

**River Canyon Country Rural Tourism Studio  
Baseline Assessment  
October 2012**



RURAL TOURISM STUDIO

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## I. Introduction

This report includes qualitative and quantitative baseline information for the River Canyon Country region at the start of its work with Travel Oregon on the Rural Tourism Studio (RTS) Project in November 2012. The region includes Crook, Jefferson and northern Deschutes Counties, plus the Confederated Tribes of Warm Springs Reservation.

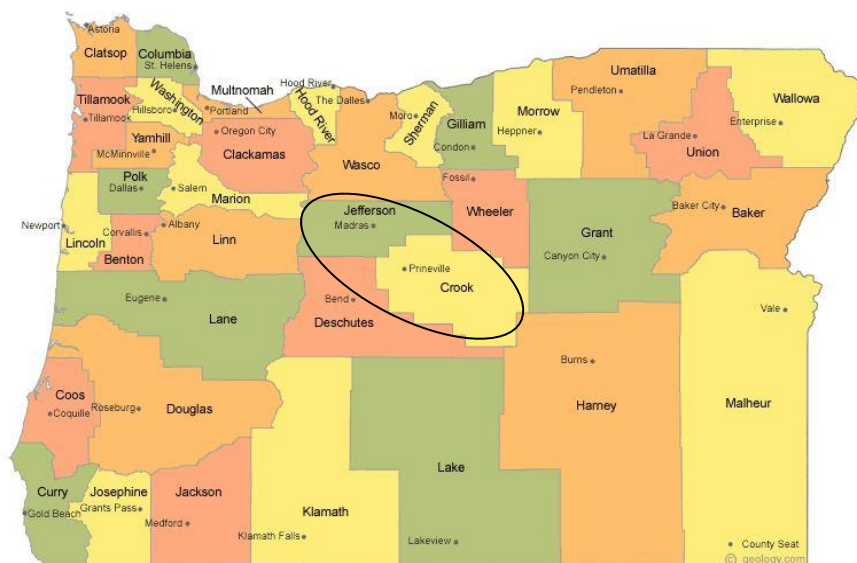
The Rural Tourism Studio program aims to stimulate new tourism development activities that generate business revenue, jobs, entrepreneurial opportunities, and revenue for public services over time. The RTS workshops are designed to help the community learn about and organize around key sustainable tourism 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

The River Canyon Country (RCC) region is located in Central Oregon. This region, named as a potential new branding umbrella for the communities that are working together on the Rural Tourism Studio, includes Jefferson County, Crook County, the Confederated Tribes of Warm Springs (CTWS) Reservation, and the northern part of Deschutes County (Terrebone area). It is a sub-region of Central Oregon.

These areas are linked by their mix of rural heritage and outdoor attractions and their proximity to the Bend/Redmond urban area, a major tourism destination with strong transportation infrastructure and amenities. The Central Oregon Visitors Association (COVA), the official regional destination marketing organization (RDMO) partner for Travel Oregon, is based in the Deschutes County city of Bend and covers the entire RCC region as well as the balance of Deschutes County. Tourism is a major driver of the Central Oregon economy, but less so for the communities of Crook and Jefferson counties.



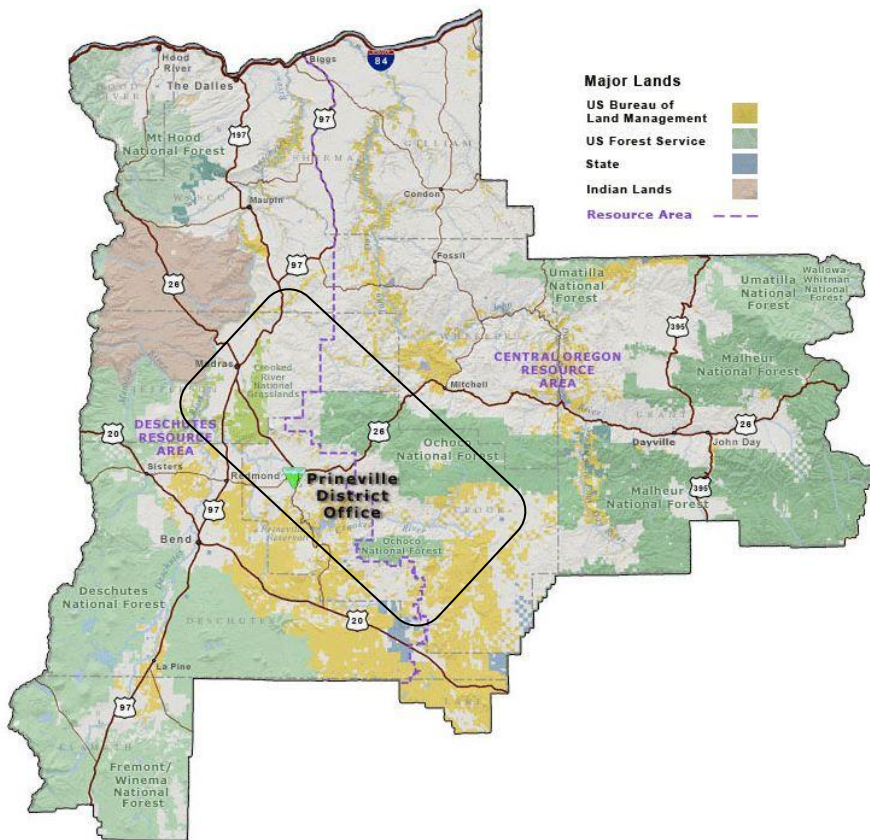
As noted in Part III of this report, there are many other organizations working on tourism marketing and product development in the area.

In their entirety, the three counties of Central Oregon region, as covered by COVA, span 7,837 square miles, or 8.2% of the state of Oregon. This includes approximately 40% of the CTWS Reservation. The 2011 population of the three counties together is 202,948, and the largest community is Bend, with a 2010 population of 77,905.

Because Deschutes County is so much larger, in population and in its scale of tourism development, its data skew analysis of tourism in the RCC sub-region. Thus, except where county level data does not exist, or when comparisons among the three Central Oregon counties provides useful insights, this baseline report focuses on Crook and Jefferson counties, which include 4,787 square miles and the vast bulk of the RCC region.

### A. History and Geography

Like much of Oregon, Central Oregon is a land borne of volcanic activity. The RCC region is home to the Ochoco National Forest/Crooked River National Grassland, as well as slivers of both the Deschutes National Forest on its western edge and the Mount Hood National Forest on its north. The dominant feature of the landscape is the 10,497 foot high volcanic peak of Mount Jefferson. The map below shows the region to have roughly a 50/50 mix of public and privately owned land.



Most of the RCC region is high desert and dry forest. Dramatic rock formations carved by water and wind punctuate the landscape, including Smith Rock, Steins Pillar and numerous river canyons. The

diversity of rock formations at Smith Rock State Park make it a mecca for both technical rock climbers from around the world and beginning adventurers. It is considered the birthplace of modern American sport climbing.

Irrigated agriculture predominates in the valleys of Jefferson County, with Madras the low point at 2,242 feet above sea level. Rangeland and high elevation Ponderosa pine forest of the Ochoco Mountains characterize Crook County. At 6,926 feet above sea level, Lookout Peak is the highest point in the Ochoco Range. At the center of the RCC region in the triangular area between Madras, Prineville and Terrebone, is the Crooked River National Grassland, administered by the Ochoco/Deschutes National Forest.

Water features include three rivers with National Wild and Scenic River designations; the Crooked River, Deschutes River, and Metolius River. The latter two are renowned for fly fishing. Dams along these rivers created Lake Billy Chinook, Oregon's second largest freshwater lake with 72 miles of shoreline, and the Prineville Reservoir. Both are popular recreation draws.

