

Oregon Tourism Commission Meeting September 13, 2023

Wildhorse Resort & Casino
Broadcasted via YouTube Live

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

Welcome and Introductions

Chair DiNovo opens the meeting at 9:03 a.m. and welcomes everyone to the September 13, 2023, Oregon Tourism Commission meeting.

The Oregon Tourism Commissioners and Todd Davidson, CEO of Travel Oregon, introduce themselves.

Chair DiNovo thanks everyone that is here today in Pendleton, and those joining through Travel Oregon's Industry YouTube channel. Today's meeting materials, including the agenda and supplemental material can be found on the Travel Oregon Industry website.

Chair DiNovo acknowledges that in holding a meeting today, all Public Meeting notice requirements were met. She acknowledges that there is a sheet to sign up to provide public comment in the room.

Chair Remarks

Chair DiNovo states that before she begins her remarks today, she would like to say how honored we are to be on the Confederated Tribes of the Umatilla Indian Reservation and welcomes spiritual leader, Eliot Godfriedson to provide us with an invocation to start today's proceedings.

Eliot offers a song and states that its purpose is to open the groups' hearts and minds in their discussions today.

Chair DiNovo thanks Eliot for his generosity of spirit and reminding us that we should always keep an open heart when doing this work. Chair DiNovo invites the audience to give Eliot a round of applause.

Chair DiNovo states that she can't begin to tell everyone what it means to Chair her first meeting in this place (Wild Horse Casino), on the ancestral homelands of the Cayuse, Umatilla and Walla Walla Indians.

Having worked for the Mill Casino Hotel & RV Park, owned by the Coquille Indian Tribe for the last 27 years, it seems serendipitous. As we've spent the last few days in Pendleton, including her recent visit to Tamastlikt Cultural Institute, it's a reminder what stunning tribal tourism assets the nine federally recognized Tribes of Oregon offer us and the significant contributions they make to their communities, the state and rural Oregon.

Last June, the commission adopted a 10-year Vision that will guide our work applying the three lenses of economic prosperity, regenerative tourism and racial equity. And as part of that work is a deep commitment to make sure all voices are represented and heard.

Sitting before you today, the first person of color and the 4th woman to be Chair since the Commission's inception in 2003, is a true testament to the Commission's commitment to this work. The beginning of a new era of inclusiveness.

Chair DiNovo states that as chair over the coming year, to ensure that when we are in community, we will have the opportunity to engage with the breadth of cultures, histories and stories of Oregon. There are so many diverse landscapes and special places that make Oregon uniquely Oregon and our commission meetings will take place in rural communities as often as possibly we can. We will also continue to look for more opportunities for more engagement with local and state policy makers.

Under her leadership, the Commission will continue its work on communication and governance, ensuring as we move forward there are practices in place that will help guide future commissions.

Chair DiNovo thanks her fellow Commissioners for electing her Chair. And states that she recognizes the trust that has been placed in her, and that she will make sure to honor that trust. She looks forward to collaborating with 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.

Local Welcome

Chari DiNovo states that in holding these meetings around the state, we have the unique opportunity to hear from local industry members. She introduces Alana Carollo, Executive Director of Eastern Oregon Visitors Association to provide a Local Welcome.

Alana introduces herself and then discusses the purpose of the Eastern Oregon Visitors Association. Alana remarks that the Tourism Commission being here during Round-Up is very special. She notes the community's dedication to preserving western heritage, diverse cultures, and vibrant community spirit. Alana states that all of Eastern Oregon's communities are excited to share who they are with the Commission. She invites them to explore local shops and restaurants, as well as opportunities outside of Pendleton, including food trails and the diverse landscapes throughout the region.

Alana introduces Kara Woolsey, the new Director of Travel Pendleton.

Kara acknowledges the great work of past Director, Kristin Dollarhide, and her excitement to continue to do great work. She is excited that the Commissioners are here during Round-Up and invites them to catch her working at the Round-Up.

Alana introduces Pat Beard, General Manager of the Pendleton Convention Center.

Pat states how good it is to see everyone here again. He describes his history competing in horseback riding and then continuing his career in tourism. He states his love for the inclusiveness and power it gives back to communities. He thanks the Commission for the hard work they do for Oregon tourism and invites them to visit again.

Stakeholders, Partners and Public Statements

Chair DiNovo states that on Friday, September 1, 2023 the Commission Meeting notice was posted to the Commission Meeting webpage on Travel Oregon's industry website. Notice was also sent via Travel Oregon's industry communications and the agenda and link to the livestream were also posted. She reminds the group that the public comment period is an invitation to the industry to inform the commission of updates, information, and constructive thoughts regarding Oregon's travel and tourism industry. She reminds attendees that a comment form lives continuously on the industry website. No public comments were received ahead of the meeting.

