

Oregon Tourism Commission Meeting

October 4, 2022

Best Western PLUS Hood River Inn
1108 East Marina Way
Hood River, OR 97031

Broadcasted via YouTube Live

Tourism Commissioners present included: Richard Boyles, Lucinda DiNovo, David Gremmels, David Penilton, Maria Ponzi, Erin Stephenson, Mia Sheppard, Greg Willitts, and Scott Youngblood.

Welcome and Introductions

Chair Boyles calls the Commission meeting to order at 9:00 am 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 and that meeting materials can be found on the Travel Oregon Industry website.

Chair Boyles acknowledges that we have a new Commissioner, David Gremmels of Rogue Creamery and asks David to say a few words.

Commissioner Gremmels states how honored he is to be a part of the Oregon Tourism Commission. As an organic company driving sustainability – safety, health and regenerative first practices are key. Stewardship is at the heart of the values of Travel Oregon, including prosperity, equity and integrity. Commissioner Gremmels states that as a b-corporation, that is how we lead. States that he is honored to be a part of this Commission and moving Oregon forward in the spotlight as the destination it deserves – the best destination in the world.

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

Chair Remarks

This is my first meeting as Chair of the Oregon Tourism Commission. I am happy and excited to serve in this role and I am happy to be serving at a time when the visitor industry continues to rebound from the depths of the pandemic that hobbled the organization's ability to pursue its work of tourism promotion and destination stewardship.

I would like to thank my fellow Commissioners for electing me Chair. I appreciate the confidence that expresses.

As a Commission we have interesting and important work ahead of us. Our recently adopted 10-year strategic vision provides a new lens for guiding and evaluating the initiatives and objectives embodied in the Strategic Plan for Travel Oregon. I look forward to collaborating with Vice Chair DiNovo, the Commission and our CEO, Todd Davidson, in setting the agenda for our work, tracking Travel Oregon's accomplishments, celebrating Travel Oregon's successes and those of our partners in the visitor industry at large. As an economic development agency working in the tourism space, Travel Oregon has the

potential to effect positive change for Oregonians. It also has the unique opportunity to provide memorable, sometimes transformative experiences to visitors. I am inspired by those opportunities.

Thanks again for the opportunity to serve as Chair.

Vice Chair DiNovo thanks Chair Boyles. I too want to express my thanks to the commissioners for electing me as Vice Chair. As we all know it's an honor to serve on the commission and to be selected to serve in a leadership role an even greater honor. I recognize the trust my fellow commissioners have placed in me, and I will make sure to honor that trust as we continue to do the important work of promoting Oregon. I look forward to the coming year to work more closely with Chair Boyles, Todd Davidson and the incredibly talented Travel Oregon team.

Local Welcome

Commissioners, as we resume our in-person meetings, one important opportunity we have is to hear from our local partners welcoming us to their communities.

Katie Kadlub, CEO of Visit Hood River, thanks and welcomes the Commission to Hood River. Katie discusses the many changes that have been made in Hood River with the rebound of tourism.

Lizzie Keenan, Lead for Mt. Hood and Columbia River Gorge Tourism Alliance, discusses how the RDMO functions in this region. Recreation is a top draw, but managing those levels can be challenging as we host travelers that are day-trippers where TLT isn't collected. Lizzie states they are looking at how to target big issues with minimal investment that have a high ROI including: search and rescue, trail ambassador program, dispersion tactics and direct visitor flow away from high use destination; Infinity Loop map – that highlight those places and businesses that have capacity to welcome visitors; contracted grant writer; scholarship trainings and conferences – including Destination Analyst Diversity, Equity and Training leadership program; staff capacity to be at the table to provide tourism perspective and educating on how tourism is part of the solution; Waterfall Corridor permitting; Columbia Gorge Tourism Alliance; Americorp placement is working on accessibility, climate action for the region, food systems (agritourism), and destination stewardship work.

