

Polk County Rural Tourism Studio
Baseline Assessment
August 2014 final



RURAL TOURISM STUDIO

Prepared for Travel Oregon by:

Write to Know Consulting

Eugene Oregon

www.write-to-know.com

Polk County Rural Tourism Studio Baseline Assessment

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I. Introduction

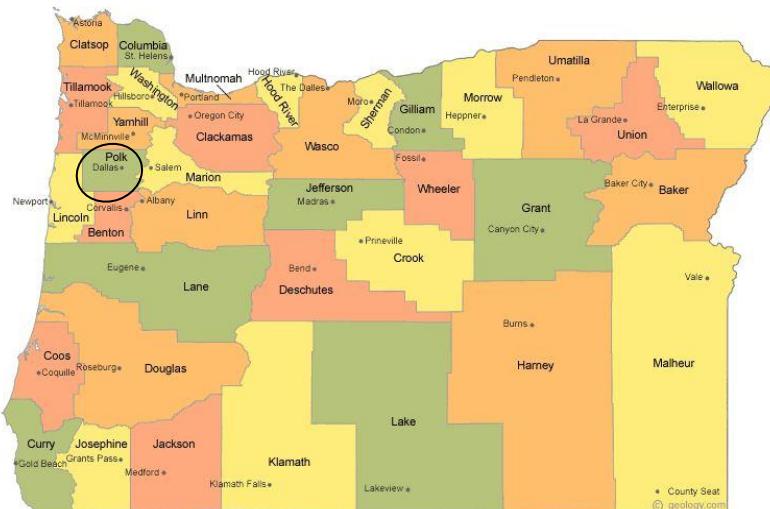
This report includes qualitative and quantitative baseline information for Polk County at the start of its work with Travel Oregon on the Rural Tourism Studio (RTS) Project in September 2014.

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.

This data will be combined with workshop participant surveys, ongoing key stakeholder interviews and project implementation updates to assess the value of the RTS program approach for increasing beneficial tourism in Oregon's rural communities, and to provide useful information to local participants with which they can gauge their progress.

II. General community profile and context

Polk County is located in Northwest Oregon between the Mid-Willamette Valley and the Mid-Coast. It is part of the Salem Metropolitan Statistical area, and as such, it heavily influenced by its location close to the state capital. The western section of Salem is in fact located in Polk County.



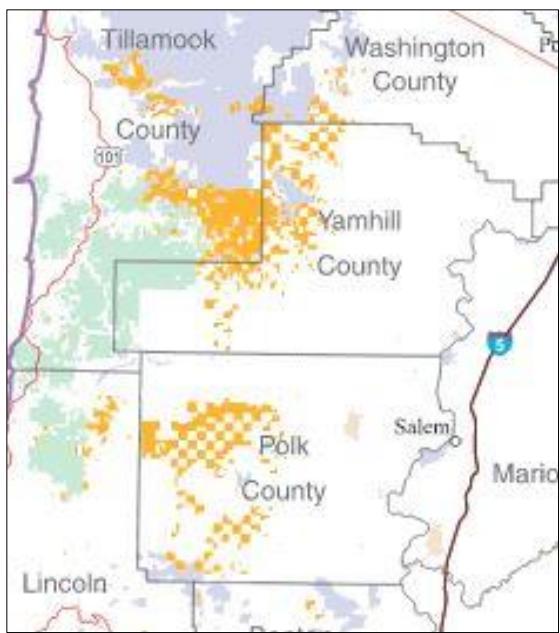
Among community leaders, there is a growing interest in tourism as an economic driver, from wine and agritourism to heritage and outdoor recreation. Tourism is not currently a large component of Polk County's economy, however, although the area is situated between many well-known visitor draws and it has some unique, if underdeveloped assets. Its location is both a great strength and a weakness. Adjacent to the epicenter of the state's wine industry, and a short day drive from much larger visitor markets on the coast and in the valley's metropolitan areas, it is close enough to major markets and attractions to be accessible via day trips. As a result, there are few lodging options in the county itself to capture the full economic potential of visitors.

In Travel Oregon's Regional Destination Marketing Organization (RDMO) network, Polk County is affiliated with the Willamette Valley Region, which includes Polk, Yamhill, Marion, Linn and Benton Counties, as well as parts of Lane and Clackamas Counties. The region is branded as [Oregon Wine Country](#). Travel Salem, the convention and visitors bureau for Marion and Polk Counties, is Polk County's liaison to the regional organization.

A. History and Geography

Polk County ranks 30th of 36 Oregon counties in terms of geographic size: it covers 744 square miles, all but three of which are land. Despite being one of Oregon's smallest counties, the county's topography and settlement patterns are quite diverse. Beyond the suburban feel of west Salem, Polk County is characterized by small towns and a rolling agricultural landscape that rises into the heavily forested Coast Range with its old growth stands. While the climate is generally temperate like the Willamette Valley in general, Polk County is also home to Oregon's wettest location, Laurel Mountain.

Unlike many of Oregon's rural counties, most of the land is privately owned. Public lands are color coded on the map below: Federal Bureau of Land Management (yellow), U.S. Forest Service (green), and State of Oregon (blue); county lands are not shown. BLM manages the majority of public lands in Polk County, and public lands are concentrated in the forests of the Coast Range.



Source: Bureau of Land Management, Salem District Office.

The public lands in the working forests of Polk County are not highly developed for recreation, although there is planning underway for potential mountain bicycling and multi-use trail development that could leverage existing informal trail systems. On public lands, neither the BLM, National Forest, nor the three state parks in Polk County (Maud Williamson, Sarah Helmick, and Fort Yamhill) offer overnight facilities.

Oregon's iconic Willamette River borders eastern Polk County, and the county landscape is furrowed with many creeks and streams flowing in its direction. Also in the valley, the Baskett Slough National Wildlife Refuge is notable for hosting the largest remaining population of the endangered native Fender's Blue butterfly.

The County's 2004 Comprehensive Plan asserts that unlike other parts of the Willamette Valley, Polk County contains little prime agricultural land: "Large areas of the County are geologically unsuitable for either agricultural or residential uses. Seasonal water shortages and soils of marginal value characterize the majority of the County's land area." Despite this assertion, agriculture is a main element of the economy today.

History:

The original inhabitants of Polk County were Kalapuya Indians. The Kalapuya-speaking Luckiamute Indians lived along what's now called the Luckiamute River which flows through southern Polk County from Bald Mountain to the Willamette River.

By the time Polk County was established in 1845, the native population had already been diminished by diseases carried by early explorers at the turn of the 19th century. These early explorers, Hudson's Bay Company fur traders and trappers, were followed by white settlers from the Eastern U.S. spreading out from the terminus of the Oregon Trail in search of land and new lives.

Between 1854 and 1857, soon after the county was established, the Grande Ronde Indian Reservation was also established by treaty in the wake of Southern Oregon's Rogue Wars between Native Americans and settlers. The new reservation was created to relocate and consolidate 27 tribes from throughout Western Oregon, including the Kalapuya, south to the California border. Straddling the border of Polk and Yamhill counties, Fort Yamhill operated from 1856 to 1866 to "keep the peace" between residents of the new reservation and nearby white settlements. When the Civil War broke out in 1851, the Fort's soldiers were called back east to fight. Volunteers maintained operations for another five years until the fort was permanently closed and the assets sold off. A State Heritage Area opened at the Fort Yamhill site in 2006, to interpret its history, natural and cultural attributes, and to preserve its archeological footprint. The State of Oregon and the Grand Ronde Tribes are collaborating on this development.

Along with Fort Yamhill, Polk County contains 29 national historic places, most of which are located in the several main settlements that evolved as white settlers continued to arrive. In 1850, the first county seat was established as the settlement of Cynthian, near the present day county seat of Dallas. It was soon renamed for U.S. Vice President George Dallas, who served under the county's namesake President James Polk. Independence was settled in 1845 and platted in 1850; Monmouth was founded soon afterward in 1853. Initial industry included grist and woolen mills, followed by grain, cattle and sheep.

As Salem grew, northeast Polk County became more urbanized, while parts of its rugged Coast range land to the west remained sparsely settled but for logging and wood products. Company towns like Boise-Cascade's Valsetz sprang up and then disappeared as logging stands were depleted. While Valsetz was not only abandoned but dismantled and its building parts sold, it is the site of an annual resident reunion.

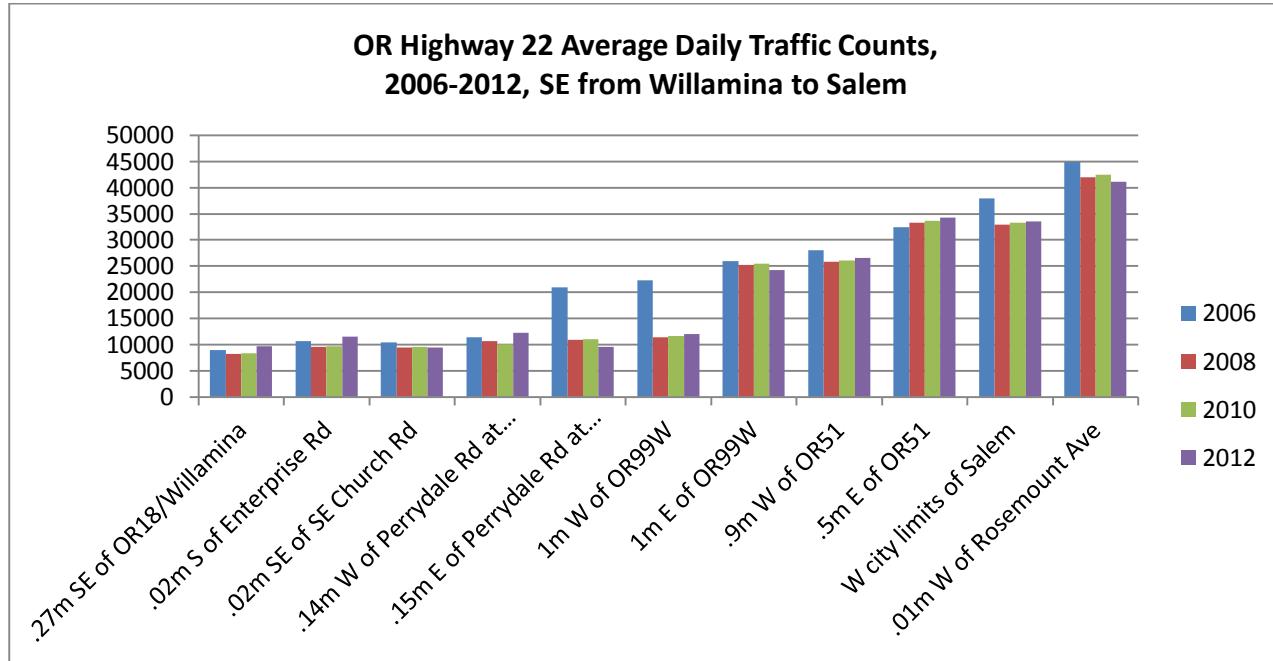
Despite Polk County's relatively poor soil quality and seasonal water shortages, important specialty crops have thrived throughout its history. At the beginning of the 20th century, hops and prunes were major crops, and at one time there were nearly 4,000 acres of hops growing in Polk County. This exceeds the acreage in vineyards today. A Century Farm is home to the Rogue (Brewery) Farms hop yards, and hop farming is making a comeback with the resurgence of interest in artisan beers for which Oregon is a major center of production.

