

TRAVEL OREGON STRATEGIC PLANNING LEADERSHIP SUMMIT SUMMARY

OCT. 27, 2016

WE LIKE IT HERE.



YOU MIGHT TOO.

SUMMIT PURPOSE

The purpose of the Travel Oregon Strategic Planning Leadership Summit is to engage key Oregon tourism industry stakeholders, including:

- Oregon Tourism Commissioners,
- Regional Destination Management Organization leads,
- Oregon Destination Marketing Organization's board members, and
- Niche tourism industry and business representatives with

federal agencies, education professionals and economic organizations in a robust discussion regarding the future of Oregon's tourism industry.

Participants will learn of the industry priorities we've identified from multiple stakeholder engagements this past year, as well as hear from engaging speakers and panelists on a variety of topics including:

- workforce development, education, transportation and public lands, in addition to the sharing economy, digital experiences and shifting traveler profiles.

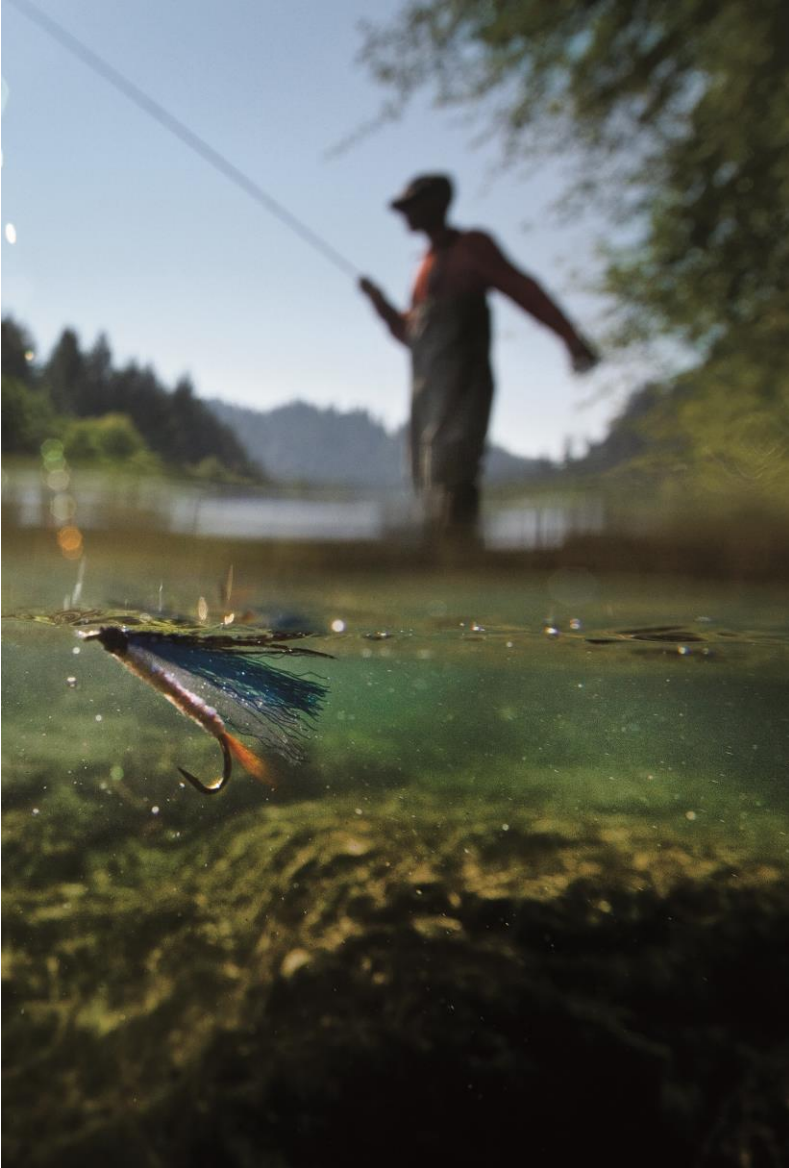
Attendees will participate in breakout group activities, be asked to reflect on the sessions and have the opportunity to network with fellow attendees.

The discussions and takeaways from this summit will help inform Travel Oregon's 2017-2019 Strategic Plan.

PRESENTATION TRACKER

TOURISM LEGISLATIVE REVIEW	3
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TOURISM ECONOMICS: GLOBAL TOURISM TRENDS	40
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TOURISM



OREGON'S TOURISM INVESTMENT

OREGON'S 2003 TOURISM BUDGET

- 47th lowest of the 50 states
- Losing tourism market share to other states
- Oregon needed an economic stimulus

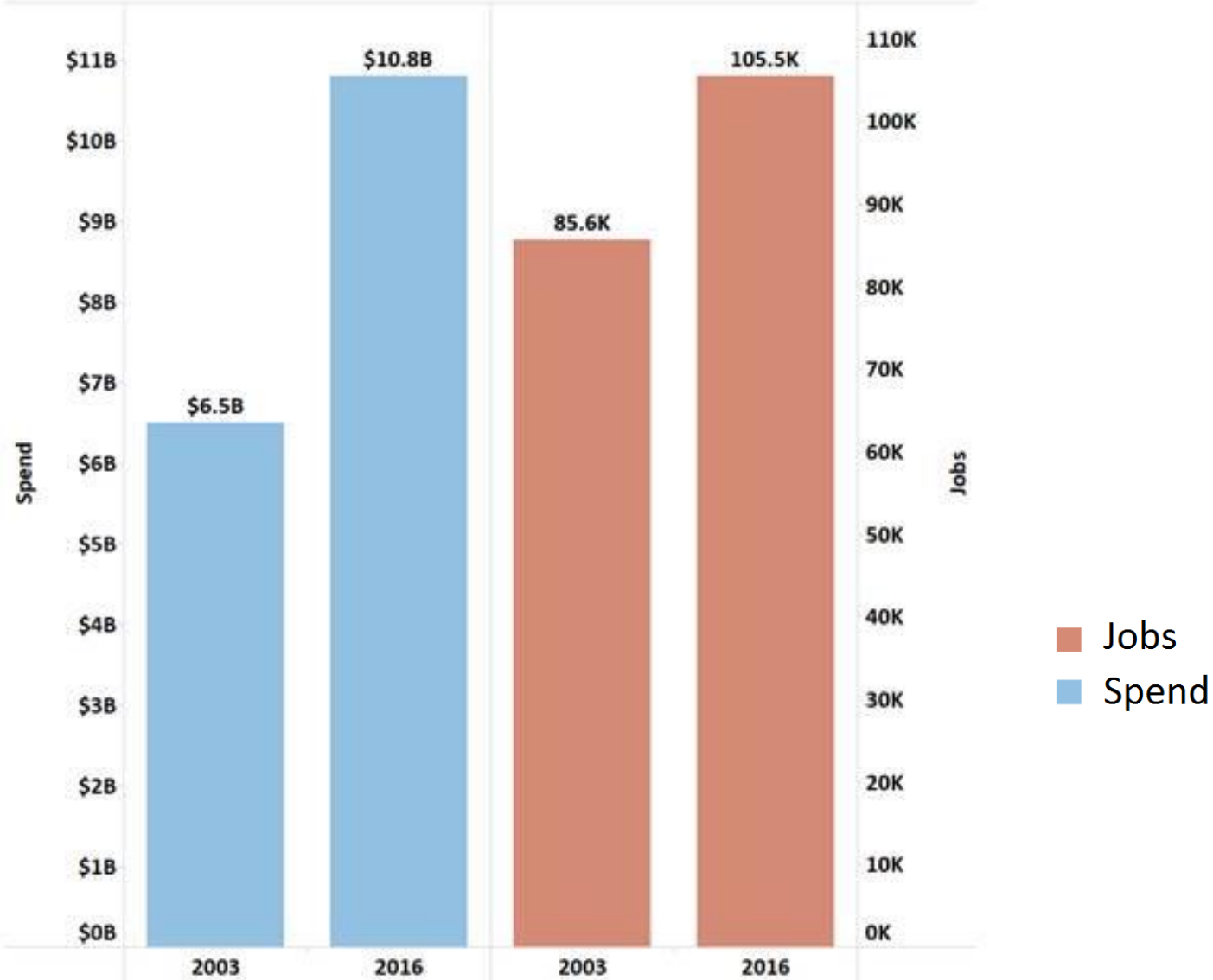
OREGON'S TOURISM STRATEGY

- House Bill 2267 passed and was signed: The Oregon Tourism Investment Proposal

WHAT 2003 LEGISLATION DID

- Implemented 1% Statewide Lodging Tax
- State tax revenues fund Oregon Tourism Commission, dba Travel Oregon
- Protected local lodging taxes
 - Existing local rates and allocations for tourism were “grandfathered”
 - Future increases in local lodging tax rates require at least 70% dedicated to tourism

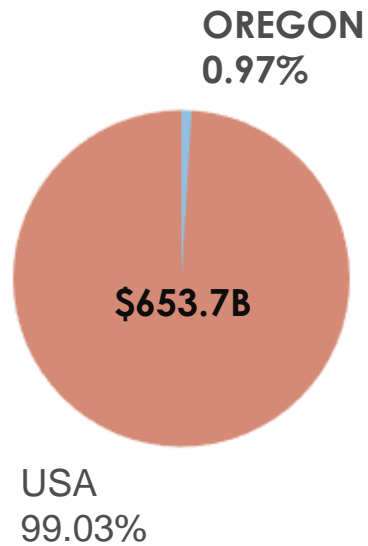
OREGON VISITOR SPEND AND JOBS



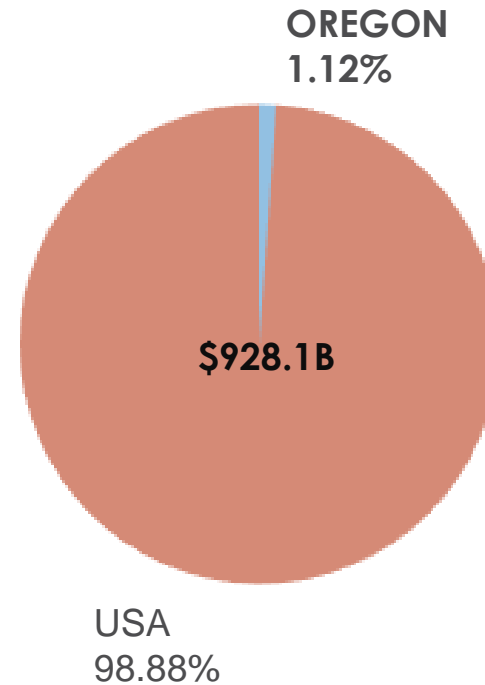
Source Footnote: Dean Runyan Ad Accountability Study 2016

SHARE OF VISITOR SPENDING

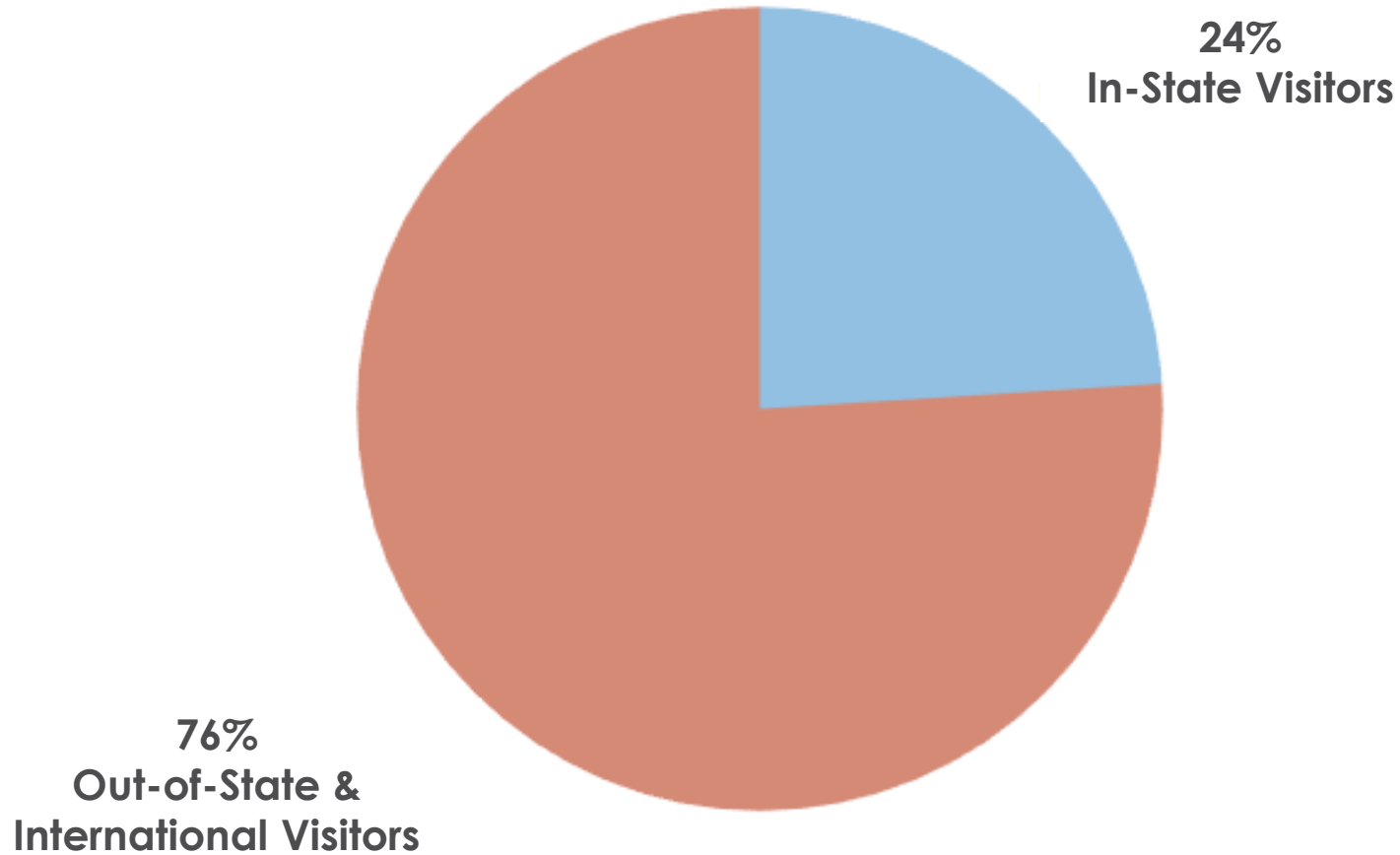
2005



2014



REVENUE FROM OVERNIGHT VISITORS



Source: Dean Runyan Associates, 2016

VISAVUE® 2015 DATA

FIVE YEAR SPENDING COMPARISON

Country	2010	2015	% Change
Canada	255,843,000	237,942,000	-7%
Japan	17,841,000	22,438,000	26%
UK	13,505,000	15,781,000	17%
Germany (+A,CH)	10,721,000	11,339,000	6%
Australia, NZ	11,460,000	11,252,000	-2%
Korea	8,823,000	8,105,000	-8%
Scandinavia	7,672,000	5,888,000	-23%
Mexico	4,691,000	6,233,000	33%
France	4,301,000	5,005,000	16%
Taiwan	3,546,000	5,743,000	62%
China	11,302,000	60,791,000	438%
Benelux	2,199,000	1,769,000	-20%
Italy	1,797,000	1,352,000	-25%
Brazil	3,155,000	2,645,000	-16%
India	4,978,000	7,136,000	43%
Total, Top 15	361,834,000	403,420,000	11%
Total, All	409,523,000	457,194,000	12%

WHO IS OREGON'S TRAVEL & TOURISM INDUSTRY?

105,500 OREGONIANS DIRECTLY EMPLOYED*

- Restaurants, hotels, wineries, attractions, guiding & outfitter businesses, tour operators, visitor information centers, convention and visitor bureaus
- Indirect: Gas stations, libraries, community centers, shopping centers, printers, art galleries and more

*2015 figures



OREGON'S TOURISM INVESTMENT 2.0

HOUSE BILL 4146

The bill's chief sponsor, Representative Nancy Nathanson, stated in her speech on the House floor:

"This bill increases resources for the Oregon Tourism Commission to invest in furthering the state's tourism industry, to promote all of Oregon. And we know that investing in tourism pays off, big time.

Since the state lodging tax passed in 2003, there's been an 84% increase in local taxes from visitor activity. Every \$1 invested in Travel Oregon's advertising campaigns generates \$11 in state and local tax revenue.

Since Travel Oregon started doing statewide marketing, there has been significant growth in out-of-state and international visitors. For example: international visitation to Oregon in 2014 increased 9% over 2013."

WHAT 2016 LEGISLATION DID

- Increases state lodging tax from 1% to 1.8% effective July 1, 2016
- Decreases state lodging tax to 1.5% effective July 2020
- Directs 20% of state lodging tax to implement a Regional Cooperative Tourism Program
 - Allows for investment in marketing, services, sales and development
- Directs 10% of state lodging tax to a competitive grants program

WHAT 2016 LEGISLATION DID (CONT'D)

- Established a work group to review:
 - Policies for establishing regional boundaries and frequency of distributions
 - Exempting homeless individuals from paying the state lodging tax
 - Barriers to expansion and maintenance to recreational tourism in each region
 - Information sharing between state and local governments

WHAT 2016 LEGISLATION DIDN'T DO

- Does not change local mandates as set by HB 2267 (July 2, 2003):
 - Local tourism funding percentages
 - Local tourism investment requirement (minimum of 70%) for new taxes
 - Tourism definitions

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TRAVEL OREGON

OUR VISION A better life for Oregonians through strong, sustainable local economies.

OUR MISSION We inspire travel that drives economic development. Through innovation and partnerships, we share the stories of Oregon's people and places, ensuring the preservation of Oregon's way of life and natural places.



TRAVEL OREGON ORGANIZATIONAL STRUCTURE



GOVERNOR KATE BROWN

OREGON TOURISM COMMISSION



Chair
Alana Hughson



Vice Chair
Ryan Snyder



Kara
Wilson-Anglin



Don
Anway



Richard
Boyles



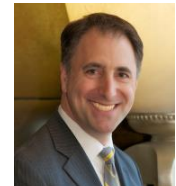
Nigel
Francisco



Al
Munguia



Kenji
Sugahara



Scott
Youngblood



TRAVEL OREGON

Todd Davidson, Chief Executive Officer

TRAVEL OREGON DEPARTMENTS & PROGRAMS

Industry & Visitor Services

- State Welcome Centers
- Oregon Tourism Conference
- Grants

Global Marketing

- Consumer marketing
- Integrated and digital
- Branding and creative
- Research and analytics
- Communications

Global Sales

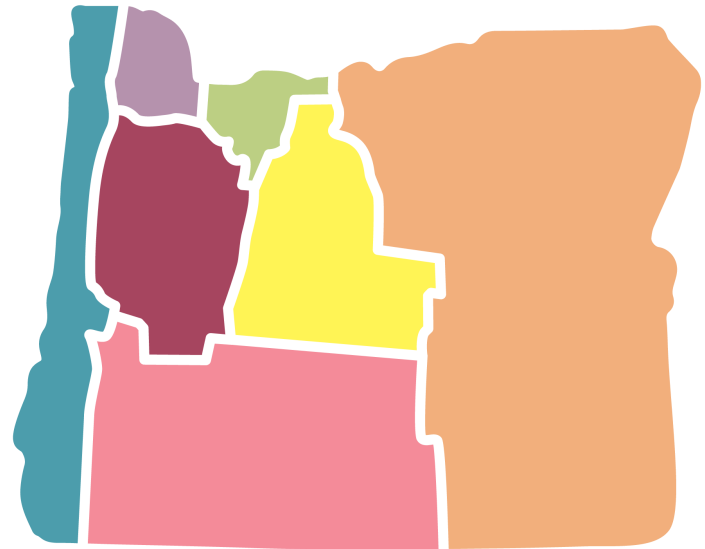
- Domestic and int'l travel trade
- International media
- Target markets: Americas, Asia, Europe and Oceania

Destination Development

- Oregon Tourism Studios
- Product development
- Travel Oregon Forever
- Regional Cooperative Tourism Program

TRAVEL OREGON STRATEGIC PLAN 2015–2017 IMPERATIVES

- Optimize Statewide Economic Impact
- Support & Empower our Partners
- Champion the Value of Tourism
- Run an Effective Business



STAKEHOLDER INPUTS

Regional Engagements

Statewide Survey

Town Halls

Grants Work Group

Regional Cooperative Tourism Program Work Group

TOURISM INDUSTRY PARTNERING STRUCTURE

LOCAL

Business, organization and individual



LOCAL

DMO

(Destination Management Organization)



REGIONAL

RDMO

(Regional Destination Management Organization)



STATEWIDE

Travel Oregon

RDMO = REGIONAL DESTINATION MANAGEMENT ORGANIZATION

- Travel Portland (Greater Portland)
- Oregon Coast Visitors Association
- Willamette Valley Visitors Association
- Central Oregon Visitors Association
- Eastern Oregon Visitors Association
- Oregon's Mt. Hood Territory (Mt. Hood/Gorge)
- Travel Southern Oregon

travel
PORTLAND



Central  Oregon
VISITORS ASSOCIATION

OREGON'S
**MT. HOOD
TERRITORY**
explorers welcome

PLEASE DON'T TELL
EVERYONE ABOUT
**EASTERN
OREGON**
THANK YOU



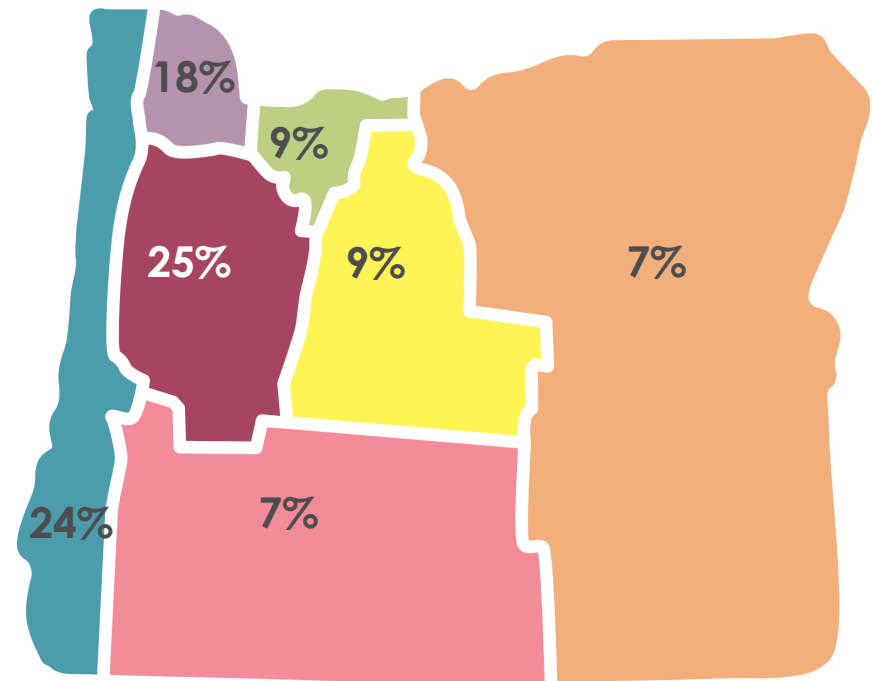
REGIONAL STAKEHOLDER GATHERINGS

STATEWIDE THEMES

- Effective collaboration with public land and transportation agencies
- Visitor wayfinding and signage
- Some destinations reaching carrying capacity
- Congestion reduction and alternative transportation options
- Education and training of frontline staff
- Ensure all lodging providers are collecting/remitting TRT appropriately
- Leverage Travel Oregon's marketing campaigns/programs
- Capacity to convene and manage projects
- Decrease seasonality of visitation

STATEWIDE TOURISM ENGAGEMENT SURVEY RESULTS

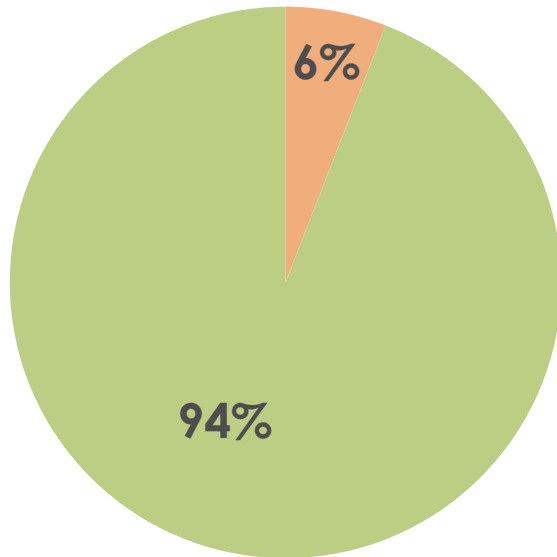
- 2016 Stakeholder Engagement survey: March 23-April 4
- 57% respondents represented small businesses/organization (1-10 people)
- 74% respondents were managers/executives or owners



219 Respondents by Geographic Location

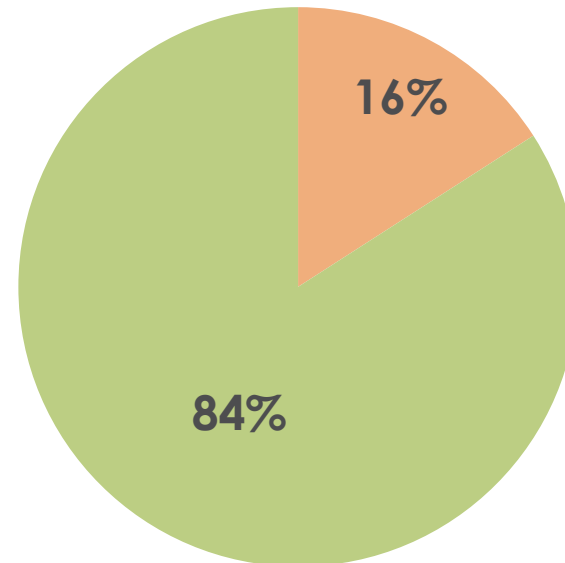
STATEWIDE AWARENESS AND OPINION OF NEW LEGISLATION

I am aware of the legislature's recent approval to increase the state lodging tax.



■ No ■ Yes

The legislature's recent approval to increase the state lodging tax is good for Oregon's tourism industry.



■ FALSE ■ TRUE

STATEWIDE OPINION OF NEW LEGISLATION

84%

The state lodging tax is **good** because...

Economic Driver

Increased Funding

Low Risk

Support Community/Business

Project/Grant

Development

Funds

More Productive Development

Increased Marketing

Social Driver

Resources Proven ROI

16%

The state lodging tax is **not good** because...

