

Oregon Tourism Commission Meeting

March 14, 2022

2022 Oregon Governor's Conference on Tourism

Sunriver Resort

Zoom Meeting and YouTube Live

Commissioners present included: Scott Youngblood, David Penilton, Erin Stephenson, Mia Sheppard, Don Anway, Lucinda DiNovo, Greg Willitts, Maria Ponzi, Richard Boyles

Chair Youngblood calls the Commission meeting to order at 1:02 pm and notes that the in person and virtual public meeting is in accordance with state public meeting requirements. He states that there is a sign-up sheet in the back of the room for public comments.

Welcome and Introductions:

Chair Youngblood asks each Commissioner to introduce themselves and introduces Travel Oregon CEO, Todd Davidson.

Each Commissioner introduces themselves.

Chair Remarks

Chair Youngblood acknowledges how nice it is to be meeting in person again. He recognizes the work of Travel Oregon staff on the Oregon Governor's Conference on Tourism. He notes his gratitude to those joining in the room and via live stream, noting the industry's resilience through the pandemic.

Public Comment

On Tuesday, March 1, the Commission meeting notice and materials were posted on Travel Oregon's Industry website with instructions for public comment. One general public comment was submitted online and shared with the Commission. This comment will be posted on the Travel Oregon Industry site and become part of the public record for today's meeting. Chair Youngblood opens the public comment period in the meeting room.

Chair Youngblood invites Lizzie Keenan to speak.

Lizzie Keenan, of the Mt. Hood Columbia River Gorge Region, notes her gratitude to see the consideration of minimum RCTP funding levels on the agenda today. She acknowledges that each RDMO completes similar work but funding levels are significantly different. She believes it is important for the Commission to discuss what

equity looks like for the RDMOs given the changing circumstances of our industry over the last few years.

Chair Youngblood thanks Lizzie for her comment and invites Scott West for public comment.

Scott West acknowledges the passing of Gerry Frank and acknowledges the war in Ukraine. He notes that he watched the previous Commission meeting and states that no strategic or transformational plan completes itself. He notes the transformations the industry has seen over the last 30 years. He acknowledges the questions that the Commission brought forward on the Transformational Strategy. He states that people matter and that Kari Westlund's comments resonated with him. He states that the last two years have been horrible, for people, businesses, and for individuals' mental health. He encourages the Commission to continue to step out from behind the computer and engage with their staff and the industry. He notes that the main reason for his comment today is the layoffs of Travel Oregon staff almost two years ago. He acknowledges that this Transformational Strategy builds on the work of all Travel Oregon staff that came before. He acknowledges that the industry is also facing a workforce shortage and notes that he trusts those in the industry working on this issue. He encourages the Commission to speak frankly and show respect for themselves and others. He asks Travel Oregon to make sure they are very clear of their expectations in this Transformational Strategy. He acknowledges each position that was laid off or is no longer at Travel Oregon: Carole Astley, Kayla Dunn, Lorna Davis, Linea Gagliano, Beth Gehret, Jeff Hampton, Stephen Hatfield, Jessica Otjen, Heather Plataniias, Holly Van de Wege, Elena Vizzini, Jenna Wheatley, Meredith Williams, and other positions that did not give permission for their names to be used. He acknowledges every other employee in Oregon that lost a job due to Covid-19 and wishes them well.

Chair Youngblood thanks Scott West and invites Marley Boxler from the City of Troutdale and Visit Troutdale. Marley acknowledges that their region is unable to build new lodging due to zoning in the region. Due to this, their region receives less funding than other regions despite the high volume of visitors they see. She notes her support for the Commission reviewing the minimum RCTP funding levels today.

Chair Youngblood thanks Marley.

Commission Business

Chair Youngblood notes that the Commission has inherited a legacy of achievement due to the work of strategic partners and Travel Oregon staff. Chair Youngblood notes the loss of Gerry Frank yesterday, his love of Oregon, and his service on the Commission for five years.

Chair Youngblood invites the Commission to speak if they have any additional comments.

Commissioner DiNovo thanks Scott West for his comments and recognizes the contribution that former Travel Oregon staff have made to our current work.

