



## Oregon Tourism Commission Meeting

December 10, 2019

Driftwood Shores Resort

88416 1<sup>st</sup> Ave.

Florence, OR 97439

**Commissioners present include:** Scott Youngblood, Nigel Francisco, Kenji Sugahara, Richard Boyles, Don Anway, Maria Ponzi, Mia Sheppard, Greg Willitts and Lucinda DiNovo.

Chair Youngblood calls the Commission meeting to order at 9:05 a.m. and welcomes the Commission, staff and guests to Florence. Discusses the opportunities the Commission has had since arriving in Florence: Dune buggy adventure, Siuslaw Library book reading of Yeti and Squatch, Port of Siuslaw river adventure and the culinary tour of downtown Florence.

Chair Youngblood states that if anyone wishes to provide Public Comment, please sign-in at the table at the back of the room. To accommodate as many contributors as possible please abide by requirements stated on sign-in sheet and should someone state comments that are in line with yours – please state your support but not repeat all the same points.

### Chair Remarks

Chair Youngblood states he was pleased to see in the December Progress Report the successes of the Only Slightly Exaggerated (OSE) Fall Campaign. We'll hear even more updated numbers from Global Marketing later today, but as we have been shoring up our shoulder-season tourism efforts in response to our industry engagement survey – it is worth noting and congratulating the team.

Looking ahead to the upcoming statewide Oregon21 opportunity – Chair Youngblood states confidence that the industry's collaborative spirit will continue to support this word-class tourism experience and will, no doubt, set a standard for hosting this event.

Chair Youngblood reflects that this time last year several Commissioners and Travel Oregon staff were traveling to Washington DC to participate in the successful U.S. Capitol Christmas Tree event. The partnerships created to move the tree across the nation were a highlight of 2018 and were also noticed by the rest of the nation. This achievement came after the successful and safe Solar Eclipse in 2017. Travel Oregon's passionate staff create unprecedented partnerships with industry partners to work together on inter-agency collaborative events.

Chair Youngblood recognizes Commissioner Boyles for attending the Oceania Trade Mission and cites that Commissioner Boyles will have an opportunity to discuss the mission later on the agenda.

Chair Youngblood recognizes Commissioner Anway for his participation in the recent Rogue Valley Culinary & Ag Studio and asks if Commissioner Anway would like to share a few remarks.

Commissioner Anway states that agritourism is one of the reasons he lives in the Rogue Valley and how great it is to see Travel Oregon taking the lead to support Food Trails around the state.

Chair Youngblood discusses recent news articles highlighting partnership efforts happening around the state: Solidarity Wine recently awarded Wine Enthusiast's Innovator of the Year award – citing the collaboration of our industry and our state; it's been almost 50-years since One Flew Over the Cuckoo's Nest was filmed and next week Depoe Bay will be unveiling signage, created in part by a Travel Oregon small grant, noting the site of that filming.

Chair Youngblood notes that the Portland International Airport Welcome Center is celebrating its 10-year anniversary of being open and what amazing work is happening to ensure our visitors are warmly greeted and provided with the information they need to make their time in Oregon even better.

### **Local Welcome**

Bettina Hannegan, Executive Director of the Florence Chamber of Commerce welcomes the Commission, staff and guests to Florence.

Bettina provides the Commission with a PowerPoint regarding Florence – Oregon's Coastal Playground.

### **Public Comment**

Sue Densmore, Friends of the Oregon Caves and Chateau provides the Commission with an update on the renovation of the Oregon Caves and Chateau. Discusses the funds that have already been raised to restore the Chateau including the \$100,000 grant from Travel Oregon and discusses that there is still \$1.4M needed to finish the project.

### **Commission Business**

Chair Youngblood asks if everyone received their Commission packets including the financials. The Commissioners confirm they received the noted materials.

Chair Youngblood thanks Commissioner Francisco for being a part of financial review.

Commissioners Francisco discusses the financial review and thanks staff for their work to ensure Travel Oregon's finances are in order.

Chair Youngblood states his appreciation for Commissioner Francisco and his financial acumen to help provide this review.

### **Commission Action**

#### **Approval of October 14-15 Minutes**

Commissioner Boyles moves to approve the October 14 and 15, 2019 Commission Briefing and Meeting minutes and Commissioner Ponzi seconds the motion. The motion to adopt the minutes is approved by unanimous consent and Chair Youngblood states that the minutes will be posted to the Travel Oregon industry website.

Chair Youngblood states that it has been brought to his attention that the statewide HR policy on accrued but unused vacation has been updated.

