

April 26, 2021

Dear Industry Partners,

Two years ago, at the start of our 2019-2021 biennium, Travel Oregon adopted its first-ever equity statement and a vision for better life for all Oregonians through strong, sustainable local communities that welcome a diversity of explorers. Little did we know what the second half of that biennium would bring – a pandemic, social unrest, and historic wildfires – all putting our equity statement and vision to the test. I am proud of how each of us in Oregon's travel and tourism industry from every corner of the state, have shown up, cared deeply, and supported one another in these trying times. We have faced these difficulties together. And we will come through them together.

So today, as we seize upon the work of conceiving a vision of tourism in Oregon, we have the opportunity to be radically transformational in defining our approaches to serving each other, our communities and the lands and waters that we have the privilege to promote and the responsibility to preserve. And to do the work necessary to fully rebuild Oregon's economy, it must be done with equity and inclusion at the forefront of the decisions that guide our work.

We have and will continue to learn a great deal as we move into this next biennium. To be responsive to the needs we are facing as an industry, Travel Oregon has developed a two-phase approach to this strategic planning process: the Rebuild Plan and the Transformational Plan. As we launch into the first phase of strategic planning, this Rebuild Plan provides an opportunity to bridge the important work that is currently happening as we help guide and support our state's economic recovery. The Rebuild Plan acknowledges the uncertainty that still exists in critical health, social and economic trends and allows us space and time to enrich our conversations with you as we develop the second phase – the Transformational Plan.

In building the Transformational Plan, it will be vital that we hear from you: the people, communities and businesses that are Oregon's tourism industry. Your input and guidance will be invaluable as we undertake this process; creating a strategic plan that will be implemented by Travel Oregon but in service to the entirety of Oregon's travel and tourism industry.

I believe we will find this to be the most important work we have ever undertaken. For by reimagining the role and responsibility that the tourism industry has in shaping Oregon's future, we will be better positioned to support and care for our lands and waters, our visitors, and one another. The work we do and the way we do it will compel us to reimagine how we welcome and care for those who will visit Oregon's cities, mountains, beaches, wineries, rivers and everywhere and everything in between.

As we go forward, let us take what we have learned from the challenges of 2020 and use it as an opportunity to recreate tourism in Oregon. I look forward to working with you to create an equitable and welcoming destination – a destination that is sustained for generations to come as a result of the stewardship we exhibit today – and work toward a shared, vibrant economic recovery and resiliency.

Best regards,



Todd Davidson
CEO

TRAVEL



OREGON

OREGON TOURISM COMMISSION
DRAFT 2021-2023 STRATEGIC
REBUILD PLAN & BUDGET

4.26.21

TABLE OF CONTENTS

3. Who We Are and
What We Do

9. Where We Are and
Where We Are Going

14. Key Insights

30. The Rebuild Plan

31. Objectives

32. Imperatives

33. KPIs

34. Desired Outcomes

35. Key Actions

41. Budget

43. Appendix
PESTLE Analysis

WHO WE ARE AND WHAT WE DO

ABOUT TRAVEL OREGON

The Oregon Tourism Commission, dba Travel Oregon, is a semi-independent state agency that works to enhance Oregon's economy by developing world-class visitor experiences and implementing sales and marketing campaigns that inspire travel and convey the exceptional quality of Oregon as a destination.

Travel Oregon continues to evolve as a destination management organization. This means that a focus on driving demand for travel and optimizing the economic impact of tourism to the state's economy, is strategically aligned with initiatives to improve the visitor experience in smart and sustainable ways—enhancing and protecting our state's assets. This is accomplished through direct investments, grants, and marketing programs that support local communities across Oregon to reach their full tourism potential, working in domestic and international markets and cultivating partnerships.

A nine-member board of commissioners appointed by the governor oversees the agency. The commission aims to improve Oregonians' quality of life by strengthening the economic impacts of the state's multi-billion-dollar tourism industry, which employs tens of thousands of Oregonians.

OREGON TOURISM COMMISSION STRUCTURE



GOVERNOR KATE BROWN

OREGON TOURISM COMMISSION



Chair
Scott Youngblood



Vice Chair
Nigel Francisco



Don
Anway



Richard
Boyles



Lucinda
DiNovo



Maria
Ponzi



Mia
Sheppard



Kenji
Sugahara



Greg
Willitts



TRAVEL OREGON

Todd Davidson, Chief Executive Officer

VISION AND MISSION

VISION

A better life for all Oregonians through strong, sustainable local communities that welcome a diversity of explorers.

MISSION

We inspire travel that drives community enhancement and economic development. Through innovation and partnerships, we share the stories of Oregon's people and places, deliver world-class experiences, strengthen the industry, work to ensure all travelers feel welcome and preserve Oregon's way of life and its natural places.



VALUES

EVERGREEN

- **We strive to preserve Oregon's natural beauty with everything we do.**
- **We build strength and resiliency for a sustainable future.**
- **We balance work and life with our love for Oregon and the people in it.**

TRUE NORTH

- **We take ownership of our work.**
- **We honor our commitments.**

TRAILBLAZE

- **We lead the way through innovation.**
- **We lift each other up while driving forward.**
- **We set the bar high and aren't afraid to fail.**

CANOPY

- **We celebrate and invite diverse cultures, perspectives and voices.**
- **We show up for each other and our industry.**

EQUITY STATEMENT

Travel Oregon is committed to ensuring that our work helps Oregon become a more equitable destination, so all who travel the state can enjoy their journey and feel welcome.

Our work aligns with how we value Oregon and all of its communities, our staff and our industry partners. We define equity as: when all people have equal access to the same resources to potentially reach the same outcomes. To that end, we want all people to have access to enjoyable travels throughout Oregon.

