

Testimony – Oregon Senate Committee on Finance and Revenue

Subject: Lodging as an Economic Engine for Oregon’s Historic Downtowns

Senator Mike McLane and members of the Committee,

Thank you for the opportunity to testify today.

I reject the premise that we must choose between Ranchers and our Historic downtowns! We must find a way to fund using broad based revenue, not attacking lodging that fuels our communities! Historic Downtowns and Main Streets do not survive on local spending alone. They depend on outside dollars, and lodging is what brings those dollars into our communities.

In your own districts, you can see this connection clearly. Baker City and Bend offer vibrant, walkable cores filled with brick storefronts, brewpubs, boutiques, galleries, and independent restaurants. Prineville and Madras feature classic Main Streets with family cafés and locally owned shops. John Day and Canyon City reflect Oregon’s frontier history through preserved streetscapes and small-town merchants. Burns, Lakeview, Vale, and Ontario maintain traditional commercial corridors where local businesses rely on steady visitor traffic.

These aren’t just charming towns. When visitors stay overnight, they step out of lodging properties and spend directly in these downtowns; often hundreds of additional dollars per visit. That spending keeps historic storefronts occupied, payrolls supported, and rural communities alive.

Here’s what that looks like in real life. When someone books a \$300 suite, they rarely spend only \$300. That same guest typically spends another \$200 to \$300 per day in the surrounding neighborhood — dinner at a brewpub, breakfast at a bakery, a gift shop purchase, a museum ticket, maybe a bottle of wine or supplies from a local store.

So one room night often generates \$500 to \$600 or more flowing directly into Main Street businesses. That is new money coming into the community — not just recirculating local dollars.

I’ve seen this firsthand. When the Geiser Grand Hotel was closed and unrestored, downtown storefront vacancy was about 80 percent. Today, with the hotel operating and bringing overnight guests year-round, vacancy is closer to 20 percent. Guests walk out our front door and straight into local shops and restaurants. That foot traffic is what keeps those businesses alive.

More empty rooms means fewer visitors. Fewer visitors means fewer open doors. If we want Oregon’s historic districts to remain vibrant and economically sustainable, supporting lodging is not optional — it’s foundational.

Thank you for your time and consideration.