Chair Youngblood asks if everyone has received their Commission packets including financials. He thanks Vice Chair Boyles for reviewing the financials with Kathleen Stewart, Comptroller of Travel Oregon, Todd and Commissioner DiNovo and Chair Youngblood.

Vice Chair Boyles notes that with the most recent deposit last week, fiscal year to date transient lodging tax revenue is at \$28.4 million or 93% of the budget. This is up roughly 13% of what is typical at this time of year and aligns with the forecasted budget shared at the last Commission meeting. He states that the Commission looks forward to the June meeting where the Commission will consider a budget modification to the 2021-2023 biennial budget. He notes that Kathleen informed the Commission that a recent agreed upon procedures review was performed and no significant findings were found. The report has been shared with the Legislative Fiscal Office for review. He states that he also received notice that Travel Oregon has received a financial commendation from the State of Oregon's Chief Financial Officer and has been awarded the Gold Star Certificate, the highest award that states provide to agencies.

Chair Youngblood asks Kathleen to stand for a moment and she receives applause. Chair Youngblood asks how many years Travel Oregon has received this award.

Kathleen answers that Travel Oregon has received this award since the award's inception – noting record back through 2014.

Chair Youngblood congratulates Kathleen and Travel Oregon. He asks if the Commissioners have any questions.

There are no questions.

Chair Youngblood notes the amazing engagement with the draft Transformational Strategy, whose public comment period ended on February 21, 2022. He asks Todd to provide a status update since the last Commission meeting.

Todd notes the great comments that were shared both during the Commission meeting and through the public comment process. He notes how thoughtful and insightful the comments were. He states that the draft strategy will include more history of Travel Oregon's funding, its goal of driving economic development, and context from ORS 284. He notes that staff will remain responsible for making these changes to the draft strategy, however, the Commission will assist with revisions and review of the plan via a review committee. The review committee will include three Commissioners: Commissioners Boyles, DiNovo, and Penilton, as well as representatives from the lodging and hospitality sector. Staff will meet with the review committee at the onset of the process. A final draft will be shared with the Commission in advance of the June Commission meeting with the plan to receive approval at that time.

Commissioner Penilton states his pleasure that Todd and the Commission are taking immediate action. He notes that he has read all public comments and reviewed all feedback, and it will be taken into account in the revision process. He states his excitement to serve on this committee.

Commissioner DiNovo thanks Todd for listening to the Commissioners. She looks forward to serving on the committee as well.

Vice Chair Boyles states that he looks forward to serving on this committee. He notes that there is still work to be done and he is hopeful it will be completed for the June meeting.

Chair Youngblood asks if the Commission has reviewed the February 15, 2022, Commission meeting minutes and if there are any questions or comments.

Commissioner Willitts states his gratitude to Travel Oregon staff member, Gabriella, for capturing his statements from the previous meeting in a concise manner in the meeting minutes.

Commissioner Ponzi agrees and moves to approve the February 15, 2022, Commission meeting minutes.

Commissioner DiNovo seconds the motion.

The motion to approve the February 15, 2022, Commission meeting minutes is unanimously approved and the minutes will be posted to the Commission section of the Travel Oregon Industry website.

Nominating Committee Appointment

Chair Youngblood states that a nominating committee is appointed annually to submit recommendations for who should serve as the next Chair and Vice Chair of the Oregon Tourism Commission. He notes that he is not seeking reappointment and Commissioner Anway's term will sunset this year. As such, Commissioner Anway and Chair Youngblood will serve as the nominating committee and will bring forward their recommendations to the June Commission meeting. Chair Youngblood asks if anyone has questions or comments on this process.

There are no questions.

CEO Evaluation Process

Chair Youngblood notes that each year the Commission completes a review of the performance of the CEO of Travel Oregon. This year the process will be led by Vice Chair Boyles, Commissioner DiNovo, and Chair Youngblood and will include seeking input from statewide stakeholders, tourism professionals, other agencies, and direct input from Commissioners. He asks if there are any questions to the evaluation process.

There are no questions.

Consideration of Minimum RCTP Funding Levels

Chair Youngblood asks Todd to invite members of Travel Oregon staff to the stage for updates and presentations.