Commission Business

Chair DiNovo confirms that the Commissioners received their packets and had the opportunity to review the content.

Chair DiNovo states that following our June Commission Meeting, immediate Past Chair Boyles sent out the governance documents out for Commissioners to review. Vice Chair Willitts and I were able to touch base with all Commissioners, except for Commissioner Shephard, on the governance documents and have received proposed

edits/additions. We plan to send the documents out for your review in the next month with the intention of getting consensus at our December meeting.

The Commissioners confirm receipt of information.

Chair DiNovo thanks Vice Chair Willitts and Commissioner Boyles for reviewing the financials with herself, Commissioner Willitts, Todd, and Kathleen Stewart.

Commissioner Boyles discusses that they met and reviewed the final financials for FY2023 which were included in our Commission materials and have been posted to the Industry Site. For the final FY2023 transient lodging tax (TLT) was \$40.8M, or 107.3% of the \$38M budget, amended December 2022. Compared to FY2022, FY2023 TLT was up 14%. Compared to FY2019, FY2023 TLT is up 21% after adjusting for the change in the tax rate.

The \$2.8M in unanticipated revenue is attributed to CY 2023 and allocated per statute with 20% to the implement the RCTP program and 10% for the Competitive Grants program. RCTP program fund distributions are based on calendar year pro rata share calculations, so these unanticipated funds will be included in that calculation in January.

Chair DiNovo states that as was also mentioned in our June meeting, we have added an additional member to the Finance Committee for more Commissioner engagement. We will need to fill two positions, so if you are interested in serving on this committee, please reach out to Chair Willitts. We will be conducting interviews in October.

Chair DiNovo thanks Todd and Commissioner Boyles for the updates.

Commission Action

Approval of Minutes

Chair DiNovo asks if the Commissioners had the opportunity to review the June 12 & 13, 2023, minutes. Commissioners indicate they have reviewed.

Chair DiNovo asks if there are any questions or corrections. With none, she asks for a motion to approve the June meeting minutes.

Commissioner Boyles moves to approve both sets of meeting minutes. Commissioner Youngblood seconds the motion.

Chair DiNovo asks all in favor to say aye. All Commissioners say aye.

Chair DiNovo states that this approves the June 12 & 13 Commission meeting minutes and that they will be posted to the industry website.

CEO Evaluation

Chair DiNovo states that each year the Commission completes a review of the performance of the Travel Oregon CEO. As was stated in her remarks yesterday, Immediate Past Chair Boyles and I looked for ways to make the CEO evaluation process more efficient. Past practice was to select a review committee, and each commissioner

was tasked with completing a 360 review and were given the results of the staff and industry 360 review. Members of the review committee were then assigned to conduct three one-on-one interviews with commissioners and the review committee met with the CEO to conduct performance evaluation.

Going forward we have changed this practice, eliminating the one-on-one interviews with Commissioners, instead choosing to go into Executive session which we did yesterday for the purposes of conducting the CEO's performance evaluation. We believe this is a more efficient process and allows the commission to meet as full body with the CEO.

The process to inform that review was led by myself along with Vice Chair Willitts and Immediate Past Chair Richard Boyles. We again sought input from statewide stakeholders, tourism professionals, Travel Oregon staff, other agencies and of course, direct input from the Tourism Commission themselves to discuss action on the review. Chair DiNovo states that they are pleased to report 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% merit increase will be made to Todd's salary.

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

There are no comments or questions.

Global Sales Inbound Market Update

Todd notes that we have a variety of updates today internationally, domestically, and in the public policy space. He notes the importance of the commission hearing directly from staff, who are subject matter experts in these areas.

Todd describes the drop in international visitation revenue, from 12% historically to 5-6% in 2022, due to: key markets in Asia not being fully open yet, some air service not being fully restored, and the US still having restrictions for some countries to travel into the country until the middle of 2022.

He introduces Greg Eckhart, Director of Global Sales, to provide an update to the Commission on Travel Oregon's international markets.

Greg joins the meeting via Zoom and shares a PowerPoint presentation on the inbound market.

Greg notes that the presentation will focus on four of Travel Oregon's focus markets, Canada, Germany (including Austria and Switzerland), Japan, and the UK. HE states that the presentation will not cover Domestic Travel Trade but this continues to be work that the Global Sales team covers. He also notes that Travel Oregon has resumed work in Australia, France, the Netherlands, and, most recently, opened an office in South Korea to support a possible flight with Delta Airlines. He states that he will also share

forecasted data for visitation and spend in 2022 that we received in January of 2023, but this includes:

- Canada - \$203.5 million
- Germany - \$34.3 million
- Japan - \$30.5 million
- United Kingdom - \$51.6 million
- The other markets referenced are no slouches either, accounting for approximately \$63 million in total spending.