Terra Lingley, Columbia River Gorge National Scenic Director with Oregon Department of Transportation (ODOT) and Stan Hinatsu, Recreation Staff Office, USDA Forest Service, Columbia River Gorge National Scenic Area, provide the Commission with a PowerPoint regarding the Columbia River Gorge Waterfall Timed Use Permits.

Commissioner Penilton asks about bike safety and theft issues.

Terra states that theft remains a problem with about 10 more bike thefts per day.

Stan states that thefts on the historic highway may not have increased, but thefts remain high or have increased throughout the Columbia Gorge Scenic Area.

Vice-Chair DiNovo ask if they've considered time entries to the scenic area.

Stan states that they haven't because they don't want to put constraints on visitors for how long they stay. The trails aren't being overwhelmed because parking is the major issues.

Commissioner Stephenson asks if they've considered public and private partnerships to help solve the parking issue by allowing and promoting larger vehicle access.

Terra states that there are two shuttle operators who they work closely with. The economic value is problematic as people don't understand that by spending more for the shuttle, they may have a nicer experience.

Commissioner Ponzi thanks Terra and Stan for their collaborative approach and states concern for the heavy use areas. Asks about the communication for informing public of the transportation options along with the requirement for the parking permit.

Terra states that permanent and variable signage exists to let people know about permits. There have also been 5000 signage cards printed and distributed for travelers.

Stan states that the Columbia Area Transit (CAT) staff reported a 10-20% increase, to about 60% of travelers knowing about and acquiring the permits.

Commissioner Ponzi asks about the length of the permitting season.

Terra explains that it's basically Memorial Day through Labor Day. Moving forward they will continue to target the peak season but understand that the problem exists year-round.

Commissioner Ponzi asks if they have considered increasing the cost of the permit.

Commissioner Gremmels asks about the sustainability of the problem and what would the cost be to fully support it.

Stan states that it's about \$1M and the way to charge a fee (federally) is a challenging process.

Chair Boyles personally thanks the group for their remarks and stewardship of this wonderful part of the state. This region, like many others, have definitely had your challenges over the years, but your perseverance, vision and continual support for this region is inspiring and we are grateful.

Stakeholder, Partner and Public Statements

Chair Boyles states that on Monday, Sept. 19, the Commission meeting notice was posted to the Commission Meetings webpage. Notice was sent through our Industry Communications, and the meeting materials including the agenda, financials, a Strategic Plan Progress Report, and a link to this Livestream were posted to the website. With no agenda items on today's agenda that require official testimony opportunities, we'd like to remind our stakeholders, partners and the public that a comment form lives continually on our Industry meeting page should you like the opportunity to provide us your insights.

Two such comments were submitted ahead of this meeting, and those have been distributed to the Commission. Today, with this meeting being held in-person – we have also have the opportunity for attendees to sign up in-person to speak with us today.

Dan Eason, Vision Stages, states that their business is in Troutdale and may have an opportunity for public/private partnership to allow for parking at their facility for those wanting to visit the Columbia Gorge Scenic Area.

Commission Business

Chair Boyles asks if everyone has received their Commission packets including Travel Oregon financials; Commissioners confirm they have. He thanks Vice Chair DiNovo for reviewing the financials with Kathleen Stewart, Comptroller of Travel Oregon, Todd, Commissioner Willitts and himself and asks Vice Chair DiNovo to provide an update to the rest of the Commission.

Vice Chair DiNovo states that the final financials for FY22 as well as financials FYTD (FY23) were reviewed. The final FY22 were included in our Commission materials and have been posted to the Industry Site.

When we met last in June, this update was that the May TLT deposit came in a little lighter than expected – but when the Department of Revenue posted the final numbers in July, our final TLT came in at \$186,000 over budget - \$35.8M vs \$35.6M budgeted.

Looking at current FYTD – for Q1 we have received \$10.2M in TLT, or 30.5% of current budget. Normally we would be about 24% of budget at this time; we are on pace with the Feb. '22 updated revenue forecast.

YOY increase TLT is up 36% compared to same time frame FY22

Compared to FY19, TLT is up 16% after adjusting for the change in the tax rate.

