

Oregon Tourism Commission Meeting

February 23, 2021

Zoom Meeting and YouTube Live

Commissioners present included: Scott Youngblood, Nigel Francisco, Don Anway, Maria Ponzi, Richard Boyles, Kenji Sugahara, Mia Sheppard, and Greg Willitts.

Chair Youngblood calls the Commission meeting to order at 8:31 am.

Chair Remarks:

Chair Youngblood introduces himself and asks all Commissioners to introduce themselves. Chair Youngblood notes that during the December Commission meeting, a conversation was held on when Travel Oregon might have the ability to market travel again. Since then, Travel Oregon and the Commission had a meeting with the Governor's Office to better understand the current guidelines and timeline for future marketing. Commissioner Francisco states that he was appreciative for the meeting and understands that the marketing timeline is fluid. Commissioner Boyles states that he was interested in understanding the COVID-19 metrics that the Governor's Office is using as to the timing of restarting marketing. Commissioner Anway states appreciation that the Governor's Office is open to be available for future meetings to keep in touch regarding future marketing timeline.

Public Comment:

On Monday February 8, 2021, the Oregon Tourism Commission meeting notice was posted online with a public comment form. No public comments were submitted in preparation for this meeting.

Commission Business:

Chair Youngblood confirms that all Commissioners received their commission meeting packets and financials.

Chair Youngblood asks Vice-Chair Francisco to update the Commission on the current financials. Commissioner Francisco notes that 98.6% of the adopted fiscal year 2020-2021 budget has been reached and that Todd will speak on the topic further today.

Chair Youngblood asks if Commissioners have reviewed the December 15, 2020 Oregon Tourism Commission meeting minutes and asks if there are any questions.

Commissioner Boyles moves to approve the December 2020 Oregon Tourism Commission meeting minutes. Commissioner Anway seconds the motion. The motion is unanimously approved.

Chair Youngblood selects Commissioners Francisco and Sugahara to serve as the nominating committee to suggest the next Chair and Vice Chair of the Oregon Tourism Commission.

Financial Update

Todd Davidson, CEO of Travel Oregon, welcomes Geoff Lacher, Senior Economist at Tourism Economics, to speak to the Travel Oregon revenue forecast.

Geoff Lacher presents a PowerPoint on Travel Oregon's historical TLT revenue and revenue forecast. Geoff projects Oregon will see a surge in revenue during the summer months due in part to Oregon's seasonal travel and vaccine distribution. Notes that the U.S. is projected to have herd immunity by the last quarter of the 2021. Travel is projected to increase between summer and the end of 2021. Room demand is projected to reach 2019 levels in 2023 and room revenue is projected to return to 2019 levels in 2024. Geoff projects that Oregon's leisure travel will return by 2022 and business travel by 2024-2025.

Commissioner Sugahara asks if the revenue forecast projects the benefits of hosting the Oregon22 World Athletics Championships.

Geoff states that Tourism Economics does not include specific event impacts in their projections.

Vice-Chair Francisco asks what the projected intent to travel is year over year.

Geoff states that he does not have a year over year comparison.

Commissioner Ponzi asks if Oregon can expect 2019 level TLT revenues by 2024.

Geoff states that due to the sunset of Oregon's transient lodging tax (TLT) from 1.8% to 1.5%, the return of room revenue to 2019 rates is projected to be later than 2024.

Commissioner Willitts asks if the information comparing Idaho to Oregon is due to the two states being neighbors or due to Idaho being a top performing destination post-pandemic.

Geoff states that he included this comparison for both of those reasons.

Commissioner Sugahara asks if Tourism Economics anticipates differing recovery rates for travel in Europe and Asia because the pandemic affected these markets differently.

Geoff states that he believes China will recover quickly due to their growing economy, as well as developing markets such as India. He notes that the UK will take a bit longer due to complications with Brexit.

Commissioner Sugahara asks how quickly Canadian travel will recover.

Geoff notes that Canada will be a key market for Oregon and the U.S., but due to their slow vaccine distribution and border closures, it is difficult to project exactly when or how it will recover.