He notes that international travelers tend to stay longer, spend more per trip, and they seek out local businesses and opportunities to give back to the communities they visit whether that's via a local guide or outfitter or participating in a regenerative tourism initiative. These same visitors also look for accommodations that incorporate sustainable practices into their businesses, and they intentionally seek out dining options that feature locally and sustainably sourced ingredients. According to the National Travel and Tourism Office, to date international visitors have injected, on average, \$547 million per day into the U.S. economy. This is not only a vital economic bridge for Oregon but also a crucial cultural bridge, connecting Oregon to a global network of partners, allies and guests that share Oregon's vision and values.

He begins by describing the Canadian market. Canada is Travel Oregon's highest producing international market as it's a drive market from British Columbia – BC. Travel from Canada to the United States is forecasted to reach 97% of 2019 levels this year and will surpass pre-pandemic levels in 2024.

Canada is the largest inbound travel market for the US and is expected to make up 29% of all international inbound travel to the country.

Spending by travelers from Canada in the US is expected to exceed levels from 2019 to 2024.

Canadians' likelihood to travel to the US has increased from 41% in March 2021 to 48% in March 2023.

Canada's air service is returning with nonstop service from Vancouver, Calgary, and Toronto. Travel Oregon has formed great relationships with these partners and Air Canada and WestJet.

Trends from the Canada market include luxury travel, wellness/conscious travel, outdoor spaces, longer stays and more meaningful experiences to live like a local, and indigenous tourism. The market segments include road-trippers, outdoor adventurers, and urban explorers. Future trends include "flexcations" mixing remote work and vacation time. According to Expedia Group Media Solutions, 28% of consumers are looking to take a "flexcation" in the next year.

This fiscal year, Travel Oregon will participate in Vancouver Outdoor Adventure Show. The biggest exhibition of its kind in Canada, the Outdoor Adventure & Travel Show has

products, information, and presentations on a variety of fun activities. Travel Oregon was joined by over a dozen Oregon partners, including regions, DMO's and Why Guides to showcase Oregon as a premier destination for outdoor enthusiast, and keeping with Travel Oregon's Mission.

Another very exciting partnership is between Travel Oregon and the Vancouver Canucks hockey team. The partnership includes home game arena promotions, consumer sweepstakes, and a premier suite media engagement night with over 30 media in attendance.

Another partnership is between Travel Oregon and Authentik USA, an online travel planner for tailor-made trips to the United States. This is the only existing platform where it is possible to truly plan your entire road trip online, by choosing your destinations and your accommodations, while also having the possibility of adding optional activities and a rental vehicle. This model means visitors can be directly connected with local travel agents.

Greg moves on to the German-speaking market, one of Travel Oregon's strongest legacy markets. A notable highlight of this market is the vast amount of vacation days these travelers have, with 25-30 paid vacation days a year. How do Germans get here? There are some great connections to PDX from Germany and Europe. Iceland air offers excellent, low cost and convenient connections to U.S. from Europe.

What are these intrepid travelers looking for when experiencing Oregon?

- Major cities vs. authentic small-town America
- Diverse and unspoiled natural landscapes
- Iconic features such as National Parks, State Parks and sights
- Bucket-list attractions & unique experiences
- Road-trip experiences and camping
- Hidden Gems away from Mass-Tourism

Germans, Austrians and Swiss still use more print and less social media compared to other markets. However, social media is growing in Gen Z. This market is made up of very careful planners, seeking detailed information from range of sources prior to departure. Trends for the future in the German-speaking market include flexibility in booking, safety in destination, authenticity and a good monetary value, and sustainable travel options. Greg shares a glimpse into key tour operators Travel Oregon works with in Germany. He notes that tour operator CRD has partnered with ADAC, the AAA of Germany, and later this week Travel Oregon is hosting a fam trip with CRD/ADAC to create an all EV self-drive itinerary tour to add to their product. He shares new product with T.r.u.e America which is a 16-day trip to all seven regions. He notes that while German travelers do all of their research online, they are still booking trips in-person at travel agencies.

Next, Greg covers the Japan market. He notes the upcoming opportunities with affinity and niche travelers like JST groups from Nagoya. He notes that stock prices are good but there is an unfavorable currency exchange. There is still post-pandemic travel hesitation from the market as well.

While we are still in a "holding pattern" on the HND to PDX service, the Western United States has plenty of great options to access Oregon by air, in fact our clients with JST have been partnering with Air Canada- Japan for a winter 2024 tour to come and see the Portland Trail Blazers.

