



**TRANSIENT LODGING TAX AD HOC COMMITTEE AGENDA
MAY 2, 2018, 4:00 PM
NEWBERG CITY HALL, 414 E FIRST STREET**

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. APPROVAL OF MINUTES – APRIL 4, 2018**
- IV. MINUTES OF THE MARKETING SUBCOMMITTEE – FEBRUARY 26 AND MARCH 19, 2018**
- V. PUBLIC COMMENTS**
- VI. MARKETING SUBCOMMITTEE – MARKETING PROPOSAL**
- VII. STATUS OF SMALL GRANT AWARDS FY 2017-2018**
- VIII. TLT MEMBER UPDATES**
- IX. JOINT CITY COUNCIL-TLT AD HOC COMMITTEE WORK SESSION – MAY 21, 2018, AT 6 PM, PUBLIC SAFETY BUILDING**
- X. NEXT MEETING JUNE 6, 2018**
- XI. ADJOURNMENT**

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the Office Assistant II of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the Office Assistant II at (503) 544-7788. For TTY services please dial 711.

TRANSIENT LODGING TAX AD HOC COMMITTEE MEETING MINUTES
APRIL 4, 2018, 4:00 PM
Permit Center Conference Room, Newberg City Hall
414 E First Street

Chair Lewis called the meeting to order at 4:01 p.m.

ROLL CALL

Members Present:	Dennis Lewis, Chair	Shelia Nicholas, Vice Chair
	Rob Felton	Matthew Murray
	Megan Carda	Jessica Bagley
	Brian Love	Lori Louis
	Loni Parrish	Kyle Lattimer
	Joe Hannan, Ex Officio	Ex Officio Mayor Andrews

Members Absent: Robert Griffin, Ashley Lippard

Staff Present: Doug Rux, Community Development Director

Guests: Carr Biggerstaff, Mike Ragsdale, Kitri McGuire, Ted Crawford

CONSENT CALENDAR:

Approval of the February 7 & March 7, 2018 meeting minutes

<p>MOTION: Rob Fenton/Sheila Nicholas moved to approve the February 7 & March 7, 2018 TLT meeting minutes. The motion carried (9Yes/ 0 No).</p>
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PUBLIC COMMENTS: None

VISIT MCMINNVILLE – JEFF KNAPP & TED CRAWFORD – DUNDEE TLT COMMITTEE CHAIR

Kitri McGuire filled in for Jeff Knapp and indicated that McMinnville citizens in 2013 discussed a tourism committee.

Ex Officio Mayor Andrews inquired if the committee was autonomous or not from the City of McMinnville.

Ex Officio Hannan inquired if Visit McMinnville was a 501.c3 organization.

Kitri McGuire shared that Visit McMinnville is a 501.c6 organization. They had researched other organizations and did not know if they wanted to be a Destination Marketing Organization (DMO). McMinnville did grants originally and found that they did not work. The McMinnville group determined to go with the Bend model as an organization. Visit McMinnville is not a committee of the city and they have one client the City of McMinnville. The organization has a governing board not a managing board. They do not do grants or events, they only do marketing. Jeff Knapp was hired in 2015 and Kitri was hired in 2016. The City of McMinnville increased the lodging tax to 10% to use for group sales. The increase in the tax went from 8% to 10% with the

additional 2% going to increase the group sales program. In McMinnville 70% goes to Visit McMinnville with 30% going to the City of McMinnville.

Member Felton asked for clarification on the definition of marketing (Destination Marketing).

Kitri McGuire indicated they market for overnight stays.

Member Felton asked about the definition of a Destination Marketing Organization (DMO).

Chair Lewis indicated the State has a definition for DMO.

Kitri McGuire noted she was not sure there is a definition.

Member Carda inquired if Visit McMinnville markets Yamhill County or just McMinnville.

Ex Officio Hannan inquired about the size of Visit McMinnville's budget and if they distribute brochures.

Kitri McGuire noted their budget is \$830,000 and they have a Business & Marketing plan.

Ex Officio Hannan inquired who pays for brochures.

Kitri McGuire noted that Visit McMinnville does not do a Visitor Center. The McMinnville Chamber does an ad hoc Visitor Center. No Visit McMinnville dollars to the McMinnville Chamber to operate the Visitor Center.

Member Murray inquired if the City of McMinnville funnel any of their 30% of lodging tax the McMinnville Chamber.

Kitri McGuire indicated no.

Member Carda clarified that the McMinnville Chamber has higher dues than the Chehalem Valley Chamber.

Kitri McGuire shared that Bend is being sued by the Restaurant Lodge Association (RLA) for reported improper use of their transient lodging tax funds.

Member Louis – How Many rooms are in McMinnville?

Kitri McGuire noted that there are 460 rooms which includes bed & breakfast and vacation rentals. There are 50-60 vacation rentals, 8 hotels, 3 Bed & Breakfast establishments and one recreational vehicle park.

Chair Lewis asked about the struggles involved with doing grants.

Kitri McGuire shared that only 501c3 organizations were allowed to apply and that there was a limited pool of those organizations dealing with tourism. Single day events were proposed, not enough 501c3 organizations Activities were not increasing tourism traffic, and rooms in summer were limited.

Chair Lewis asked if Visit McMinnville works with Travel Oregon.

Kitri McGuire noted they do work with Travel Oregon. McMinnville does “Taste McMinnville” and Travel Oregon assisted with pushing advertising.

Chair Lewis inquired if Visit McMinnville assists the UFO Festival.

Kitri McGuire noted they do not, but they do help market the event.

Chair Lewis asked for clarification on if a group comes and asks for assistance what you do.

Kitri McGuire noted they can support with social media, photos, but don't write checks or do radio ads.

Member Carda asked if Visit McMinnville helps connect people to grants.

Kitri McGuire noted they do letters of recommendation.

Chair Lewis asked the group if Newberg directed all funds towards marketing could they generate other funds to support activities.

CDD Rux noted that all lodging pays the Newberg Transient Lodging Tax.

There was a general discussion on the split of revenues pre and post HB 4041.

Ted Crawford shared that Dundee started its tourism program in 2010 with development of the Inn at Red Hills, a Committee made recommendation originally to City Council. They now generate \$80,000 – \$90,000 a year of which 70% goes to marketing. Dundee originally did grants but now do marketing & facilities with focus on restrooms and visitor kiosk that are several years away. They maintain a website and do social media with volunteers.

Kitri McGuire noted it is important to have a diverse group. In McMinnville they have representative from lodging, restaurants, winery's, at large citizen, City Manager and the City Council President. They have quality paid staff because volunteers have other jobs. In their organization expenditures are 25% on staffing (only two staff) and 75% on marketing. They may add staff in future.

Member Louis inquired about the difference between a governing boards verses a managing board.

Kitri McGuire shared that they have a governing board and that their overall direction is the focus of the organization and they do not approve posters as an example. The Board hired Jeff Knapp, Executive Director. The Board initially self-selected, then wrote bylaws. A three person committee of the Board reviews applicants for Board positions and the full Board votes on the committee's recommendations.

Chair Lewis noted that Newberg is growing.

Ted Crawford shared targeting visitors from outside Oregon needs to be done.

Kitri McGuire shared that she sees mutual benefit in cooperating with McMinnville and Newberg. The Willamette Valley Wine Board (WVWB) doing interesting things that could be leverage.

Ex Officio Hannan inquired about the split on salaries and benefits verses marketing in their budget.

Member Louis inquired about rates increasing at lodging facilities or not.

Kitri McGuire noted they have four measures:

1. Traffic to website
2. Leave to another site
3. Increase in funding
4. Increase in total overnight stays

Member Murray inquired about the length of their contract.

Kitri McGuire indicated that it is a 3 year contract. In May of each year they present a budget to the City of McMinnville and quarterly meet with City Council and report on activities.

Member Felton inquired on how long it took to get nonprofit status.

Kitri McGuire noted she did not know but she can get that information. She also shared that brand recognition in Willamette Valley is important and not specific committees.

STATUS OF SMALL GRANT AWARDS FY 2017-2018

CDD Rux provided an update that the Cultural Center contract has been executed. Three other grants are in process and drafts should be out to applicants next week.

TLT MEMBER UPDATES

Chair Lewis distributed a Newberg Graphic article on the wine industry to the committee members.

Member Louis noted the Atticus Hotel rates are similar to the Allison Inn. There is a lot of competition out there, market is changing and the Alison had a challenging 1st Quarter. She shared that Travel Portland is spending dollars to get people to Portland Hotels and paying extra dollars to bring people in during off season.

MARKETING SUBCOMMITTEE – MARKETING PROPOSAL

Chair Lewis asked the Committee on how we should use our marketing Funds and noted Newberg and Dundee needs are similar.

Member Lattimer inquired what the contributing factors in tourism growth are. He noted his business was flat.

Member Louis noted that is hard to say and that other destinations are marketing off season times to attract visitors. McMinnville increased their lodging tax rate to attract groups.

Member Love shared that in Portland old buildings are being converted into hotels.

Member Louis noted that Portland occupancy is increasing and hotel rates are increasing. There are 1,600 new guest rooms in Portland.

Member Lattimer noted that a variety of lodging is important.

Member Louis shared that the Umpqua Valley region is marketing.

Vice Chair Nicholas stated that Newberg needs something along the line of Visit McMinnville.

Member Murray indicated that the model is either hire someone only to do marketing or use the Chamber model. He shared that maybe there is County dollars and the possibility of Newberg as the marketing group for Yamhill County.

Chair Lewis noted that Yamhill County has no Destination Marketing Organization to get funding from Travel Oregon.

Member Parrish shared that the Willamette Valley Visitors Association (WVVA) doles out Travel Oregon dollars in the Willamette Valley.

Member Carda inquired why not Visit McMinnville as DMO.

Member Murray noted they can't because the only work for City of McMinnville.

Member Louis noted that Yamhill County does not have a seat on WVVA Board.

Member Carda asked who decides if DMO.

Chair Lewis followed up that we need to get the details on how to be the DMO.

Ted Crawford noted that Travel Yamhill County was a volunteer organization and was winery based.

Member Louis indicated the small membership base to Travel Yamhill County.

Member Murray asked the Committee should we take all the TLT funds including grants and funds to the Chamber for marketing and use it all for marketing. The other model is the Chamber Model and we provide additional funding for marketing use grant funds. He has heard at the Cultural District meeting concerns on having grants go away.

Ex Officio Hannan identified another model of using large grant at Chehalem Cultural Center for the kitchen. If all funds go to marketing miss out on tourism facility development.

Member Parrish noted a way forward is to cancel the Chamber contract and use those funds.

Ex Officio Hannan shared that City Council has responsibility to respond to the community if Chamber closed from removing their funding.

Member Carda shared that we should not do another round of grants.

Member Felton referred to the memo in the packet and that people agree they want to have a marketing person. He reviewed the memo and the five outlined options.

Member Parish noted she liked Option 2 with Option 1 and housed at the Chamber.

Carr Biggerstaff from the Chamber noted that under the Chamber model they would want to have a separate Board for tourism.

Member Felton noted it would be a year out to establish a 501c3 or 6 organization.

Carr Biggerstaff shared that the Chamber model is bridge approach.

Member Carda inquired if the Chamber would continue to operate as in past.

Carr Biggerstaff described that the Chamber would follow the City contract and explained what Chamber has done to promote tourism marketing.

Member Parrish asked the Committee who would administer grants if there is no grant program.

Chair Lewis asked the Committee if there were any other options than the five in the memo.

CDD Rux went over a possible schedule for future meetings with the Subcommittee, TLT Committee and City Council.

Member Murray indicated that the Committee needs dollar numbers and two options to consider.

Chair Lewis recapped the possibility of including Dundee in Options 1 and 2.

Member Love noted that the Committee today is where it should have been a year ago and have its wheels.

Chair Lewis suggested to not fund grants and that we should be a marketer directly to organizations for other grant opportunities. He asked what is the direction to the Marketing Subcommittee.

CDD Rux reviewed the financial models that were in the packet.

Member Louis indicated that we should be applying for grants and need a person to work on grant applications.

Member Parrish inquired on how much time CDD Rux on tourism. Ex Officio Hannan indicated a significant amount of time.

Member Murray suggested looking at a person at the Chamber for tourism marketing.

Chair Lewis conducted a straw poll to:

1. Keeping grant process & put a manager in the mix to manage
2. Eliminate grants 9-1

CDD Rux noted the next Marketing Subcommittee is April 16 at 8:30am and Chair Lewis noted he would be out of town.

Member Parrish asked if the City could keep a grants program and have a separate group to review applications.

Mike Ragsdale noted that you can set up an organization and & not have a 501c3 or 6 established and that you can just register with the Secretary of State's office. He also indicated he has space but no staff to support a person if they are housed there.

Meeting adjourned at 6:13 PM

Approved by the Newberg Transient Lodging Tax Ad Hoc Committee this 2nd day of May, 2018.

Dennis Lewis,
TLT Ad Hoc Committee Chair

Doug Rux,
Community Development Director

**TRANSIENT LODGING TAX AD HOC COMMITTEE
MARKETING SUBCOMMITTEE
February 26, 2018 8:30 am
Newberg City Hall, 414 E. First St.**

The meeting was called to order by Chair Rob Felton at 8:32 a.m.

ROLL CALL:

Members Present: Rob Felton, Chair Sheila Nicholas
 Dennis Lewis

Members Absent: Ashley Lippard (excused), Jessica Bagley, Kyle Lattimer,

Staff Present: Doug Rux, Community Development Director

Guests: None

APPROVAL OF MINUTES

<p>MOTION: Nicholas/Lewis moved to approve the January 29, 2018 meeting minutes as amended. The motion carried 3 Yes/ 0 No).</p>

PUBLIC COMMENTS:

None.

TOURISM MARKETING ACTIVITIES – SUBCOMMITTEE PROPOSAL

Marketing

Chair Felton recapped that four TLT members met with Visit McMinnville to gain insight on their tourism program. He outlined that there are five possible alternatives to consider for Newberg's tourism marketing program:

1. The Chamber proposal.
2. Visit McMinnville Model.
3. A Non-profit like Newberg Downtown Coalition.
4. City staff.
5. Contract with an Agency or individual.

Member Nicholas shared her thoughts about a hybrid between alternatives 1 and 2. This would be independent, have a Board of Directors, she likes them being in a building and maybe they could be housed at the Chamber. Concern is they may get absorbed into the Chamber and Chamber activities.



CDD Rux recapped organizational models from the fall of 2016 the City Council reviewed. Chair Felton shared that the possible intent is to get them space at the Chamber or Newberg Downtown Coalition to reduce overhead costs. The City of McMinnville does not fund a visitor center. Visit McMinnville uses smartphones and web as a visitor center. He suggested a possible kiosk at Waterwise Garden parking lot.

Member Nicholas noted Visit McMinnville does not do grants.

Chair Felton indicated it would be hard for the City Council to not provide grants.

Member Lewis shared that he sees the TLT evolving into a smaller group focusing on marketing. A questions is for the marketing person how and where to house them. He envisions one Board to oversee marketing and sees City Council as the body that is reported to at the end of each year on activities that have been completed. He noted the Cultural Center Board as an example or model. We could hire someone with an LLC and a Board that oversees. It was noted that it could be a 501c6 or 501c3 organization. Try to leverage outlying communities like Dundee and capture County funds.

Member Nicholas indicated she would support a different visitor center model.

Member Lewis noted there is a group of people who want to sit and meet with someone to discuss tourism information. Rack cards are less important. He spoke with Mike Ragsdale and he is interested in housing a marketing person. He noted that a 100 room hotel will be coming near the hospital.

Chair Felton indicated he will be talking with Dundee on Wednesday. From his observation tourism information is buried in the Chamber website. We need to share resources with Dundee and spend dollars on marketing and web site.

Member Lewis indicated Visit McMinnville would like to be more collaborative with Newberg.

Member Nicholas that is a goal but need to get our own house in order first.

Member Lewis suggested bringing the concept forward to the full TLT Ad Hoc Committee.

Chair Felton noted that \$100,000 to Chamber for the visitor center is likely significant.

Member Lewis shared that \$40,000 went to community events, \$40,000 to overhead and \$52,000 for labor. If the Chamber does not have the visitor center function then the Chamber does not need the size of space they have.

Member Nicholas inquired when is the Chamber lease up.

Member Lewis indicates approximately 2 years.

CD Rux recapped the Chamber/City Council work session discussions.

Member Lewis shared that he believes the Chamber thinks they should not be managing marketing and they want to focus on the Chehalem Valley Innovation accelerator and workforce development.

CDD Rux noted the Chamber contract is for five years and is currently into year three of the contract.

Chair Felton suggested that the TLT Ad Hoc Committee needs to have this discussion. He is ambivalent if marketing is part of the Chamber or a separate non-profit.

CDD Rux indicated he could prepare a memo that lists the five alternatives for the full TLT Committee to review. The next TLT Committee meeting is March 7 at 4 p.m. at City Hall.

Video

CDD Rux explained that the Peterson's are still working to get their business set up to enter into a contract to do the video work.

Member Lewis shared that the video for the Chamber through the Travel Oregon grant is moving forward and that restaurants are excited. Seven restaurants would be involved. \$15,000 of TLT funds through Chamber marketing contract, \$20,000 Travel Oregon grant and \$5,000 in-kind.

