



Oregon Tourism Commission Meeting

Dec. 5, 2017

Timberline Lodge
27500 E Timberline Rd.
Timberline, OR

Chair Snyder calls the Commission meeting to order at 9:06 a.m.

Chair Snyder welcomes the Commission, staff and guests to Timberline Lodge and provides a summary for the day's events. Commissioners and those in attendance provide self-introductions.

Commissioners present include: Ryan Snyder, Alana Hughson, Kara Wilson Anglin, Nigel Francisco, Don Anway, Al Munguia, Scott Youngblood and Kenji Sugahara.

Staff Present include: Todd Davidson, Scott West, Jeff Hampton, Teresa O'Neill, Kevin Wright, Harry Dalgaard, Kate Sappell, Bryan Mullaney, Mo Sherifdeen, Linea Gagliano, Linea Gagliano, Katie Meeker, Michelle Woodard, Kendra Perry, Carole Astley, Ladan Ghahramani, Meredith Williams, Gabi Duarte, Matthew Finn, Scott Bricker, Lorna Davis, Jenny Hill and Sarah Watson.

Local Welcome

Lizzie Keenan of the Mt. Hood Gorge region welcomes the Commission and guests to Timberline Lodge. Lizzie shows the Columbia River Gorge anthem video paid for in part with the RCTP funds and filmed by UnCage the Soul. Lizzie provides the Commission with an update on the Eagle Creek fire and the fire recovery support that has been provided by the community, Travel Oregon, the Governor's office and industry partners. Discusses the Trail Head ambassador program for busy trails in the Gorge and on the mountain and explains that the program will focus on providing visitor information for what trails are open and closed.

Danielle Cowen of Oregon's Mt. Hood Territory welcomes the Commission to Mt. Hood and provides the Commission with a Powerpoint showing what draws people to the Clackamas County, highlighting the growth in their region, discussing their 5-year Strategic Plan which now includes sustainability and focuses on marketing and development, and that their next "big thing" will be helping the development of the

Willamette Falls area – showing a Facebook Live video. Thanks Travel Oregon for their partnership and for being at Timberline today.

Public Comment

Chair Snyder opens the Public Comment.

Alice Trindle of the Eastern Oregon Visitors Association discusses the follow through that has happened since her request of the Commission to look into the economic impact the closures on I-84 have on Eastern Oregon - 6 new plows and a plan to help implement new de-icing procedures. Alice cites the potential historical significance of the Large Grant decision today and requests that the Commission open the Public hearing back up after the Large Grant approval for RDMO partners to respond.

Chair Snyder states his appreciation for the work the RDMO's do throughout the state. Explains that there will be a full discussion during the Large Grant portion of the meeting on how the process was undertaken and how the decision was made. States that he is not inclined to re-open the large grant process again.

Alice thanks the Commission and states that having a clear understanding of the grant process will be helpful.

Bob Hackett of Travel Southern Oregon states that he was in attendance of the Commission briefing and how much he appreciates the work that went into the Large Grant process and approval of the Oregon21 designation. States that if there are additional funds available and the Large Grant process were to re-open, it would be helpful to look at those other 14 applications and potentially award additional money.

Sue Densmore of the Oregon Caves invites the Commission to come to the Oregon Caves and thanks the Commission for their work on the Large Grant, stating her support for re-opening the Large Grant process should additional funds be made available.

Chair Snyder thanks Sue for her work at the Oregon Caves.

Commission Business

Chair Snyder ask the Commission if they've received their Commission packet, including financials – Commissioners confirm they have.

Chair Snyder thanks Commissioner Francisco and Commissioner Youngblood who met with Todd and Jeff regarding the financials.

Commissioner Youngblood states his appreciation for the opportunity to meet and review the financials with staff.

Commission Action

Chair Snyder asks for a motion to approve the minutes.