Some trends for this market to keep in mind include the importance of having in-language printed information, access to guided experiences for ease of travel, interest in wellness travel and emphasis on sustainability, as well as "workcations". Post-pandemic, Japanese travelers are more focused on traveling with a purpose and intentionally planning vacations.

Greg shares key tour operators for Oregon in Japan, including JST, a small but mighty ally with their "Love It Portland, Oregon" tour.

He shares new itineraries created by major tour operators, like a 7-day Oregon-Washington trip by Hankyu Travel International.

Finally, Greg shares information on the United Kingdom (UK) market, who he notes is paving the way for Oregon's recovery for global overseas travel.

He notes that there are lingering currency exchange issues but we are not concerned as the UK outbound travel figures are estimated to reach 86.9M by 2024, surpassing 2019. British travelers intent to travel is strong and they intend to stay longer and travel in larger groups.

British Airways service to Portland is performing well. Many operators are reporting their leisure clients are booking first class fares and we've identified some great sales opportunities with British Airways and BA Holidays – in partnership with Brand USA.

Future trends for the market include pent-up demand with visitors looking for a trip of a lifetime, there is interest in EV itineraries, and booking values have increased with higher revenues from fewer travelers.

He shares key tour operators from the UK that Travel Oregon works with. He notes the luxury tour operators Travel Oregon works with, Scott Dunn and Red Savannah, whose trips start at 250,000 GBP or roughly \$315,000 USD.

Greg notes wins in the UK media space, including the Visit USA Media Award for Best Broadcast for the Hidden Trails of Oregon podcast and the subsequent ESTO Mercury Award. He notes that the podcast is launching in German and will be promoted in Germany as well.

He shares that the Oregon Garden won bronze at the Royal Hampton Court Palace Garden Festival, which attracted 130,000 visitors over 7 days.

He thanks the Commission for their time and support of our international markets.

Todd thanks Greg for his great presentation and asks the Commission if there are any questions.

Commissioner Penilton notes the incredible staff in Germany and notes the conversations he has had with partners throughout the state about receiving German visitors. He notes that the German market makes up 12% of revenue and asks if resuming in our markets is back to full staff or focused on other initiatives. He also asks if Greg could expand on other Asian markets outside of Japan.

Greg notes that Germany does not make up 12% of revenues but rather is about 13% down from where they were in 2019. He notes that we are fully staffed in Germany, UK, Japan, and Korea with dedicated media and trade staff. Australia, France, and the Netherlands are part-time contracts as we resume business there. He notes that Canada is only focused on media as the trade side is focused on OTAs and can be managed by Travel Oregon staff. He notes that this is done through Brand USA.

Commissioner Penilton clarifies that the big focus is on the main tour operators.

Greg states that in Canada there just are not very many standard tour operators. He notes smaller clients that Travel Oregon works with through NTA, like Wells Gray Tours, Destination Canada, Sun Fun Tours, etc.

Todd adds that his comment about 12% refers to international making up roughly 12% of all visitor spending in Oregon prior to the pandemic. He also notes that Greg has been referring to staff in these markets and notes that these are contractors and contracted firms. He notes that Greg's use of the word staff demonstrates his deep working relationships with these contractors.

Commissioner Penilton adds that those contractors are so passionate about Oregon and we have done an incredible job working with those folks over the years.

Commissioner Ponzi asks for a temperature check on the Scandinavian market and notes that they have always been high value travelers with lots of time off as well.

Greg states that currently Scandinavia is not part of our resource pool but we are reviewing opportunities in the market, including in Denmark. He notes that he does not have other information to share currently but will keep the Commission updated.

Commissioner Stephenson thanks Greg for the update and the data he shared. She asks how Oregon compares to other states in the decline in international visitation. She asks if international travelers are returning and just not returning to Oregon and how our peers are performing.

Greg notes that many international travelers travel through multiple states, like Washington, Oregon, and California, for example. He notes that generally Oregon is performing on par with our peer states. He notes that Southern California is performing very well in Asia, due in particular to their recent affinity for the Anaheim Angels

baseball team thanks to a Japanese player. However, on average at a US perspective, Oregon is in the same recovery situation as other destinations.

Commissioner Stephenson asks if Europeans are staying in Europe to travel and similarly in Asia.

Greg confirms that that is the case in Asia with lots of regional travel between Asian countries. He notes that in Europe, the poor currency exchange is still a factor but 2023 will be the first full year of open borders and will demonstrate to us what true recovery looks like. He notes that the forecast he shared for 2022 data was gathered in January 2023 and he is looking forward to an updated set of 2022 data, which he believes will be more positive. He does think Europeans are resuming international travel and the demand is high. He notes that many Europeans are traveling to the Middle East, which has spent a lot in marketing, particularly to the UK.

Commissioner Youngblood asks how granular the data we collect from Tourism Economics becomes. He clarifies if the statistics Greg referenced were at the national level or state level.

