
REGIONAL COOPERATIVE TOURISM PROGRAM & GUIDELINES

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OVERVIEW

2003 – Passage of HB 2267

On Nov. 27, 2003 House Bill 2267 (HB 2267) became law. This law implemented a 1 percent statewide lodging tax and comprehensively overhauled how Oregon addresses and funds statewide and local tourism marketing efforts. Revenues from the statewide lodging tax are continuously appropriated by the legislature to the Oregon Tourism Commission (OTC). Within the scope of the legislation when passed in 2003, the OTC may appropriate as much as 15 percent of the revenue from the statewide lodging tax to Oregon’s tourism regions for cooperative regional and multi-regional marketing efforts.

HB 2267 mandated that, “As much as 15 percent shall be used to implement a Regional Cooperative Marketing Program (RCMP). The program shall:

- (A) Require that fund allocations focus on creating new business from out-of-state and international markets;
- (B) Utilize a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;
- (C) Distribute revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;
- (D) Require that all advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism marketing program carry the Oregon Tourism Commission logo and marketing tag line; and
- (E) Encourage funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements.”

In order to gain tourism industry input on disbursement guidelines for the RCMP funds, the commission held nine meetings in various locations around the state in late 2003. The comments and suggestions heard at these meetings, along with those of the OTC members and staff, and the requirements of HB 2267 were incorporated in the initial guidelines.

As the RCMP unfolded, additional suggestions were brought forward by industry partners and subsequent revisions were made to the program’s guidelines. In January 2006, Travel Oregon hired Pricewaterhouse Coopers (PwC)

to analyze the first year’s implementation of the RCMP program. PwC interviewed nearly two dozen industry partners who were responsible for, or involved in, the implementation of the RCMP in the state’s seven tourism regions. In some instances, the interviewees represented statewide tourism industry trade associations and organizations. The results of these interviews, along with the various alternatives proposed by PwC, were reviewed by the OTC; further revisions to the RCMP were proposed. In November 2013, Travel Oregon convened a call with representatives from the then current regional RCMP fund recipients to discuss solutions that would provide certainty to regions for RCMP fund planning. In February 2014, Travel Oregon brought the OTC a recommendation that the RCMP guidelines be revised by using the prior calendar year to determine regional pro-rata share. The change to calendar year allowed Travel Oregon to determine the actual amounts of regional pro-rata share in March and eliminated the use of pro-rata estimates. A few housekeeping changes were also recommended. The revisions were unanimously approved and adopted.

2016 – Passage of HB 4146

In March 2016, House Bill 4146 (HB 4146) became law. The law included changing the statewide lodging tax rate from 1 percent to 1.8 percent effective July 1, 2016 until 2020, at which point it will be reduced to 1.5 percent. The bill removed the language referencing “marketing” specifically from the use of regional program money and removed “as much as 15 percent,” replacing it with a fixed 20 percent to implement the regional program. The statutory language for the program was amended and refers to the Regional Cooperative Tourism Program (RCTP). As was the case in 2003, when the statewide lodging tax was first introduced, Travel Oregon sought tourism industry input on the regional program. A survey was conducted that targeted regional stakeholders from January to February, 2016. These survey results were collected and the information was shared out through seven regional gatherings convened in conjunction with the Regional Destination Management Organizations (RDMOs). The individual regional gatherings culminated in a statewide gathering to collectively consider the results of regional industry outreach, to discuss need and map out perceived opportunities. Following the passage of HB 4146, another survey was delivered through Travel Oregon’s industry Listserv to solicit input from Oregon’s tourism industry as a whole. This survey focused on Travel Oregon’s general programs of work and included questions about marketing, sales, development, services, the regional program, grants and communications. Results from this survey were shared

with the Oregon Destination Marketing Organization (ODMO) Board and with representatives of each of the seven RDMOs. In addition, Travel Oregon discussed changes necessitated by the passage of HB 4146, including anticipated changes to the RCTP guidelines. Travel Oregon then convened a series of 24 local town hall meetings across the state from January through October 2016 to inform the industry about changes to Travel Oregon programs necessitated by the passage of HB 4146 and to seek additional perspective to inform future planning to better serve Oregon's tourism industry. Lastly, Travel Oregon convened a work group in August 2016 made up of external industry partners to review the existing RCTP guidelines and give guidance to Travel Oregon staff as the new guidelines were constructed for the OTC's consideration and adoption.