There are three state parks with overnight camping: one at Prineville Reservoir, another at Smith Rock, and the third, Cove Palisades State Park, at Lake Billy Chinook. Cove Palisades features not only water recreation but also the "Crooked River Petroglyph" boulder carved over 500 years ago by the region's indigenous residents. Oregon's largest Indian reservation, the 1,019 square mile home to the Confederated Tribes of Warm Springs, is located in the northern part of Jefferson County and parts of six other counties. Reservation lands include the western flank of Mount Jefferson and the southern flank of Mount Hood.

**History:**

Central Oregon was one of the last areas in the country to be homesteaded by pioneers, due to its isolated often rugged terrain and dry, high desert climate. Prior to the arrival of white settlers, the region was home to the Wasco tribe of the Columbia River gorge, the Warm Springs tribes who migrated with the seasons between villages on the river and the high desert, and the northernmost bands of Northern Paiute tribes who lived the more nomadic lifestyle of Plains Indians. In 1855, the Wasco and Warm Springs Tribes agreed to cede ownership of approximately 10,000,000 acres of land to the state of Oregon as part of a treaty. The two tribes kept what is now the Confederated Tribes of Warm Springs reservation for their exclusive list. In 1879, the first Paiutes began to live on the reservation.

The first pioneers to spend a winter in Central Oregon were shepherding a supply train of cattle along the Scott Trail in 1862. As more travelers came through the region with the opening of the Santiam Wagon Trail, more settled. In 1880, Prineville was incorporated as the first city in all of Central Oregon. Two years later, Crook County was carved out of Wasco County, which at that time spanned all of Oregon east of the Cascades. Prineville was established as the Crook County seat, presiding over all of present-day Crook, Deschutes, Jefferson and Wheeler counties. There were two particularly wild and colorful years of semi-governance in the area until the first regular election in 1884.

The establishment of Crook County started a flurry of other county formations across Central and Eastern Oregon, and Crook County itself split into several smaller units. The northwestern part of Crook County became Jefferson County in 1914. In 1916, Deschutes County was carved from the southern part of Crook County as the last Oregon county to be established.

While Crook County grew around logging and its role as a supply hub for farms and ranches to the west as far as the Crooked River, Jefferson County's wide lower elevation valleys gave it natural advantages for agriculture. These natural advantages were enhanced by infrastructure investments, especially the 1911 "Oregon Trunk" railroad which connected Redmond and Madras north to The Dalles and the transcontinental shipping routes in 1911. The city of Prineville, which was bypassed by the Oregon Trunk, soon built a municipally owned railroad to connect with the new line, which served it well during the timber boom years.

The northern part of Deschutes County that is part of the RCC region shares its development history with the other two counties: like Crook County, Sisters in western Deschutes County developed around trade associated with the Santiam Wagon Trail over the Cascade Mountains. Like Jefferson County, the unincorporated settlement of Terrebone shares its development history with the Oregon Trunk railroad.

**Access:**

The most frequently traveled highway in this region is US97, which is the main north-south thoroughfare through Central Oregon on the western side of the RCC region. US97 It is no surprise that peak traffic grows on all roads as they approach the Central Oregon hub of Bend, and fall off sharply as they move into the more rural areas. East west traffic is far more diffused within the RCC region as a result of multiple routes linking into US97. The appendix includes a table of sample traffic counts along the region's major roadways. Month by month counts are no longer available for highway in this region.

There are no national or state scenic byways or tour routes in the RCC region. There are two Oregon Scenic Bikeways already established that include Smith Rock State Park and Camp Sherman. A third Scenic Bikeway is under development. The national Transamerica Bike Trail, established in 1976, also passes through the region.

The RCC region is close to many other tourism destinations, including Maupin to the north, Sisters to the west, the Painted Hills to the east and the Bend/Redmond area to the south. Redmond, the Deschutes County seat, has a regional airport with direct service to many western cities.

Nearly a quarter million people (241,626) flew into the airport during 2011, and deplanements in 2012 are expected to be similar. This amenity provides convenient access to Central Oregon's destination resorts and makes its rural areas far more accessible than similar sparsely populated regions. Prineville is 19 miles east of the airport and Madras is 29 miles to the north. Both Prineville and Madras also have municipal airports for private flights. The closest international airport is in Portland, the state's largest metropolitan area. Portland is approximately 2-2.5 hours away from most parts of the region via US97 north.

**B. Demographics**

The RCC region today includes four incorporated cities: Culver, Madras and Metolius in Jefferson County, and Prineville in Crook County. Unincorporated Terrebonne in northern Deschutes County is the closest community to Smith Rock State Park, and is located at a crossroads for travelers between Madras, Redmond, and Prineville.

The largest city in the RCC region is Prineville, the Crook County seat, with a 2011 population of 9,192 people. Including Terrebone in Deschutes County along with Crook and Jefferson Counties, the total



2010 population of the RCC region is 49,455 people. The population density is low: 12 and 7 people per square mile in Jefferson and Crook Counties respectively.

The larger Central Oregon region, and especially Deschutes County, was the fastest growing region of the state in terms of population during the 1990s. The growth slowed from 2000-2010 but still was substantial in Deschutes County. On the CTWS reservation, growth accelerated over the last decade.

**Population Change, 1990-2011, Central Oregon Counties**

	1990	2000	2010	2011 est	change 1990-2000	change 2000-2010	change 2010-2011
Crook County	14,111	19,182	20,978	20,839	35.9%	9.4%	-0.7%
Jefferson County	13,676	19,009	21,720	21,771	39.0%	14.3%	0.2%
Deschutes County	74,958	115,367	157,773	160,338	53.9%	36.8%	1.6%

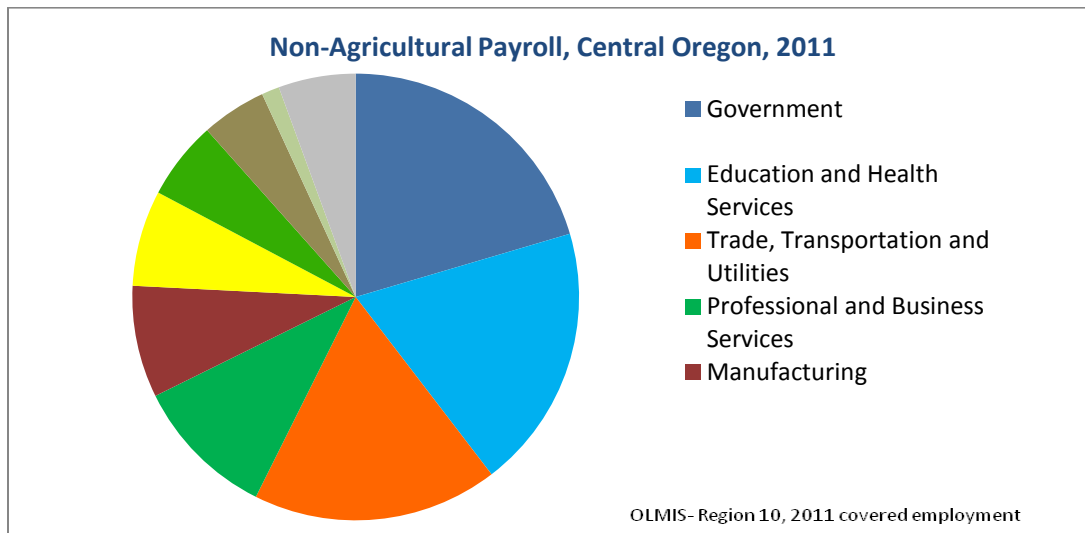
CTWS Reservation	3,076	3,282	4,012	n/a	6.7%	22.2%	n/a
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*Source: U.S. Census and Portland State University*

In terms of comparisons between counties, Jefferson County has the most ethnically diverse and youngest average population. It also has the highest percentage of residents (20%) living in poverty. Deschutes County has the highest per capita incomes. Crook County has the highest average annual wages, but also, persistently, the highest unemployment rates in the state as noted in the “Economy” section below.

