



**NEWBERG CITY COUNCIL
WORK SESSION
JUNE 20, 2016, 6:00 PM
NEWBERG PUBLIC SAFETY BUILDING (401 EAST THIRD STREET)**

WORK SESSIONS ARE INTENDED FOR DISCUSSION. NO ACTION WILL BE TAKEN ON THE AGENDA ITEMS AND NO DECISIONS WILL BE MADE. NO ORAL OR WRITTEN TESTIMONY WILL BE HEARD OR RECEIVED FROM THE PUBLIC.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. REVIEW OF THE COUNCIL AGENDA AND MEETING

IV. PRESENTATION ON TOURISM STRATEGY

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V. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS:

In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical accommodations you may need as far in advance of the meeting as possible and no later than two business days prior to the meeting. To request these arrangements, please contact the city recorder at (503) 537-1283. For TTY service please dial 711.

Newberg Strategic Tourism Plan

6/20/16
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Executive Summary

June 13, 2016



Newberg Strategic Tourism Plan – Executive Summary

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Introduction

Methodology:

- Tourism Planning Advisory Group established by the city
- Reviewed research from multiple sources & organizations including Newberg Economic Development Plan and America's Best Communities Plan; TLT lodging establishments, Travel Oregon & the Oregon Wine Board
- Reviewed existing marketing channels, plans and materials
- Conducted over 20 one-on-one and group interviews
- Facilitated planning session with advisory group & Newberg area familiarization tour
- Developed draft plan & facilitated two additional planning & review sessions
- Spent a full weekend day in Newberg as a visitor to assess experience
- Post full plan for City Council review; present to Newberg City Council (June 20)

Research

- This plan was informed by the following research as well as additional background materials:
 - Newberg Economic Development Plan
 - Newberg – America’s Best Communities Plan/Downtown Improvement Plan
 - Wine Opinions 2015 Survey, Oregon Wine Board
 - Travel Oregon/Oregon Travel Barometer*
 - Longwoods Visitor Profile, Willamette Valley Region*
 - April 2013 MMGY Global, Travelhorizons*
 - Oregon’s Bounty Visitor Behavior and Attitudes: 2011, Suzanne Cook Consulting, LLC*

**Full studies can be viewed at <http://industry.traveloregon.com/research/>*

Future Vision - Newberg as a Tourism Destination

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Newberg is Oregon's authentic gateway to Oregon Wine Country—a vibrant, beautiful, inviting town, developed with care and livability for the local community, but attracting and serving a growing base of wine country explorers from around the West.

Enveloped by miles of rolling hills dotted with filbert orchards, farms, and over 200 world-class wineries in a 30-40 miles radius, Newberg is the basecamp for wine country exploration and agri-tourism, whose quality downtown experience matches the acclaim of the surrounding countryside and its award-winning products.

Galleries, farm to table eateries, wine tasting rooms, unique shopping, breweries, an upper-mid tier independently owned hotel with a rooftop bar, and a thriving farmers market populate a walkable downtown. A rich tableau of public art, performances, sidewalk cafes, pocket gardens, and unique boutiques encourage more time in town for shopping and wandering.

This vibrant downtown is *connected* to its river – in fact it's the ONLY small Oregon wine country town with fully developed Willamette River access for paddlers, boaters, anglers and more. A network of trails for hikers and cyclists from Parrett Mountain to Main Street to the Willamette Valley Scenic Bikeway attracts active adventurers from urban areas who will come to recreate, then enjoy our local wine, food and beer.

These visitor experiences thrive due to a well-networked group of tourism businesses, local associations and city leaders who support each other, and who are aligned behind a set of effective marketing strategies that attract luxury wine travellers, valley adventurers and a burgeoning group of millennials enticed by our maker culture.

All this creates a ripple effect of new businesses that support the makers and producers and visitor economies. Newberg feels like a place of economic vitality and sustainability for the local community. Residents talk with even more pride about how their town has grown, and how now, more than ever, it feels like a place they can raise their families and thrive.

TOURISM PLAN GOALS

1. Tourism bolsters Newberg economy in measureable ways
2. Newberg is a destination of artisan makers and doers
3. Tourism funding and industry partners catalyze downtown development, and creation of new experiences for target audiences
4. The tourism organization and strategy engage and energize local tourism partners and demonstrate healthy partnership between the private sector and city
5. Moon shots – tourism encourages sustainable development that benefits the local community and enhances the visitor experience

TOURISM PLAN

3 pronged approach to success

1. Organizational Development
2. Destination Development
3. Destination Marketing

Partnerships as cross cutting theme

Destination Marketing

- Successful destination marketing helps achieve the overarching goals of an area's **tourism plan**.
- Destination marketing organizes a place's experiences and services (*product*) then communicates them in a way (*positioning/branding*) that inspires an identified target audience to visit that destination & consume those experiences.
- Successful marketing promotes *the destination's benefit and real value* to its audience, not just a list of attractions.
- The destination marketing plan will be developed by the new Tourism Organization and its board, and will consist of:
 - Goal(s) and measurable objectives
 - Target audience(s)
 - Brand positioning and messages
 - Tactics (e.g., PR, advertising, collateral, social media)
 - Budget
 - Timeline
 - Measurements