Inequitable Distribution

Requires Alignment

Unknown/Unseen ROI

Reduced Demand

Misrepresented Purpose

Creates Division

STAKEHOLDER OPINIONS OF TRAVEL OREGON

Answer Options	Average	Agree	Somewhat Agree	Neutral	Somewhat Disagree	Disagree
I understand Travel Oregon's primary mission/purpose.	4.59	69.7%	22.7%	5.4%	1.6%	0.5%
Travel Oregon's mission/purpose is critical to a thriving Oregon tourism industry.	4.62	73.0%	18.9%	5.9%	1.6%	0.5%
Travel Oregon does a good job of developing new tourism products/offerings.	4.38	53.5%	33.5%	10.8%	1.6%	0.5%
Travel Oregon does a good job empowering community and business leaders to make advancements in the tourism economy.	4.08	39.7%	35.9%	17.9%	5.4%	1.1%
Travel Oregon keeps me informed of their programs, activities and achievements for our industry.	4.29	54.6%	28.1%	11.4%	3.2%	2.7%
Travel Oregon raises the awareness of Oregon in domestic markets.	4.43	57.3%	31.4%	8.6%	2.2%	0.5%
Travel Oregon raises the awareness of Oregon in international markets.	4.24	53.3%	22.8%	20.1%	2.2%	1.6%
Travel Oregon is a leading voice for Oregon's statewide tourism industry.	4.57	71.6%	17.5%	7.7%	2.7%	0.5%
Travel Oregon coordinates and cooperates well with stakeholders in Oregon.	4.04	40.5%	34.6%	15.1%	8.1%	1.6%
Travel Oregon involves the travel and tourism industry in key decisions that affect it.	3.93	32.1%	38.6%	22.3%	4.9%	2.2%
Travel Oregon provides access to programs that are helpful to me and/or my business.	3.96	37.8%	34.1%	17.8%	7.0%	3.2%

STAKEHOLDER PROGRAM VALUE

How valuable do you perceive these programs to be for your business?



"Support for rural communities who struggle with funding and support for economies that incorporate tourism."

"I think the following would be helpful to my business but I haven't seen anything from Travel Oregon on them: public relations, destination/industry planning, professional development/training."

"The online information is very important."

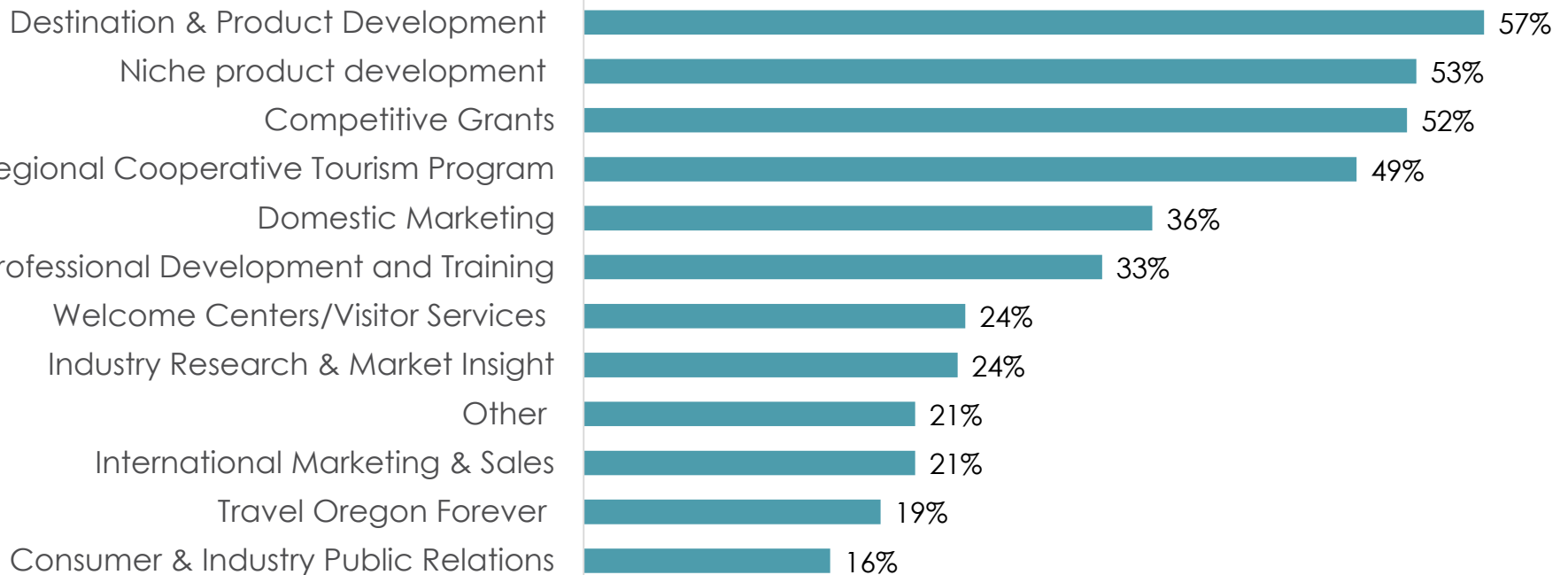
"Help with statewide significant project like Historic Highway State Trail."

"Supportive of Tribal tourism attractions and products."

"We are in the baby steps of creating an intentional tourism focus. We are appreciative of and hungry for all the resources and support available."

NEW FUNDING EMPHASIS

With new funding, I would like to see more emphasis on...



DO MORE

What is one thing you would like to see Travel Oregon do more of?

Engage/Educate Stakeholders

Cooperative Market Research

Small Business Destination Development Support

Build Corporation

Support Public Land Mgmt

Support Heritage/Multicultural Oregon

More Ads

Provide Grants

Support Rural DMO/Communities

"Help build the capacity for rural DMO efforts that are often poorly funded and lack the knowledge to effectively promote their locals and regions."

"Get out of the office and visit and get to know the ranchers and farmers and find out about their world."

"Running a 'for profit' DMO, I think Travel Oregon should be able to make grants to all DMOs (regardless if they are profit or nonprofit) if they can show they are helping to sell an area."

"Supportive of Tribal tourism attractions and products."

"Destination development for small businesses, helping businesses understand how to attract the tourists that Travel Oregon is working to bring to the state."

"With Outdoor Recreation as one of the pillars of Travel Oregon's marketing, many public land mgmt. agencies are struggling to maintain their outdoor rec. destinations to a high quality. I'd like to see TO consider supporting these agencies and their high-use recreation sites that are also tourism destinations."

"Connect with cultural heritage organizations and encourage (not just teach) them what to do."

DO LESS

What is one thing you would like to see Travel Oregon do less of?

Narrow Season Focus

Bicycle Tourism

Large Business Focus

Poor Fund Management

Programs

Status Quo Attractions

Narrow Regional Focus

Archaic Collateral

Inequitable Share of Funds

"Focusing on the same industries and activities; branch out to connect with other demographics. Give larger grants to establish businesses in our dying small towns."

"I would like the emphasis to be less on large businesses and more on small businesses."

"They need to look at their promotions and the time of year they will be promoting as in our area summer is full. We need winter promotions."

"Try to appear less beholden to a few stakeholders, which impacts your image among the locals including elected officials. Less top down assistance, more grassroots capacity building within EXISTING organizations. T.O. needs to ensure that ALL businesses benefit from your funds."

"International marketing. Simply because it doesn't affect my business and region as much as others."

"Do not emphasize just the top tourist attractions, lodging and locations. Showcase more of the smaller businesses and smaller regional attractions. We could be known as a state with 700 wonders sprinkled around the state with all kinds of secrets and surprises."

"Bicycle tourism. Continue to do it and be a leader, but it isn't enough of the travel market to justify so much investment and promotion of it. Hiking and wildlife watching are much more popular."

MOST VALUABLE

What does Travel Oregon offer that is most valuable to you and your business or organization?

Networking Engagement/Education Cooperative Marketing

Establishing Oregon
as a Destination

Marketing Support/Collateral

International Exposure Grants

Community/Rural Tourism Support

"Being the voice and advocate for Oregon as a travel destination."

"Travel Oregon's RCMP program provides great benefit, especially to smaller destinations; however, a complete review and possible revision of the program and its funding may be necessary."

"Provides specific knowledge that helps explain the value of travel and tourism to locals and regions that don't understand or accept the economic importance to local economies."

"Assistance and training by traveling to small communities to work with local advocates and community leaders."

"The marketing support for our local assets through Travel Oregon's public web pages, the grants that provide us additional resources for marketing our local areas, and other marketing efforts that drive national and international tourist to destinations all over our state."

"Presentation and partnership of opportunities that are beyond our organization's capacity; helping to increase visibility and awareness of our region as a destination in multiple markets, both domestically and internationally."

"Community tourism planning (e.g. rural tourism studio, ongoing DMO support of community tourism efforts) efforts are amazing and have generated significant community support of the neighboring land management agencies."

#1 ISSUES

What is the #1 issue that the industry needs to address in order to take its next step forward?

Lack of Engagement with Local/Rural Communities

Conservation

Gov
Regulations

"Corporate partnership in sharing a stewardship message on public lands. Don't kill the goose laying the golden egg!"

"Better communications and "playing together" as a team with tourism partners throughout the state and regions. Some credibility and trust was lost during the past several months; it needs to be gained back."

"How do we ensure we don't love Oregon to death? I live in a popular part of the state do I feel the impacts of a steady flow of visitors / for better or worse. How to get people to visit less popular places while also being able to give back while they are there?"

"Cooperation. While Travel Oregon seems to work well on its own agenda, it doesn't feel like a cooperative and inclusive effort."

Lack of Rural Promotion

Brand Clarity
Over Crowding
Service Provider
Lack of Marketing Knowledge/Support

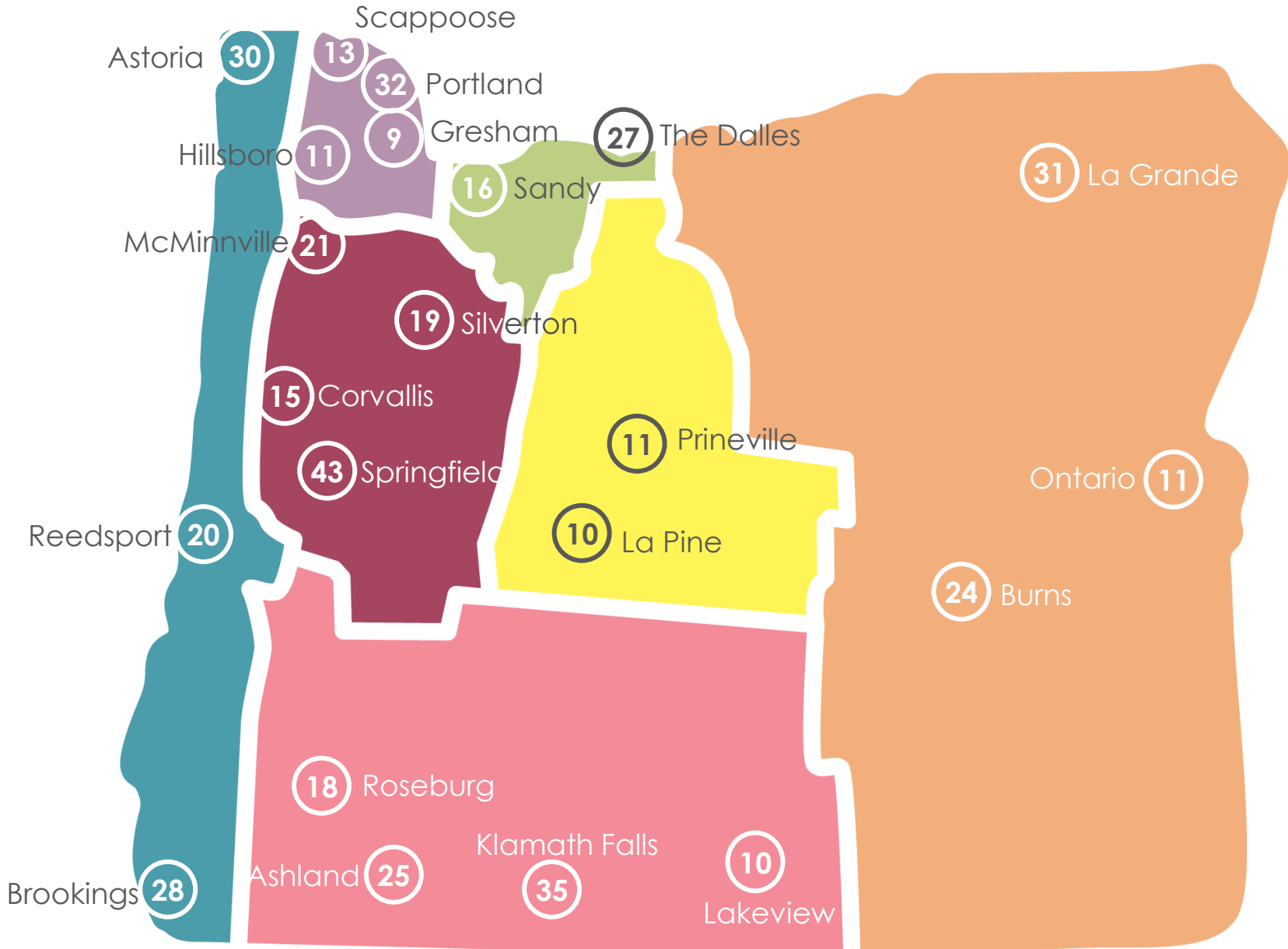
Collaboration/Communication

"Build bridges of understanding between locals and communities that clearly tie together the outbound marketing efforts of TO and larger DMOs to get more traffic to the state and regions and local efforts to attract those visitors to specific locations."

"Bridging the urban/rural divide. As a business owner in a small, rural, central Oregon town, we are constantly stand-outs in the tourism industry and our communities are trying to bridge this divide. Oregon is rural and rural Oregon wants the tourism commodity, but both sectors need to be able to play nicely together."

"Getting the OREGON brand more defined and doing what it takes to get the country/world to notice us."

OREGON TOURISM TOWN HALLS



TOWN HALLS: STATEWIDE THEMES

Development

Oregon is blessed with an abundance of tourism assets. Stakeholders want to see **more lodging development in rural areas**, as well as an emphasis placed on **agri-tourism, outdoor adventures and “lesser known” natural attractions**. **Sustainable development, capacity management, and support through focused marketing efforts** were also discussion themes.

Education

Many communities need help in **educating local leaders on the role of tourism** and its impact on local and regional economies. In addition, **assistance with local marketing/branding** and **increased frontline staff training** are in demand to foster positive a visitor experience, especially among small businesses.

Grants

Stakeholders find some aspects of the grant process to be **complicated and limiting**. They would like to see a **more simplified, accessible and inclusive process** that is clearly communicated.

Partnerships

A rising tide floats all boats. Stakeholders suggest that **more structured partnerships across regions, communities and businesses** could improve the overall tourism economy through **enhanced communication and cooperative marketing efforts**.

TOWN HALLS: STATEWIDE THEMES (cont'd)

Seasonality

Seasonality puts pressure on Oregon tourism communities. Stakeholders would like to see fewer “peaks and valleys” with an **increased focus on options for winter and shoulder season visitation.**

Transportation

Improvements to **transportation infrastructure** was a major theme of the regional town halls. Discussions included **mitigation of congestion, improved signage and way-finding**, and pursuing **alternative, car-free, methods of transportation** between rural destinations and attractions.

Workforce

Ensuring that a **quality tourism workforce** is both available and sustainable is top of mind across the state. **Low wages, lack of affordable housing and fluctuating seasonal populations** were all challenges to attract and retain the workforce necessary for tourism growth.

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TOURISM ECONOMICS KEY THEMES

- Tourism is a cyclical industry
- Revenue per available room is at an all time high
- Hotel supply growth is strong and recovering
- Businesses are traveling less due to sluggish growth
- Leisure travel is stronger due to a higher consumer confidence
- A strong dollar has made inbound travel more expensive
- China's strong currency has lead to an increase in inbound Chinese travelers
- Oregon Benchmarks
 - Growth sectors are in travel related businesses
 - Employment is a little weaker than the US average
 - Arts and Rec has outpaced the US average
 - Oregon hotels and restaurants are outperforming the U.S
 - Hospitality and Leisure has created more jobs than any other industry in since the recovery



TOURISM
ECONOMICS

GLOBAL TOURISM TRENDS

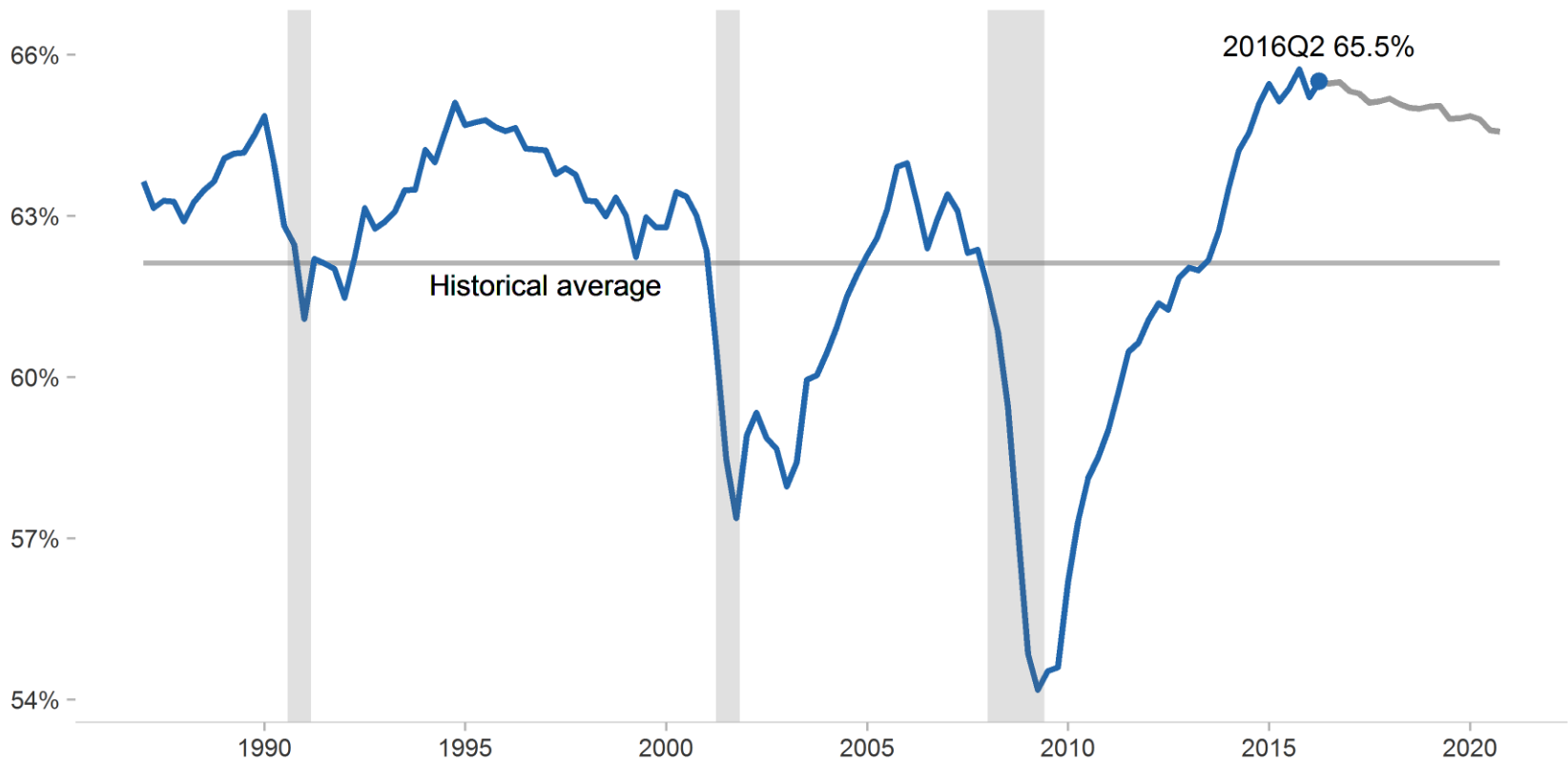
Aran Ryan

October 27, 2016

US OCCUPANCY AT HIGH LEVELS

Occupancy

Occupancy rate

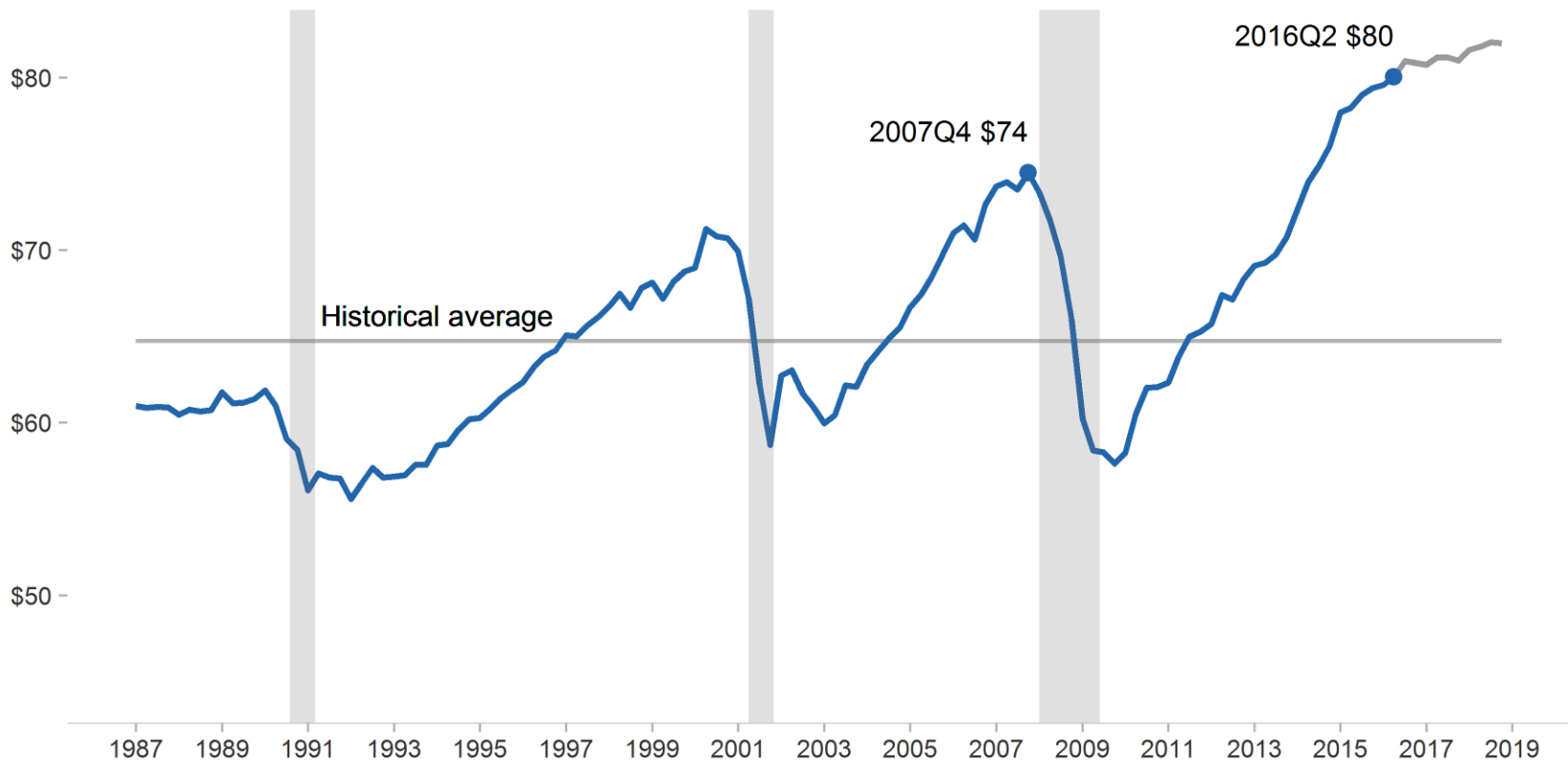


Note: Recessions shaded; data seasonally adjusted; history through 2016 Q2, forecast through 2020 Q4.
Source: STR; NBER; Tourism Economics

REVPAR WELL AHEAD OF PRIOR PEAK

RevPAR, US, real

In 2015 dollars

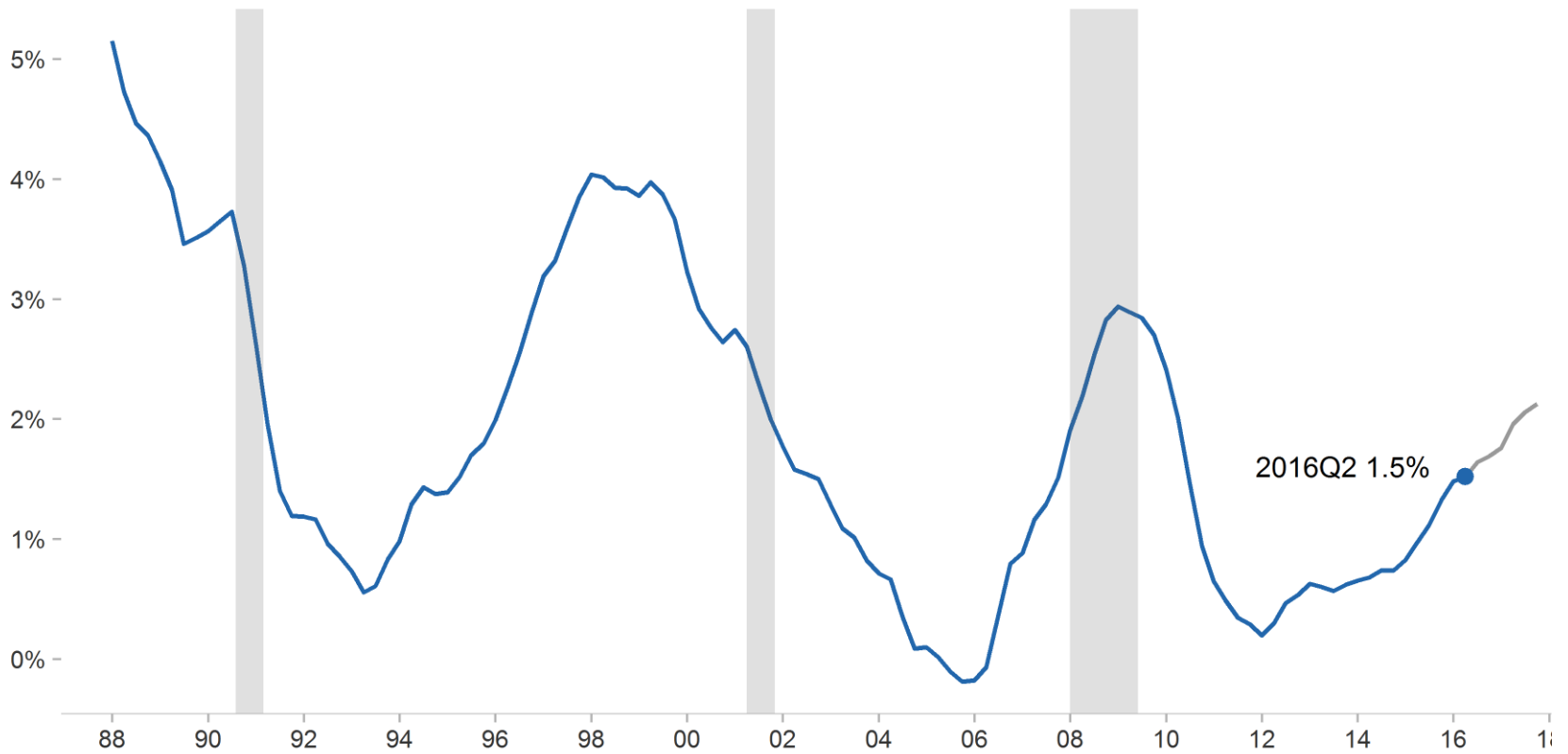


Note: Recessions shaded; data seasonally adjusted; history through 2016 Q2, forecast through 2018 Q4.
Source: STR; NBER; Tourism Economics

PACE OF SUPPLY GROWTH STILL MODERATE

Supply growth

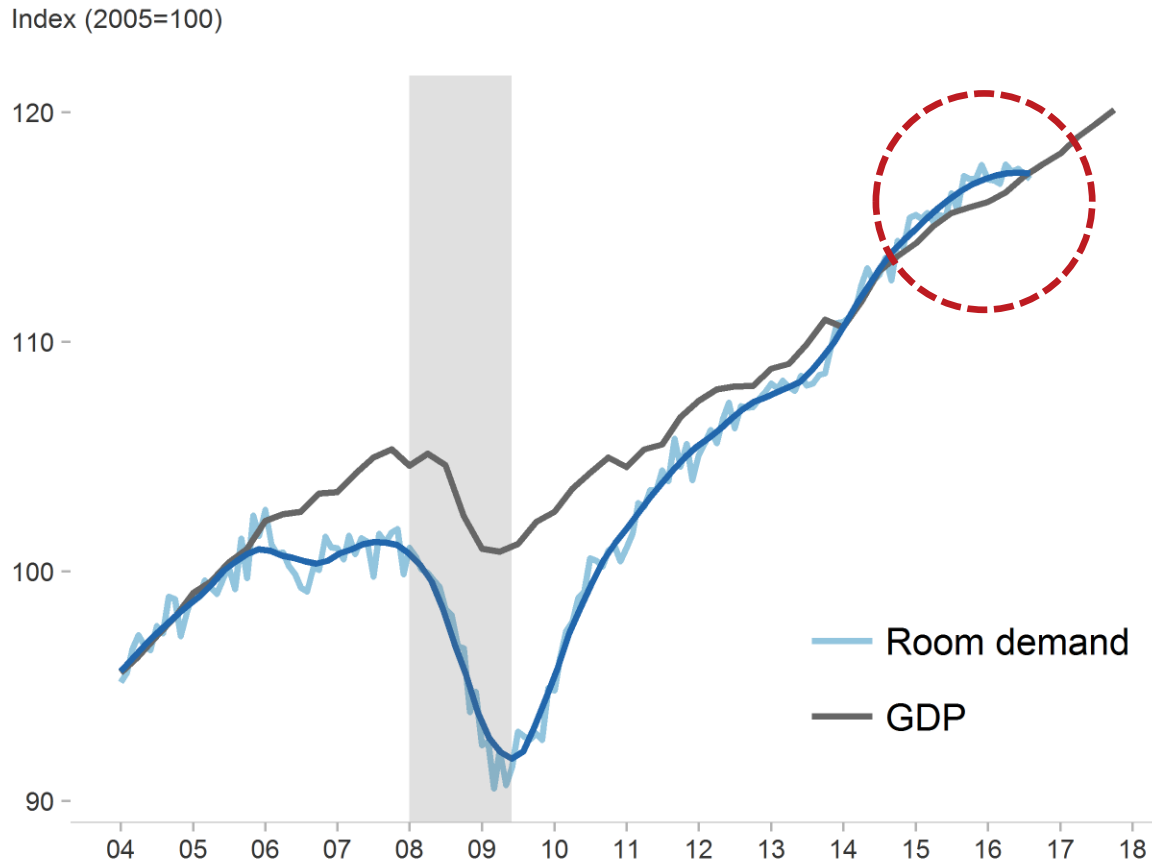
Annualized growth, four-quarter moving average



Note: Recessions shaded; data seasonally adjusted; history through 2016 Q2, forecast through 2017 Q4.
Source: STR; NBER; Tourism Economics

ROOM DEMAND ACCELERATION AHEAD OF GDP

Room demand and GDP



Note: Recessions shaded; data seasonally adjusted; monthly lodging demand through September 2016.
Source: STR; BEA; NBER; Tourism Economics

Lodging demand recovery has been quite strong.

