

**Wallowa County Rural Tourism Studio
Interim Baseline Assessment
February 2010**



RURAL TOURISM STUDIO

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I. Introduction

This report includes qualitative and quantitative baseline information for Wallowa County at the start of its work with Travel Oregon on the Rural Tourism Studio (RTS) Project in the spring of 2009.

The Rural Tourism Studio program aims to stimulate new tourism development activities that generate business revenue, jobs, entrepreneurial opportunities, and revenue for public services over time. The RTS workshops are designed to help the community learn about and organize around key sustainable tourism products, services and markets; connect with new partners and resources for implementation; and generate local momentum for action.

Because the evaluation plan was not yet in place when work began in Wallowa County, this information is reconstructed from post-program stakeholder interviews, meeting notes, and recent planning documents. The data will be combined with business surveys, workshop participant surveys, and ongoing key stakeholder interviews data to assess the value of the RTS program approach for increasing beneficial tourism in Oregon's rural communities.

II. General community profile and context

Wallowa County is located in the northeast corner of Oregon, abutting the states of Idaho and Washington. Located in the ancestral territory of the Nez Perce Indians, Wallowa County was settled by non-Indian pioneers starting in 1871. Then part of Union County, it was carved out as a separate county in 1887 (Oregon Blue Book). The land area of Wallowa County is 3,153 square miles: 56.4% of this land is publicly owned.

Wallowa County's geographic remoteness is magnified by its rugged topography. To the east, its border runs along the Hells River Canyon; to the northwest is the Weneha Wilderness of the Blue Mountains, and to the southwest are the Wallowa Mountains. This topography includes world-class recreational areas, including the Eagle Cap Wilderness, Wallowa Lake, and the Hells Canyon National Recreation Area. These areas are managed through the Wallowa-Whitman National Forest.

The closest major airports are in Spokane WA and Boise ID, each approximately 5 hours away. Limited commercial air service is available in Pendleton, OR, Lewiston, ID and Walla Walla, WA, each approximately 2.25 hours away. There are two small airports within the county for private planes.

The total population of this rural county is 6,760 people*: it has hovered around 7,000 people for nearly 50 years. The four incorporated communities (Enterprise, Joseph, Wallowa, and Lostine) are clustered near the county's geographic center, in the Wallowa River valley. Together, they house slightly more than half (56.5%) of the population. The remaining county residents live in unincorporated areas.

Population Change, 1990-2008

	1990	2000	2008*	%change 2000-2008
Wallowa County	6,911	7,226	6,760	-6.4% (census)
Oregon		3,421,299		10.8%

Source: U.S. Census;

* Portland State University's Population Research Center estimates the 2008 Wallowa County population to be 7,115 people. The PSU methodology yields a "certified population estimate" used for allocation of certain state resources.

The area’s economy has long been dependent on natural resource-based activities: agriculture/ranching are the single largest source of export-dependent employment (Oregon State Extension Service). The area was hard hit by the decline of the timber industry in the 1990s, and it still is more economically distressed than the state. Since the early 1990’s, tourism-related employment has grown.

**Tourism Sector Jobs, Wallowa County
1990-2008**

Year	Tourism jobs
1990	290
2000	570
2003	590
2005	470
2007	500
2008	510

Source: Dean Runyan Associates for Travel Oregon

Travel Oregon approached the community about this project in the summer of 2008. As one of two pilot communities for the RTS program, community leaders did not have to make formal application or meet specific readiness criteria. However, RTS program staff considered the following characteristics in selecting Wallowa County:

- Strong local leadership and willing partners in the tourism industry.
- Strong potential for growth in cycling tourism and agri-tourism/culinary tourism; both areas targeted by the State’s tourism development and marketing organization.
- Timely opportunity: the Northeast Oregon Economic Development District recently received a federal RBEG (Rural Business Enterprise Grant) to help develop bicycle tourism businesses in Wallowa, Baker and Union Counties. These resources could be leveraged.
- Broad capacity; community had completed several rounds of leadership training as part of the Ford Institute Leadership Program delivered by Rural Development Initiatives.
- Economic hardship; this program could bolster local efforts to increase employment opportunities and income levels.