Commissioner Sugahara moves to adopt the October Briefing and Commission meeting minutes. Commissioner Francisco seconds the motion. The October 2nd Commission Briefing and October 3rd Commission meeting minutes are unanimously approved.

Chair Snyder reviews the Large Grant Application process and reviews the deadlines in that process that led to the review. He states that Oregon21's selection for yesterday's presentation was the result of a thorough process undertaken by our staff and this Commission that held to a timeline and a set of procedures that this Commission adopted at our last meeting and that each of the applicants was subject to.

Commissioner Hughson reviews the process undertaken by the Large Grant subcommittee. States that there were 15 applications which were reviewed individually by subcommittee members prior to the coming together for the review. Discusses the guidelines and process that the subcommittee adhered to including how having the guidelines helped move the application process forward in a pure way. States that once the aggregate numbers were totaled – there was one clear application that stood out. States that she is happy to speak to anyone if they have any questions and offers her appreciation to the high level that Travel Oregon staff adhered to during the process. Explains that there was a 40% differential between the top applicant and the next applicant.

Commissioner Youngblood discusses the differential between Oregon21 and the other applicants. Discusses the potential economic impact providing a \$10M grant will have - showcasing Oregon for 10 days during the IAAF games. States that this investment in our state will codify Oregon's place in the travel and tourism industry.

Commissioner Youngblood moves commit \$10M to Oregon21 – \$5M in this biennium and \$5M in the next biennium.

Commissioner Hughson seconds motion.

Commissioner Francisco asks if Large Grants can be reopened if there is additional money available.

Todd states that the Commission has the authority to open the Large Grants and determine the level of funding at any time. Discusses that based on modeling of 4% annual growth – the current status would be to receive \$3.1M each year. States that Smith Travel Research (STR) shows projected lodging revenue at 4.9% growth a year. Explains that with these projections and what is currently budgeted, there will be \$1.2M

available for grant funding remaining within this biennium and \$2.4M next biennium over and above the money identified in the motion today.

Commissioner Sugahara states that the \$10M grant would come with specific reporting requirements. Suggests including additional annual reporting requirements and asks if that needs to be added to the motion.

Todd states that an amendment to the motion could be made, but assures the Commission that there are significant reporting requirements outlined in the grant guidelines. The Commission could direct staff to include additional reporting requirements to the grant contracts or add an amendment to the motion today.

Commissioner Anway asks if there is a way to ask Oregon21 for a presentation upon receiving the first \$5M before receiving the second \$5M.

Chair Snyder states that he will be suggesting a more formal review of Oregon 21 – potential reporting back to the Commission several times a year to ensure that the grant funds are being used in the marketplace as expected.

Commissioner Munguia asks what the Commission expects to see as a marketing structure response from Oregon21.

Chair Snyder would like to be shown what the KPI's are now vs. what would be added.

Todd explains that the KPI's are already in Oregon21's proposal, but that the Commission could also require regular reporting and direct the Travel Oregon staff to engage further in Oregon21's marketing plan. Discusses some of the KPI's already in place in the Oregon21 proposal.

Commissioner Wilson Anglin discusses the training camps and asks if there are funding mechanisms in place to help establish those training camps throughout Oregon.

Todd explains that if a community wants to host a training camp – that community could be eligible to apply for one of Travel Oregon's small or medium grants.

Commissioner Anway states that he'd like to see Travel Oregon take a role in helping implement a statewide effort to place training camp in all 7 tourism regions.

Todd discusses how Oregon21 has been able to reach out to the regions through ODMO to help establish training camps. Explains that those community's names that were interested in training camp, were taken to London and what it meant to be able to showcase those communities 4 years prior to the event. States that Eastern Oregon and Southern Oregon have already raised their hand to help host those camps.

Commissioner Hughson states that the Central Oregon Visitors Association (COVA) has been made aware of the opportunities from Oregon21 and thanks them for their

outreach. Discusses that the responsibility rests on the regions to explore those possibilities that exist to host training camps and states how excited COVA is to have a catalyst like this event to help promote Oregon internationally.