Todd asks the Commission to reestablish a minimum threshold for the Regional Cooperative Tourism Program (RCTP). Todd acknowledges Lizzie's comments, that spoke to the difference in funding each region receives. He states that by statute, 20% of revenue from the transient lodging tax is invested in RCTP. In turn, those dollars are shared out to each region on a pro-rata basis. Prior to the pandemic, a minimum threshold for funding was established. Todd asks the Commission to consider reestablishing the minimum threshold for the coming fiscal year. He notes that it does not require Commission action, although the Commission is welcome to hold a vote. Consensus will provide Travel Oregon with the guidance needed to build a budget that establishes the minimum threshold for RCTP. He notes that other budget sources are allocated to provide this baseline, which includes \$13,000 to the Mt. Hood Columbia River Gorge region and \$45,000 to the Eastern Oregon region to bring their budgets to the minimum amount. He asks if there are any questions.

There are no questions and Commissioners confirm agreement in Todd's proposal.

Chair Youngblood notes that this process does not take money from the pro-rata share of some regions to boost others, but instead is supplemented from outside the RCTP budget. He states his support for this process and notes the importance to these regions, as was noted in Lizzie's public comment.

Commissioner Penilton states that a deep dive is needed to understand regional equity and regional capacity to ensure each region is supported.

Todd thanks the Commissioners for their direction and notes that this will be shared with each region as they plan for the next fiscal year.

Todd calls out Dave Parulo and Thelma Hagenmiller, both in attendance today – noting that this is Dave's first Oregon Governor's Conference on Tourism and Thelma's 30th conference. Thelma receives applause from the Commission and the audience.

Grants Update

Todd invites Michelle Woodard, Grants Manager at Travel Oregon, to provide a grants update.

Michelle provides an update on the grants program at Travel Oregon via a PowerPoint presentation. She shares a new grant, the Oregon Outdoor Recreation Outfitters & Guide Relief Grant Program, resulting from SB 5561 during the 2021 second special legislative session. She notes there will be an inter-agency agreement between Travel Oregon and Business Oregon for this program. The legislature appropriated \$10 million for Travel Oregon to administer this one-time program for those tour operators, guides, and outfitter businesses affected by the pandemic, wildfire, or drought. She notes that

the goal is to provide these funds to businesses as quickly as possible, however, this process will be different than Travel Oregon's grants program which is able to operate nimbly due to our semi-independent agency status. An advisory committee has been formed, draft guidelines and rules will be developed, and those eligible for funding will be contacted directly thanks to a partnership with the Oregon State Marine Board.

Michelle continues by sharing highlights from the 2021 competitive and recovery grants program including Portland Mercado, City of Lincoln City, and a video highlighting Fuller Events and the Lot at Zidell Yards. Michelle shares a program timeline to open in early summer with eligibility guidelines in place by late spring. Travel Oregon is partnering with the Oregon Cultural Trust for the Conversation with Funders series that will take place in April 2022. She notes the value of the grants program which provides 10% of Travel Oregon's funding back to communities.

Todd asks if there are any questions for Michelle.

Commissioner Ponzi thanks Michelle for always providing hope and positive updates to the Commission. She asks if there is training available for those who are unfamiliar with how to apply for grants.

Michelle notes that Travel Oregon did provide a grants training in 2020 and she hopes the upcoming Conversation with Funders will be a good opportunity for those interested in applying for grants. She notes that the grants team plans to have recorded trainings on Travel Oregon's website as resources for possible applicants.

Commissioner Ponzi thanks Michelle for those additional resources. She asks if Michelle has an estimate of how many businesses could be helped by the Oregon Outdoor Recreation Outfitters & Guide Relief Grant Program.

Michelle states that Travel Oregon is working with the Oregon State Marine Board and applicants must be registered with the Marine Board by March of 2020. This opens funding to 1100 possible businesses.

Commissioner Penilton asks if the guidelines are inclusive of the RDMOs.

Michelle notes that work has not started yet on these guidelines but one of the first steps is to meet with all seven regions.

Todd thanks Michelle for the update.

Digital Marketing Support Program for Tourism Businesses

Todd invites Hilary Sager, Destination Development Manager, and Gabi Duarte, Global Sales Program Manager, to provide an update on supporting tourism businesses through a digital marketing program.