Access:

Polk County is located roughly equidistant from two commercial airports approximately 75 minutes away in Portland or Eugene. Portland is the closest international airport. McNary Field, the Salem municipal airport, has had intermittent commercial service in the past, but does not currently have any commercial flights. The City of Independence has a small general aviation airport surrounded by a residential airpark.

Polk County's proximity to the main business district in Salem gives visitors easy access to Amtrak running between Seattle and Los Angeles. Unless the visitor is part of an organized group tour, however, traveling around the county generally requires a car because there is only one limited service public transit route from Salem serving Polk County beyond West Salem.

Polk County is connected with other parts of the state by several mostly two-lane highways running both east-west and north-south. The busiest transportation route in Polk County is US22, which merges into US18 and connects the state capital Salem with the coast at Lincoln City. Spirit Mountain, a tribally owned casino resort, is a visitor draw located on OR22 just west of Polk County. Since 2006, average daily traffic has slightly declined on this highway in Polk County. This is consistent with many highways in Oregon over the same period.



Source: Oregon Department of Transportation

Other main highway routes are OR Highway 99W, which runs north-south on the eastern side of the county; OR223 which connects Dallas with OR22 and OR51, which connects Monmouth and Independence. Traffic volume for these other routes is included in the Appendix. Interstate 5 lies just a few miles east of Polk County and provides easy access to the state's largest metropolitan areas and beyond.

For road cyclists, Polk County is located just a few miles from the Willamette Valley Scenic Bikeway. The indefatigable traveler can also reach Polk County by car ferry a few miles south of Independence at Buena Vista. The historic Buena Vista ferry operates 7 days a week and has been continuously operating since 1852.

B. Demographics

Polk County contains six incorporated cities, two of which are partially in an adjacent county.

- Dallas (the county seat), population 14,807 (2013 estimate from Portland State University)
- Falls City, population 950
- Independence, population 8,662
- Monmouth, population 9,906
- Salem (the portion west of the Willamette River)
- Willamina (also in Yamhill County)

Approximately 40% of Polk County residents live in West Salem; 44% live in the other incorporated communities wholly located in the county, and the remaining 16% in the Polk County portion of Willamina, the

Grande Ronde community (an Indian Reservation and census designated place spanning Polk and Yamhill counties) or unincorporated areas.

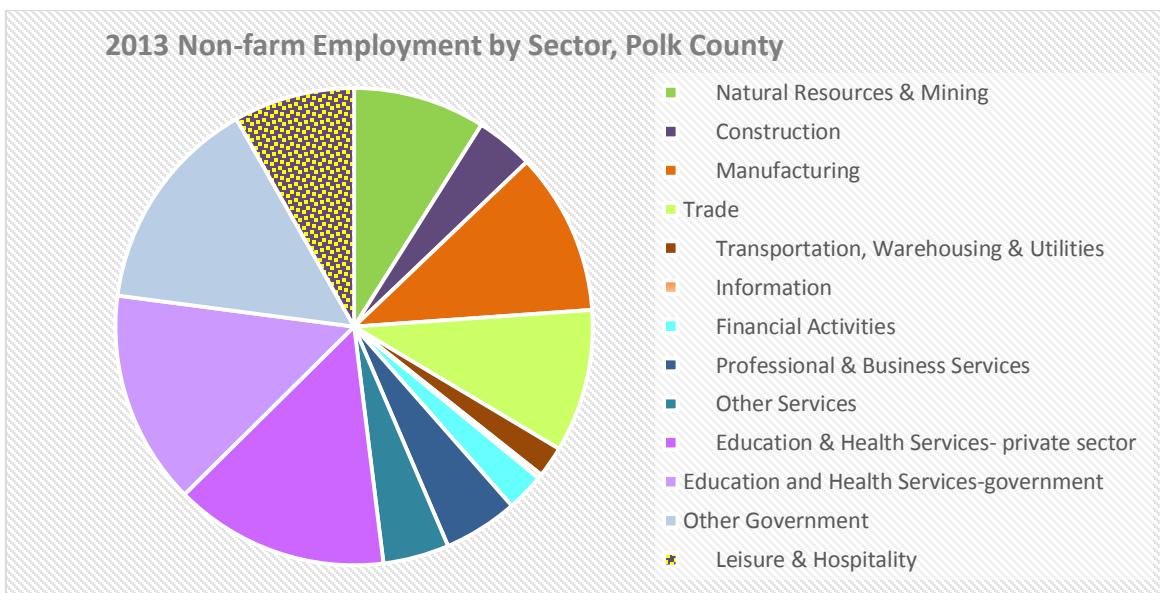
The population of Polk County grew by over 20% in the decade between 2000 and 2010; this was a higher rate of population growth than the state as a whole (12%). In fact, this was the first decade since the 1930s that the county grew at a significantly faster rate than the state.

Polk County's population has slightly more young people (under the age of 18) and slightly more people over the age of 65 than the state average, which is typical of rural areas. In terms of racial makeup, as is the case for Oregon in general, the large majority of Polk County residents are white. The county has a greater percentage of Native American (2.5%) and Hispanic/Latino residents (13%) than the state, but also a higher percentage of "white only" since other minority groups that are present statewide are less present in Polk County. In the city of Independence, where 35.3% of the population is Hispanic/Latino, the cultural influence is particularly visible. Grande Ronde is the headquarters of the Confederated Tribes of Grand Ronde, and the area, along with nearby Willamina has a concentration of Native Americans. The median household income for Polk County (\$52,365) between 2008 and 2012 was 4.6% higher than the state average, and the poverty rate of 14.6% is slightly below the state average.

C. Economy

The economy of Polk County is stronger and more diversified than most of the past Rural Tourism Studio regions. The largest source of jobs, considering both public and private employers, is education and health services. Representing over 25% of total employment, these sectors account for nearly 5000 jobs (shown in purple below), divided evenly between public and private employers. Western Oregon University in Monmouth is a significant single employer in this category.

The public sector in general is the largest single source of employment. In the private sector, manufacturing is the largest employer, with three industries accounting for 34% of all manufacturing jobs: beverage and tobacco products, fabricated metal, and machinery. "Leisure and hospitality", shown in the patterned wedge below, accounted for 11.6% of private sector jobs in 2013.



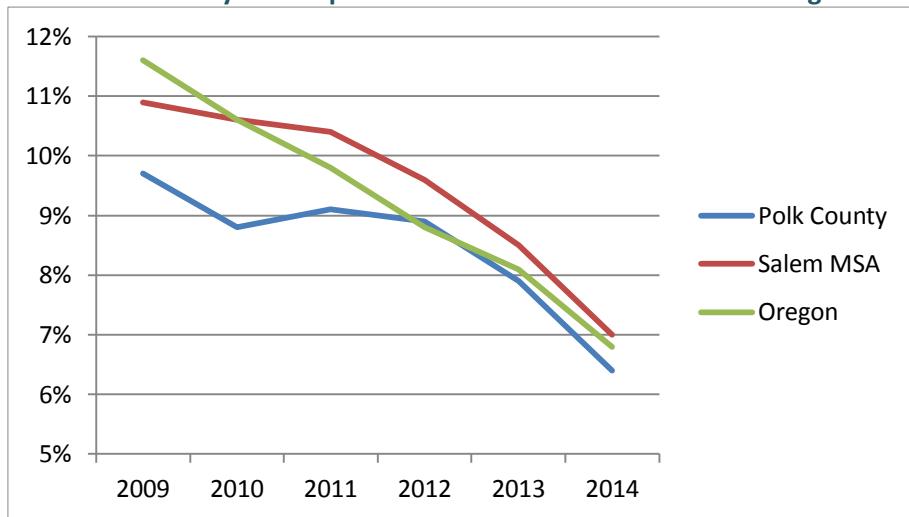
Source: Oregon Labor Market Information Service, Region 3

Agriculture, also a main economic activity, is not accurately reflected in the state labor statistics above. Wine grapes are a major agricultural product: despite its small size, Polk County ranks third statewide in production of wine grapes, yielding 3,900 tons in 2012. Also according to the Oregon Department of Agriculture, Polk County ranks 10th in gross farm and ranch sales.

The recession was felt in Polk County largely because of changes in the availability of employment in the larger metropolitan area, rather than because of declining local employment opportunities. This is evident in the difference in trends between unemployment rates (which are based on where people live) and number of jobs available (which is based on where people work).

In terms of unemployment rate, Polk County now mirrors the regional and state average, even though back in 2009, the Polk County unemployment rate was lower than either.

**June Unemployment Rate, 2009-2014:
Polk County as Compared with Salem MSA and State Average**



Source: Oregon Labor Market Information Service, Region 3

Over roughly the same period, the total number of jobs in Polk County dropped by less than 1%: private sector jobs grew by 3%, while the number of jobs in tourism actually grew by 15.6%.