A six person steering committee representing city government, the chamber of commerce, regional economic development district, regional destination marketing organization, and an entrepreneurial nonprofit worked with Travel Oregon staff to customize RTS workshop offerings and to spearhead community outreach.

Initially, Travel Oregon considered targeting the program for a larger tri-county region of Baker, Wallowa and Union Counties. These three counties have a history of working cooperatively, share regional organizations and regional destinations such as the Hell’s Canyon Scenic Byway. In consultation with the local steering committee, the partners decided to focus first on the more manageable geography of a single county, Wallowa County, as part one of hopefully a multi-step process. The workshops on bicycle tourism were, however, promoted within the three county region, because of the regional interest in that topic.

The first workshop of the RTS program was held on April 3, 2009 and drew 24 participants. The workshop series concluded on May 29, 2009.

III. Qualitative assessment of “starting point” for RTS

This baseline report was compiled after the completion of the Wallowa County Rural Tourism Studio. It draws on several sources of information. First, as part of phone interviews conducted several months after the program’s completion, steering committee participants and other key stakeholders were asked to think back to the state of the local tourism sector and implementation activities that were underway. Their observations are included here. Second, the RTS program manager provided additional insight from her initial meetings with the steering committee. Finally, I also reviewed plan documents and updates as available from the City, Chamber of Commerce, and regional planning organizations.

This is a community that has done a good deal of recent planning. It has a widely vetted county vision, a strategic plan and several action plans. It does not, however, have an overarching “tourism development strategy” because many tourism destinations and institutions are regional in nature.

Leaders in Wallowa County have begun implementing some tourism development projects as noted below. As a result, it will be difficult to attribute all project identification and informal project development to the RTS “intervention”. However, there are three areas where observed changes in the future may be directly related to what RTS is offering.

First, it appears that stakeholder engagement is narrow, especially among the business community and local government at the start of the project. Second, while Wallowa County residents are proud of their active, engaged citizenry, steering committee members perceive that tourism development efforts could benefit by better coordination and communication. Finally, there are very limited resources for marketing and project development. Future stakeholder interviews will include questions to assess how causal effects are perceived.

A. Planning

Since 2005, several intensive planning efforts have taken place in Wallowa County. While none of them, until the Rural Tourism Studio project, have focused specifically on tourism, all of them make reference to tourism as a development opportunity. There is great trepidation, however, about unbridled tourism and its potential negative impact on the county’s working landscapes, rural lifestyles and traditions. Agri-tourism and bicycle tourism, both focus areas for the Wallowa County Rural Tourism Studio, are cited in these plans as specific opportunities that are compatible with broader Wallowa County goals, and therefore worth pursuing.

The four recent planning initiatives in Wallowa County:

- 2005 Economic Summit, which led to the formation of an Economic Action Team
- Community Visioning with over 700 participants at venues throughout the county- Spring 2006
- Rural Design Assistance Team (RDAT): an intensive expert consulting panel recruited by the Economic Action Team. RDAT is a program of North Carolina State University which provides this free intensive technical assistance to one community selected annually through national competition. Site visit in October 2006
 - The RDAT report, issued in May 2007, contains the following 4 goals:
 - Preserve natural resources and working lands
 - Preserve rural lifestyle and sense of community
 - Provide opportunities for retention of youth- or employment sufficient to encourage their return

- Create new economic opportunities
- It also contains strategy recommendations specific to tourism, including
 - Connect agriculture with tourism
 - Expand traditional recreational activities and lodging services to include education and cultural experiences
 - Develop Wallowa County as an educational/ learning destination
 - Enhance traditional shopping activities with more local food and forestry products
 - Develop/expand “wellness tourism”
 - Develop more connective tours e.g. bicycling and a network bed and breakfasts
- Wallowa County Strategic Plan- completed at the end of 2006 by the Northeast Regional Economic Development District (NEOEDD). It summarizes the above reports, and includes a priority list of strategy focus areas as drawn from a citizen survey. The top three priorities are:
 - Entrepreneurship
 - Add value to natural resources
 - Improve technology

At the local level, the City of Enterprise joined the Oregon Main Street Program in 2008, and received technical assistance in the form of a downtown assessment report. Enterprise is the county’s commercial center, and this report does not reference tourism as a market opportunity specific to the downtown area.