Greg notes that the statistics he provided on spend is statewide. He notes that we do receive more regional data on activities as well.

Commissioner Youngblood asks how often the upcoming forecasts Greg is waiting for covering breakdowns by state are updated.

Greg notes that this typically occurs twice a year and notes turnover with our representative at Tourism Economics.

Commissioner Youngblood asks for the elevator pitch on Authentik USA, as he was unfamiliar with the platform.

Greg describes that the visitor can craft their trip on the platform and when it is completed the visitor is connected with an agent to finalize planning.

Commissioner Penilton asks if Greg can share data on Mexico and India and travel to Oregon.

Greg notes that he hopes to update the Commission on this in the future but he does not have current information. He notes that Brand USA supports work in both of those markets and has a lot of activity planned in Mexico, as well as a sales mission to India. The middle class in India is growing exponentially and Travel Oregon is tracking the potential here.

Todd asks if there are any other questions or comments. He notes the great deal of interest in the international markets and notes that there will be future presentations to the Commission soon. He notes that Greg shared why we do what we do, where we do it, and results of our work. He describes the tremendous informational value Greg also shared to the industry today and thanks him.

Chair DiNovo recesses the meeting at 10:15 a.m.

Chair DiNovo reconvenes the meeting back at 10:25am.

Travel Oregon with Travel Oregon Campaign Update

Todd introduces Katy Clair, Director of Brand Services, and Anthony Holton, Strategy Director from Wieden & Kennedy, to provide a campaign update.

Katy also introduces Megan Riehl, our Brand Director at Wieden & Kennedy, who may assist in answering questions as well.

Anthony shares a PowerPoint presentation and notes that in order to achieve the 10-Year Strategic Vision, they re-established our marketing objectives. These included ensuring Oregon is welcoming to all, creating more consistent and relevant ways of reaching new audiences throughout the year, driving stronger more personal connections to the state and its residents, pointing people to areas in the most economic need and avoiding overuse of others, and driving traffic to TravelOregon.com and travel bookings to Oregon. He notes the shift from a Destination Marketing Organization to the responsibilities of being a Destination Management Organization based around our three lenses. He describes the shift from 2 campaign pushes a year to a year-round strategy and evolving from landscape as a motivator to connecting travelers to guides. He notes that the Travel Oregon with Travel Oregon campaign feels flexible enough to accomplish these shifts, recognizable and consistent for consumers, nimble enough to create more creative efficiently, and scalable enough to allow for more specificity in our work and messaging.

Katy refreshes the Commission on the campaign timing and how it is reaching audiences, launching on August 1, with behind the scenes work into October, and Travel Oregon Offices launching in October. She notes how noisy the landscape is during the holiday season and notes she will expand on how we are tackling winter at the end of the presentation. She shares how the anthem is being shared on TV/OTT, out of home, paid social media, direct partners like Bon Appetit and Food and Wine, online video, and audio. She notes that as of yesterday, we launched our Travel Oregon Offices work, which is the second layer of the campaign geared towards driving traffic and will be in market through November 30. She describes the regional content where Travel Oregon is creating content in each region throughout the year including day in the life of a guide content, lodging content, and informative videos from guides on the best way to visit or trip considerations. This content will also be featured through paid media and we are capturing stills to use elsewhere. She notes that there are over 100 pieces of curated and developed content to plug into opportunities. Katy reminds the Commission of the markets this campaign includes: Oregon, Boise, Seattle, Spokane, Los Angeles, San Francisco, and Vancouver B.C. as primary markets, Dallas, Houston, Phoenix, and San Diego as opportunity markets, and Chicago as a test market.

Katy describes that the anthem is the introduction for consumers into the ecosystem to be able to introduce other content. She demonstrates the site functionality with the

help of sidekicks suggesting guided trips and being able to find licensed guides for all interests through a partnership with TripAdvisor. The featured guides in the campaign also have content with trip recommendations. Katy notes that Travel Oregon's content team created six feature-length, first-person recorded stories about what it is like to experience these guided tours and trips that are on TravelOregon.com.

She notes that for the first time, podcasts are also included in our media buy landscape and it is a great way to target based on interests, host, and communities. She shares clips from "We Can Do Hard Things" that Abby Wambach recorded and NPR's "Code Switch" podcast.

She shares examples of the informational regional content, including why you should go with a guide and season-specific information, like Fresh Hop Season. The anthem currently has over 21 million video views, which was an initial key initiative for the campaign.

Anthony shares what is coming next for the campaign in fall and spring building off the anthem. He shares the Travel Oregon Offices concept with each sidekick having an area of Oregon expertise and getting to showcase the various options travelers are interested in. The sidekicks introduce who they are and the types of guided experiences they can connect you with via TravelOregon.com. This also allows our regional partners to build off this into more niche travel options that are important to their needs. They share Travel Oregon Office clips for fall and spring.