A few additional things to note:

- The remaining (unawarded) SB 5561 (Outfitter Guides) grant funds have been returned to Business Oregon.
- The last OR22 grant payments have been sent out.
- All RCTP funds for the current fiscal year have been distributed.

Commissioner Ponzi asks why the conference rates are down.

Todd states that this budget line is in anticipation of the upcoming Governor's Conference in 2023.

CEO Evaluation Update

Each year the Commission completes a review of the performance of the Travel Oregon CEO. The process to inform that review was led by myself along with Commissioner DiNovo and Commissioner Youngblood. We sought input from statewide stakeholders, tourism professionals, Travel Oregon staff, other agencies and of course, direct input from the Tourism Commissioners themselves.

We are pleased to report on the consistent enthusiasm and appreciation for Todd's work shared by the Commission and industry alike. As a result of our review and Todd's performance, a 5% increase will be made to Todd's salary.

Do Commissioners have comments or questions about the CEO Evaluation process?

Vice-Chair DiNovo states her appreciate for the increased and relevant survey questions, for the staff 365 review and that there is consideration for a 365 review incorporated into the stakeholder survey as well.

Commissioner Gremmels states his appreciation for the transparency for the process.

Commission Action

Chair Boyles asks if the Commission has reviewed the June 14-15, 2022, Commission meeting minutes and if there are any questions or comments.

Commissioner Youngblood moves to approve the June 14-15, 2022, Commission meeting minutes and Commissioner Penilton seconds the motion.

The motion to approve the June 14-15, 2022, Commission meeting minutes is unanimously approved and the minutes will be posted to the Commission section of the Travel Oregon Industry website. Commissioner Gremmels abstains from voting as he was not present for the June 14-15 2022, Commission meeting.

Chair Boyles recesses the meeting at 10:05 a.m.

Chair Boyles calls the meeting back to order at 10:14 a.m.

Tourism Economics International Visitation Statistics & Future Forecast

Todd states that there are tremendous signs of hope with the return of visitors. Today we get to see where we have been and receive a forecast for what's to come. To start us off today, I'd like to welcome Petra Hackworth, VP of Global Sales and Geoff Lacher, Senior Economist at Tourism Economics, to walk us through a PowerPoint on international statistics update.

Petra states that Geoff will be discussing research, data, and trends, particularly what we can expect from international recovery in Oregon and also the United States. Petra discusses a few trips that the Global Sales team has taken in recent weeks. Petra attended Brand USA Travel Week in Frankfurt Germany talking to European and UK tour operators and media about product development and pitches. Greg just attended JATA Tourism Expo, a consumer and trade event, with Bob Hackett from Travel Southern Oregon in Tokyo, Japan. While there, Japan announced its plan to lift COVID-19 testing requirements and restrictions to enter the country on October 11, 2022. During the pandemic, the Global Sales team focused on five key markets, including the United Kingdom, Germany, Japan, Canada, and the domestic travel trade market. Prior to the pandemic, Travel Oregon worked in 13 global markets. Petra discusses the return of international flights to Portland International Airport (PDX) and that we are starting to initiate some work in France, the Netherlands, and Australia again. Petra introduces the concept of "Revenge Travel" which is travel that visitors who love to travel and plan annual long-haul trips, but have been unable to do during the pandemic, so they are planning and taking those trips now. These visitors have money saved to take trips in the near future and are upgrading services, such as flying business class. She mentions that international recovery is slated to fully return by 2025, but each tour operator she has spoken to recently mentioned that the last year has been the best year of revenue.