Destination Marketing Cycle

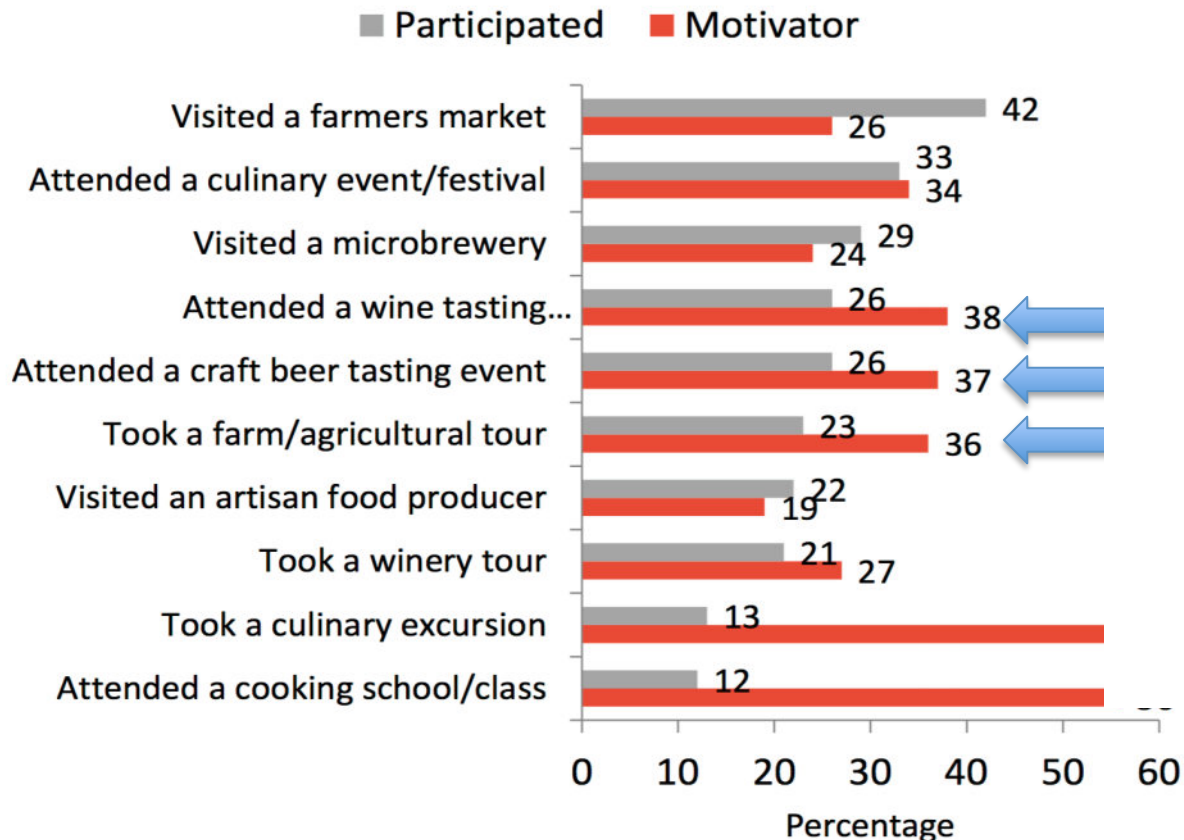


INSIGHTS & RESEARCH



TRAVEL OREGON

CULINARY ACTIVITIES



- According to the April 2013 travelhorizons TM survey, six out of ten (56%) adults who visited Oregon in the past two years said they participated in culinary experience while visiting OR
- Eight out of ten (77%) of those who participated in a culinary experience said they **planned to participate in the culinary experience in Oregon before departing from home**

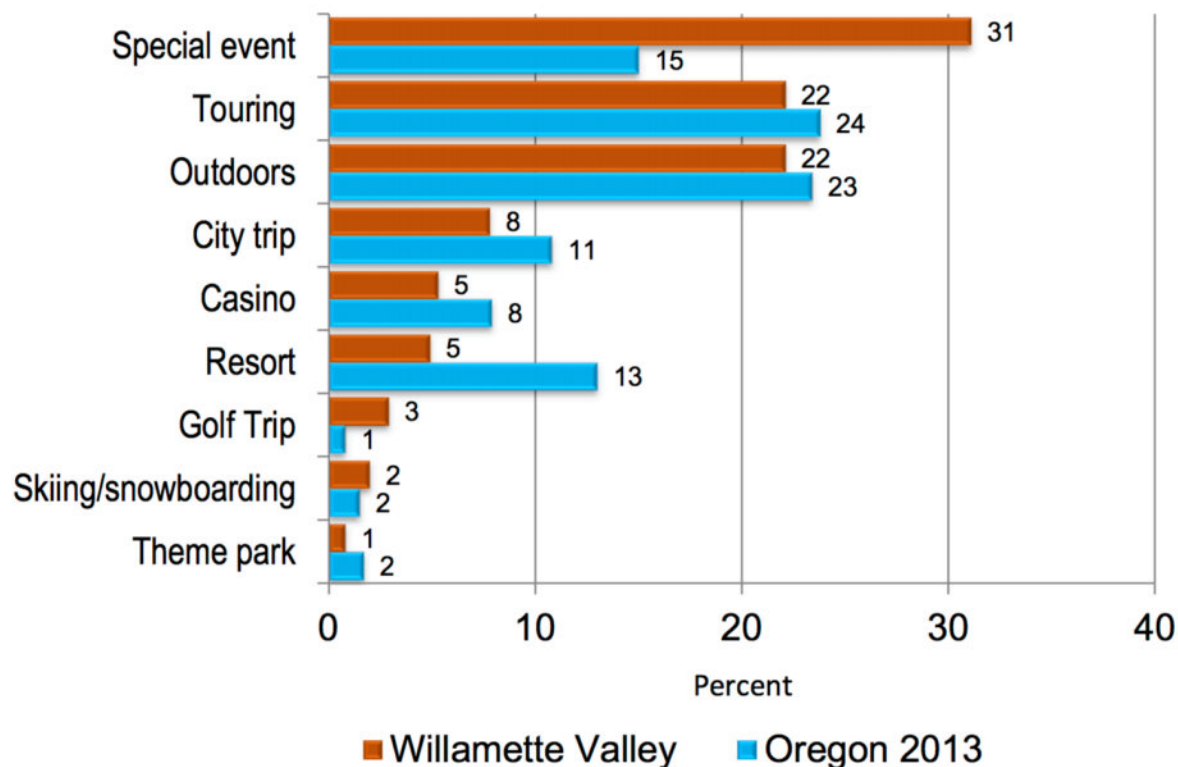
Oregon's Wine Tourism Industry & the North Willamette Valley Wine Consumer

- OR Wine Tourism Industry contributes \$207 million in annual visitor spending & creates 1.8 million wine-oriented trips each year (41% are from out of state visitors)
- Employs 2,623 employees with earnings of \$67.8 million/year
- The experience and purchase of local Oregon products while visiting significantly contributes to return visitation, and purchasing those products at home*
- The Oregon wine consumer is a premium wine drinker – especially for the prestige wineries located in the vicinity of Newberg. These wine drinkers are called “High Frequency High End” wine consumers; 8-10 million in US.

Main Purpose of Marketable Trip – Willamette Valley vs. State Norm



Base: Overnight Marketable Trips



Special Events, touring and outdoors rank as high activities - we recommend focusing on them for product development



DEFINING OPTIMAL TARGET AUDIENCE(S)

TARGET AUDIENCES

- Based on consumer insights gathered through research and the visitor experience Newberg has to offer today, and what is planned for the future, we have identified 4 key target audiences for Newberg's marketing efforts
 - Wine Country Adventurers
 - Millennial Explorers
 - George Fox Network
 - Luxury Wine Travelers

Wine Country Adventurers

Profile:

- Travels to Valley primarily for wine, BUT want recreation component
- Love hand- on experiences – kayaking then cooking class
- Age 35-55, Portland Metro, Eugene, Seattle

Are we ready for them: **Somewhat**

- Need trail connectors, integrating parks & tourism, river access

What we can do in the meantime:

- Inventory all trails & recreation and feature prominently in our marketing
- Develop map: downtown on one side and trails/rec/wine country on other



Millennial Explorers

Profile:

- 21-36, live in Portland and W. Valley
- Make their own adventure—like “up & coming” places
- Stay at Airbnb & smaller hotels (e.g., McMenamins)
- Wolves & People, downtown wine tasting rooms, local authentic food, Ruddick Wood