Todd explains that Travel Oregon staff will provide the Commission with the list of those communities already requesting training camps and that it will be included in designated reporting requirements.

Commissioner Sugahara asks for regular reporting and that those intervals should become more frequent as the event draws closer.

Commissioner Francisco asks what outcomes are expected after the first biennium to ensure that Oregon21 is on track with their funding.

Chair Snyder states that having short term benchmarks would be good.

Commissioner Munguia asks what the disbursement schedule is for the \$10M grant.

Todd explains that the motion is for \$5M to be disbursed this biennium – \$2.5M this year and \$2.5M next year, and \$5M to be disbursed next biennium. Explains that for any grant given through Travel Oregon, there are performance measurements for outcomes and deliverables in place in order to receive additional funding. Those requirements could be implemented for this grant as well.

Teresa O'Neill, VP of Global Strategic Partnerships, reads through some of the Large Grant guideline requirements.

Commissioner Wilson Anglin asks if from the time when the grants were opened there were any concerns on the short application timeline.

Todd discusses the timing of the Large Grant process and explains that staff outlined the grant timeline which the Commission approved at the October 3rd Commission meeting. Todd reviews the complete timeline process and cites the Oct. '16 Commission meeting where the needs of the grant guidelines were brought before and approved by the Commission. Those needs were then developed into full guidelines and posted to the industry website.

Chair Snyder explains that the Commission did discuss the grant timeline at the last Commission meeting and the Commission approved that timeline.

Commissioner Anway asks if there is additional funding available he feels there should be an opportunity made available for those current applications to be awarded funds without having to go through the entire process again.

Commissioner Youngblood states he's not sure how that process could be done responsibly and equitably.

Commissioner Hughson states that while there were excellent concepts submitted – there were significant reasons those other applications weren't awarded. Explains that staff will be reviewing and providing comments to those applications on what could/should be revised in order to have a better opportunity of receiving a grant. States that she believes there is due diligence on reopening the entire process again.

Chair Snyder states that those who did submit an application this time will certainly have a competitive advantage and asks if they've all received notification on the status of their application.

Michelle Woodard, Grants Manager, states that all applicants have all been told that they did not move forward in the process to receive funding and that 13 out of 14 have reached out to have staff work with them on their applications.

Commissioner Anway requests that the Commission not delay in reopening the Large Grants if there are funds available.

Todd asks if there is interest in the Commission to reopen all of the grants - providing direction for how to disburse the additional \$1.2 M. Explains that small grants have been awarded at \$400,000 and medium grants haven't been opened yet. The Commission can ask staff for scenarios on how to disperse that additional funding this biennium.

Commissioner Hughson states she wouldn't want to take away funding from small or medium grants.

Commissioner Sugahara asks when the medium grants might open up.

Todd states they are expected to open Spring '18.

Chair Snyder asks staff to go through the process of analyzing the grant funding process and structure and to report back to Commission with scenarios if any changes need to be made.

Commissioner Munguia states concern of opening the Large Grants if it's already been decided not to award dollars to the remaining 14 applicants. Suggests looking at the whole grants program to see where and if it should be refined.

Commissioner Youngblood states that while this has been an objective process – its is also subjective to the individual subcommittee member. This entire program is completely new and there is an opportunity to review, revise and polish the grant program on every level for us to make the best decisions we can. That is not to say that had the other 14 applicants done everything perfect on their applications that any additional funds would have been given based on the criteria set forth in the guidelines.

Chair Snyder directs staff to evaluate the grant program looking at what worked and what didn't and to report back at the next Commission meeting.

Commissioner Wilson Anglin asks if awarding a \$10M grant is fiscally conservative?

Chair Snyder states that yes, it is conservative.

Todd explains that even with zero lodging tax growth – there would still be approximately \$3.1M in the grant program to award each year. With the \$2.5M commitment, there would still be money available for other grants. Anticipating a 4% growth is conservative.