Chair Felton noted the script was distributed.

Member Lewis shared that Nick Hoogendam from Country Financial offered doing free videos on wineries that he would push out through his social media channels.

Member Lewis shared that the Chamber has asked about the TLT AD Hoc Committee leading on traditional magazine ads and is looking for guidance.

Chair Felton prefers multiple media channels to share information with.

Member Lewis inquired if Member Nicholas could possibly review ad opportunities to see what is a benefit or not. Daily publications have little benefit.

Member Nicholas shared that the Oregon Wine Board is important.

ADJOURNMENT: Chair Felton adjourned the meeting at 9:25 a.m.

Approved by the Transient Lodging Tax Ad Hoc Committee Marketing Subcommittee this 19th day of March, 2018.



Rob Felton
TLT Ad Hoc Committee
Marketing Subcommittee Chair



Doug Rux, Community Development Director

**TRANSIENT LODGING TAX AD HOC COMMITTEE
MARKETING SUBCOMMITTEE
March 19, 2018 8:30 am
Newberg City Hall, 414 E. First St.**

The meeting was called to order by Chair Rob Felton at 8:33 a.m.

ROLL CALL:

Members Present: Rob Felton, Chair
Dennis Lewis
Jessica Bagley

Members Absent: Ashley Lippard, Shelia Nicholas

Staff Present: Doug Rux, Community Development Director

Guests: Carr Biggerstaff

APPROVAL OF MINUTES

Chair Felton identified modifications to Page 2 of the minutes related to City Council future review of grants.

MOTION: Felton/Bagley moved to approve the February 26, 2018 meeting minutes as amended. The motion carried 3 Yes/ 0 No).

PUBLIC COMMENTS:

None.

TOURISM MARKETING ACTIVITIES – SUBCOMMITTEE PROPOSAL

Chair Felton identified two areas to discuss:

1. Destination Marketing Plan and the Chamber looking for assistance in developing their annual Destination Development Plan.
2. Proposal for hiring a person to do grants or not do grants. Who would this person report to?

Member Bagley inquired if the two work together.

Chair Felton noted the Visitor Center does distribute material using TLT funds.

Carr Biggerstaff noted the Chamber does host the Visitor Center. He noted he had missed the last couple of meetings and he would like a recap of the discussions.

Member Lewis summarized that there was consensus to hire a person or firm. There were questions about where they are housed, do we invite Dundee. Lori Louis, Pierre Zreik and Dennis Lewis will be going to the Yamhill Tourism Summit. CDD Rux noted he would not be attending due to another commitment.

Carr Biggerstaff summarized efforts for a Destination Marketing Plan for next year. It likely would not be much different than last year's plan. Roughly \$40,000 is identified to implement the Plan. He has Rob's proposed marketing plan. Examples of activities include website, SEO, and cross pollinating the two plans would be advantageous.

CDD Rux explained the background of the Marketing Destination Plan.

Member Bagley indicated a proposal on dollars needed to fund a person and marketing should be the priority.

CDD Rux explained the finances of \$60,000 - \$70,000 for a person, \$50,000 - \$60,000 for marketing purposes. To do this would require reducing the Large Grant down to roughly \$130,000 going forward. He referred to the financial model in the packet.

Carr Biggerstaff indicated the Chamber contract ends in 2 ½ years. The City could after the contract terminates have a separate Visit Newberg organization. He had spoken with Medford and other programs around the state. He noted dolling out a few \$1,000 grants here and there that you are not getting a large impact. Hiring an agency may not be a cost efficient approach. Having a person requires they need to report to someone or a Board.

Chair Felton questioned if a contract should be with the Chamber or a separate organization like Newberg Downtown Coalition or Chehalem Cultural Center.

Carr Biggerstaff noted the Chamber gave \$3,000 to the Truffle Festival this year from the Chamber allocation of TLT funds. There was a TLT award from the City Council as well of \$7,000. He inquired if that same funding would be done next year.

CDD Rux referred the Committee back to the five options that have been discussed in past meetings.

Member Lewis noted the Visit McMinnville approach and if Dundee could be rolled in to a Newberg model.

Carr Biggerstaff noted that Yamhill County does not have a TLT program.

Member Bagley inquired if there could be funds allocated for a person.

Member Lewis noted that if Dundee is helping to fund marketing they need to be a part of the hiring process for a person.

Chair Felton indicated that the Dundee TLT is similar to Newberg's because Dundee does not transfer dollars to the General Fund, the Dundee amount is approximately \$300,000.

Chair Felton and Member Lewis discussed if websites between Dundee and Newberg could be merged. Chair Felton did not ask Dundee about allocating funds for a person. Dundee is saving funds for a restroom in the downtown area and an electronic visitor center.

Member Bagley noted that a proposal needs to be presented to the TLT Committee and then to City Council.

Carr Biggerstaff indicated a subset of the TLT Marketing and Chamber marketing concepts could be merged with the two proposals.

Chair Felton noted there is some subjectivity on hiring a person.

Carr Biggerstaff reminded the Committee that the Chamber is under contract to provide a Destination Marketing Plan to the City by May 1, 2018.

CDD Rux indicated there are two options being discussed, Option A and B. Option A is a base of \$40,000 for marketing and Option B is more than \$40,000.

Carr Biggerstaff provided examples of the Truffle Festival, FAM tours, conferences, website, and print ads are part of the current marketing activities. The Chamber spends about \$45,000 on tourism marketing.

CDD Rux noted that there could be the possibility of two new Newberg hotels that could provide more revenue to the TLT program.

Member Lewis noted a new hotel would be under the new distribution split on revenue (70%/30%).

Member Bagley suggested reducing the Large Grant to hire a new marketing person.

Member Lewis indicated that a person could look for new grants to leverage our grants for tourism activities.

Chair Felton indicated the goal is to have the TLT Ad Hoc Committee recommend at their next meeting if there should be and Large or Small Grants.

Member Lewis inquired if the grant program could be done away with entirely.

CDD Rux inquired if the Marketing Subcommittee wanted to work with the Chamber to develop a Destination Marketing Plan for the next fiscal year.

Chair Felton indicated support to fill the gaps and address the website issues.

CDD Rux summarized that what he was hearing is Option A to reduce the grant program amount to hire a person to do marketing. Option B is to eliminate grants entirely and use all the funds for marketing.

Member Lewis also noted in the options to leverage with Dundee and any possible Yamhill County funds.

CDD Rux summarized that in past discussions:

\$60,000 - \$70,000 for a person

\$50,000 - \$60,000 for marketing (web, ads, conference, FAM tours, etc.)

Carr Biggerstaff shared that a person could cost \$80,000 and that the bottom funding amount for marketing is \$120,000 total.

Member Bagley noted that the upper end could be in in the \$200,000+ range.

CDD Rux was asked to prepare a memorandum to the TLT Ad Hoc Committee on the options discussed by the Marketing Subcommittee.

ADJOURNMENT: Chair Felton adjourned the meeting at 9:26 a.m.

Approved by the Transient Lodging Tax Ad Hoc Committee Marketing Subcommittee this 16th day of April, 2018.



Rob Felton
TLT Ad Hoc Committee
Marketing Subcommittee Chair



Doug Rux, Community Development Director



Community Development Department
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MEMORANDUM

TO: Transient Lodging Tax Ad Hoc Committee
FROM: Doug Rux, Community Development Director
SUBJECT: Transient Lodging Tax Ad Hoc Committee Marketing Subcommittee Marketing Proposal
DATE: May 2, 2018

TLT Marketing Subcommittee Proposals

1. Hire a person to be located at the Chamber to conduct marketing. Based on FY 2019-2020 budget estimates there would be approximately \$280,000 available for salaries (\$80,000) and marketing/overhead costs (\$160,000). This option includes roughly \$40,000 from the Chamber's visitor center contract spent on tourism personnel. The Chamber retains the Visitor Center function.
2. Hire a person to be located at the Chamber to conduct marketing. Based on FY 2019-2020 budget estimates there would be approximately \$280,000 available for salaries (\$80,000) and marketing/overhead costs (\$140,000). This option include roughly \$40,000 from the Chamber's visitor center contract spent on tourism personnel. The option includes allocating \$20,000 for Small Grants. The Chamber retains the Visitor Center function.
3. Hire a person to be located at the Newberg Downtown Coalition to conduct marketing. Based on FY 2019-2020 budget estimates there would be approximately \$280,000 available for salaries (\$80,000) and marketing/overhead (\$160,000). This option includes roughly \$40,000 from the Chamber's visitor center contract spent on tourism personnel being reallocated to the position, marketing activities and overhead (reduces the Chamber's current contract by \$40,000). The Chamber retains the Visitor Center function.
4. Hire a person to be located at the Newberg Downtown Coalition to conduct marketing. Based on FY 2019-2020 budget estimates there would be approximately \$280,000 available for salaries (\$80,000) and marketing/overhead (\$160,000). This option includes roughly \$40,000 from the Chamber's visitor center contract spent on tourism personnel being reallocated to the position, marketing activities and overhead (reduces the Chamber's current contract by \$40,000). The option includes allocating \$20,000 for Small Grants. The Chamber retains the Visitor Center function.

Background

The Transient Lodging Tax (TLT) Ad Hoc Committee Marketing Subcommittee (Marketing Subcommittee) has been discussing a proposal for marketing activities since February of 2017. Activities have included assessment of marketing materials for both electronic media and hard copy materials along with personnel resources to advance a marketing program. In October of 2017 the Marketing Subcommittee concluded that assistance was necessary in the form of an individual or organization to assist in developing and promoting tourism marketing activities. In response the Chehalem Valley Chamber of Commerce (Chamber) engaged in discussions with the Marketing Subcommittee on the concept of the Chamber possibly providing additional marketing services beyond the marketing services they currently provide under a contract with the City of Newberg for Visitor Center and Destination Marketing Services. The Marketing Subcommittee prepared a proposed marketing strategy which is included as Attachment 1.

The Marketing Subcommittee met on February 26, 2018 and discussed five possible alternatives for marketing services which include:

1. Chehalem Valley Chamber of Commerce Proposal (Attachments 2 and 3). Under this proposal a person would be hired by the Chamber to prepare a marketing strategy and implement the strategy. The Chamber would provide management oversight and the individual would coordinate with the Marketing Subcommittee and the TLT Ad Hoc Committee on marketing activities. Fund for the position would come from the approximately \$40,000 the City provides to the Chamber for Destination Marketing Services and approximately \$80,000 from TLT Funds the TLT Ad Hoc Committee provides recommendation on to the City Council for grants. Under this alternative the amount of funds for the Destination Development-Marketing Grant program would need to be reduced by \$80,000. Attachment 4 is a budget concept of what this alternative would provide for marketing services and grants.
2. Visit McMinnville Model. This alternative would create a separate non-profit. To implement this alternative a separate nonprofit would have to be established and would have an independent Board of Directors to oversee marketing activities. Attachment 5 is a financial model the City Council looked at in the fall of 2016 with estimated costs. With this model there would be a significant reduction in the grant program funding.
3. Independent non-profit like Newberg Downtown Coalition. This alternative would be similar to the Visit McMinnville model but would utilize an existing organization that is established in Newberg.
4. City Staff Personnel. This alternative would hire a person as a City employee to administer tourism marketing. The staff person would attend all TLT Ad Hoc Committee and Marketing Subcommittee meetings. Attachment 6 is a financial model that City Council reviewed in the fall of 2016.
5. Outside Contractor. This alternative would be under a contract for services with the City of Newberg to provide marketing services for strategy development and implementation. The contractor could be an individual or an organization.

The Marketing Subcommittee discussed the five options and focused in on a Visit McMinnville/Independent Non-Profit or an Outside Contractor as the preferred alternative. Either alternative comes with pros and cons related to cost to implement, impacts on the grant programs, where does the individual or organization reside, coordination with the City of Newberg and long-term impacts on the type of Visitor Center services that could or should be provided in the future.

The Marketing Subcommittee met again on March 19, 2018 and further discussed the proposal and refined the concept down to two options:

1. Hire a person or organization to conduct marketing by reducing the grant program amount cover the cost. The estimated amount for marketing at the bottom end of the range is \$120,000 and the upper end of the range at \$200,000 and includes the \$40,000 already provided to the Chamber. This would be between \$60,000 - \$80,000 for a person or organization with the balance of the funds for developing a marketing plan, and marketing including items such as web site, ads, conferences, networking, FAM tours, etc. The person or organization would also apply for grants. Leverage marketing activities with Dundee and Yamhill County available funds.
2. Hire a person or organization to conduct marketing by eliminating the grant program (Small Grant and Destination Development-Marketing Grant) to cover the cost. The estimated amount for marketing would be approximately \$280,000 and includes the \$40,000 already provided to the Chamber. This would be between \$60,000 - \$80,000 for a person or organization with the balance of the funds for developing a marketing plan, and marketing including items such as web site, ads, conferences, networking, FAM tours, etc. The person or organization would also apply for grants. Leverage marketing activities with Dundee and Yamhill County available funds.

On April 16 the Marketing Subcommittee met again and further refined the concepts developing three alternatives of:

1. Position plus marketing
2. Hybrid of Alternative 1 which includes a Small Grant Program
3. Position plus marketing located at Newberg Downtown Coalition

These Alternatives are reflected in Attachment 1 and adds a hybrid to the Newberg Downtown Coalition Alternative to have a Small Grant program. Outstanding questions to be answered are:

1. Who does the person report to in any of the Alternatives?
2. What is the structure of the Board the person reports to any of the Alternatives?
3. Does the person report to the TLT Committee?
4. What is the job description for the position?
5. Other questions?

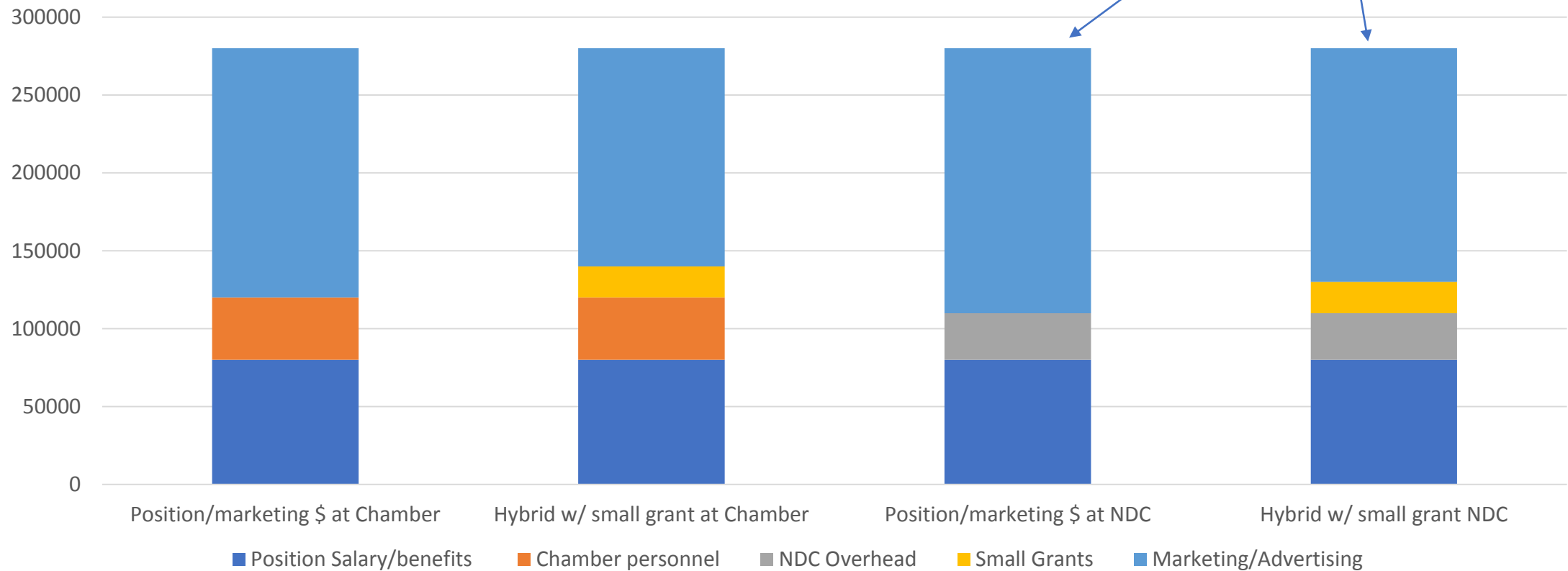
The TLT Ad Hoc Committee will discuss the Marketing Subcommittee proposal at your meeting on May 2, 2018. If agreement can be reached on a proposed alternative then a recommendation would be forwarded to the City Council for consideration tentatively scheduled for June 4, 2018.

- Attachments:
1. Marketing Subcommittee Alternatives
 2. Marketing Subcommittee Marketing Strategy Concept
 3. Chamber Proposal
 4. Chamber 2017-2018 Destination Marketing Plan
 5. Budget based on Chamber Proposal
 6. Financial Model for Independent Organization Fall 2016 – Attachment D
 7. Financial Model City Staff Personnel Fall 2016 – Attachment B

Options for funding marketing position

Based upon 2019-20 budget of ~\$280,000

Includes \$40,000 shifted from Chamber contract for tourism personnel



Source of \$280,000 budget

- \$240,000 are TLT funds allocated for Tourism Promotion, which in 2017-18 was used to fund small grants, large grants, marketing, and miscellaneous staff expenses.
- \$40,000 of Chamber visitor center annual contract is spent on tourism personnel

Additional Potential TLT funds

Annual Funds

- Dundee TLT annual contribution (est. \$30,000)
- \$70,000 of Chamber annual contract is spent on visitor center. Contract runs through June 2020.