**C. Economy**

For the three-county Central Oregon region, government and services dominate non-agricultural jobs. The prevalence of government jobs is especially pronounced in Jefferson County, where tribal government is the single largest employer.



According to the US Bureau of Economic Analysis, which includes agricultural payrolls, farming still accounts for significant employment in the RCC region, even relative to manufacturing. The table below

shows BEA payroll estimates for 2010 for selected sectors in the target RCC counties, Crook and Jefferson.

**Payroll for Selected Sectors as Percentage of Total Payroll, Crook and Jefferson Counties, 2010**

	Crook	Jefferson
Farming	8.8%	9.7%
Forestry, Fishing Related	2.4%	0.0%
Mining	0.5%	0.0%
Manufacturing	9.0%	11.2%
Arts, entertainment and recreation	1.7%	1.3%
Accommodation and food services	5.6%	6.4%

Source: Bureau of Economic Analysis

In terms of overall economic vibrancy, this region has greatly felt the recession, with unemployment rates in both counties well above the state average.. Crook County has had the highest unemployment rate in the state for several years running. Between 2007 and 2011, it lost 1500 jobs, or 21.3% of its non-farm payroll.

**Unemployment Rate, Central Oregon Counties as Compared with State Average**

	Crook	Jefferson	Deschutes	Oregon
August 2012	14.4%	12.4%	11.4%	8.9%
August 2011	14.7%	13.4%	12.4%	9.5%
Annual 2011	14.8%	13.2%	12.4%	9.5%
Annual 2010	16.9%	14.3%	14.1%	10.7%

Source: OLMIS Region 10

Crook County is now positioning itself as the “data center capital” of Oregon, and it has attracted major facility investments (though relatively few non-construction jobs) by both Facebook and Apple.

Another asset of note is the region’s high degree of self-employment, which could reflect the poor economy but also the area’s entrepreneurial bent. Compared with the 2010 state average for the percentage of adults reporting some self-employment income (22.8%), Crook County has a self-employment rate of 35.5%. That’s higher than the Deschutes County rate of 31.8%. With a self employment rate of 23.1%, Jefferson County also slightly exceeds the state average.

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 River Canyon Country through a competitive application process. The successful application was originally submitted by Crook County alone in July 2011, under the sponsorship of the Crook County Chamber of Commerce. As Travel Oregon worked with the community to refine the scope of work, the geographic boundaries and associated stakeholders were expanded to include Jefferson, the CTWS Reservation, the unincorporated Terrebone area and Smith Rock State Park in northern Deschutes County.



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

- Each community has invested in sustained leadership training/development, and has a strong core group interested in tourism development.
- The RCC region has unique, high quality tourism attractions, and its location adjacent to an established and growing tourist region makes market access easier.
- Tourism is an important sector in the transition of this region’s struggling economy.
- Historic downtowns may leverage additional state resources for downtown revitalization work through the Oregon Main Street program.
- Each community is aware of the increase in regional bicycle tourism, and is interested in strengthening their bicycle tourism components.
- Each community is interested in potential new Travel Oregon programming to support agritourism, including opportunities to connect with other RTS regional efforts to grow this activity.
- There are potential local sources of philanthropic and investment capital for projects that emerge from RTS.

The steering committee includes the following people as of October 1, 2012.

Sarah	Ashley	Imperial River Company	Director of Sales and Marketing	Maupin
Joe	Becker	Prineville-Crook County Chamber of Commerce	Executive Director	Prineville
Ken	Billingsley	Indian Head Casino (IHC)	Operations Manager	Warm Springs
Brenda	Comini	Crook County	Director, CCF	Prineville
Seth	Crawford	Crook County Court	Crook County Commissioner	Prineville
Russ	Deboodt	Economic Development for Central Oregon	Manager, Prineville Office	Prineville
Royce	Embanks	Studio on 5th	Owner/Redmond City Councilor	Madras
Sandy	Foreman	Jefferson County Fairgrounds	Manager	Madras
Steve	Klontz	Central Oregon KOA	Director	
Joe	Krenowitz	Madras Chamber Director	Executive Director	Madras
Tory	Kurtz	Ochoco National Forest/CR National Grasslands	Acting Public Affairs Officer	Prineville
Brent	McLean	Brasada Ranch/Northview Oregon Resorts	VP Sales and Marketing	Powell Butte
Tim	Morgan	Prineville Power Sports	Owner	Prineville
Dean	Noyes	Crooked River Roundup, Prineville City Council	Round-Up Board Member, City Councilor	Prineville
Jeff	Papke	Crook County Open Campus/OSU	Open Campus Coordinator	Prineville
Gary	Popp	Cove Palisades Resort, Inc.	Owner	Terrebonne
Coralee	Poppe	Art Adventure Gallery	Director	Madras
Court	Priday	The Inn at the Cross Keys	Manager	Madras
Kristi	Richter	Central Oregon Visitors Association	Group & Events Manager	Bend
Maura	Schwartz		Consultant	Madras

The first workshop of the RTS program will be held on November 6-7, 2012. The program is expected to be complete by January 30, 2012.

### III. Qualitative assessment of “starting point” for RTS

This area shares many characteristics with past Oregon RTS communities: economic struggles, isolation, and a strong desire to shape tourism to be compatible in scale and scope with the character of the local community. The RTS Steering Committee, together and independently, has been extremely active in the months leading up to the RTS workshops, building working relationships, exploring new projects and branding ideas. The “River Canyon Country” sub-regional brand for the RTS area emerged from these discussions.

In terms of organizations and partnerships, there are many Central Oregon-wide partnerships but leaders in Jefferson and Crook Counties express a sense of their area being underserved due to its low population. There is strong interest in organizing locally (within the smaller RCC area of Central Oregon) to address shared priorities. There is an interest in strengthening partnerships between all Central Oregon communities to create more compelling visitor experiences. The shared hope for the RTS program is to discover how to link diverse attractions together into authentic experiences that reflect the contrasting and interdependent history, cultures and communities of the region. One theme, raised as almost a joke but since embraced, is the idea of a “cowboys and Indians” experience.

The RCC region’s location, so close to the major tourism destinations and transportation infrastructure of Deschutes County, means that many potential visitors are just a day trip away from experiencing what the more remote parts of the Central Oregon region has to offer. The challenge is to create experiences that encourage them to extend their stay.

#### A. Planning

The RTS application as originally submitted in May of 2011 for Crook County references a number of *Crook County* plans that indicate community support for tourism as a priority strategy. They include the following (not an exhaustive list):

- Prineville-Crook County Chamber of Commerce Marketing Plans
- Crook County Parks and Recreation District Strategic Plan
- Economic Development for Central Oregon- Strategic Plan Summary
- Crook County Fairgrounds- Event Coordinator Staffing Plan

The Confederated Tribes of Warm Springs sponsored a Sustainable Tourism Plan in 2004 that won the Governors Innovative Tourism Development Award. It was not implemented, however, due to major leadership changes and continued uncertainty about the future of the casino at Kah-Nee-Ta. However, in the last few years, the Tribe has redoubled its tourism development project planning and implementation as noted in the following section.

In Jefferson County, there are no other specific economic development plans that prioritize tourism. There are, however, as noted below, many key stakeholders in the county who recognize tourism’s current economic development contributions and its potential for growth.

Tourism does not feature prominently in the region’s general economic development plans.

## **B. State of tourism and implementation activities**

As tourism activity is creeping back to pre-recession levels, the RCC region is abuzz with new tourism development activity. Section IV includes detailed tourism trend data. Current implementation activities fall into four main categories:

### ***Events:***

- The annual Crooked River Roundup (Rodeo and Races) which occurs between late June and mid-July. The Rodeo is a 67 year tradition. The races and rodeo attract individuals, families and groups (e.g. high school reunions, corporate outings).
- Increased equestrian events at fairground, at Ochoco National Forest/Crooked River National Grassland, at Brasada.
- Prineville recently hosted time trials for US National Championship bike race in Bend
- Several Centennial commemorations in Jefferson County: Madras city in 2010, Arrival of Railroad to Madras in 2011: Jefferson County upcoming in 2014
- Kah-Nee-Ta Resort at Warm Springs is developing new events to use the space vacated by the relocation of the Indian Head Casino to US Highway 26.
- Many other existing events and venues are noted in the Section IV visitor counts.