STATUTORY REQUIREMENTS – RCTP

ORS 284.131 (4) (c) (A–E) states:

(c) 20 percent must be used to implement a Regional Cooperative Tourism Program that:

(A) Requires fund allocations to focus on creating new business from out-of-state and international markets;

(B) Utilizes a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;

(C) Distributes revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;

(D) Requires advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism program to carry the Oregon Tourism Commission logo and marketing tag line; and

(E) Encourages funding recipients to incorporate design elements from Travel Oregon advertising and promotional campaigns, such as fonts, images and other design elements.

GOALS OF REGIONAL COOPERATIVE TOURISM PROGRAM (RCTP)

- Maximize the benefits to Oregon's economy from the statewide lodging tax
- Comply with the requirements of HB 2267, HB 4146 and all other applicable law
- Encourage multi-regional and targeted niche marketing
- Formalize simple, straightforward RCTP procedures
- Maximize benefits from RCTP funds to the regions
- Leverage Travel Oregon programs
- Deliver consistent messages, outstanding experiences, and efficient use of resources
- Minimize RCTP-related administrative workload on Travel Oregon and the regions

DEFINITION OF REGIONAL GEOGRAPHY

(For partial counties, zip code delineations are available; see map on page 8.)

Oregon Coast: Clatsop, Tillamook, Lincoln, Coos, Curry, and the coastal portions of Lane and Douglas counties

Greater Portland: Washington, Columbia and portions of Multnomah and Clackamas counties

Mt Hood/Columbia River Gorge: Hood River and portions of Wasco, Multnomah and Clackamas counties

Willamette Valley: Yamhill, Polk, Benton, Marion, Linn and portions of Lane and Clackamas counties

Southern Oregon: Klamath, Lake, Jackson, Josephine, and portions of Douglas counties

Central Oregon: Jefferson, Deschutes, Crook and portions of Wasco counties

Eastern Oregon: Sherman, Gilliam, Wheeler, Morrow, Union, Umatilla, Wallowa, Grant, Baker, Harney and Malheur counties

Any region wishing to modify its defined boundary should bring that request to the attention of the Travel Oregon CEO. Regions are encouraged to have agreement among all parties involved in the proposed regional boundary modification prior to bringing the request to Travel Oregon.

REGIONAL RCTP RECIPIENTS

QUALIFICATIONS - REQUIRED

A. Eligible applicants include those listed below that are located in Oregon and are involved with tourism promotion and development and are able to conduct tourism-related marketing for each region.

1. Nonprofit entities
2. Government entities
3. Federally recognized tribes
4. For-profit businesses

B. The entity must have considerable knowledge of the entire region, strong rapport with regional stakeholders and demonstrate capacity to work with its regional stakeholder base to achieve outcomes that benefit the regional tourism economy. The entity must demonstrate that it can fulfill the requirements of the multi-year RCTP contract.

C. The entity must demonstrate that it does not have a strong geographic bias, as RCTP stipulates that the entity must work with the entire region as a whole.

D. As it pertains to the RCTP budget, the entity must use RCTP funds to deliver on an approved regional plan intended to benefit the region and the tourism industry without respect to membership standing or dues payments. Entity must verify investing RCTP funds in this manner if requested by Travel Oregon.

E. The entity must have the human and technical resources required to meet stakeholder needs and act in the interest of the tourism industry.

F. The entity must have at least two-years experience working in the region.

G. The entity must have authority to enter into multi-year contracts with a willingness to comply with all RCTP guidelines and program requirements.

H. The entity must have history of ethical business operation and successful organization management.

I. The entity must have have read and understand the program guidelines, agree to comply with those guidelines and respond to an RFQ or other application process, as may be required by the OTC.

QUALIFICATIONS – PREFERRED (Not Required)

A. The entity should be of sufficient financial stability to operate independently of RCTP resources.

B. RCTP resources should not constitute more than 75 percent of the entity’s entire budget. Consideration will be given for in-kind contribution of time and resources.

C. The entity should have a publicly accessible office space sufficient to conduct meetings with industry and regional stakeholders.