Commissioner Sheppard asks why rural areas and mid-west states are performing better than Oregon's overall recovery.

Geoff notes that urban areas are performing poorly across the globe due to lack of social distancing and attractions that cannot accommodate social distancing. This also accounts for why the vacation rental market is doing so well, while hotels are seeing lower bookings.

Todd thanks Geoff for his presentation and thoughtful approach to revenue projections for Oregon.

Todd shares a PowerPoint presentation of the 2021-2023 revenue forecast and 2019-2021 budget modification proposal. Todd notes that this is not a final projection but will provide staff with a base for

their budget planning framework. He states that the final budget adoption will occur at the June Commission meeting. Todd notes that Geoff's presentation focuses heavily on the lodging sector due to the ramifications to Travel Oregon's budget. However, Travel Oregon understands the impacts the pandemic has had on all tourism businesses in Oregon. Today, Todd asks the commissioners to adopt a revenue forecast of \$29,100,000 for 2021-2022 and \$32,500,00 for fiscal year 2022-2023.

Todd states that during the June 2020 Commission meeting, the Commission adopted a revised budget of \$16 million for fiscal year 2020-2021. Based on the funding received, Todd asks the Commissioners to adopt a budget modification for 2020-2021 for \$20 million. This modification is \$1 million less than the downside projection from Tourism Economics. He notes these baseline projections have been reviewed by Tourism Economics and Travel Oregon's accounting and research teams. Todd shares that the proposed budget modification will add funds to the regional recovery & stability funds, additional grant funds, and Destination Ready grants.

Commissioner Boyles states that he is pleased to see this budget modification recommendation come forward as it is a good way to use the organization's resources to prepare for the return to travel.

Vice-Chair Francisco seconds Commissioner Boyles comments and is in support of this budget modification. He is also pleased that staff are utilizing modifications funds in alignment with the needs indicated by stakeholders based off the recent Industry Stakeholder Survey.

Commissioner Willitts states that he is appreciative of Travel Oregon's accurate projections. He asks if Destination Ready will address wildfire-affected communities.

Todd states that this program was created in response to both COVID-19 and wildfires and aims to provide further support to Oregon's tourism industry. Additionally, the Global Strategic Partnerships team is considering both COVID-19 and wildfire impacts as they develop guidelines for future grants.

Commissioner Ponzi affirms her agreement with the previous comments regarding the use of budget funds and states that she is interested in learning more about the grants program and how the funds will be distributed. Todd states that more information about the grant program will be provided to the industry and the Commission soon.

Public Hearing on 2019-2021 Proposed Budget Modification

Chair Youngblood opens the public hearing for the 2019-21 proposed budget modification. The proposed modification was posted online on February 19 and sent to the industry on the same day. No public comment was received. Chair Youngblood closes the public hearing.

2019-2021 Proposed Budget Modification

Chair Youngblood asks for a motion to adopt the proposed revenue forecast of \$29,100,000 for 2021-2022 and \$32,500,00 for fiscal year 2022-2023 enabling staff to build the upcoming draft 2021-2023 Travel Oregon biennial budget.

Commissioner Sugahara moves to approve the revenue forecast and Commissioner Ponzi seconds the motion. The Commission unanimously approves the motion to approve the revenue forecast.

Chair Youngblood asks for a motion to adopt the 2019-2021 budget modification from \$16 to \$20 million as noted in the materials provided.

	Feb. 2021 – Proposed Budget Modification
Transient Lodging Tax	59,714,125
Other Income	210,000
From Operating Reserve	1,003,000
Other Program Fund Balance	106,300
Total	61,033,425
Program budgets:	
Global Marketing	23,655,200
Global Strategic Partnerships	2,459,000
Statutory: Grants (encumbered)	5,971,400
Statutory: RCTP (encumbered)	11,942,825
Additional Grants	1,000,000
Regional Recovery & Stability	1,500,000
Destination Ready Grants	650,000
Global Sales	3,808,000
Destination Development	2,920,000
Administration & Operations	7,127,000
Total	61,033,425

Vice-Chair Francisco moves to approve the 2019-2021 budget modification. Commissioner Boyles seconds the motion. The motion to adopt the budget modification is passed unanimously by the Oregon Tourism Commission.