One-time Funds

- Rollover funds from unspent 2017-18 marketing budget (\$80,000)
- Rollover funds from unallocated 2017-18 large grant funds (\$130,000)

Questions

- Where does this person work?
 - Newberg Downtown Association
 - Chamber
 - City
 - Home
- Makeup of Non-profit board
 - Members – hotel/B&Bs, restaurant, winery, George Fox, community at-large, city council, NDC, cultural district
 - Who selects members?
- Which non-profit status is best for our purpose?

Other options

- Move \$105,000 from Chamber visitor center contract to kiosk / grants.
- Media relations
 - Visit McMinnville annually budgets \$45,000 to pay a PR agency to handle the bulk of the media relations, to attract national writer/editor visits and cover the costs of fam tours.

From: Chehalem Valley Chamber of Commerce
 To: City of Newberg Transient Lodging (TLT) Tax Ad- Hoc Marketing Subcommittee
 Re: Tourism (Destination Marketing Services) for Chehalem Valley

About the Chamber, its Visitor Center, and Tourism

- In 1996, the Chamber of Commerce, at the request of the City, added the Visitor Center. A living kiosk, the Chamber and its staff drop everything when visitors walk through the door to ask advice about events and hospitality, get directions, book hotel rooms, etc. They leave with maps, rack cards and brochures from our many Chehalem Valley businesses. *Over the past 36 months, our metrics show an average of 1,000 people per month use the Visitor Center.*
- The Visitor Center became the “Tourism Center” in 2006. That’s when the Chamber began to deal with regional tourism needs and got involved with destination marketing in addition to staffing the Visitor Center. The Chamber CEO joined Travel Yamhill Valley and was elected to represent Yamhill County on the Board of the Willamette Valley Visitors Association (WVVA). The WVVA Board, in collaboration with Travel Oregon, orchestrates destination marketing for the region between Yamhill County and Eugene Oregon.
- In 2009, the Chamber began to spend the surplus TLT funds, over and above the Visitor Center expenses, on Display Advertising in targeted publications including the Official Travel Oregon visitor guide, Travel Portland Visitor Guide, NW Travel and Life Magazine and more, a visitor website, social media and familiarization tours.
- By 2010, especially with the advent of The Allison, tourism promotion opportunities took on a whole new life. Media requests for information, photography and familiarization tours grew at an exponential rate. Instead of fielding media requests at a rate of 1 or 2 per month the Chamber started receiving 5 or 10 requests per week.
- As TLT dollars grew, the Chamber funds for both the Visitor Center operations and subsequent tourism promotion were capped by the City in July 1, 2015 at \$137K:
 - Per the quarterly reports provide to the City since the last contract renewal in 2015, the Visitor Center’s share of facilities, equipment, insurance, accounting, etc. (i.e. allocated overhead) is approximately \$50K.
 - The cost of staffing for the Visitor Center, allocated across Chamber and including additional staff (i.e. for weekend and seasonal purposes) is approximately \$50K.
 - That leaves approximately \$37K for tourism promotion that the Chamber budgets and spends on destination marketing. Additionally, the Chamber usually contributes additional funds (over and above the \$37).

Moving Forward: Promoting Tourism in Chehalem Valley

- With the percentage increase in TLT dollars, the City found itself with an approximate surplus of \$225K over the \$137K provided by contract to the Chamber. This surplus is estimated to remain around \$225K/year until additional lodging accommodations move into Newberg.

- The City retained tourism consultants in 2015, who recommended that the City create an independent Destination Marketing organization at some point in time.
- The result was that the City of Newberg created a TLT Ad-hoc Committee, and its Marketing Subcommittee, to determine how best to use the surplus.
- The TLT Committee (T-C) has been meeting monthly since its inception in December 2016.
- The T-C has created a grant program that may award up to \$200k of funds of the \$225K
- The T-C may make recommendations to Newberg City Council to use fewer funds for the grant program and more funds for destination marketing.
- The Marketing Subcommittee's charter is to direct the use of TLT funds that remain after the funds budgeted the grant program

Issues Currently Under Discussion by the Marketing Committee

- What is the current scope of marketing activities that the Chehalem Valley Chamber of Commerce addresses in their Destination Marketing Plan?
- Should the Ad Hoc committee engage in a potential rebranding of marketing materials, including the Visitor (tourism) website, using Newberg instead of the Chehalem Valley as the stated destination?
- Is there a need for a more expansive Destination Marketing plan that is inclusive of the Chehalem Valley Chambers existing plan, but which also includes additional marketing activities to be funded by the Ad Hoc Committee's marketing funds?
- What is the best way to create a marketing plan that addresses the marketing activities of both the Chehalem Valley Chamber and the Ad Hoc committee?
- The contract with two GFU students by the ad hoc committee to create a video that will market Newberg as a destination. Who is the project audience and how will the video be distributed?
- How can we increase our investment of time and money in Public Relations activities that will result in more familiarization tours and earned media coverage?
- What is the best way to eliminate the Ad Hoc Committee's frustration over the inability to manage tourism marketing projects that are discussed in an efficient and effective manner (recognizing that everyone on the committee is serving as a volunteer.
- Could the Ad Hoc committee be more successful by hiring a Tourism Coordinator that could create an all-encompassing Destination Marketing plan for Newberg?
- How much more could be accomplished if Newberg had a full-time person dedicated to marketing the area?
- Until area TLT dollars increase to an amount that affords Newberg and its surroundings to have a stand-alone Destination Marketing organization, how can we use the funds and resources at our disposal the most efficient way?

Proposed Interim Approach

Newberg can phase into a fully-functional Destination Marketing organization by combining the resources of the Chamber and the TLT Ad Hoc Committee by hiring a Full-time *Tourism Coordinator (Tourism Coordinator)*. This person can office at the Chamber and report to both the TLT Ad Hoc committee and the Chamber CEO. Since facility and overhead costs would be

provided by the Chamber, the expense to the Committee and Chamber would be the salary and benefits of the Tourism Coordinator. A sample Tourism Coordinator job description as provided by the Willamette Valley Visitor's Association below.

- Costs:
 - Based on market data, the estimated salary and benefits for the Tourism Coordinator would be \$60-70K
 - Cost for the hire could be shared by the Committee and the Chamber - approximately \$35K each
- Benefits:
 - The TLT Ad Hoc Marketing Committee, and the broader committee, would have a dedicated resource for developing the Destination Marketing plan, incorporating elements of the Chamber's plan as needed
 - Additionally, this person would be responsible for other deliverables such as:
 - Providing content for the Visitor (tourism) Website, social media, online advertising, and SEO
 - Create the "Naked" map
 - Activities associated with the re-branding, the logo, etc.
 - Public Relations and FAM tours
 - Video and other media content development and placement
- The Tourism Coordinator could hit-the-ground running since s/he could take advantage of the processes, contacts and knowledge that the Chamber has acquired - in particular, the CEO, who has been supporting tourism marketing for the past 12 years
- Chamber staff would provide back-up for the Tourism Coordinator if they are out of the office (i.e. vacation, sick leave, etc.)
- The Tourism Coordinator's salary and benefits would be incorporated into the Chamber payroll process (along with any other legal or personnel-related services)
 - Performance evaluation could be conducted by a small compensation committee consisting of two Ad Hoc Committee members and the Chamber CEO

SAMPLE JOB DESCRIPTION (from the Willamette Valley Visitor's Association)

Position Title: Tourism Coordinator

Supervisors: CEO, Chehalem Valley Chamber of Commerce & TLT Ad Hoc Committee Representative

Position: Regular Full-Time. May be required to work weekends and holidays

General Statement of Duties:

This position is responsible for identifying industry related tourism markets and related programs. Assist in developing and implementing strategies to increase the awareness of the culture, history, attractions, and special events to enhance the visibility of the City of Newberg, resulting in increased tourism.

Examples of duties and responsibilities:

- Create the annual Destination Marketing Plan
- Plan and implement effective and aggressive tourism promotion programs
- Develop strategies for new markets and advertising materials Newberg
- Implement the Destination Marketing plan in collaboration with Newberg Transient Lodging Tax Ad Hoc Committee
- Facilitate the development of a master brand for Newberg
- Develop and maintain the Newberg Visitors Bureau Website and coordinate a local Calendar of Events
- Manage online advertising campaigns and social media (FB, Instagram, Twitter)
- Manage Familiarization tours with Media and members of the Travel Trade
- Provide monthly and annual reports for Chamber BOD, Newberg Tourism Ad Hoc Committee and Newberg City Council
- Conduct and analyze area tourist surveys
- Develop strong working relationship with key personnel from all lodging, meeting and convention facilities. Maintain a well-informed working knowledge of all hotels attractions and services available in the area
- Coordinate and collaborate with Newberg event and activities organizers to help them promote their events
- Assist in developing and supervise the production of marketing collateral needed to successfully promote tourism
- Write and distribute press releases for approval of supervisor for events and activities and respond in a timely fashion to negative press
- Represent Newberg's interest as appropriate with local, state and federal organizations associated with tourism
- Maintain and oversee the compilation of tourism data and statistical information that may be helpful in designing a marketing strategy
- Attend tourism related workshops, conference and training seminars to keep abreast of new strategies and marketing techniques available to destination marketing organizations volunteer and full-time staff

Education:

- Bachelor degree in Marketing or related field

Minimum Tourism Skills and Experience Required:

- At least three years of recent progressive tourism experience which includes the following skills and abilities:
- Considerable knowledge of the tourism industry including tour operations, meeting/convention planners, and FIT (Free Independent Traveler) markets
- Working knowledge of the principles of volunteer management and strategic planning
- Strong communication and public relation skills coupled with the ability to influence others in a positive manner

- Knowledge of publication layout, design and graphics as well as related editing and writing skills
- Knowledge of Media Relations - public/community/news - accessible and open to all media
- Social media management experience (FB, Instagram, Twitter)
- Ability to establish and maintain strong working relationships with city staff, the public, and business community and to present ideas effectively, verbally and in writing
- Ability to do community outreach; comfortable giving speeches and presentations
- Interested in people; possesses a positive self-image; confident but not arrogant; approachable; a team player; respects people; understand the importance of first impressions

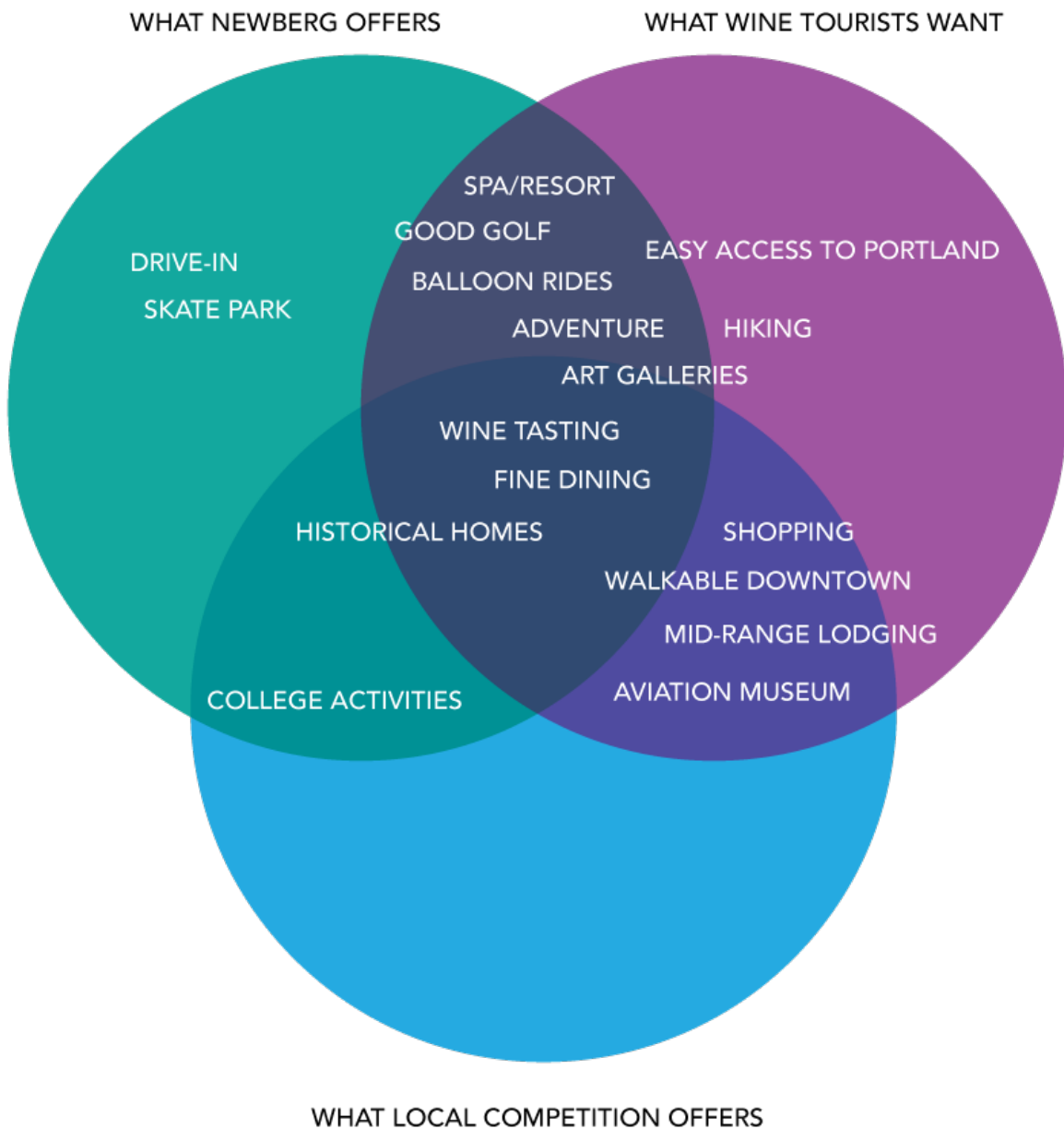
Additional Requirements:

- Possess a valid driver's license
- Knowledge of standard office practices and procedures, office record keeping and recording, and office machines.
- Calculator, typing/word processing, data entry skills for computer, and attention to detail.
- Good vision and hearing.
- Employee is required to be able to lift and/or move up to 45 pounds.

Proposed Marketing Strategy:

Newberg

Excluding the George Fox audience, the typical Newberg tourist (those from more than 50 miles or overnight guests) comes for wine tasting. One of our primary differentiators from our local competition is our proximity to Portland, where most tourists will be beginning their visits.



BRAND PROMISE

The best place to start your Oregon wine country vacation

TAGLINE

The first destination in Oregon wine country

BRAND ATTRIBUTES

PROXIMITY TO PORTLAND - Willamette Valley's closest wine region to Portland

WINE - Growing international reputation for Pinot Noir, dozens of tasting rooms and wineries

RECREATION - Hot air balloon adventures, golf, 99W Drive In, Willamette river, ropes course, disc golf, skate park, Evergreen Aviation Museum, Farmers Market, Chehalem Cultural Center, George Fox University festivals/events, Champoeg and Dundee trails,

FRIENDLY - Small town community feel

HISTORICAL - Hoover-Minthorn Museum, Champoeg,

CULINARY - JORY, Painted Lady and other acclaimed restaurants

ART - Art Elements, Cultural Center, The Allison, George Fox

MARKETING GOALS

- To increase visitor volume, visitor spending and the economic impact of tourism in Newberg
- Influence the long-term development of Newberg as a destination and its brand
- Increase leisure visitor volume, visitor spending, meeting, tours and group markets to the Newberg area through effective promotion with media and the travel trade
- Promote the importance of business and government investment in tourism

AUDIENCES

Target Audiences

- Wine tasting visitors
- George Fox Audience

Top geographic markets

- Portland
- Seattle
- San Francisco

STRATEGIES

Newberg has less staff and resources than many of our competition. We need to be strategic in the use of our time and budget. The majority of our marketing effort should be spent where we can reach the largest portion of our target audience...online.

ONLINE MARKETING

WEBSITE

- Break out site from CVCC subdomain
- Market the attractions of the broader Newberg-Dundee Region

- Heavy on visuals
- Highlight Newberg accommodations and restaurants
- Feature travel itineraries, new travel partners, visitor testimonials, seasonal specials, family reunion planning information, photos, maps and more

Sample: <http://www.visitcalifornia.com/support-wine-country>

SEO

Target Keywords: Oregon Wine Country, Dundee wine tasting, wine tasting near Portland, Oregon wine tasting, vacations near Portland, vacations in Oregon

SEARCH ENGINE MARKETING (GOOGLE, BING)

Target keywords that are difficult to rank organically for

REMARKETING ADS

Create display ads to remarket to previous visitors to the site

SOCIAL MEDIA

- Create separate Facebook and Instagram channels from CVCC (different audiences need different content)
- Highlight positive media coverage
- Share high-quality local content with emphasis upon engagement metrics over special interest
- Instagram

SOCIAL MEDIA ADVERTISING

- Target Facebook fans of regional wineries
- Target Twitter followers of travel writers

MEDIA RELATIONS

- Could be handled in-house or outsourced to freelancer
- Press trips—Host regional, national and international travel writers and editors on individualized and/or group press trips
- Media leads—Continue to respond to leads, and forward leads to members from Travel Oregon and the Willamette Valley Visitors Association
- Pre-publication editing & fact checking
- Media kit - Develop an electronic media kit that highlights the outstanding tourism assets in Newberg and the surrounding area
- Build a more expansive photo and video library that is available for media requests, ads, and our website.