But the pace is slowing:

- 2015 2.7%
- 2016 1.6%
- 2017 1.6%

AGENDA

Global Tourism Trends

Business investment

Consumers and leisure travel

International inbound

Risks to the recovery

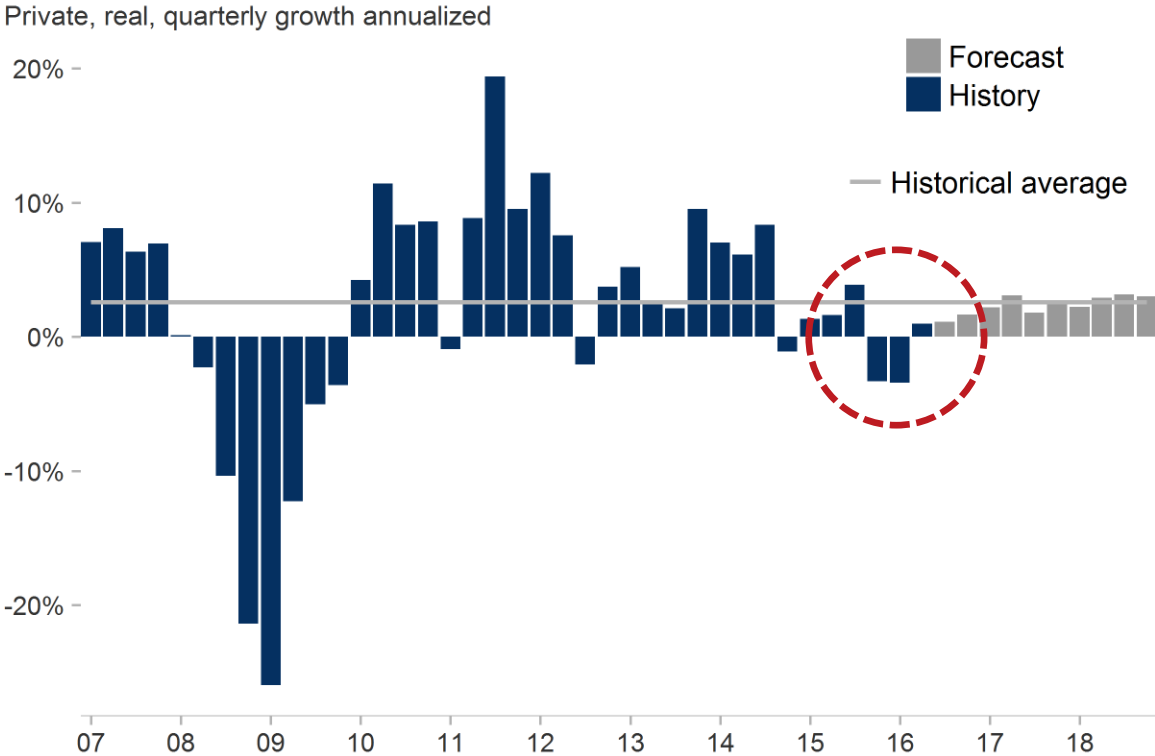
Destination Promotion in Oregon

Sector benchmarking

Destination promotion

BUSINESS INVESTMENT SLOWDOWN

Nonresidential fixed investment



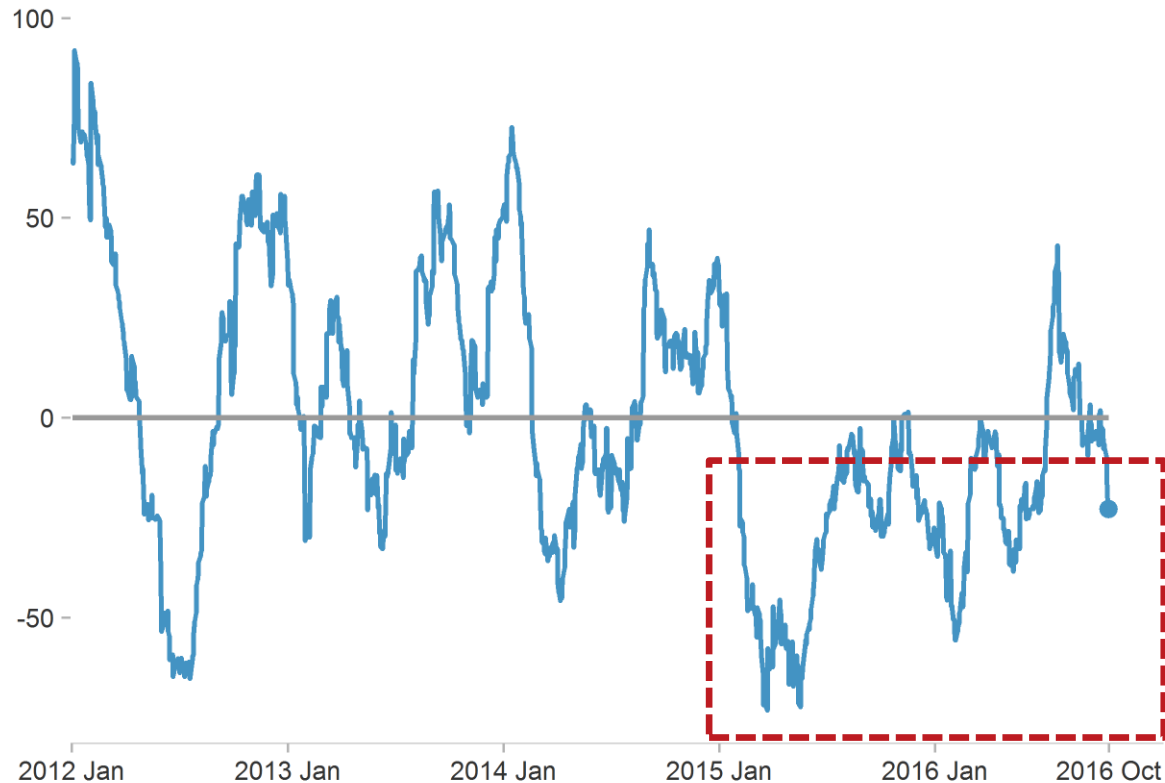
Two quarters of business investment contraction

Note: History through 2016 Q2.
Source: Bureau of Economic Analysis; Oxford Economics

ECONOMIC RELEASES

Citigroup Economic Surprise Index: US

Index of actual data releases relative to Bloomberg survey median



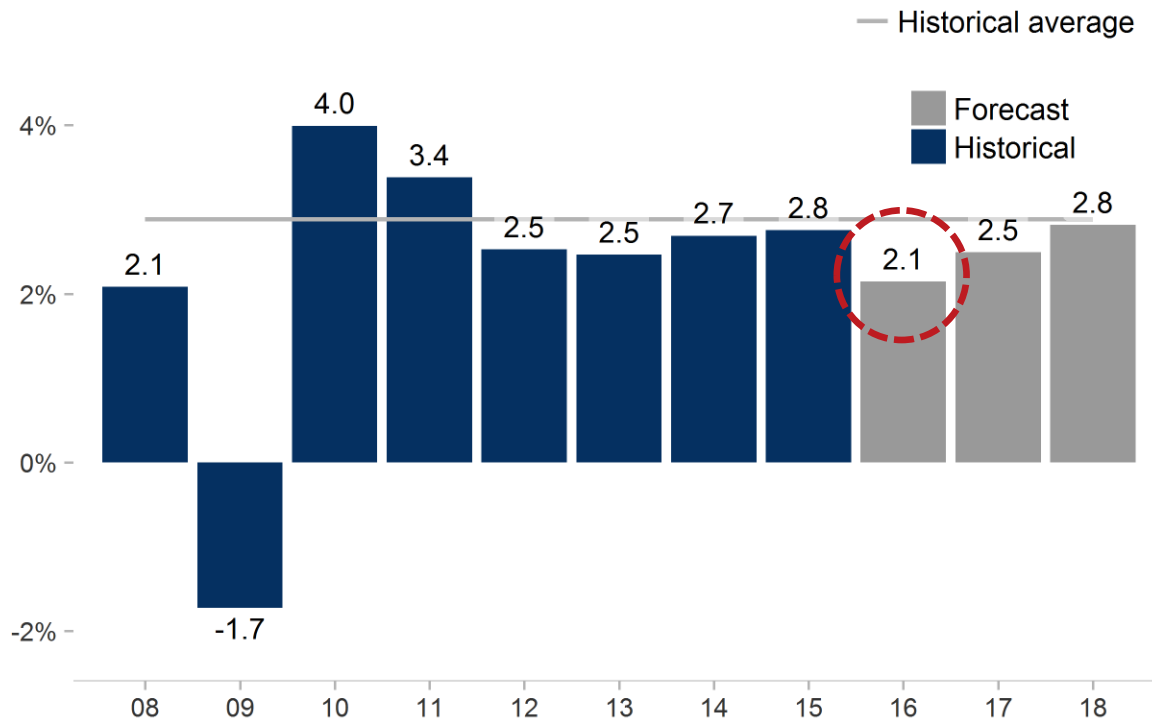
Note: A positive reading suggests economic releases have on balance been beating consensus estimates. Index calculated daily in a three-month window. History through 2016 Oct 21.

Since early-2015, we've experienced an extended period of missed expectations...

GLOBAL RECOVERY AND THE RISK OF “LOWER FOR LONGER”

GDP, World

Real, annual growth



Note: Calculated using base year market exchange rates and prices. Historical average calculated on period from 2000 to 2015.
Source: Oxford Economics calculation

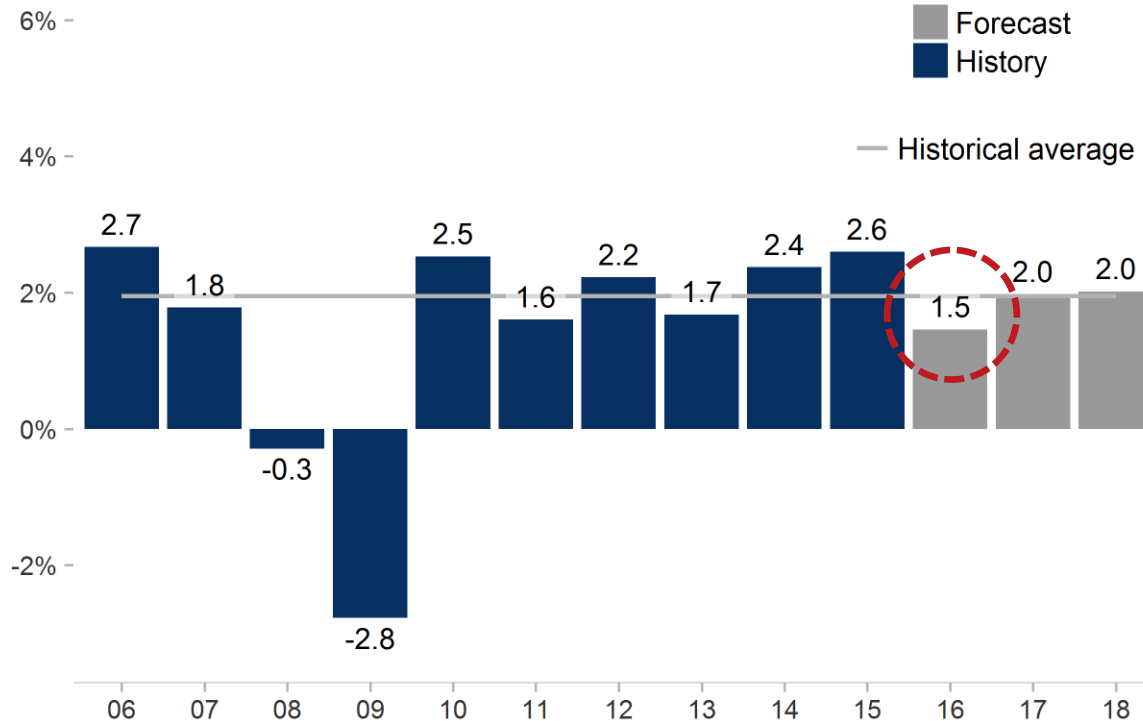
Based on world GDP, this is the weakest momentum post-recession

Risk of growth being “lower for longer”

US GDP ANNUAL GROWTH

GDP

Real, annual growth



Note: Historical average calculated on period from 2000 to 2015.

Source: Bureau of Economic Analysis; Oxford Economics

US GDP has slowed to 1.6% in 2016

Moderate cyclical recovery to resume by 2017

US BUSINESS INVESTMENT OUTLOOK

Factors weighing on business investment

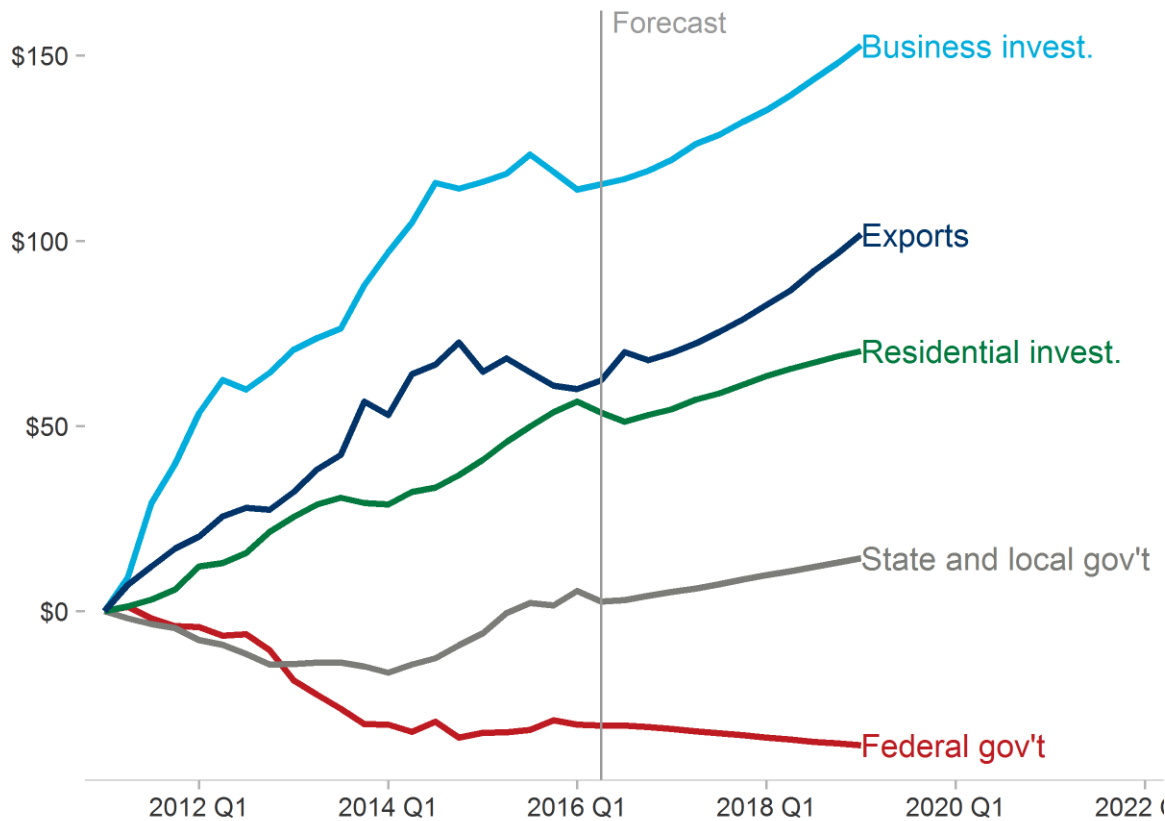
1	Anemic demand growth (domestic and world)
2	Strong currency
3	Energy sector slowdown
4	Uncertainty (including US elections)
5	Tightening bank standards for corporate credit and higher inventories

Businesses have adjusted to these headwinds by postponing investment

KEY CONTRIBUTIONS TO GDP GROWTH

Contribution to GDP growth by component

Cumulative growth since 2011 Q1, in billions of 2009 dollars



Note: History through 2016 Q2.

Source: Bureau of Economic Analysis; Oxford Economics

Exports have declined

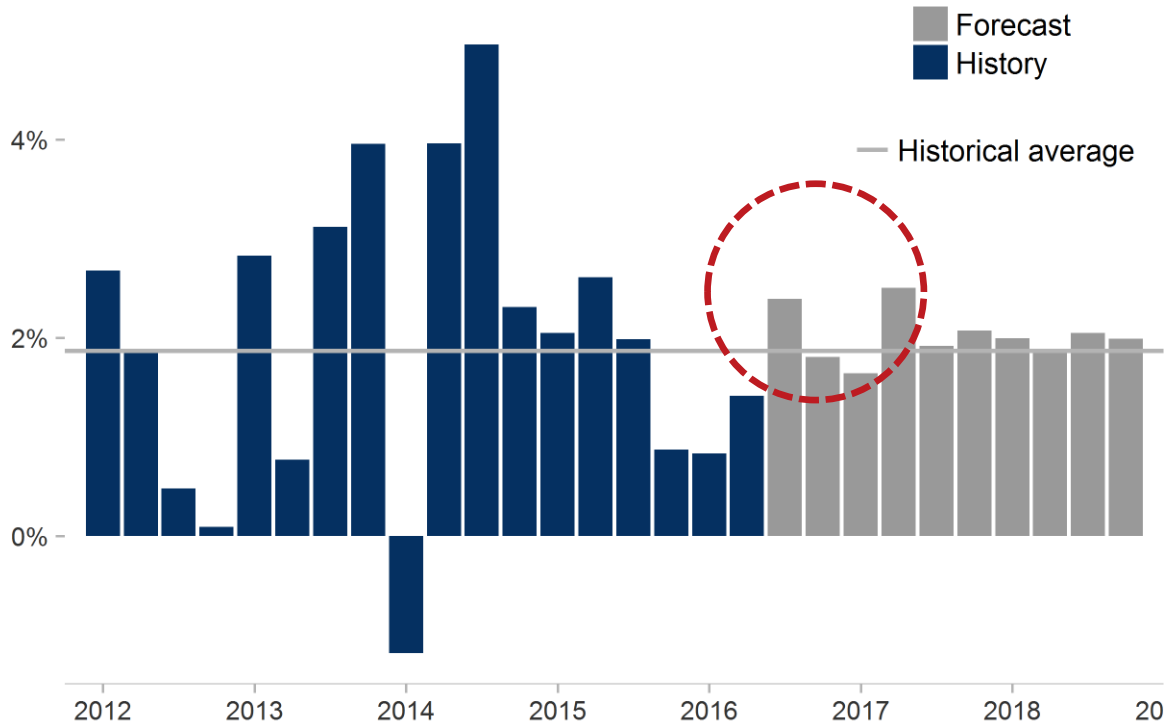
Residential investment is a moderate positive

Lower Federal investment spending is a drag

QUARTERLY US GDP GROWTH

GDP

Real, quarterly growth, annualized



Note: History through 2016 Q2.

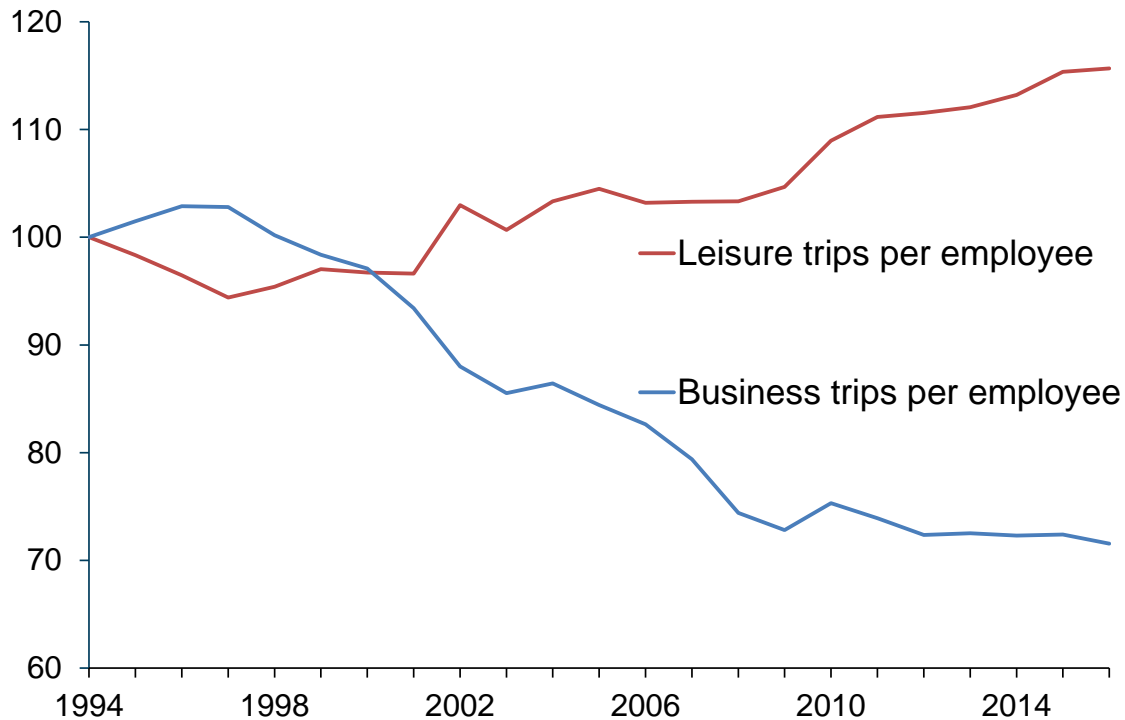
Source: Bureau of Economic Analysis; Oxford Economics

Expect modest strengthening going into 2017

TWO SEPARATE TRAJECTORIES OF TRAVEL PROPENSITY

Business and leisure trip propensity

U.S. Domestic Travel, 1994=100



Source: U.S. Travel Association, Tourism Economics

Leisure travel continues to expand...