Chair Youngblood calls for a 5-minute break before further updates.

Reports, Updates & Discussions:

Chair Youngblood opens the floor for Todd to introduce reports, updates, and discussions. Todd thanks all of those joining the meeting virtually.

Portland’s Visitor Industry Update

Todd notes how difficult the pandemic has been on each of Oregon's regions, but particularly on the Portland region. He introduces Jeff Miller, CEO of Travel Portland, to speak to Portland's current environment.

Jeff Miller notes Travel Oregon and Travel Portland's collaborative relationship. He indicates Travel Portland's goal to increase room nights and shares a PowerPoint presentation describing their current economic state and provide a forecast update. Jeff notes that Travel Portland is seeing improvements in travel sentiment towards the city. Jeff concludes his presentation and asks if there are any questions.

Commissioner Willitts asks Jeff if the consumer poll was within the Portland area or outside the Portland Metro area.

Jeff states that the consumer sentiment survey is a national survey with respondents weighted towards the West Coast.

Commissioner Sugahara thanks Jeff for being here and the steps Travel Portland has taken to make improvements. He notes the decrease in total rooms available in Portland's STR report and asks if the loss of rooms in Portland will be permanent or if there is indication that they will return and asks when that might be.

Jeff notes that these rooms will return. Portland has eight hotels still closed but with plans to reopen as guidelines and COVID-19 numbers allow.

Commissioner Sugahara asks if the recovery travel to Portland is projected to be from local travel or from outside the state.

Jeff notes that they will see in-state travel return first and they are focusing locally first. The slow return of conferences and meetings will be difficult for Portland, but they are seeing new and smaller meeting trends in hotels rise.

Vice-Chair Francisco asks how Travel Portland is working with the restaurant community in Portland as it is so vital to the destination.

Jeff responds that they are waiting for restaurants to be fully open before they can message the culinary scene as a reason for travel. The restaurant scene remains important to Travel Portland. Jeff also notes how supportive City Council is with cleaning up the city and supporting the tourism industry.

Chair Youngblood shares his experience as a hotelier in the Portland region and his appreciation for Travel Oregon and Travel Portland's leadership to the industry. Now is the time we need to focus on supporting the Portland region.

Jeff responds that Travel Portland is only as good as what surrounds it. We will be good financial partners again as visitors and funding returns.

Commissioner Sugahara asks if Jeff has statistics or knows the totals number of restaurant closures in the area.

Jeff states that he does not have those numbers with him but notes that Multnomah County has been working to gather those figures. He notes that visitors come to Portland for the diversity of attractions

and Travel Portland is attempting to create a new narrative for visitors based on what is open and available.

Todd thanks Jeff Miller for his time today.

Destination Think Update

Todd states that Travel Oregon has selected Destination Think as the firm to steer Travel Oregon's strategic plan development and support the upcoming organizational redesign. Chair Youngblood notes the thoughtful deliberation of the Travel Oregon RFP committee in choosing Destination Think. Todd notes that this year's approach to strategic planning will be different from previous years, as we navigate an unprecedented situation. Todd introduces Rodney Payne, CEO of Destination Think, and Frank Cuypers, Senior Strategist at Destination Think.

Rodney shares a PowerPoint presentation describing Destination Think's structure, portfolio, and approach to planning with Travel Oregon. Frank describes the phases of the work plan suggest for Travel Oregon to create the next strategic plan which includes a two-phased approach. Phase one: the Rebuild plan will take place from February to May 2021; Phase two: the Transformational plan will take place from May to December 2021. Frank states that Destination Think will then support Travel Oregon from December 2021 to May 2022 as implementation of the plan commences.

Commissioner Willitts asks if their map accurately represented an office in Alice Springs, Australia.

Rodney notes that they do not have an office in Alice Springs, but staff throughout Australia.