**Change in Number of Jobs, Polk County, Tourism and Total
2004-2013**

Year	2004	2006	2008	2009	2010	2012	2013
All jobs	16605	18273	18344	17250	16989	17144	17195
Private sector jobs	11719	13042	12087	11815	11521	11974	12174
Leisure and Hospitality Jobs	1197	1198	1251	1220	1236	1403	1411

Source: Oregon Labor Market Information Service, Region 3

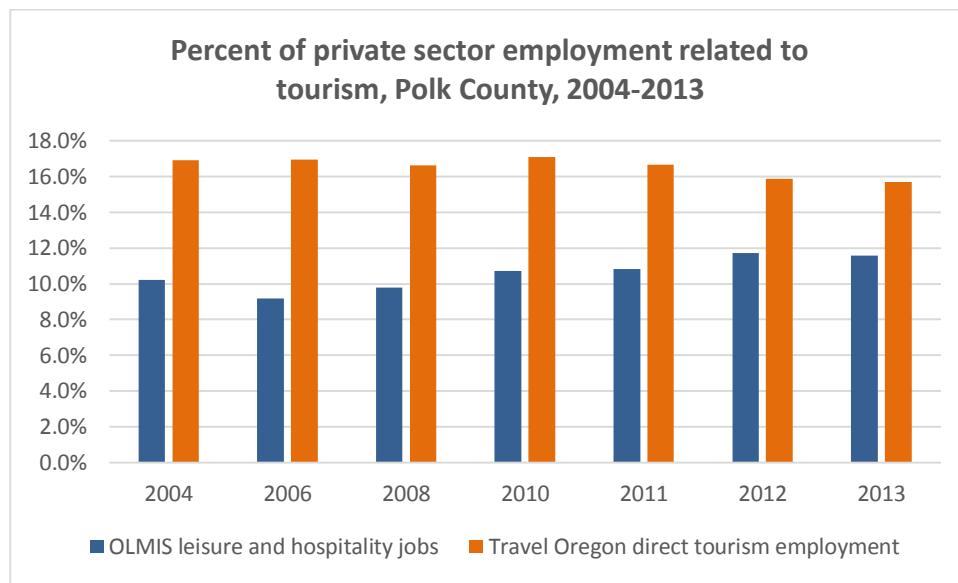
Travel Oregon also estimates total employment associated with tourism, and with its methodology, the numbers tell a different story. This is because Travel Oregon considers not only direct employment in tourism businesses (e.g. hotels, resorts) but also the multiplier impact of visitor expenditures on retail and other services not counted as "leisure and hospitality" businesses. As a result, the total number of jobs associated with tourism are higher, at least in Polk County. Travel Oregon estimates of tourism's role, and also its decline during the recession, show a 4.9% fewer tourism jobs in 2013 as compared with 2009, and a 13.6% decline since peak tourism employment in 2006.

Year	2004	2006	2008	2009	2010	2012	2013*
Tourism Jobs	1980	2210	2130	2010	1970	1900	1910

* = preliminary estimate

Source: Oregon Travel Impacts- 2002-2013p, Dean Runyan Associates for Travel Oregon

As shown in the chart below, by the more conservative estimates from the Oregon Labor Department, tourism has accounted for between 10.2% and 11.7% of total employment in Polk County. According to the more comprehensive estimates from Travel Oregon, tourism has accounted for between 15.7% and 17.1% of Polk County employment.



Source: Oregon Labor Market Information Service, Dean Runyan Associates for Travel Oregon

Additional detailed information about tourism's role in the region's economy is illustrated in Section IV of this report.

D. Why this region has been selected for Rural Tourism Studio

Travel Oregon selected Polk County through a competitive application process conducted in the summer of 2011. The waiting period between then and now reflects high demand for RTS statewide, as well as the need for more groundwork locally to build a diverse and committed steering committee. Polk County is now ready.

The RTS selection criteria reflect lessons learned about community readiness factors during the RTS pilot program phase in 2009. Key readiness factors for Polk County include:

- Each community has invested in sustained leadership training/development, and has a strong core group interested in tourism development.
- Independence, Monmouth and Dallas have won awards for long-standing and effective collaboration that can serve as a strong foundation for collaboration around tourism.
- The county is a hidden gem of diverse and relatively undeveloped visitor assets within a region of the state that is a major tourism draw. Lessons learned in Polk County will be informative for other parts of the state adjacent to major draws.
- Several markets of interest to Polk County are also statewide priorities for Travel Oregon, and thus local efforts can be reinforced by statewide positioning. The communities have been working together to develop bicycle tourism through links to the Willamette Valley Scenic Bikeway and improved mountain biking trails.

Birding and wine tourism, also statewide niche markets, are also strong in the mix of local attractions. Agritourism is an emerging priority as well.

- Tourism has been prioritized by elected officials at the local and county level as an economic development priority.

The steering committee includes the following people as of August, 2014.

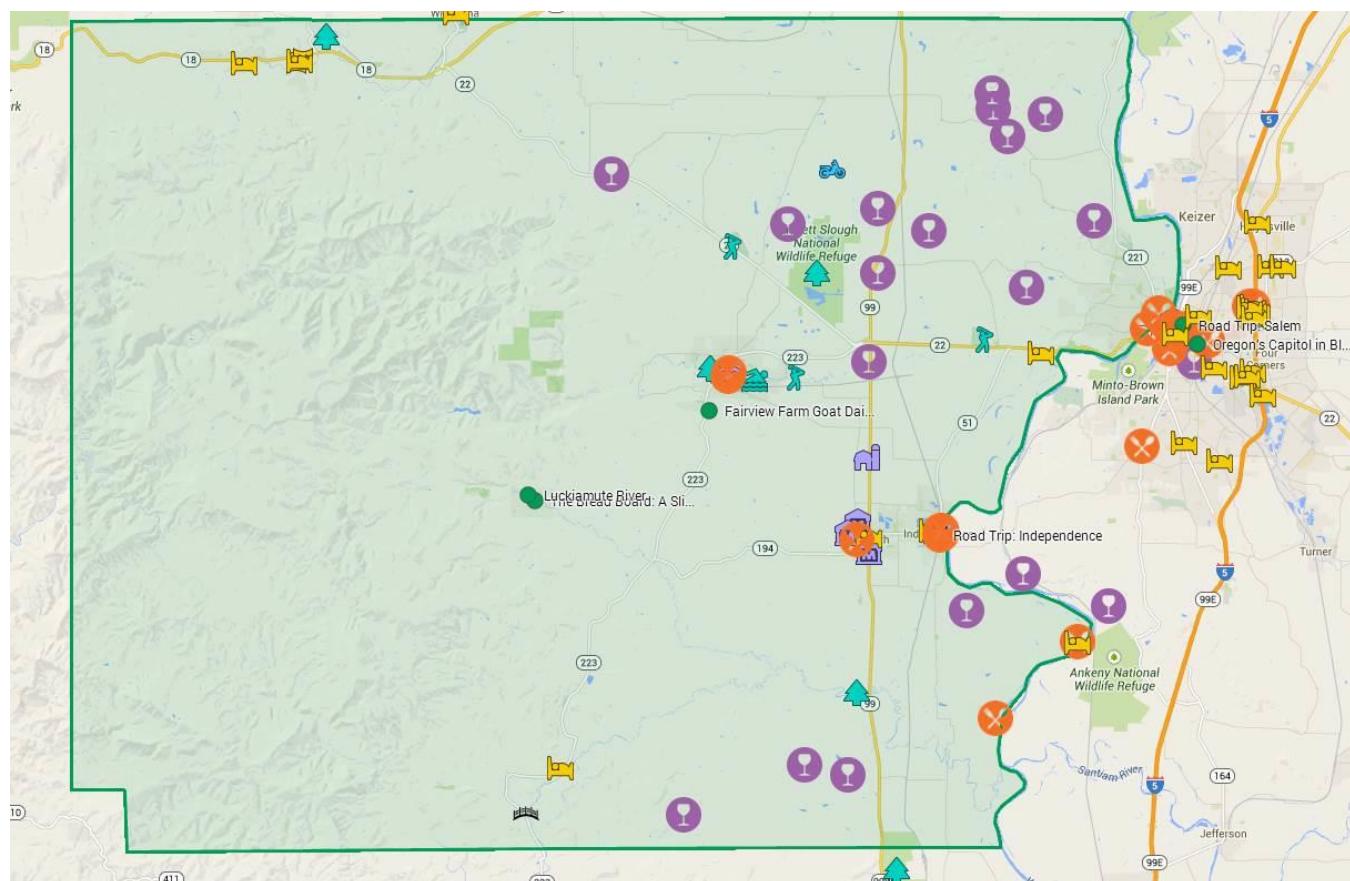
Irene Bernards	Travel Salem	Marketing and Public Relations
Mark Fancey	City of Monmouth	Community Development Director
Terri Gregory	MaMere's B&B	Owner
Ivy Hover	Left Coast Cellars	Marketing Director
Carol Infranca	Carol Infranca & Associates	Marketing and Public Relations
Shawn Irvine	City of Independence	Economic Development Director
Tom Johns	Emerson Vineyard	Owner
Jean Love	M/I Chamber	Director
Adam Milnor	Salem District, Bureau of Land Management	Lead Outdoor Recreation Planner
Austin McGuigan	Polk County	Community Development Director
Jeff McNamee	Salem Area Trail Alliance (West Salem Bike/Wine Loop)	Executive Director, Professor
Chelsea Pope	Dallas Chamber	Director

The Polk County RTS program will kick off with a networking event on September 17, 2014, and the workshops will begin on October 14, 2014. The program is expected to be complete by January 27, 2015.

III. Qualitative assessment of “starting point” for RTS

Polk County is not a typical RTS community, in that it is located in a booming tourist region, and is relatively prosperous. Over 250,000 people live within a 30 minute drive. At the same time, the challenges of underdeveloped visitor assets, lack of clear market identity and a profound shortfall of local lodging options are the same challenges facing the remote and sparsely populated areas that have participated to date. Polk County’s location in the middle of abundant tourism attractions is both its greatest strength and weakness, because it must be able to stand out while also fitting in.

In September, as groundwork for the RTS, Travel Oregon will collaborate with local organizations to host a series of networking conversations about the future of tourism in the area and its fit into the region’s larger vision for itself. One goal of these sessions will be to build a shared sense of the county’s tourism assets. As a starting point, Travel Oregon has created a working interactive map of visitor attractions and services already appearing in the state’s data base, also known as “[The Orb](#)”. Although the interactive version is much larger with a full key to the icons, the map currently looks like this. Appendix D contains a current list of all local visitor attractions and services on the Orb.



A. Planning

The RTS application references several plans related to tourism, primarily focused in the Independence-Monmouth area. The City of Monmouth commissioned a Visitor Readiness Assessment in 2009, the same year that the City of Independence completed an economic development strategy as part of its comprehensive plan. In 2011,

Independence commissioned a follow-up Tourism Marketing Plan. While there are some differences between strategies for the two neighboring cities, both plans highlight their historic downtowns' architecture and ambience, family-friendly events, and wineries.

In the Monmouth Visitor Readiness Assessment, the consulting team from Total Destination Management recommended that any community seeking to attract tourism should ensure that it can offer at least four hours of quality visitor activity for every hour of travel required to get there. For small and/or remote communities, this can be difficult unless they cooperate regionally to get a robust mix of attractions and services. Polk County's communities are well-located to do this.