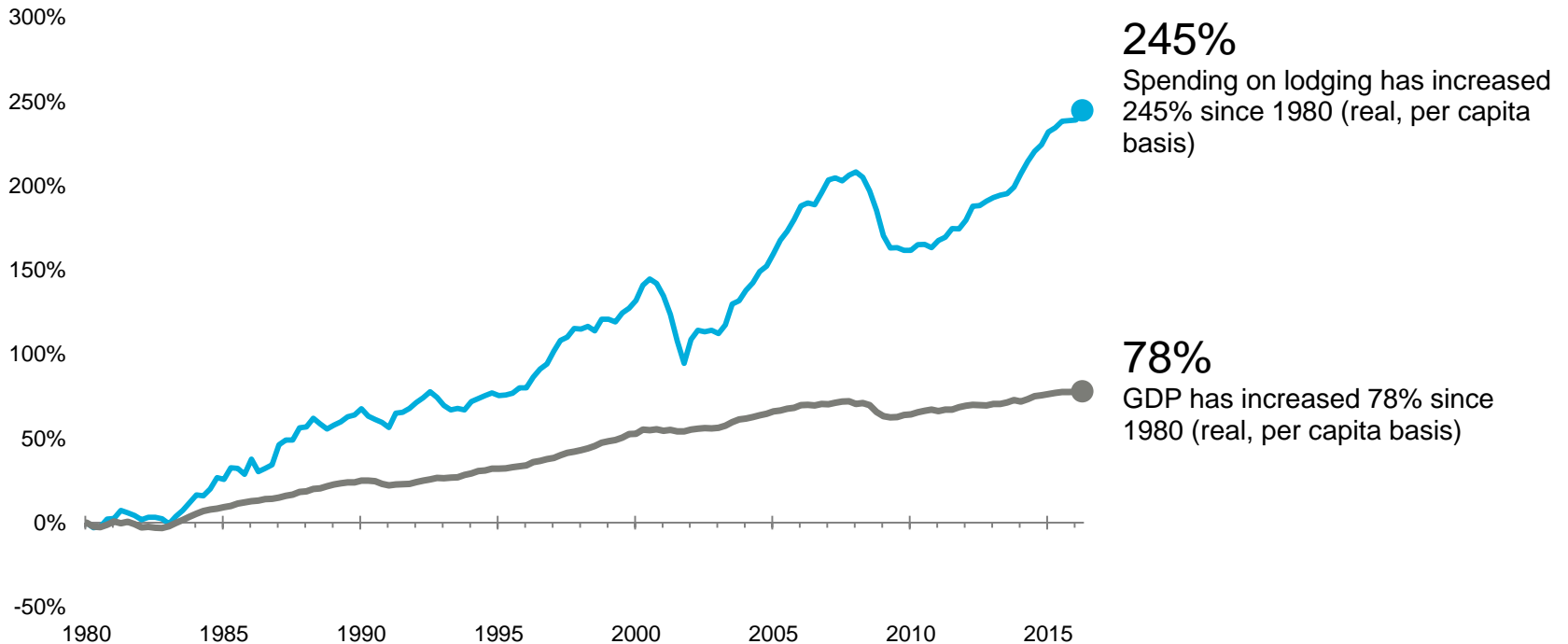
...even as business travel remains tempered

SECULAR SHIFT OF SPENDING TOWARD LODGING

Consumer spending on lodging

Real, per capita GDP and spending on lodging

Percentage change since 1980



Source: Bureau of Economic Analysis; Oxford Economics

US CONSUMER SPENDING OUTLOOK

Factors favoring leisure travel growth

1

Stronger consumer confidence

2

Steady job and income growth

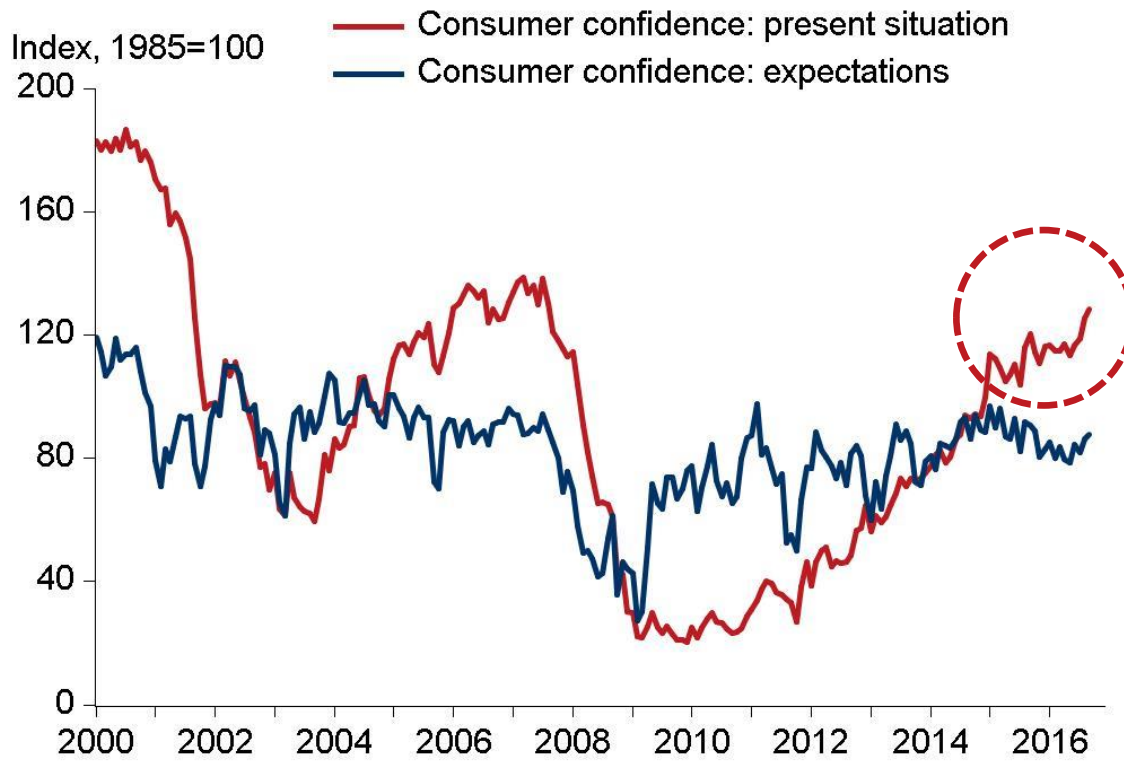
3

Improved household balance sheets

Expect consumer spending growth in 2017 that is similar to 2016

CONSUMER CONFIDENCE SURVEY

US: Consumer Confidence



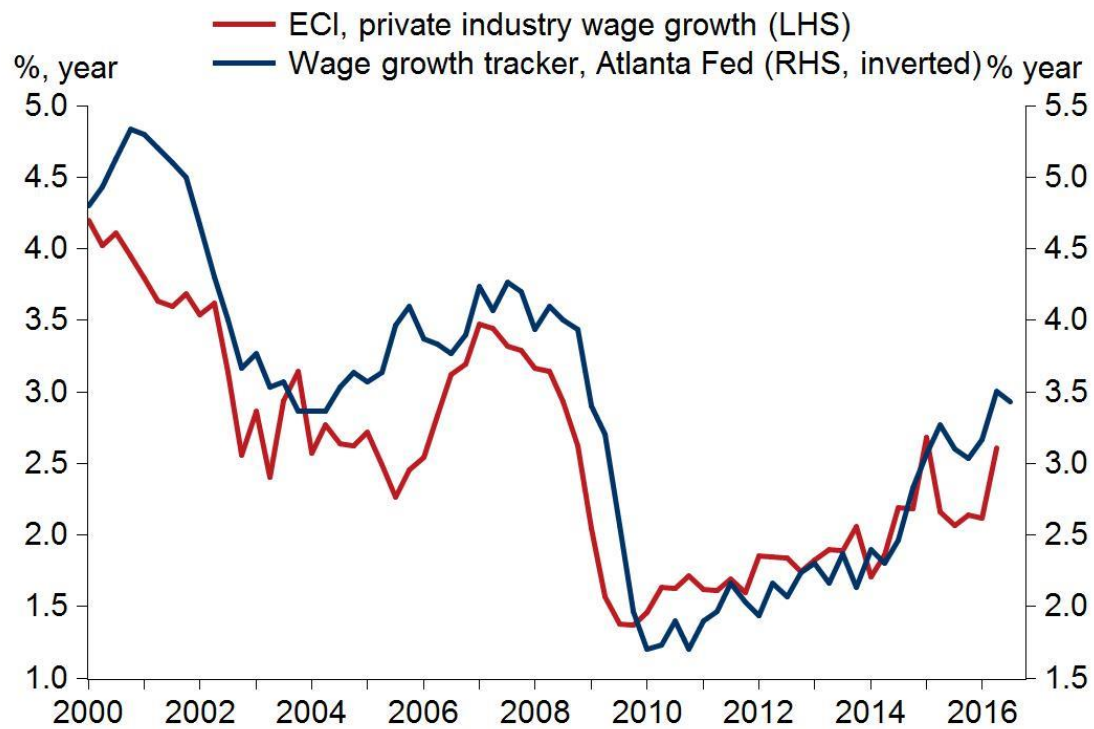
Source: Oxford Economics/Haver Analytics

Favorable view
of “present
situation” ...

... future
expectations
are more
cautious

LABOR MARKET: SLACK TIGHTENS, WAGE GROWTH RECOVERS

US: Labor market slack

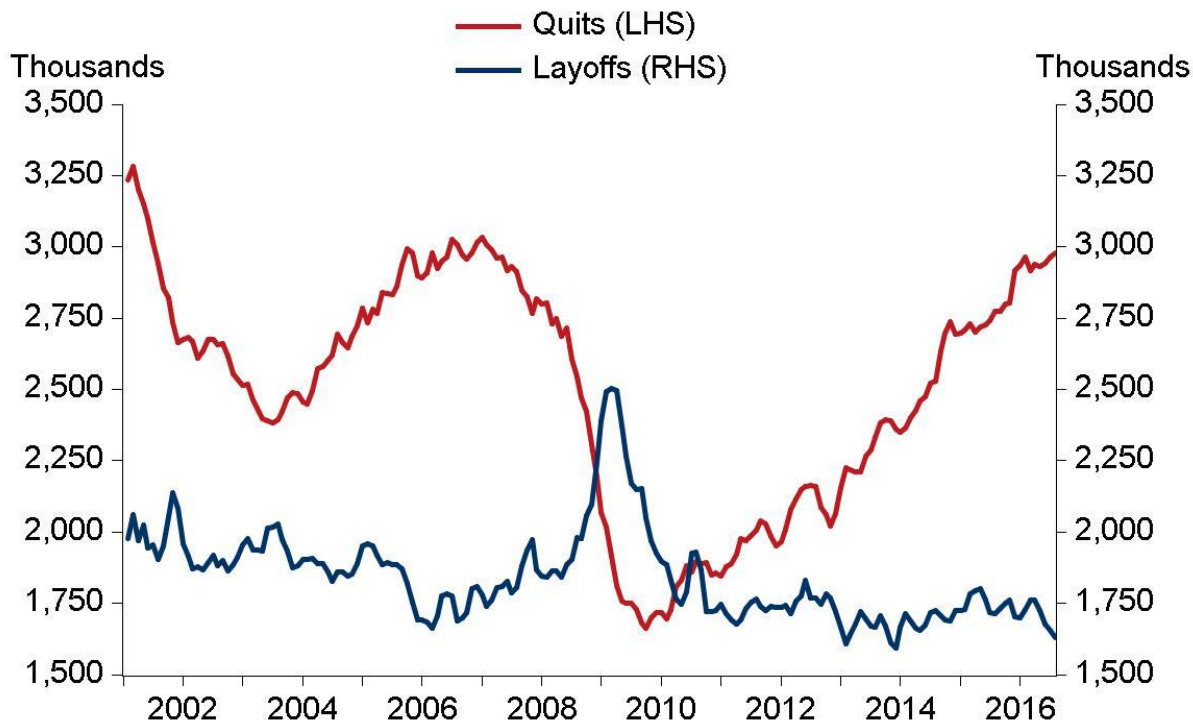


Source: Oxford Economics/Haver Analytics

Wage growth for individuals recently recovered to 3.5% (Atlanta Fed tracker)

LABOR MARKET: QUILTS AND LAYOFFS

US: Worker quits and layoffs



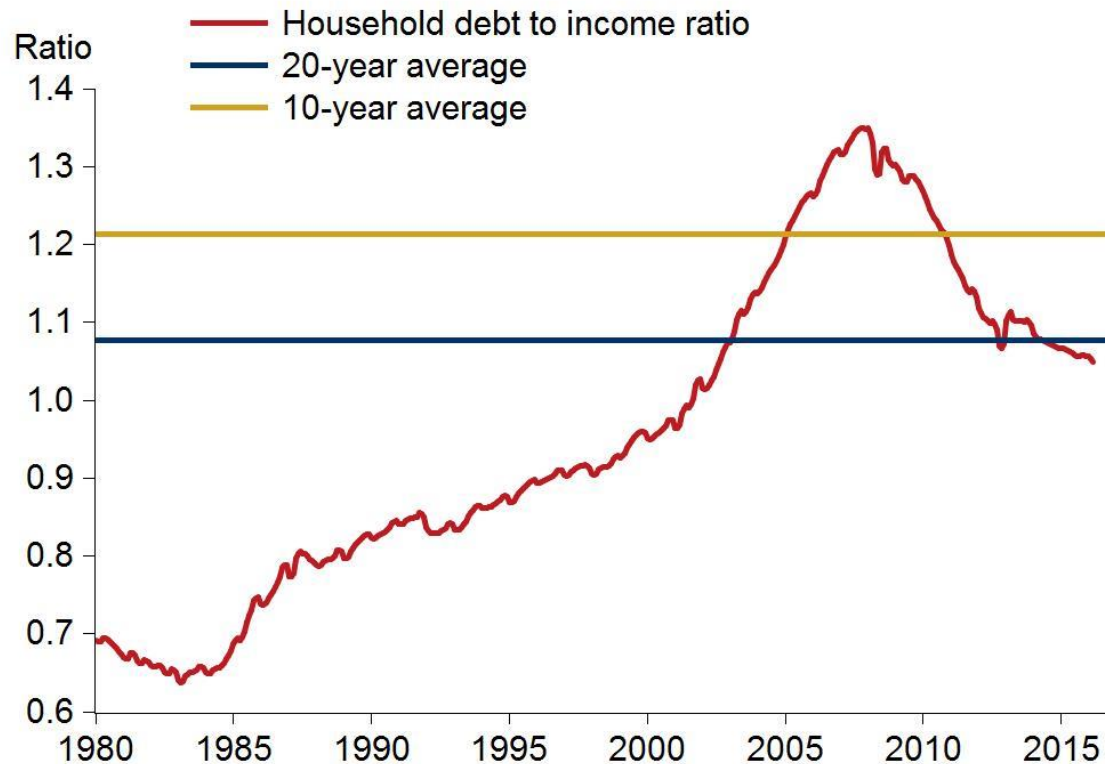
Source: Oxford Economics/Haver Analytics

Rising “quit-rate” reflects firming labor conditions...

...and layoffs are low

HOUSEHOLD DEBT

US: Household debt to income



Source: Oxford Economics/Haver Analytics

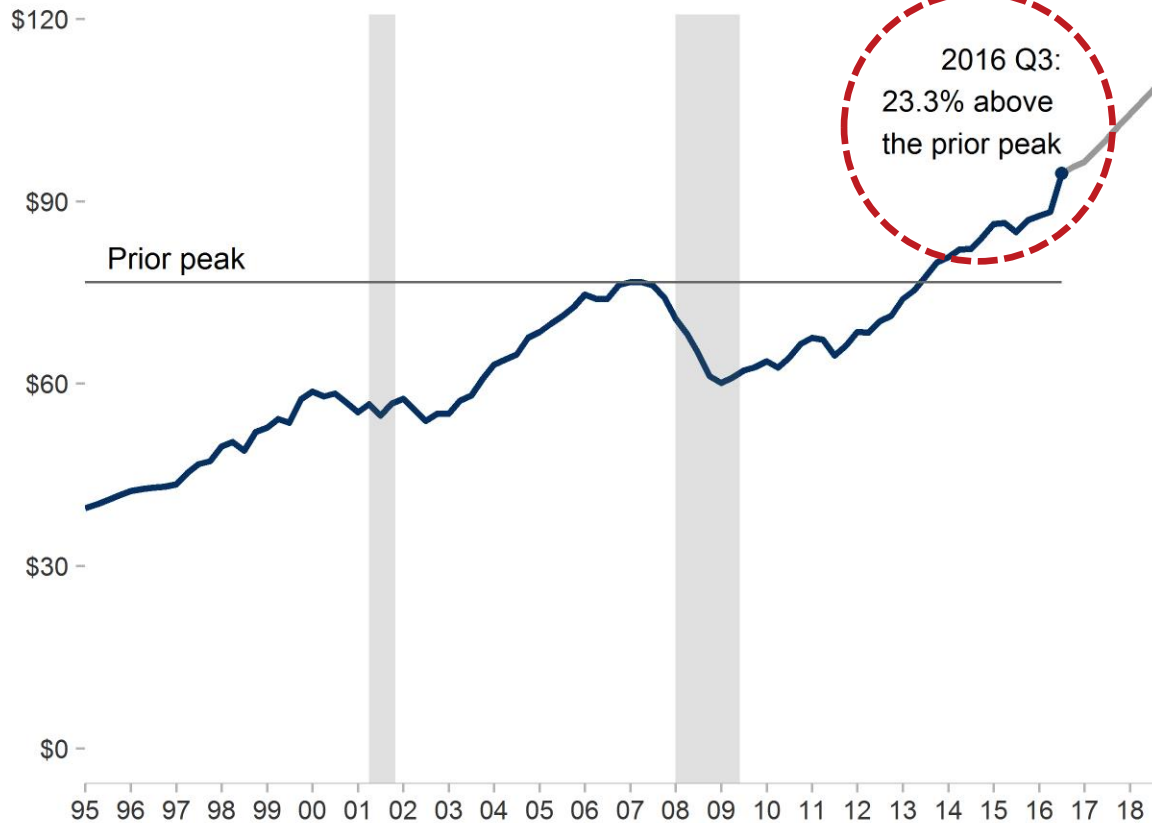
Households have reduced debt levels...

...freeing disposable income for future spending growth

HOUSEHOLD NET WEALTH

Household net wealth, real, US

In trillions of 2015 dollars



Source: Federal Reserve; Oxford Economics

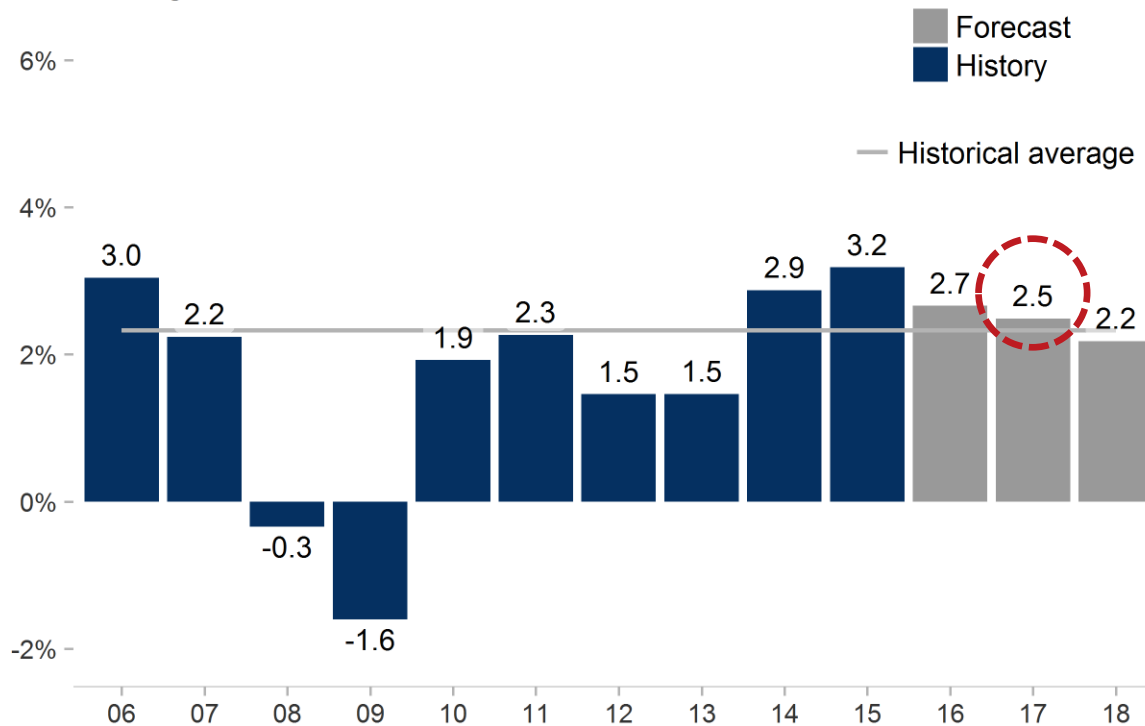
Home prices and financial markets have boosted household wealth

Wealth effects typically support consumption with a lag

CONSUMER SPENDING

Consumer spending

Real, annual growth



Note: Historical average calculated on period from 2000 to 2015.

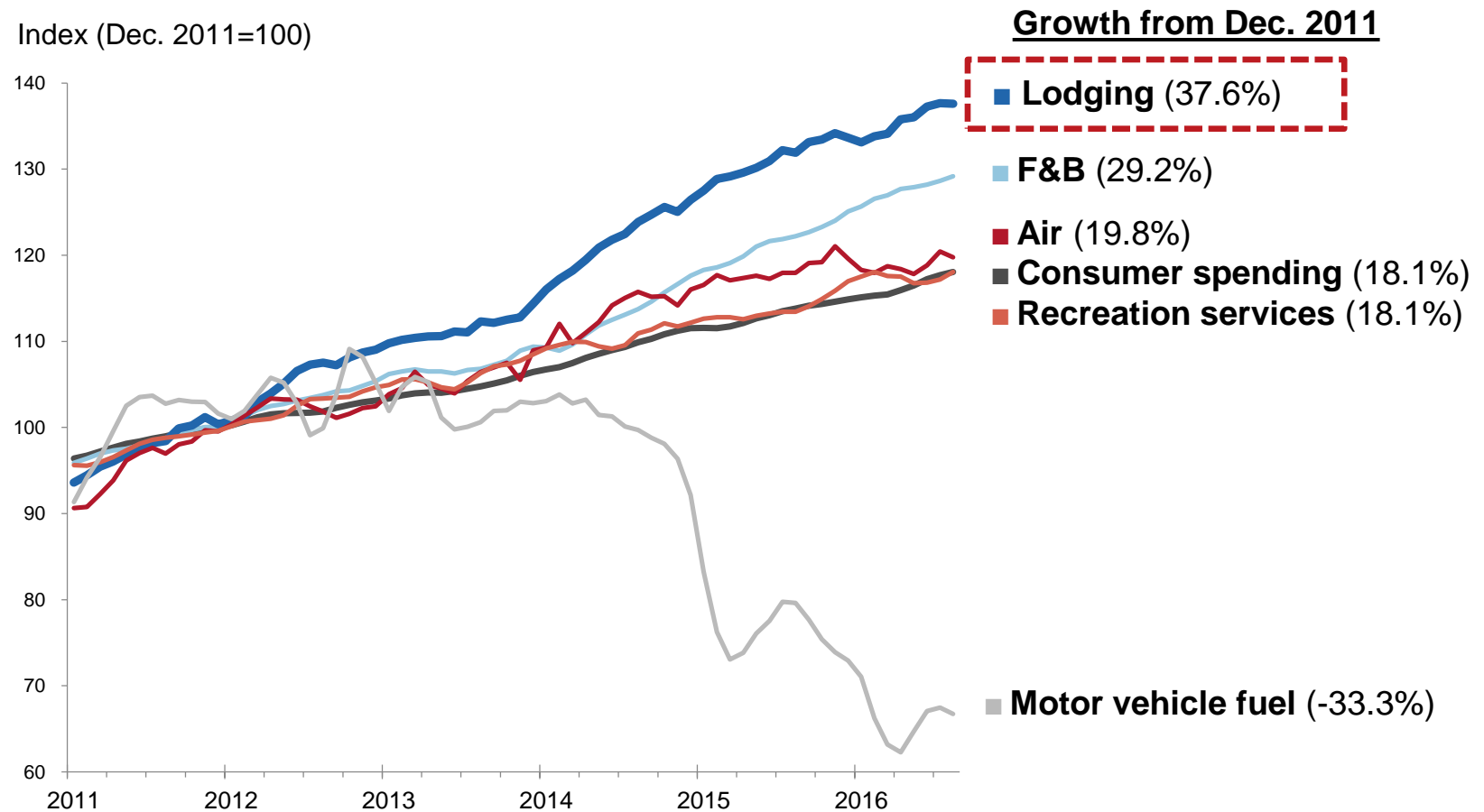
Source: Bureau of Economic Analysis; Oxford Economics

Consumer spending growth slightly ahead of long-term averages

RECENT CONSUMER SPENDING ON LODGING

Consumer spending, US

Index (Dec. 2011=100)



Note: Data is nominal, three-month moving average, seasonally adjusted and extends through August 2016.
Source: Bureau of Economic Analysis; Tourism Economics

AGENDA

Global Tourism Trends

Business investment

Consumers and leisure travel

International inbound

Risks to the recovery

Destination Promotion in Oregon

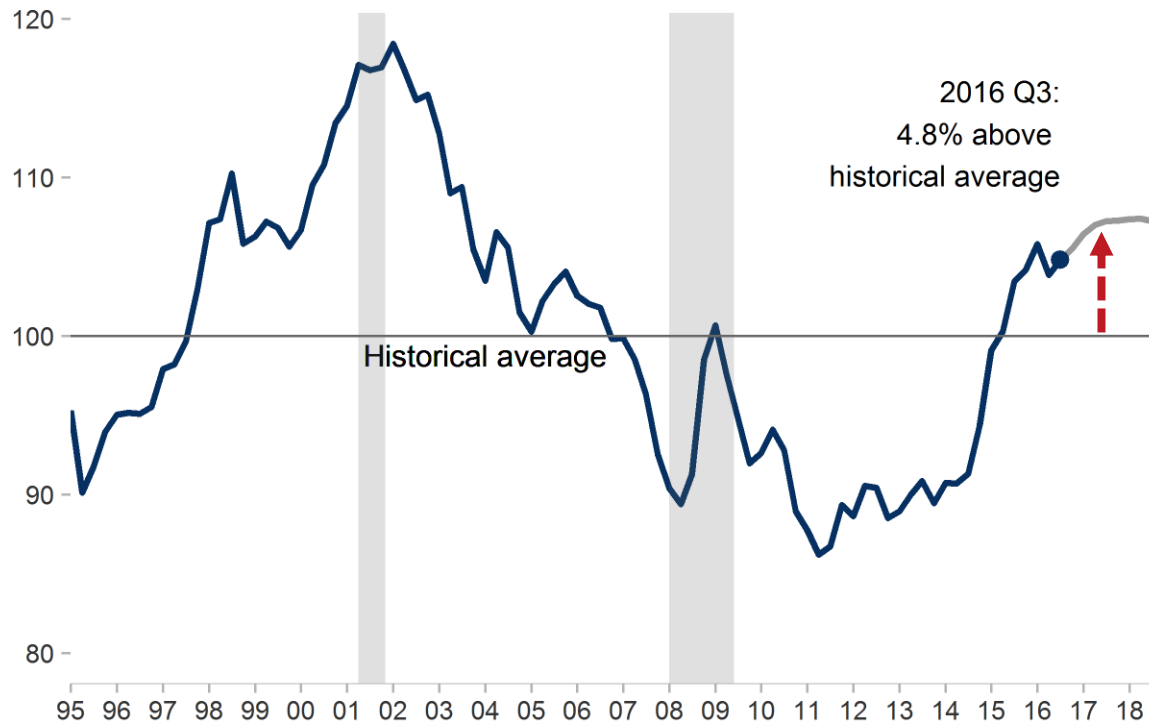
Sector benchmarking

Destination promotion

ADJUSTMENT TO A STRONGER US DOLLAR

Exchange rate, US dollar

Real effective exchange rate index, historical average = 100



Note: History through 2016 Q3. Historical average based on period from 1995 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