Commissioner Anway asks how the RDMOs will be involved in the upcoming plan processes.

Frank states that the RDMOs will be involved in the industry interviews with the ten co-creation labs. Destination Think also plans to meet key staff with each RDMO during the June 2021 Governor's Conference. Todd notes that Destination Think will also be attending the upcoming Regional Engagement Sessions planned for next month.

Todd thanks Rodney and Frank for joining the meeting.

2021 Legislative Session Update

Todd introduces Sara Morrissey, Director of Public Affairs and Industry Communications at Travel Oregon, to provide a legislative update. Sara shares a PowerPoint presentation covering federal and state updates. This includes the federal \$1.9 trillion Covid-19 Relief: American Rescue Plan, Oregon's Senators: River Democracy Act of 2021, and that Destination Capitol Hill will occur virtually on March 17. Additionally, Sara shares state bill updates on the following:

- HB 2500 to increase state transient lodging tax,
- HB 2521 to increase transparency in transient lodging tax collection receipts,
- HB 2579 to transfer 0.3% of TLT towards affordable housing,
- HB 2600 to allocate 0.25% of TLT to the Oregon Conservation and Recreation Fund,
- HB 2672 to establish the Oregon Beach Fund and collect TLT from state recreation lodging and campgrounds, and
- SB 102 which exempts active or retired service members from paying TLT on military bases.

Travel Oregon is not supporting any of the bills that make changes to transient lodging tax as it is not clear where the additional funds would be allocated. Additionally, the Governor's Office is not currently supportive of increasing the TLT. Travel Oregon is supporting bills related to outdoor recreation and electric vehicle charging stations. Additionally, Travel Oregon is supporting:

- HB 2564 relating to the Willamette Falls Locks Authority,
- HB 2593 for search and rescue cards,
- HB 3010 to increase DEI efforts under the Oregon Production Investment Fund,
- SB 43 to extend sunsets for labor rebate for qualifying film production and tax credit for certified film production development contributions.

Sara thanks the Commission for their time this morning and asks if there are questions.

Commissioner Ponzi asks how the team decides when to provide a letter of support for a bill. She states she is very interested in the electric vehicle charging stations and the bill related to bicycle paths.

Sara states that when bills are produced she puts together priority one and two bills to present to the executive team at Travel Oregon for deliberation. She notes that while Travel Oregon has only provided letters of support on four of these bills, she presented on all bills Travel Oregon is likely to provide letters of support for.

Vice-Chair Francisco asks how Travel Oregon plans to support HB 3296, which will affect the beverage industry.

Sara notes that she will add HB 3296 to Travel Oregon's bill tracker system. She also clarifies that when Travel Oregon supports a bill, they connect with the Governor's Office to better understand all ramifications of the bill prior to providing a letter of support.

Todd thanks Sara for her time with the Commission today.

Destination Ready Update

Todd introduces the Destination Development team, including the interim Vice-President of Destination Development, Scott Bricker. Scott introduces Alexa Carey, Director of Community Based Services, and Hilary Sager, Manager of Destination Development. Alexa shares a PowerPoint presentation describing the strategy behind the Destination Ready program, overview of the program itself, eligible projects, and awarded projects. Alexa states that the application requests totaled \$3,914,374 with matching funds of \$4,044,866 for shovel-ready projects to improve local destinations. Hilary describes the makeup of the 23 projects that were awarded funds. Alexa thanks the Commissioners for their time and asks if there are questions.

Commissioner Sugahara notes his pleasure for the demand for the funds provided and the diversity of projects and regions. He notes that the Gorge and Central Oregon transportation projects are particularly exciting for him. He thanks the Destination Development team for their work.

Commissioner Ponzi thanks the team for their work on this program and supporting the industry.

Todd thanks the Destination Development team for the presentation and their nimble, strategic work on the Destination Ready program.