At the regional level, NEOEDD is responsible for regional economic development planning in Baker, Union and Wallowa Counties as an affiliate of the U.S. Economic Development Administration: it coordinates access to some economic development project funding. Two of the eight goals identified in the region’s “Comprehensive Economic Development Strategy 2007-2013, June 2009 Update” address tourism development.

- Under Goal 1, “Collaborative Planning, Partnerships, Leadership”, Strategy 5 is “Support tourism development partnerships”
- Under Goal 5, “Quality of Life, Environment”, Strategy 2 is “Preserve cultural and spatial resources and provide economic benefits through eco-tourism”

The Strategic Plan for Travel Oregon, the state’s official tourism development arm, includes a focus on cycling, agri-tourism/culinary tourism, and heritage tourism, which are present and have potential for further growth in the Wallowa County area.

B. State of tourism and implementation activities

Tourism in Wallowa County is concentrated in the summer season, with more recent inroads into early fall as a shoulder season. There are many venues for winter outdoor recreation, but because of the county’s remote location and limited transportation options, winter visitation is currently low. Many tourism businesses operate only on a seasonal basis.

Niche bicycle tourism is growing, despite the fact there is no map, and poor signage for, Wallowa County Trails. According to Wallowa County Chamber Director Vicki Searles, most cycle tourism to date in Wallowa County has attracted fans of off-road, “hard core” biking vs. appealing to a wider (perhaps less fit!) target population. But that is beginning to change. NEOEDD has nearly completed implementation of a bicycle tourism business development project funded by USDA Rural Development. The most recent Wallowa County class of the Ford Institute Leadership Program installed bike racks throughout the county as its class project. The inclusion of Wallowa County in Cycle Oregon’s 2008 and 2009 road tours

has expanded market awareness and local interest in further bicycle tourism opportunities. The local effort in Wallowa County coincides with efforts at the regional level to expand bicycle tourism along the Hells Canyon Scenic Byway.

While outdoor recreation is the predominant theme for Wallowa County tourism businesses, arts and cultural-based tourism play a growing role. The small community of Joseph is internationally known for its cluster of bronze foundries and art galleries. The even smaller community of Wallowa is home to the Wallowa Band Nez Perce Trail Interpretive Center Tribe. North of Wallowa, a new nonprofit organization is developing an interpretive center on the site of Maxville, a railroad and timber community with a historically African American population.

Planning documents have highlighted agri-tourism as a promising niche market, but there is not a coordinated effort to develop this market to date. There are several entrepreneurs who are individually exploring specific opportunities.

C. Organizations and partnerships

There are two year-round visitor information centers in Wallowa County, both located in Enterprise. One is operated by the Wallowa County Chamber of Commerce: the other, the Wallowa Mountains Visitor Center, is a satellite office of the Wallowa Whitman National Forest. The manager of the Wallowa Mountains Visitor Center is currently the President of the Chamber of Commerce Board of Directors, so these two organizations work in partnership with one another.

The Wallowa County Chamber of Commerce serves as the “Destination Marketing Organization”, and the Eastern Oregon Visitors Association (EOVA), based in Baker County, serves as the “Regional Destination Marketing Organization” in partnership with Travel Oregon. The sole staff person for the EOVA also serves as staff for the Hells Canyon Scenic Byway Advisory Committee, which coordinates planning and destination marketing for this route that passes through Baker, Union and Wallowa Counties. There is also a volunteer-run Chamber of Commerce in the Community of Joseph. The two chambers work cooperatively, as evidenced by cross-promotions and links on their respective websites.

The Northeast Oregon Economic Development District provides planning and project development services throughout the Baker, Union and Wallowa County region, as well as some planning services in Umatilla County to the west. NEOEDD was instrumental as a partner with Travel Oregon to convene partners and launch the Rural Tourism Studio project. NEOEDD also has extensive programs to support entrepreneurs and small business growth. It offers business financing and micro-enterprise development programs, and sponsored the formation of the Wallowa County Business Facilitation project which provides technical assistance. It has worked directly with many tourism sector businesses.