FAM TOURS

OREGON WINE TRAIL W/ DUNDEE/NEWBERG

- Hire wine writer to create Oregon Wine Trail similar in concept to the Romantic Road in Germany. Trail starts in Newberg/Dundee.
- Create Web site
- Promote via media relations, SEO and advertising

See <https://tualatinvalley.org/forest-grove-wine-trail/>

DOWNTOWN BANNERS

"The first destination in Oregon Wine Country"

PRINT

Evaluate current pieces for cost effectiveness

- Rack piece/brochure
- Newberg city/Yamhill County map
- Monthly event brochure
- Chehalem Valley Field Guide
- Group travel brochure

TOURISM TRAINING

- Create class for front-line employees to educate on tourism assets of Newberg and the surrounding community.

SECONDARY MARKETING PROJECTS

SIGNAGE

Seek funding and permission for decorative road signage for 99W (e.g. similar to Lake Oswego or McMinnville's third street).

RACE TOURISM

Support efforts to market running races (e.g. Wine Country Half Marathon)

NEWBERG HISTORIC WALKING TOUR

Create plaques/markers for a Newberg historic walking tour. The Newberg Downtown Coalition already has the bones of a tour created here.

PROMOTION OF CONFERENCES

Support efforts by Newberg hotels and organizations (Allison, Windrose, A-dec, George Fox) to bring out-of-town groups to town for conferences

NOTE ABOUT GEORGE FOX AUDIENCE

This plan does not address the George Fox audience, which may have more economic impact on the city than the wine tourism audience. The parents of prospective undergraduates often spend the night and eat most meals off campus. When 700 or so of those freshmen chose to enroll at George Fox, they each spend \$5,500+ a year in town on food, rent and other services) and support the university's \$70 million budget - which includes \$45+ million in taxable salaries and benefits. Some - especially the Chinese students - buy cars here. As these students go through 2-6 years of school, they attract even more visitors to Newberg (family weekends, sports and arts events, graduation, etc...) George Fox's Graduate students probably spend even more in Newberg since they often bring family to live here. Enhancing the prospective student visit experience can pay off for everyone.



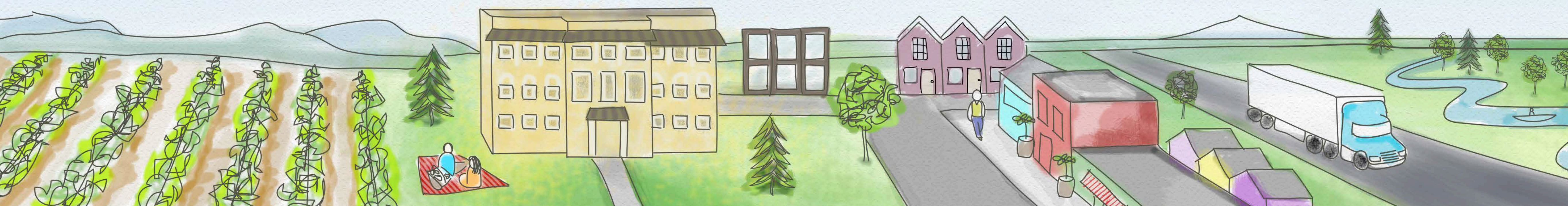
Chehalem Valley 2017-18 DESTINATION MARKETING PLAN

Executive Summary

The Chehalem Valley Chamber of Commerce (CVCC), through a marketing service agreement with The City of Newberg, works in partnership with many community stakeholders to grow tourism in the Newberg Community. Together, we deliver programs and activities that enhance visitor experiences, encourage overnight stays and improve the quality of life for residents.

An effective destination development and marketing program benefits and enhances the quality of life for residents and provides a healthy return on the investment of the transient room tax since visitors are often attracted to a destination by the same types of services, amenities and activities that enhance resident lifestyle. The additional spending by visitors in local communities results in a positive economic impact.

In addition to the Destination Marketing Contract that the City of Newberg signed with the CVCC in 2015, the City created a Transient Lodging Tax Ad Hoc Committee to manage Transient Lodging Tax funds that are dedicated to tourism over and above the contract with the CVCC. While that committee has been active in creating a small and large grant application procedure that funds tourism events and facilities they are also looking at ways to collaborate with the existing CVCC Destination Marketing plan to create and define the Newberg brand and apply those changes to the existing website and marketing vehicles. A secondary discussion has started about the value of contracting with a Public Relations professional to manage media relations and familiarization tours also in collaboration with the CVCC efforts.

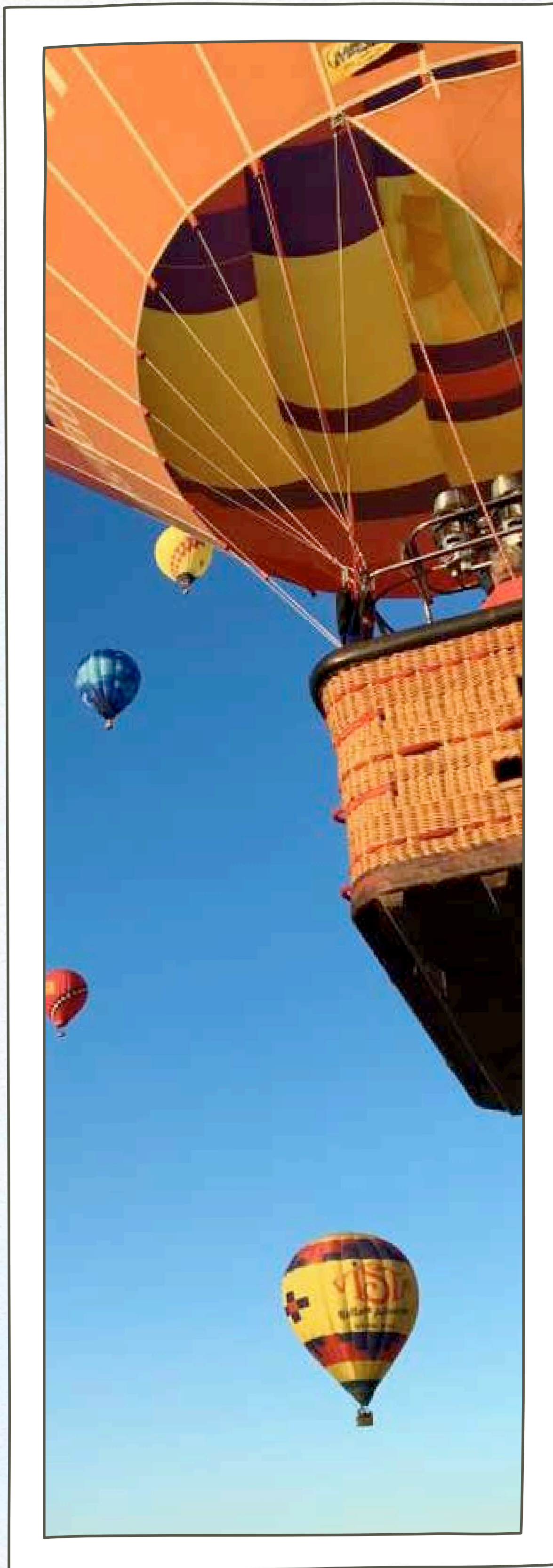


EXECUTIVE SUMMARY, *Continued*

It should be noted that because the CVCC contract is “fixed”, there is limited funding to market the community of Newberg over and above staffing and operating the Newberg Visitor’s Center on an annual basis. The City of McMinnville, a regional competitor to the Newberg area, funds Tourism marketing at \$496,000 per year. (Staffing is an additional \$125,000 and overhead is \$90,000). The CVCC Destination Marketing Budget for Newberg is \$42,500. While the CVCC continues to look for ways to expand our marketing reach by applying for grants and leveraging relationships with Travel Oregon, it is impossible to make up the difference in the destination marketing budget. Newberg requires additional funding for destination marketing to maintain a competitive edge and to keep and attract local small businesses that are supported through tourism.

Tourism continues to grow on a regional, statewide and national basis. Americans have more discretionary income for travel than they have had since 2007. Newberg offers an amazing array of desirable tourism attractions with Wine and Culinary assets at the very top. The recent recognition for the Willamette Valley as Wine Enthusiasts Wine Region of the year has garnered unprecedented attention to this beautiful area. We have an excellent opportunity to compete effectively for the Baby Boomer and Millennial markets if we invest and budget additional marketing dollars to promote and support the wonderful businesses and people in the great town of Newberg.





National Outlook for Travel and Tourism

The US Travel Industry Association is predicting a healthy increase for domestic and international travelers to the United States.

Spending on travel by U.S. residents has bounced back to pre-recession levels. Purchasing decisions regarding travel are changing as well, which indicates that after a couple years of last-minute trip planning, travelers are once again beginning to plan and book vacations well in advance of their travel dates. The booking window is lengthening toward three-to-six months out, giving destination marketers more time to reach their customers.

2017 promises to be a banner year for travel with nearly one-third of American adults saying they are more likely to take time off this year compared to 2016, according to a recent AAA survey.

Overall, 42 percent of Americans are planning to take a vacation in 2017 – with most planning trips to the warm weather destinations in the U.S. and abroad. And while flight prices are predicted to be 8 percent higher than last year, they are still down 9 percent compared to two years ago.

As the economy and family budgets have improved, U.S. adults have returned to taking fewer and longer leisure trips, resulting in a decline in the average number of leisure trips taken each year. However, research indicates that travel expectations and interest in travel for the coming year are at their highest levels since February 2008.

USTA also reports personal finances available for travel are at their highest point since March 2007, suggesting that price, deals and discounts are considered among the least important determinates on current travel plans.

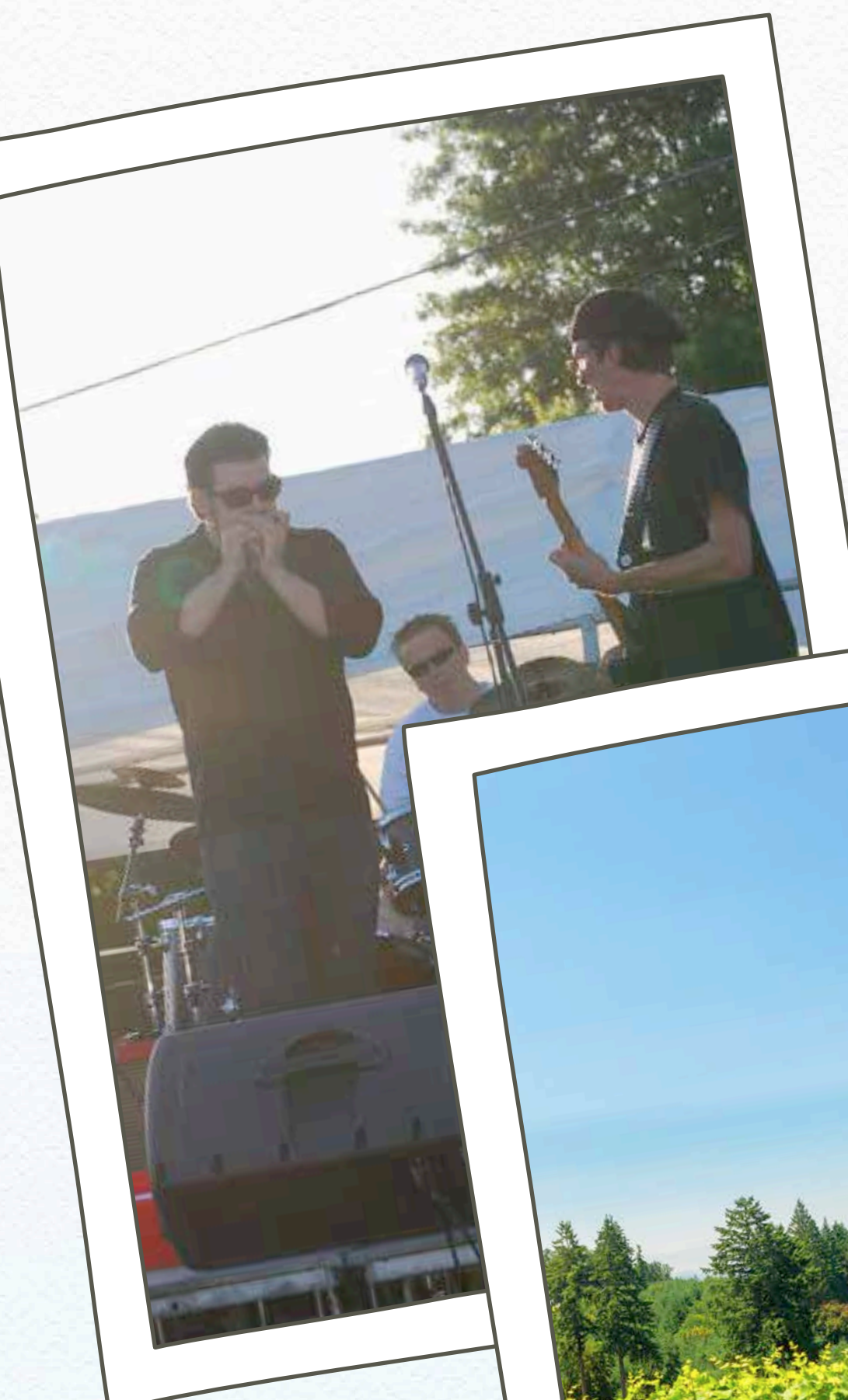
(Source AAA and US Travel Industry Association)

Oregon Travel Trends

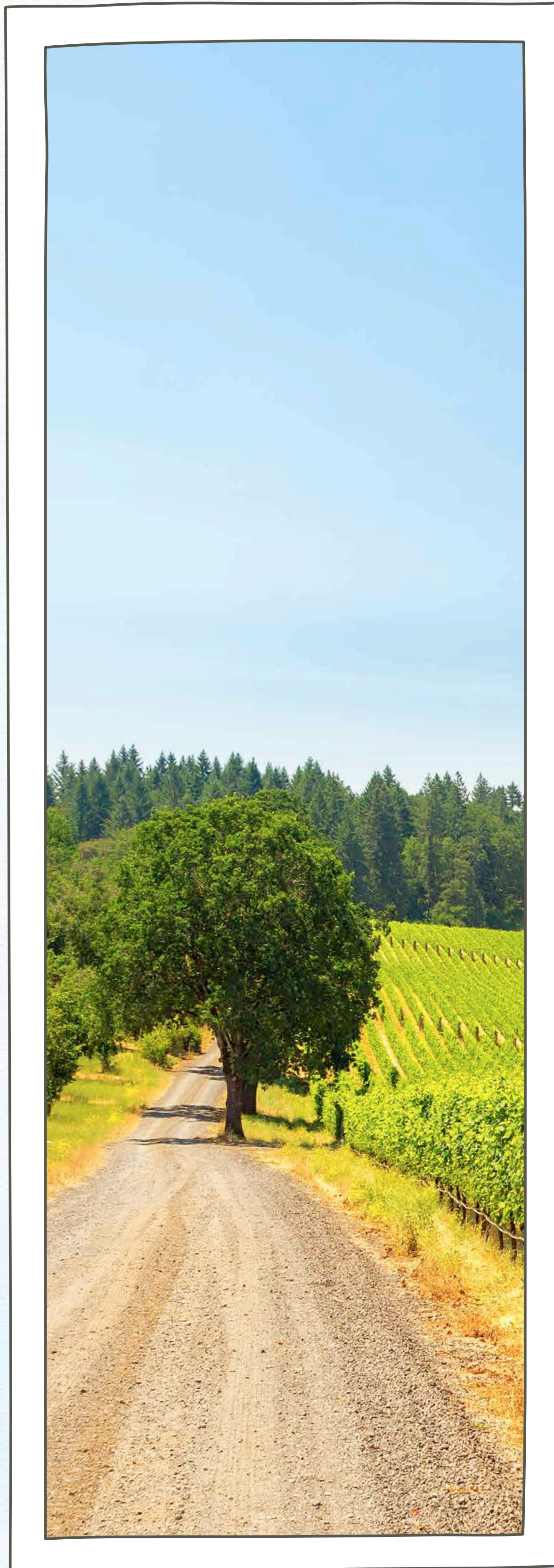
According to the 2015 Longwood's study travelers on overnight trips to Oregon were more likely to travel in their own car and less likely to arrive by plane than the national average. Travelers on overnight trips to Oregon were most likely to engage social media by reading travel reviews, posting photos online and looking at travel photos online. Oregon travelers, as a whole, use social media to plan travel at a higher rate than the national average.