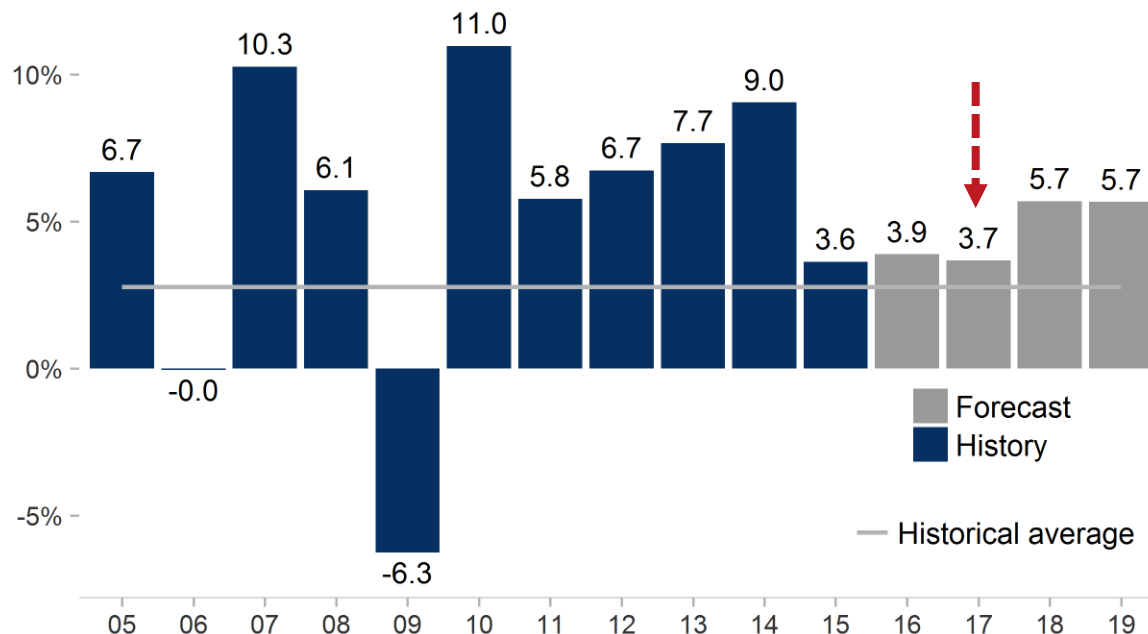
Value of the
dollar in
2017:

- 17% stronger than in 2014
- 7% stronger than historical average

OVERSEAS VISITOR GROWTH

Overseas visitors to the US

Annual growth
15% -



Note: Overseas excludes Canada and Mexico. History through 2015.
Source: Office of Travel and Tourism Industries; Tourism Economics

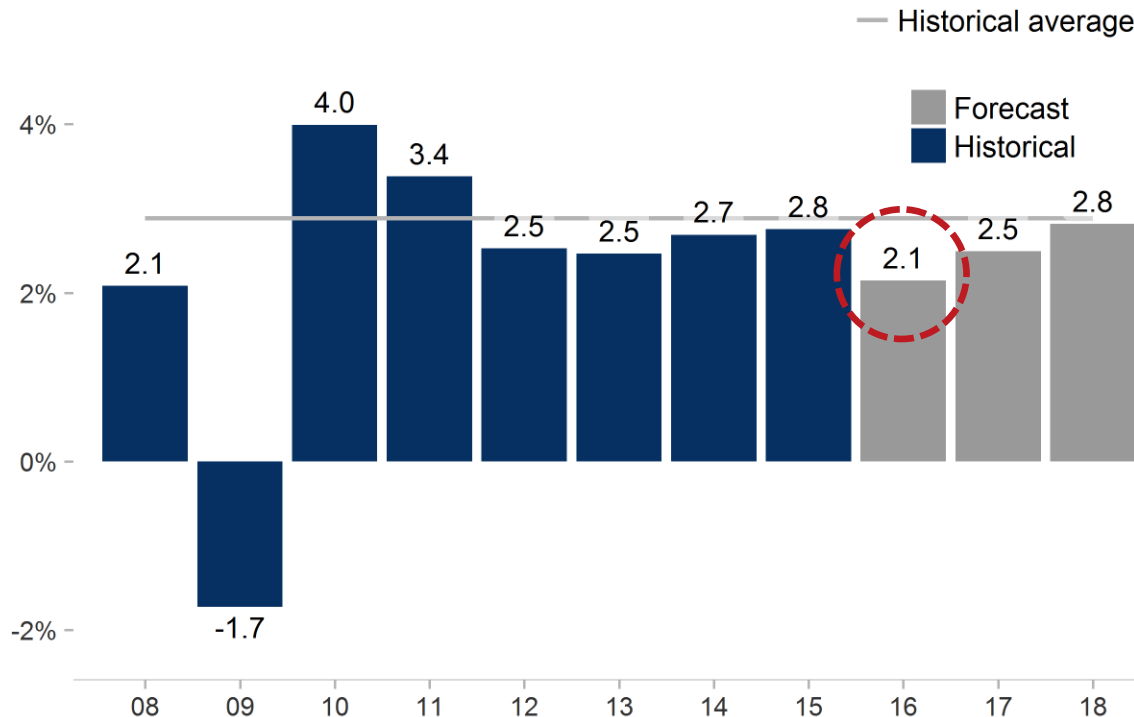
Dollar appreciation and weak global growth has slowed inbound travel

Expect modest growth in 2017

GLOBAL RECOVERY AND THE RISK OF “LOWER FOR LONGER”

GDP, World

Real, annual growth



Note: Calculated using base year market exchange rates and prices. Historical average calculated on period from 2000 to 2015.
Source: Oxford Economics calculation

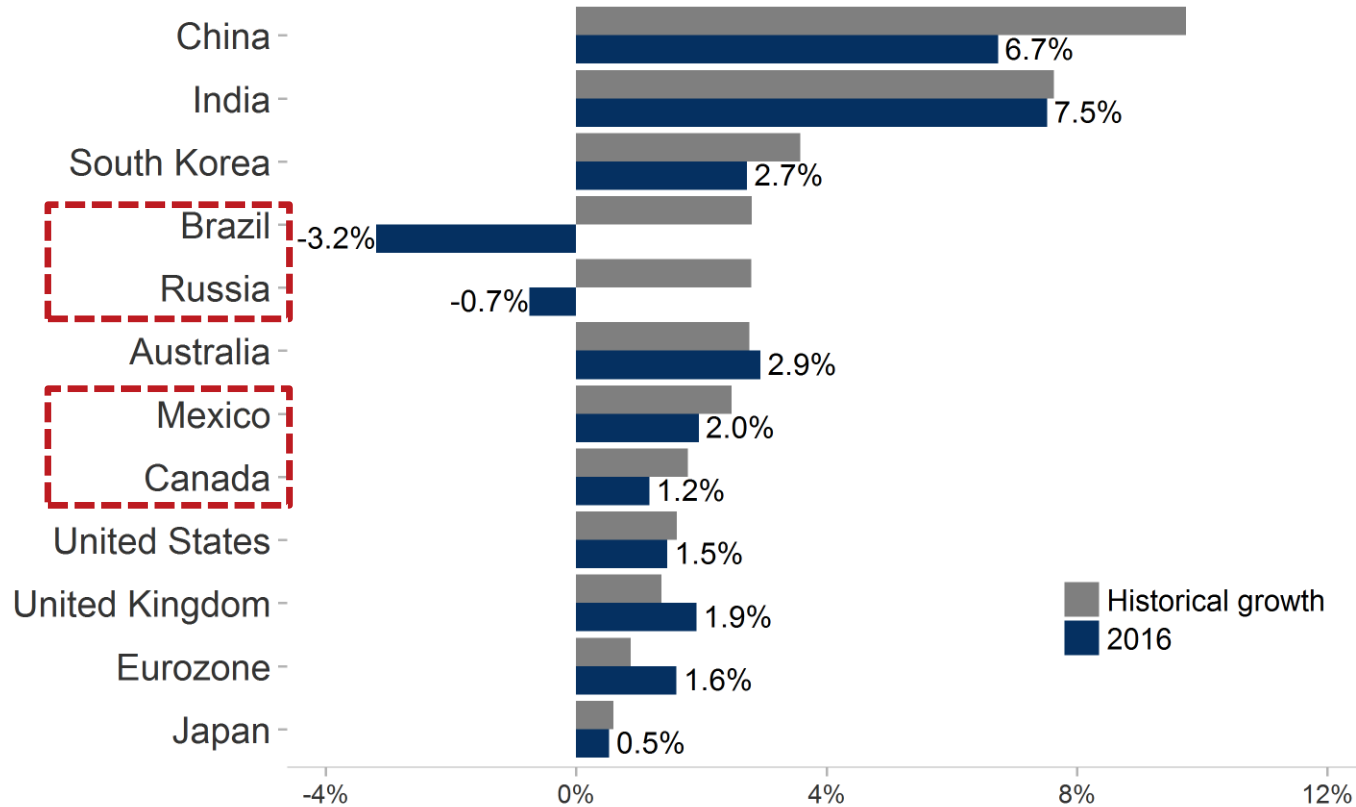
Based on world GDP, this is the weakest momentum post-recession

Risk of growth being “lower for longer”

PACE OF GROWTH IN 2016

GDP growth relative to historical average

Annual GDP growth



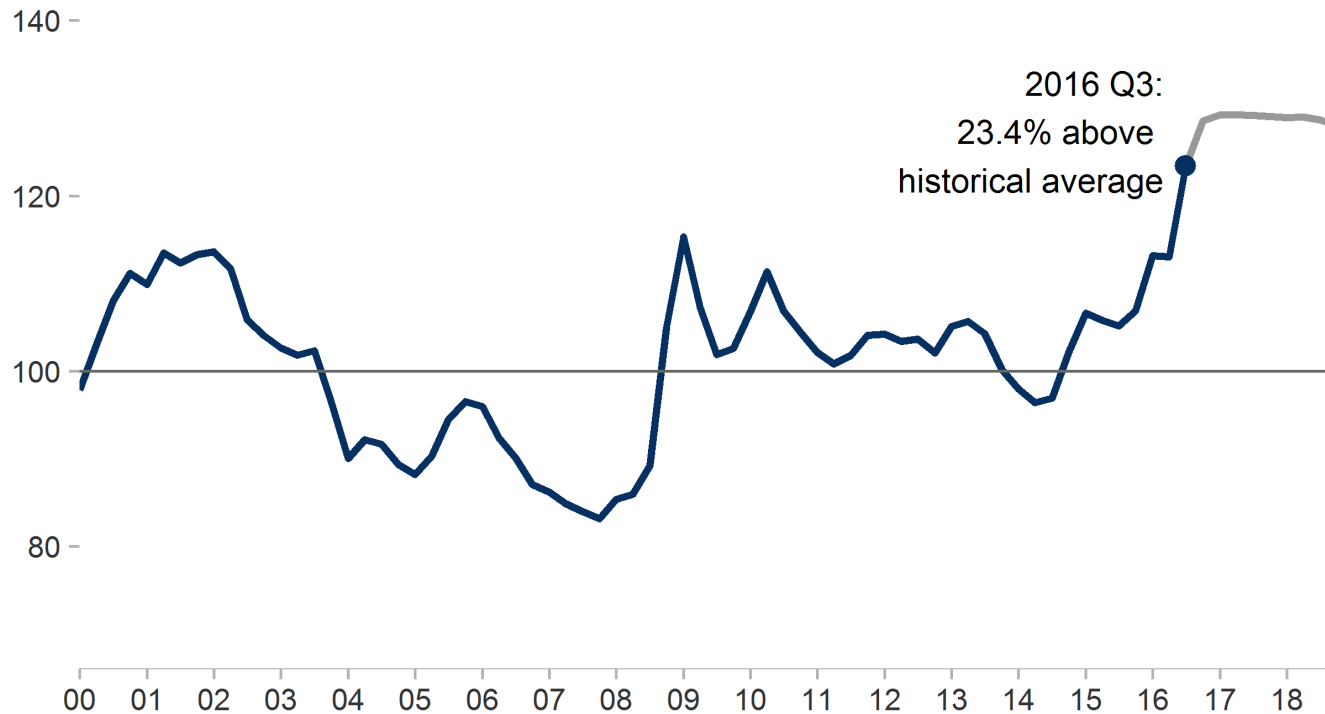
Note: Historical growth calculated on period from 2005 to 2015.

Source: Oxford Economics

EXCHANGE RATE: UNITED KINGDOM

Relative cost of US for travelers from United Kingdom

Real exchange rate index, historical average = 100



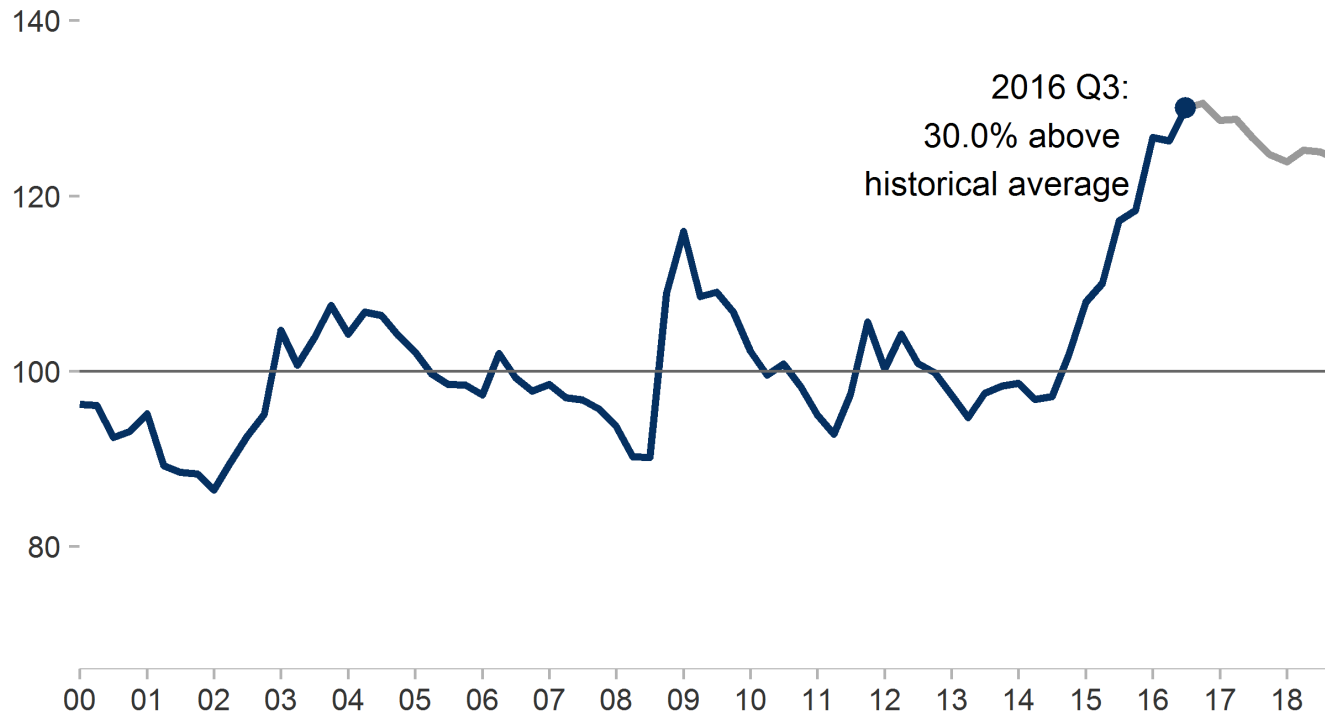
Note: History through 2016 Q3. Historical average based on period from 2001 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

EXCHANGE RATE: MEXICO

Relative cost of US for travelers from Mexico

Real exchange rate index, historical average = 100



Note: History through 2016 Q3. Historical average based on period from 2001 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

EXCHANGE RATE: BRAZIL

Relative cost of US for travelers from Brazil

Real exchange rate index, historical average = 100



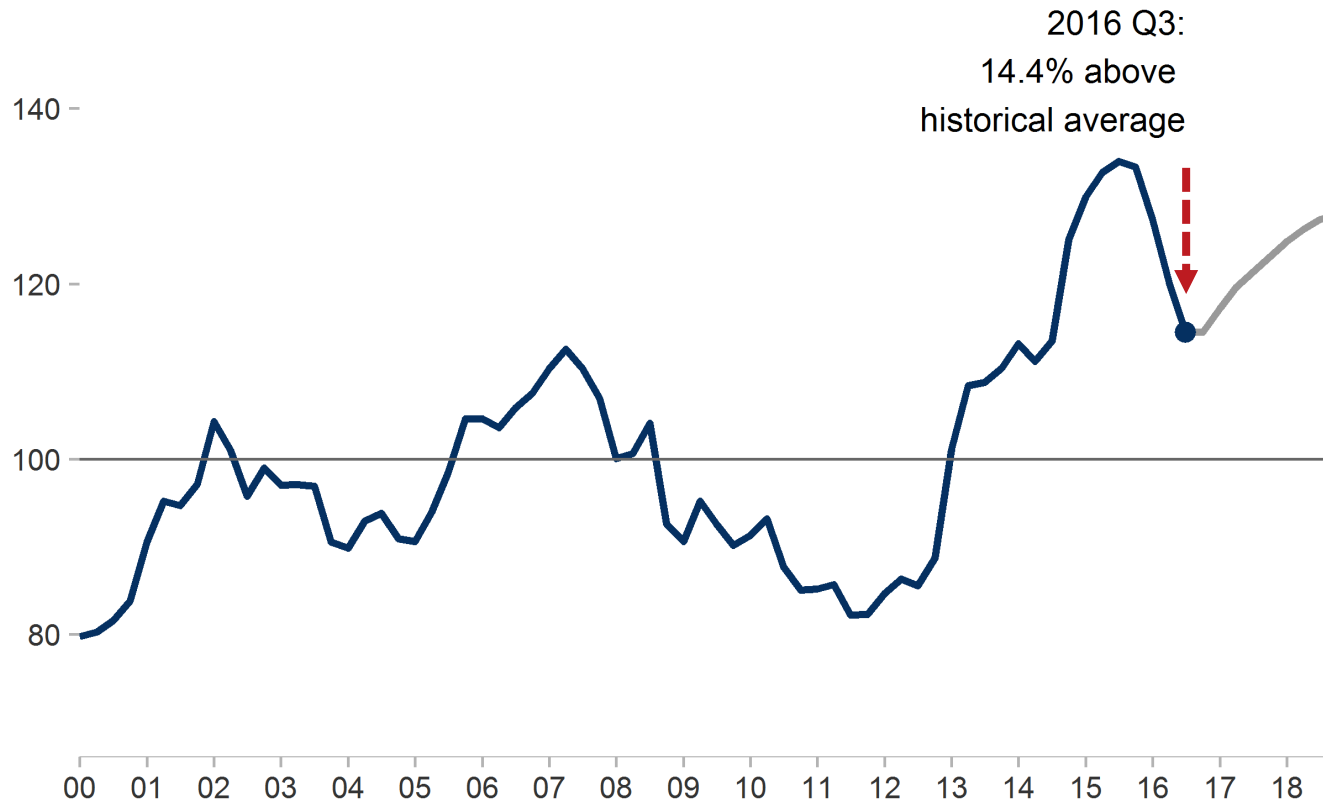
Note: History through 2016 Q3. Historical average based on period from 2001 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

EXCHANGE RATE: JAPAN

Relative cost of US for travelers from Japan

Real exchange rate index, historical average = 100



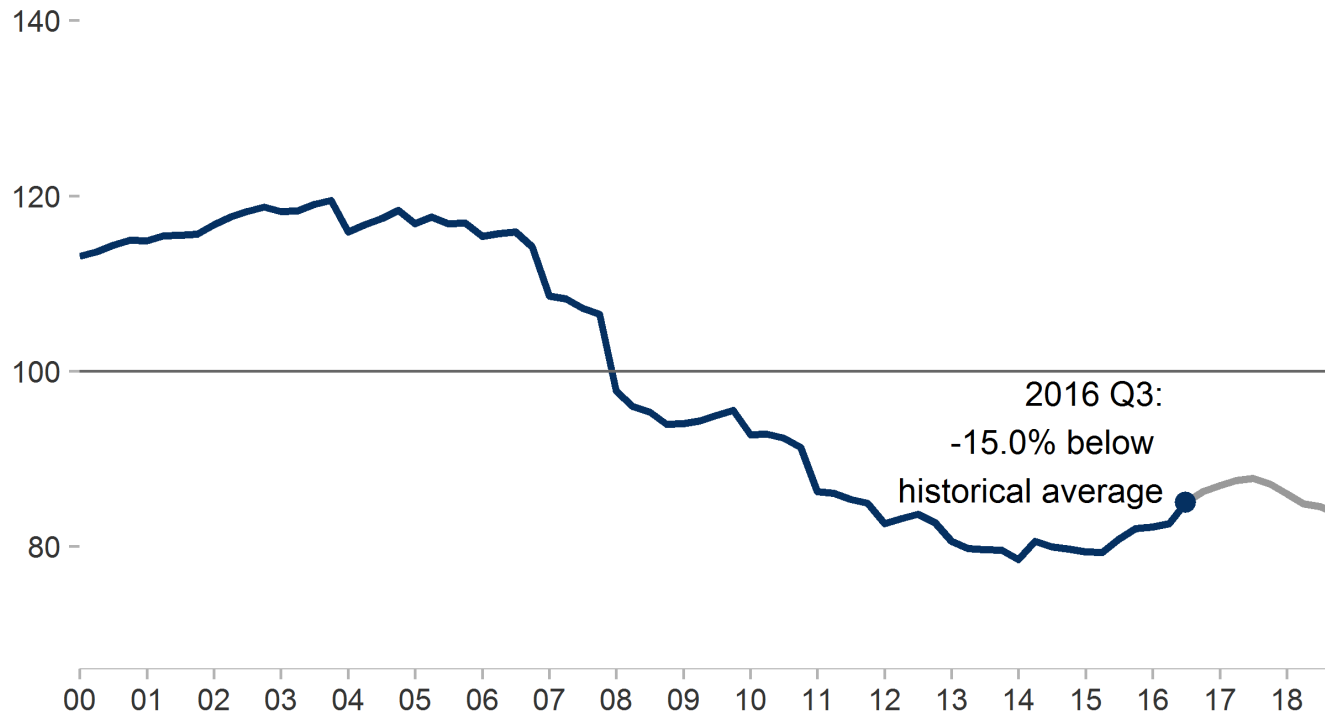
Note: History through 2016 Q3. Historical average based on period from 2001 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

EXCHANGE RATE: CHINA

Relative cost of US for travelers from China

Real exchange rate index, historical average = 100



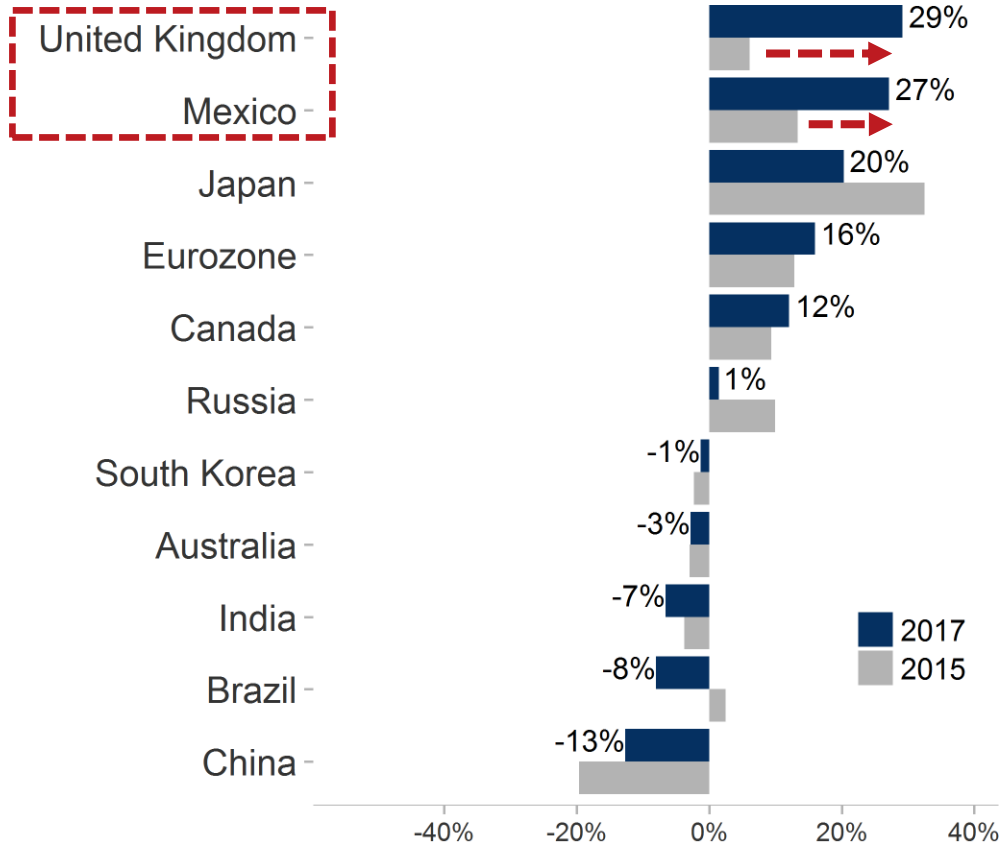
Note: History through 2016 Q3. Historical average based on period from 2001 Q1 to 2015 Q4.

Source: Bank for International Settlements; Oxford Economics

EXCHANGE RATE SHIFTS

Relative cost of US purchases

Compared to historical average



Note: Higher values correspond to higher costs. Calculation based on real exchange rate compared to historical average (2001 to 2015).