Hilary notes that almost one year ago, Kelda Schmidt and Hilary provided an update on a small business marketing support series. She shares a PowerPoint on the updated Digital Marketing Boost Program and shares the goals of the program with the

Commission including: building awareness of these businesses, highlighting potential opportunities, educating, training, and empowering businesses in modern digital marketing fundamentals, assisting with implementation, and prioritizing access for small businesses lacking resources for marketing efforts. Through this program, each business receives a report with a thorough assessment of the business' digital marketing footprint and one-on-one consultations. 62 businesses were reached in the pilot program in 2021. She notes that the future of the program will better align with slower seasons for small businesses. She notes that this program has expanded to support tour operators, guides, and outfitters. She invites Gabi to speak to this portion of the program that is currently underway.

Gabi states that this program was a perfect fit for tour operators, guides, and outfitter small businesses. This program is currently underway with 17 guide and outfitter businesses through the Why Guides program. She notes the lack of guided experiences offered overseas through receptive operators. To address this, Travel Oregon hosted trainings with Steps to Success, an IITA training via ALON Marketing, that program participants were asked to attend as an addition to the digital marketing boost program. This three-part training will conclude March 21, 2022 and is free to attend for industry members. All 17 participants attended the first session of this training to better understand international marketing for their business. She notes the combined efforts between Destination Development, Global Sales, and Global Marketing.

Hilary thanks Gabi. She continues by describing the program toolkit that is being created and will be shared via the industry newsletter soon. Travel Oregon plans to continue offering this program to businesses and notes how widely applicable it is to businesses across our industry.

Todd thanks Hilary and Gabi for the thoughtful and strategic approach to impacting small businesses.

Commissioner Penilton states his support for this program. He looks forward to learning more about this program and ensuring statewide funding support for programs like this.

Commissioner Stephenson notes that business owners are often confronted with choosing between what is urgent and what is important. She notes that businesses receiving these resources from Travel Oregon up levels what these businesses can accomplish. She thanks Gabi and Hilary for their work on this program.

Vice Chair Boyles notes that Gabi stated Travel Oregon had the opportunity to provide funding to 20 guide businesses and 17 applied. He asked if there was funding still available for three businesses, how outreach was done, and how the funds were being used.

Hilary notes that the additional funds are being allocated for implementation support for these 17 businesses. Gabi noted that outreach was done both to the Why Guides

registry and the Travel Oregon TOGO Basecamp, reaching roughly 300 guide businesses. She notes that time is always limited for these small businesses and may explain the applicant total.

Commissioner Sheppard states her love for this program and how helpful it is for small businesses. She asks if it will be run again next year and what the future of the program is.

Hilary notes that it is still up for consideration what the program will look like next fiscal. She states that Food Trail businesses and Why Guides businesses have already been looped into this program but there is further opportunity through these channels. She notes that the program will return in the winter of each year. Gabi notes that after the Why Guides portion of the program is completed, Travel Oregon plans to follow up with each business to see how the program impacted them. If the impact is positive, Travel Oregon would consider running it again to this audience.

Commissioner Penilton notes how helpful a central database is and how excited he is about the continuation of the Why Guides program.

Commissioner DiNovo notes the growth of the Why Guides registry since the last report to the Commission. She asks how Travel Oregon plans to include the 300 guide businesses from the TOGO Basecamp.

Gabi states that all of those businesses were invited to register for the Why Guides registry in addition to multiple e-newsletter inclusions. She states that the hope is to reopen the registry in the future to get more businesses on board to continue to uplift this sector of our industry.

Commissioner Penilton notes that RDMOs could be helpful in getting the message out about this program.

Gabi notes that there will be a Why Guides session at the Governor's Conference on Tourism. She states how accessible the program is and that it provides Travel Oregon with more information to share the Oregon story.

Chair Youngblood acknowledges the responsiveness, innovation, passion and nimbleness of the Travel Oregon team that benefits those whom we serve. He echoes Michelle's statement on Travel Oregon's status as a semi-independent state agency allowing the team to be nimble with our work.

Todd thanks Gabi and Hilary.

Advertising Update

Todd introduces Kevin Wright, Vice President of Global Marketing, and Bryan Mullaney, Global Marketing Insight and Planning Manager, for an advertising update.

Kevin introduces Bryan to provide an update on the Only Slightly Exaggerated 3 campaign.