Several of the projects mentioned as assets for the two city-specific plans are regional by nature, and tie into current priorities as articulated in the RTS application, including:

- Birding- adding to the Luckiamute birding loop
- Cycling, both mountain biking and road cycling- tying into the nearby Willamette Valley Scenic Bikeway
- Wine, including formation of a Mid-Willamette Wineries trail
- Connecting visitors with the Willamette River water trail

There are no county-wide plans related to tourism, although Polk County has been active in supporting agritourism and food-based economic development in general. The county recently sponsored a [study by Oregon State University](#) looking at such opportunities, including agritourism.

The RTS application presents a general goal to establish a broad vision and action for tourism promotion efforts. In terms of other potential areas of focus, "there is general agreement that bicycling is an important tourism resource, so training on how best to cater to cyclists would be good to include. Being an agricultural region with many farm stands, wineries, nurseries, etc., we would also be interested in focusing on agritourism."

B. Implementation activities

In addition to localized efforts at the community level, there appears to be a critical mass of activity to develop a variety of regional trail systems to link the County's attractions and develop a more cohesive visitor experience.

Bicycle tourism product development

- On remote State Forest Land near Falls City, the Black Rock Mountain Bike Area is Oregon's first sanctioned free ride area, with four 3 mile trails of tricks and challenges. It is developed and maintained by the volunteer Black Rock Mountain Bike Association. Hard to find, it has nevertheless developed a national reputation.
- An informal network of trails that winds through BLM and private timber lands near Dallas may also be upgraded for mountain biking. Currently there are 14 miles of trail near Rob Mill Creek. BLM is now revising a comprehensive resource management plan for all federal land in Western Oregon, including the nearly 41,000 acres it manages in Polk County. The planning process includes identification of promising recreational development opportunities.
- New initiative to develop a system of multiuse trails (for hikers, bikers, trail runners and equestrians), linking multiple wineries across parcels of largely private land. To date, six wineries are engaged with the project: Cristom, Witness Tree, Zenith, Bethel Heights, Lewman and Bryn Mawr.
- A larger trails project to connect the wine trail system to downtown Salem, greenways and parks, and the Willamette Valley Scenic Bikeway.

Culinary tourism product development

- Winery component of the above bicycling product development
- A number of wineries are working together to co-market around the concept of a [Mid Valley Wine Trail](#). This is not a physical trail, but rather a self-guided driving (not biking) tour of a cluster of closely-located wineries. It is promoted through a rack card and occasional joint events such as an annual passport program in October. Not all wineries are included since this effort is self-funded by the participating wineries. There are also participation criteria in terms of geographic location and public hours that exclude some.
- The wine industry in Polk County in general is not unified around creating a “Polk County” identity, for several reasons. Currently, all of Polk County is already part of the larger Willamette Valley AVA (American Viticultural Area), and the northeast part of the county shares the [Eola-Amity Hills AVA](#) with parts of Yamhill County. There is interest on the part of *some* Polk County wineries outside of the Eola-Amity Hills AVA in pursuing another small AVA designation.
- Beer and hops: Already, there is the annual [Hop and Heritage Festival](#) in Independence, the “historic hop capital of the world” during the last week of September. And Rogue Brewery’s “Rogue Farms” hop yards is open to the public, with Chatoe Rogue tasting room, farm to table events (salmon bakes this summer) and tours.
- There are many local food producers (e.g. Willamette Cheese Company) whose products could be more prominently featured in visitor information and on local restaurant menus.

Heritage/cultural tourism product development

- The *heritage* of Rogue Farms Hop Yards as a Century Farm with a traditional crop could be further showcased as a heritage attraction.
- Until last year, Western Oregon University housed the Jensen Arctic Museum, one of only two arctic museums in the United States. It held an extensive collection assembled by a former WOU professor to preserve and communicate traditional and modern ways of life in the Arctic. Due to lack of finances and low visitation, the collection was moved to the University of Oregon’s Museum of Natural and Cultural History in Eugene. Lessons from this experience should be considered for any future heritage attractions.
- Independence and Polk County have historical museums with limited opening hours.
- The Monmouth based Rainbow Dance Theatre has won international recognition for its modern dance performances that fuse dance styles from around the world.
- Fort Yamhill State Heritage Area was opened in 2006, and as a new park is still early in its development stage. While there are no buildings still standing, the foundations still remain and Oregon State Parks considers it one of the Northwest’s best preserved fort sites of the mid-19th century. There are walking trails with interpretive signage to guide the visitor, as ongoing archaeological research is coordinated with Oregon State University’s Archaeological Field School.

Nature tourism product development:

- There is not much under development now in this product niche beyond connections with the above projects, but there may be opportunity to develop kayak and equestrian offerings based on the natural resources.
- While there are tour packagers outside of Polk County who bring groups in for wine tours (e.g. Grand Hotel in Salem offers this service), there are not tour operators or outfitters for other types of nature recreation at this time (according to interviewees).

C. Organizations and partnerships

While Polk County has some good history of collaboration, especially between Monmouth and Independence with shared staff, each community also prides itself on its distinctiveness and there has not been much joint tourism development work to date. As per the RTS application, “there has been no large-scale focused effort at tourism

development to date, just a lot of piecemeal efforts by individual organizations and businesses.” As a result, the basic tasks of developing a broad vision and action for tourism promotion are key initial goals for RTS.

The work leading up to Rural Tourism Studio, however, has already generated increased communication. Travel Salem, the liaison to the Regional Destination Marketing Organization (Willamette Valley Visitors Association) has been engaged in the planning process: its market research (reviewed in the “Quantitative” section) confirms the wisdom of marketing urban Salem with rural Polk and Marion counties. According to the research, the mix of communities offer a superior and diverse tourism destination as compared with the appeal of each separately. From a political standpoint, collective work around tourism has a strong foundation, in that the cities and the county all prioritize tourism as an economic development strategy, which is not all that common around the state.

The Salem Area Trail Alliance is leading the effort to connect the multi-use winery to winery trail noted above to the Willamette Valley Scenic Bikeway as part of a regional loop. As an offshoot of the agriculture and food economic development report cited above, OSU is developing a mobile tourism promotion kiosk that can be shared by all Polk County communities.

IV. Quantitative assessment of “starting point” for RTS

There are many other types of data that can measure progress in developing a more robust, sustainable tourism sector. Although not all types of data are available for all communities, the types of information most of interest include:

- A. Volume of visitors
- B. Seasonality of visitors
- C. Visitor profile
 - o Average spending/duration of visit
 - o Key draws
 - o Quality of experience
 - o Where they have travelled from, and how they learned about the community
- D. Businesses related to tourism markets
 - o Number of business establishments, and those within that relate to tourism
 - o Mix of products and services offered to tourists
 - o Diversity of business customer base
 - o Growth/profitability of businesses
 - o 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

The following section summarizes the data of this nature that is available at the start of the Polk County Coast Tourism Studio program.

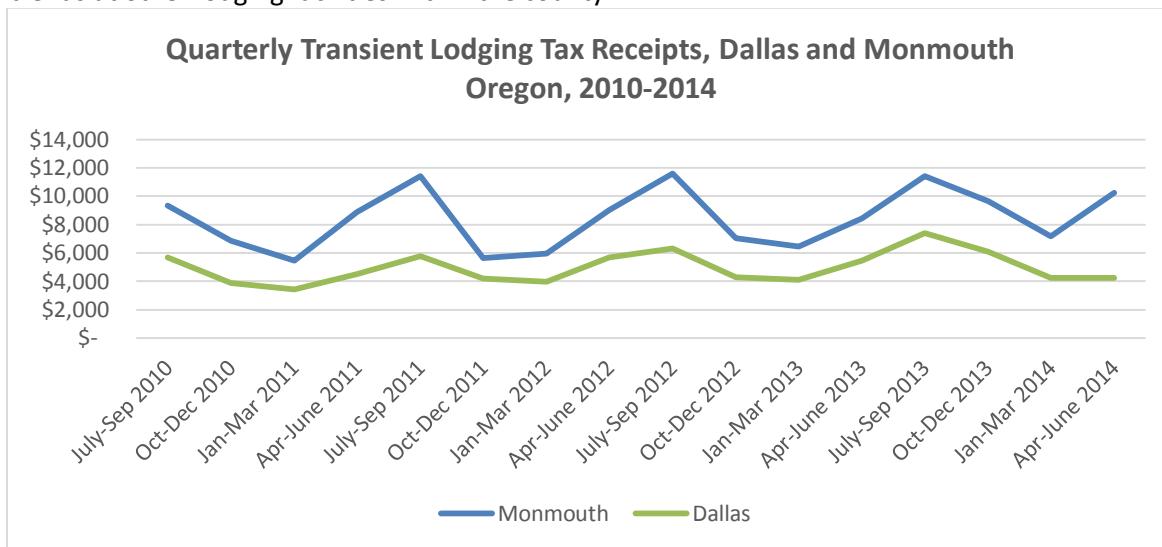
A. Visitor volume and spending

There are several sources of potential visitor volume data:

- Local transient lodging taxes can be used as a proxy for comparing visitor volume from year to year.
- Visitor expenditures by county as captured by Travel Oregon research
- Local visitor data gathered by key organizations and destinations

Transient Room Tax:

There are few lodging facilities in Polk County, and in terms of local transient room tax, only the Cities of Dallas and Monmouth levy a tax. The tax rate is 9% of total lodging receipts. Trends for these two communities may be a useful proxy for trends at other lodging facilities within the county.

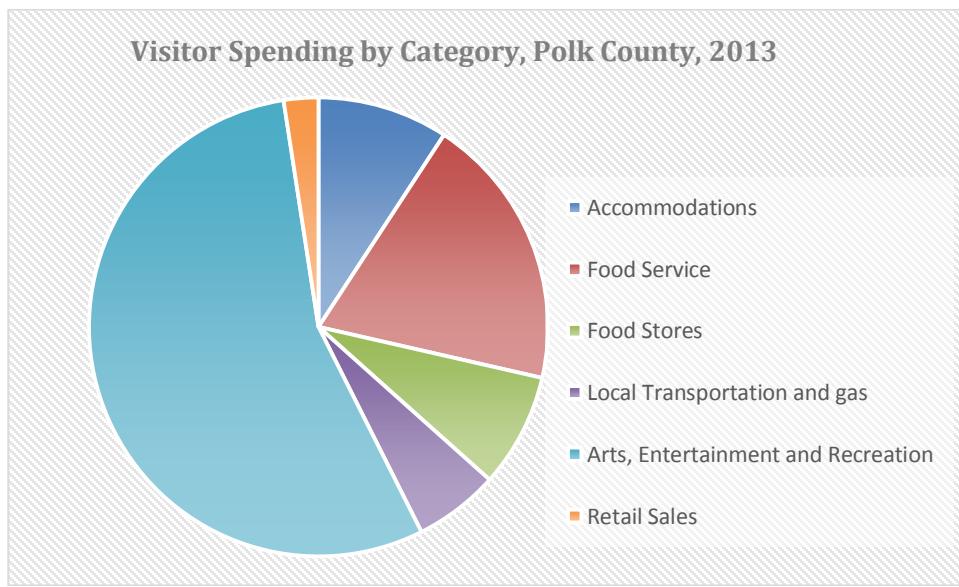


Source: Cities of Dallas and Monmouth: Dallas data does not include data from April-June 2014. Note this data for both cities missing from Dean Runyan Associates statewide room tax reporting

In Dallas, room tax revenues have grown slowly but steadily since July of 2010, and FY2014 is trending higher still than past years. Since January of 2014, this income has been 100% allocated to the Dallas Chamber of Commerce for visitor and event services. In Monmouth, summer receipts are flat but there is growth in other seasons.