This policy is applicable to all state agencies and was established by the offices of the Oregon CHRO (Chief Human Resources Officer) and DAS (Department of Administrative Services). Travel Oregon has adopted the policy for its staff.

While the Commission doesn't take up agency personnel policy as a normal course of business, following a presentation on Commission authorities and responsibilities by the VP of Operations, Jeff Hampton, the particulars of this statewide policy has been brought forward.

The statewide policy provides that employees may cash out up to 40 hours of vacation one time per calendar year providing that the employee retains not less than 60 hours of vacation at the time of conversion.

In October, the Commission reaffirmed that it has delegated authority to establish and update Travel Oregon policy to the CEO. Because this HR policy converts vacation to compensation and given that only the Commission establishes CEO compensation, I would take a motion to acknowledge that the policy on converting vacation time is available for Todd to access. Should Todd decide to avail himself of this statewide policy this year or in the future, he need only report out to the Commission on having done so.

Commission Sugahara moves to approve that the CEO has access to this policy should he elect to do so, he need only report out as update to the Commission. Commissioner DiNovo seconds the motion.

The motion to allow Travel Oregon's CEO to utilize the statewide HR policy of vacation cash out is approved by unanimous consent.

The statewide policy for vacation compensation is acknowledged and available for Travel Oregon's CEO to use.

### **Reports, Updates and Discussions**

Todd thanks the people of Florence for the welcome and the opportunity to see what makes this community so special. Discusses the collaboration that takes place when we align messages between the state and the communities. States that he recalls that his first international hosting mission was in Florence and that the new growth and vibrancy of Bay Street and the art installations provided are wonderful.

### **Global Strategic Partnership Update**

Teresa O'Neill, VP of Global Strategic Partnerships and Lisa Itel, Director of Global Strategic Partnerships provide the Commission with a PowerPoint presentation highlighting the work their team has been focusing on in the last two years since the creation of the department. Lisa discusses that Travel Oregon has 5 key industry partners their team meets with quarterly: Oregon Restaurant and Lodging Association, Oregon Film, Sport Oregon, Business Oregon and Oregon Wine Board. Lisa highlights several opportunities Travel Oregon is working on with these key industry partners.

### **Only Slightly Exaggerated Spring Update / Fall Campaign**

Bryan Mullaney, Marketing Insight & Planning Manager provides the Commission with a mid-year campaign PowerPoint presentation regarding the Only Slightly Exaggerated (OSE) campaign results.

Commissioner Sugahara highlights that one of the Yeti & Squatch book readings was at the North American Bigfoot Center that just opened this fall.

Commissioner Willitts asks if this campaign is focusing on a younger demographic.

Bryan states that 18-24-year-olds is the youngest demographic being targeted.

Commissioner Ponzi asks about the inclusion of a brewpub scene and the potential of a youthful audience.

Kevin Wright, VP of Global Marketing states that they did definitely consider how to message the story in an appropriate way. The original artwork was very adult focused and while Travel Oregon key target demographics are adults, this book definitely had a kid feel so the message was toned down for that audience.

Commissioner DiNovo asks about the demographics of the 72,000 enriched bookings.

Bryan states that he doesn't immediately have that information but will get it to the Commission.

Commissioner Boyles states that Adara numbers generally capture 54% of market saturation.

Bryan states that the partnership Travel Oregon has with Adara actually captures 100% of market saturation. States that the numbers cited are 4 weeks of data with 8 more weeks to go in the campaign.

Todd discusses that he's excited to share that the Global Marketing team has been looking at the evolution of Travel Oregon's advertising based on the imperatives of our 19-21 Strategic Plan; specifically, how we harness the power of our advertising to optimize statewide economic growth. Planning to optimize the tourism industry is a complex trade-off between economic development and the preservation of places and ways of life that are an integral part of who we are as Oregonians.

The team has been looking at our target audience, timing of our advertising pulses (maybe 3-4 instead of 2), target markets, the myriad of marketing channels at our disposal and the creative. The team is constantly looking at how to maximize marketing dollars.

Todd discusses that the challenges in the space are big but that he has confidence in our team and looks forward to seeing their ingenuity play out.

Chair Youngblood recesses the meeting at 10:16 a.m.

Chair Youngblood reconvenes the meeting at 10:28 a.m.