Are we ready for them: **Somewhat**

- Need consistent business hours downtown
- Develop / Integrate classes from cultural center with local tasting rooms & craft makers (e.g., chocolate shop to feature culinary classes)

What can we do now:

- Create curated itinerary of relevant shops/maker spaces/restaurants geared to this audience
- TRAIN front line staff on visitor guest service and referral system between businesses



George Fox Network

Profile:

- 30,000 people come to George Fox every summer
- Visiting students & alumni throughout the year
- Sports teams / fans and friends/family of athletes



Are we ready for them?: **Yes, except...**

- Need upper/mid-level independently owned hotel downtown

What we can do right now:

- Develop communications program with University to provide visitor information to audiences
- Determine what experiences are best suited for GF visitors – develop itinerary/ suggestions for them and communicate through GF channels

Luxury Wine Travelers

Profile:

- High income culinary explorers; premium wine drinkers
- Age 30-65. From Portland, Lake Oswego, Eugene, Seattle, San Francisco, LA, Vancouver BC, Texas

Are we ready for them? ... **Not yet**

- Newberg area already attracts this traveler to The Allison, & they tour the exceptional wineries nearby
- BUT downtown Newberg needs additional experiences that meet these traveler's desires: boutiques, more local restaurants, culinary classes, robust arts scene

What we can do in the meantime:

- Promote a very curated Newberg itinerary of specific experiences: e.g., The Painted Lady/Recipe/Ruddick Wood, Elements Art Gallery, Chehalem Cultural Center, Pulp & Circumstance, Valley Wine Merchants, Tasting Rooms, & share through Allison front desk & channels



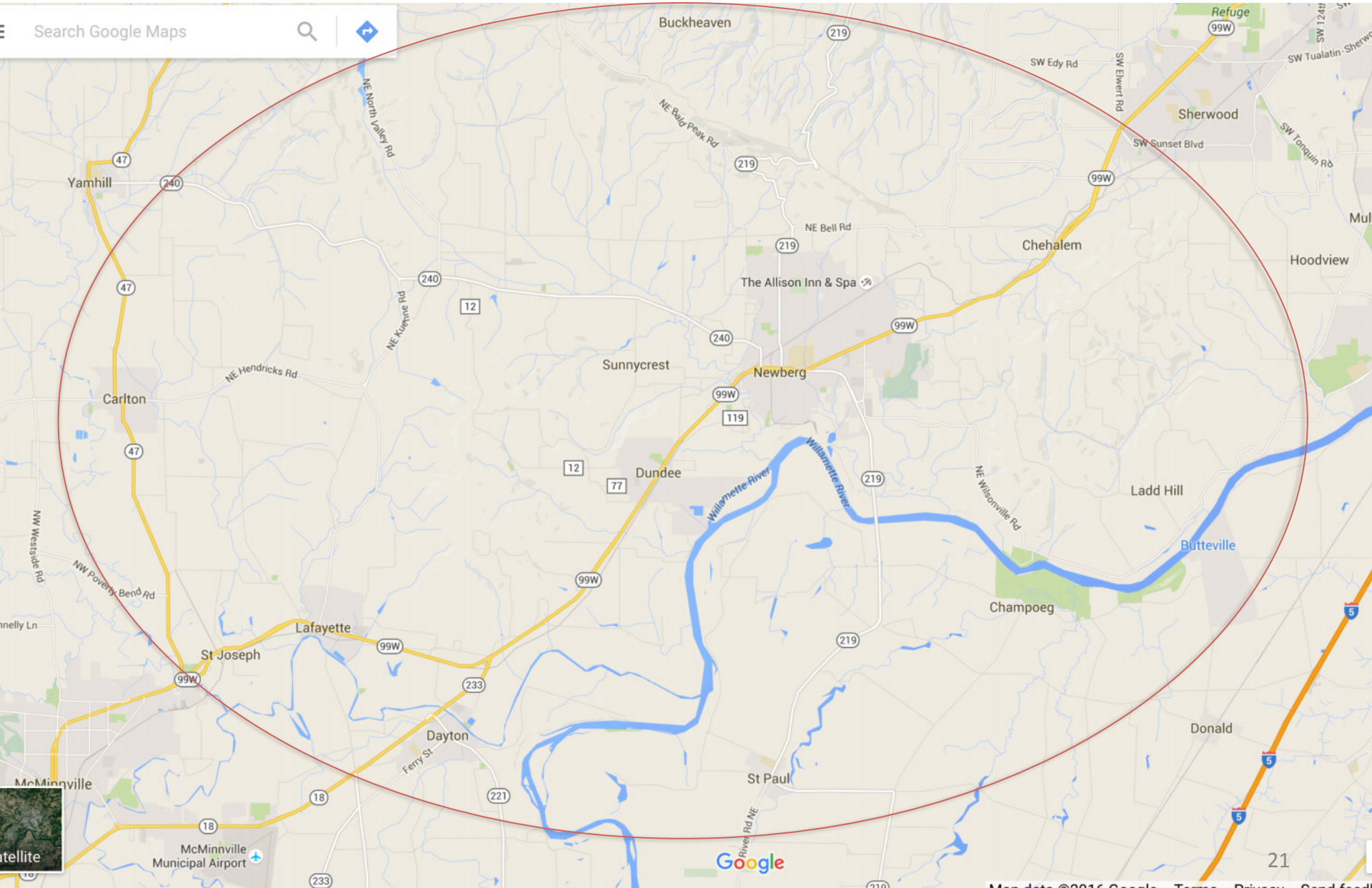
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VISITOR
COMMUNICATIONS
LANDSCAPE



Newberg Hub & Spoke Model



Chehalem Valley Chamber of Commerce

- Operates visitor center; serves 10,000 guests per year.
- Contract includes Marketing Services:
 - Publish visitor guide (19,000 / year)
 - Website
 - Social media
 - Wine education center
 - Events (e.g., Oregon Truffle Festival, Tunes on Tuesday, Chehalem Valley Food Wine & Art Festival, etc.)
 - Host media and travel industry executives (\$3m in earned media coverage over pas 5 years)
- Solid foundation in marketing; this plan recommends a marketing review in Fall 2016 to:
 - Review current materials
 - Align messaging with tourism plan
 - Promote aspects of Newberg experience that distinguish it from other, nearby destinations
 - Establish marketing committee to provide partner input and assistance in marketing – so Chamber doesn't have to do it solo, and constituent priorities are reflected

THE CHEHALEM VALLEY *Field* GUIDE



A POCKET MANUAL FOR IDENTIFYING
FERMENTED AND EPICUREAN ADVENTURE

2015-2016

*
MORE THINGS
chehalemvalley.com

INDOOR *Activities*

1. Newberg's First Friday
2. Annual April Camellia Festival
3. Chehalem Cultural Center & Art Elements art openings
4. Coffee cupping at Caravan Coffee every Friday morning
5. Amazing free concerts offered by George Fox University / georgefox.edu