Commissioner Francisco asks if the lodging tax revenues received did go down, would the money committed still have to be awarded.

Todd explains that during the great recession of 2008, lodging tax revenues went down 15% and the next year was flat.

Commissioner Francisco states that a downturn wouldn't hurt the large grant program but could affect the other grants.

Todd states that if there was that much of a downturn, the entire Travel Oregon program would need to be evaluated. If the Oregon21 commitment and requirements are being met – we would have to reevaluate that if there was a recession.

Commissioner Wilson Anglin states that she feels it would be appropriate to reopen public comment.

Commissioner Munguia agrees that it would be transparent and a good acknowledgment of the industry to reopen the public comment.

Commissioner Youngblood restates the motion - moves commit \$10M to Oregon21 – \$5M in this biennium and \$5M in the next biennium.

Commissioner Hughson seconds motion.

Chair Snyder reopens Public Comment.

Danielle Cowan of Oregon's Mt. Hood Territory states that they had a partner apply for a large grant. States that any advice to help that partner in making them more competitive in the future would be helpful. Suggests differentiating between the size of projects would be helpful to the grant award process.

Todd states that during the assessment of the guidelines and as part of the analysis of the funding, staff will provide thoughts or suggestions to the 14 applicants who were not funded.

Commissioner Munguia asks if another level of grants should be put in place. Suggests including that question in the grant review process.

Todd states that Travel Oregon staff has had one run at each the small and large grants process, so implementing a review is appropriate.

Commissioner Sugahara asks if the reporting requirements need to be added as an amendment to the motion.

Commissioner Youngblood states that with those requirements in place in the guidelines – it may not be needed.

Todd states that annual and biennial reporting is required in the guidelines. If the Commission would like to see Oregon21 back before them once a year or more, that can happen.

Chair Snyder states that it would be prudent for Travel Oregon staff to be part of the Oregon21 steering committee.

Commissioners Sugahara, Youngblood and Hughson agree and Commissioner Youngblood states that in most equity committees a member of the funding sources sits on the board of the awardee.

Mike Reilly of TrackTown states that Travel Oregon would be invited to be a part of all 3 tiers of Committee involvement.

Commissioner Munguia thanks Chair Snyder for allowing the additional public comment and calls for a vote.

Chair Snyder asks all those in favor to say aye – Commissioners Francisco, Munguia, Sugahara, Youngblood, Hughson, Anway and Snyder vote aye. Chair Snyder asks all those opposed to say nay – Commissioner Wilson Anglin votes nay. The motion to commit \$10M to Oregon21 – \$5M in this biennium and \$5M in the next biennium is approved with a 7-1 vote.

Chair Snyder recesses the meeting at 10:48 a.m.

Chair Snyder reconvenes the meeting at 10:59 a.m.

Global Marketing Update

Kevin Wright, VP of Global Marketing, provides the Commission with a PowerPoint update on the Winter 2017 Marketing Campaign and reviews results of Travel Oregon – The Game. States that Travel Oregon worked hard to incorporate and highlight those communities that had been impacted by the fires, into the game. Another addition to

the Working Winter Campaign will be working on partnering and showcasing the Oregon Trail 175th Anniversary happening in 2018.

Kevin provides a preview of the Spring 2018 Campaign discussing the scripts, animations and reviews timing to release the campaign.

Commissioner Sugahara thanks staff for work on the game and is excited to see the Spring preview. Challenges the Commissioners to play Travel Oregon – The Game.

Governor's Asia Mission

Commissioner Kenji Sugahara provides the Commission with a PowerPoint overview of his time in Asia as part of the Governor's Trade Mission.

Global Strategic Partnership Update

Teresa O'Neill, VP of Global Strategic Partnerships, provides the Commission with a PowerPoint update on the efforts of the Global Strategic Partnership department – including the RCPT program; the Competitive Grants program - highlighting the 29 small grants that went out earlier this biennium and will open again July '18; overview of Industry Services work; provides update on specific Partnership Development; and Brand USA microsite development.