### **Governor's Office – 2020 Legislative Session**

Sara Morrissey, Public Affairs Manager discusses the tourism industry policy issues that are being tracked at the federal level:

Brand USA - US Travel is optimistic on Brand USA's reauthorization. Negotiations are currently happening at the federal level around funding packages. Several scenarios are coming together at the federal level regarding a way that Brand USA could move forward including:

- Potential Continuing Resolution to February. Would NOT likely be "clean" so it could be something Brand USA rides on.
- A couple "mini omnibuses" where they would put together some of the appropriations bills but push homeland off to next year.
- Least favorable, and less likely, are a clean continuing resolution, a larger bill or a shut down.

We hope that none of these options move forward as it would not be positive for Brand USA. US Travel is asking for members to reach to congressional leadership and advocate to include the reauthorization of Brand USA in a CR / or CR-OMNI bill. Oregon's congressional leadership has been supportive of this reauthorization.

Chair Youngblood asks who the champions are on the reauthorization.

Sara states that Rep. Walden and Rep. Pallone are the 2 champions of the Brand USA reauthorization.

Sara introduces Brendan Finn, Governor Brown's Policy Advisor for Transportation and Tourism (calling in by phone) to provide the Commission with an update on the Governor's priorities for the 2020 Legislative Session.

Brendan thanks the Tourism Commission for their service to the state and for what tourism brings to Oregon's economy. Governor Brown was in the legislature when HB 2267 passed, creating the 1% statewide lodging tax and understands the importance of the transient lodging tax increase to 1.8% (HB 4146 – 2017). Brendan explains that the Governor plans to introduce a bill during the 2020 Legislative Session that will include simple language that will only address the tax rate. The bill will only remove the sunset on the tax rate on HB 4146, ensuring that the statewide transient lodging tax rate stays at 1.8% in perpetuity. He noted that Travel Oregon remains the appropriate agency to receive and manage the resource. There will be no changes to programming. Brendan discusses the trip the Governor made to Doha for the World Athletic Championships and how excited they are to bring those championships to Oregon in 2021 (Oregon21). Discusses that as a state, they learned a lot from that experience and are working to ensure some of the same potential problems are mitigated ahead of time. Brendan thanks the Commission for the support and the \$20 million that the agency has committed to Oregon21. States that the Governor's Office staff are working with other entities to find up to \$20M to bridge the gap to help fund the championships. The Governor is working with the legislature on a \$5 million General Fund appropriation in addition \$1 million from the Governor's strategic reserve fund. The Governor is also asking for an additional \$10 million from the tourism industry and have asked Travel Oregon to also work with the Regional Destination Marketing Organizations (RDMOs), especially those hosting events, to identify resources that can go towards the event.

Brendan thanks the Commission, on behalf of the Governor, for their service to the state of Oregon.

Todd thanks Brendan for taking the time to call-in and provide the Commission with this update and for his counsel and partnership with Travel Oregon.

Brendan states that he looks forward to staying engaged and appreciates his partnership with Travel Oregon moving into and throughout the upcoming legislative session and beyond.

Sara discusses the strategy in working with the Governor's office to remove the sunset clause in the current statute. Discusses that both the Oregon Restaurant and Lodging Association (ORLA) and Oregon Destination Association (ODA) boards voted in support of removal of the sunset provision.

ORLA has been taking the lead to inform and educate legislators about the Governor's bill on removing the sunset. At this point, there is no direct ask but instead ensuring legislators have heard about the bill and see if they have any questions about the bill, Travel Oregon as an agency, or any other outstanding industry questions. ORLA's goal is to meet with all members of House Revenue, Senate Revenue and legislative leaders (majority and minority leaders, Speaker of the House, etc.) by the new year.

Sara states that once those meetings are completed, there may be additional meetings set up to meet with specific legislators to speak about the tourism industry and the importance of supporting the Governor's bill. The Commission will be provided a weekly legislative update during session. Once talking points regarding the removal of the sunset have been developed, they will be distributed to the Commission as well.

Commissioner Francisco asks for clarification on what ORLA voted to support.

Commissioner Boyles states that he was part of a delegation of ORLA that met with Governor Brown. From the industry's perspective, it is important that the sunset is removed, the protection of the 70/30 local lodging tax split remains and that no other restrictions be placed on Travel Oregon.

Sara states that Governor Brown also pledged to keep current definitions (ORS 320.300) in place as well.

Chair Youngblood asks if there was any activity during the last legislation session trying to extend the 1.8% for other purposes.