Geoff shares a PowerPoint presentation on the global economy in general, international travel to Oregon, and long-term thoughts on international travel. He discusses high inflation, both in the U.S. and globally, and slowing economic growth globally in 2023. He states that a second problem is the strength of the U.S. dollar in comparison to other currencies, which makes trips to the U.S. more expensive. He discusses other external forces on the global economy, including the war in Ukraine, high inflation and gas prices in Europe, China's supply chain issues, and the possibility of more COVID-19 variants. He continues by discussing flight cancellations and problems in Europe, the lockdowns in China, and a possible recession in Canada all as factors affecting international travel. Geoff shares international

visitation and spend data for Oregon in 2021. He explains that 2021 numbers are lower than 2020 due to the “normal” first quarter of 2020 and 2021 having a full year of pandemic. He notes that Canada and Europe will lead international recovery in Oregon and Asia will be slower to return. He notes that developing countries continue to create more middle-class households which increases the amounts of international travelers, international travel has outpaced domestic tourism in the past and will return in the same way, and international travelers are more valuable due to their longer stays, their higher spend per day, and their likeliness to stay in hotels. Geoff concludes by stating that by 2025, international travel will look like it did pre-pandemic.

Todd thanks Geoff for his work not just for Oregon, but for Brand USA as well. He invites the Commission to ask questions.

Commissioner Stephenson thanks Geoff for all of the information and states that in her personal international travel experience – the flight and airport situation was not as bad as expected. She states her optimism in the continued improvement of travel services.

Petra states that the issues are more at the local air service levels.

Commissioner Penilton states his gratitude for the presentation. He notes that he has been following the German economy closely as well. Commissioner Penilton states that Taiwan is the biggest producer of microchips and asks if Geoff is lumping Taiwan within China.

Geoff clarifies that Taiwan is a big producer, but China is still the biggest producer of items and products where lockdowns have impacted creation and shipping services.

Commissioner Penilton states that he agrees with Geoff’s India assessment of a new middle class and that Brand USA already has plans to travel to India in 2023.

Global Marketing Advertising Update

Todd discusses the loss of Dan Wieden, of Wieden + Kennedy this past week. Wieden + Kennedy has been Travel Oregon’s advertising agency for over 30 years. Shows 2018 Governor’s Conference video highlighting the 30-year relationship between Travel Oregon and Wieden + Kennedy.

Kevin Wright, Vice-President of Global Marketing, and Katy Clair, Director of Marketing Services, walk the Commission through a PowerPoint presentation providing an advertising update. Kevin introduces Bryan Mullaney, Manager of Marketing Insights & Planning, to cover the results of the summer iteration of the Extraordinary is Ordinary campaign. The campaign had 64 million video views, 470,000 web sessions, and a 72% positivity sentiment on Instagram and 52% on Facebook. Bryan notes the success of aligning the launch of the campaign with the World Athletics Championships Oregon22, as well as discusses learnings from this campaign.

Katy continues by sharing advertising parameters, focusing on driving traffic to traveloregon.com, and planning higher spend during shoulder season. The launch of this iteration of Extraordinary is Ordinary was on September 19 and will run through November 13, 2022. Katy notes the layered approach of this campaign, including infographics for responsible recreation experiences and translated ads in Spanish geared towards Latino audiences. Kevin adds plans for spring 2023 focusing on Travel Oregon’s strategic vision through a prosperity, racial equity, and regenerative tourism lens. He notes the importance of beginning creative exploration from strategic territory. Katy shares a calendar for the remainder of

2022-2023, including our “always on” approach with regional equity throughout the year but with different regional focuses at different times. Katy states plan to run the “Give the Gift of Oregon” campaign again this holiday season.

Todd thanks Katy, Kevin, and Bryan and asks the commission if they have any questions.

Vice-Chair DiNovo congratulates the team for winning the Mercury award at this year’s ESTO conference. She asks if Kevin wants to provide insight into what the award was for.

Kevin shares that the team won an award for our VLM (Visitor Lifecycle Management) program that Bryan championed. This program help identifies where visitors are in their planning cycle and serving them information based on their place in the planning timeline.

Commissioner Ponzi asks if the VLM program captures visitors on other sites, like the Willamette Valley Visitors Association website.

Kevin clarifies that it only captures visitors’ timelines on our own website. Bryan mentions working with the RDMOs and DMOs in the future as the future of data changes with the retirement of cookies. He notes the hard work from members of his team, including Ariana Bray-Sweet, and that this program is about retention.