### ***Linking existing attractions and events together:***

- A major current initiative is the Central Oregon Cultural Byway-a self guided tour modeled on the National Park Service Historic Byways. Brochure and map due to be complete in February 2013, but finish date could possibly be extended to allow for integration of RTS process.
  - Currently assembling inventory of cultural assets to be included, as well as selection criteria.
  - The nonprofit Bend-based ArtsCentral has been the convener of this collaborative endeavor: COVA and RCC area museums are actively involved. The Oregon Arts Commission provided initial seed funding.
- Agritourism was a major interest in the original RTS application, especially in the form of creating loop tours. Among current stakeholders there is a difference of opinion about whether there are enough attractions and interested producers to generate the volume of tourism-related offerings that would warrant investments in marketing and branding. Components of an agritourism effort could include:
  - The Oregon Country Trails affiliated “Crooked River Country Trail” no longer appears active.
  - Crop specific tours: for example, OSU recently sponsored a hops tour; could that be adopted into a tourism strategy? Such expansion could include such elements as new farmers, show gardens, value added producers (e.g. Cada Dia cheese, Maragas winery, etc.), and others.
  - That there are no dude ranches in Central Oregon outside of Deschutes County suggests there may be local resistance to the idea, or there may be opportunity for education about opportunities.
  - The Jefferson County Historical Society sponsors member/fundraising tours several times a year. The most recent tour featured a 150 year old apple orchard in the National Grassland. The heritage trees, still bearing heirloom variety of apples, are all that remain of an early homestead. There are other heritage orchards in the area as well.
  - Private businesses such as the Bend-based “Well Travelled Fork” are creating agritourism itineraries in the area with local farmers and ranchers.

- The AC Bowman Museum also organizes free member tours, and would be interested in brokering (paid) heritage based tours as a potential source of fee income.
- A new 30 mile Oregon Scenic Bikeway, Madras Mountain Views, is under development to link Madras, Culver and Lake Billy Chinook.
- Facebook offer walking tours of its data storage center, with advance notice. The tour includes an overview of history of communication technology.

***Facility expansions, improvements, changes:***

- A year ago, The Indian Head Casino at Warm Springs relocated from the Kah-Nee-Ta resort to a new building on US Highway 26, across the street from the Museum at Warm Springs. The Museum reports an average of 15 additional visitors per day since the casino's opening.
- The A.C. Bowman Museum in Prineville just completed its expansion into a new location adjacent to its original converted bank building. The new space includes community meeting/event rooms and exhibits about the region's use of land (evolution of agriculture) and its natural resources (evolution of timber related development)
  - This museum is supported by a dedicated local option levy (repeatedly renewed since 1976) as well as local room tax funding. Very unique for a Museum to have such institutionalized public support. It is oriented toward giving back strongly to the local community.
- The Museum at Warm Springs has completed its Twanat trail (1/8 mile interpretive trail through cottonwood trees: tells stories of headwaters, birds, plants, trees, geology, paleontology, natural history). The Museum is also opening a seasonal artist village on its grounds.
- The Jefferson County Historical Society is temporarily shutting down its public exhibits for a year as it orchestrates a move to its new home to be finalized. The collection will temporarily be housed at the old Madras High School.
- The Crooked River Railway tourist train is no longer in operation. Initially owned and operated by the City of Prineville, it was leased and then sold to a private investor who was unable to make it profitable. The rail cars have been sold, but the rail tracks are still in place and in general commercial use.
- The Redmond community, in partnership with BLM and North Unit Irrigation District, is pursuing recreation trail development for the NUID canal where it crosses public lands; other communities along the trail may be interested in extending this concept north and south.

***Managing recreation in natural areas***

- In general, there are not capacity constraints/congestion at the Ochoco National Forest/Crooked River National Grassland. Demand is so light that parking passes are not required, as noted in Section IV. The informal slogan for the Forest is "on the edge of solitude"
  - The Forest Service's national mandated "travel management" plan has resulted in fewer segments of National Forest Service roads open to motorized use. This is controversial for residents who feel they have lost access to parts of the Forest.
  - Potential for conflict between equestrian and mountain biking on multi-use trails. The Forest Service is developing "shared etiquette" guidelines as a result.
- Smith Rock State Park and Cove Palisades State Park are major visitor attractions in the region as noted in Section IV. More information is needed about potential demand management issues that already exist or are expected to emerge in the near future.

All of these activities are driven by the dual goal of capitalizing on the RCC region's proximity to Bend while retaining its unique and diverse rural character for both residents and visitors.

### **C. Organizations and partnerships**

The RTS Steering Committee and its networks represent a strong, diverse cross-section of stakeholders for tourism in the region. Since the RTS project was originally proposed for Crook County alone, it is especially impressive to see the array of stakeholders from Jefferson County, Warm Springs, and Deschutes County.

Even among the rural parts of the region, and although Crook and Jefferson County leaders observe common characteristics and goals between the two areas, there is not a deep track record of active collaboration. As a project driven by the more rural parts of Central Oregon, this will be a new experience for many of the players. There is excitement about the new experience about to unfold.

The Confederated Tribes of Warm Springs is strongly represented and involved with the RTS organizing, and its role as a key anchor for tourism in the region is appreciated.

Other historical and cultural organizations, such as museums and historical societies, have not been strongly represented. They are more connected, however, with the current effort by a coalition of Cultural Commissions to develop a Cultural Byway self-guided tour covering the entire Central Oregon region. This is an important parallel effort with which to coordinate.

Central Oregon Visitors Association, the regional destination marketing organization (RDMO), is involved with the steering committee. Both COVA and local tourism and economic development stakeholders note that the relationship between the regional RDMO and local organizations needs strengthening. COVA has found it difficult to engage stakeholders from the outlying parts of Central Oregon in its advisory teams, and local leaders outside the Bend area perceive that COVA primarily focuses on Bend and Deschutes County as the hub of regional tourism. By their own admission, however, many in the outlying areas also believe that they haven't provided COVA with strong information and materials with which to represent them. Across the board, there is great desire to increase effective collaboration. Currently, only Deschutes County contributes local transient room tax to support COVA's operations.

Oregon State University's Cascade Campus, a partnership with Central Oregon Community College in Bend, has programs of special note for tourism development. There is an Executive Education program in Hospitality Management, offered in conjunction with the Cornell University School of Hotel Administration. The Cascade Campus also offers an undergraduate program and access to graduate courses in Tourism and Outdoor Leadership, the first of its kind in the state. The Campus is also represented on the RTS Steering Committee.

Finally, the RCC region has a deep pool of trained grassroots leaders through its involvement in the statewide Ford Institute Leadership Program (funded by The Ford Family Foundation) as well as the locally funded (Shelk Foundation) Leadership Crook County. Other RTS communities have intentionally reached out to these networks, finding the experience and community commitment of diverse leaders to be rich assets for tourism development projects.

## IV. Quantitative assessment of “starting point” for RTS

Tourism accounts for approximately 7% of all jobs in the region. Tourism sector jobs are beginning to recover from the recession, both in the region and statewide. According to Dean Runyan Associates, the total number of tourism related jobs in fiscal year 2011 (ending June 30, 2011) grew by 1.9% over 2010 levels, signaling a turn in the job loss trend. In all three Central Oregon counties, tourism jobs also increased from 2010 to 2011.