We are committed to the following shared values:

- **Understanding what equity is and acknowledging that not all people have the same starting point.**
- **Being life-long learners regarding equity and committing to the necessary repair work when we misstep.**
- **Working to ensure our intent aligns with our impact.**

Travel Oregon is growing in our understanding of the myriad intersecting identities people hold and how some identities are rooted in systems of oppression. We aim to remove barriers from all travelers.

Addressing equity through an exploration of people's held identities helps us to build a stronger more unified community—a community where we see race, age, ethnicity, sexual orientation, gender, gender identity, gender expression, religion, visible and invisible disabilities, socio-economic status, and all the intersecting identities therein, and we know that in these differences lies our strength.

WHERE WE ARE AND WHERE WE ARE GOING



3 PHASES OF RESPONSE TO THE PANDEMIC

1. Mitigate Impact: since March 2020
2. Rebuild Industry: now
3. Transform Tourism: long-term



WHERE WE ARE NOW REBUILD

THE PURPOSE OF TRAVEL OREGON'S 2021-2023 STRATEGIC REBUILD PLAN AND BUDGET

To lead and support the rebuilding of Oregon's tourism industry and economic recovery, while balancing priorities in a way that benefits both residents and visitors while laying the foundation for the Transformational Plan.



WHERE WE ARE GOING TRANSFORM

- This two-year Rebuild Plan will be revised after six months based on a much-needed transformational strategy that makes Travel Oregon futureproof.
- An updated version will result in a Transformational Plan, which will be presented for consideration and adoption to the Commission early in 2022. The Transformational Plan will extend until 2025.



WHY

BECAUSE THE WORLD HAS CHANGED

- **The ever-shifting tourism landscape (demand, supply chain, access) requires the highest flexibility.**
- **Time and resources are limited, especially following multiple crises.**
- **Social justice and racial equity is at the forefront of our decisions.**



KEY INSIGHTS



PLANNING IN A TIME OF UNCERTAINTY

A tourism destination is a complex system. The elements of that system rely on each other and often operate in symbiotic relationships.

COVID-19 specific impacts of the interrelated categories of supply, demand and industry needs and sentiment across Oregon reveal challenges and opportunities addressed in the rebuild strategy.

These insights and learnings validate many of the key actions outlined in this plan, identify areas of opportunity for focus and a prioritized approach for the next two years. They also highlight critical findings, which will help inform strategies for the Transformational Plan.



CRITICAL UNCERTAINTIES

SUPPLY

- **According to Oregon Employment Department, from December 2019 to December 2020, the leisure and hospitality sector lost 38.7% of payroll employment, compared with a loss of 9.1% across all Oregon industries. Leisure and hospitality employment is still 24% below pre-COVID-19 levels.**
- **Measured by Smith Travel Research (STR), the lodging supply in Oregon dropped by 10% in April 2020 (-12% nationally); by February 2021 lodging supply had recovered to YOY -1.9% (-2% nationally).**
- **Resident sentiment towards welcoming visitors into the state shifted from negative to positive starting in early 2021.***
- **All overseas international flights at PDX have been suspended since spring 2020.**
- **Oregon State Parks campgrounds were closed March 23 - June 9, 2020.**

CRITICAL UNCERTAINTIES

DEMAND

- **Based on Dean Runyan Associates' preliminary estimates, visitor spending in Oregon declined 49.6% in 2020 from \$12.8 billion to \$6.5 billion.**
- **Based on STR measurements, Oregon lodging room revenue dropped more than 48% from March 2020 to March 2021.**
- **According to Arrivalist's daily travel index, road trips of 50 miles or more to and within Oregon were down 19.9% YOY from 2019 to 2020.**
- **According to data provided by the Port of Portland, YOY throughput at PDX bottomed out at -96.3% on April 12, 2020. For the remainder of the year, our YOY comparison only climbed as high as -52% on December 30, 2020.**

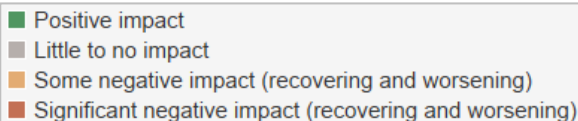
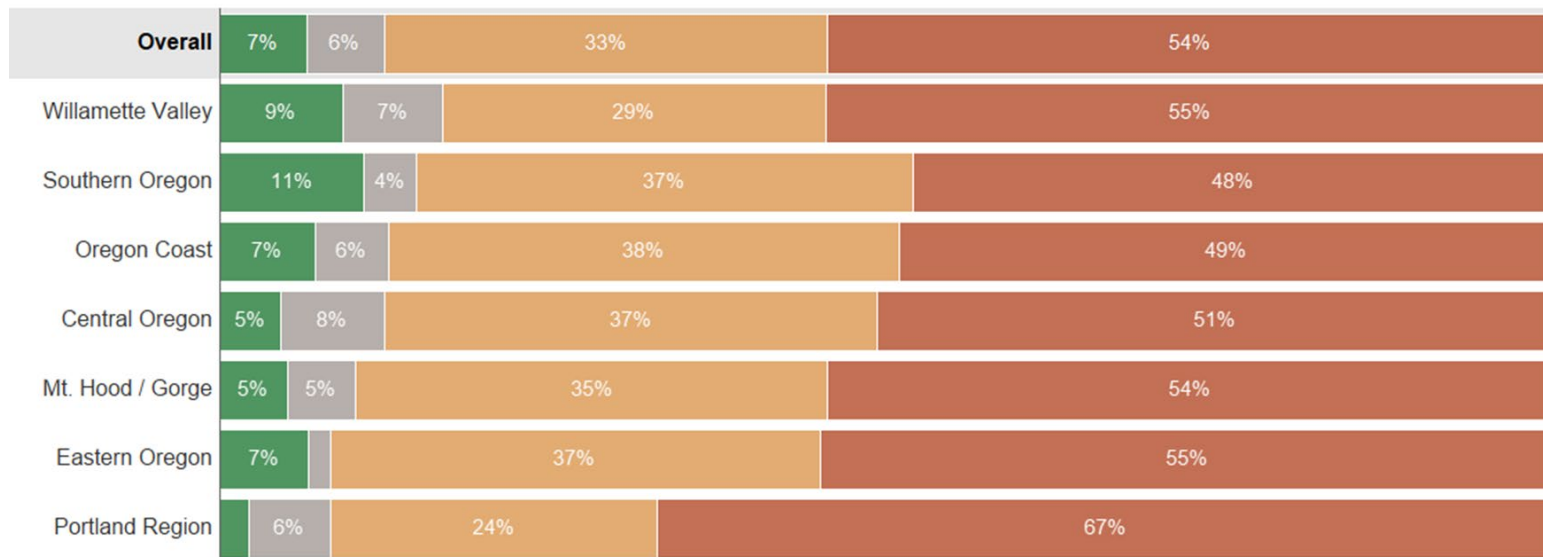
STAKEHOLDER LEARNINGS