Bryan provides a presentation via PowerPoint. He shares background on Travel Oregon's hiatus from inspirational marketing due to the Covid-19 pandemic. He describes the Welcome to Oregon again campaign that encouraged Oregonians to travel within the state. Following that, the Only Slightly Exaggerated 3 campaign was launched to Oregonians and out-of-state visitors. He describes the creative strategy that focused on diversity, equity, and inclusion and making this campaign representative of all Oregonians. This work was done with focus groups at Wieden + Kennedy and with stakeholders conducted by Travel Oregon. He describes campaign tactics to show up authentically and serve Travel Oregon ads to communities of color. Bryan shares results of the campaign including 2,435,402 long-form video views, 382,765 sessions on TravelOregon.com, positive and negative sentiment received from viewers, and OSE3 DEI KPI results meeting all goals except with Asian audiences. Bryan shares learnings from the campaign, noting that a fall/winter campaign is a more expensive and cluttered advertising environment, the need to focus on lower funnel engagement, and the high engagement with expanded Spanish-language offerings.

Commissioner Ponzi asks for an example of negative sentiment around the campaign.

Bryan states that many of the negative comments surrounded the look and feel of Portland in the campaign.

Commissioner Ponzi asks if the sentiment spoke to the campaign being misleading.

Bryan states that he does not recall any specific comments stating that the campaign was misleading, but many comments seemed like venting about city or state issues.

Commissioner Ponzi asks Bryan to define upper and lower funnel engagement.

Bryan states that upper funnel engagement drives awareness of Oregon and lower funnel engagement drives action, including ordering travel guides, signing up for the e-newsletter, or clicking a link to a business from Travel Oregon's website.

Commissioner DiNovo recalls that Bryan stated that the long-form video views were lower than previous iterations of the Only Slightly Exaggerated campaigns. She asks if this video was marketed to the same areas as previous iterations of the campaign or a smaller subset.

Bryan notes that the advertising spend was close to identical and the areas were mostly the same as well. He notes that the initial OSE video generated a lot of buzz and a viral reaction. He states that these results speak to the repetitive nature of these campaigns and why the Global Marketing team is moving forward with the next campaign, Extraordinary is Ordinary.

Vice Chair Boyles notes that Bryan commented on spending effectively in advertising during the shoulder season. He asks if this implies not spending during these seasons in the future or if it was simply an observation.

Bryan notes that Travel Oregon will continue to spend during these seasons but notes using advertising funds effectively to generate the largest impact.

Kevin states that spring and summer will see a higher dollar-for-dollar return than a fall/winter campaign, so the observation is somewhat to set expectations accordingly. He notes that Travel Oregon will continue to look at tactics and optimize advertising efforts. He states that business is needed in the fall and despite the cost, advertising in this season is important.

Todd thanks Bryan for the presentation and invites Kevin to share his presentation.

Future Forward Advertising

Kevin provides the Commission with a future forward look at advertising via a PowerPoint presentation. He notes that the World Athletics Championships Oregon22 provide an unprecedented advertising opportunity for Oregon. He describes using a pulsed approach to advertising, where each campaign segment will be closer together in time between the spring and fall of 2022. The spring advertising strategy will focus on extending the length of stay and spreading out the geography of visits of event attendees for Oregon22. The summer strategy will use the platform of the Championships to drive awareness of Oregon through the Extraordinary is Ordinary campaign. The fall strategy will encourage bookings in Oregon during the fall and holiday season. He states that the pulsed approach allows for nimbleness and can quickly evolve to better serve the needs of our regions. He sees this strategy continuing into the future to drive demand at the time and place most needed.

Commissioner Sheppard asks what close-in markets is referring to.

Kevin states that close-in markets includes Oregon, Seattle, Sacramento, Boise, and other drive markets from the state.

Commissioner DiNovo notes that roughly 100,000 tickets have been sold for the World Athletics Championships Oregon22. She asks who Travel Oregon is advertising to, international guests or domestic ticketholders. She notes that many ticketholders may have already made travel plans.

Kevin notes the difficulty in knowing specific demographics of ticketholders due to permissions from Ticketmaster, the ticket selling platform for the events. He states that Travel Oregon has some data provided by Sparkloft via a social media heat map showing where conversations about the World Athletics Championships Oregon22 are happening. He notes that while we do not have information on ticketholders, we do have the avenue to communicate with them. He states that while ticketholders may have a plan to visit, many attendees may have the flexibility to visit other areas of the state.