Source: Tourism Economics

Inbound travelers to US face:

Steep cost increases

- United Kingdom
- Mexico

Cost decreases

- Japan
- Brazil

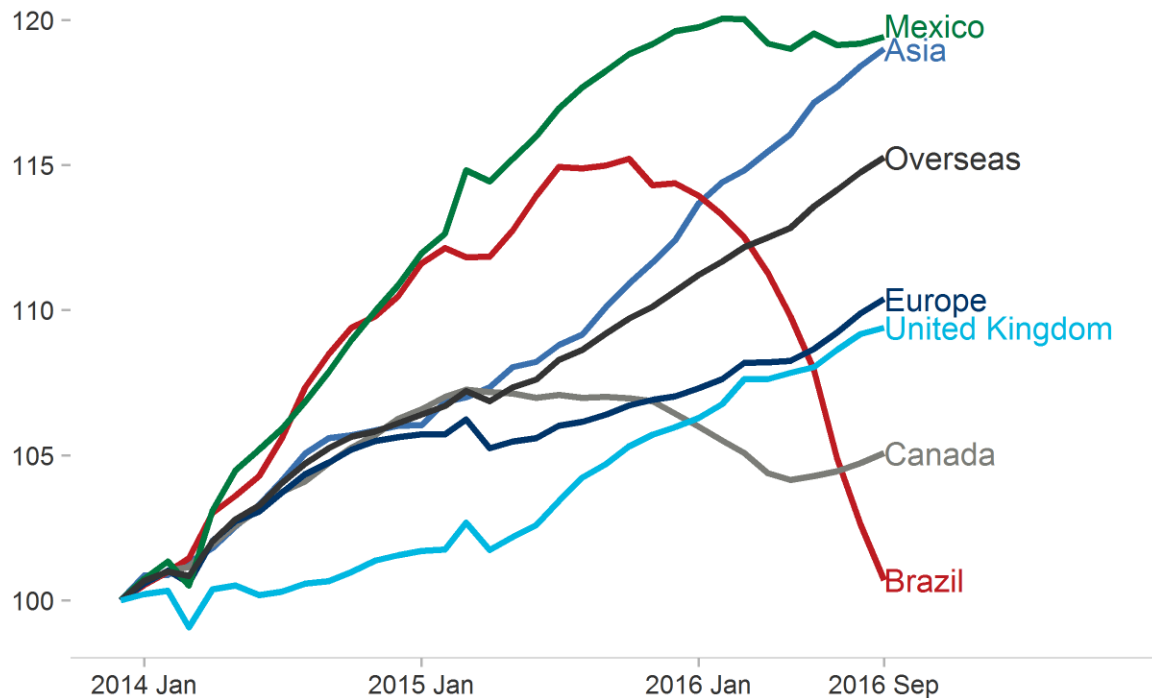
Attractive costs

- China

INTERNATIONAL AIR ARRIVALS

International air passenger arrivals to US

By country of flight origin, trailing twelve months, index (December 2013=100)



Note: Overseas excludes Canada and Mexico. Historical data through September 2016.
Source: APIS; Tourism Economics

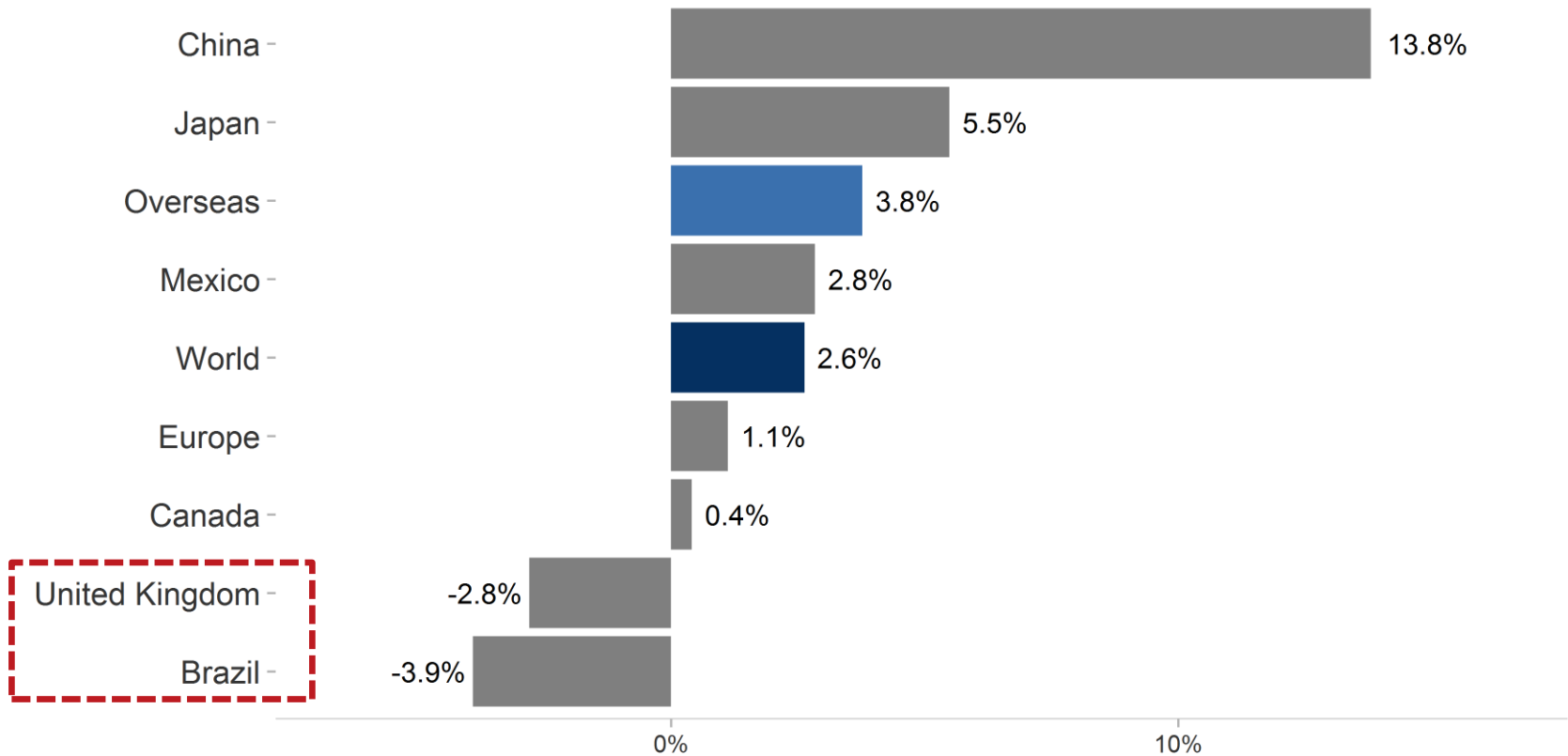
Inbound air passengers continue to grow...

... Brazil is an exception

INTERNATIONAL VISITOR FORECAST: 2015 TO 2017

International visitors to the US

Annualized growth (2015 to 2017)



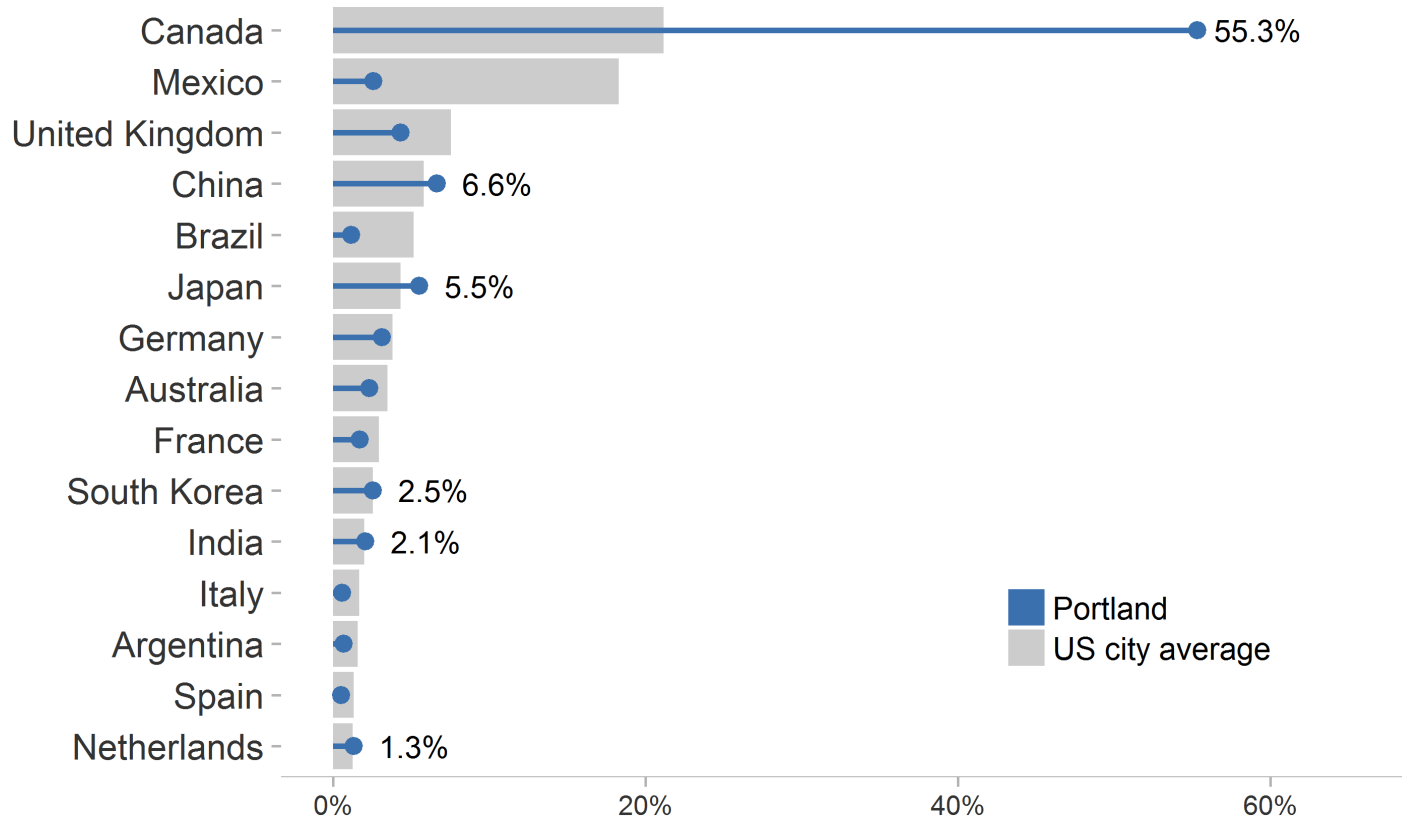
Note: Overnight visitors. Europe includes UK..

Source: Tourism Economics

HISTORICAL INTERNATIONAL VISITORS: PORTLAND

International visitors to Portland by origin

Share of total international visitors

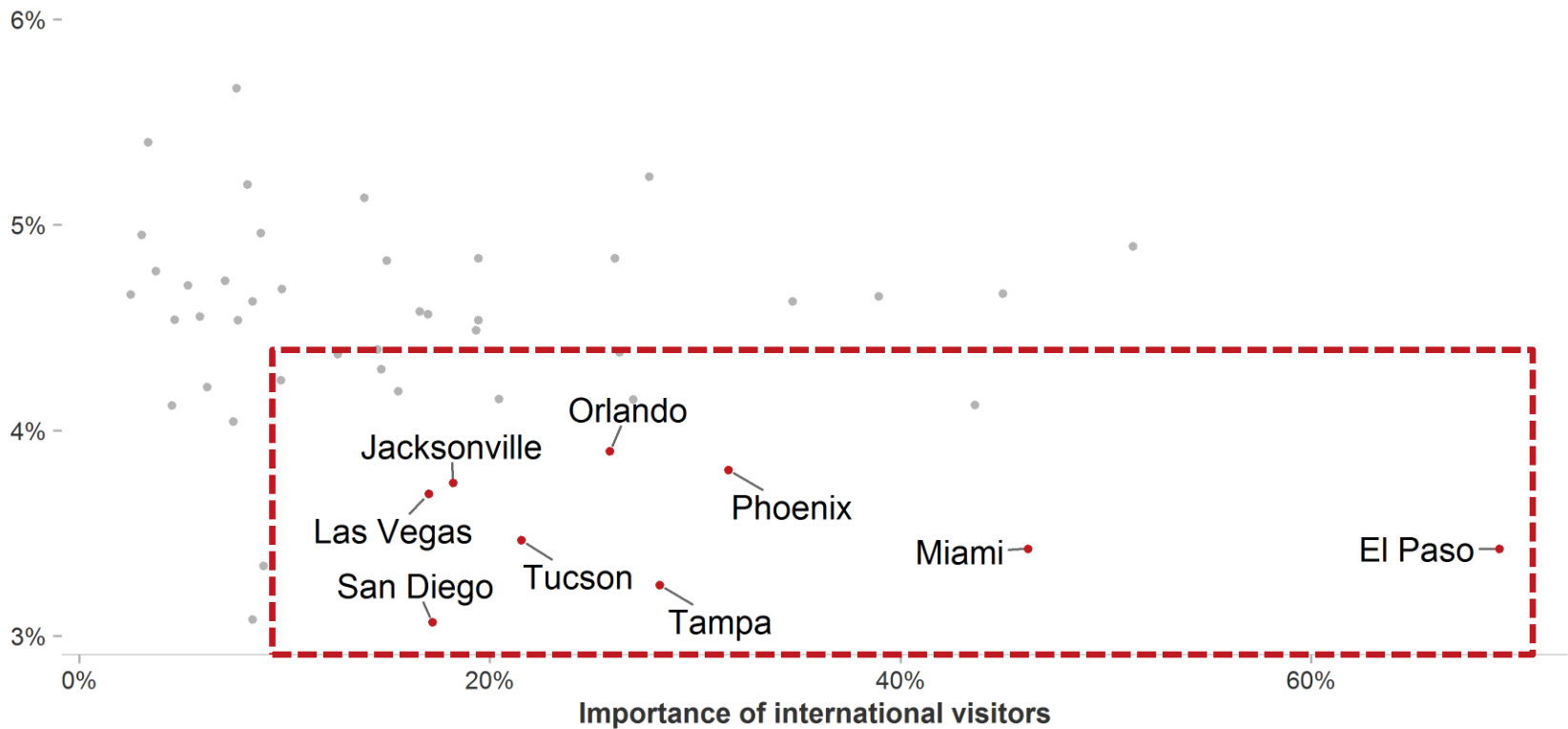


Note: Visitors refers to overnight visitors. Data shown for 2015.
Source: Tourism Economics

LOW GROWTH IN INTERNATIONAL VISITORS

International visitors

Growth in international visitors, 2016 to 2019

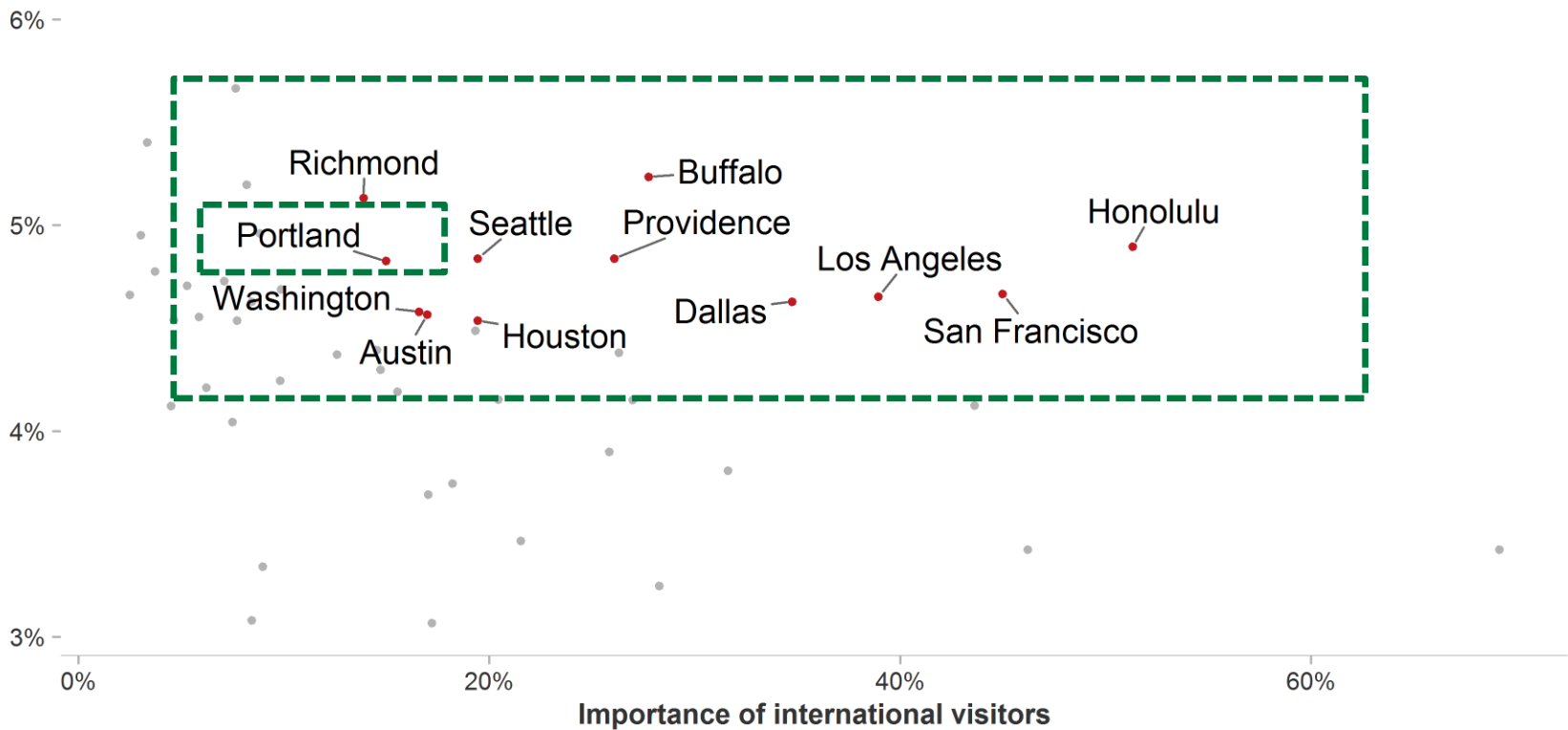


Note: Visitors refers to overnight visitors. Future growth is annualized. Importance is measured as international visitor nights in paid accommodations as share of total nights.
Source: Tourism Economics

HIGH GROWTH IN INTERNATIONAL VISITORS

International visitors

Growth in international visitors, 2016 to 2019



Note: Visitors refers to overnight visitors. Future growth is annualized. Importance is measured as international visitor nights in paid accommodations as share of total nights.
Source: Tourism Economics

OXFORD ECONOMICS GLOBAL RISK SCENARIOS: 2016Q3

Scenario	Odds	How the scenario unfolds	US GDP (2017)
Oxford baseline	40%	Global growth picks up supported by moderate rebound in US, supportive monetary policy	2.3
Europe falters post-Brexit	5%	UK gov't proves ill-equipped to negotiate smooth EU withdrawal, weakness in Italian banking system contributes to contagion	2.2
Trump presidency weighs on US	17%	Trump wins, implements policy proposals to a limited degree (e.g. implements tariffs on Mexico and China, \$1 trillion tax cut, immigration policy changes)	1.9
Trump: Adverse scenario	3%	Trump wins, implements policy proposals to a substantial degree (e.g. more severe tariffs, greater fiscal cuts)	1.4
Secular stagnation	10%	Demand weakness becomes ingrained in economies, asset prices realign	2.1
Tighter policies in China	15%	China's policy makers recognize the unsustainability of the current debt trajectory and lower growth targets, rein in credit	2.1
Fiscal loosening boosts global economy	10%	Recovery to date has been "investment-light". In this scenario, gov'ts resume investment spending, stimulating growth.	2.6

OUTLOOK SUMMARY

Outlook summary	
Businesses	Companies retrenched in 2015 and 2016H1. Going forward, headwinds persist, but steepest adjustment is behind us. Expect modest business travel growth.
Consumers	Moderate consumer spending growth is anticipated to continue, supportive of leisure travel growth.
International inbound	Stronger dollar weighs on spending. Visits from UK and Brazil expected to contract. Canada marginally positive.
Risks	Trump presidency, China tightening

AGENDA

Global Tourism Trends

Business investment

Consumers and leisure travel

International inbound

Risks to the recovery

Destination Promotion in Oregon

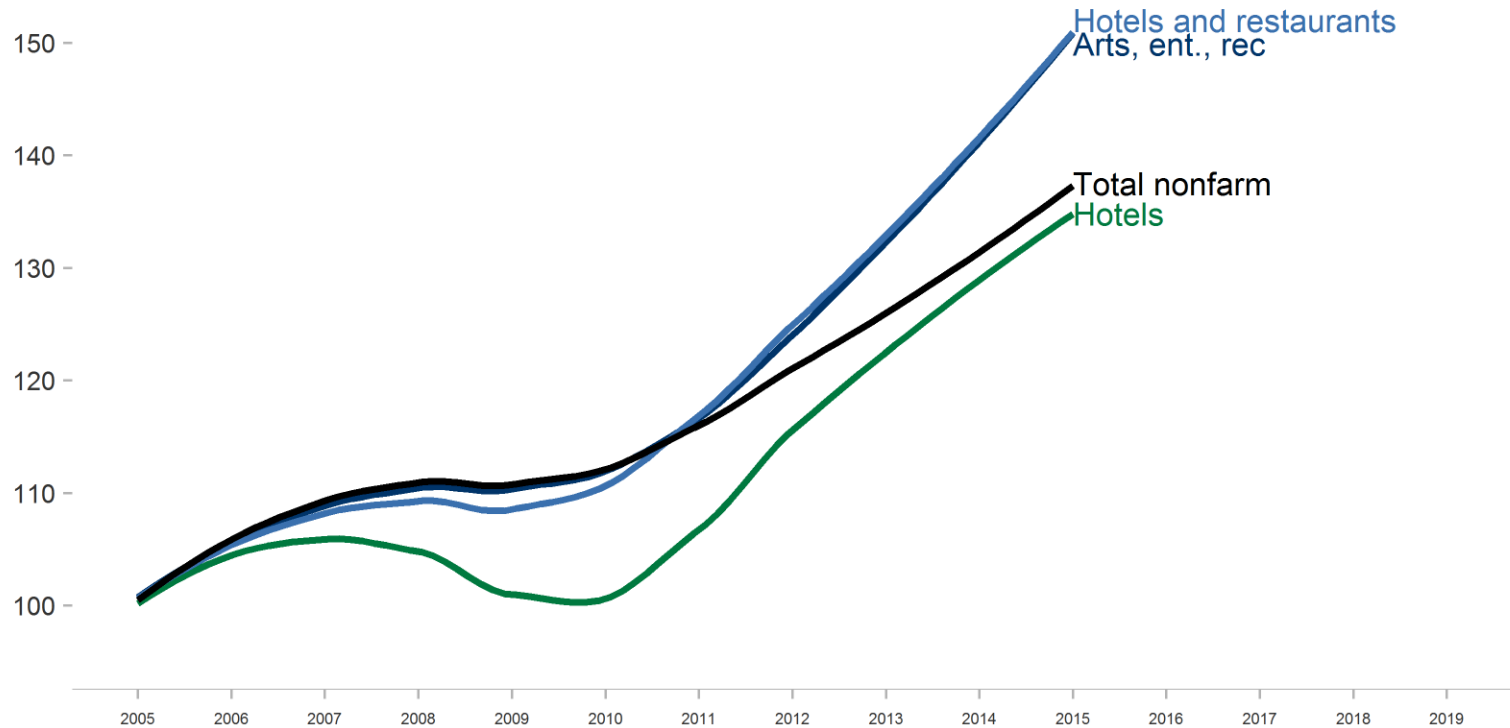
Sector benchmarking

Destination promotion

LABOR EARNINGS WITHIN HOSPITALITY AND LEISURE SECTORS

Earnings: United States

Index (2005=100)



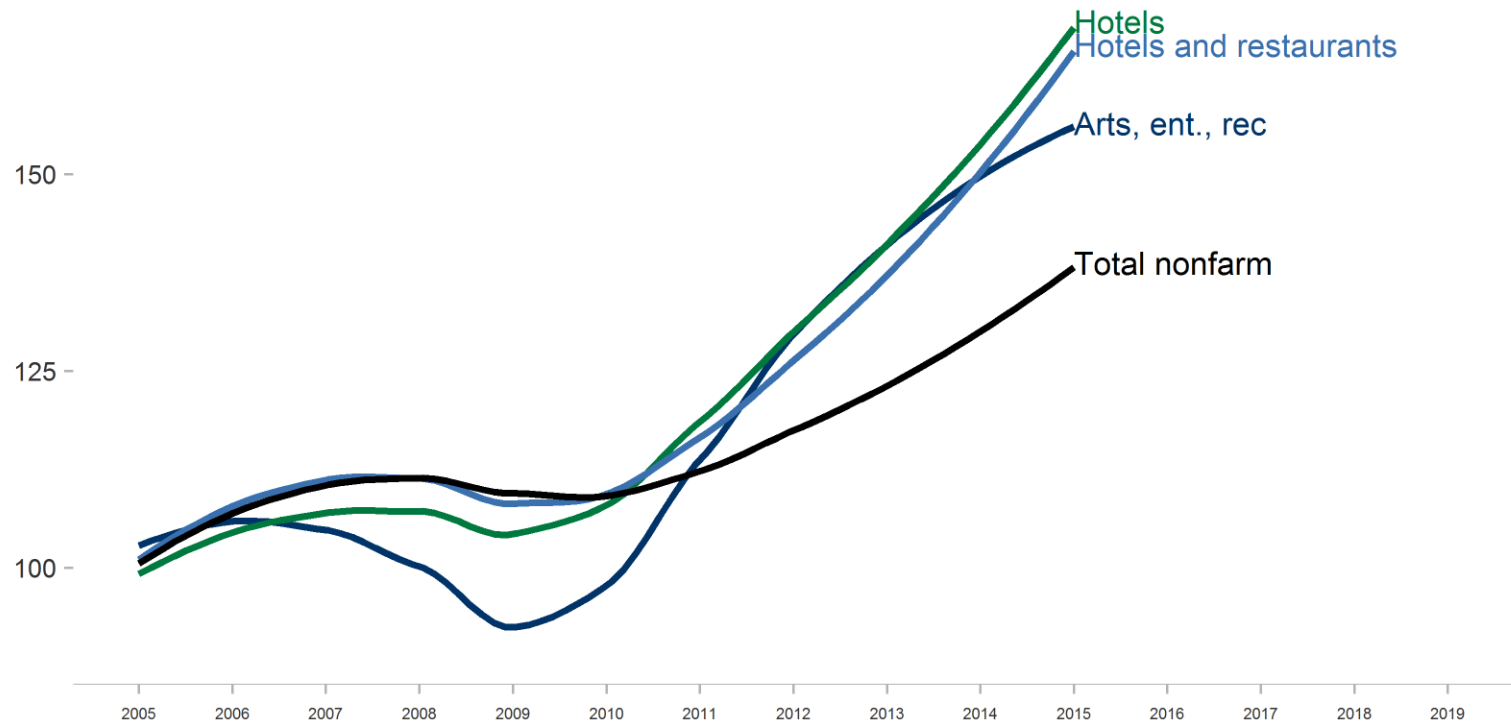
Note: Smoothed index. Annual data through 2015.