The top states of origin for overnight trips were Oregon, Washington, California and Idaho. The states of Virginia, New York, Florida and Texas follow in that order. The top DMA's of origin were Portland, Seattle, Eugene, Medford-Klamath Falls, Los Angeles and San Francisco. The top five main reasons travelers made overnight trips to Oregon were Touring, Outdoors, Special Events, City Trips and Resorts the top two trip planning information sources were referrals from relatives and friends and destination websites.

Direct Travel Spending in Yamhill County in 2015 reached \$104.2 Million reflecting a 5.8% increase over the prior year and an all-time high for the region.



Newberg ... is target central of Oregon's wine country"
-The Oregonian



Wine Drives Local Tourism Economy

Since the first grapes were planted in the state 50 years ago, Oregon is now recognized as one of the world's elite winemaking regions. With 18 designated wine growing areas located in four diverse regions, Oregon boasts more than 700 wineries producing wine from dozens of grape varieties.

Oregon has more than 500 wine tasting rooms with the majority of wineries only a short drive from Newberg.

All of this made wine touring one of Oregon's top draws. In 2013 (the most recent year for which statistics are available), wine-related tourism contributed an estimated \$207.5 million in revenues to the Oregon economy. (Oregon Wine Board)

Companies located outside of Oregon have made headlines with substantial investments in the state since 2013. Firms that have expanded their vineyard holdings in recent years include:

Ste. Michelle Wine Estates of Woodinville, Washington for **Erath** in Dundee, Oregon

Domaine Drouhin Oregon in the Dundee Hills region of the Willamette Valley, Oregon

Precept Wine of Seattle, for **Primarius** in the Willamette Valley, Oregon

Battle Creek Vineyards' for **Unconditional**, in the Willamette Valley, Oregon

Jackson Family Wines of Santa Rosa, California purchased a winery and vineyards in Oregon, adding several Willamette Valley Pinot Noirs to its **La Crema** line

Maison Louis Jadot of Burgundy, France acquired a vineyard in the Yamhill-Carlton region of the Willamette Valley and unveiled **Résonance Pinot Noir**, the company's first venture outside of France.

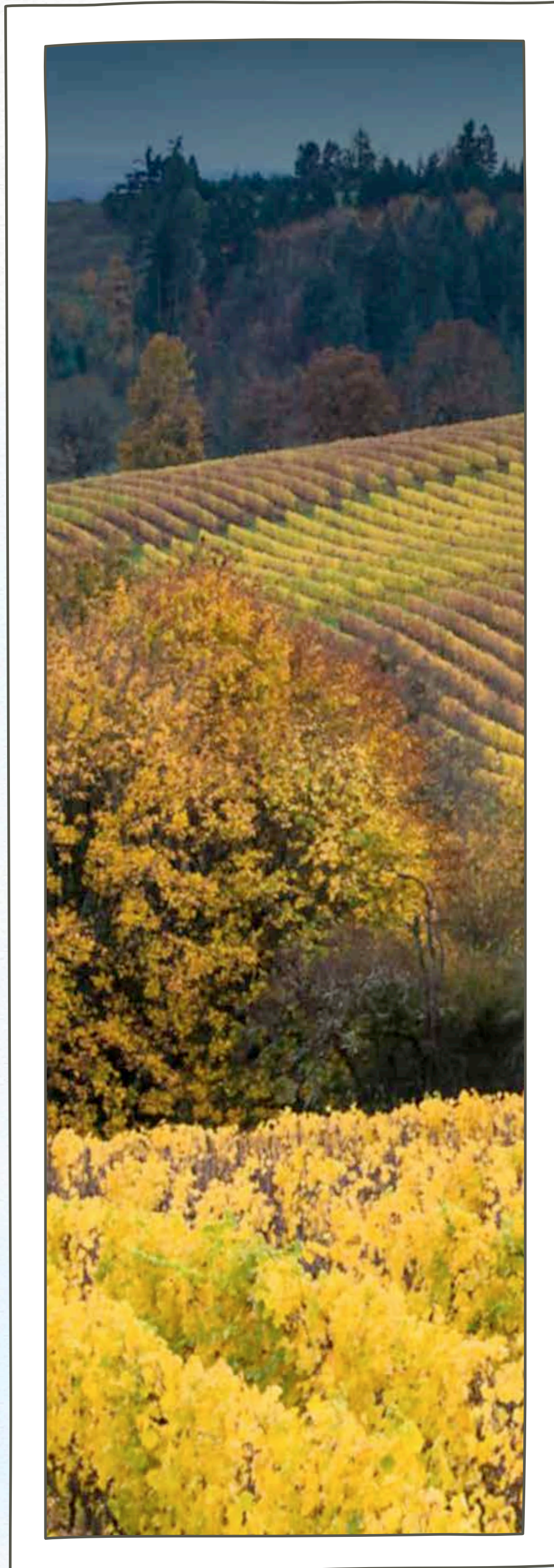
Joe Wagner's Copper Cane Wines & Provisions—based in Rutherford, California and known for launching the Meiomi label, now owned by Constellation Brands—debuted the Oregon-sourced wine **Elouan**.

Healdsburg, California's Foley Family Wines acquired **The Four Graces** in the Willamette Valley

Judy Jordan—founder and former owner of Russian River Valley's J Vineyards—purchased a Chehalem Mountain vineyard for her new Santa Rosa, California-based The Capra Co.

As the supply of land shrinks, Oregon-based wineries are also snapping up vineyards.

(MarketWatchMag, February 2016)



WINE DRIVES LOCAL TOURISM ECONOMY, *Continued*

As local investment in the wine industry swells so has other tourism-driven business in the area. Jason Lett is credited with planting the first grapes in Yamhill County in 1965 and soon others followed with a vision of growing and making exceptional Pinot Noir.

The late Joan Austin, great philanthropist and matriarch of the Newberg based A-dec Dental Manufacturing Company should be credited with driving the vision of a world-class resort in Newberg that would serve the demand of the luxury wine travelers. The Allison Inn and Spa, built in 2009 continues to garner world-wide acclaim as a destination resort and spa in the heart of Oregon Wine Country in Newberg Oregon.

Other bullish investors have followed suit. Steve Down invested millions in the Fall Event Center formerly Evergreen Aviation Museum. McMinnville also recently announced the opening of a new, 36 room luxury hotel that will open downtown on 3rd street in Spring of 2018. New restaurants are popping up around the county. Building vacancy in downtown Newberg is at an all-time low.





Top Travel Trends

Specialization

Luxury Travel Exchange International (LTX) suggests that becoming more niche focused in your destination marketing will be beneficial. Niches to focus on include weddings and honeymoons, “volun-tourism” (a form of tourism in which travelers participate in voluntary work, although this is typically for charity we have an opportunity to develop opportunities to volunteer in local wineries), spa and wellness, family/multi-generational travel, adventure/sports and meetings/conferences. By designing custom and unique niche packages for travelers, the Chehalem Valley area can differentiate itself, creating a reputation in specialization.

Technology

With anticipated new devices, like the Apple Watch, more people will be accessing the Internet on the go, making mobile device apps, responsive websites and mobile-friendly booking more important than ever. It is predicted that over 35% of online travel bookings will take place on a mobile device by 2018.

Authenticity

The modern traveler is becoming more and more interested in experiencing their chosen destination authentically. This means they want to interact with locals, avoid tourist traps, go where the locals go, and do what the locals do. One way to market to authentic travelers is through storytelling. Travelers looking for a truly authentic experience will be emotionally driven to explore a destination if there is a great story attached to it.

Experiential Travel

According to Terry Dale, President and CEO of the United States Tour Operators Association, today’s traveler continues to crave culturally immersive experiences and experiential tour packages remain in high demand. Nearly three-fourths (71%) of USTOA members provide travel and tour packages that offer art and culture, with 64% offering culinary and more than half (57%) providing adventure-focused packages. Vacationers want to broaden their experiences. Museum passes, show tickets, dining packages and helicopter tours are all great examples of offerings for the experiential traveler.



Top Travel Trends, CONTINUED

Millennials Lead the Way

Millennials are one of the most important demographics in travel today. As the largest generation to date, they are helping to define what the major trends and tastes of the coming decades will be. Millennials have grown up in the Digital Age. Online booking options are crucial, while online reviews and user-generated content on social media are part of the research process for most millennials. Destinations that attract millennial travelers make their online presence a priority and emphasize user-generated content.

Don't Leave Out the Boomers

Baby Boomers (born between 1946 and 1964) are traveling more than ever. Bucket list experience is the high-ranking motivator for travel among Boomers, meaning they're looking to invest in activities rather than simply relaxation. They will be influenced by good value, as budget can be a factor for those with a fixed income. Like Millennials, they are looking for experiences that are authentic and high-quality.

Food Tourism

Food has always been a huge part of travel, but seeking out authentic food experience has increasingly become a motivator for travel. Food experiences don't exclusively refer to "dining out", food markets, tasting sessions, cooking lessons and visits to farms or vineyard now make up 95% of all food experiences.

(Source: JackRabbit, Travel Trends and Treksoft Trend Report 2017)

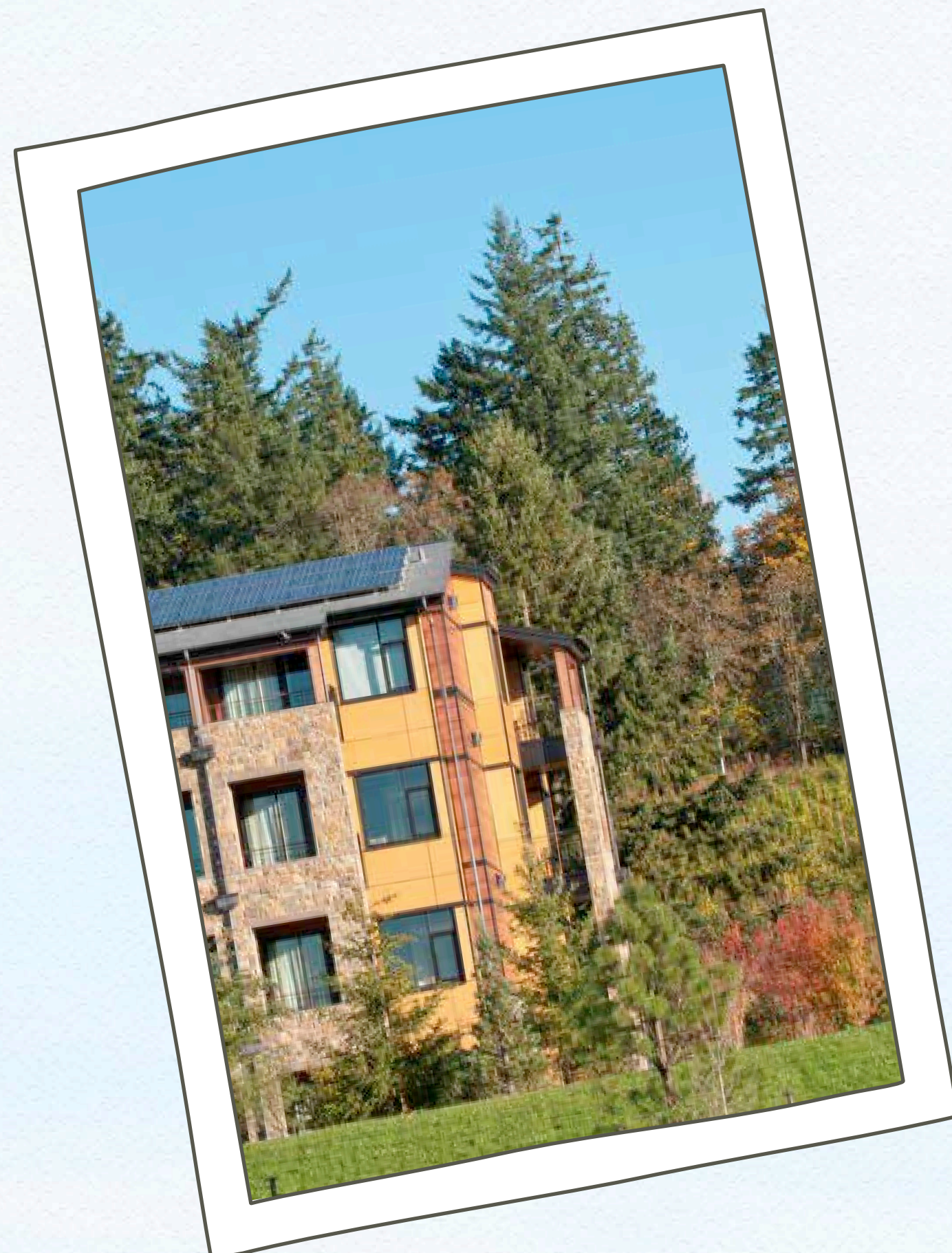
Situation Analysis

Tourism Product

Newberg's overarching "reason to visit" is its location at the epicenter of Oregon Wine Country, which draws travelers from around the world.

Other unique offerings include:

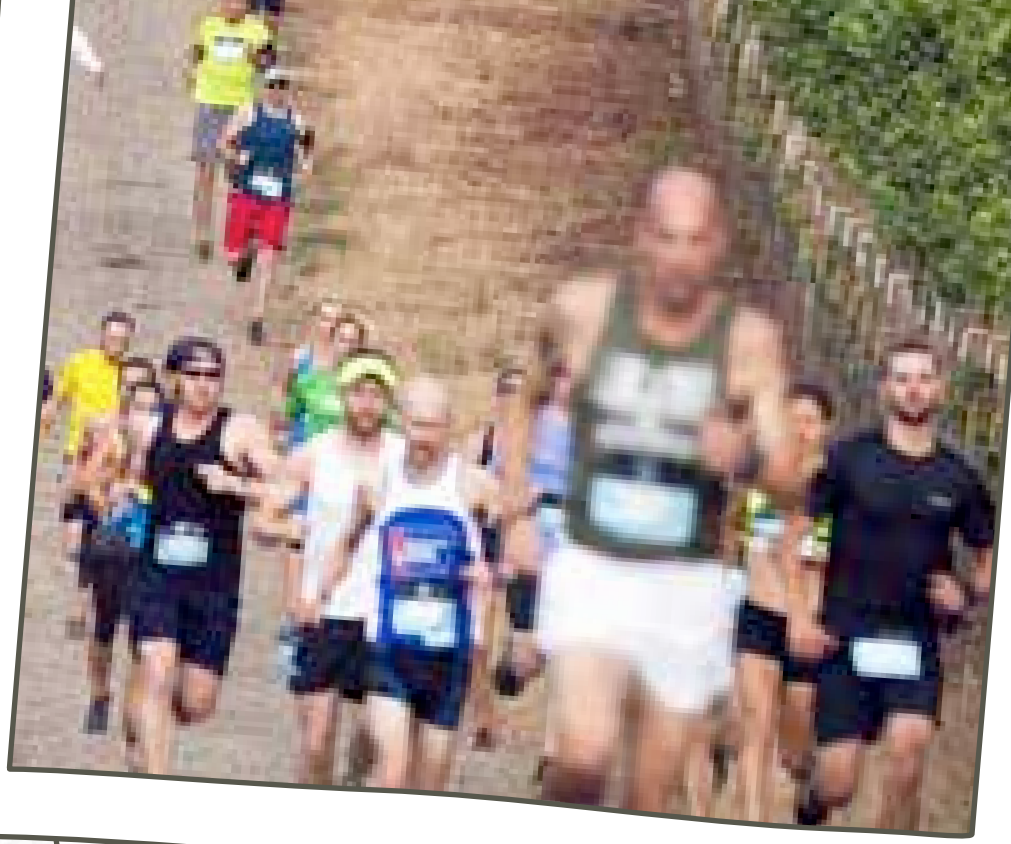
- World-Class Resort and Spa: The Allison Inn & Spa
- World-Class Dining: The Painted Lady and JORY at The Allison Inn & Spa
- Unique wine country touring adventures such as horseback riding, helicopters, hot air balloons and the trolley
- Widely acclaimed 18-hole public golf course
- One of three remaining Drive-In theaters in the State
- Growing cultural opportunities through The Chehalem Cultural Center and area galleries and shops