OUTDOOR *Events*

1. Play disc golf at Hoover Park
2. Stop and smell the roses at Heirloom Rose Gardens
3. Oregon olive oil tasting at the Oregon Olive Mill
4. Launch your kayak, canoe or rubber raft at the Chehalem Paddle Launch
5. Bicycle at Champoeg Park; bike to Butteville
6. Sherwood wildlife viewing area
7. Visit the world-class Chehalem BMX Track & Skatepark / cpdnewberg.org
8. Stroll down walking trails / cpdnewberg.org
9. Enjoy a picnic and photography at one of 200 area vineyards
10. Skip rocks at Rogers Landing on the Willamette River

ALMOST *Anytime*

1. Browse books and magazines at the Newberg Library
2. Visit the Chehalem Cultural Center
3. Olive oil tasting at the Oregon Olive Mill
4. Learn the history of winemaking in Yamhill County at the Oregon Wine Education Center in the Visitor's Center
5. Shop First Street in Newberg
6. Visit the fenced-in dog park
7. Check out the Champoeg Visitor Center
8. Pet the llamas at Rain Dance

25 *Free things to do*

OUTDOOR *Events*

1. Memorial Day Power Boat Races at Rogers Landing
2. Farmer's Market Entertainment on Wednesdays
3. Tunes on Tuesday (July 14 through August 25)
4. July Old Fashioned Festival Parade & Entertainment Stage
5. Newberg Historic Homes Walking Tour

These Organizations each Publish Guides, Maps and Websites & Social media to Promote this Area

- Chehalem Valley Chamber (Newberg Chamber)
- Willamette Valley Wineries Association
- Travel Yamhill
- Visit Dundee
- Visit McMinnville
- Downtown Associations
- Willamette Valley Visitors Association
- North Willamette Vintners
- AVA Associations
- Oregon Wine Board
- And more....

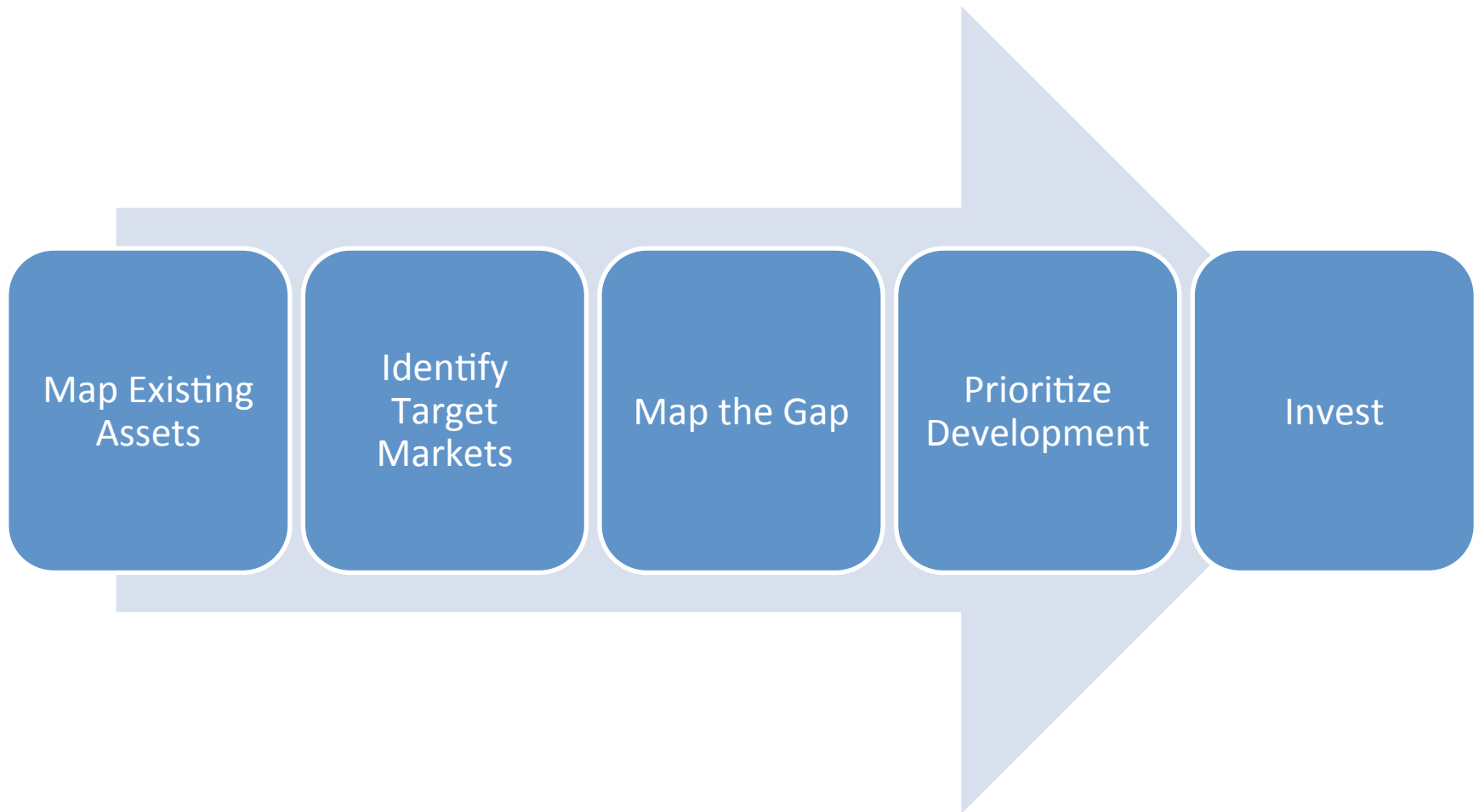
- We are making it hard for our visitors to figure out how to visit the area

- This plan recommends holding a **tourism summit** amongst local destination marketing, chamber and wine associations to seek common messaging and cross marketing, and close collaboration with the larger marketing orgs in the region (WVWA, WVVA)

DESTINATION DEVELOPMENT



DESTINATION DEVELOPMENT PROCESS



DESTINATION DEVELOPMENT SWOT

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Strengths

- Wine country cache
- Community of makers – artists, brewers, wine makers, cultural center
- The Allison – market knowledge, growth, high value clientele, community engagement
- Already attracting luxury travelers
- Proximity to urban centers
- 200 + wineries within 1 hour

Weaknesses

- Historic perception of Newberg as “drive through – nothing to stop for”
- 99W
- Lack of lodging inventory
- Lack of safe cycling infrastructure
- Lack of cycling and outfitting companies
- Lack of partnerships – geographic and industry
- Restaurants – chef driven farm to table restaurants

Opportunities

- Alternative lodging
- Mid-tier, independent hotel recruitment
- Outdoor rec meets makers
- Willamette River access
- Connecting trails to wine country and downtown
- Cycling – connecting to WV Scenic Bikeway / Parrot Mt trails
- Bypass alleviating downtown congestion

Threats

- Workforce/labor – capacity, housing
- Downtown vacancies
- Variance in federal funding for needed infrastructure improvements (downtown)
- Corporate purchase and consolidation
- Rapid development could jeopardize character
- Confusion around destination brand and champions

DESTINATION DEVELOPMENT

Goal

Newberg is a thriving wine country destination known for its culture of makers, producers, and entrepreneurs, with a downtown that matches the allure of surrounding countryside.