Wallowa Resources is an entrepreneurial local nonprofit that works to “blend the ecological needs of the land with the economic needs of the community.” It has developed youth stewardship education programs, and is planning business ventures focused on bike tours and agri-tourism/sustainable agriculture. It is represented on the RTS steering committee.

Steering committee members cite several immediate opportunities to strengthen partnerships:

- More engagement of businesses
- Need for more coordination of effort around marketing and project development-“ lots of independent spirits doing different things”
- More engagement of elected officials in supporting tourism development

- Determining how to work most effectively at the county vs. regional (Baker, Union, Wallowa) level to develop and promote tourism

IV. Quantitative assessment of “starting point” for RTS

There are many types of data that can measure progress in developing a more robust, sustainable tourism sector. The types of information most of interest include:

- A. Volume of visitors
- B. Seasonality of visitors
- C. Visitor profile
 - Average spending/duration of visit
 - Key draws
 - Quality of experience
 - Where they have travelled from, and how they learned about the community
- D. Businesses related to tourism markets
 - Number of business establishments, and those within that relate to tourism
 - Mix of products and services offered to tourists
 - Diversity of business customer base
 - Growth/profitability of businesses
 - Jobs growth related to tourism markets
- E. New investments by public or private sector in tourism products
- F. Other improvements in community well-being due to sustainable tourism development

Given that the RTS project is launching during the worst economic recession since the Great Depression, the baseline information for 2009, as it becomes available, is likely to be especially low when compared with prior years. Thus, where possible, the baseline data includes multiple years to more accurately reflect trends before introduction of the RTS program.

A. Visitor volume

Annual transient lodging tax revenue can be used as a proxy for visitor volume. Between 2007 and 2008, lodging tax revenue fell in the City of Enterprise, the only Wallowa County community with a local lodging tax. However, in Wallowa County as a whole, lodging tax revenue increased faster than it did in the seven county Eastern Oregon tourism region. Data for 2009 is not yet available.

Lodging tax revenues for Wallowa County and Eastern Oregon Region

	2007	2008	% change 2007-2008
Enterprise	\$38,900	\$36,400	-6.4%
County-wide	\$231,800	\$244,400	+5.4%
Eastern Oregon Region	\$3,000,000	\$3,100,000	+3.3%

Source: Dean Runyan Associates for Travel Oregon

B. Seasonality

Forest Service recreational use permits and parking passes will be used as a proxy for seasonality of visitors starting in 2010. Day parking passes declined from 2008-2009, which is contrary to the trend in some national forests closer to metropolitan areas: for example, the Willamette National Forest in Lane County as referenced in the Oakridge Rural Tourism Studio Baseline Report.

**Northwest Forest Day Parking Passes-
Wallowa County trailheads, Wallowa Whitman National Forest, 2008-2009**

Parking areas	2008	2009	% change
Eagle Cap Wilderness and Hells Canyon National Recreation areas	2862	2618	-8.5%

Source: Wallowa Whitman National Forest

**Commercial Permits
Wallowa Whitman National Forest, 2008 and 2009
For all or partial use in Wallowa County**

	2008 and 2009
Recreation events	6 (summer or winter only)
Upland Outfitters/guides	16 (3 seasons)
River guides- powerboat and float trips on Wild and Scenic Snake River	29 (yearlong)

Source: Wallowa Whitman National Forest

The Wallowa Mountains Visitor Center of the Wallowa Whitman National Forest serves as the county’s gateway to the Eagle Cap Wilderness and Hells Canyon Wilderness Area. According the Center manager Nancy Rudger, the center drew 59,800 visitors during 2009. The number of visitors in September and October doubled over the same months in 2008, an early indication that the shoulder (off-peak) season may be gaining increased appeal.

This data over time will also be useful for depicting how the volume and *types* of recreational uses are changing over time.