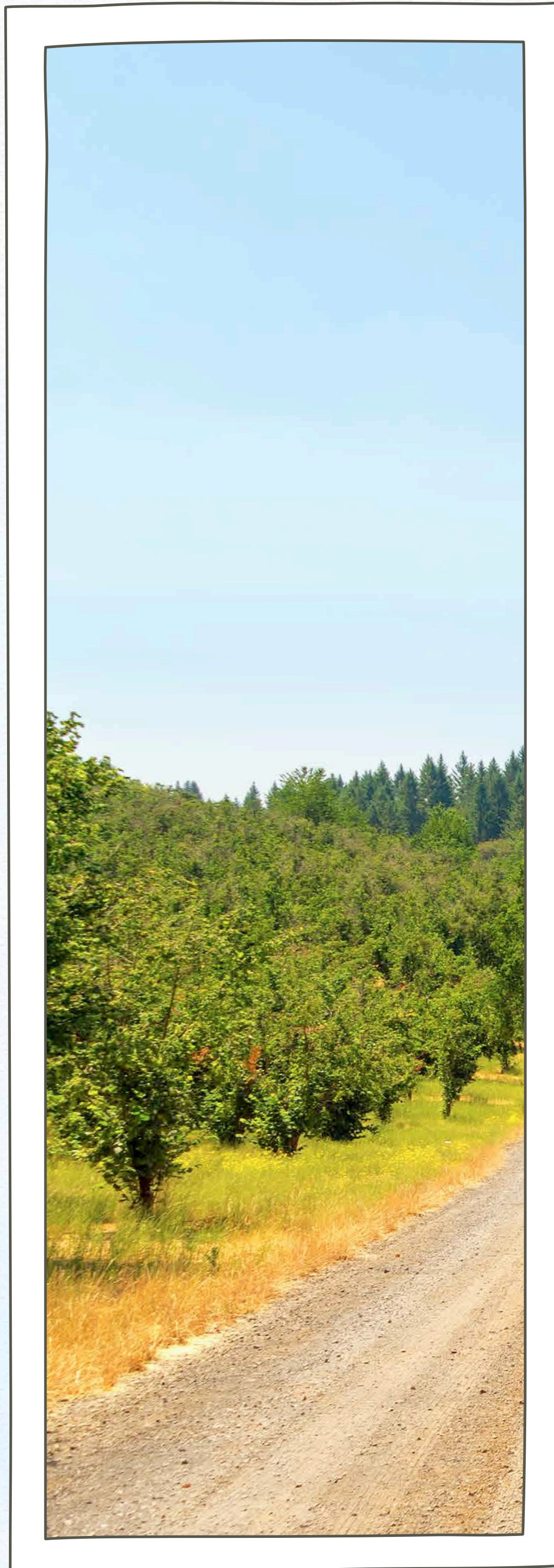


SITUATIONAL ANALYSIS • S.W.O.T. ANALYSIS
(Strengths, Weaknesses, Opportunities, Threats)

Strengths—present advantages

- National interest in Pinot Noir and the Willamette Valley
- The Allison—Already attracting luxury travelers
- Easily accessible within State and to Portland
- Small Town—Scenic Americana Profile
- Friendly town
- Chehalem Cultural Center
- Home of George Fox University (Sports, Lecture Series & Music)
- En-route to Oregon Coast
- Several Annual Festivals /events (Memorial Day Wine Tasting Weekend, Memorial Day Boat Races, St. Paul Rodeo, Old Fashioned Festival, Tunes on Tuesday, Brews & BBQ, First Friday Art Walk, Camellia Festival)
- Proximity to regional historical sites (Hoover-Minthorn House, Champoeg Park)
- Outdoor Recreation (Hot Air Ballooning, Skate Park, Chehalem Glenn Golf Course, Champoeg Biking/Hiking Trails, Bicycle Wine Country)
- Sportsman Airpark
- Key Attractions (Spruce Goose and Omnimax Theater, Spirit Mountain Casino)
- Knowledgeable staff at the Visitor Center
- Temperate and low-precipitation summer climate





SITUATIONAL ANALYSIS • S.W.O.T. ANALYSIS (Strengths, Weaknesses, Opportunities, Threats)

Weaknesses—present disadvantages

- Although the downtown is improving there are still deteriorating building facades and a business mix that is too heavily non-retail
- Downtown is not pedestrian friendly (Loud trucks, one-way traffic, traffic volume).
- Lack of additional routes to/from Portland and Hwy 99 Traffic
- Some downtown homes and businesses falling into disrepair
- Lack of variety of restaurants
- Absence of evening entertainment
- Low resident awareness and support of tourism
- Lack of retail shops
- Lack of downtown retail space
- Shortage of buildable land
- Lack of affordable housing
- Lack of safe cycling routes or outfitters
- Limited Public Transportation
- Limited Meeting Space
- Fragmentation of tourism effort throughout Yamhill County

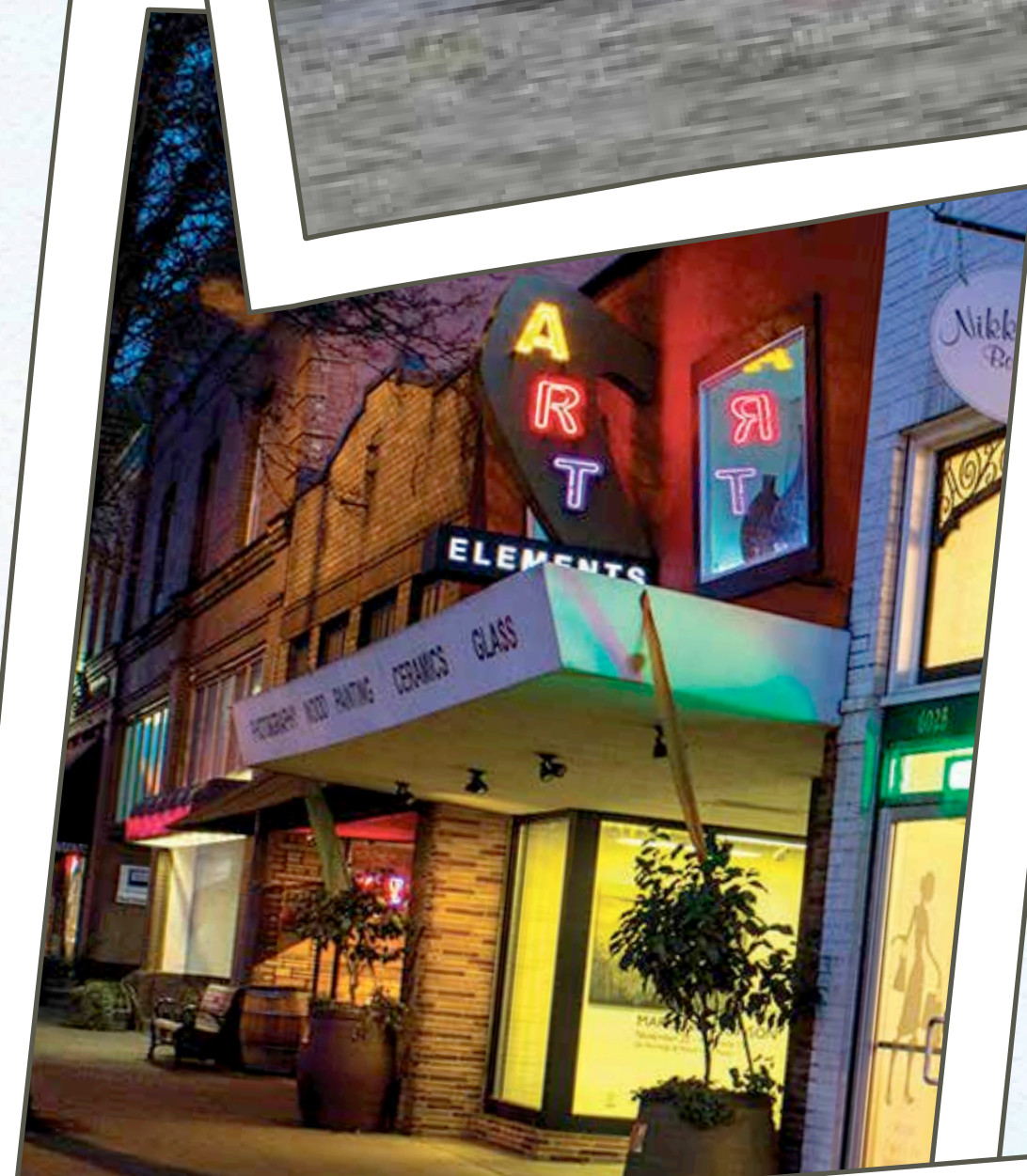
*"This former pass-through town now has the quality food, sips, and art you used to find only deeper inside the Willamette Valley."
—Sunset Magazine*

SITUATIONAL ANALYSIS • S.W.O.T. ANALYSIS
(Strengths, Weaknesses, Opportunities, Threats)

Opportunities – potential advantages

- Completion of the Bypass
- Austin 450-acre development
- Riverfront development
- Alternative lodging
- Mid-tier hotel recruitment
- Public accessibility to Willamette River
- Downtown Re-development
- Expand shoulder season events
- Capitalize on Portland convention market:
pre- and post-event connection and meeting planners in Portland
- Completion of the Aquatic Center
- Completion of the Chehalem Trail System
- Expand cross-marketing with GFU audience
- Expanded “engagement” of visitor experiences
(outdoors, vineyards, culinary classes)

SITUATIONAL ANALYSIS • S.W.O.T. ANALYSIS • BRAND STRATEGY



(Strengths, Weaknesses, Opportunities, Threats)

Threats—potential disadvantages

- Community congestion due to traffic on 99W
- Insufficient Dining Choices
- Lack of retail development
- Shortage of lodging during peak season
 - Lack of mid-range lodging choices
 - Limited Destination Marketing Budget
 - Competition from other destinations—significant expansion in competitors' destination marketing budgets

Brand Strategy

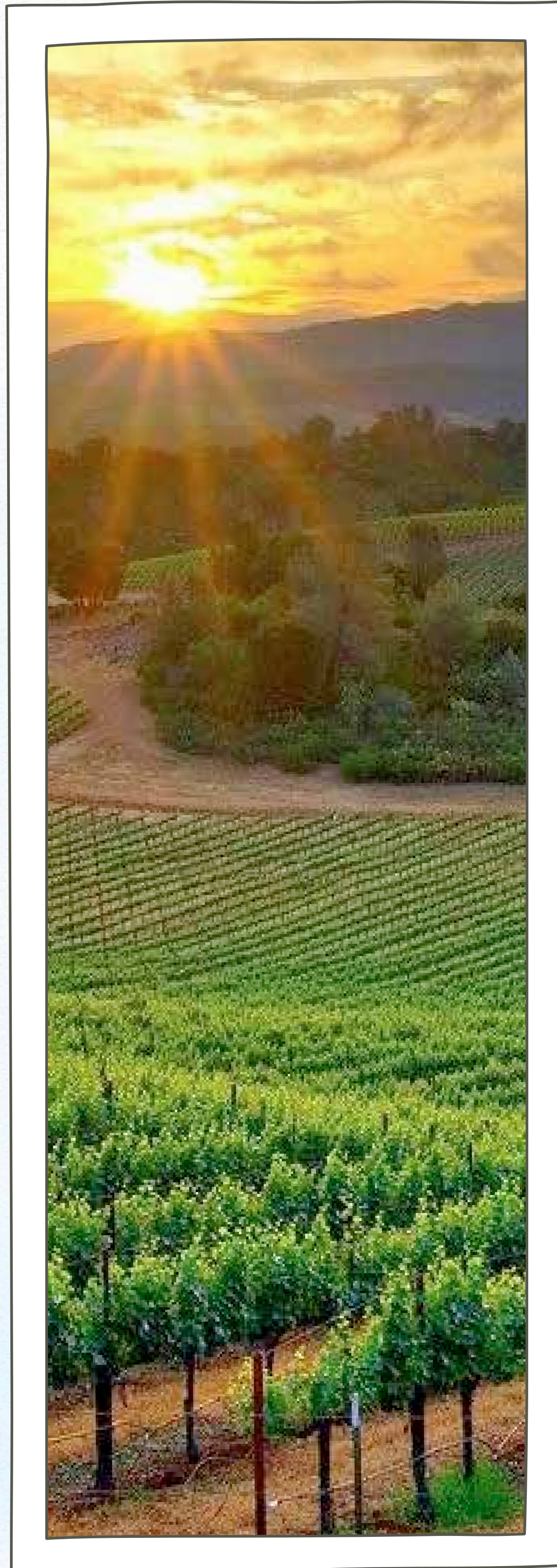
To determine Newberg's position it is important to first identify its uniqueness, differentiation from the competition and value to the customer. In doing this, Newberg is set apart from other wine destinations that are vying for the business of the same traveler/target audience.

The Chehalem Valley Chamber of Commerce (CVCC) is currently working collaboratively with the Newberg Transient Lodging Tax Ad Hoc Committee's Marketing Subcommittee to define Newberg's brand strategy. The CVCC will work closely with the Newberg Transient Lodging Tax Ad Hoc Committee to implement that strategy through our existing marketing channels once that work has been completed.



Perhaps Redmond can be an example of what will happen in downtown Newberg, once the initial phase of the Newberg Dundee Bypass is complete in 2016... If anything, downtown Newberg has the potential to blossom even brighter than Redmond.

—The Oregonian



Competition for Out-of-State Visitors to other Wine Regions

Napa

Sonoma

Walla Walla

San Luis Obispo

Santa Barbara County

Texas Hill Country

Finger Lakes New York

Competition for In-State Visitors and Visitors to this Region

Portland

Bend/Redmond

McMinnville

Carlton

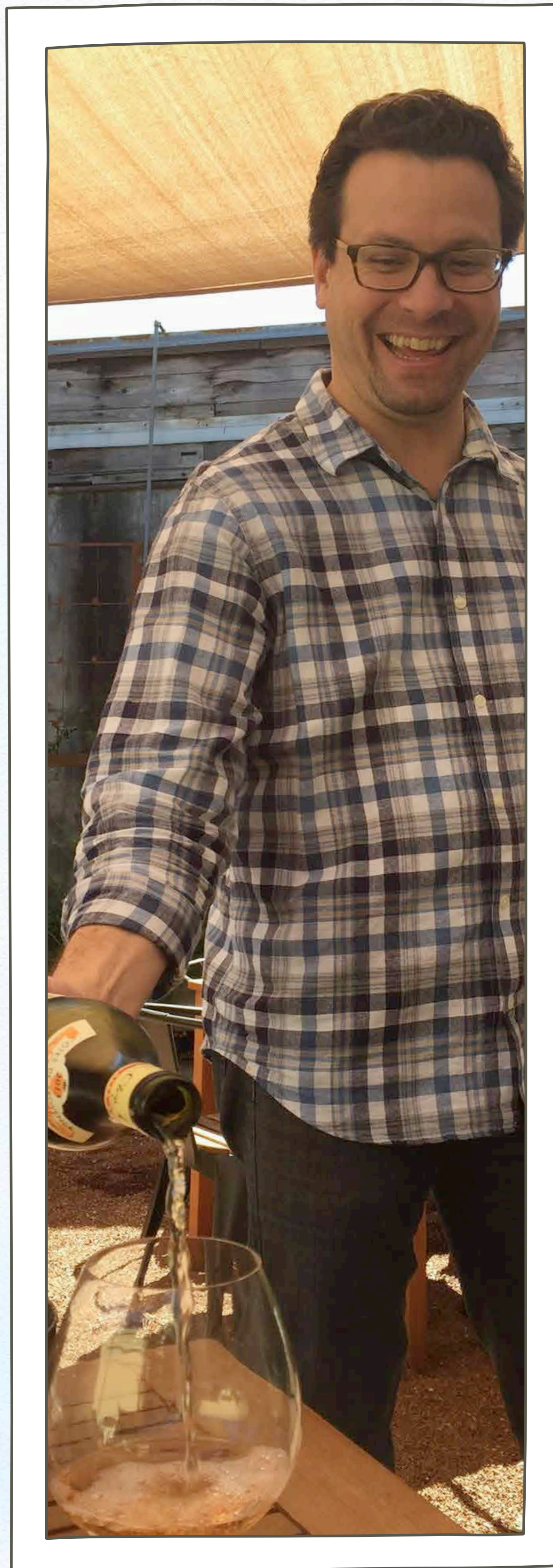
Salem

Eugene

Grants Pass

Ashland

Columbia Gorge/Hood River



Target Audience • Personas

According to the recently commissioned Newberg Tourism Strategy, Newberg's Target Audience can be defined as:

Wine Country Adventurers

Are we ready for them? Somewhat

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

Millennial Explorers

Are we ready for them? Somewhat

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

George Fox Network

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

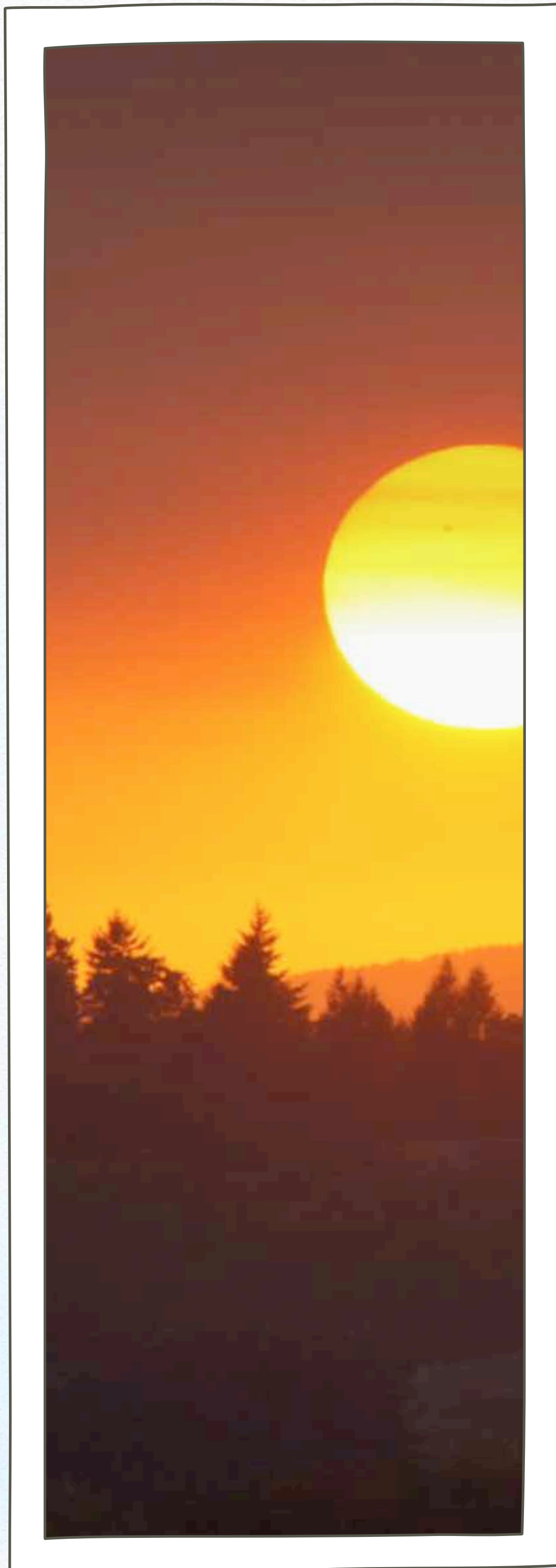
- Need upper/mid-level independently owned hotel downtown

The Luxury Wine Travelers

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

Unfortunately, the Target Audience is weighted toward a future audience since the consultants themselves indicate that Newberg as a destination is not completely ready for these travelers.