D. The entity should have a full-time staff greater than one full-time employee.

E. The entity should have demonstrated successful experience working in a complex environment, ability to meet demanding deadlines and juggle competing priorities.

F. The entity should have demonstrated ability to maintain positive working relationships in the target region with a diverse array of partners.

G. The entity should have demonstrated track record of successfully managing annual budgets larger than \$100,000.

H. The entity should have demonstrated experience in leveraging multiple sources of funding.

I. The entity should have the ability to conduct meetings and work face-to-face with regional stakeholders for at least three out of five days per week.

EXPECTATIONS

A. Recipients have the responsibility to work with a regional stakeholder group and Travel Oregon’s RCTP staff to construct a RCTP plan, implement the RCTP plan, account for the RCTP funds and have, through contract with Travel Oregon, the authority to implement the plan on behalf of the region once the region’s plan is adopted by the OTC or Travel Oregon staff, as determined by the OTC.

B. A region may request that an entity from another, perhaps adjacent, region implement some or all of their RCTP obligations for them. This will not necessarily result in that region no longer being seen as a “tourism region” for the purposes of Travel Oregon’s marketing materials (Official State Visitor Guide, website, etc.). This should only be undertaken to enable efficiencies in the implementation of RCTP plans. In the event that one recipient selects an entity from an adjacent region to implement/administer the RCTP plan, the two organizations will develop a collaborative tourism plan encompassing both regions.

C. A region may request that Travel Oregon implements their RCTP plan on their behalf.

D. Failure of a qualified regional recipient being designated by the Oregon Tourism Commission to implement an RCTP plan may result in Travel Oregon implementing

that region’s plan on behalf of the region. Failure of a region to develop an approved regional plan may result in those funds originally budgeted to that region not being disbursed, in which case, Travel Oregon will utilize those funds to implement a plan on behalf of that region. Please note that Travel Oregon staff is available to provide facilitation services to any region needing assistance in the RCTP planning process.

E. Recipients will act as the RDMO on behalf of the region, including performance of all obligations as such, for the duration of contracting period.

DESIGNATION OF ENTITY RESPONSIBLE FOR RCTP IMPLEMENTATION

A. Following the close of the RFQ period, a review committee comprised of not more than (four) current Oregon Tourism Commissioners, Travel Oregon staff, and industry members who have no potential or actual conflict will be formed to evaluate the RFQ responses and make recommendations as an additional input point for the OTC prior to designation of regional recipients.

B. In accordance with state laws, the Oregon Tourism Commission will designate regional RCTP recipients during a noticed, public meeting for which designation of regional recipients is an agenda item.

PLANNING CYCLE – STAKEHOLDER DRIVEN APPROACH

A. RDMOs will be required to develop and enact two-year tourism plans and engage in a planning cycle on alternating

years. The two-year planning cycle will continue for the duration of RDMO contracts. The regional planning cycle will be carried out with the assistance of Travel Oregon RCTP staff.

B. At the onset of each two-year planning cycle, Travel Oregon will conduct a statewide survey of tourism stakeholders to gain input regarding prior regional plans and to surface regional tourism priorities, identify opportunities and constraints, and to seek regional industry insights on how investments could be maximized within their region. Travel Oregon will collaborate with RDMOs on the content and development of the survey. Travel Oregon will distribute the survey via its communications channels. The survey results and corresponding regional reports (seven) will be provided to RDMOs and regional stakeholders to aid their planning efforts.

C. During each two-year planning cycle, RDMOs will work with Travel Oregon to schedule and deliver planning workshops within their region. These Regional Stakeholder Gatherings will be structured as an opportunity for tourism stakeholders within the region to interface with the RDMO directly and give their insights on regional priorities. RDMOs will present a draft of their regional plans to regional stakeholders for feedback. Regional plans will be expected to reflect regional stakeholder input where appropriate; priorities sourced from stakeholder input should be reflected in the plans.

D. RDMOs will submit two-year plans to Travel Oregon CEO or staff, if designated, for approval. Once Travel Oregon has approved plans, RDMOs will present approved plans back to their regional stakeholders via a public forum. Final regional plans and presentations are required to be placed on RDMO websites and Travel Oregon’s Industry website.

