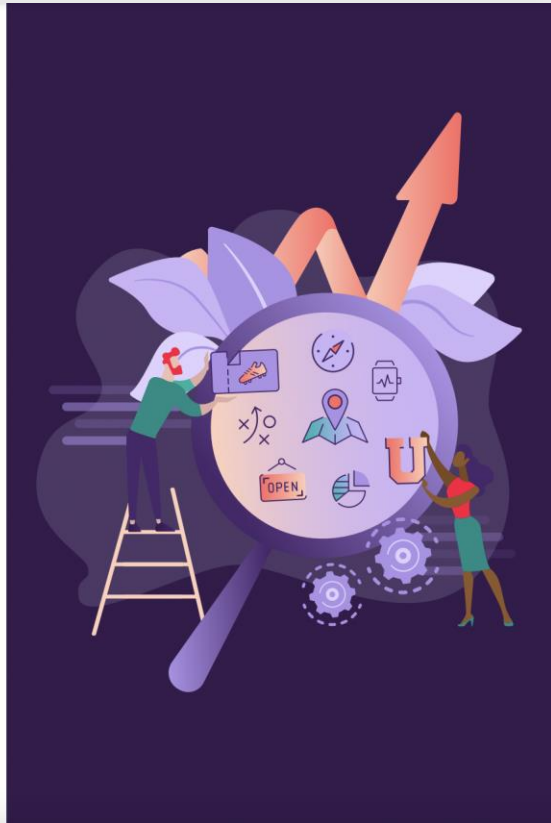
- Room Nights: 11,000
- Economic Impact: \$20M+

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ECONOMIC IMPACT OF SPORTS

OREGON: THE STATE OF SPORT

The Economic Impact of the
Athletic, Outdoor, Team, and
Recreation Industries



Sports ETA, the only trade association for the sports events and tourism industry, annual State of the Industry Report for 2021 that nationally, the sports tourism sector's direct spending had an



- impact of \$39.7 billion
- generated a total economic impact of \$91.8 billion,
- supporting 635,000 full-time and part-time jobs and
- generating \$12.9 billion in taxes

<https://oregonstateofsport.com/>

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THE CHALLENGE FOR OREGON

- Sport Oregon's efforts of sourcing and securing sports tourism events in Oregon, face an uneven playing field.
- Other states and municipalities offer access to financial mechanisms that can either incentivize or offset certain costs in the pursuit of sporting events.
- Currently, there is no state-wide program specifically for the sports tourism efforts Sport Oregon undertakes even though sporting events have been an important and evident driver for economic recovery in Oregon.
- A statewide "bid fund" specifically for sports tourism that require financial boosts and fundraising to host and execute is needed in order to remain competitive.

The fund could be made available to local communities so they can be "reimbursed" rather than to expend dollars to clients and event producers.

For instance, while IRONMAN's "bid fee" was \$70k. They also require the host community (Salem) to pay for security, police, race logistics up to \$40k. Those funds are spent in the community.

The ability to access a funding pool to pay for tangible cost in the community would be highly constructive rather than funding straight to the client.



HOW OTHER STATES DO IT

Florida

Come Play in Florida <https://playinflorida.com/>

Florida's Sports Industry creates over \$57.4 Billion in economic impact & attracts over 16 million out of state visitors each year. The Florida Sports Foundation, (Foundation), Grant Programs are designed to assist communities and host organizations in attracting sports events, which will generate significant out-of-state economic impact for the state of Florida. A Board of Directors awards grants on a quarterly basis, and places emphasis on out-of-state economic impact, return on investment, community support and image value to the state. **Its 2021-2022 Budget was in excess of \$5 million.**

Texas

The Event Trust Funds Program

<https://gov.texas.gov/business/page/event-trust-funds-program>

is comprised of three separate funds—the Events Trust Fund, Major Events Reimbursement Program, and Motor Sports Racing Trust Fund—targeted at attracting various types of events to the State of Texas. The Funds can assist Texas communities with paying costs related to preparing for or conducting an event by depositing projected gains in various local and state taxes generated from the event in a dedicated event-specific trust fund to cover allowable expenses.

For 2022 the Fund has spent/committed over \$37 million



HOW OTHER STATES DO IT

Indiana

SB245 was signed by the Governor in March 2022. It establishes the statewide sports and tourism bid fund (fund) to provide funding for the purpose of organizing and holding sports and tourism events in Indiana. <https://trackbill.com/bill/indiana-senate-bill-245-statewide-sports-and-tourism-bid-fund/2219552/>

Provides that the Indiana Destination Development Corporation (IDDC) shall administer the fund. Requires the IDDC to distribute to the Indiana Sports Corporation a grant amount equal to the amount appropriated by the general assembly to the fund.

Authorizes the Indiana Sports Corporation to award grants to other eligible entities for the purpose of organizing and holding an event in Indiana. Requires the Indiana Sports Corporation to annually report to the budget committee on the use of the money received from the fund.

ESTABLISHING AN OREGON “SPORTS BID FUND”

A statewide “bid fund” would help attract and execute world-class sporting events in our state.

A reliable, consistent sports tourism “bid fund” with an annual appropriation would have a direct positive impact to secure and keep tourism-inducing events in our state.

It would also send a clear message to competitors that Oregon is positioned to host large-scale sporting events.

The logo for "SPORT OREGON" is located in the bottom right corner. It features the word "SPORT" in a bold, white, sans-serif font with a registered trademark symbol (®) to its upper right. Below "SPORT" is the word "OREGON" in a larger, bold, white, sans-serif font. The text is set against a dark, irregular background that resembles a stylized shape or shadow.

ESTABLISHING AN OREGON SPORTS BID FUND

A fund targeting a particular need is not new to Oregon

Connect Oregon was established by the 2005 state legislature to invest in non-highway modes of transportation impacting local jurisdictions. The projects funded are meant to ensure Oregon's transportation system is strong, diverse, and efficient.

For the seven cycles there have been:

- 221 projects selected through a competitive process **\$463 million awarded**
- \$665 million leveraged via applicant match

The legislature supports the **Oregon Cultural Trust** via the **Cultural Trust tax credit**. The State funds cultural activities in the state into perpetuity. When one donates to any of the 1400+ nonprofits on the Trust's list and then makes a matching gift to the Oregon Cultural Trust on its website, Oregonians who pay state income tax will get the credit back – dollar for dollar – on their tax return. A tax credit reduces what one owes the State of Oregon. For example, if \$200 is owed in Oregon taxes, but a \$100 contribution to the Cultural Trust was made by Dec. 31 of that tax year, the final tax bill will only be \$100.



ESTABLISHING AN OREGON SPORTS BID FUND



What is being proposed is not new- just applying a known concept to another sector that has positive economic and social implications.

- An annual appropriation is needed – **not** from the General Fund
- A fund will leverage private investment and create a platform for philanthropic contributions that could help local sport infrastructure as well
- Any disbursement of funds must include oversight, accountability, audits and transparency and strict rules.
- Through a partnership with the state and destination partners, Sport Oregon could work to develop specific criteria for events/destination marketing organizations (DMOs) and/or local communities to be eligible to apply for such a bid fund. We would help to target events that fit that criteria and develop protocols – along with the state – to access specific amounts.
- Oregon has been successful in its efforts to attract events to the state, but we can do more- we need to be nimble and competitive

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THANK YOU

QUESTIONS & FOLLOW-UP

INTERIM HOUSE COMMITTEE

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