2020 TOURISM STAKEHOLDER SURVEY

IMPACTS ON REVENUE/FUNDING BY REGION

Q: How would you characterize the impacts of COVID-19 on your organization/business's revenue or funding?



Regions are sorted in ascending order by the percent that report some/significant negative impact (least impacted to most impacted)

2020 TOURISM STAKEHOLDER SURVEY

BUSINESS HEALTH

- **46% of respondents reported their business/organization has laid off, terminated, or otherwise let go of employees in 2020, with the most layoffs occurring 4-6 months ago (roughly April through June 2020). 14% anticipate layoffs/terminations at their business/organization within the next six months (roughly November 2020 through April 2021), while 32% are unsure if layoffs will occur within the next six months.**
- **Over half (54%) of respondents characterize the impacts of COVID-19 on their organization/business's revenue or funding as having a significant negative impact. By comparison, 17% describe the 2020 wildfires as having a significant negative impact.**

2020 TOURISM STAKEHOLDER SURVEY

RESILIENCY, RECOVERY & REOPENING

- **37% of respondents are not at all concerned about promoting their community and feel it would benefit from visitors, while 24% expressed some or significant concern. When it comes to welcoming visitor to their communities, respondents are most concerned with "diminished visitor experience at their destination due to facility/amenity closures, fewer frontline workers, etc."**
- **By a large margin respondents stated "help advocating for effective policies and funding to support tourism businesses/organizations" is the resource that will best support Oregon businesses/organizations recover. "Support developing and bolstering visitor experiences that are COVID-appropriate and that enhance local livability" will best support Oregon communities, followed by "communication tools and message frameworks to convey safe visitor behavior in town and businesses."**

2020 TOURISM STAKEHOLDER SURVEY

PLANNING & MANAGEMENT

- **From a list of ten actions that would aid in recovery from COVID-19, wildfires, and related economic conditions, respondents believe "grants and funding resources" should be the top priority. "Marketing and promotion" should be a key focus area in the longer term (next two to five years).**
- **"Managing tourism impacts in order to preserve local assets (natural and cultural) and livability" is the top tactical planning and management strategy that will advance the economic impact of tourism and ensure its vitality and sustainability.**