REGIONAL COOPERATIVE TOURISM PROGRAM PLANNING TIMELINE



STAKEHOLDERS

A. Each region will form a designated stakeholder group. A defined list of regional stakeholders will be created by Travel Oregon in collaboration with the RDMO for each region. Overlap with individual RDMO's boards of directors is permissible. Travel Oregon will collaborate with RDMOs to determine regional stakeholder lists to ensure regional equity, cultural diversity, and a broad cross section of business types are included for each region. Regional stakeholder groups shall be comprised of the following:

- Destination Management Organizations (DMOs) or Chambers of Commerce within region - (5)
- Select leaders from tourism-related businesses - (15)
 - Accommodations
 - Tour operators
 - Guides and outfitters
 - Restaurateurs
 - Visitor transportation providers
 - Bike shops, golf courses, gear rental businesses, etc.
 - Farm-based agritourism businesses—wineries, breweries, cideries
 - Visitor attractions, cultural heritage attractions, interpretive centers, museums, theaters, etc.
- Key land management agencies - (5)
 - United States Forest Service (USFS)
 - Bureau of Land Management (BLM)
 - Oregon Parks and Recreation (OPRD)
 - City and county parks
- Department(s) of Transportation (1)
 - Oregon Department of Transportation (ODOT)
 - Local departments of transportation
- Representative from international or regional airport (1)
- Representative from port district (1)
- Representative from educational institution (1)
- Representative from tribal entity (1)
- Representative from Oregon Tourism Studio communities (if applicable within region)
- Oregon Regional Solutions staff (optional)
- Regional economic development staff (optional)
- Elected officials (optional)

LEVERAGE & ALIGNMENT

A. 100 percent of RCTP funds must be used toward programs or projects that are in alignment with Travel Oregon's Strategic Plan.

B. To ensure RDMO partners are leveraging their work with Travel Oregon's ongoing strategic imperatives, and to reinforce a cohesive and thorough statewide tourism strategy, RDMOs are encouraged to invest a minimum of 30 percent of their total annual disbursement (RCTP budget) into collaborative programming that is executed in cooperation with Travel Oregon.

C. RDMOs will be able to select from a menu of investment opportunities that incorporate the core tourism areas of: sales, marketing, destination development, and industry and visitor services.

D. Regions are encouraged to invest in strategies and activities that benefit multiple communities within the region and encompass the full suite of tourism disciplines: sales, marketing, destination development, and industry and visitor services.

MENU OF INVESTMENT OPPORTUNITIES

A. Travel Oregon will develop a list or "menu" of pre-vetted programming and investment strategies that are shown to demonstrate clear benefit for the region and the state. Travel Oregon will collaborate with RDMOs to improve this list so that regionally specific strategies as they pertain to sales, marketing, development, and industry and visitors services are sourced locally. RDMOs will have autonomy to choose which individual strategies to invest in, but it is encouraged that a minimum of 30 percent of total budget be spent on these collaborative investment strategies.

B. No additional metrics are required when regional entities use their RCTP funds to partner directly with Travel Oregon as the metrics are already included in Travel Oregon's Strategic Plan.

C. Multi-regional marketing efforts are strongly encouraged. Regions may achieve stronger results by combining resources with other regions. Travel Oregon encourages regional entities to use the multi-regional approach as appropriate in order to leverage resources.

D. Regional partners have expressed great interest in having Travel Oregon facilitate gatherings to explore multi-regional opportunities and specific competencies necessary to compete in the marketplace. Therefore,

1. Travel Oregon staff will convene regions collectively to explore multi-regional cooperative opportunities including cooperative marketing opportunities with Travel Oregon.
 2. Travel Oregon will convene regions collectively to pursue timely professional development conversations regarding earned media, social programming, media planning, etc.
 3. Travel Oregon staff will work internally and with the regions to develop a menu of Travel Oregon programs where the regions can propose to invest their allocated RCTP funds.
 4. Travel Oregon staff will provide planning timelines, media plans and other information necessary to develop regional RCTP plans in a timely manner.
 5. The timeline for presenting RCTP plans will be clearly communicated, therefore allowing Travel Oregon staff to work with each region to identify and agree upon appropriate ROI metrics, allow each region time to prepare their plans to meet those metrics, and to negotiate elements of the regions' RCTP plans prior to the plans going to the OTC for adoption.
- E. RCTP funds cannot be spent to market any destination outside of Oregon. However, in the case of a region that may be involved with a joint marketing campaign with destinations in a bordering state, RCTP funds may pay for the relative share of the Oregon regions participation in that campaign.
- F. The OTC encourages the use of RCTP funds to leverage Travel Oregon's programs and target markets. A list of those programs is found in Travel Oregon's Strategic Plan: industry.traveloregon.com.