Katy notes that the team is working on the winter aspects of the campaign to activate winter as a time period to book and take guided trips, instead of skipping over the season. She notes that Travel Oregon's role is to guide travelers through the northwest wonderland beyond just skiing for January through March in an all-accessible way. The goal is to make the 89 days of winter in Oregon something you cannot miss and create urgency to book. A large focus will be on partnerships with Online Travel Agencies to support bookings.

Todd thanks Katy and Anthony for their presentation.

Commissioner Penilton notes his excitement for this work and asks about the 21 million video views and if it intersects with our international visitors/viewers.

Katy notes that this campaign did also launch in Canada in Vancouver B.C. and that does contribute to the total video views. She also notes that we will be sharing this creative in Japan, due to the fit for that market. She also describes the other layers, like the still photography, can be used in other markets, like the UK, where the full campaign content may not be the best fit.

Chair DiNovo thanks the team for how the last presentation and this presentation build off of each other to provide a deeper view into the strategy. She asks how we are tracking bookings with the guides themselves.

Katy notes that we are looking at each of the paid platforms that we use for results and are establishing how we are gathering impact information from each of the guides, through avenues like the Why Guides program.

Chair DiNovo notes that she would love to see that as these guides are small businesses and for them to tell the story of the success of this work would be rewarding for people to hear.

Commissioner Shephard states that she had a similar question and thinks this is great work to promote going with a guide and if there is any data yet on visitors booking more guided experiences.

Katy notes that the most engagement on the campaign pages is through the guide pages.

Kevin Wright, Vice President of Brand Stewardship, states from the audience that we are not tracking the bookings of those guide currently, but just volume to site.

Petra Hackworth, Vice President of Insights & Impacts, states from the audience that when guides register with Travel Oregon, we ask them how many bookings a year they typically get so that we can measure if this site and programs gives them additional bookings.

Chair DiNovo states that Travel Oregon's focus is marketing and sales and it would be interesting to see what the results look like.

Commissioner Shepphard states that independent fishing guides that she knows still do not know about this program and wonders how it can be expanded.

Katy notes that Travel Oregon is evaluating the future of Why Guides and how to reach guides and this campaign is meant to support their promotion.

Commissioner Penilton wonders if large tour operators are using this as a tool to train travel agents and industry staff, which he says he has seen in conversation with these companies. He notes that it could be possible to gather data from them as well but the hard part is connecting the successful results with individual guides.

Commissioner Youngblood asks to better understand the always-on strategy of going quiet during the winter months due to the noisiness in the market.

Katy describes in previous years Travel Oregon has been in market with paid advertising for campaign efforts for 16-weeks and we are shifting to about 48-weeks of paid advertising. She notes that the campaign effort will be quieter during December but we will continue online travel agency partnerships with evergreen branding and paid search efforts, which are also always on.

Commissioner Stephenson states her excitement about the 89 days of winter effort. She asks about the booking window, noting that it has changed dramatically over the

last three years, and wonders what booking window we are using to make these decisions and per trip spend.

Katy states that the booking window is targeted based on each market. The booking window is roughly 4-6 weeks, if not tighter, during the winter months. We are also building the OTA buys based on year-over-year data and booking data in the months leading up to our buys. The ads themselves are evaluated based on return on ad spend (ROAS). She also notes that we are considering key events that may drive regional travel. Katy notes she can share this information offline as well.

Commissioner Stephenson states she has other questions but will follow up offline as well.

Commissioner Ponzi asks about the target market and their daily spend, following up on her questions in Lakeview, and wants to understand how this demographic drives revenue.

Katy notes that she will follow up with her because she thought we had sent the Commission a broken-out demographic with spend data.

Commissioner Ponzi states she has not seen it and states she would love to see it. She states that it is incredible creative work and notes that the wine industry is represented in an incredibly playful way. She'd like to see more education on the wine industry in Oregon, as it is different than other wine industries in the country and would like to share that information so that it can be represented.

Chair DiNovo states that we did touch on this in the last meeting and notes that in December, Travel Oregon can share a deep dive on the active adventurer demographic. She also states that Commissioner Ponzi is touching on one aspect of the campaign while there are other initiatives that go deeper, like the work with Bon Appetit, and advertising in other arenas. She notes that it is important that we are sharing industry specific information with Travel Oregon but there are multiple avenues that they are representing our industries in.