2020 TOURISM STAKEHOLDER SURVEY

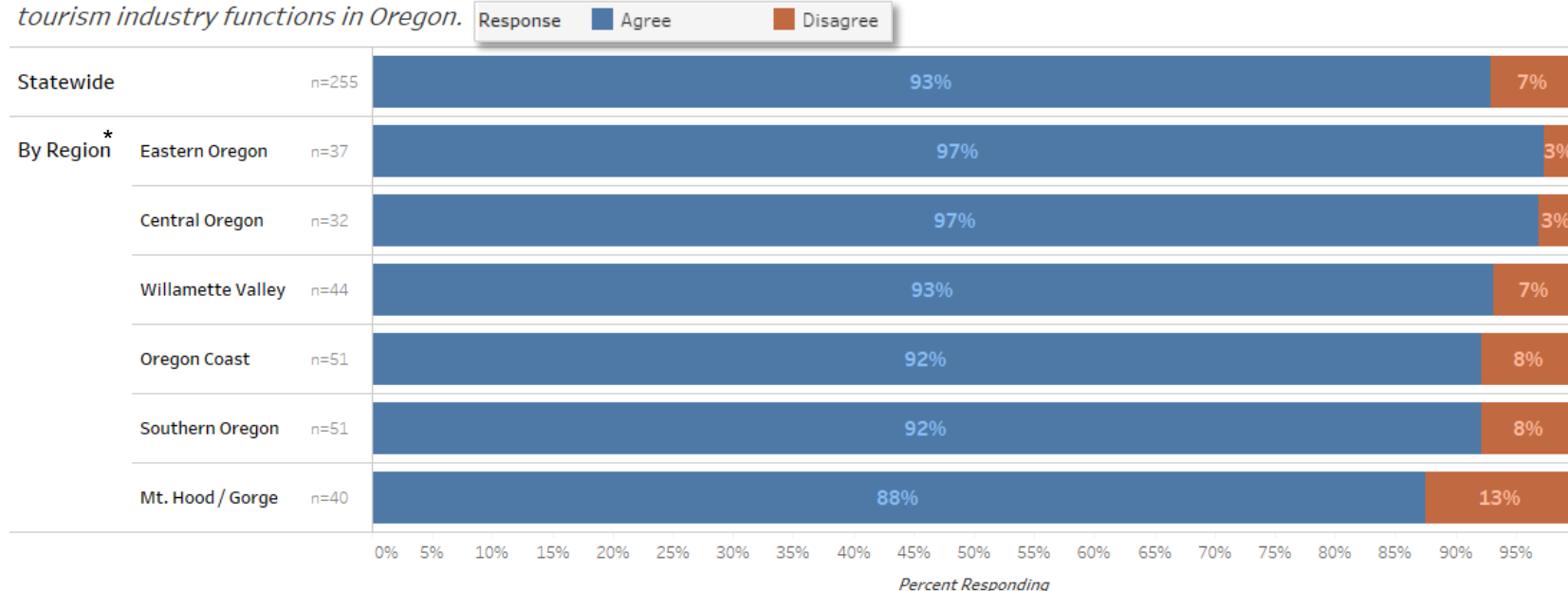
DIVERSITY, EQUITY AND INCLUSION

- **44% of respondents think the tourism industry should play a role in advancing social and racial justice. 22% percent do not think the industry should play a role, while 23% are unsure.**
- **61% report having received training related to cultural awareness, anti-racism, implicit bias, or some other diversity, equity, and inclusivity related training. 54% percent would be interested in participating in diversity, equity, and/or inclusivity related training.**
- **Nearly 9 in 10 Oregon respondents feel somewhat or very prepared to interact with visitors/clients/coworkers of diverse ethnic/racial/cultural backgrounds.**

2021 STAKEHOLDER ENGAGEMENT SESSIONS

Strong Agreement for Re-Thinking How the Tourism Industry Functions in Oregon

In order for the future of Oregon's tourism industry to be more resilient and relevant, we must re-think and re-imagine how the tourism industry functions in Oregon.

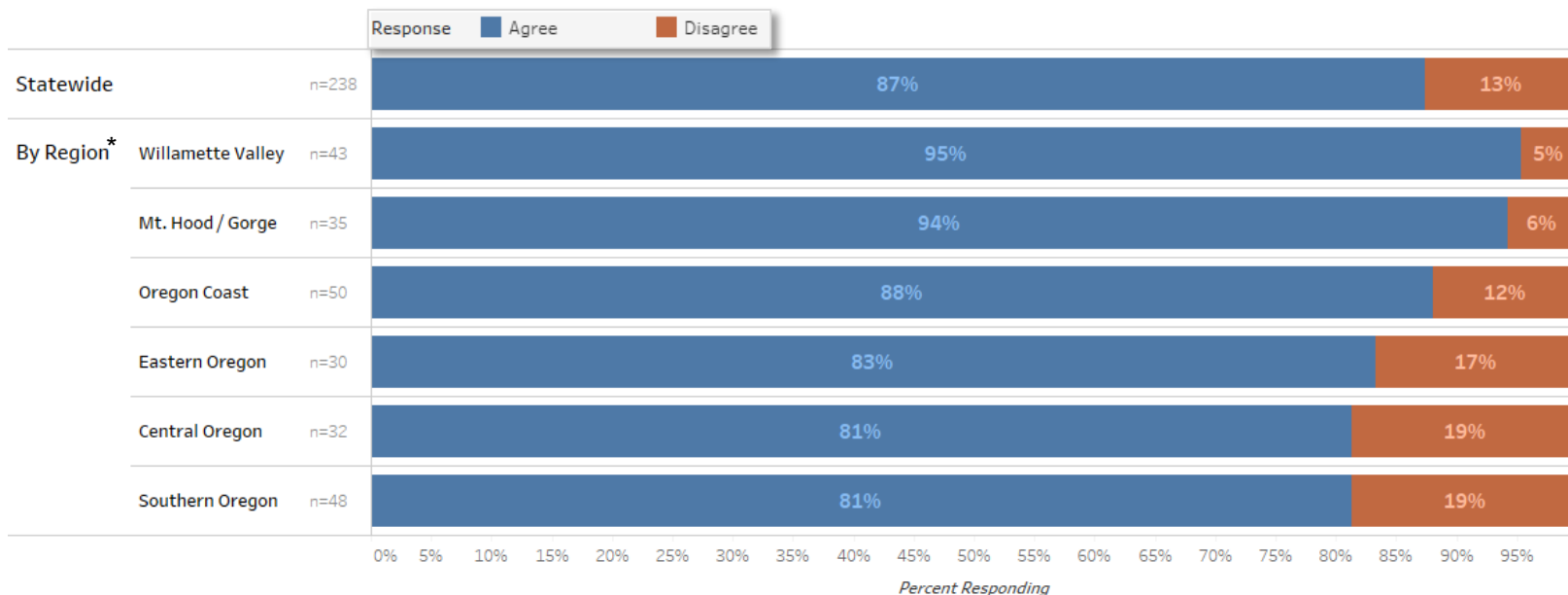


*The Portland Region did not participate in the 2021 Engagement Sessions

2021 STAKEHOLDER ENGAGEMENT SESSIONS

Strong Agreement for Travel Oregon to Play a Role in Closing the Racial Economic Wealth Gap

Gov Brown stated it is the duty of every state agency to apply the OR Equity Framework to develop agency-specific strategies and concrete actions to address racial and economic disparities. As an Economic Development Agency Travel OR should play a role.