### Tourism Sector Jobs (Direct Employment), Central Oregon: 2008-2011

	2008 jobs	2009 jobs	2010 jobs	2011 jobs (prelim est)	% change 2008-2011
Crook	540	480	480	500	-7.41%
Jefferson	720	710	700	710	-1.39%
Deschutes	6080	5750	5760	5850	-3.78%

Source: Dean Runyan Associates for Travel Oregon

For the first time, Travel Oregon’s “Tourism Impacts” annual reports for 2011 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.

### Travel Impact Indicators for Central Oregon Counties, 2011

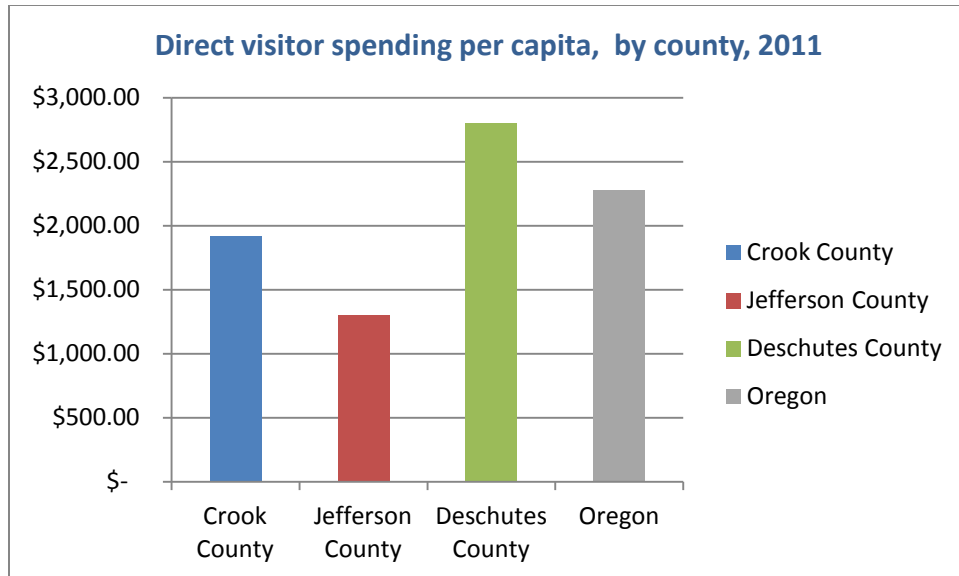
	Crook	Jefferson	Deschutes
Amount of visitor spending that supports one job	\$57,700	\$56,900	\$78,060
<i>Additional visitor spending if each resident household encouraged one overnight visitor per year</i>	<i>\$780,000</i>	<i>\$690,000</i>	<i>\$11,090,000</i>
Employee earnings generated by \$100 in visitor spending	\$31	\$26	\$28
Local and state tax revenues generated by \$100 in visitor spending	\$4.10	\$4.30	\$4.80
<i>Additional employment if each resident household encouraged one additional overnight visitor per year</i>	<i>14</i>	<i>12</i>	<i>142</i>

Source: Dean Runyan Associates for Travel Oregon

As shown in the indicators above, tourism contributes to the local economy and public sector budgets through the transient room tax. More detail on tax receipts is included in the following section.

Besides variance in room tax receipts, visitor spending varies greatly across Central Oregon, and not only as a result of population differences. The differences among counties reflect the differences in their mix of tourism products and services, available as well as the volume of tourism.

The chart below shows total visitor spending *per capita* for residents of each Central Oregon county. Crook County’s returns are likely skewed higher than normal because of visitor spending associated with construction of the Facebook data center.



*Source: Dean Runyan Associates and Portland State University Population Center*

While tourism’s economic impacts are not its only benefits for host communities, perceived economic returns affect the level of local support for tourism development initiatives. Thus, this information is important to communicate as projects are planned.

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

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

The following section summarizes the data of this nature that is available at the start of the Rural Tourism Studio program in River Canyon Country.

### **A. Visitor volume**

There are several sources of potential visitor volume data:

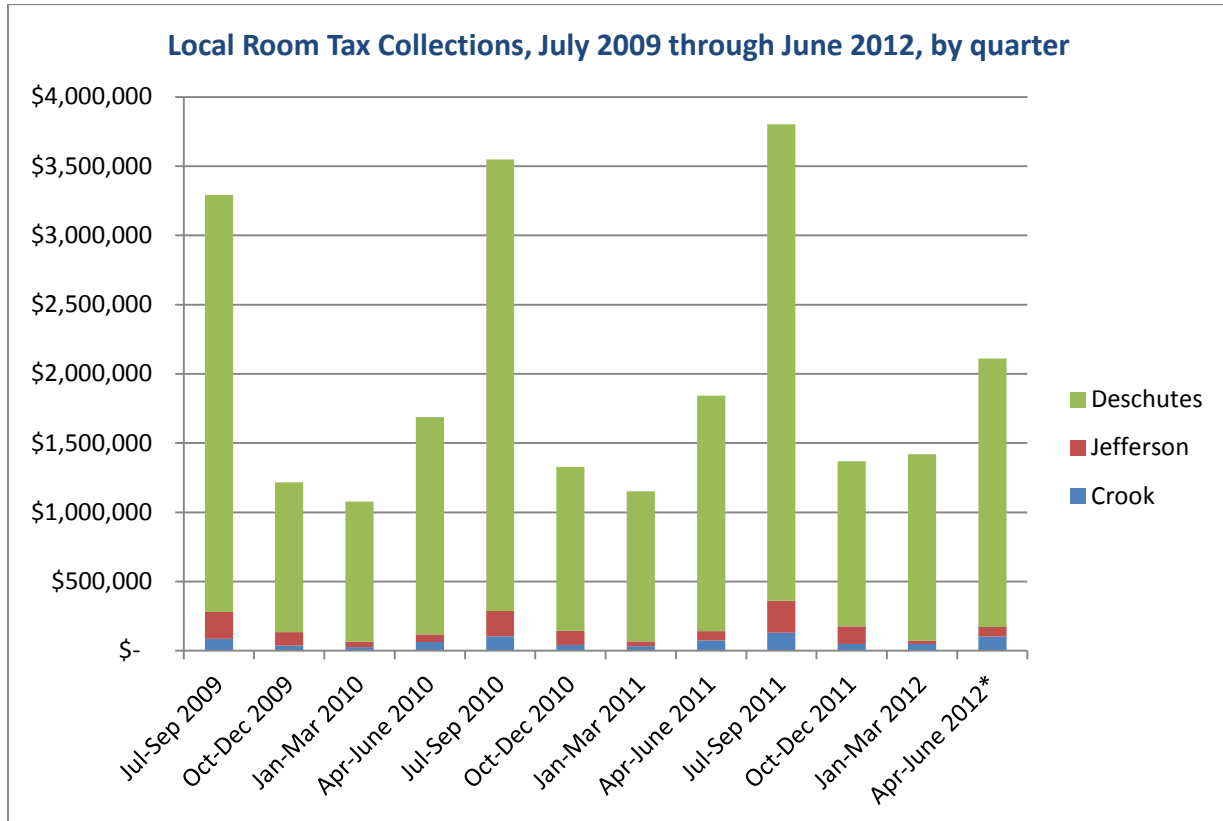
- Local transient lodging taxes can be used as a proxy for comparing visitor volume from year to year. This is especially useful for areas are smaller than a single county, because it is collected by



taxing jurisdiction. Prineville, Madras, Camp Sherman, and Metolius levy local transient room taxes. Both Jefferson and Crook Counties also levy room taxes for the balance of their respective areas. Tribal taxes collected by CTWS at its lodging facilities are not included in these counts.