Target Audience • Geographic

Utilizing the 2015 Longwood's report on Visitor Behavior for the Willamette Valley, our Primary markets include travelers from major cities in:

Oregon Washington

California Idaho

Secondary markets include major cities in:

Virginia New York

Florida Texas

Target Audience • Demographics

Focus on the visitors that represent the largest audience. We know based on research that the largest number of travelers in 2017 will be Boomers and Millennials. Utilize traditional advertising methods (i.e. visitor guides, travel magazines & social media to target the Baby Boomer crowd. Utilize social media and third party content to reach the Millennials).

The Allison is already marketing and reaching the Luxury Wine Traveler. Our marketing plan will seek ways to leverage their existing marketing and Public Relations but will not invest in specific programs to reach this audience.

This marketing plan will apply the same approach to reaching the GFU Network. More research needs to be done to determine how the Newberg Destination Marketing Plan can leverage the marketing that GFU is already doing to reach their alumni and family of students.

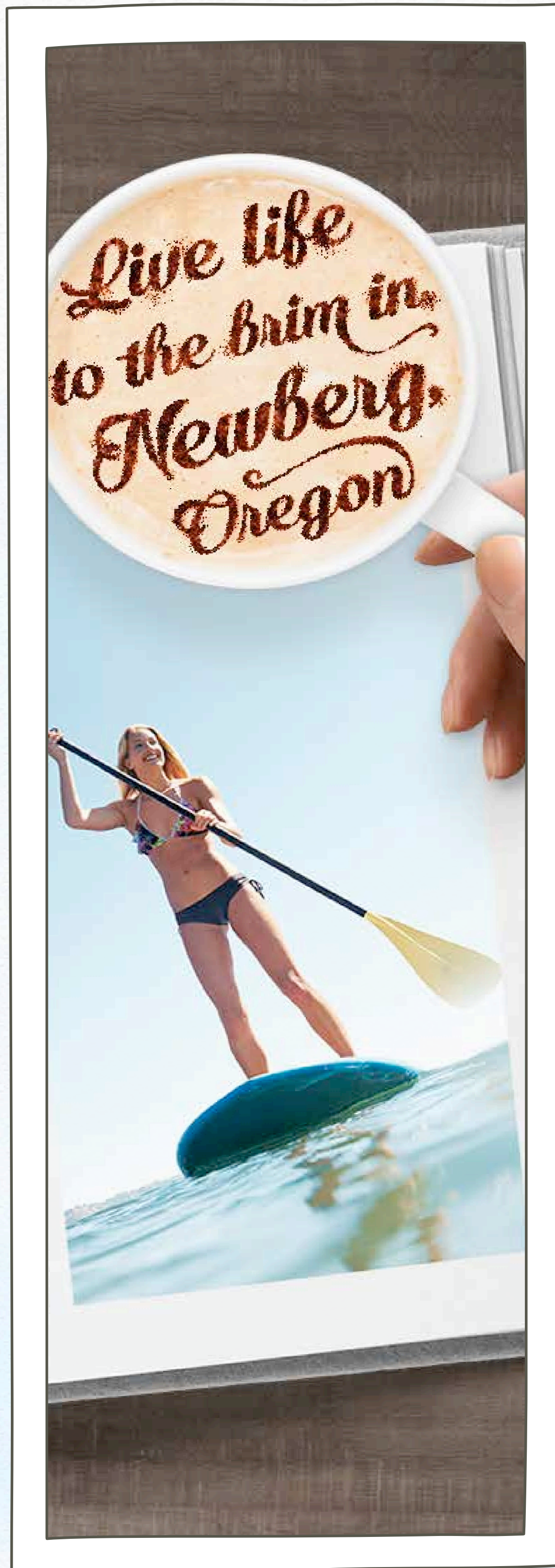


Key Destination Marketing Goals

- To increase visitor volume, visitor spending and the economic impact of tourism in Newberg
- Influence the long-term development of Newberg as a destination and its brand
- Increase leisure visitor volume, visitor spending, meeting, tours and group markets to the Newberg area through effective promotion with media and the travel-trade
- Inspire repeat visitors and word-of-mouth marketing through exceptional visitor center services
- Foster high-value relationships with our stakeholders
- Promote the importance of business and government investment in tourism

Key Destination Marketing Strategies

- Continue to improve our website as our key marketing tool in the areas of navigation, usability and content
- Collaborate with the Newberg Transient Lodging Tax Ad Hoc Committee to design and develop a high impact Newberg brand
- Integrate the “refreshed” Newberg brand into all existing marketing channels
- Enhance the efficiency of targeting digital media
- Continue to leverage the CVCC’s role in the travel decision-making process by focusing on generating target market awareness via marketing and media relations
- Increase knowledge of Newberg visitors through research



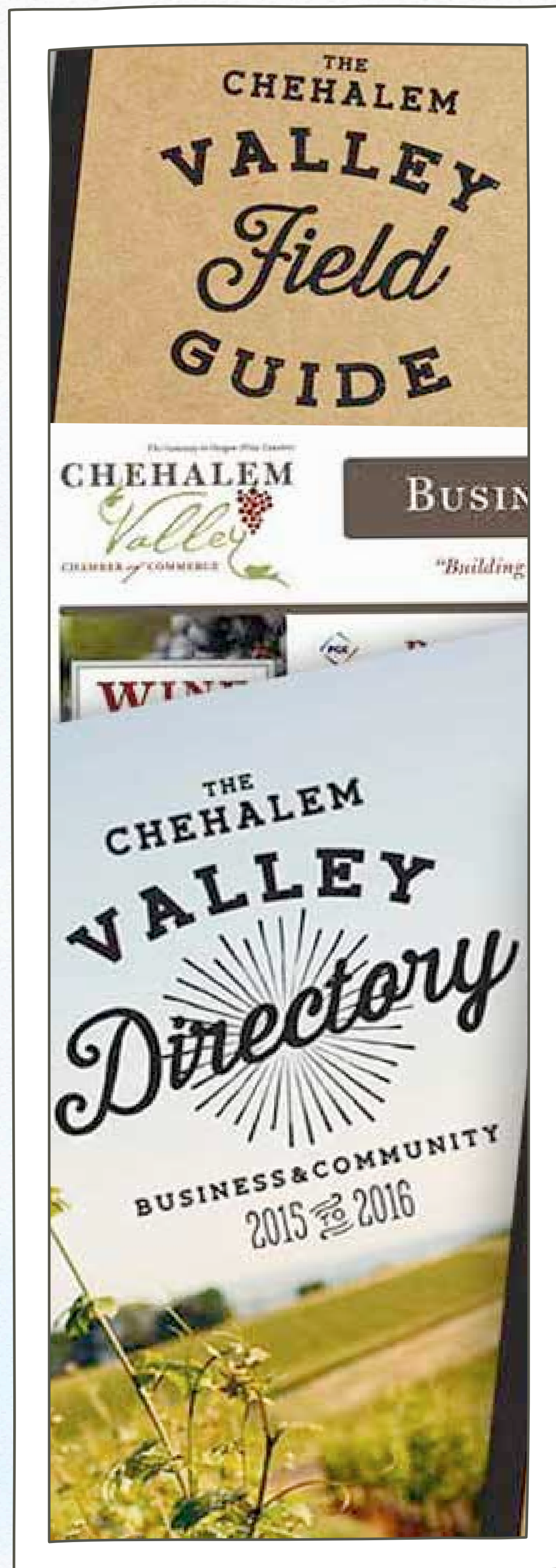
Key Destination Marketing Tactics

Website: visit.chehalemvalley.org

- Search Engine Optimization (SEO)—Continue to optimize our website with key search words/terms and content for major search sites including Google, Bing, MSN, Yahoo, etc.
- Continue to update and enhance our website weekly with blogs featuring interesting travel itineraries, new travel partners, visitor testimonials, seasonal specials, family reunion planning information, photos, maps and more
- Tracking – Expand use of Google Analytics to track visits, unique visits, users, referrers, page views, etc.
- Landing Pages – Utilize special landing pages in order to track ad campaigns and promotions

Social Media

- Continue consistent posting strategy on Facebook and Twitter. Expand social media activity to include Instagram, Pinterest and YouTube
- Use effective social media tactics to build relationships with leisure travelers and media. Tactics include “share,” “like,” “forward,” “retweets,” contests, etc.
- Encourage and assist local tourism partners on effective social media strategies for their business
- Serve content in a timely, consistent manner, using content calendars, and advance post scheduling
- Highlight positive media coverage about Newberg



Public Relations

(Suggest that this is funded outside the existing contract)

Collaborate with Newberg Transient Lodging Tax Ad Hoc Committee to contract with a Public Relations Professional to manage the following media relation activities:

- Press Trips—Host regional, national and international travel writers and editors on individualized and/or group press trips
- Media Leads—Continue to respond to leads, and forward leads to members from Travel Oregon and the Willamette Valley Visitors Association
- Pre-publication editing & fact checks—Offer to edit articles and guidebook sections for accuracy
- Distribution of semi-annual e-newsletter—Select media that highlights what is new and interesting in the Newberg area
- Media Kit – Develop an electronic media kit that highlights the outstanding tourism assets in Newberg and the surrounding area
- Build a more expansive photo and video library that is available for media requests, ads, and our website.

Publications

- Publish and distribute 19,000 Chehalem Valley Field Guide (tourism magazines)
- Publish Newberg City/Yamhill County map
- Publish Group Travel Brochure
- Publish monthly event brochure for visitors (also distributed to area lodging partners)



Leverage Partner Relations

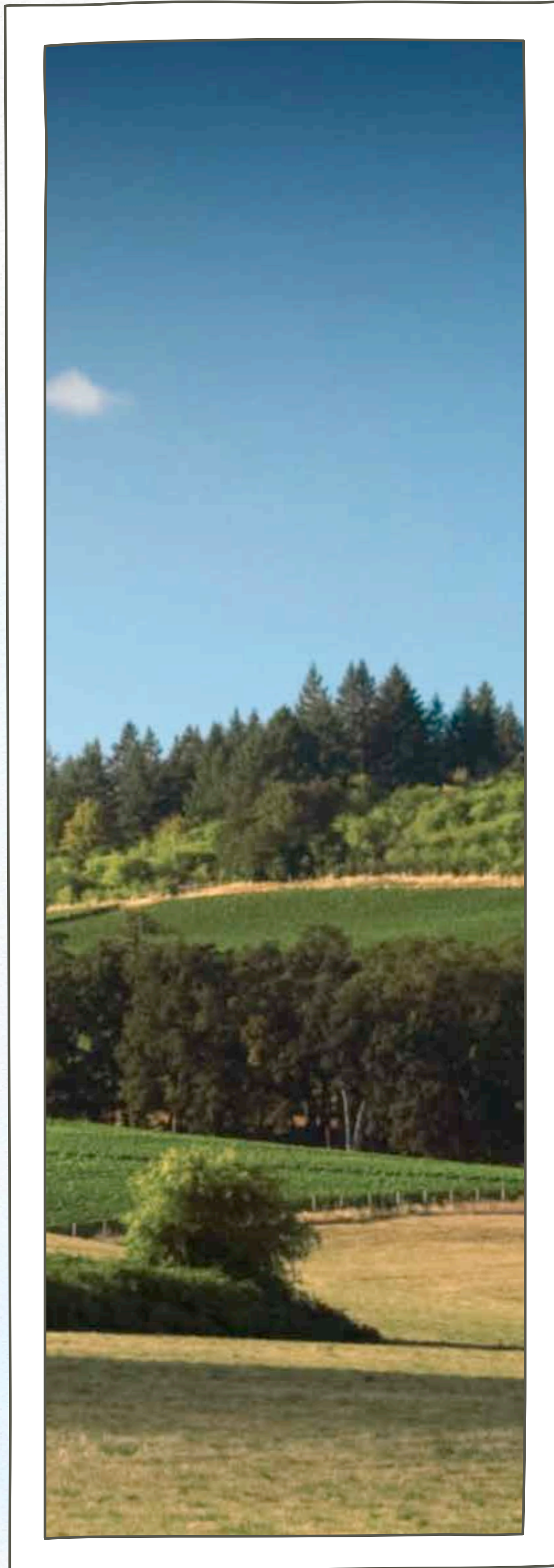
- Promote local tourism events through Willamette Valley Visitors Association, Travel Yamhill Valley and Travel Oregon's websites

Event Sponsorship & Support

- Transportation and Volunteer Sponsor for the Oregon Truffle Festival in January; In addition, the CVCC took over management of Sunday's Truffle Marketplace
- Presenting Sponsor for the Annual Camellia Festival in April
- Event organizer for Brews & BBQ in July

Visitor Services

- Maintain well-stocked Visitor Center with over 1,000 different maps and brochures of Newberg and the surrounding area
- All CVCC staff is Q-certified (Travel Oregon Customer Service Training) within 90 days of employment
- CVCC staff stays current with new/closed businesses and tourism partners through weekly outbound calls and staff "Familiarization Tours"
- CVCC staff receives ongoing hospitality training (Customer Service seminars, Governors Conference on Tourism, Western Association of Chamber Executives)
- CVCC staff assists all walk-in and telephone visitors with complimentary itinerary planning
- Email and telephone requests for visitor information are fulfilled within one work-day
- Publish a monthly events publication for visitors
- Visitor Center is open and staffed 7 days per week from Memorial Weekend to the last weekend in September and 5 days per week October 1st up to Memorial Weekend
- Local and state maps and visitors magazines are stocked in 24-hour access location at the entrance to the Visitors Center



Meetings/Retreats

- Continue to promote Newberg as a destination for small meetings or pre- and post-convention trips from the Portland Convention market
- Continue to support efforts of The Allison Inn & Spa's group sales team through the collaboration of a group travel brochure for the Newberg area

Workforce Development

- Continue to develop the workforce for the wine industry through the expansion of classes at the Oregon Wine Education Center; the Oregon Wine Education Center has trained over 150 Tasting Room Associates in the last 18 months
- Create a class for front-line employees to educate them on the unique tourism assets of Newberg and the surrounding community

Community & Government Relations

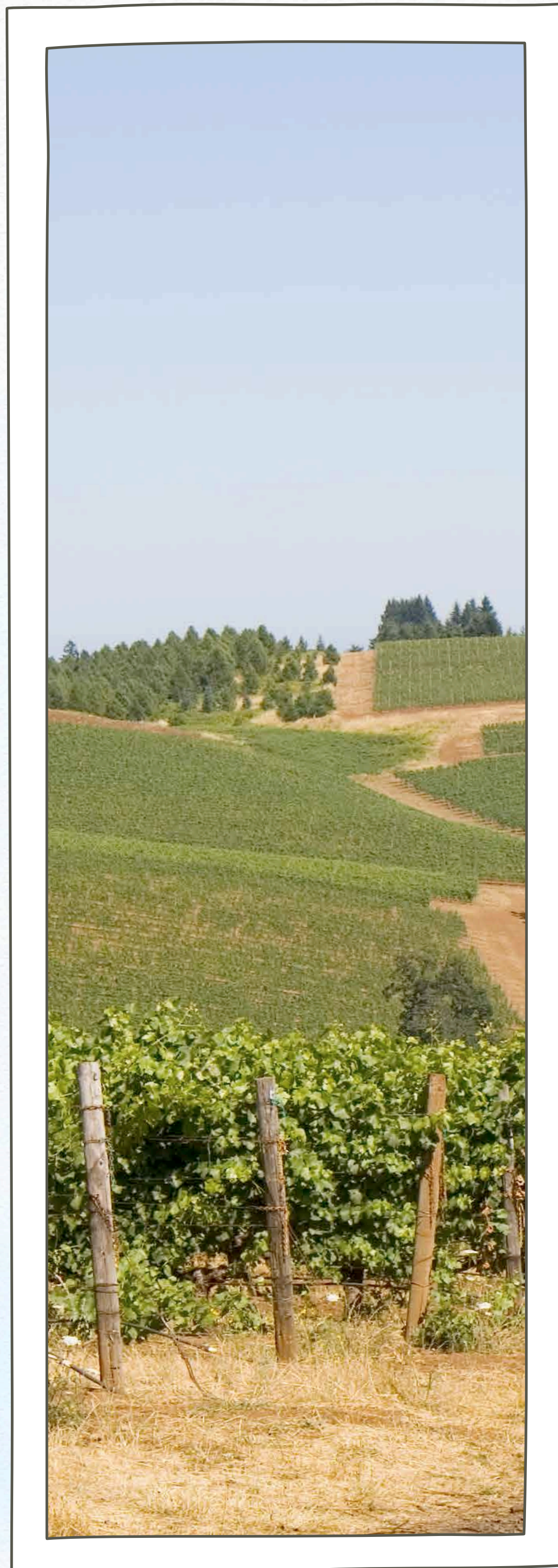
- Present at area service clubs on the importance of the local tourism industry
- Submit news releases to local media regarding CVCC tourism activities
- Continue to actively participate and collaborate with the Newberg Transient Lodging Tax Ad Hoc Committee on activities to advance Newberg tourism
- Member of Newberg Economic Development Committee with responsibilities for Newberg Tourism