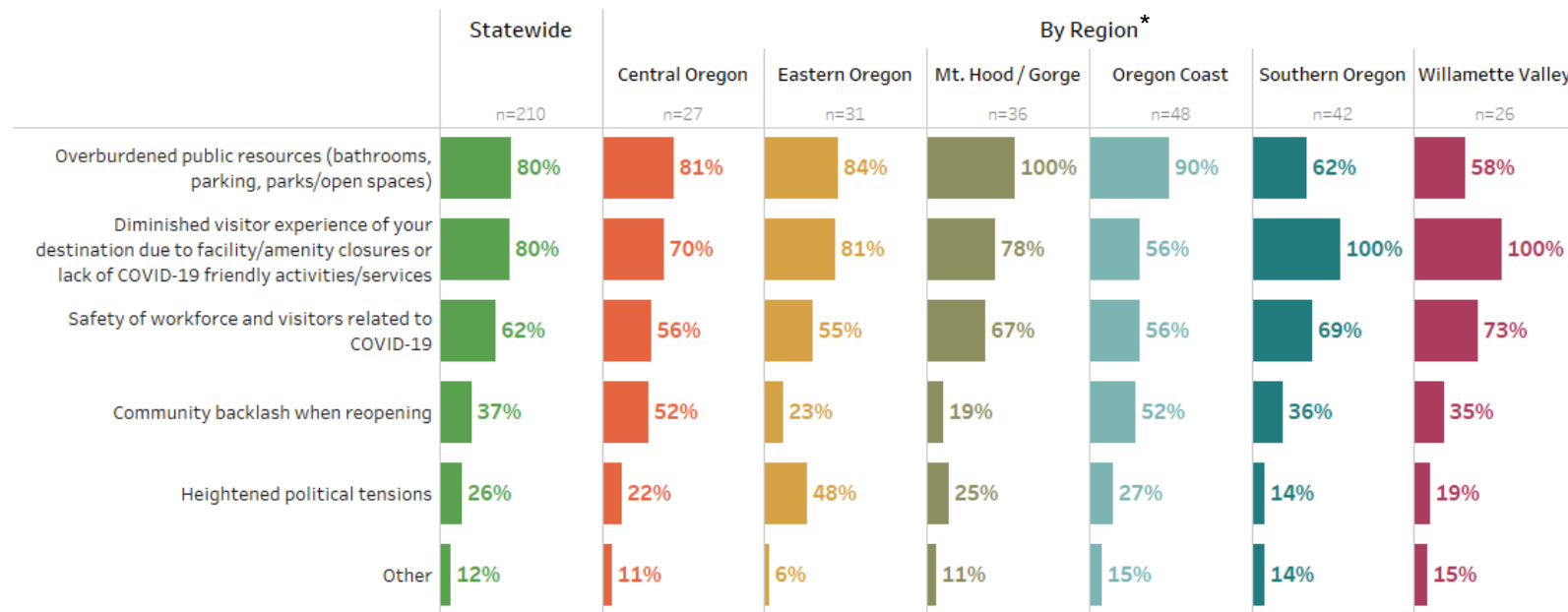


*The Portland Region did not participate in the 2021 Engagement Sessions

2021 STAKEHOLDER ENGAGEMENT SESSIONS

Top Concerns for Welcoming Visitors to Oregon Communities

In thinking about the next 6 months, are your top concerns about welcoming visitors to your community the same? Please choose your top 3 biggest concerns. (multiple choice)

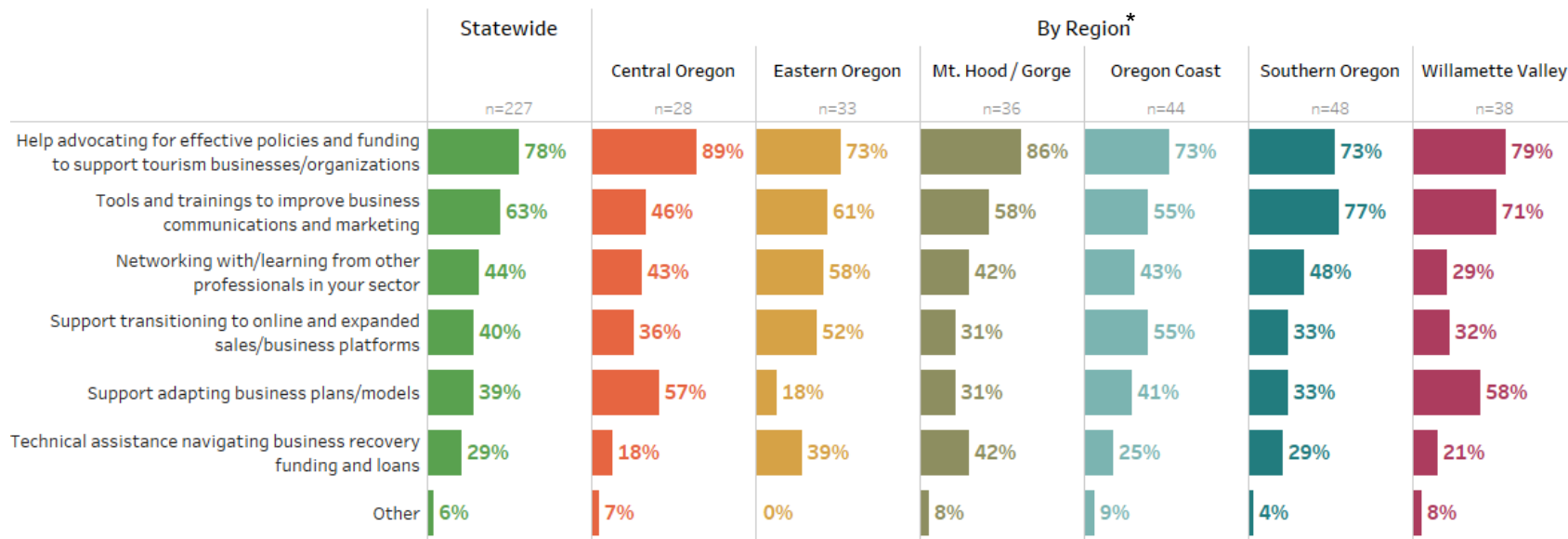


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2021 STAKEHOLDER ENGAGEMENT SESSIONS