Katy thanks Chair DiNovo and states that she hears Commissioner Ponzi. She notes that Travel Oregon is playing the role of the broad funnel and is connecting with partners in the Willamette Valley on the work they are doing to connect with niche travel markets. She notes that these conversations are continuous. She also notes that when we are activating channels, like Bon Appetit, we are doing so with those beautiful landscape shots, recognizing that the campaign creative is not for everyone and ensuring we are strategic about direction based on the channel.

2023 Legislative Session & Short Term Rental Update

Todd introduces Kate Baumgartner, our new External and Public Affairs Strategist, and notes her background working in federal government and with Senator Murray. He states this is her first time presenting to the Commission and encourages the Commission to connect with her.

Kate shares a PowerPoint presentation and begins by grounding the group in our position as a semi-independent agency. We do not take positions on legislative matters as our role is to proactively educate and share information. She shares why the 2023 session was historic, both due to the number of bills and the walk outs that occurred. She notes that newly passed legislation that affects the industry is light. Several funding bills included new dollars for tourism priorities, including Oregon Coast Visitors Association sustainable seafood program, outdoor recreation efforts, and infrastructure efforts, such as work on the Hood River Bridge. Policy bills are quite limited. She describes other bills that looked at TLT to support their efforts, including an effort to expand animal and habitat conservation by doubling TLT and providing ODFW with the subsequent additional funds. This bill did receive discussion, a hearing, and a work committee, with many in the industry chiming in and raising that industry members were not considered in the creation of this bill and the effect this would have on consumers and convention business. This bill did not pass. She describes there were other bills focusing on agritourism and recreational liability.

Kate notes that the 2024 session will be 35 days, compared to the six months in 2023, and will not have a budget component. She notes that institutional knowledge and memory of TLT is fading, with few being there for the 2003 adoption or the subsequent increase. The 20th anniversary provides us a unique opportunity to educate on this topic and Kate is working on this effort. She notes that it is likely that we will continue to see bills brought forward to adjust TLT for other initiatives and anticipates conservation to be one of them.

Kate shares research Travel Oregon gathered on Short Term Rentals (STRs) from Cascadia Partners, due to the perception that short term rentals caused the housing crisis in Oregon. These findings were presented to the House Committee on Housing and Homelessness in June. The topline finding from this study is that short term rentals may have some impact on rising rents in some areas but do not account for the broad undersupply challenges Oregon faces.

The study found that only about half of STRs are suitable for long term housing, defined as a whole unit with a kitchen and a bathroom, or 23,000 housing units. She shows a graphic depicting that over the next 20 years, Oregon will need roughly 583,000 housing units but is only slated to produce 380,000 units in that time. The 23,000 STRs that could be converted to long term housing makes up only 4% of that total. The study conducted case studies in five cities across the state, including McMinnville, Bend, Hood River, Lincoln City, and Ashland, as each have unique STR situations and are large tourism economies for the state. She describes how STR conversion in these cities does not meet the needs of housing supply. Most STRs are not active year-round and could be explained by being used by owners at certain times of years. STR income is a factor in purchasing another home but typically not a major motivator as STR covers only 40-70% of home ownership costs and does not include the costs of running a STR. STRs also represent key revenue to these community's local general funds. Kate recaps the findings from this study and the future of legislation that may affect TLT.

Todd thanks Kate for a great presentation.

Commissioner Penilton notes his hesitancy about the tourism industry's work and the work of legislative officials, noting that they have certain responsibilities to their communities. He asks Kate's thoughts on a future shift in TLT and the effect of STRs.

Kate notes that regulations look different in each community. She notes that the goal of this study was to have the data at our disposal when the perception of STRs being the contributing factor for the housing crisis arises. However, she agrees that it is not our role at Travel Oregon to discuss regulations within certain communities.

Commissioner Stephenson thanks Kate for her work in this area as it is a hot button issue in communities. She states that she owned the second, third, fourth, and fifth STRs in McMinnville and there are now 130, noting the exponential growth in this area. She states that they discuss it a lot in McMinnville and about community livability. She notes that the concentration of vacation rentals near downtown impact resident sentiment despite the numbers. She applauds the work that is being done to ensure we have the data to make good decisions for residents.

Kate notes that this conversation is ongoing, particularly around the difference between second homes and STRs.

Commissioner Stephenson notes that when a hotel was built in McMinnville the community appreciated the pressure it relieved for housing.

Commissioner Penilton notes the importance of the work Kate is doing to educate legislative officials and partners around the state.

Chair DiNovo states the importance of the data as well to demonstrate that we cannot blame the housing crisis solely on STRs and protecting our TLT. She asks that given that walk outs in legislative sessions seem to be quite normal in the last few years, does Kate believe anything will be accomplished in the coming session.