Todd notes that no other local or state DMO is doing anything like this that he is aware of. He notes that this program assisted in generating almost a million dollars in new visitor spending during shoulder season. He notes that he loves that this program encompasses the totality of our work by sharing vital content and information.

Vice-Chair DiNovo asks why Spokane is their primary market for the Extraordinary is Ordinary campaign.

Kevin notes that he would need to get back to the commission with the data behind why Spokane is a key market. Katy mentions that Spokane represents a wide audience and drive-market.

Commissioner Willitts asks if the opportunity markets correlate with flights to the state or PDX.

Katy states that we did consider flights, as well as where the active adventure markets are, and possible return on spend when choosing markets.

Destination Ready 21-22 Program Review

Todd introduces Scott Bricker, Interim VP of Destination Development, for an update on the Destination Ready program during fiscal year 2021-2022.

Scott shares a PowerPoint presentation reflecting on how the Destination Ready program started to assist and support recovery in Oregon’s communities. He notes past projects that received funding from Travel Oregon. The 2021-2022 program cycle focused on bolstering key tourism products and experiences that will aid the state in tourism recovery. Travel Oregon received 29 Destination Ready applications and worked with 11 destinations. He notes that the program process includes a baseline report based on data collection, a Destination Ready assessment including a strategic assessment of key product development opportunities and assets, consultant technical assistance to deliver on identified projects, and access to potential funding for projects that align with assessment outcomes. He shares the hub and spoke model approach to identifying primary and secondary drivers of travel to these

destinations. Scott introduces Wela Negelspach from Columbia County to share their experience with the Destination Ready program.

Wela shares information on Columbia County's location, population, land, and the Columbia County Economic team, which includes the county's DMO as part of the Portland region. During Destination Ready 1.0, Columbia County completed a bike hub project that added kiosks, benches, and repair stations in 4 communities and added 4 new family-friendly bike routes. The Vernonia Downtown Beautification Project was an additional project after this process that was funded by the competitive grants program and resulted in 7 or 8 murals in addition to key cleanup initiatives. In Destination Ready 2.0, Columbia County is focusing on the Columbia River, including increasing campsites on the beach and continued development of the CrownZ trail. The City of St. Helens is developing campsites, cabins, and a venue on Sand Island and starting a downtown waterfront redevelopment project. Additionally, Scappoose Bay Marina & RV is undergoing a 4-year expansion, including ADA-accessible boat and kayak launches. Wela notes that the technical assistance from Travel Oregon is vital for these development projects. Scott notes the amazing destination stewardship work being done in Columbia County.

Commissioner Penilton notes that he has friends from all over the region going to Columbia County to enjoy their assets and expressed kudos to Wela in particular.

Commissioner Stephenson notes the importance of this work in service to our communities. She notes that the Willamette Valley does not have a lot of outdoor recreation assets and sees the Destination Ready program as helping balance the assets in destinations.

Scott thanks Commissioner Stephenson. He mentions that part of this process is to see how a mature a destination is in certain assets and where there may be opportunities.

Other Business

Chair Boyles thanks everyone for a great meeting. Before we adjourn, Chair Boyles thanks past-Chair Youngblood for his dedication and service from 2019-2022 leading the Travel Oregon staff, this Commission and our state through trying times. He provides past-Chair Youngblood with a token of the Commission's appreciation and notes that he hopes he enjoys this gift showcasing just one of the many, many beautiful places we have in our amazing state.

Commissioner Willits notes that at the end of the Strategic Plan Progress Report is a note that the TLT for Lane County \$2.65 million. He describes how amazing it was to see so many global visitors during the World Athletics Championships Oregon22 and the interactions he had about their visit to Oregon. He looks forward to the final numbers from Oregon22.

Vice-Chair DiNovo thanks the team from throughout the Mt. Hood & Columbia River Gorge region for hosting and notes she will be making the salmon meatballs from Tastebound, their new cookbook.

The next Tourism Commission meeting is set to take place in December 13-14 in Astoria, Oregon.

Chair Boyles adjourns the meeting at 12:07 p.m.