Consumer Communications and Marketing Update

Todd introduces Katy Clair, Director of Marketing Services, and Allison Keeney, Manager of Consumer Communications. Katy presents a PowerPoint presentation and describes how under Travel Oregon's current structure, consumer communications is part of the marketing team. Allison describes the recent public relations virtual events that highlighted each of Oregon's seven regions. She notes the follow-up she is currently undertaking and the media coverage that has occurred so far. Allison states that similar media events that will take place in the UK and Canada markets supporting the Global Sales team's efforts. Katy describes Travel Oregon's 2021 advertising campaigns and states that while Travel Oregon does not know when these campaigns will go to market, they are actively working on these campaigns to be ready when that time comes. Katy asks if there are any questions.

Commissioner Boyles asks if the schedule to launch the Welcome to Oregon Again campaign in April is accurate.

Katy responds that her goal is to have the marketing team plan for launching in April to be prepared when the Governor's Office gives approval, although she thinks it may launch later.

Commissioner Boyles asks how Travel Oregon wants industry partners to align with their campaigns.

Katy responds that with each marketing plan there are industry resources on Travel Oregon's website that are available to use and Travel Oregon is available to support the industry with marketing needs and assets.

Commissioner Boyles notes that with the current campaign release timeline, RDMOs and DMOs are slightly behind when they use Travel Oregon's resources because they have to launch to the industry after Travel Oregon releases their campaigns.

Katy notes that this is a great point that they will consider how to improve that coordination moving forward.

Vice-Chair Francisco asks if the spacing between the two campaigns will remain the same if the Welcome to Oregon Again campaign launch is postponed.

Katy responds that these campaigns are designed to launch independently and with different focuses in market and there will not be impacts to the OSE launch if the Welcome to Oregon, Again launch is delayed.

Vice-Chair Francisco notices that golf was not highlighted on the list of activities for the active adventurer demographic shared in the presentation.

Katy mentions that this was not a comprehensive list but notes that golf is important to Oregon.

Commissioner Sugahara thanks Allison and Katy for their work.

Additional Business:

Chair Youngblood invites Commissioners to share other business.

Commissioner Boyles notes that 15 of Oregon's counties have moved to a lower risk category for COVID-19. He announces that he has opened the Element Hotel in Bend, Oregon and is looking forward to visiting the completed property himself.

Chair Youngblood congratulates Commissioner Boyles.

Commissioner Sugahara asks if there have been any announcements about the Tokyo Olympics and Oregon22.

Todd states that there have not been any updates but all indicators point to both events taking place as planned.

Commissioner Sugahara asks if there are any updates on when the Commission will meet in-person again, as his tenure ends after the June meeting.

Todd states that Travel Oregon is considering having an in-person Commission meeting in June but states that this is dependent on many factors. The plan is to hold the Governor's Conference in June virtually.

Commissioner Ponzi notes that her tasting room in Washington County has reopened indoors. She also notes a bill passing allowing up to five cases of wine delivered per month per customer. This is an increase from two cases per month per customer and will greatly support Oregon's wine industry.

Commissioner Ponzi asks if the Take Care Out There campaign is still active to help message and manage appropriate behavior in our outdoor spaces.

Todd notes that the messaging behind Take Care Out There has continued to be part of our marketing and messaging during the pandemic.

Commissioner Sugahara asks if the layoffs at State Parks have impacted upkeep at smaller, less-popular State Parks.

Todd notes that he does not have specific information on State Parks at the moment but notes that the Destination Ready Program included projects specific to cleaning up trails and parks.

Commissioner Willitts thanks Todd and the Commission for bringing Jeff Miller to the meeting as Portland is a hub for our state and needs support. He also states his pride in the work Travel Oregon is doing and the recovery efforts for Oregon's struggling communities.

Closing Remarks:

Todd highlights Commissioner Willitts sentiment that today's meeting agenda demonstrates true planning for the future and looking forward to recovery, despite the difficult year our industry has undergone. Todd states his personal optimism for the shift we are experiencing and thanks the leadership of the Commission.

Chair Youngblood thanks the commission for their time and high standards in service to our state. Chair Youngblood thanks all speakers in today's meeting and formally adjourns the meeting at 12:10 p.m.