It's a vibrant home base for wine country/ culinary and soft adventure travel.

DESTINATION DEVELOPMENT

Newberg: A Tale of Two Cities

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Breathtaking rural
countryside/wine country
right outside of Newberg



Hyper commercial approach to downtown
Newberg, then a downtown with mix of some
nice retail & restaurants, BUT also vacancies, car
lots & misc. businesses – some rundown

What problem are we solving?

- Can you fill the visitor's day(s)?
- What can the visitor access?
- Are you maximizing visitor's value?
- What makes Newberg unique?

Destination Tourism – Successful Approaches

- 3 - 3 - Sleep
 - Encourages visitors to build their days around breakfast/activity/lunch/activity/dinner/activity – overnight
- 10 - 10 - 10 after 5
 - A successful visitor destination should have 10 unique eateries (bakery, café, restaurants, wine tasting rooms), 10 unique retail shops; 10 of those establishments from both categories need to be open after 5 pm

Destination Development & Marketing Strategy

Newberg will invest TLT funding in **DESTINATION DEVELOPMENT** projects that enhance the destination, particularly those that create unique wine country/culinary tourism-oriented experiences and links to outdoor recreation. Much work needs to be done before the City of Newberg is competitive as a stand-alone wine country destination: downtown renovation, recruitment of an upper/mid tier lodging property, more restaurants, shopping, signage and wayfinding, to name a few.

Newberg is uniquely positioned to appeal to visitors interested in experiencing wine country and outdoor recreation experiences, or wine country and creative arts. While the foundation for outdoor recreation and arts experiences exists, **they are still only about 80% ready for a quality visitor experience.** TLT funds should be focused on creating experiences that complete the 20% - connecting wine country to outdoor recreation, and arts experiences. Once these types of experiences are refined, TLT funds should be awarded through a granting program that aligns with the destination development strategy.

From a **DESTINATION MARKETING** standpoint, Newberg should focus on growing their marketing efforts over time. Our recommendation is that destination development should be the primary focus of funding projects for 2016-2018; however, developing early, effective key marketing tools can be wins in activating & maximizing the spend of “low hanging fruit” audiences already coming to the area. Focus on your current strengths, then in a year or two, grow your marketing to attract new audiences when the destination is more developed.

(see slides 84-85 for timeline)

Framework

Destination Development: Decision making framework TLT investment strategy

TLT Investment Framework	Yes/No	Notes
Align with TLT regulations		
Promote or create experiences for: <ul style="list-style-type: none">- Outdoor recreation visitor- Experiential arts- Wayfinding- Downtown enhancement (years 5+)		
Appeals to designated audiences in tourism plan		
The project will create or enhance an experience for shoulder or off-season visitors		
Is a priority for partner organization		
Builds on existing assets		
Leverages funding		

Criteria – Project EXAMPLE

Destination Development: Criteria for selecting destination development projects

EXAMPLE: Cultural Center Commercial Kitchen (22-18 = **greenlight**; 17-13 = **yellow**; 12 & below **red**/pass)

	Weight	Score
Ratio at which TLT funds will be matched	3:1	3
Project will connect visitors to existing assets		
- strength of existing assets	(1-4)	3
- strength of connecting asset	(1-4)	4
Alignment with target market	(1-2 for each target audience)	
- Wine country adventurers	WCA	1
- Millennial Explorers	ME	2
- George Fox visitors	GFV	1
- Luxury Wine Traveler	LWT	2
Can be completed in 6-12 months	Yes 1/No 0	1
Lasting impact and utility	(1-4)	4
Total Score		21 34

Budget Framework

Spend	Function	Cost
Marketing/Visitor Center (Chamber)	Assess current collateral, & align with new tourism plan approach	\$137,548
Tourism Director	Fundraising, collaboration, partnership building	\$100,000
Operating costs		Included in CV Chamber contract
Destination Development	80% -> Visitor ready	\$122,069

Projected TLT Revenues

**City of Newberg
Transient Lodging Tax
Revenues and Uses Analysis
Prepared May 5, 2016**

		Budget		Projections			
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Gross Operator Receipts		11,423,248	11,994,410	12,354,242	12,724,869	13,106,615	13,499,813
	<i>Year over Year % growth</i>	11.079%	5%	3%	3%	3%	3%
Net City Receipts **							
	6% tax	651,125	683,681	704,192	725,318	747,077	769,489
	3% tax	325,563	341,841	352,096	362,659	373,539	384,745
		976,688	1,025,522	1,056,288	1,087,977	1,120,616	1,154,234
Required Tourism Spending							
	17.60%	114,598	120,328	123,938	127,656	131,486	135,430
	70%	227,894	239,289	246,467	253,861	261,477	269,322
		342,492	359,617	370,405	381,517	392,963	404,752
Beginning Cash Balance 16/17		-	157,113				
Interest Earnings		1,621	2,564				
Total Available for Tourism 16/17			519,294				
Uses							
	Visitor Center ***	137,000	137,548	141,674	145,924	150,302	154,811
	TLT Plan	50,000					
	Unallocated Tourism Activity	157,113	381,746	228,731	235,593	242,661	249,941
	City Services	634,196	665,905	685,883	706,460	727,653	749,482
		978,309	1,185,199	1,056,288	1,087,977	1,120,616	1,154,234

** City Tax is applied to Gross Operator Receipts. Operators are allowed to retain 5% of that tax and submit 95% of the tax to the City.