Visitor expenditures:

Travel Oregon's "Tourism Impacts" annual reports by Dean Runyan Associates include county by county breakouts of the economic impact of tourism, and a sense of the scale of effort needed to increase its economic impact. In 2013, visitors spent \$151.9 million in Polk County.



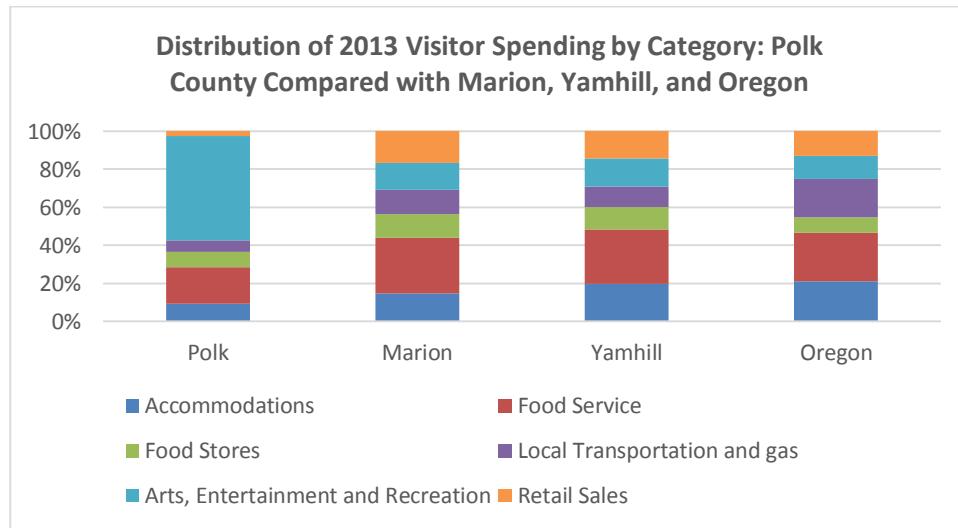
Source: Dean Runyan Associates for Travel Oregon: 2013 numbers are preliminary

Polk County visitors spending has been higher per capita than Marion County. While Polk County has less than a quarter the population of Marion County, Polk County visitors spent close to half of what Marion County visitors spent in total. In Polk County, spending in most categories increased modestly since 2008, as shown below.

Visitor spending by Category for Tourism Related Businesses, Polk County, 2004-2013 (in millions)

Category of Expenditure	2004	2008	2012	2013p	Change 2008-2013
Accommodations	\$ 9.0	\$ 13.6	\$ 13.6	\$ 14.0	2.94%
Food Service	\$ 21.5	\$ 25.7	\$ 28.3	\$ 29.4	14.40%
Food Stores	\$ 9.5	\$ 11.3	\$ 11.9	\$ 12.2	7.96%
Local Transportation and gas	\$ 5.6	\$ 9.2	\$ 9.3	\$ 9.1	-1.09%
Arts, Entertainment and Recreation	\$ 78.8	\$ 81.9	\$ 82.1	\$ 83.5	1.95%
Retail Sales	\$ 3.1	\$ 3.5	\$ 3.6	\$ 3.7	5.71%
Total	\$ 127.4	\$ 145.2	\$ 148.9	\$ 151.9	4.61%

The distribution of Polk County visitor spending differs sharply from the state average as well as from the two other counties that make up the Salem MSA, in that spending on arts, entertainment and recreation is much higher, while spending on retail, accommodations and food service is significantly lower.

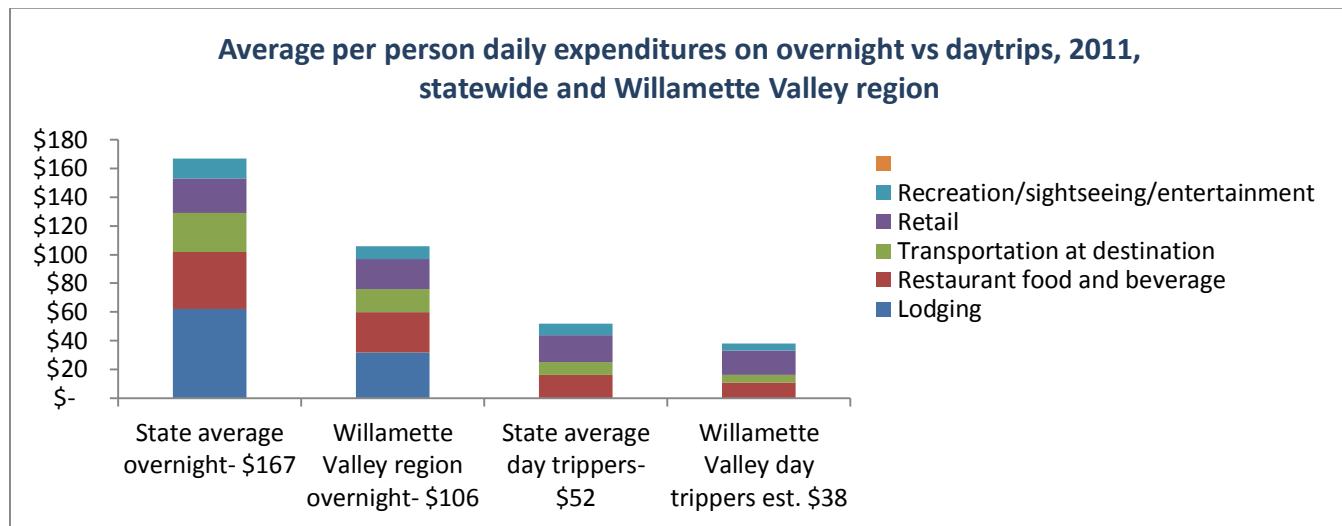


Source: Dean Runyan Associates for Travel Oregon: state of Oregon numbers exclude in-state air travel for purposes of comparison

Lower spending on accommodations is not surprising. As has been noted, there is very little lodging available in Polk County, and the area is within day-trip distance from the Oregon Coast and the Willamette Valley, both of which have an abundance of accommodations and other visitor services. Thus, Polk County is limited in terms of the overnight visitors it can accommodate.

Lodging is a key element for capturing higher visitor spending across all categories of expense, however, because overnight visitors spend far more per day than day trippers. At the same time, day trippers do spend more than no visitors at all. The table below shows the difference in spending between day trippers and overnight visitors for the state and for the Willamette Valley region of which Polk County is a part. The appendix includes a chart of the actual dollar amounts spent per category.

Because the lodging inventory in Polk County is small, the average visitor expenditures for overnight visitors is not available at the county level. In neighboring Yamhill County, however, these statistics are available for reference. The average expenditure per day for Yamhill County *overnight* visitors is \$86/day.



Source: Longwoods International and Dean Runyan Associates for Travel Oregon

Other local data on visitor volume and spending:

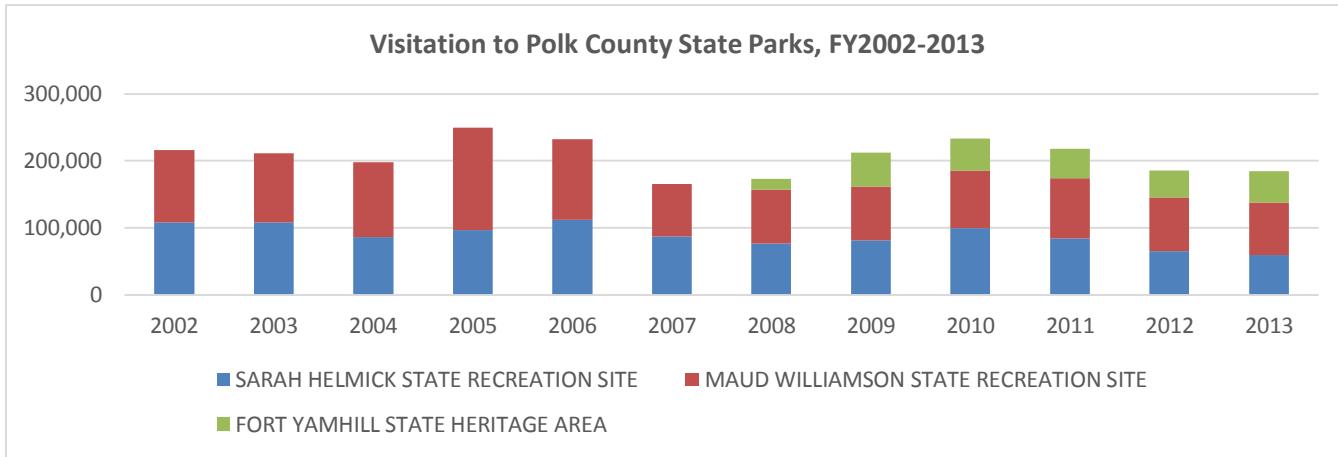
Travel Salem has gathered detailed market information for the Salem area (including Marion and Polk Counties), commissioning a formal Visitor Profile in 2002 from Dean Runyan Associates, and then conducting a less formal update between November 2012 and November 2013 which yielded similar results. With respect to lodging, 75% of visitors surveyed were staying overnight, for an average of two nights. The majority stayed in Salem proper but visited other parts of the region as well.

The Travel Salem survey found much higher per person daily expenditures than the statewide estimates in the chart above. Specifically, visitors reported spending an average of \$1,294 per party (traveling group), during an average stay by 2.5 people for two days. This translates to \$129 per day per person.