Source: Bureau of Economic Analysis; Tourism Economics

LABOR EARNINGS WITHIN HOSPITALITY AND LEISURE SECTORS

Earnings: Oregon

Index (2005=100)

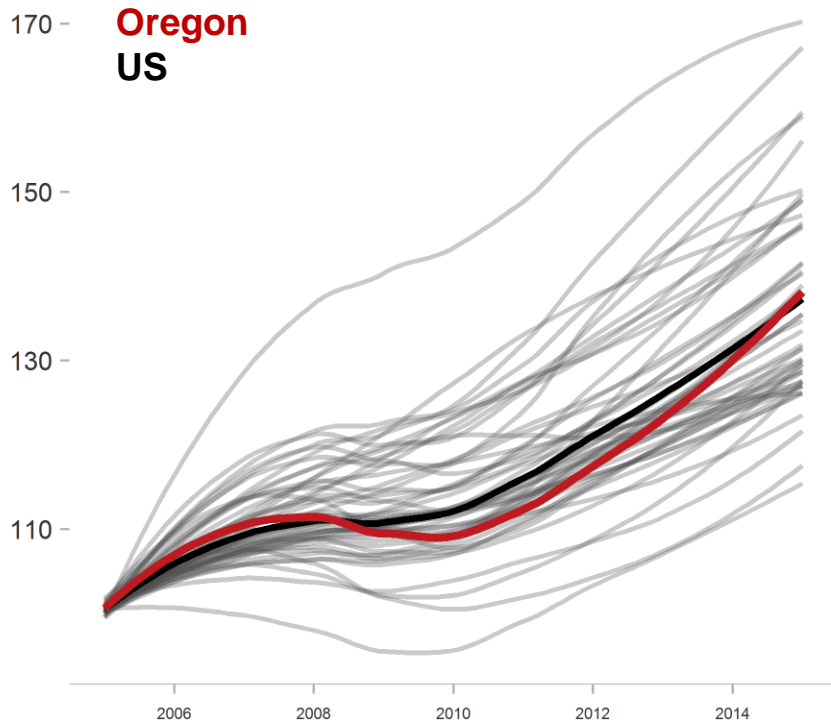


Note: Smoothed index. Annual data through 2015.
Source: Bureau of Economic Analysis; Tourism Economics

OREGON TOTAL NONFARM TRACKING THE US

Total nonfarm, Earnings: Oregon

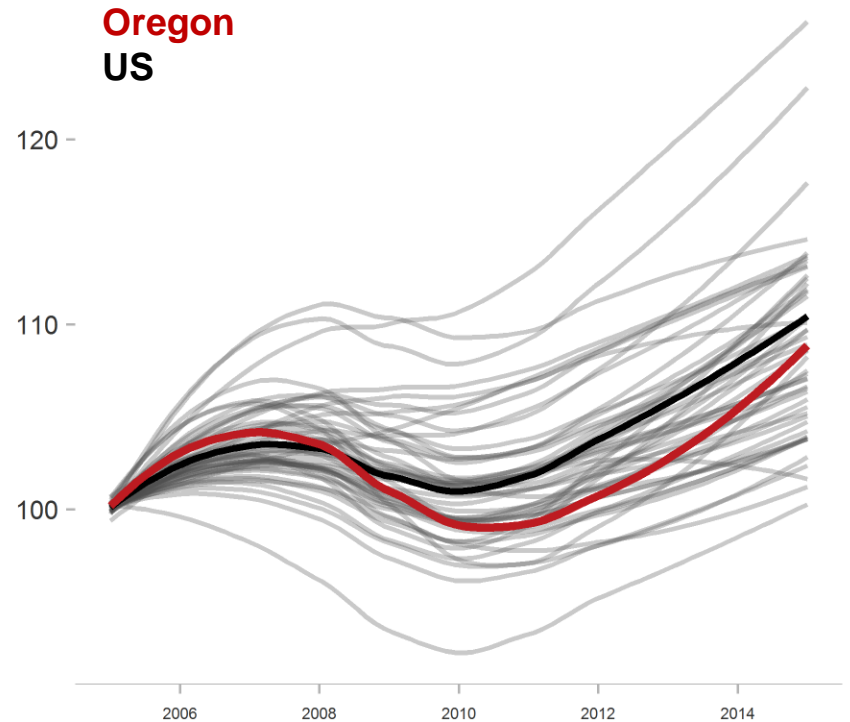
Index (2005=100)



Note: Smoothed index. Annual data through 2015.
Source: Bureau of Economic Analysis; Tourism Economics

Total nonfarm, Employment: Oregon

Index (2005=100)

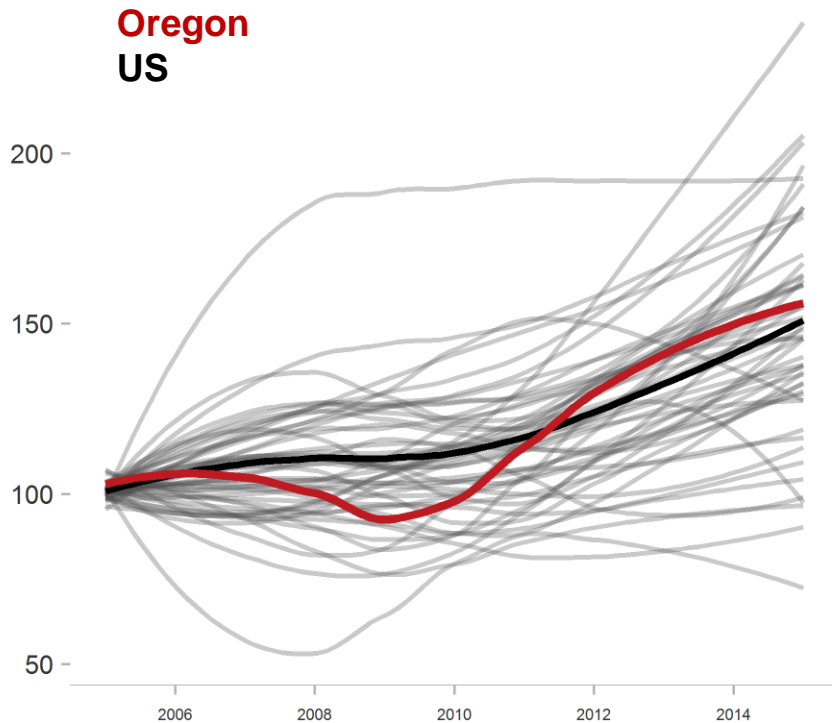


Note: Smoothed index. Annual data through 2015.
Source: Bureau of Economic Analysis; Tourism Economics

OREGON ARTS, ENTERTAINMENT, REC. TRACKING THE US

Arts, ent., rec., Earnings: Oregon

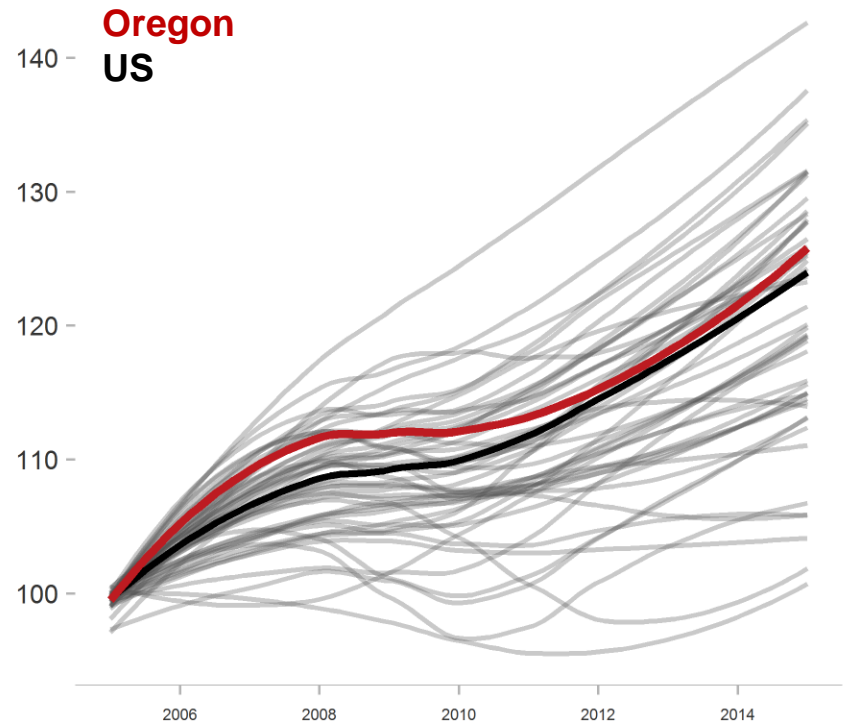
Index (2005=100)



Note: Smoothed index. Annual data through 2015. Arts, entertainment and recreation sector.
Source: Bureau of Economic Analysis; Tourism Economics

Arts, ent., rec., Employment: Oregon

Index (2005=100)

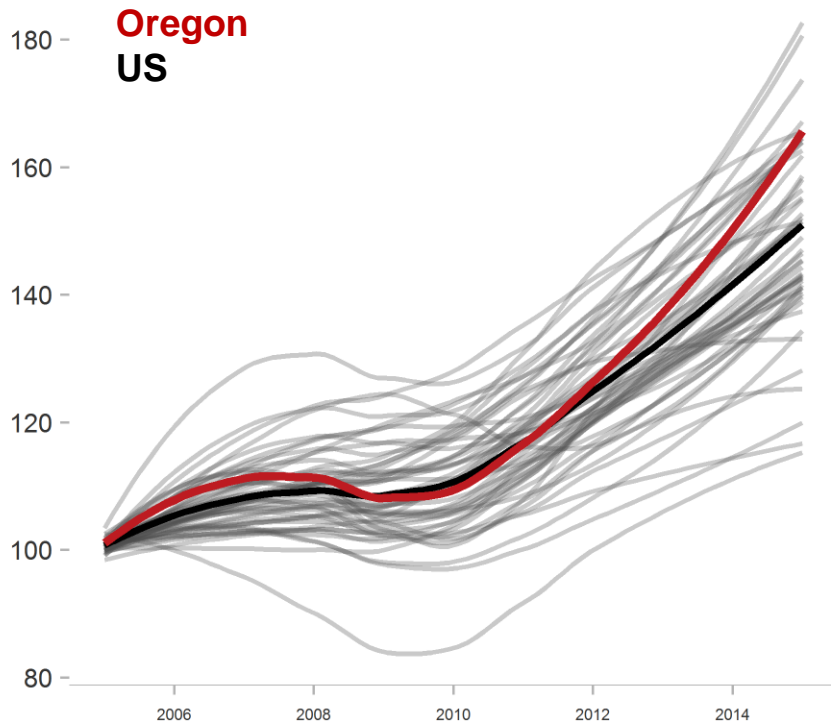


Note: Smoothed index. Annual data through 2015. Arts, entertainment and recreation sector.
Source: Bureau of Economic Analysis; Tourism Economics

OREGON HOTELS AND FOOD SERVICE OUTPACING THE US

Hotels and restaurants, Earnings: Oregon

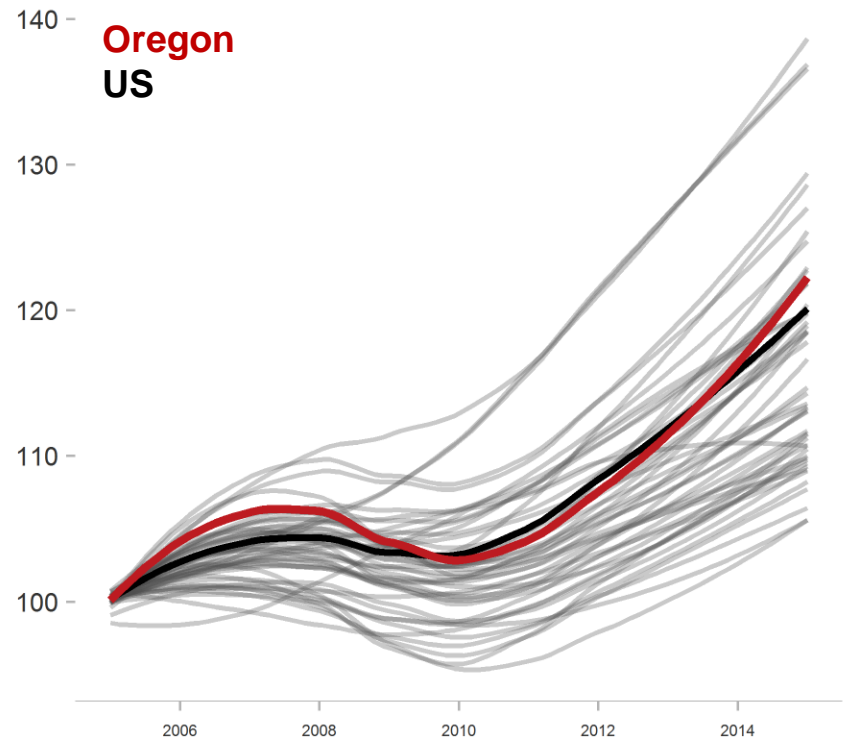
Index (2005=100)



Note: Smoothed index. Annual data through 2015. Accommodation and food service sector.
Source: Bureau of Economic Analysis; Tourism Economics

Hotels and restaurants, Employment: Oregon

Index (2005=100)

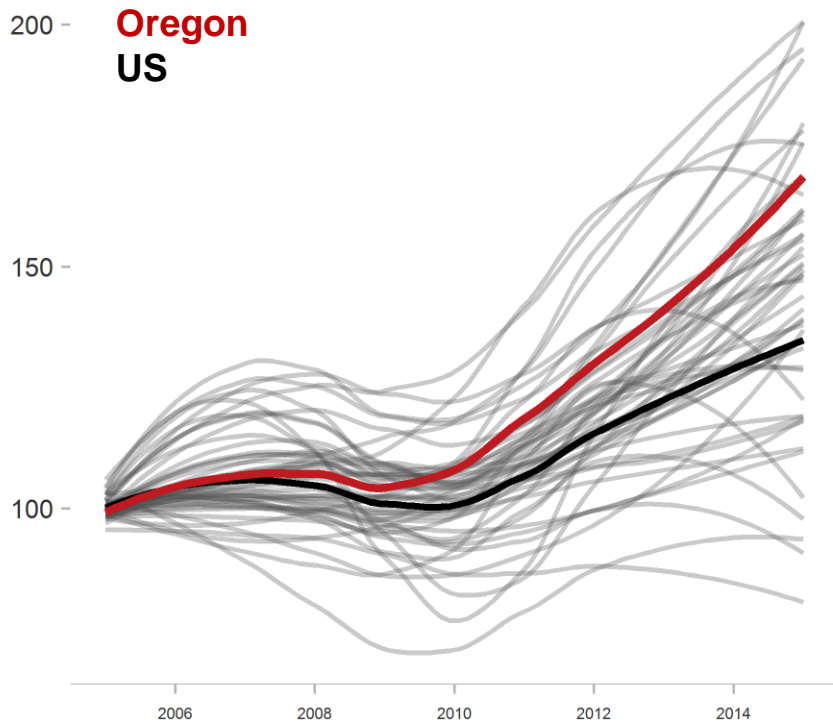


Note: Smoothed index. Annual data through 2015. Accommodation and food service sector.
Source: Bureau of Economic Analysis; Tourism Economics

OREGON HOTELS OUTPACING THE US

Hotels, Earnings: Oregon

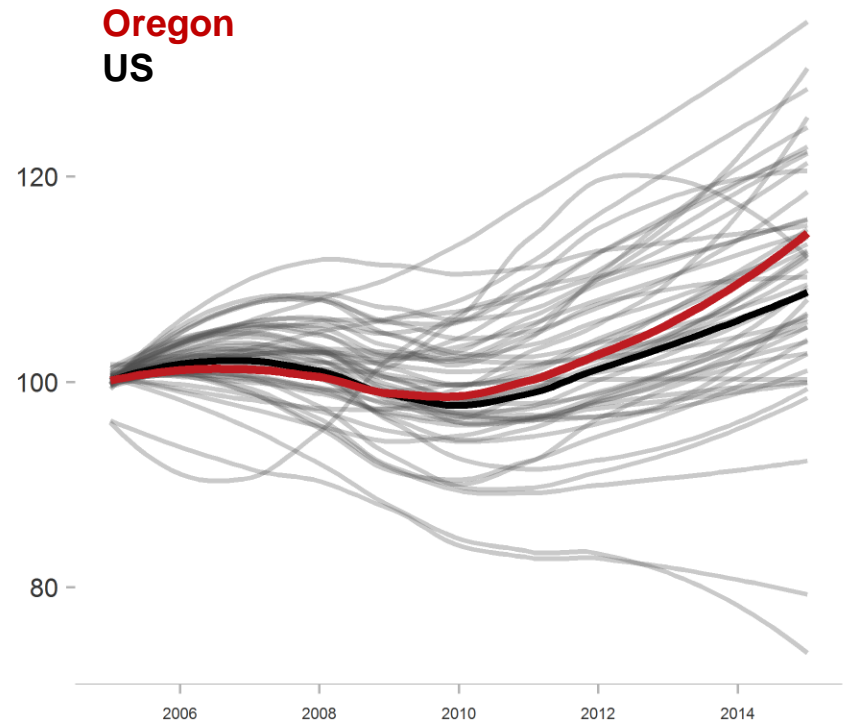
Index (2005=100)



Note: Smoothed index. Annual data through 2015. Accommodation sector.
Source: Bureau of Economic Analysis; Tourism Economics

Hotels, Employment: Oregon

Index (2005=100)

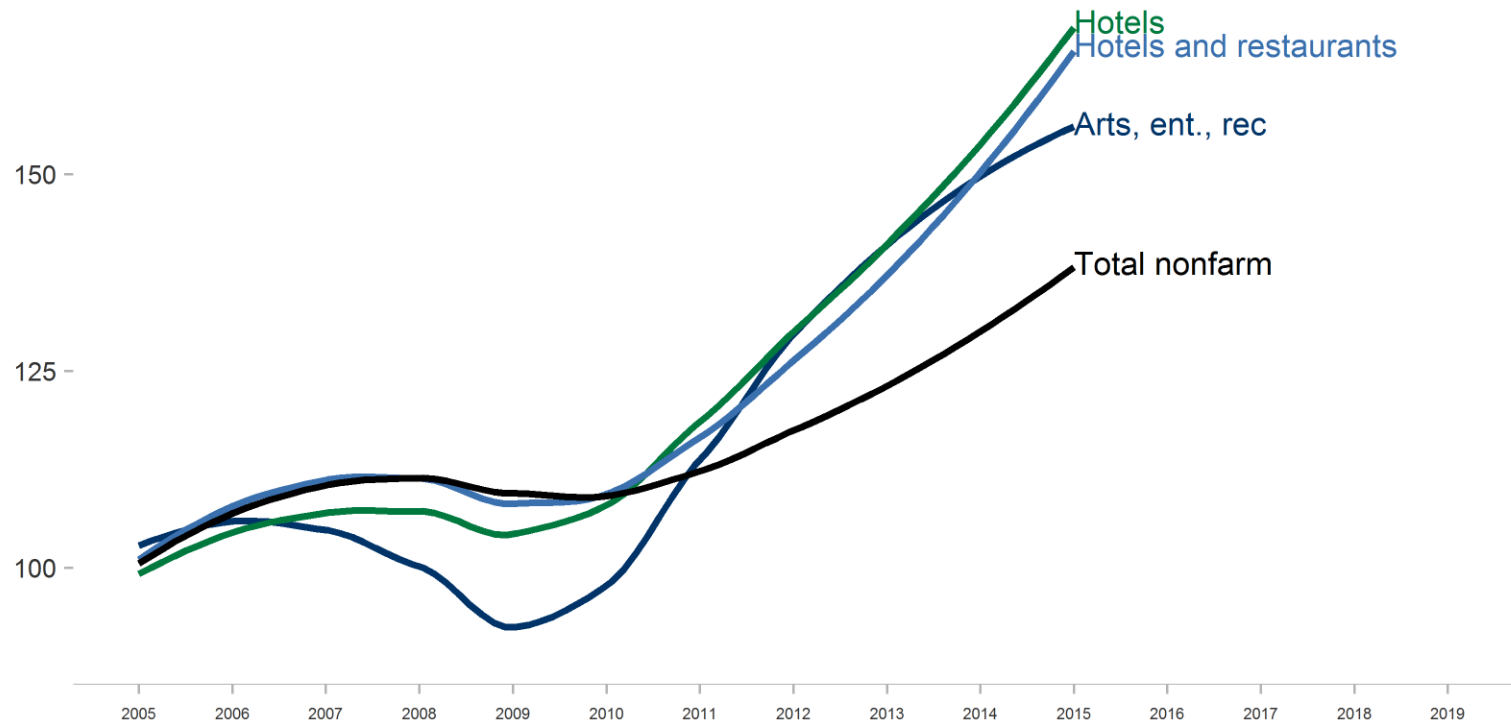


Note: Smoothed index. Annual data through 2015. Accommodation sector.
Source: Bureau of Economic Analysis; Tourism Economics

LABOR EARNINGS WITHIN HOSPITALITY AND LEISURE SECTORS

Earnings: Oregon

Index (2005=100)

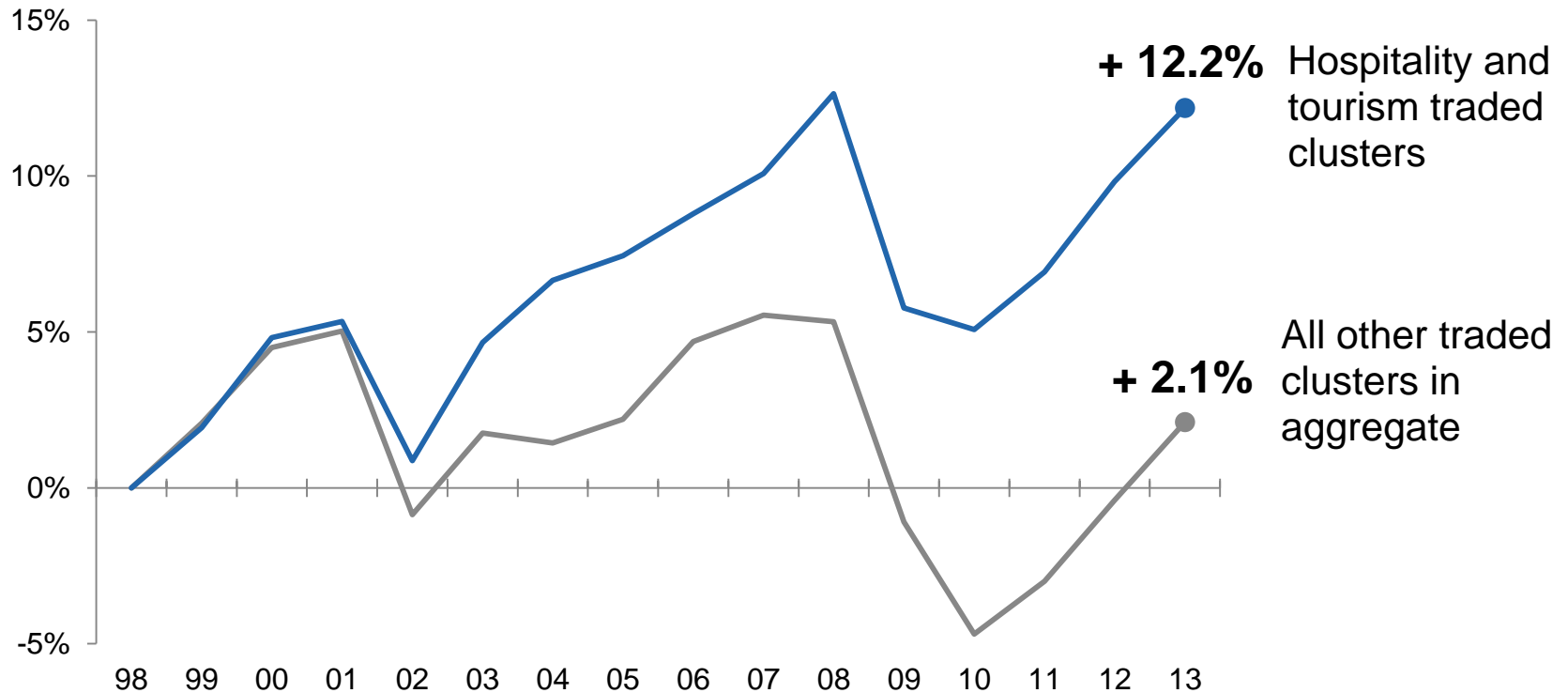


Note: Smoothed index. Annual data through 2015.
Source: Bureau of Economic Analysis; Tourism Economics

VISITOR ECONOMY OUTPERFORMS OTHER “EXPORTS”

Traded cluster employment gains over time (US)

Index, cumulative percentage points of employment growth since 1998



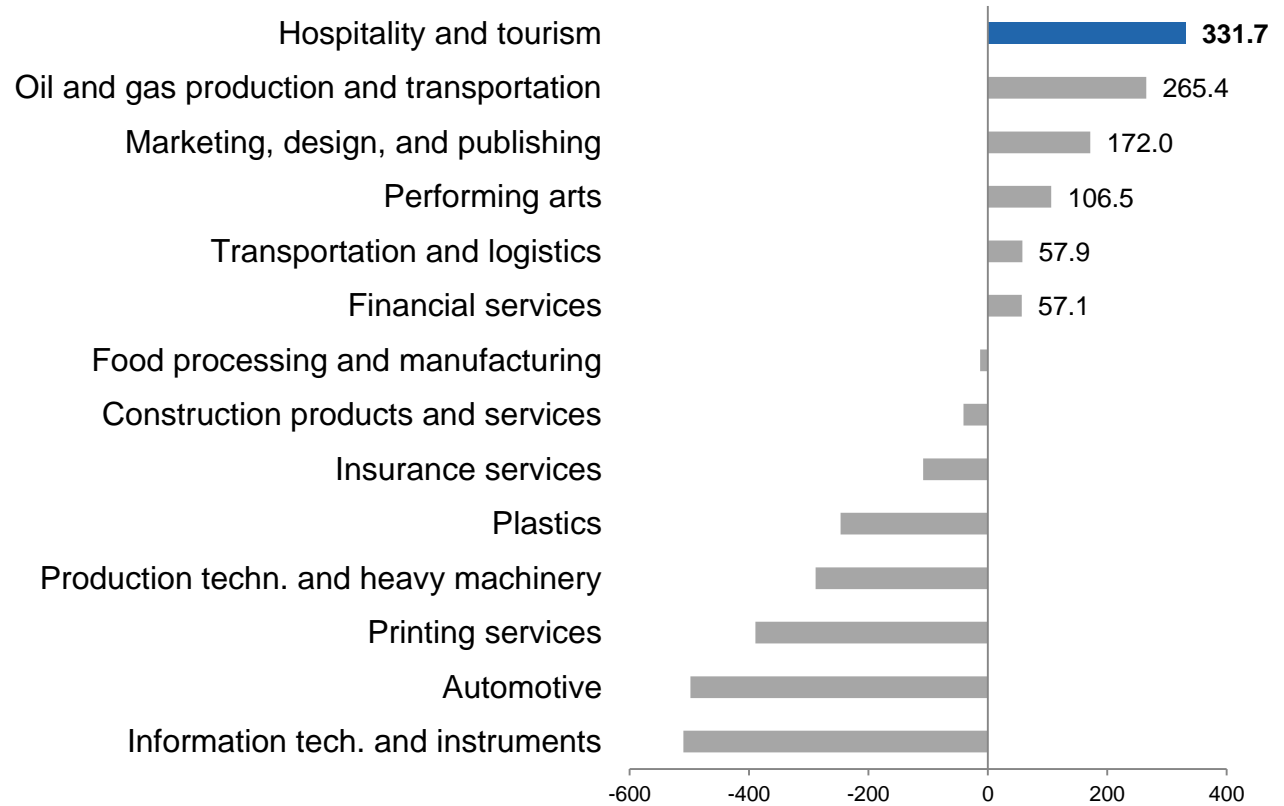
Source: US Cluster Mapping Project; Census Bureau; Tourism Economics

VISITOR ECONOMY OUTPERFORMS OTHER “EXPORTS”

Hospitality and tourism has generated more US jobs over the past 15 years than any other traded cluster of its size.

Job creation in traded clusters

Net change in jobs 1998 to 2013, in thousands



Note: Graph shows selected traded clusters. Excludes the largest and smallest clusters, such as business services, education, and distribution and electronic commerce, which each have greater than 2.0 million jobs and are on a different scale than the selected clusters.