STAFFING:

- A. RDMOs may use no more than 25 percent of their annual disbursement (budget) on hiring departmental staff (as it applies to areas of RCTP investment strategy), human resources, and other administrative needs.
- B. Regional recipients may request additional RCTP money be invested into regional human capacity if activities, actions, and strategies deem it necessary. This allowance of additional human capacity cost may not include any costs related to regional recipient staff and is to be a case-by-case decision at the discretion of Travel Oregon.

REPORTING & METRICS

- A. Travel Oregon will assess compliance and performance of RDMOs planning and programming through:
1. Annual reviews with RDMO
 2. Annual reports to be completed by RDMO
 3. Biennial regional stakeholder feedback via survey
- B. Travel Oregon will stipulate four to five shared metrics used by all RDMOs. These metrics will align with Travel Oregon's own reporting metrics and measurements of success. Regions will also be assessed on metrics associated with specific activities and strategies outlined in their plans.
- C. Regional performance will be assessed based on the return on investment as it pertains to specific strategies and tactics and alignment with regional stakeholder input.
- D. Regional plans and reports will be transparent and viewable on Travel Oregon's Industry website. A strong effort will be made to ensure these performance measures are easy to comprehend.
- E. All RCTP related funds must be spent by RDMOs by the completion of the two-year contract and plan cycle. All unused and unbudgeted funds will be returned to Travel Oregon to use at its discretion on RCTP programming and in-region strategic investments. Carrying forward funds into future biennia is only allowed with OTC approval.
- F. The RCTP plans must include goals and objectives, as well as ROI metrics. These metrics will be provided by Travel Oregon in collaboration with the RDMO. Efforts will be made to utilize broadly recognized and standardized performance measures such as those included in Travel Oregon's Strategic Plan and those developed by the International Association of Convention and Visitor Bureaus.

CONTRACTS, REPORTING & FUNDING

- A. OTC will disburse RCTP funds in three checks to each region.
1. The first check will be for 25 percent of the regional funds. This will be disbursed no later than August 15.
 2. The second check for 50 percent of the balance of the funding will be disbursed no later than October 15.
 3. The third check, for the remainder of the funding will be disbursed no later than December 15.

B. Determination of regional pro-rata share of RCTP funds will be based on lodging tax collections from the preceding calendar year.

C. No cash or in-kind match of RCTP funds is required at this time.

D. Regions are required by law to incorporate Travel Oregon’s tagline and/or logo on all marketing materials and are encouraged to follow Travel Oregon’s style guide and direction.

E. Each regional entity selected to implement the RCTP is contractually granted the authority to carry-out the program on the region’s behalf. But the contracted DMOs, once the plans are adopted by the Travel Oregon staff and the Commission, are authorized and empowered to implement the plan.

F. Travel Oregon and the regions will evaluate the current RCTP procedures periodically. Amendments will be made at the OTC’s discretion.

G. A regional entity can submit amendments to their approved RCTP plan to the Chief Executive Officer and to any other Travel Oregon staff designated by the CEO for review and approval. Amendments to the plan will also

include any unexpended funds that are the result of original budget amounts that were over actual costs. The Travel Oregon staff will submit a report to the OTC outlining any changes to the original plan.

H. Travel Oregon staff are authorized to negotiate elements of each region’s RCTP plan and, if necessary, reject elements of proposed plans that won’t achieve the ROI metrics agreed upon.

I. Information regarding the OTC’s travel market mix, demographics, strategies, marketing/development objectives, and metrics can be found in the Travel Oregon’s Strategic Plan on Industry.Traveloregon.com.

REQUEST FOR QUALIFICATIONS

A. Travel Oregon will enact a two-year RFQ cycle that will determine the recipients for the 2017-19 RCTP disbursements. Following this first cycle, a six-year RFQ and awards will ensue (2019–2025).

DEFINITION OF REGIONAL GEOGRAPHY