State parks:

Data about visitation to state parks is another source of information about visitor volume. Only day use information is available, as there is no overnight camping at Polk County's three state parks, and no developed campsites in its federal lands. In FY2013, these three parks attracted 125,596 visitors. By contrast, the Mission Creek State Park across the Willamette River on the Marion County side of Salem alone drew over 289,000 visitors.

Despite the addition of a new state park at Fort Yamhill, total day use of these parks has been declining since 2010, especially at the Maud Williamson and Sarah Helmick State Recreation Sites.

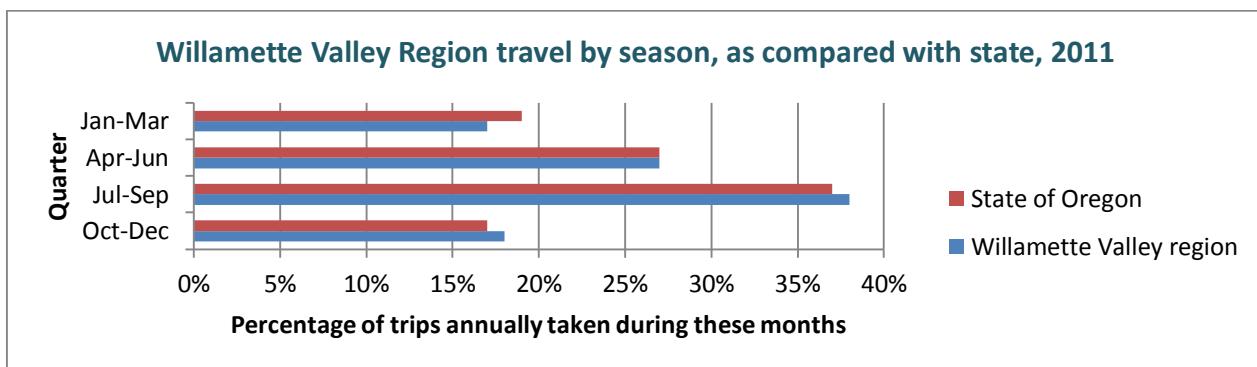


Source: Oregon State Parks and Recreation Department

More information from the Travel Salem research is included in the "Visitor Profile" section of this report.

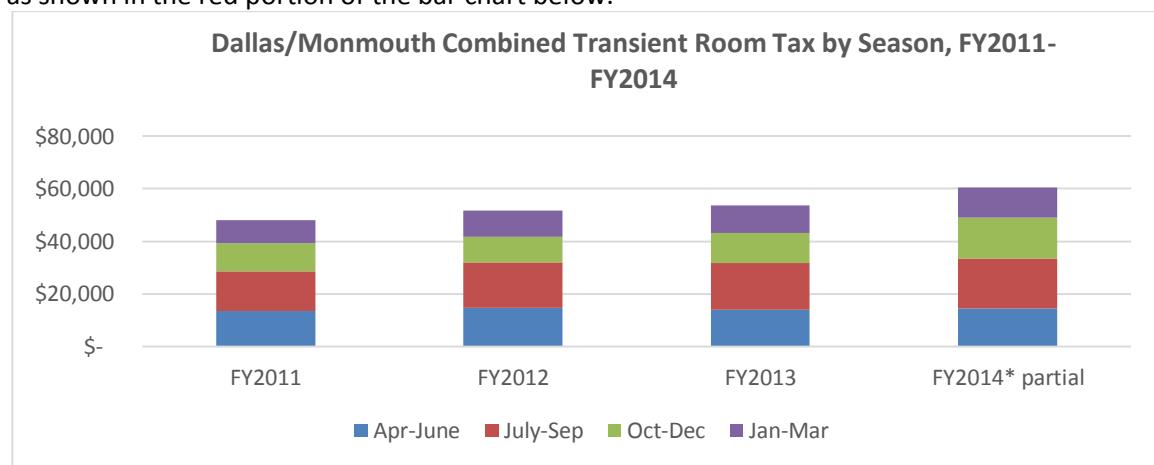
B. Seasonality

The seasonal pattern of visitors to the Willamette Valley is similar to that of the state, except that the region receives slightly more of its visitors in the fall than the state. Summer is by far the busiest season.



Source: Longwoods Research

Transient room tax for the Cities of Dallas and Independence also reflect this same seasonal distribution of visitors, as shown in the red portion of the bar chart below.

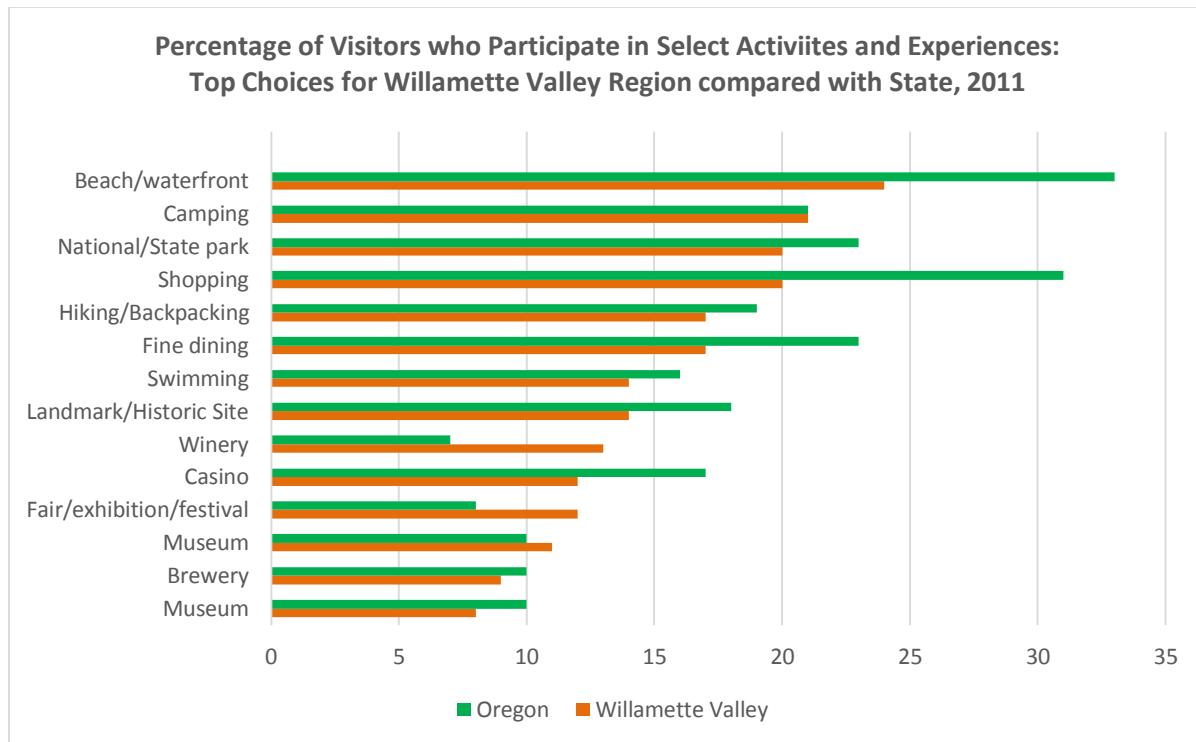


Finally, state park use is also distributed throughout the year. Fifty five percent of annual visits occur during the five month “prime season” of May 1 through Sept 30, which means a substantial number of people also visit at other times of year. This may reflect Polk County’s location as an easy, spontaneous day trip from nearby population centers, rather than as a specific visitor draw.

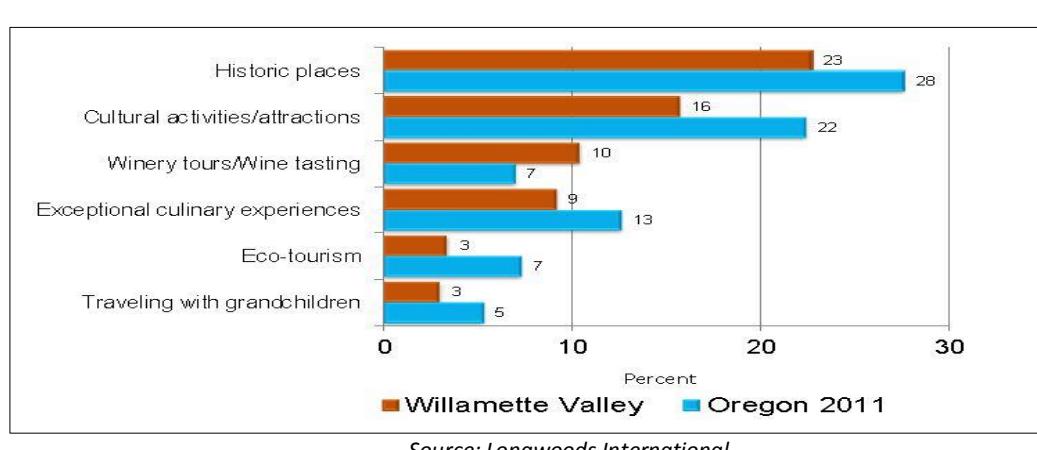
C. Visitor profile

As in other regions of the state, tourism promoters rely on visitor profile information developed semi-annually by Longwoods International for Travel Oregon. The most recent regional visitor profile for the Willamette Valley Region was completed in 2011.

Visitor activities:



In terms of “Activities of Special Interest”, the region surpasses the state average only for “winery tours and wine tasting”.



According to the Travel Salem visitor profile, the attractions that motivate visitors before they arrive do not match what they actually do once they arrive. The table below contrasts the experiences.

What motivated your travel to the area?	What did you/will you do now that you are here?
• Gardens (33%)	• Shopping (34%)
• Family/friends (29%)	• Culture and heritage (33%)
• Business (23%)	• Family activities (33%)
• Family activities (20%)	• Family/friends (30%)
• Recreation (17%)	• Recreation (29%)
• Culture and Heritage (17%)	• Wine Country and Culinary (21%)
• Wine Country and Culinary (10%)	• Gardens (17%)
• Shopping (7%)	• Business/conference (15%)

Source: Travel Salem

As the State Capital, Salem proper hosts many events and conferences. It also hosts many repeat visitors: 7 out of 10 report that they have visited before. The visitor profile suggests that visitors can be lured to other diverse experiences in the area once they are here. Travel Salem notes “the importance of the rural Marion and Polk areas as a benefit to Salem” as a destination, and it is likely that the benefit of close proximity between rural and urban attractions flows both ways.

Where visitors come from:

For the entire Willamette Valley region, Oregon not surprisingly tops the list of visitors' home states, followed by Washington and California. The most common home urban areas for coast visitors are Portland, Eugene and (tied) Seattle and Bend, in that order. More information is included in the appendix of this report.