2018 Legislative Short-Session Preview

Scott West, Chief Strategy Officer and Bill Perry, Balance Point Strategies and Travel Oregon consultant, provide the Commission with an overview of topics that will be relevant to the travel and tourism industry during the upcoming legislative short-session. Bill specifically thanks Commissioner Youngblood for his engagement during the last legislative session. Discusses that health care taxes may be referred to voters; and that the collection on vacation homes is being enforced, and that "local flexibility" issue will be an issue that is ongoing. States that several new house and senate members are being appointed to fill vacancies which could slow down the session.

Commissioner Sugahara asks about potential litigation on lodging tax funds for transportation projects.

Bill states the case has been filed, but does not believe it has moved forward.

Commissioner Sugahara asks about health care tax and if health care providers are in favor of that.

Bill states that there is a new health care tax – and most of the health care providers are in support.

Commissioner Sugahara asks if affordable housing will be discussed during the legislative session.

Bill states that he is aware of a legislative concept to review a local level fee increase– but believes it would require a super majority vote.

Wildfire Update

Linea Gagliano, Director of Communications, introduces Nate Stice and Alex Campbell of the Governor's Regional Solutions Team and provide the Commission with a PowerPoint update on the wildfires that took place late summer 2017 in Oregon. Alex Campbell and Nate Stice review the fires that affected Oregon this summer as well as the Governor's support efforts around fire recovery. Cites specific affects to Southern Oregon tourism entities as well as community efforts to support recovery efforts in Gorge area. Discusses the business recovery support given by the Governor's office and state agencies to provide relief efforts to help stabilize those businesses effected by the fires. Thanks Travel Oregon for the efforts in that recovery and the support of the Ready.Set.Gorge efforts.

Linea states that when partners can provide tourism "deals", it really helps in recovery efforts and is so helpful for Travel Oregon staff to help support that. Highlights the Travel Oregon – Travel Alert Page showing travelers were it's safe to recreate and shows the stories being created letting travelers know that Oregon is still open for business. Discusses the Industry information webpage that will also continue to be updated as emergency situations arise – citing the Resource Collateral and emphasizing the importance of the partnership between Travel Oregon and RDMO's. Discusses what TO is doing moving forward to be prepared when situations arise including industry alignment, statewide efforts through Oregon Emergency Management, support of Regional Solutions teams and new research being undertaken by Smith Travel Research.

Commissioner Sugahara states how impressed he is by the multi-agency coordination. Asks about the Travel Alerts and when those will be shown.

Linea states that those will show up during an emergency.

Commissioner Sugahara asks about federal funds and if FEMA has authorized any funding – and if there is additional federal disaster relief available.

Alex states that U.S. Forest Service has provided support but no additional funding.

Nate discusses that Business Oregon is pursuing a "disaster assistance" fund for businesses to access capital when disasters happen.

Commissioner Sugahara asks about unemployment insurance and if those companies will see an increase in their Unemployment Insurance (UI) rate.

Nate states that there are a couple different programs that allows and employers to keep a "work share" relationship with an employee by reducing hours – which has less of an impact on the UI rating. Explains that for the Eagle Creek fire they were able to establish a work shut down date for a week after the fire started.

Alex explains that for the southern Oregon – it was mostly seasonal workers affected and that season just ended early.

Commissioner Hughson thanks the team for their work in support of COVA.

Linea thanks Commissioner Hughson for the collaboration of Travel Oregon and RDMO's - it means everything.

Other Business

Todd states that TLT has been received for December and that Travel Oregon is exactly on track for the budget.

Chair Snyder asks if anyone has any announcements. Thanks the Commission for their robust discussions, thanks the staff for their efforts and for the partners for being in attendance today.

Chair Snyder adjourns Commission meeting at 12:27 p.m.