Chair Youngblood asks when the Commission will get to see the Extraordinary is Ordinary campaign.

Kevin states that either it will be shared in June at the Commission meeting or via a Commission training, as done previously.

Chair Youngblood notes the success of previous campaigns and asks if the new campaign will be referenced as "EIO".

Kevin states the acronym for the campaign is "E is O".

Commissioner Penilton states his excitement and how beneficial the timing will be to rebuild the reputation of the state and foray into sports tourism.

Kevin notes that many of these topics have been discussed for years and it is exciting to begin again in earnest with the Transformational Strategy top of mind.

Vice Chair Boyles asks how the marketing team decides which geographic areas receive marketing.

Kevin states that internally, there has long been a conversation around high-use and gap areas of the state and adjusting strategies accordingly. Marketing efforts will be mapped based on demand needs across the state.

Todd thanks Kevin for his presentation.

Oregon Governor's Conference on Tourism 2022 Preview

Todd introduces Lisa Itel and Matthew Finn to present on the 27th Annual Oregon Governor's Conference on Tourism.

Lisa states Travel Oregon's excitement to bring the conference back in person. She notes that for those unable to join this year, the conference will be live streamed for free. Links for all sessions can be accessed via the Travel Oregon Industry website. She states her gratitude that Travel Oregon was able to work with 8 of 9 federally recognized tribes in Oregon for a Tribal Welcome Celebration at 8:30 am on Tuesday, March 15, 2022. Ann Curry, Emmy award-winning journalist, will be joining the conference as a keynote speaker. Chuck Sams, the newly appointed National Park Service Director and a member of the Cayuse and Walla Walla of the Confederated Tribes of Umatilla Indian Reservation, will also be a keynote presenter. Tuesday evening, conference attendees are invited to a Night Out with Why Guides, including multiple options for guided experiences around Sunriver. Lisa introduces Matthew Finn to share other exciting Conference moments to expect.

Matthew Finn describes the High Desert Food Trail Lunch that will feature businesses from the High Desert Food Trail. Five vendors will provide samples alongside a catered lunch along with open networking time. Matthew notes the sponsors that make the Oregon Governor's Conference on Tourism possible. He shares the exhibitors that will be present at the conference and when attendees can connect with them. Travel Oregon collaborated with Crux Fermentation Project to create a Future Forward IPA. \$2 will be donated to the Bend Sustainability Fund for every pint sold at Crux and will be offered

during the conference. Matthew shares that this idea came out of the Oregon Tourism Leadership Academy, which kicks off again later this week in Sunriver.

Todd thanks Lisa and Matthew and asks the Commissioners if there are any questions.

Commissioner DiNovo thanks Lisa and Matthew for all of their efforts and for their quick response time to questions via email in the days leading up to the conference.

Commissioner Penilton thanks Lisa and Matthew and notes the time and stress required to plan such a conference.

Todd notes the planning environment that Lisa and Matthew had to work within and the nimbleness of the team. He thanks Lisa and Matthew for their presentation.

Other Business

Todd acknowledges the passing of Gerry Frank. He recalls that he was Chair of the Oregon Tourism Commission when Todd was hired. He notes the love that Gerry had for Oregon and describes his legacy, including his guidebook. He describes Gerry's devotion to public service and acknowledges how much he will miss Gerry.

Chair Youngblood thanks Todd. He asks the Commissioners if they have any other business to share.

Commissioner Ponzi shares that she knew Gerry when she was a little girl. She states that he was a true champion of Oregon and celebrates that he lived to 98 years old.

Commissioner Penilton thanks Kathleen and her team for the Gold Star Certificate. He also acknowledges that the Embassy Suites is in the top 100 companies to work for and acknowledges Chair Youngblood. He also congratulates Commissioner Ponzi on her lifetime achievement award and recognizes her work with women entering the wine industry.

Closing Remarks

Chair Youngblood states that the next Commission meeting is set to take place in June in Eugene, Oregon. He asks that we keep the people of Ukraine in our hearts during this time.

Chair Youngblood adjourns the meeting at 3:01 p.m.