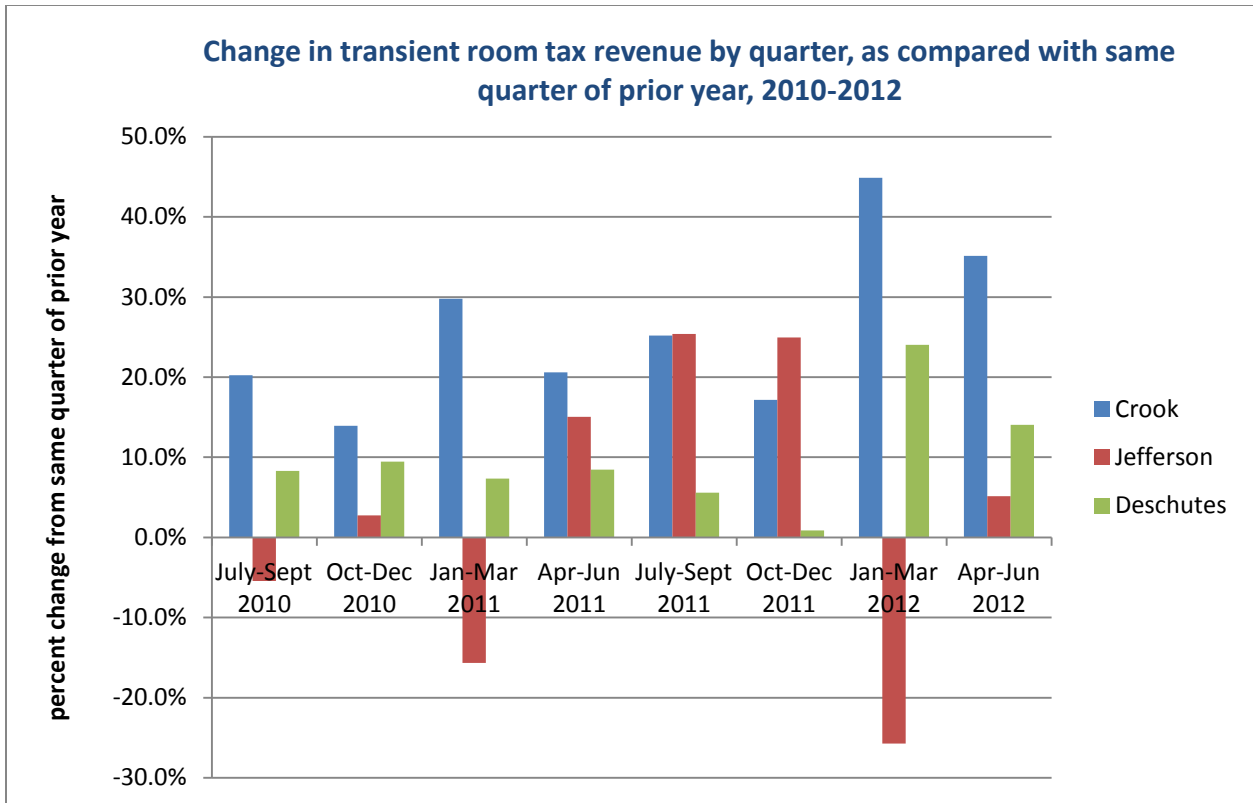
- Visitor expenditures by county as captured by Travel Oregon research
- Local visitor counts by key organizations and destinations

**Transient room tax revenue** is a far more significant economic resource in Deschutes County than in Crook or Jefferson Counties. Of all local room taxes collected in the Central Oregon region during fiscal year 2012, 91% were collected from Deschutes County lodging as shown below.



Source: Cities of Prineville, Sisters, Redmond, Madras, Jefferson County, Crook County, Central Oregon Visitors Association.

A comparison of quarterly room tax revenue to the same quarter of the prior year reveals some fragile signs of recovery. The chart below shows the *change* in room tax revenue by quarter. The data shows, for example, that Jefferson County has the most instability in its room tax revenue. It also shows that in Crook and Deschutes County, for each quarter of the last two years, room tax revenue has increased as compared with the same quarter of the prior year. In Crook County, the noticeably higher trend primarily reflects a physical expansion of lodging at Brasada Resort, as well as the bump in lodging demand during Facebook construction.



Source: Cities of Prineville, Sisters, Redmond, Madras, Jefferson County, Crook County, Central Oregon Visitors Association.

Shifting focus to the two primary RCC counties, visitor expenditures have continued to recover from the low levels of 2009. In 2011, the two counties together attracted \$69,100,000 in direct visitor spending. Nearly two thirds of this spending was in Jefferson County, as shown below. “Restaurant and food service” is the single largest area of visitor spending for both counties.

**Visitor spending by Category for Tourism Related Businesses, Jefferson County 2008-2011**

Category	2008 (millions)	2009 (millions)	2010 (millions)	2011 prelim (millions)	% change 2008-2011
Accommodations	6.4	6.3	6.4	6.3	-1.56%
Restaurant and food service	10.1	10.2	10.3	10.3	1.98%
Food stores	6.0	5.9	5.8	6.0	0.00%
Ground transport/motor fuel	5.8	4.2	4.9	5.6	-3.45%
Arts/entertainment/recreation	6.5	6.4	6.2	6.2	-4.62%
Retail sales	5.5	5.4	5.4	5.4	-1.82%
Total	40.3	38.4	39.0	39.8	-1.24%

Source: Dean Runyan Associates for Travel Oregon

**Visitor spending by Category for Tourism Related Businesses, Crook County 2008-2011**

Category	2008 (millions)	2009 (millions)	2010 (millions)	2011 prelim (millions)	% change 2008-2011
Accommodations	4.8	4.5	5.4	5.6	16.67%
Restaurant and food service	6.8	6.7	7.2	7.3	7.35%
Food stores	4.6	4.3	4.3	4.5	-2.17%
Ground transport/motor fuel	3.0	2.2	2.6	3.0	0.00%
Arts/entertainment/recreation	4.1	3.8	4.1	4.2	2.44%
Retail sales	3.6	3.5	3.7	3.7	2.78%
<b>Total</b>	<b>26.9</b>	<b>25.0</b>	<b>27.3</b>	<b>28.3</b>	<b>5.20%</b>

*Source: Dean Runyan Associates for Travel Oregon*

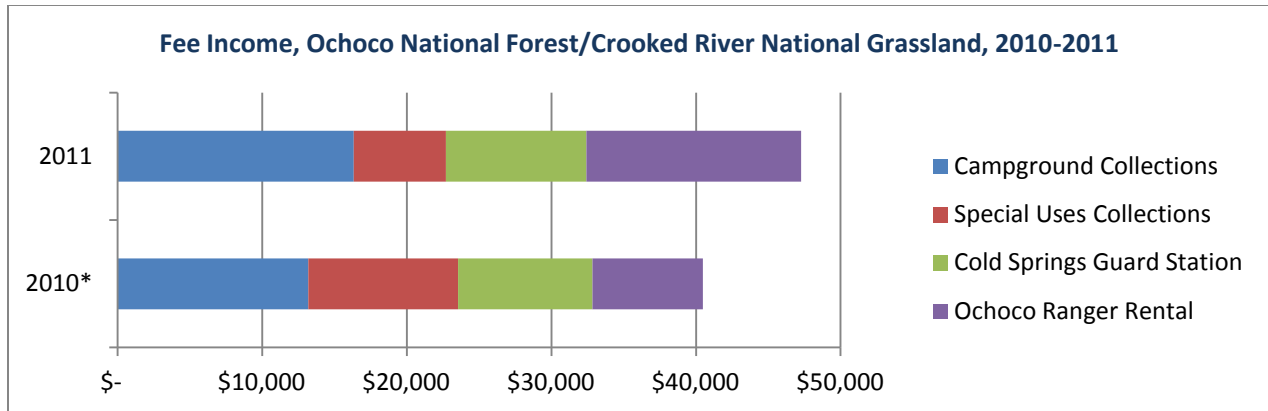
Many visitor attractions in the RCC region collect annual visitor counts, some more formally than others.