C. Visitor profile

There are several different sources of visitor profile data for Wallowa County. Unfortunately for the timing of this report, however, the data are either currently inaccessible or out of date. Data sources include the following:

- The Wallowa County Chamber of Commerce did conduct a visitor county and brief survey until approximately two years ago. The survey was discontinued due to lack of staff time for implementation
 - Questions included:
 - First time or repeat visitor?
 - How did you find out about Wallowa County?
 - What brings you here?
 - The Chamber did track home town as well, but no longer do because answers were consistent from year to year: primary place of origin was Portland/Willamette Valley and the Tri-Cities area of Eastern Washington.
 - The Chamber is open to conducting a short visitor survey in the future should one be made available.
- The Wallowa Mountains Visitor Center does gather visitor statistics, including home zip code and planned activities/length of stay. Summary data is noted in the “seasonality” section above. The data is however, in an electronic data base that only a seasonal employee (who starts again in May) can manipulate.
- A 2003 comprehensive survey of visitors to the Wallowa Whitman National Forest is summarized in the Forest Service’s “National Visitor Use Monitoring Results” report issued in

June 2004. This report includes such data as total use numbers for wilderness areas and recreational areas; gender, age, race, and home zip codes of visitors, preferred activities, average annual spending on outdoor recreation and more.

- This survey is being updated in 2009.
- Data will aggregate responses from all areas of the Wallowa Whitman National Forest, which includes more than Wallowa County.

Home zip code data is available at the regional level for the seven county Eastern Oregon region that includes Wallowa County. This data was last updated in 2006, and is included in the appendix of this report.

Finally, average daily expenditures by visitors are an important measure of economic impact. However, data is only available at the statewide level. For 2008, the average expenditure for overnight visitors was \$124 per day and \$331 per trip (source: Dean Runyan Associates for Travel Oregon). While average expenditure data gathered locally as part of future visitor surveys may not be scientifically rigorous, it will provide important insights regarding trends.

D. Businesses

Neither Wallowa County nor municipalities within the county require local businesses to be licensed. Thus, the Chamber of Commerce membership is used here as a rough proxy for changes in the number and mix of businesses within the county.

Businesses in Wallowa County, Oregon

Year	Chamber of Commerce members	Chamber member businesses with at least some tourism markets
2007	343	@ 60%
2008	350	@ 60%
2009	359	@ 60%

Source: Vicki Searles, Wallowa County Chamber of Commerce

Tourists spent an estimated \$26.7 million in gross sales for businesses in Wallowa County during 2008. The general direction of change from 2007 to 2008 is similar to the Eastern Oregon region as a whole, as noted below.

Tourism Spending in Wallowa County 2007-2008

Category	2007	2008	Wallowa Cty % change 2007-2008	E. Oregon % change 2007-2008
Accommodations	\$5.7 million	\$5.9 million	+3.5%	+3.7%
Food and beverage	\$6.7 million	\$7.0 million	+4.5%	+3.7%
Food stores	\$4.3 million	\$4.7 million	+9.3%	+6.5%
Ground transport/motor fuel	\$1.6 million	\$1.7 million	+6.3%	+9.3%
Arts/entertainment/recreation	\$2.5 million	\$2.5 million	0	+1.2%
Retail sales	\$4.9 million	\$4.9 million	0	-.8%
Air transportation	0	0	0	0

Source: Dean Runyan Associates for Travel Oregon

The remaining business information noted in the introduction to Section IV will be estimated by annually surveying a sample set of Wallowa County businesses (interviews and written survey) about market, product, employment and revenue trends. The first such survey will be conducted in spring 2010.

E. Other Data

This will be gathered from open-ended survey questions with key stakeholders, businesses and partners over time. During the course of the pilot project evaluation design, I will also seek out locally available data with indicators of community well-being.

V. Appendix: Additional Regional Level Data

Between 2004 and 2006, 10% of Oregon visitors spent time in the Eastern Oregon region. Of these 2.1 million Eastern Oregon visitors, 86% spent at least one night in the region. The remaining 14% were pass-through visitors

Top five urban zip codes for Eastern Oregon Region visitors, 2004-2006

City	% of E.O. visitors from urban areas
Portland, OR	41%
Eugene, OR	13%
Spokane WA/ID	11%
Seattle-Tacoma, WA	9%
Yakima WA	5%

Source: Longwoods International for Travel Oregon

Top 5 home states for Eastern Oregon visitors, 2006

State	% of E.O. Visitors from state
Oregon	47%
Washington	31%
California	5%
Idaho	3%
Oklahoma	3%

Source: Longwoods International for Travel Oregon