Top Priorities to Assist Tourism Businesses and Organizations in Rebuilding

Please select 3 options below that you believe are the top priority resources or programs to assist your BUSINESS/ORGANIZATION in rebuilding in the next six months. (multiple choice)

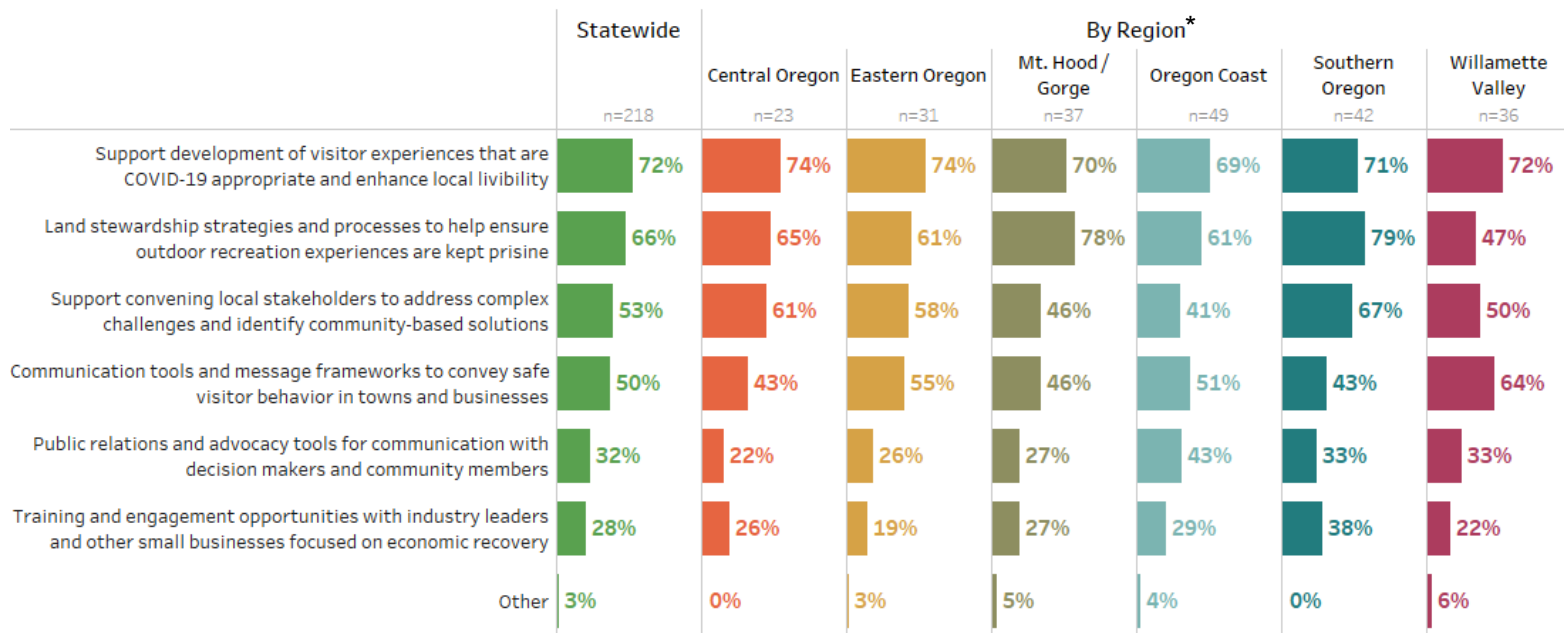


*The Portland Region did not participate in the 2021 Engagement Sessions

2021 STAKEHOLDER ENGAGEMENT SESSIONS

Top Tourism-Related Priorities to Assist Oregon Communities in Rebuilding

Please choose the 3 statements that you believe are the top priority resources/programs to assist your COMMUNITY in rebuilding in the next six months. (multiple choice)