- Kah-Nee-Ta Hot Springs & Family Resort 69,000
- Indian Head Casino 22,000
- Warm Springs Museum 14,000
- Jefferson County Fairgrounds 26,000
- Richardson Rock Ranch 15,000
- Cove Palisades State Park 755,000
- Air Show of the Cascades 10,000
- Jeff County Chamber/MAC Recreation District Swim & Run events 5,000
- Cove Palisades Resort & Marina 17,000
- Smith Rock State Park 750,000
- Ochoco National Forest recreational use 247,000\*
- AC Bowman Museum, Prineville 10,000
- Prineville County Fairgrounds 24,000
- Prineville Chamber events 5,500
- Crooked River Rodeo 5000
- Prineville Horse Races 12,000
- Redmond/Deschutes County Fairgrounds 520,000

*Source: Madras/Jefferson County Chamber of Commerce, Crook County Parks District, AC Bowman Museum, Crooked River Roundup: \* data from National Forest National Visitor Use Monitoring Program, 2008. This will be updated in 2014.*

Visitor counts for local attractions within the Ochoco National Forest/Crooked River National Grassland represent a cross-section of outdoor recreation enthusiasts who are an important part of this area’s visitor base. Unlike most national forests within the state, there are no Northwest Forest parking pass requirements, so overall usage is harder to track. Data is available on use of the campgrounds and cabins, for which fees do apply.

Ochoco National Forest service staff estimate approximately 45,000 visitors annually to all the campgrounds in the Forest and Grasslands. Since 2009, between nine and eleven special use permits have been granted annually for dog clubs and equestrian events. Most of these special permits are for the Crooked River National Grassland.

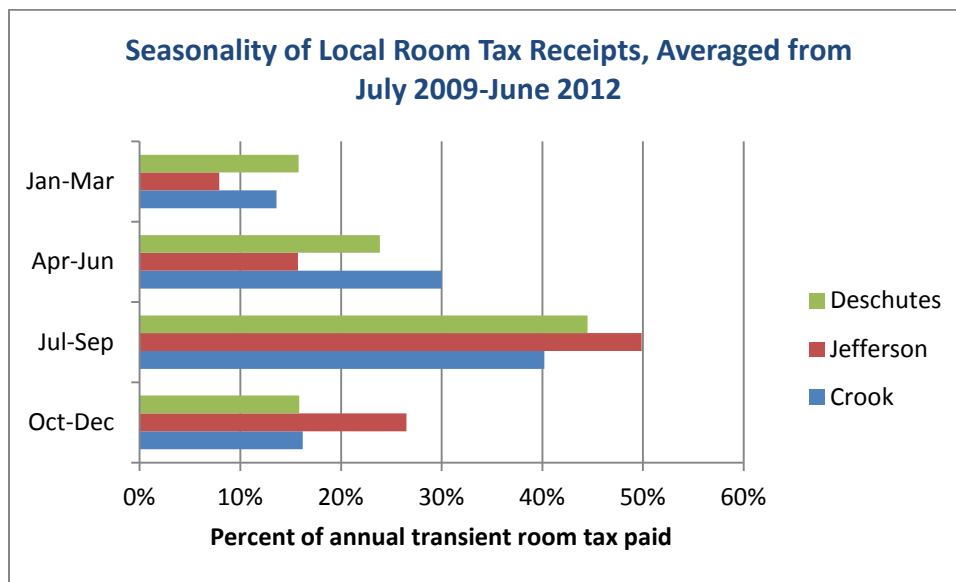


\* Walton Lake campground closed for reconstruction during 2010

Source: National Forest Service

### B. Seasonality

The transient room tax data as noted above shows a consistent pattern of seasonal variation across the Central Oregon. Jefferson County collects half its total transient room tax is collected during the summer season (July 1-September 30). This region is more dependent on summer tourism than the state as a whole, where one third of trips occur in the summer.



Source: Longwoods Research

### C. Visitor profile

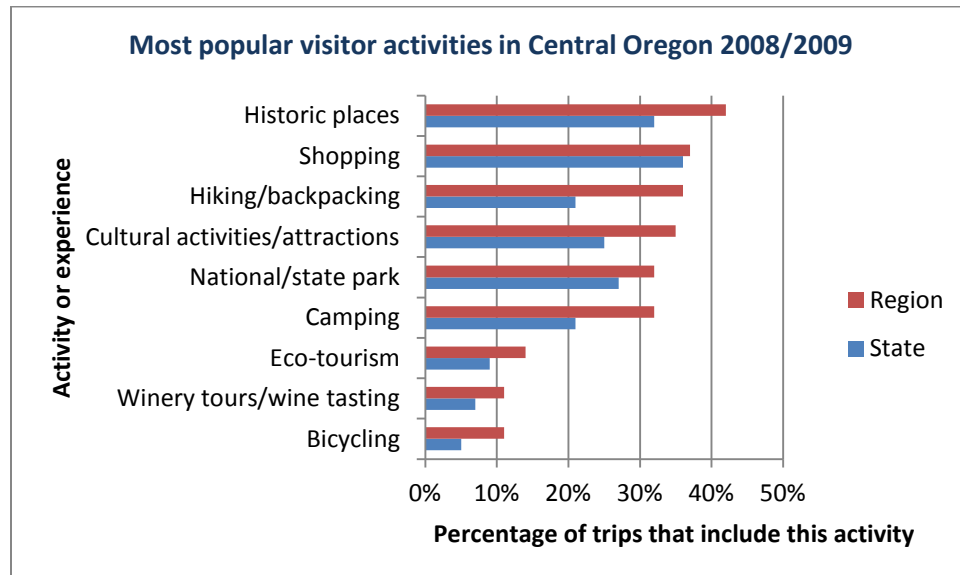
The Central Oregon Visitors Association and the local tourism marketing organizations, base many promotions on visitor profile information developed by Longwoods International for Travel Oregon. The most recent regional visitor profile was completed in 2009.

#### Visitor activities:

Central Oregon visitors are distinguishable compared with Oregon visitors as a whole. The chart below shows a *select* number of the visitor activities and experiences tracked in the Longwoods research. The specific activities and experiences are highlighted because they are very popular in Central Oregon and/or they are more significantly more popular here than in the state as a whole. The numbers are

based on how many trips *include* this activity, not how many trips have this activity as the *primary* purpose.

According to this research, historic places are the most popular activity, and far more popular than for the average Oregon visitor. Shopping is also popular, at similar regional participation rates as the statewide average. Outdoor recreation is not surprisingly more common as a visitor activity in Central Oregon, but so are cultural activities/attractions and even wine tasting.



Source: Longwoods Research: Sample size 215 trips

Many RTS Steering Committee members and Travel Oregon staff expressed surprise and some skepticism about the validity of these findings. In particular, the very popular regional activity of boating/fishing (as evidenced by visitor counts at Cove Palisades State Park and Prineville Reservoir) is not reflected: unfortunately, it is notoriously difficult to track boating and fishing, since so many points of water entry are free.

The committee also felt that the popularity of outdoor recreation in general was underestimated in the Longwoods research. A “National Forest National Visitor Use Monitoring Program” (NVUM) study of recreation in the Ochoco National Forest, due to be updated in 2014, was conducted in 2008. This study yielded a profile of visitor activities associated with the forest.

**Ochoco National Forest Recreational Use, 2008**

Highest percentage participation	Most often cited as primary activity
Day hiking/walking	Hunting
Viewing wildlife	Day hiking/walking
Viewing natural features	Snowmobiling
Relaxing	Viewing natural features
Driving for pleasure	Developed camping

Source: National Forest Service

The Oregon Statewide Comprehensive Outdoor Recreation Plan (SCORP) is also due to be updated this year, which may provide additional insights about outdoor recreation activities. While the plan focuses

on outdoor recreation for Oregonians rather than visitors, it is useful for tourism planning in Central Oregon because it describes the preferences of in-state travelers, who make up a big share of the region's target market as noted below. The 2008-2012 SCORP, for example, describes differences in outdoor recreation preferences by age group and ethnicity.

***Where visitors come from:***

Oregon tops the list of visitors' home states, followed by Washington and California. The most common home urban areas for visitors are Portland, Seattle and Eugene, in that order. More information is included in the appendix of this report.