Anecdotal evidence supports an increase in international visitors. According to Travel Oregon's International Travel Division, Oregon is continuing to see increases in the size and diversity of its international market. Statewide, the largest international markets for Oregon tourism are:

- Canada
- Japan
- United Kingdom
- Korea
- Germany
- China is growing as a source of visitors, and Brazil and India are emerging as well, both nationally and here in Oregon.

D. Businesses

Travel Oregon's Orb, a statewide directory of visitor attractions and services compiled through its Regional Destination Marketing Organizations, is a work in progress as it builds out. This data base serves as the raw material for developing marketing and promotions, including feature stories.

Content specifically identifiable as Polk County based is listed in full in the final Appendix to this report. It is clearly not complete, however because the extent of its business listings is:

- 6 lodging facilities
- 7 restaurants
- 18 wineries

Other relevant listings are found on the Chamber of Commerce websites, in Trip Advisor and even on AirBnB. Whole categories seem to be missing, for example, restaurants in Monmouth. But these resources are not yet connected with the state's primary tourism data base, the Orb. The Rural Tourism Studio will include information about how to fill in and maintain accurate listings for Polk County.

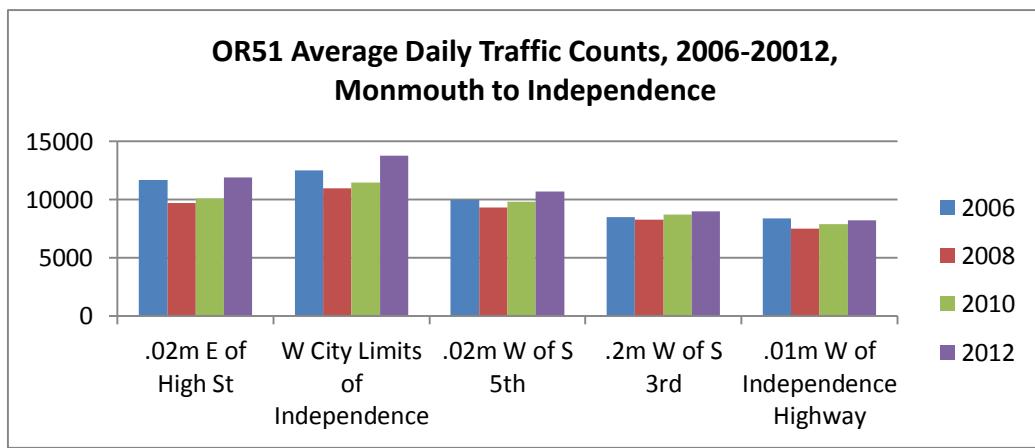
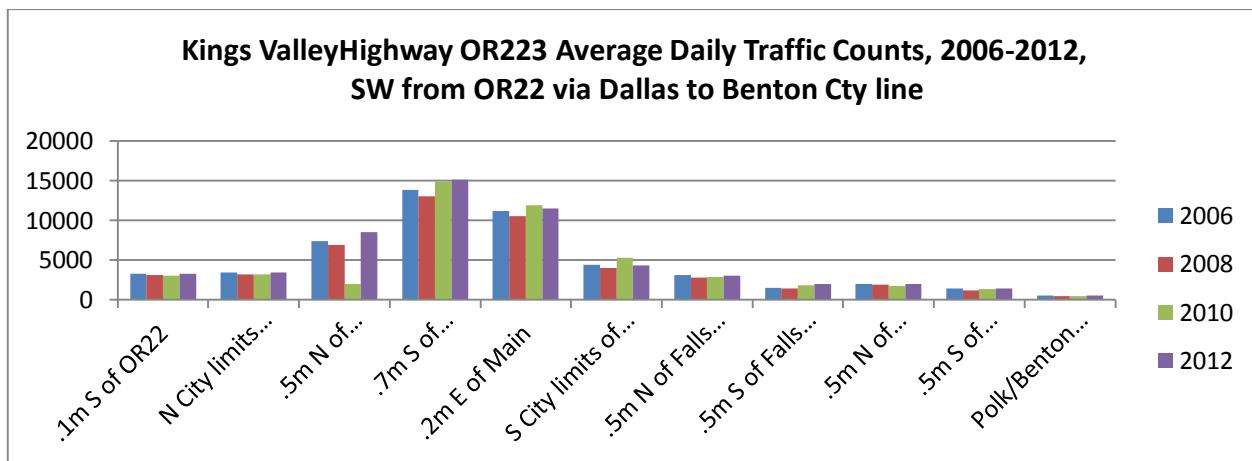
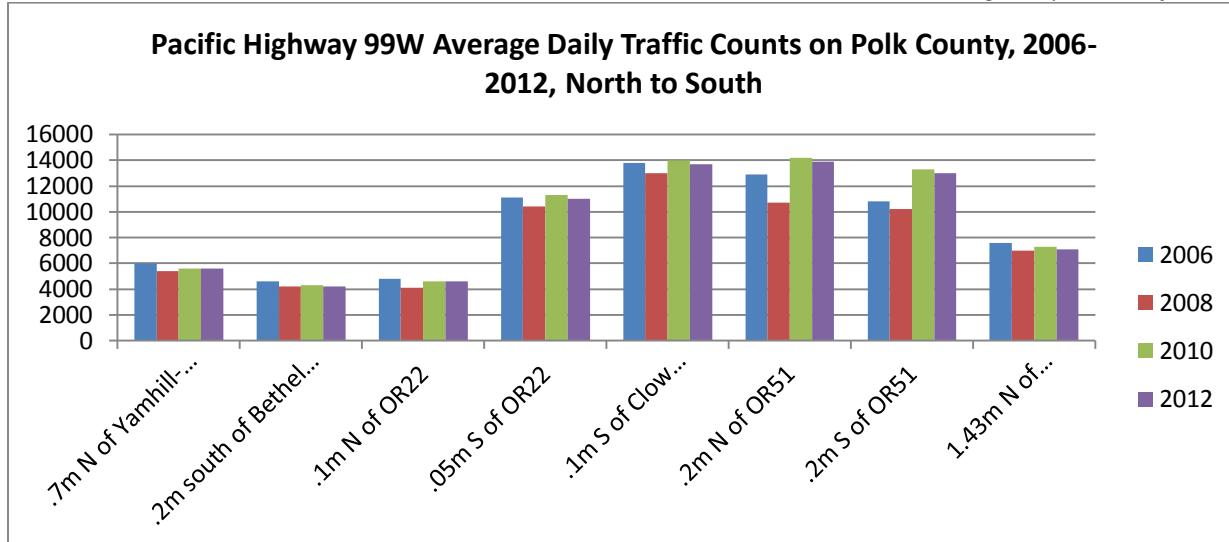
Demand for lodging:

Even if the list of lodging were complete however, lack of overnight lodging options is a recognized impediment to tourism development in Polk County. The area is an easy day trip away from several more concentrated sources of lodging: the portion of Salem in Marion County (closest) as well as the McMinnville and Lincoln City areas. While it's possible that the extremely low inventory of lodging in Polk County reflects a lack of market demand, a recent market analysis commissioned by the City of Independence suggests there is, in fact, strong unmet demand for lodging located *in* Polk County. One reason is that the current occupancy rate for lodging in the adjacent Salem area is already strong: in the peak season of April-September it exceeds 70%, and over the course of the year, dips below 50% only in December and January (as per Smith Travel Research). Furthermore, this demand includes travelers drawn specifically to Polk County attractions, businesses and events, including Western Oregon University and agritourism destinations such as wineries and the Rogue Ale Hop Farm. For many of these travelers, quality independent (vs chain) and relatively small facilities reflecting the unique character of the area would be particularly attractive draws. Thus, the current issue of inadequate lodging is not insurmountable given market trends.

V. Appendix: Additional Regional and County Level Data

A. Transportation data

From Oregon Department of Transportation



B. Selected Market and Economic Impact Information for Key Niche Markets

Bicycle Tourism

- Oregon just completed a statewide study of the economic impact of bicycle tourism.
<http://industry.traveloregon.com/research/archive/the-economic-significance-of-bicycle-related-travel-in-oregon-2012-dean-runyan-associates/>
- A [1999 economic impact study of Maine's bicycle tourism](#) concluded that the state's 2 million bicycle tourists contributed \$66.8 million in direct and indirect economic benefits. This amounts to expenses, or an average of \$34 per person. The vast majority of visitors were day trip cyclists, who averaged \$25/day if from out of state and \$4/day if in-state. However, the 2% of bicyclists on guided tours (self-guided or guided) accounted for 17% of the economic benefits, spending \$55 and \$115 per day respectively. This underscores the importance of developing value-added services and overnight lodging to the bicycle tourism mix in order to generate economic benefits.
- A [2004 study of the economic impact of bicycle tourism in the outer Banks of North Carolina](#) in the Outer Banks of North Carolina concluded that each visitor who reported bicycling while in the region spent \$88, which, for 680,000 visitors adds up to \$60 million per year. Bicycle tourism at this scale also generated 1,400 jobs, or 1 job for every 486 bicycle-related visits.
- In [Quebec, a 2005 study](#) found that bicycle tourists spent \$83/day on average, which was 24% higher per day than the overall average for tourist spending.
- A [2010 study of the economic impact of Wisconsin's bicycle tourism](#) estimated the average daily expenditures of different types of bicyclists. Trail riders generated the smallest economic impact (\$17.99 in daily expenses if a resident, \$33.95 if a non-resident) and riders on multi-day tours generated the highest economic impact (\$80.84 per day)
- A [2009 study of the economic impact of a multi-day championship cycle cross event in Bend, Oregon](#) found that the contestant/traveling party expenditures per person per day averaged \$72.80 per day. The total contestant related travel spending was \$847,000. Non-contestants (vendors, spectators, etc.) generated another \$228,576 in expenditures, so the total economic impact of a single 3 day event was \$1.08 million. 86% of visitors came from outside Oregon, which is a much higher percentage than the 60% average for all Bend's tourism. Surprisingly, when visitors were asked about their interest in moving or buying real estate in Bend as a result of their visit, 10% answered "definitely yes", suggesting a potential longer term multiplier effect on the local economy.
- Another [2010 study of the economic impact of a specific bicycle event](#) in Menomonie, Wisconsin found that spectators for the professional road race each spent an average of \$47 on refreshments, souvenirs.
- A new study of the [economic impact of mountain bicycling events in Oregon](#) documented the how two 3 day events (held in July and again in August) in rural Oakridge pumped \$1.2 million into the local economy.