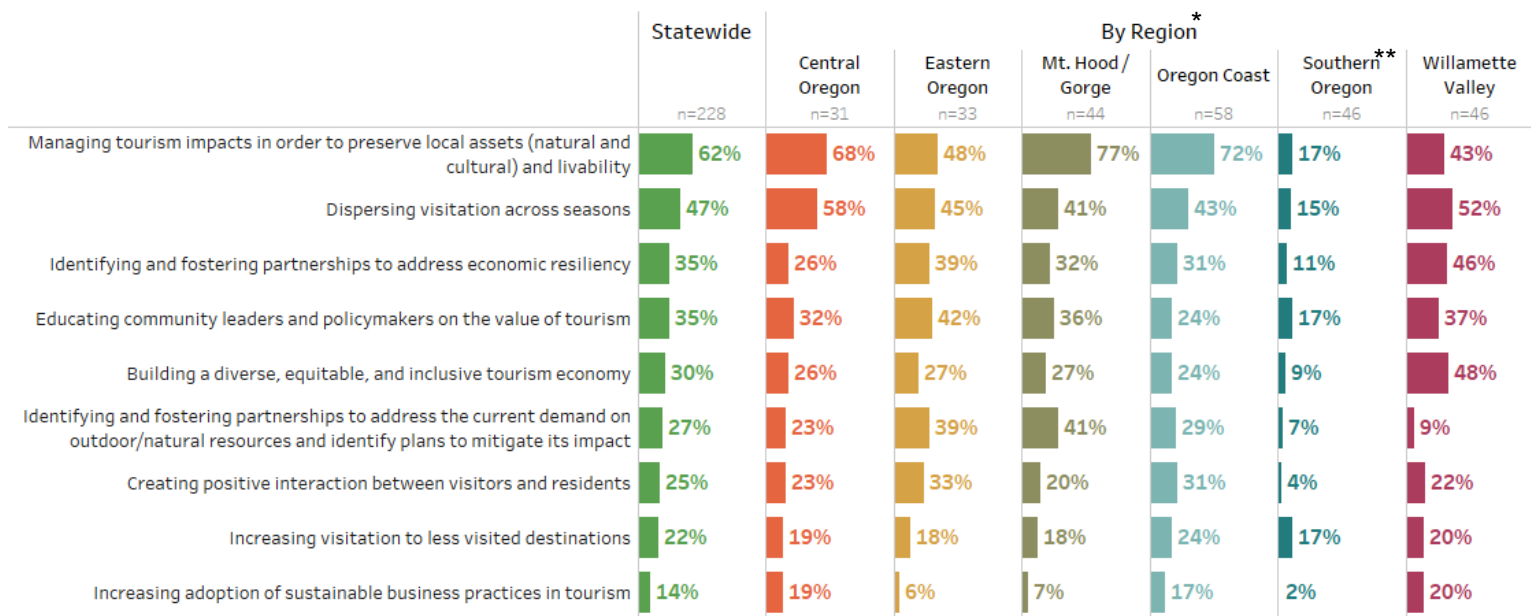


*The Portland Region did not participate in the 2021 Engagement Sessions

2021 STAKEHOLDER ENGAGEMENT SESSIONS

Top Oregon Tourism Tactical Planning & Destination Management Priorities

Please choose the 3 statements that you believe are the top tactical planning and destination management priorities to expand economic impact of tourism and to ensure its vitality and sustainability. (multiple choice)



*The Portland Region did not participate in the 2021 Engagement Sessions, **Southern Oregon respondents selected one answer option only

THE REBUILD PLAN

An aerial photograph showing a river winding through a landscape. The left bank is densely forested with green trees. The right bank is a mix of forest and open, dry grassland. A paved road runs along the right side of the river. In the upper right, there are several buildings, including a large barn and some smaller structures. The water in the river has a greenish tint, possibly due to algae or sediment. The overall scene is captured from a high angle, looking down on the landscape.

OBJECTIVES

- **Continue to support the industry's rebuild from COVID-19.**
- **Build a Transformational Strategic Plan for the future.**



IMPERATIVES



1. **Lead with a racial equity lens**
2. **Rebuild statewide economic impact**
3. **Support and empower Oregon's tourism industry**
4. **Champion the value of tourism**
5. **Run as an effective business**



KPIs

1. **New strategy and organizational design by early 2022.**
2. **Regional and statewide resident sentiment (level of welcome) and visitor sentiment (satisfaction).**
3. **Rate of recovery (% change) of visitor spending in each region and statewide.**



DESIRED OUTCOMES

1. A racial equity lens is being applied to our work to advance diversity, equity and inclusion.
2. The tourism industry remains a viable contributor to the state's economy as the rate of recovery (% increase) of visitor spending statewide is equitable across regions and greater than Oregon's competitive set.
3. Visitors follow public health and safety regulations and respect communities, cultures and the outdoors.
4. Oregon's destinations and outdoor places are stewarded and/or sustained.
5. Full engagement of staff and tourism industry for transformational planning process.



Joey Hamilton

KEY ACTIONS FOR EACH IMPERATIVE

LEAD WITH A RACIAL EQUITY LENS

KEY ACTIONS

- 1. Develop and implement staff training, policies and practices that foster a more diverse, equitable, and inclusive workplace culture.**
- 2. Assess recruitment, promotion and contracting policies, procedures and practices with an equity lens to identify and implement strategies to eliminate barriers.**
- 3. Provide staff with opportunities to understand how tourism impacts social and racial justice and provide tools to implement their work through such a lens.**
- 4. Provide tourism stakeholders access to diversity, equity and inclusion awareness-building opportunities.**
- 5. Engage Oregon tourism industry with a commitment to racial equity and, by extension, Oregon residents.**
- 6. Conduct outreach and build partnerships to explore development of educational and career opportunities for under-represented talent in the tourism industry.**
- 7. Prioritize opportunities to engage with and amplify Black, Indigenous and/or People of Color (BIPOC)-owned businesses/organizations.**

REBUILD STATEWIDE ECONOMIC IMPACT

KEY ACTIONS

- 1. Execute targeted advertising campaigns that support economic recovery.**
- 2. Drive awareness of Oregon as a destination in key global markets.**
- 3. Generate business and product development opportunities.**
- 4. Utilize community investments and grants to rebuild local tourism economies and ensure industry resilience.**
- 5. Inform visitors on public health regulations and responsible outdoor recreation practices.**
- 6. Support tourism sectors, local communities and regions disproportionately impacted by COVID-19.**

SUPPORT & EMPOWER OREGON'S TOURISM INDUSTRY

KEY ACTIONS

- 1. Support local communities and businesses in their reopening and enabling safe travel.**
- 2. Focus on visitor management initiatives that address visitor management pressures.**
- 3. Provide development and training opportunities for the industry.**
- 4. Partner and support public land management agencies with an emphasis on outdoor recreation and wildfire prevention.**
- 5. Manage the industry visitor information network.**
- 6. Establish and foster relationships and trust with Oregon's Confederated Tribes.**