Anecdotal evidence supports an increase in international visitors. The Museum at Warm Springs estimates that 8-10% of its visitors are from abroad, especially from Germany and Japan. 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:

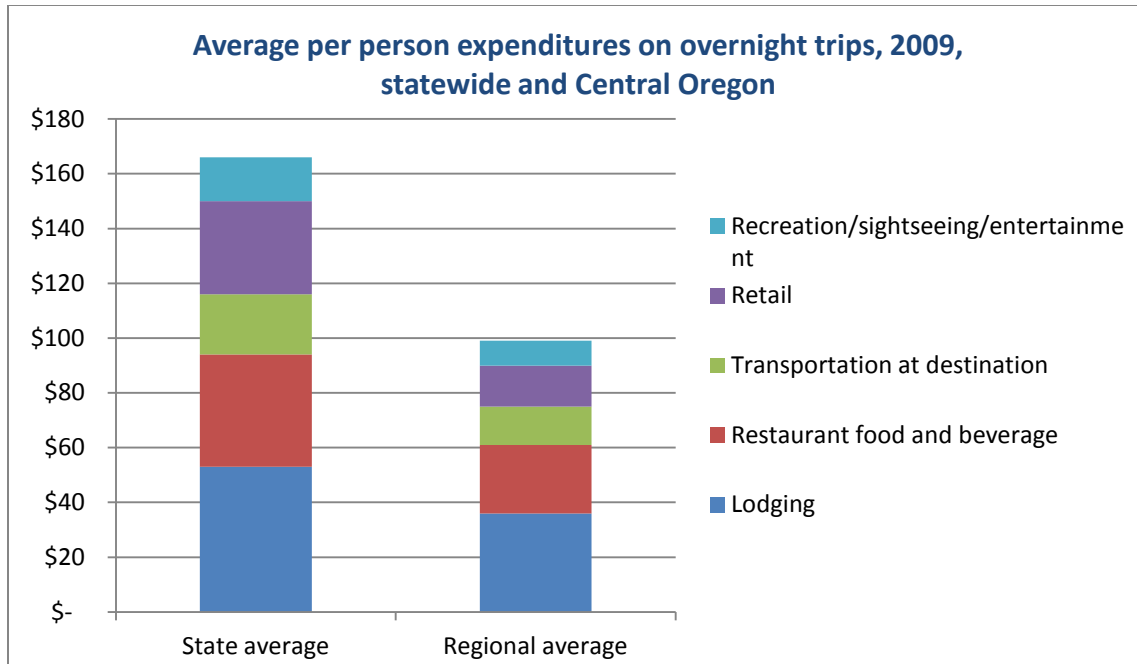
- Canada
- Japan
- United Kingdom
- Korea
- Germany

China is growing as a source of visitors, and Brazil and India are emerging as well, both nationally and here in Oregon.

***What visitors spend:***

Finally, average daily expenditures by visitors are an important measure of economic impact. According to the Longwoods research (based on 2009 data), overnight visitors to the Central Oregon region spent \$99 per person per day. This is 41% less per day than the average overnight visitor in Oregon, as shown below. The higher proportion of Central Oregon's overnight visitors who camp or come by camper may contribute to the discrepancy in lodging expenses. The markedly lower expenses in other categories suggest room for growth in the market if new attractions and visitor services are developed.

Data is only available for expenditures by day trippers at the state level, and according to that data, they spend less than a third as much as overnight visitors. Thus, lodging is a key element for capturing higher visitor spending across all categories of expense. The appendix includes a chart of the actual dollar amounts spent per category.



*Source: Longwoods International for Travel Oregon*

As part of the RTS program services, Travel Oregon will provide an optional visitor profile tracking template to participating communities interested in gathering supplemental information.

**D. Businesses**

There is not a consolidated inventory of tourism related businesses in the RCC region. Consolidating an inventory of tourism businesses, especially the small businesses that offer experiential tours and guiding, would be a useful short term project.

**E. Other Data**

As part of the RTS evaluation process, this information will be gathered from open-ended survey questions with key stakeholders, businesses and partners over time.



## V. Appendix: Additional Regional and County Level Data

### Average Daily Traffic Counts, 2010, North to South, River Canyon Country

<b>US Highway 26- Warm Springs Highway</b>	
MP 96.48- Wasco/Jefferson county line	4200
MP 117.69- .2 miles N of US97	10800
<b>US Highway 97- Madras to Redmond</b>	
MP 91.98 mile north of intersection w US26	6900
MP 92.44 .2 miles north of Culver Highway southbound	10200
MP 97.11 .18 miles north of OR126 toward Prineville	12600
MP 115.86 .2 miles north of Ave A, Terrebone	16300
MP 118.50 .2 miles south of OR 370/O'Neil Highway	18200
MP 122.08 .1 mile south of Veterans Way, Redmond	29300
<b>US Highway 26- Madras/Prineville Highway Madras to Prineville</b>	
MP.11- .02 miles SE of US97	1800
MP 16.3- Jefferson/Crook County Line	1700
MP 2605- West city limit of Prineville	5500
<b>OR Highway 370/O'Neil Highway- North of Redmond to Prineville</b>	
MP .2- .2 miles east of US97	1100
MP 3.84- Deschutes-Crook county line	1600
MP 17.66- .2 miles west of OR126	1700
<b>OR Highway 126/Ochoco Highway Redmond to Prineville</b>	
MP 2.32 east city limits of Redmond	7400
MP 6.86 .02 miles east of Powell Butte Highway	8800
MP 17.90 .02 miles west of OR 370/O'Neil Highway	13300
<b>US Highway 26/Ochoco Highway Prineville to Wheeler County line</b>	
MP 18.73- .02 miles west of OR 27/Crooked River Highway	9200
MP 19.40- Ochoco Creek bridge	13800
MP19.77- .02 miles east of Paulina Highway	7400
MP 22.85 2.03 miles west of Ochoco Dam	2600
MP 50.03- Crook/Wheeler county line	850
<b>OR Highway 27/Crooked River Highway</b>	
MP 1.92- 1.92 miles south of US26/Ochoco Highway	290
MP12.55- Hoffman's Irrigation Farm	100
<b>OR Highway 380/Paulina Highway</b>	
MP .2- .2 miles south of US26 (Ochoco Highway)	5000
MP 1.4- .05 miles SE of Juniper Canyon Rd	710

Source: Oregon Department of Transportation

## Selected Market and Economic Impact Information for Key Niche Markets in Central Oregon

### ***Bicycle Tourism***

- 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 cyclecross 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.
- Oregon is currently conducting a statewide study of the economic impact of bicycle tourism. Preliminary results are expected in early 2013.

### ***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

***Rockhounding (Steering committee request)***

- There are two state parks (one in New Mexico and one in Arkansas) that specifically allow rockhounding, but could not locate any information about the economic impact of this activity- just a number of arguments for and against positive and negative impacts.

**Top six urban zip codes for Central Oregon visitors, 2009**

City	% of C. O. visitors from urban areas
Portland	38%
Seattle	14%
Eugene	10%
Medford/K'Falls OR/CA	5%
Bend	5%
San Francisco/Oakland/San Jose	5%

Source: Longwoods International for Travel Oregon

**Top three home states for Central Oregon visitors, 2009**

State	% of C.O. visitors from state
Oregon	54%
Washington	19%
California	12%

Source: Longwoods International for Travel Oregon

**Average Daily Visitor Expenses, Oregon and Central Oregon, 2009**

	Oregon day trip	Oregon overnight	Central Oregon, Overnight
Lodging	n/a	\$53	\$36
Restaurant	\$19	\$41	\$25
Retail	\$15	\$34	\$15
Transportation	\$8	\$22	\$14
Recreation/Entertainment	\$7	\$16	\$9
Total	\$49	\$167	\$99

Source: Longwoods International for Travel Oregon