*** 0.4% CPI-W for 2016-17 (actual figure) and assumed 3% CPI-W 2017-18 through 2020-21 Visitor Center payments.

Example Budget Only – Not Recommendations – Demonstrates Using TLT Funds to Leverage Grants for Larger Projects

Destination Development	TLT Match	Partners	Fund development	Total
2016-17				
Commercial Kitchen	\$25,000	Cultural Center, private foundation	\$100,000	\$125,000
Bathroom	\$10,000	CPRD, Land & Water Conservation Fund, Systems Development Charges	\$40,000	\$50,000
Permanent paddle launch	\$7,000	CPRD, Land & Water Conservation Fund, Systems Development Charges	\$18,000	\$25,000
Park development	\$35,000	CPRD, Land & Water Conservation Fund, Systems Development Charges	\$85,000	\$100,000
Parrett Mt. trail connectors	\$20,000	CPRD, Recreational Trails Program, FLAP funds	\$80,000	\$100,000
Festival seed funding	\$10,069	Sponsorship	\$54,931	\$75,000
Front line staff training	\$20,000	Private sector, ORLA	N/A	\$20,000
Total	\$122,069		\$377,931	\$495,000

Recommended Destination Marketing Priorities

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ASSET INVENTORY

- Audit current marketing program, tactics, materials
- Confirm inventory of agritourism/culinary/adventure/arts assets
- Load into database/ORB/map the gaps

BUILD TOURISM NETWORK

- Hold Newberg Tourism Summit
- Hold broader Regional Tourism Summit
- Build network, share current marketing efforts, encourage alignment; Focus on Will. Valley Wineries Assoc. as key partner (due to recent funding infusion \$500k+)

BUSINESS REFERRAL PROGRAM

- Train front line staff
- Increases local spend & length of stay
- 3-3-Sleep; 10-10, 10 after 5 (see slide 73)

COMMUNICATIONS AUDIT

- Are we sharing information aimed at meeting needs of our target audiences
- Audit current marketing program, tactics, materials to be on strategy, addressing target audiences
- Develop ONE events calendar
- Develop itineraries for 4 key audiences

DEVELOP BRAND

- Brand development recommended once product development is well underway/achieved
- Then develop brand guide, new creative and campaign

DESTINATION DEVELOPMENT & MARKETING STRATEGY TIMELINE

Downtown redevelopment begins

Bypass complete

2016-17

2017-18

2018-19

- Hire Tourism Director and appoint Tourism Board
- Board and tourism director develop work plans
- Map funding sources
- Fund park & paddle launch infrastructure on Willamette River at Rogers Landing
- Seed fund festival
- Fund commercial kitchen
- Fund trail connectors on Parrett Mt.
- Marketing/Communications Audit/visitor center
- Create itineraries
- Incorporate CPRD maps/collateral
- Customer service quality & consistency training
- Business referral program

- Create tourism alliance
- Inaugurate Chehalem Nature Park (near 219 & Willamette)
- Support paddle sport rental start up for Rogers Landing
- Connect Willamette Valley Scenic Bikeway to Parrett Mt. & Champoeg SP
- Grow festival, recruit influencers
- Fund landfill renovation + trails
- Begin wayfinding assessment
- Revise marketing strategy to reflect outdoor recreation & experiential arts
- Start alternative lodging network
- Recruit bike shop

- Begin match funding for visitor friendly downtown streetscape (lamp posts, banners, benches, pocket gardens)
- Recruit farm to table restaurants
- Invest in infrastructure to increase flow to and from Willamette
- Rebrand Newberg to reflect maturing product
- Recruit upper/mid hotel

DESTINATION DEVELOPMENT & MARKETING STRATEGY TIMELINE

Old mill site redevelopment begins

Downtown redevelopment continues

2019-20

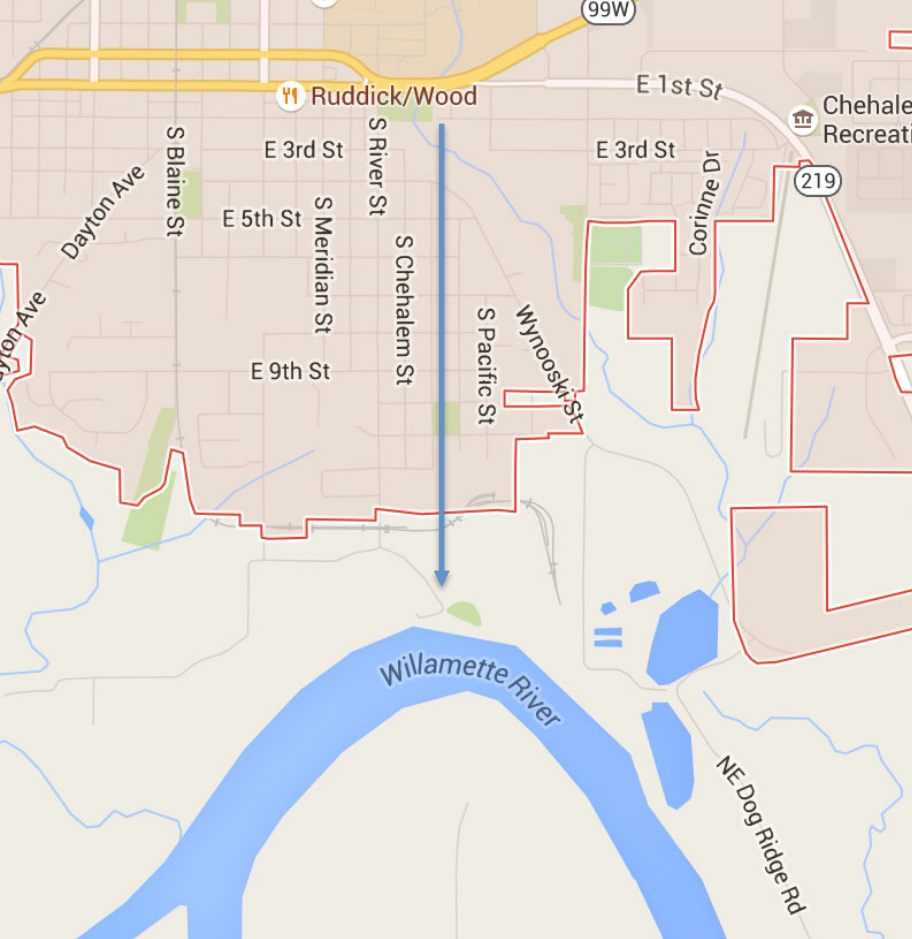
2020-21

2021-22

- Connect Willamette Valley Scenic Bikeway spur to downtown and river
- Implement signage and wayfinding plan

- Begin work on trolley
- TLT appropriate investment in old mill site, i.e. paddle sports rental in retail space

- Downtown arts festival
- Create network of wine country wine trails connecting to Newberg



MOON SHOT: RIVER TOWN

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What: Downtown Newberg is connected to the Willamette River. Downtown evolves south. Retail, restaurants, bike lanes & sidewalks encourage river to downtown flow.

River access is enhanced. Public space improvements include riparian enhancements, outdoor event space, possible campsites.

Why: Outdoor recreation meets wine country. Unique combination of experiences that appeal to high value market, proximity to downtown and increased spend. Significant lack of water recreation near urban centers.

Partners:

- Chehalem PRD
- Rental/Operator
- Yamhill County
- Oregon State Parks



Whatever happened to the Champoeg amphitheater?

For a five-year stretch in the 1990s, the open air amphitheater on the west side of Champoeg State Heritage Area was a prominent part of the park's summer programming. Original

NEWBERGGGRAPHIC.COM

What: A signature event that showcases Newberg's makers culture, and capitalizes on the booming music festival scene while building a destination brand.