Source: US Cluster Mapping Project; Census Bureau; Tourism Economics

THE VITAL ROLE OF DESTINATION PROMOTION

	Challenge	Solution: Destination promotion
1	The visitor economy is fragmented. No individual business realizes the full ROI on marketing.	Targets the strategic opportunity to benefit the destination
2	The primary motivator of a trip is usually the experience of a destination	Articulates the brand message that is consistent with consumer motivations
3	Effective marketing requires scale to reach potential visitors	Pools sustained resources to provide the economies of scale and marketing infrastructure required to generate impact

DESTINATION DEVELOPMENT = ECONOMIC DEVELOPMENT



Source: Oxford Economics (2014) "Destination Promotion: An Engine of Economic Development"

SUMMARY

Destination promotion in Oregon

Economic context

Oregon economy has broadly tracked the US recovery.

Oregon's tourism growth

Oregon's tourism sector has led the state's recovery, representing a importance source of growth.

Role of destination promotion

Destination promotion can continue to foster tourism sector growth, while also acting as a broader engine of economic development.

Tourism Economics / Oxford Economics

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To discuss further please contact:
Aran Ryan, Director of Lodging Analytics
aran.ryan@tourismeconomics.com

TOURISM ECONOMICS Q&A

Leisure travel has been on the increase. Is this across all age demographic groups?

We didn't see baby boomer generations spending more vs previous generations. There is a life cycle of spending that hits its peak around retirement. There are a lot people in this stage right now but I don't think this is the only factor driving this increase.

In Oregon we are seeing some increases in labor costs. Will this affect people's spending?

Yes, we will see higher price levels but we are also in a positive growth cycle and I don't think this will affect growth or push a decline. However, if everyone's prices go up the market reacts and spending stays stable.

With the tourism industry becoming a larger part of Oregon's economy, what would you recommend to help us ensure we have respect in the economic world of Oregon?

As an industry, we are bringing in a variety of jobs across varying skill levels. We need to reinforce the fact that these are gateway roles and not dead end positions. Depicting tourism as an integral part of the economy and a source of job creating is vital.

The business segment of travel is relatively declining. How much of this is in relation to technology being a substitute for the business traveler?

This is more relative to the cost conscience focus of businesses. As businesses look for ways to cut costs, travel is being sacrificed.

PRESENTATION TRACKER

TOURISM LEGISLATIVE REVIEW	3
TRAVEL OREGON TOURISM UPDATE	16
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ADVICE GOING FORWARD	134
TABLE LETTERS TO THE TOURISM INDUSTRY	140

PANEL #1 GUESTS SUMMARY

Aaron Babbie, Vice President
Business Development & Operations, Sparkloft Media

Zach Jarrett, Outdoor Recreation Planner
Bureau of Land Management

David Newsome, Management Supervisor
Wieden + Kennedy

KEY THEMES

- ***Technology will become a key factor in the tourism industry.***
 - Big data will allow for tailored travel experiences.
 - A.I. and VR will assist in the education and experience of the traveler.
 - Social media will drive growth and require increased destination management.
- ***Overnight accommodations and rural attractions will expand and diversify.***
 - Pop up hotels, glamping and accommodation add-ons will grow.
 - Rural access points and attractions will become popular as assets are developed, requiring increased destination management.
- ***Targeted and strategic marketing will become essential***
 - An increase in business leisure travel will create comeback marketing opportunities.
 - Targeting micro-moments along the consumers purchase path is essential.
 - Disruptive tourism products will force marketers to focus on their niche offerings and customers.

What are some of the new visitor experiences or tools we will see in 2021 that don't exist today?

What are some of the new visitor experiences or tools we'll see in 2021 that don't exist today?

- There will be innovations around how visitors gain overnight accommodations.
 - Visitors rely on campsites, cabins etc. Other overnight accommodations will begin to come online as demand grows.
 - Pop up hotels.
 - Glam camping.
 - Accommodations with add-ons will grow (i.e. dog friendly hotels).
- Access points to rural trailheads will increase.
 - Targeted development of assets like mountain bike trails and primitive experiences will become popular.
- The development of technology will let people go farther into the woods, more safely and at a faster pace.
- Travel apps will begin to be developed and targeted at individuals.
 - Bring Fido, shows dog friendly hotels and parks.
 - Apps will curate events.
 - Unique opportunities to use big data in the creation a one stop shop for travel itineraries based on likes, dislikes and other behavior.
 - Hotels, air service providers, AirBNB etc., could aggregate info to provide custom itineraries.

What are some of the new visitor experiences or tools we will see in 2021 that don't exist today? (con't)

- We will see the internet of experiences.
- Virtual Reality will help create a motivation to travel and show excursions and locations.
- Artificial Intelligence will evolve to become your travel partner and companion.
 - Assistant with weather updates, packing and other useful traveling information.
 - It can be a tour guide with real time data.
- Development of technology could create social conflict.
- The whole notion of unplugging will also begin to grow.

Q & A

- **Can technology be considered as competition to the tourism industry?**

I don't think so. I think they are complimentary. Technology can help in the decision making process of where to go and how to get there. The days of walking into visitor centers are slowing. People are interacting differently with information and its access points, but I don't ever see this replacing the actual experience.

- **Are there tools out there that can assist popular locations with overcrowding and its impact on the location's experience?**

Yes, there is a wide variety. Some are established and some are niche. The question is, how are we directing people vs. how are people directing themselves? I think there is a time, with population growth, where people can use data to look at these issues. We are going to have access to technology and data as tourism operators that can help us target and disperse.

Q & A

- **What is your perspective on how we will support the experience of travelers for whom English is a second language?**

There is an app that is like the Rosetta Stone of travel, but we are still behind in this space. In time, we will have better real time voice recognition that will eventually solve for this. It has been earmarked to be tackled. In the meantime, we can tell stories through pictures and symbols as a bridge to language barriers and gaps in translation services.

What are the future drivers of growth for Oregon's tourism industry?

What are the future drivers of growth for Oregon's tourism industry?

- Business leisure travel will be a driver for growth.
 - As Portland becomes a bigger city, more people will visit as offices open and business travel increases in the state.
 - This creates an opportunity for comeback marketing efforts.
- Developing assets on the ground that are attractive and ecological.
 - Investments in eco-tourism.
 - Ecological assets need to incorporate the threat of climate change.
 - Transportation options will drive growth via increased access to products, areas and attractions.
 - Popular experiences will require increased management.
 - New assets will place demand on public lands.
- Social media is a driver for tourism growth.
 - Social media and its virality can create instant attention in rural areas.
 - As social media promotes experiences and attractions, the demand for management in these areas rises as well.
 - New origins and technology will allow you to hyper-target individuals with specific interests without mass-marketing.

Q & A

- **What do you think about the changing demographic of travelers? What do you believe they will do and say about the growth of the industry?**

It's a question around marketing. You have to find out what products and experiences this changing demographic is looking for and then tailor your destination and experience offerings to it. Travel is going to continue to be a growth industry as people look for different types of trips and experiences, we just have to be flexible.

- **Is another strategy to address congestion developing other gateways like regional airports?**

There is a high barrier to entry and opportunity costs vary. Developing these gateways is tough and more often than not require federal funding.

Q & A

- **Land use laws limit our ability to provide overnight accommodations in rural areas. How do you envision providing accommodations in these areas?**

When we develop these opportunities, yurts and other alternative accommodations are the number 1 options. There is a demand here, but where it is being provided is another question. There is room for growth but land use laws are a challenge.

- **Oregon once had a Governor that said, “visit but don’t stay”. How can we ensure politics doesn’t change to say “don’t visit”, as a way to ensure ecological preservation?**

When government gets involved it is a constituent issue. We need to acknowledge access issues and mitigate the risks. We need a holistic approach as we can’t piecemeal how welcoming or not we are, as this can paint a negative picture especially with the presence of social media. Happy communities will give you happy experiences. We need to encourage local people to embrace a welcoming approach to growth and momentum, and get them invested so that there isn’t community backlash that leads to political involvement.

**What advice would you give to
tourism industry stakeholders in
their efforts to innovate?**

What advice would you give to tourism industry stakeholders in their efforts to innovate?

- Participate in public planning.
 - Help provide input on what experiences we provide, who we provide them to and where we can make strategic investments in recreational development.
 - Learn about the outcomes local communities want when you think about innovation.
 - Help encourage these communities and get people involved in the process.
- Help promote experiences that are unknown or under promoted.
- Innovation is about getting attention. But you have to be ready for the results of that attention.

What advice would you give to tourism industry stakeholders in their efforts to innovate?

- Think about how you talk to travelers along their purchase path.
 - There is a dreaming moment, a planning moment, a booking moment and an experiencing moment. Communicate to people differently at each point.
 - Show up and capture micro-moments.
- Innovation can be simple and iterative, but it doesn't have to be perfect.
 - Push boundaries in the market.
 - Remember innovation doesn't have to be a moment, it can be a process.
- Incorporate your success with the success of your partners.
 - Align your measures.
 - Constantly reassess and adjust.

Given the disruptive innovation we've seen with the sharing economy (such as Airbnb and Uber), how do you see these disruptions continuing to play out? What other disruptions might be on the horizon for the tourism industry?

Given the disruptive innovation we have seen with the sharing economy (such as Airbnb and Uber), how do you see these disruptions continuing to play out? What other disruptions might be on the horizon for the tourism industry?

- These innovations will continue to play out and you will see a growth in these types of services and platforms.
 - This growth will eventually cause consolidation.
- With disruption comes a lack of clarity.
 - Consumer expectations can be on different levels than the disruptive offering.
- Policy, legislation and business models will catch up to these disruptions and become the industry norm.
- Don't ignore these disruptions, acknowledge them.
 - Think about how you can make these technologies a part of your sales process.
 - Understand what is unique about your offering and focus on that. What is your niche?
 - Just because this form of competition exists, doesn't mean you have to compete head to head.

Parting Words

- Always make sure your product lives up to the intention. Good marketing is only as good as the product it is advertising.
- People sometimes overlook tactics. Be a student of the space. Understand the technology, and the tools available to you. This is as important as innovation.
- Think about how you are going to ensure that we protect the qualities of our products and experiences over time. They are what makes Oregon great.

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PANEL #2 SUMMARY

Matthew Garrett, Director
Oregon Dept. of Transportation

Keith Leavitt, Chief Commercial Officer
Port of Portland

Lindsey Shirley, Associate Director
Extension Service, OSU

KEY THEMES

- ***Transportation and Infrastructure improvements will require key partnerships and increased collaboration.***
 - Securing new international routes will rest on success of the markets ability to create sustainable demand.
 - Limited funding requires increased collaboration, creative alternatives and a wider, multi-organizational call to action.
- ***Citizen and community engagement is imperative to addressing the needs and gaps of the industry.***
 - Engage local communities on the importance of tourism to their local economies and create buy in.
 - Strive to understand community needs and create programs and opportunities that address these.
- ***Advances in technology will assist in improving transportation experiences across the state and at gateways.***

Given the trends that we have heard today, what are each of your organizations doing to prepare for and support the evolving tourism economy in Oregon?

Given the trends that we have heard today, what are each of your organizations doing to prepare for and support the evolving tourism economy in Oregon?

Port of Portland

- We are increasing our focus on the passenger experience inside PDX.
 - We are thinking about how we can improve queuing.
 - Post security retail and restaurants are the new trend.
 - High tech solutions for ticket exchanges are also on our radar.
- Our international air services committee is marketing new routes.
 - This requires partnerships.
 - Retention is key to securing these routes and marketing analytics help with this.

Oregon State University Extension Services

- We are gaining a better understanding of what our communities need
 - We can be responsive to their needs and co-create positions that are responsive to these needs.
- We are integrating a consumer management response system.
 - You can input interests and get information about that topic, including gateways and connections to education across the learning continuum.

Given the trends that we have heard today, what are each of your organizations doing to prepare for and support the evolving tourism economy in Oregon?

Oregon Department of Transportation

- We are becoming an information based organization that takes data and turns it into info and knowledge.
 - We can empower the end user with this info through trip check and route advisories.
 - We are trying to better connect and make travel safer and more efficient.
- Strategic Partnerships
 - Partnering with Waze to crowd source real time traffic data.
- Technology is coming at us at an exponential pace.
 - Autonomous vehicles will change how our infrastructure operates and we are thinking about to change with it.
 - As driving becomes less of a chore, economics, land use and community development opportunities increase.

Q & A

When thinking about alternative transportation vs. active transportation, what are some things that might be coming online in terms of active transportation?

It is important to have connectivity, accessibility, and ensure that we have a network of transportation options. How we fund transportation restricts our ability to fund and create infrastructure. We need to drive the conversation around how we can hike, bus, carpool together and ensure the connectivity of all these options.

We are all seeing articles for solar roadways and bike paths. Are there conversations about incorporating solar into the infrastructure?

We have been incorporating solar into our infrastructure for some time. We are the first Department of Transportation to generate energy for interchanges through solar generation. The use of our ride-away allows us to continue to look at similar energy systems and other alternative forms of energy.

What are the opportunities you see for your organization to support the tourism industry in continuing to thrive? What are your constraints?

What are the opportunities you see for your organization to support the tourism industry in continuing to thrive? What are your constraints?

Port of Portland

- We can continue to ride the wave of growth and aim to go from 4 – 11 international flights. We can build off the Lufthansa to Frankfurt deal.
- Our constraint is that we are a small market, and we are outpacing that market. We are the smallest market that enjoys direct service to Europe and Asia.
 - The only way to overcome small market constraints is to partner with local companies to ensure we fill seats.
- Uncertainty and fuel and business interruptions can be constraints. We need to be adaptive to future fluctuations.

What are the opportunities you see for your organization to support the tourism industry in continuing to thrive? What are your constraints?

Oregon State University Extension Services

- Constraints
 - Our system, our process and having the usual suspects making improvements
 - We need you to tell us what you want and then we can provide solutions.
- Opportunities
 - Community academic development is an opportunity. We should bring this back to the table to address tourism, agricultural issues and other concerns. We need to understand the engagement piece and what these issues mean to the community.
 - We are not the only extension services program. Similar issues arise in other western states. We have an opportunity to collaborate with these programs to address western state issues (i.e. tourism).

What are the opportunities you see for your organization to support the tourism industry in continuing to thrive? What are your constraints?

Oregon Department of Transportation

- We need to increase collaboration and engagement around the conversation of transportation. The opportunity is getting all the voices around the table and ensuring these voices are heard.
- A constraint is ensuring we don't love Oregon to death. We need to get people to and from our main attractions without destroying them. These lessons are opportunities to better inform where we go next time and as we continue to grow.
- Funding is a constraint. We have to show up in political conversations to address this and create awareness. If we don't do it, who will?

Q & A

Land use regulations and agri-tourism have come a long way. Do you see any areas for improvements on the land use side that would incentivize farmers to engage in this industry?

As we evolve, and economic drivers and communities change, we need to change. We have to ask what the opportunities are around agri-tourism. We can't drive this. We need the community to get involved and push this initiative as the economy and the needs of our communities change.

Is there any economic thought about how we support regional airports?

We need to deal with the cost of security, which is the core issue of expansion. Federal subsidy programs are critical. If we want this connectivity we need the state, and more so the federal government, to deal with the funding side. On the other side, we have Connect Oregon which funds aviation, bike, pedestrian and ramp investments. Passenger rail is also an alternative option for distribution and dispersion, however these all require subsidies and a larger conversation.

Q & A

Do we have any movement on securing China routes out of Portland?

This is a need based acquisition. We need more back and forth passengers each day. We need to justify the route and show that it is sustainable over a period of time. Right now we are looking at a five year horizon depending on how growth continues.

How is the Oregon Department of Transportation thinking about implementing tourism into conversation around federal highway money?

Federal money is 30% of the budget. We see the relationship and partnership with tourism as critical. We are now tasked with addressing transportation, not just highways, and transportation is both a DOT issue and a tourism issue. We need to maximize relationships and federal funds because federal funds are more flexible than the state's.

Considering some of the constraints you have outlined, please share your thoughts on the role you see tourism playing in helping you address these constraints?

Considering some of the constraints you have outlined, please share your thoughts on the role you see tourism playing in helping you address these constraints?

- We need to make a decision on whether we make a modest investment or a large investment. We see tourism as a key part in this. Get out and work the network. We need to make the best of these relationships to benefit business, tourism, the state and the citizen.
- Communicate your needs and create partnerships. We need to break bread with key partners and get involved in the conversation.
- Think about where to put emphasis on your travel and tourism efforts in your area. Tourism is key to a growing economy and the economic development of the state is key to our success at PDX.

Q & A

Congestion is a big concern. If we are able to get a robust package passed, and another federal package passed, what are some congestion alleviation strategies that Oregon is looking at?

- We are looking into investments in technology throughout the freeway system. The population of Oregon is growing, so we have to manage congestion. We need to give people options like buses, trains and bikes. It's a holistic strategy. We would aim to strike at pinch points and smooth the flow and merging of traffic. We are trying to make surgical strikes in terms of operational efficiencies because it is a challenge to make capacity investments.

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Advice Going Forward

ADVICE/COMMENTS FOR GOING FORWARD

- Always be entrepreneurial, be willing to course correct as things change.
- Keep in mind social media trends, regulatory issues and big fun data (BFD).
- Set a priority of driving strong yields that are spread geographically and seasonally, not just focused on mass volumes.
- I hope as we look forward we keep resource protection in mind and we think about things in the context of intrinsic value.
- The farther we get away from this day, and this conversation, would be a big mistake. Seize this opportunity of collaboration and engagement.
- Don't put too much into technology. As an industry, don't lose site of the intrinsic side.
- Keep in mind the role tourism plays in the workforce and in small entrepreneurial areas. Help us engage the workforce and do a better job of telling the economic story. Invite people to be a part of the industry.

ADVICE/COMMENTS FOR GOING FORWARD

- There are a lot of big problems. We need an inventory of assets. Give us a clear picture of assets, capacity and growth opportunities.
- Organize teams to start tackling certain problems.
- State land use laws can be inhibiting. There needs to be a coming together of communities to create buy-in and clarify areas that may cause concern or hesitation.
- It is hard to get the Nay-sayers to the table. Think about how to engage this skeptical audience.
- Oregon is special. We have landscapes, rivers and beauty everywhere. The most important part is the people. We need to use technology to connect human experiences to areas and transportation options that can push people to places where they can put their phones down.
- When I hear these challenges I think about Travel Oregon's vision statement and it all falls together. Transportation?! You wouldn't think we have a responsibility in this, but we do. A better life for Oregonians is our mission and that includes better transportation options.

ADVICE/COMMENTS FOR GOING FORWARD

- Too often tourism and economic development are not talked about together. We operate in silos and the idea of tourism being proactive in these discussions is important. We need to collaborate more.
- We are in a position of trust. The recognition of our stewardship role is important. We need to keep peoples trust in mind on social impact issues as we move forward as gate keepers.
- Today has been informative, aspirational and inspirational. We have a mantle of responsibility to walk out of here as evangelists of a sort. We all know people in and outside of our industries who are entrenched, negative and who really need to experience a sense of renewal, purpose and optimism. We all need to commit to a better sense of what we can be.

ADVICE/COMMENTS FOR GOING FORWARD

- We need to attract more advocates and more ambassadors. There are enough of us, but not enough of us. Education is a big component of this. We need to create excitement around this industry and its movement.
- Think about capacity. Eastern Oregon capacity is difficult. There are limited resources. Increased visitation to Painted Hills was a stress to handle. It's great to want to send people, but it needs to be organized. Transportation is also big. Regional airports are exciting for us.

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Panel Letters

Dear Oregon's Tourism Industry in 2016,

Table 1

So glad to see you after all these years. Much has changed for the better and we appreciate your vision. The world track and field championship brought exposure to the entire state and the infrastructure improvements to track town are going to attract international Eugene for years to come.

Air service expansion into Eugene has been real awesome and the creation of another international gateway destination has been a boom to the Mid-Willamette valley.

Speaking of wine, those cars and passenger flights in and out of Eugene continue to bring in people from China, among other places, which has really helped develop this important foreign market. Speaking of seven wonders... we need more! We talked about the sharing economy, evolving technology in general, marketing, solid media trends and regulatory considerations, but you didn't mention the protection of resources enough, like dirt, water, and weather.

Remember the best pictures are not found on devices, they are found in your head and your heart. Don't forget about the restoring nature of travel. Focus on things you can't quantify every now and then.

And by the way, Jet Pack tourism has really taken off.

Love,

Oregon's Tourism Industry of 2021

Dear Oregon's Tourism Industry in 2016,

Table 2

Due to your proactive work identifying opportunities and challenges that lay ahead in Oregon, many accomplishments have been made.

Your work in collaborating with the legislature and policy stakeholders has led to investments in high speed rail that will connect the state from a tourism and economic developmental perspective. It also helped in the creation of a workforce training program that has enabled living wage jobs and opportunities in both urban and rural areas, as well as, helped stabilize labor costs to insure a robust tourism economy. You have worked on land use policy in a collaborative way that led to more regional engagement, and better layered in tourism as an economic driver of Oregon.

In addition, you didn't let innovations redefine or alter who we are as Oregonians; authentic, open, collaborative, and welcoming, but rather set a course that built on those unique characteristics and focused our efforts on the most important element, the people and places.

Love,

Oregon's Tourism Industry of 2021

Congratulations! You have done an amazing job of evolving our tourism industry, meeting challenges and opportunities and most importantly, keeping Oregon, Oregon!

Over the past five years, you have prepared for the world track and field championship by mastering an array of transportation challenges and coordinating with all partners and stakeholders throughout the state. You developed robust transportation systems to enable seamless and enjoyable access to all of Oregon's 7,000 wonders.

You have responsibly developed all global markets while protecting the natural and human resources that make our state great.

You have partnered with higher education to provide programs that ensure our tourism industry is prepared to build a thriving and diverse workforce, with boundless career potential.

You have built robust economies in rural Oregon to responsibly build outdoor recreation and cultural and agricultural tourism.

Table 3 (pg 2 of 2)

You've created flexible and strategic partnerships between state and regional tourism entities to support innovative product development.

And lastly you've successfully expanded the idea of what Oregon is to include a vision everyone wants to be a part of.

Love,

Oregon's Tourism Industry of 2021

Dear Oregon's Tourism Industry in 2016,

Table 4

Congratulations, the steps you've taken in partnering across agencies have allowed you to enjoy state wide economic growth. You did a few things quite well.

You built capacity in rural communities by partnering with OSU extension services to co-develop positions in communities that allow chamber/DMOS to harness opportunities with international visitors-especially China.

You learned from past events like Hood to Coast and Cycle Oregon Cascade Relay, to improve the carrying capacity and infrastructure for the Olympic trials and the eclipse of Don.

Your work with ODOT and other transportation partners (including regional airports) created a connected statewide transportation network that really helped ease congestion in Oregon and is a natural model. This transportation network also helped the rural community benefit from major events like the Olympic trials and helped connect international visitors throughout the state and its communities.

Thank you for your continued communication and partnership with all of Oregon's public and private entities.

Love,

Oregon's Tourism Industry of 2021

As we reflect on the last five years, during a break from the events at the World Track and Field championships, there are a few things we want to share with you about what the Oregon tourism industry looks like today.

You shouldn't underestimate the importance of telling the story about how tourism impacts communities and economies and how it is a traded sector with city, county and state entities.

The collaborative relationships you started with organizations like the Port, ODOT and OSU will indeed payoff and you should continue to look for additional partnership opportunities.

The most successful tourism destinations today figured out ways to manage and find meaningful resolutions to issues like: homelessness, affordable workforce housing, as well as the protection of sites that were in risk of over use.

Building tourism experiences in rural Oregon in a way that maintains their authenticity will help these communities see the value of tourism. In addition, this work should support existing local industries, like timber.

Table 5 (pg 2 of 2)

Early evaluation of needs around workforce training as the industry grows will result in quality customer service, benefiting the industry.

Finally, our industry has always done an amazing job of telling Oregon's stories to potential travelers, but increasing the ways and times you communicate how tourism serves as an economic driver will definitely pay off.

Love,

Oregon's Tourism Industry of 2021

Dear Oregon's Tourism Industry in 2016,

Table 6

We heard about rising numbers in tourism to Oregon as our measure of success, and we realized this didn't take into account a downturn in the economy. There have been some bumps, but a fair warning of this by the industry allows many businesses to focus on diversification strategy, so they were able to manage this well. We know a growth in population and tourism would put pressure on our infrastructure, not only land, and roads, but staffing in our federal, state, and county agencies.

We think the community solution teams (private/public partnerships) were a great idea to start helping with this. They created inventories of our assets and developed common metrics to judge their capacity, permitting, and state of readiness in order to look at tourism and state planning thoughtfully.

This was done locally as a way to educate the local community and get buy-in. We looked to Ashland and what they did. They brought various interests together and they were a model for us all. Thank you for your support of the tourism industry.

Love,

Oregon's Tourism Industry of 2021

Dear Oregon's Tourism Industry in 2016,

Table 7

Nice work Oregon. In 2016 you embraced new technology in a way that enhances the visitor's experience, which for many means disconnecting and finding authenticity.

Thank you for using your new kid on the block status to change the conversation on land use policy and water conservation. You helped us avoid a global IPA crisis and we're all able to flush our toilets.

The tourism industry obviously had a voice in the development of a transportation overhaul because we now have less congestion, more transportation choices, and you've made it easy and fun for our visitors to reach our remote and rural areas. You created quite a global buzz by investing in major iconic development projects. The completion of the Columbia River Highway was a big milestone, as was the statewide information network that you put into place.

Thank you for getting in front of the conversation about cannabis tourism by creating a safe, well-curated, uniquely Oregon experience.

Most importantly we are thankful for your efforts to preserve what makes Oregon, Oregon, by investing and supporting the conservation. Hope we can do the same for 2026.

Love,

Oregon's Tourism Industry of 2021

Congratulations on ensuring the passage of 4146 in 2016, it has benefited Oregon so holistically. Communities are stronger, positioned and have developed compatibility with resident values and reduced congestion. Tourism is recognized as valuable to economic development and the quality of life.

We effectively leveraged the solar eclipse of 2017 and the 2021 World Track and Field championships to position Oregon across the globe as a model visitor destination. We created awareness of our strong sense of stewardship, our thriving food and beverage culture, and created a year-round demand for our food, beverage, recreational apparel/equip and other exports.

We successfully shifted excess seasonal demand to fall, winter and spring through focused marketing, and have spread a positive ecological impact across the state's agri-tourism experiences. Farmers have identified time periods they can rely on to transport equipment that protects agriculture and reduces conflicts.

We use solar farms in Pendleton, Redmond, Klamath Falls harnessing the sun to generate energy and reducing de-icing. Solar bike paths generate and transport power to Pacific Power. A coast long bike path is in place. Public transportation options are in place between the I-5 and the coast along the length of the state.

Thanks to a comprehensive transportation package passed in 2017, high speed rail made for an easy PDX-Eugene connection for global visitors and will serve Oregon well into the future.

A meaningful crossing of the Colombia River and signage advising of bridge lifts and all routes reduces I-5 congestion.

An easy to use app like Waze now advises locals and visitors alike of congestion at trailheads and campgrounds and advises of uncongested nearby alternatives. Statewide satellite access keeps everyone connected.

Visitors continue to receive a world-class welcome and experience from relaxed, happy Oregonians.

Love,

Oregon's Tourism Industry of 2021