CHAMPION THE VALUE OF TOURISM

KEY ACTIONS

- 1. Foster partnerships with government agencies to provide perspectives on policies, programming and funding that impact Oregon's tourism industry.**
- 2. Empower and equip Oregon's tourism industry with power-of-travel and issue-oriented messages.**
- 3. Share compelling Oregon tourism stories to create awareness and improve perception around the industry among residents and policymakers.**

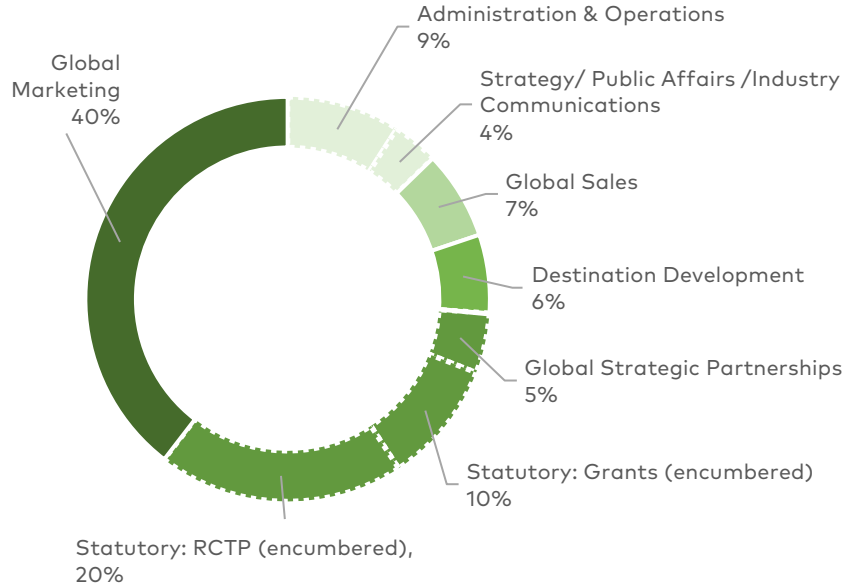
RUN AS AN EFFECTIVE BUSINESS

KEY ACTIONS

- 1. Monitor and adapt budgets and strategies to be responsive to the changing environment.**
- 2. Support staff with direction and clear communication.**
- 3. Prepare to return to the office and adopt new ways of working (customize digital and hybrid meetings, work remotely part-time, build in more flexibility).**
- 4. Use technology to make Travel Oregon more effective and efficient.**
- 5. Engage the Travel Oregon team and industry in creating a shared vision and approach, including redesigning the organization and assessing existing business processes for the Transformational Plan.**

2021-2023 BIENNIAL BUDGET

DRAFT



State Lodging Tax Revenue	61,600,000
Other Sources	473,000
Transfer from Operating Reserve	491,000
TOTAL	62,564,000

Destination Development	3,916,000
Global Strategic Partnerships	3,008,000
Statutory: Grants (encumbered)	6,160,000
Statutory: RCTP (encumbered)	12,320,000
Global Marketing	24,745,000
Global Sales	4,443,000
Administration & Operations	5,671,000
Strategy/ Public Affairs/ Industry Communications	2,301,000
TOTAL	62,564,000

THANK YOU
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APPENDIX



PESTLE ANALYSIS

The PESTLE framework analyzes the key factors (Political, Economic, Sociological, Technological, Legal and Environmental) influencing an organization or an industry from the outside.

The following analysis is global information provided by Destination Think, Travel Oregon's strategic planning firm. This material offers insight into the operating environment for Oregon's tourism industry.

PESTLE ANALYSIS

POLITICAL

Government scrutiny: Many of the world's governments have been criticized for their response to the pandemic.

Changes in trade: COVID-19 has brought a growth in awareness to the risks of supply chains and how dependent trade is on open borders.

Vaccine passports: Some places may require proof of vaccination for COVID-19, or a negative test, upon entry. The impacts on travel and resident attitudes toward tourism are uncertain.

ECONOMIC

Contraction of the global economy: Projection of overall contraction of 7.5-10%.

Volatile market performance: Volatility in many of the world's biggest financial markets generates fears that poor market performance may trigger a multi-year recession.

Lack of workers: As individuals fall ill or decide to stay home, companies and governments may have difficulty finding workers.

PESTLE ANALYSIS

SOCIETY

Anxiety: Rise and fall in anxiety may affect overall mental health.

Racism: Growth in and/or bolder expressions of prejudice and racism towards Black, Indigenous and People of Color (BIPOC).

Resident resistance to tourism: Potential resistance to travel promotion due to rising concerns about safety as variants spread.

Remote work: There has been a massive and rapid shift to remote work. The long-term consequences and benefits are uncertain.

Fear of traveling: Many are not ready to travel, especially by air.

TECHNOLOGY

Advances in virology: Scientific breakthroughs have the potential to lead to new ways of managing pandemics. COVID-19 vaccines are being rapidly distributed in many places, and rapid testing is being used in some travel and event situations.

Rapid adoption of technology: COVID-19 has sped up the adoption of technology by several years and has likely changed the way we do business forever.

PESTLE ANALYSIS

LEGAL

Employer responsibilities: The pandemic has prompted questions of how employers can or should mitigate risk to employees. Norms and laws have not yet caught up.

Contracts: Many legal implications are arising from supply chain challenges.

ENVIRONMENTAL

Attitudes are changing: Climate change is an increasingly urgent reality that is shifting political will through public pressure.

Long-haul air travel: As environmental concerns increase, more travelers may choose transport that emits less greenhouse gases, resulting in trips of shorter distances and fewer long-haul flights.

Impact of pandemic is inconclusive: COVID-19 has brought positive and negative environmental impacts that depend on the current stage of the health crisis in a particular economy.