Champoeg State Park and local hotels host overnight visitors. Tasting and making classes, hosted by local brewers, winemakers, chefs and artists, spread attendees out throughout the park and city. The festival's growth parallels Newberg's maturation as a destination, and cauterizes its reputation as the makers destination.

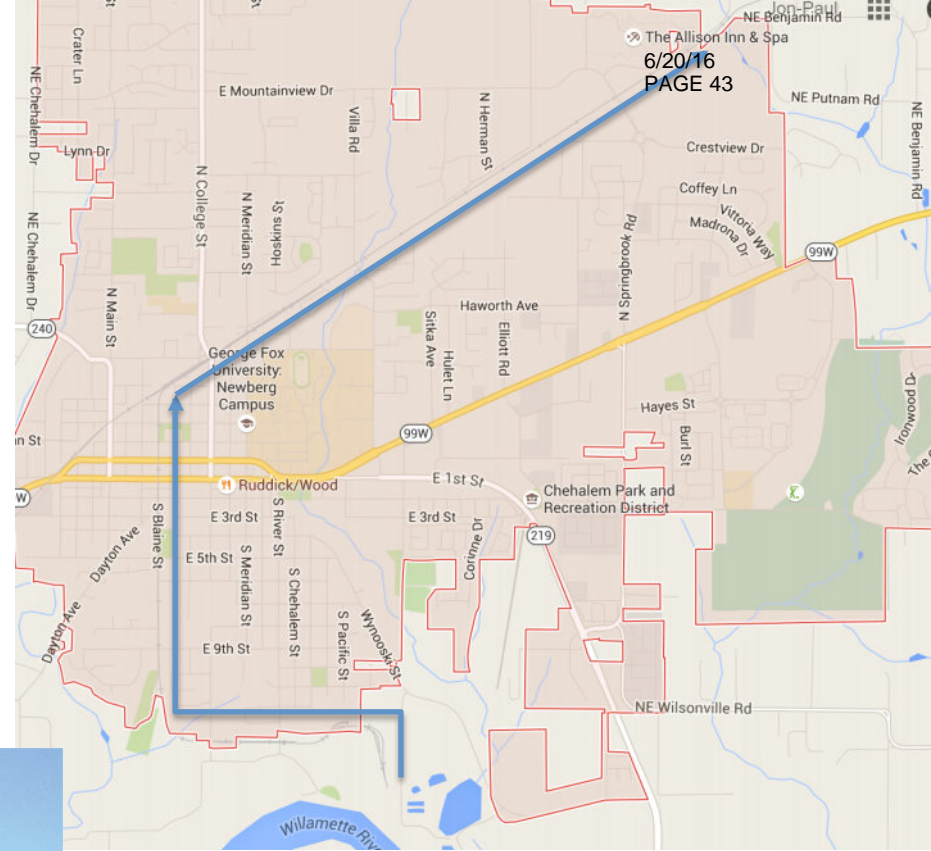


MOON SHOT: PASSENGER TROLLEY

What: A passenger trolley connecting The Allison, Vineyards, downtown and waterfront

Why: Unique asset, elevate in-destination transportation, curate experience, avoid congestion

Comp: Trolley Line in Astoria





MOON SHOT: REINVENT THE OLD MILL SITE

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What: A mixed use development that connects locals and visitors to the Willamette River. The development turns a liability into a centerpiece of sustainability, culture, outdoor recreation, events and serves as a public square.

Comps:

- Torpedo factory, in Alexandria, Va. Redeveloped in 1983.
- Oregon City, OR, Pelican Site including Riverwalk and potential whitewater center, which will create a roadmap, and create demand.



ORGANIZATIONAL DEVELOPMENT

ORGANIZATIONAL DEVELOPMENT

Goal

Tourism industry leaders are empowered to guide TLT investments in a manner that will enhance or create product and marketing materials that serve their target audiences.

The tourism industry closely collaborates with CPRD, Chamber, Newberg City Council, Community Development office, Newberg Downtown Coalition, and others to catalyze major redevelopments and city-wide improvements.

ORGANIZATIONAL DEVELOPMENT

What

- 360 degree tourism industry representation
 - Self interest and skin in the game
- Safeguard from political swings
 - Independent organizational structure
- Strategic investments in development & marketing
 - Leverage funds in targeted strategies

Avoid: tactics over strategy, disputes on funding qualifications, pet projects

Enable: 3:1 / 4:1 leverage of TLT funds, consistent strategy, rising tide

ORGANIZATIONAL DEVELOPMENT

Recommendation

- City as TLT pass through
- Tourism Director whose primary role over first several years is to build coalitions/partnerships/and leverage existing TLT funds to bring in additional funds/grants to move work forward. Tourism Director would work with...
- Independent board with 9 seats for industry representatives
 - The Allison (x2), alternative lodging, restaurant, tasting room, vineyard, retail, cultural/arts, Chehalem Valley Chamber
- 3-5 Ex-officio seats
 - Chehalem Parks & Rec Dept, Newberg Community Development, Downtown Newberg Coalition, Carlton, Dundee, Yamhill Co, Newberg City Council member, wine associations
- Not a fee-based organization
- Strategic planning approval with input from city, downtown, wine industry, generators

ORGANIZATIONAL DEVELOPMENT

- Step 1:
 - City establishes protocols for the operation of an independent Tourism Board, including open meetings, public notice, board selection and membership, and annual reporting
 - Constitute Board
 - File articles of incorporation
 - Hire Tourism Director (Skillset: Coalition building, partnerships, fundraising, leadership)
 - Create work plan
 - Move Visitor Center contract to Tourism Board for oversight
 - Tourism and chamber are housed together; & that chamber director sits on Tourism Board and Tourism Director sits on Chamber Board

- Step 2:
 - Review current marketing efforts for alignment with strategies and audiences outlined in this plan
 - Assess Visitor Center operations and impact

- Step 3:
 - Informed decisions on marketing budget allocation and management
 - Align with regional partners - Will. Valley Wineries Association should be a key partner – they recently raised new funds (\$500k +)

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Appendix

*Note: photographs in this plan cannot be used for other purposes
or reproduced*

How TLT Funds Can Be Used - Newberg City Attorney

Newberg City News Article

Written by: Truman Stone, City Attorney

June 2015

There has been discussion in the community about use of the Transient Lodging Tax revenue (TLT), including an editorial in the April 1, 2015 Newberg Graphic. This type of debate is evidence of a vibrant, active and involved community. Many good and creative ideas have been suggested. Use of TLT revenue is limited by state statute and the intent of this article is to explain TLT, explore state restrictions, and consider some proposed uses.