Nature Based Recreation

- The national Outdoor Industry Association commissions an annual [Active Outdoor Recreation Economy Report](#) (2013) as well as other specialty reports such as a [Special Report on Paddlesports](#) in 2009.

Heritage and Cultural Tourism

- [A 2006 study by the Oregon Arts Commission](#) cites a 2003 national study finding that cultural and heritage tourists spend more than other travelers (\$623 vs. \$457), are more likely to spend \$1,000, are more likely to stay in a hotel, motel or B and B, and take longer trips.
- [Nebraska's 2011 Heritage Tourism Plan](#) cites even more recent research finding that 78% of adult leisure travelers in the United States are considered "heritage traveler." They are more likely to take part on a wide

variety of activities when they travel: 17% participate in four or more activities, as compared with. 5% of all travelers Baby boomers make up one of the strongest heritage tourism markets.

Agritourism

- The [most recent and comprehensive study on the economic impact of agritourism](#) was completed in 2009 in California. Results: 43% of small farms earned at least \$25,000 in supplemental income from their agritourism activities. However, these include wineries, so the results need further analysis.
- In 2010, [Travel Oregon commissioned a market study connected with its “Oregon Bounty”](#) promotional plan featuring Oregon products and especially Oregon food products. As such, its findings relate to agritourism and culinary tourism. Key findings include:
 - Over 55% of surveyed visitors participated in at least one culinary-related activity (including touring wineries, breweries, wine trails and farmers markets, attending wine and culinary festivals, sampling local foods and taking cooking classes).
 - Those aged 35-64 (GenX and Baby Boomers) were more likely to participate in such activities
 - Higher income people were also more likely to participate
 - Food products were the Oregon product with the highest visitor awareness, followed by forest products
 - Oregon visitors spend an average of \$142 on local food products per visit.
 - 42% said the opportunity to buy local food products made them more likely to visit again in the future
- Last year, Oregon convened a statewide working group to advise on agritourism development goals. Travel Oregon has already begun implementing several recommendations, and the advisory group will be augmented and reconvened before the end of 2014. The [working group home page](#) has links to many agritourism resources, including the initial recommendations.

C. Regional Travel Oregon Data for Willamette Valley

Average Daily Visitor Expenses, Oregon and Oregon Coast region, 2011

	Oregon day trip	Oregon overnight	Willamette Valley overnight
Lodging	n/a	\$62	\$32
Restaurant	\$19	\$40	\$28
Retail	\$16	\$27	\$21
Transportation	\$9	\$24	\$16
Recreation/Entertainment	\$8	\$14	\$9
Total	\$52	\$167	\$106

Source: Longwoods International for Travel Oregon

Top Urban Zip Codes of Visitors to Willamette Valley Region

City	% of W.V. visitors from urban areas, 2004-2006	% of W.V. visitors from urban areas, 2010-2011
Seattle	27%	8%
Portland	26%	42%
Eugene	8%	9%
San Francisco-Oakland-San Jose	4%	5%
Bend		8%
Spokane	4%	

Source: Longwoods International for Travel Oregon

Top home states for Willamette Valley visitors, 2011

State	% of W.V. Visitors from state
Oregon	61%
Washington	15%
California	10%
Arizona	2%

Source: Longwoods International for Travel Oregon

D. Polk County listings in Travel Oregon's Orb database

Attractions		Notes
Baskett Slough National Wildlife Refuge	Dallas	
Cross Creek Golf Club	Dallas	
Dallas Aquatic Center	Dallas	
Dallas Golf Club	Dallas	
Delbert Hunter Arboretum and Botanic Garden	Dallas	
Livermore Road	Dallas	
Polk County Historic Courthouse	Dallas	
Ritner Creek Covered Bridge	Dallas	
Heritage Museum	Independence	
Independence Heritage Museum	Independence	
Lavender Lake Farms	Independence	
Oak Knoll Golf Club	Independence	
Ovenbird Bakery	Independence	
River Gallery	Independence	
Riverview Park	Independence	
Riverview Park Amphitheater	Independence	
Airlie & vicinity	Monmouth	
EE Wilson Wildlife Refuge	Monmouth	
Historic Gentle House	Monmouth	
Jensen Arctic Museum	Monmouth	
Polk County Historical Society Museum	Monmouth	
Sarah Helmick State Park	Monmouth	
Pentacle Theater	West Salem	
Wheatland Ferry	West Salem	
Fort Yamhill State Heritage Area (part)	Willamina	
Events		
Dallas Summerfest	Dallas	Fairs and Festivals
Freedomfest	Dallas	Fairs and Festivals
River's Edge Summer Music Series	Independence	Performing Arts
Restaurants		Notes
L'Attitude Point One	Dallas	
Andy's Café	Independence	
Buena Vista House Café	Independence	
Pink House Café	Independence	
Ragin' River Steak Company	Independence	
Royal Thai	Independence	
Morton's Bistro Northwest	West Salem	
Lodging		
B Street Garden Cottage (vacation rental)	Independence	Vacation Rental(AirBnB)

Rogue Farms Hop 'N Bed	Independence	Bed and Breakfast
Courtesy Inn	Monmouth	Hotel/Motel
Hopewell Bed and Breakfast	West Salem	Bed and Breakfast
Kerith Retreat Lodge	Monmouth	Hotel/Motel
Premier RV Resort	West Salem	RV Park
Wineries		
Chateau Bianca Winery	Dallas	
Van Duzer Vineyards	Dallas	
Redgate Vineyard	Independence	
Airlie Winery	Monmouth	
Emerson Vineyards	Monmouth	
Treos Wine	Monmouth	
Cherry Hill Winery	Rickreall	
Eola Hills Wine Cellars	Rickreall	
Firesteed Cellars	Rickreall	
Left Coast Cellars	Rickreall	
Arcane Cellars	West Salem	
Bethel Heights Vineyard	West Salem	
Bryn Mawr Vineyards	West Salem	
Cristom Vineyards	West Salem	
Cubanisimo Vineyards	West Salem	
Mystic Wines	West Salem	
Redhawk Winery	West Salem	
St Innocent, Ltd	West Salem	

Additional Listings in ORB from cities that are located in part in Polk County

Attractions		Notes
A.C. Gilbert's Discovery Village	Salem	
Adelman Peony Gardens	Salem	
Auburn Center	Salem	
Bush Barn Art Center	Salem	
Bush House Museum	Salem	
Bush's Pasture Park	Salem	
Cottonwood Lakes GC and DR	Salem	
Court-Chemeketa Residential Historic District	Salem	
Eco Earth	Salem	
Gaiety Hill/Bush's Pasture Park Historic District	Salem	
Hallie Ford Museum of Art	Salem	
Historic Deepwood Estate	Salem	
Historic Deepwood Gardens	Salem	
Historic Downtown Salem	Salem	

Historic Elsinore Theatre	Salem	
Lancaster Mall	Salem	
Marion County Historical Society Museum Education Center	Salem	
Mary Lou Zeek Gallery	Salem	
Meadowlawn Golf Course	Salem	
Minto-Brown Island Park	Salem	
Oregon State Capitol	Salem	
Oregon State Hospital Museum of Mental Health	Salem	
Salem Center	Salem	
Salem Golf Club	Salem	
Salem Repertory Theater	Salem	
Salem Riverfront Park	Salem	
Salem's Riverfront Carousel	Salem	
Schreiner's Iris Gardens	Salem	
The Pheromone Gallery	Salem	
The Reed Opera House	Salem	
Willamette Heritage Center at the Mill	Salem	
Willamette University Theatre	Salem	
Willamette University's Martha Springer Botanical Garden and Rose Garden	Salem	
Willson Park Capitol Park Mall	Salem	
Willamina Fishing Pond	Willamina	
Fort Yamhill State Heritage Area (part)	Valley Junction	
Spirit Mountain Casino	Grand Ronde	
Events		
Quiltopia	Salem	Fair and Festivals
Marion County Fair	Salem	Fair and Festivals
World Beat Festival	Salem	Fair and Festivals
Bite and Brew of Salem	Salem	Fair and Festivals
Salem Hoopla	Salem	Fair and Festivals
Salem Saturday Market	Salem	Fair and Festivals
Salem Saturday Market's Holiday Market	Salem	Fair and Festivals
Holidays at the Capitol - Display and Performances	Salem	Performing Arts
65th Annual Salem Art Fair & Festival	Salem	Fair and Festivals
Santiam Brewing - 2nd Anniversary Party & Cask Ale Festival	Salem	Culinary
Salem Downtown Wednesday Farmers' Market	Salem	Culinary
Restaurants		
Bentley's Grill	Salem	

Gerry Franks	Salem	
Konditorei	Salem	
Ike Box	Salem	
Jonathan's	Salem	
La Capitale	Salem	
La Hacienda Real	Salem	
Napoleon's Creperie & Gelato	Salem	
Newport Seafood Grill	Salem	
Pure Decadence Pastries	Salem	
Wild Pear Restaurant	Salem	
Willamette Valley Grill	Salem	
Word of Mouth Neighborhood Bistro	Salem	
Lodging		
Best Western Pacific Hwy Inn	Salem	Hotel Motel
Best Western PLUS Mill Creek Inn	Salem	Hotel Motel
Betty's Bed and Breakfast	Salem	Bed and Breakfast
Century House of Salem Bed & Breakfast	Salem	Bed and Breakfast
Comfort Inn and Suites	Salem	Hotel Motel
Comfort Suites Salem Airport	Salem	Hotel Motel
Days Inn, Salem	Salem	Hotel Motel
DoubleTree By Hilton - Salem	Salem	Hotel Motel
Howard Johnson Inn	Salem	Hotel Motel
La Quinta Inn & Suites - Salem	Salem	Hotel Motel
Motel 6 Salem	Salem	Hotel Motel
Phoenix Inn Suites - South Salem	Salem	Hotel Motel
Phoenix RV Park	Salem	RV Park
Red Lion Hotel & Convention Center	Salem	Hotel Motel
Salem Campground & RV's	Salem	RV Park
Salem RV Park	Salem	RV Park
Super 8 Salem	Salem	Hotel Motel
The Grand Hotel in Salem	Salem	Hotel Motel
Travelers Inn Motel	Salem	Hotel Motel
Woodscape Glen	Salem	Vacation Rental
Wildwood Hotel	Willamina	Hotel Motel
Spirit Mountain Lodge	Grande Ronde	Hotel Motel
Wandering Spirit RV Park	Grand Ronde	RV Park
Wineries		
Ankeny Vineyard	Salem	
Cadence Valley Micro-Farm and Vineyard	Salem	
Honeywood, Inc	Salem	