Kate notes that about a year ago there was a statewide initiative that stated that 10 or more unexcused absences would make one ineligible to run for reelection. She notes that this has meant that some Senators will be unable to file for reelection next year, for which filing just opened. There is a lawsuit that has been brought against the Secretary of State about the language of this initiative which states that they cannot be seated again once their term concludes, which has caused questioning as they will file for reelection before their term concludes. That lawsuit is ongoing, and we can expect legal action over the next several months. This could affect the coming legislative session as those Senators will still be in their seats despite the outcome of the lawsuit.

Commissioner Youngblood states the importance for the Commission to understand the value of TLT and what it brings to the state. He asks if Kate already has an outline to share with the Commission on the Oregon Tourism Investments Proposal video.

Kate states that she is working on this including what the Oregon Tourism Investments Proposal is, why it matters, the robust engagement it took from the industry and the grassroots effort, how it was passed, what is the bill and what it says, what it has meant to have 20 years of investment in this, and what's next for the industry. She notes that it will be important to create collateral and bring in voices from the work of 2003 to drive that education.

Todd notes that this 20-year anniversary celebrates both the state lodging tax and local lodging tax and what it has meant to Oregon's communities. He notes that Kate stated this, but he wants to reinforce the importance at the local level.

Todd thanks Kate for her first presentation.

Other Business

Commissioner Penilton states his excitement about being in Pendleton and in future meetings would like time for the Commission to share how much they travel around the state.

Before we adjourn today, I would like to acknowledge the service of two Commissioners whose time on the Commission is coming to an end – Commissioner Richard Boyles who has served on the Commission since 2016 and Commissioner Mia Sheppard who has served since 2019. To provide them with a token of our appreciation – I will turn this over to Todd.

Todd starts by addressing Commissioner Sheppard and states how clearly her love for Oregon is presented through the actions she takes, her representation of the outdoors, small businesses, women-owned businesses, and her valuable perspectives. He describes the way our Commissioners are appointed based on their role in the industry but notes that Commissioner Sheppard's perspective goes far beyond that. He notes that her communication on how guided businesses were affected by wildfire, drought, the pandemic, etc. impacted so many businesses through the \$10M grant that was awarded to guide businesses to support recovery. He states that her four years on the Commission have been incredibly enriching for him, the Commission, and the industry. He presents her with an Oregon plaque designed for her and thanks her for her years of service.

Commissioner Sheppard states her appreciation for his kind words and the opportunity to work with so many passionate people who care about Oregon and the industry. She describes the times she has called Todd to help with certain challenges guides face and states her appreciation of Travel Oregon's support in that arena. She notes her inspiration through our work and that she will not be far away in Maupin.

Todd describes Commissioner Boyles as the quintessential renaissance man in the industry and how deeply he represented the industry on the Commission with a varied perspective. He describes the rich data he has shared, navigating all of the changes in the last 8 years, a rock-solid foundation during the pandemic and working with the

Governor's Office, and his involvement in the World Athletics Championships Oregon22. For all of his amazing work, Todd presents Richard with his plaque and thanks him for his service.

Commissioner Boyles thanks Todd for the kind words. He states that over his career he has served on many boards and committees, but the work on this Commission has been the most challenging and certainly the most rewarding. He states that this body has the opportunity to help influence the way our state is perceived around the country and around the world. He states that Travel Oregon is doing great work and appreciates his opportunity to serve.

Chair DiNovo states that on behalf of the entire commission, she would like to take this moment to thank him for his eight years of service to the commission, to the industry, and to this great state we are privileged to call home. Commissioner Boyles' thoughtful approach to the work has served this commission well. His insistence and encouragement that we take a second look at the first draft of the 10-year strategic vision resulted in a document the entire industry could be proud of and your efforts to ensure proper governance in the work of the commission has set Vice Chair Willits and me up in a place to continue this important work.

Chair DiNovo states that that it's been a privilege to serve on the commission with Commissioner Boyles, and to serve as your Vice Chair giving her the opportunity to see first-hand your generosity of spirit, your acerbic wit and most importantly your commitment to doing the good work on behalf of community and the industry.

As a token of the commission's appreciation, we present to you this photo that your wife helped select.

Commissioner Boyles thanks the Commission for the special photo and Chair DiNovo's comments. He notes that Pulpit Rock overlooks Rosary Lakes, which was the first hike he took unsupervised at about 10-years old and he tries to return every year.

For those who did not see the Governor's recent press release on Executive Appointments – she has put forward, Travis Hill (COO at Umpqua Indian Development Corp.) to replace Mia, and Harish Patel (President of Florencein) to replace Richard. Those confirmation hearings and following Senate approval will take place later this month.

We look forward to welcoming Travis and Harish as new Commissioners at our next meeting which will take place in early December in Portland.

Chair DiNovo thanks staff and local partners for a wonderful couple of days in Pendleton and adjourns the meeting at 12:02 pm.