Transient lodging taxes are those taxes imposed on someone who provides temporary overnight lodging, typically hotels and motels, but also bed and breakfast facilities and short-term rental of apartments or residences. Under the Newberg Code, any stay under 30 days is subject to this tax. The customer owes the debt, but the obligation to collect the tax is placed on the business (the business receives compensation for collection of the tax). Newberg first enacted a TLT in 1976.

In 2003, the Oregon Legislature got into the lodging tax business when it imposed a 1% tax statewide, which is used to fund the Oregon Tourism Commission. That bill (HB2267) also imposed new limitations on Cities and Counties that collect TLT. For existing local lodging taxes, the State locked in a formula on how much of the receipts must be used for tourism; that is the formula the local government used on July 2, 2003. For new or expanded TLT amounts, the State requires 70% of the proceeds to be used for "tourism promotion or tourism related facilities." The statutory definitions are the key to understanding these limitations.

The State defines "tourism" as economic activity resulting from tourists and "tourists" as those folks traveling more than 50 miles or combining an overnight stay with their activity.

The definition of "**tourism promotion**" includes any of the following activities:

- (a) Advertising, publicizing or distributing information for the purpose of attracting and welcoming tourists;
- (b) Conducting strategic planning and research necessary to stimulate future tourism development;
- (c) Operating tourism promotion agencies; and
- (d) Marketing special events and festivals designed to attract tourists.

The State defines "**tourism-related facility**" as:

- (a) a conference center, convention center or visitor information center; and
- (b) other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.

Conference, convention, and visitor information centers are also statutorily defined terms with specific meanings.

As you can see, there is no mention of streets, sidewalks, or parking lots, but an astute reader would deduce that these are improvements to real property with a useful life of 10 years or more, that might be included in subsection (b).

This question was presented in 2008 to the Attorney General by the head of the Oregon Tourism Commission. After extensive [analysis](#), the Department of Justice stated:

In sum, the history shows that the legislature did not intend to categorically exclude roads, sewers, sewer plants, and other transportation facilities from the definition of "tourism- related facilities." If a specific road or sewer, etc., meets the criteria in ORS 320.300(9)(b), including having a substantial purpose of supporting tourism or accommodating tourist activities, it would qualify as a "tourism-related facility." But legislators cited only three very limited types of roads and sewers that might qualify: roads that provide access to natural and recreational facilities, other improvements to recreational facilities, which could include sewers, and a restroom in a park.

Those types of roads and sewers either are part of tourist attractions or directly serve them. In that sense, those facilities might “draw” tourists to the extent that the attraction itself draws tourists. No legislator stated any intent to include roads and sewers merely because they are used heavily by tourists. Consequently, the history suggests that the legislature may have intended local infrastructure such as roads and sewers to be “tourism-related facilities” only to the extent that they either are part of or directly serve tourist attractions. [emphasis added]

We conclude, based on the text, context and history of ORS 320.300(9) and ORS 320.350(5) and (6) that the legislature most likely intended local roads, sewers, sewer plants, and transportation facilities to qualify as “tourism-related facilities” only if they drew tourists in themselves, directly serve a specific tourist attraction (such as an access road), or are part of the infrastructure of a specific tourist attraction (such as a restroom and the on-site sewer line). The legislature most likely did not intend “tourism-related facilities” to encompass roads and other infrastructure simply because they are used, even heavily, by tourists as well as locals.

Given this analysis of the statutory restrictions and the intent of the legislature, what are we to conclude? While there is no bright line test, some general observations can be made.

First, using TLT tourism dedicated funds to repair sidewalks, install bulb outs, or place benches in the downtown would be a violation of law. Second, under the same analysis, the repair of the City Lot on Second Street [aka Merchant’s Lot] with TLT tourism dedicated funds would also be a violation of law, since the lot is used primarily by downtown merchants or customers, tenants who live in downtown apartments, and City staff.

Installation of a public restroom might be a “tourism-related facility,” depending on whether or not it was located adjacent to a specific tourist attraction.

TLT tourism dedicated funds are restricted in the way the funds are spent, but there is no requirement that funds be spent in any given year. If there is a community desire to build tourism-related facilities, then the TLT funds might be banked until there are sufficient funds to either partially or fully fund a facility. This would take a long-range vision and plan to implement.

There is no doubt that City infrastructure, both public and private, is in need of repair. However, the TLT tourism restricted funds are not legally available to address these needs. The City is working on a process to administer the TLT funds, which will give structure and ensure legal compliance in the expenditure of these amounts.

Grant Opportunities

FMPP Grant (NOTE if you go after this one this one– BE SURE TO TIE IN LOCAL FARMERS MARKETS)

<https://www.ams.usda.gov/services/grants/fmpp>

Typical deadline timing: May

Travel Oregon Matching Grant

Typical Deadline timing: May

<http://industry.traveloregon.com/industry-resources/matching-grants-program/oregon-tourism-commission-matching-grants-program/>

Rural Business Development

<http://www.rd.usda.gov/programs-services/rural-business-development-grants>

Wine Country LP Grants

<http://industry.traveloregon.com/industry-resources/matching-grants-program/wine-license-plate-grant-program/>

SBDA Grants

2015-2016 Chehalem Valley Chamber Budget

REVENUE:

City of Newberg	\$137,000.00
City of Dundee Contribution	\$2,500.00
TOTAL REVENUES:	\$139,500.00

EXPENSE:

Personnel	\$62,000.00
<i>CEO</i>	
<i>Wine Education Center Manager</i>	
<i>Office Administrator</i>	
<i>Visitors Center – Seasonal Help</i>	
<i>Benefits – Retirement</i>	
<i>Taxes</i>	

Marketing	\$40,000.00
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- Print Advertising*
- Online Advertising*
- Tourism Magazine – City Map*
- Willamette Valley Visitors Association – Co-op Ad Opportunities*
- Governor’s Conference on Tourism – Oregon Destination Marketing Conference*
- First Friday Artwalk participation/Trolley Sponsorship*
- Camellia Festival Support and Trolley Sponsorship*
- Newberg Christmas Lights Seasonal Electricity*
- Event Marketing – Camellia Festival, Tunes on Tuesday, Brews & BBQ*
- Website Modifications*
- Travel Yamhill Valley – Membership*
- Travel Oregon Co-op Advertising Opportunities*
- Travel Portland Magazine*
- Familiarization Tour Expenses*
- Contingency marketing dollars set-aside for unique opportunities*

Shared Expenses	\$47,979.00
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*Calculated as 1/3 of overhead in Chamber Budget applicable to tourism includes:
Dues/Subscriptions, Bank Fees, Insurance, Internet/Web Miscellaneous, Supplies,
Postage, Leases, Printing, Rent, Capital Improvements, Repair/Maintenance,
Telephone, Utilities, Professional Fees, Mileage*

TOTAL EXPENSES:	\$149,979.00
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DIFFERENCE:	-\$10,479.00
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Chehalem Valley Chamber funds any negative balance per contract.