Sara discusses that Rep. Keny-Guyer proposed a bill in 2019 that would take the .3% (difference between reduction in current statute to 1.5% in 2020 and keeping the tax at 1.8%) and putting it towards affordable housing at the county level. Counties that generate the most tourism would receive the most funding, so Multnomah County would see the bulk of those dollars. That bill did not make it out of committee. States that Travel Oregon has been creating a plan to show the agency's progression from marketing to management.

Chair Youngblood asks what the retention of the 1.8% would mean to the state and to the regional grants and RCTP.

Sara states the delta is about \$6.5M – 20% of which would go towards RCTP and 10% towards Travel Oregon competitive grants program.

Commissioner Ponzi asks if we have a clear view of what OR21's budget of \$40M is being spent on.

Sara states that we have agreements with OR21 on the existing fund agreements. The event also has a budget for the full cost of the event. Chair Youngblood shared that at a recent

meeting he attended with Washington County colleagues, they discussed that while the OR21 commitment is a big investment to our state – in comparison to a Superbowl 30-second advertisement which is typically \$5M, this \$40M investment into our state seems of good value.

Sara states that the Governor has asked for an additional \$10M from Travel Oregon and regional partners (if the sunset is removed) to help fund OR21.

### **Oceania Trade Mission**

Greg Eckhart, Director of Global Sales provides the Commission with a PowerPoint presentation on the recent Oceania Trade Mission that Commissioner Boyles attended. Part of the success from the mission included a full-page Mt. Hood and Central Oregon feature in the Travel & Co product catalogue, highlighting winter sports experiences in these regions. Travel and Co is the leader in active travel experiences for travellers from New Zealand.

Commissioner Boyles discusses the value of attending the Oceania Trade Mission and seeing firsthand the efforts and work of the Global Sales team. This experience brought the reports we get from Travel Oregon into focus as to what the work means. States that his participation included attending trainings and media appointments. Telling the Oregon story was a great way to engage with local partners. Those we met with asked great questions which in-turn created good story lines. The trip solidified several existing relationships, created new relationships, and helped him understand how being early in a new market can make such a difference in relationship building.

Commissioner Willitts states that he sees a great opportunity with the Australia/New Zealand market coming to Oregon in our shoulder season given the ski opportunities.

Chair Youngblood states that developing these continued relationships means a lot – because these relationships don't just happen overnight, but that it takes time and work which Travel Oregon invests the time to do. That early insight into a new market is invaluable.

### **Travel Oregon Industry Site Update**

Petra Hackworth, VP of Global Sales provides the Commission with a PowerPoint presentation on the recent Governor's Asia Trade Mission that several Travel Oregon staff members attended.

### **Other Business**

Chair Youngblood thanks the team and the people in Florence for a great meeting.

Commissioner Boyles states that ORLA is one of the key Travel Oregon partnerships mentioned and wanted to highlight the Oregon Leadership Academy, of which he had the pleasure of being part of the committee to help develop criteria and review applicants.



Commissioner Willitts asks if there is anything that Travel Oregon would like for lodging properties to standardized or include on lodging property comment cards.

Michael Sturdevant, Director of Marketing Insights and Visitor Services states that they will review and consider comment card standardization and get back to Commissioner Willitts.

Commissioner Willitts states that it could be a good quarterly connection point for capturing data.

Commissioner Ponzi thanks the people in Florence for helping change behavior and how inspiring the ideas being created are, and will, no doubt have great impact well beyond the state and inspire other states across the U.S.

Commissioner DiNovo states how inspired she is as well and how much it means to be a Commissioner and to participate in these meetings.

Todd discusses the spirit collaboration and thanks the Commission for volunteering their time to provide insight and wisdom to Travel Oregon, benefiting the travel and tourism industry across the state. Todd thanks the staff for the work that it is done to support the Commission and these meetings. Thanks all the partners who leverage and align their work to support their local, regional and statewide efforts. Local tourism taxes create over \$200M a year that goes back into local communities. The travel and tourism industry adds good jobs – over 1500 this last year.

Chair Youngblood looks forward to the next Commission meeting in Independence, February 24-25, 2020 and adjourns the meeting at 11:32 a.m.

**Staff present include:** Todd Davidson, Sarah Watson, Jenny Hill, Scott West, Jeff Hampton, Kevin Wright, Teresa O'Neill, Petra Hackworth, Kristin Dahl, Michael Sturdevant, Sara Morrissey, Bryan Mullaney, Lisa Itel, Harry Dalgaard, Greg Eckhart, Jaime Eder, Christina Tuchman, Kate Sappell, Gracia Camizzi and Courtney Brie Doss.