Industry Relations

- Serve on Newberg’s Transient Lodging Tax Ad Hoc Committee
- Serve on Board of Travel Yamhill County
- Serve on Board of Willamette Valley Visitors Association and represent interests of Yamhill County
- Member of Oregon Destination Marketing Association
- Member of Travel Portland



Newberg is a Gem of a Town, One of the Best of Its Size (22,000) in the Northwest" by Jerry Richard - The Oregonian



Newberg in the News Click on a quote to view article

“Where to Eat in Oregon Wine Country Right Now” by Michael Russell —*The Oregonian*

“Newberg is a Gem of a Town, One of the Best of Its Size (22,000) in the Northwest” by Terry Richard —*The Oregonian*

“Beginning in the town of Newberg and extending south to the capital city of Salem, Oregon’s Willamette Valley is characterized by rolling hills and lush valleys. This is Oregon’s principal wine region, and while it may not be as well known around the world as California’s Napa Valley, it is no less breathtaking.” —*USA Today*

“This former pass-through town now has the quality food, sips, and art you used to find only deeper inside the Willamette Valley.” —*Sunset Magazine*

“This gateway to Yamhill County wine country is only 30 minutes south of Portland, but there’s so much to do along Newberg’s main drag of East First Street that you may not get to any actual wineries. No matter, since there are plenty of tasting rooms and restaurants where you can sample classic Oregon pinot noir.” Quick Day Trips by Grant Butler —*The Oregonian*

“(Pulp & Circumstance) which opened in June, is another effort by Loni Austin Parrish’s attempt to turn downtown Newberg into the hippest place in Oregon.” —*The Oregonian*

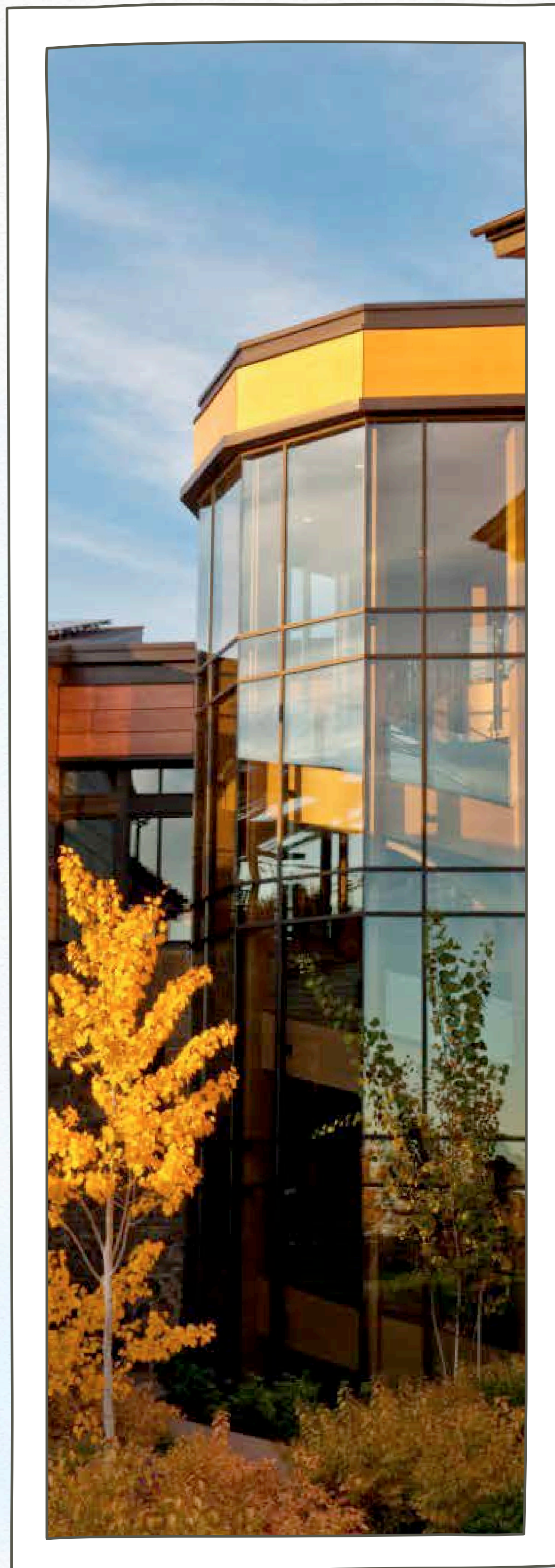


The First Destination in Oregon Wine Country Click on a quote to view article

“Newberg ... is target central of Oregon’s wine country” —*The Oregonian*

“California’s Napa Valley isn’t the only place in the country to find great wineries. Oregon has some up-and-comers that will give wine aficionados a reason to head north.” Wineries in Newberg & Dundee, Oregon —*USA Today*

“McMinnville and Newberg regularly vie for the title of top wine-country town . . . While McMinnville typically has shined brightest in size—and in scope of eating and shopping options—Newberg and Dundee have boasted the lion’s share of wineries and tasting rooms. Recent additions to both towns’ arsenal of attractions, though, have evened the field.” A Toast of Two Cities —*Portland Monthly*



The Allison Inn and Spa (Newberg) [Click on a quote to view article](#)

“Besides having some of the best lodging in Yamhill wine country, indeed in all of Oregon, the inn has become a popular day visit for Portlanders for its spa services and its JORY Restaurant.” —*The Oregonian*

“So what about that Allison Inn? Since it opened in 2009, it has cemented its reputation as one of the premier luxury resorts in Oregon, even earning a rare national recognition for quality of lodging in the state. Travel + Leisure magazine’s October issue will name the Allison as the top hotel spa in the continental United States ... Newberg also has three restaurants right up there in quality with the best of Portland.” —*The Oregonian*

TripAdvisor.com names The Allison Inn one of the top 10 pet friendly places to stay in the U.S. —*Oregon Public Broadcasting*

“Oregon is perhaps best known for its pinot noirs. You can sample many of these by the glass at the 85-room Allison Inn & Spa restaurant in the heart of the wine-producing Willamette Valley.” — The Big Six: Wine country hotels —*The Independent (UK)*

“You can get a good taster in a day visit, but it’s more rewarding if you hire a car and spare three days or so to work your way down the bucolic valley, cherry-picking the best producers. Leave Portland on Route 99W and head south towards Newberg. This is where the real wine country starts.” Tuscany? Provence? No – it’s Oregon. —*The London Sunday Times*

“The birthday girl’s husband had booked our group at The Allison based on magazine and Internet accolades and because of its location in Newberg, a central base from which to explore the region’s 200-plus wineries. He chose wisely. The Allison Inn and Spa opened in September 2009 and in a little over two short years has become the place to stay when wine touring in Oregon. It made Condé Nast Traveler’s 2010 Hot Hotels and Hot Spas list and CNN named The Allison and Oregon Wine Country as one of the Top 9 Spots in the World for Savvy Luxury Travellers.” —*Ottawa Citizen*



The Opportunity for Downtown Click on a quote to view article

“Perhaps Redmond can be an example of what will happen in downtown Newberg, once the initial phase of the Newberg-Dundee Bypass is complete in 2016... **If anything, downtown Newberg has the potential to blossom even brighter than Redmond.**

—*The Oregonian*

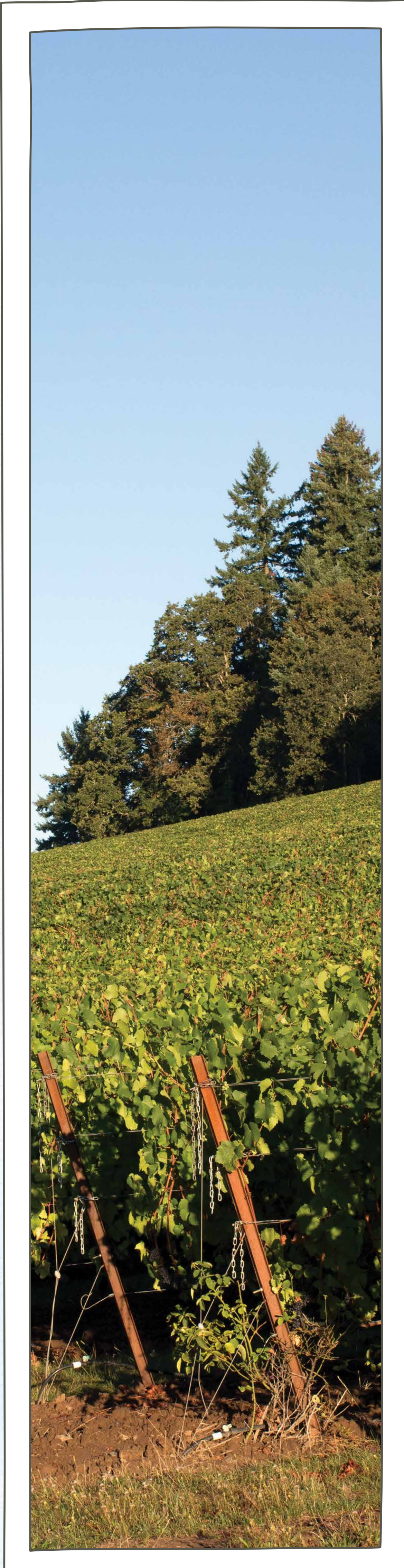
“Downtown Newberg will still be busy, because it will remain on Oregon 99W and the bypass will be routed as Oregon 18. **But Newberg will get its chance to fully embrace its location in the heart of Oregon’s wine country.**” —*The Oregonian*

“... if you live in Newberg or Dundee, **the best thing about the new bypass — 25 years in the making — is that it gives you the chance to rethink, rebuild or recover the charm of your wine-country town.** Now that the first phase of the bypass is a reality, it opens up possibilities for each city and allows the conversation to begin — or accelerate — about the shape of the future. For Newberg, the opportunity to reclaim its remarkably intact and historic downtown in a lasting and meaningful way is another building block in its ongoing growth and revitalization. Even without the bypass, Newberg has great potential; even with the traffic, we are seeing a resurgence,” he says. **“Downtown has great potential. It’s got great buildings and density”** Mike Ragsdale, On the Road —*Oregon Business Magazine*

“Work is under way on one of northwest Oregon’s long-awaited and most-highly anticipated highway projects, the Newberg-Dundee Bypass.” —*The Oregonian*

“It will get truck traffic and significant auto traffic out of Dundee and Newberg and give the downtowns back to the communities,” Torres said. —*The Oregonian*

“Newberg spruces up downtown to coax some of that traffic to stop” —*The Oregonian*



2017-18 Budget

REVENUE:

City of Newberg	\$139,886.00
City of Dundee Contribution	\$2,500.00
TOTAL REVENUES:	\$142,386.00

EXPENSES:

Personnel	\$62,000.00
CEO Wine Education Center Manager & Instructors Office Administrator Visitors Center Coordinator Visitors Center – Seasonal Help Benefits – Health Insurance & Retirement Taxes Allocated by percentage of time spent on Visitor Center or Tourism Promotion Activities	
Marketing	\$42,000.00
Print Advertising Social Media Marketing Chehalem Valley Field Guide Travel Yamhill Valley Tourism Guide Ad Willamette Valley Visitors Association—Co-op Ad Opportunities Governors Conference on Tourism—Oregon Destination Marketing Conference First Friday Artwalk participation/Trolley Sponsorship Camellia Festival Presenting Sponsor Newberg Christmas Lights Seasonal Electricity Event Marketing—Camellia Festival, Tunes on Tuesday, Brews & BBQ Website Modifications SEO Fees Travel Oregon Tourism Guide Ad Familiarization Tour Expenses Contingency Marketing Dollars Set-Aside for Unique Opportunities	
Shared	\$47,979.00
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:	\$151,979.00
DIFFERENCE:	-\$9,593.00

Chehalem Valley Chamber funds any negative balance per contract.

BUDGET TLT MARKETING SUBCOMMITTEE PROPOSAL

Revenue	FY 16/17	FY 17/18	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 20/21
	Budget	Budgeted	Supplemental Budget	Projection	Projection	Projection	Projection
Gross Operator Reciepts	11,994,410	12,220,625	12,220,625	12,587,244	12,964,861	13,353,807	13754421
Beginning Fund Balance	207,113	250,000	343,718	115,214	0	0	0
Tax Revenue -Restricted for Tourism	359,617	365,703	366,399	377,390	388,712	400,373	412,385
Tax Revenue City Services	665,905	679,160	678,465	698,819	719,748	741,377	763,618
Interest Revenue-Restricted for Tourism	897	897	897	897	897	897	
Interest Revenue- City Services	1,667	1,667	1,667	1,667	1,667	1,667	
Estimated Additional Funds							
Total	1,235,199	1,297,427	1,391,146	1,193,987	1,111,024	1,144,314	1,176,003
Expenses							
Transfers out General Fund	665,905	680,132	678,465	698,819	719,748	741,377	763,618
Visitor Center/Destination Marketing Contract	137,548	139,886	139,886				
Visitor Center Contract				105,901	109,078	112,350	115,721
Destination Marketing Contract				120,000	120,000	120,000	120,000
Unallocated Tourism Activity	431,746	477,409	572,795	269,267	162,198	170,587	176,664
Consultant							
Staff - Meetings, Travel, Networking		2,000	2,000	2,000	2,000	2,000	2,000
Tourism Marketing		14,787	109,622	0	0	0	0
Fundraising (Grant Match)		10,000	10,000	10,000	10,000	10,000	10,000
Subtotal		26,787	121,622	12,000	12,000	12,000	12,000
Tourist Related Facilities (Large Grant)	313,774	430,622	431,173	237,267	130,198	138,587	144,664
Small Grant Program (pilot program)	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Total	1,235,199	1,297,427	1,391,146	1,193,987	1,111,024	1,144,314	1,176,003
Ending Balance Restricted for Tourism		0	0	0	0	0	0

* The \$250,000 for the Tourist Related Facilities (Large Grant) originally budgeted will not be expended by June 2016 and becomes the Beginning Fund Balace for FY 17/18

Assumptions

Visitor Center Contract escalator of 1.7% annually (Actually tied to CPI-W)

26.5% of Visitor Center Contract for Marketing Services

73.5% of Visitor Center Contract for Visitor Center Operation

\$120,000 for Marketing Services (\$60,000 salary/\$60,000 implementation of marketing/FAMs/web/public relations)

\$120,000 for Marketing Services drawn from 26.5% of Visitor Center Contract and reduction of funding for Tourist Related Facilities

TLT CITY MODEL

Revenue	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Transient Lodging Tax	1,025,522	1,056,288	1,087,977	1,120,616	1,154,234
Beginning Fund Balance (2016/17)	149,857				
Estimated Additional Funds					
Interest	2,564	2,580	2,600	2,620	2,640
Total	1,177,943	1,058,868	1,090,577	1,123,236	1,156,874

Expenses	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Transfers out General Fund	665,905	685,883	706,460	727,653	749,482
Visitor Center Contract	137,548	141,674	145,924	150,302	154,811
Tourism Promotion (undefined)	374,490	228,731	235,593	242,661	249,941
Tourism Consultant	40,000				
Tourism Manager - Salary ^{1,2}	59,600	60,792	62,008	63,248	64,513
Tourism Manager - Benefits (health, retirement, etc.) (18%) ³	43,000	47,300	52,030	57,233	62,956.3
Tourism Manager - Recruitment	1,000				
Tourism Manager - Meetings, Travel, Networking	5,000	5,000	5,000	5,000	5,000
Tourism Marketing	10,000	10,000	10,000	10,000	10,000
Computer/Phone	600				
Fundraising	10,000	10,000	10,000	10,000	10,000
Subtotal	169,200	133,092	139,038	145,481	152,469
Tourist Related Facilities	185,290	78,219	79,155	79,800	80,112
Small Grant Program (pilot program)	20,000	20,000	20,000	20,000	20,000
Total	1,177,943	1,058,868	1,090,577	1,123,236	1,156,874

¹ Range 163, Step 1

² 2% annual COLA

³ 10% annual increase

TLT NEW ORGANIZATION MODEL

Revenue	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Transient Lodging Tax	1,025,522	1,056,288	1,087,977	1,120,616	1,154,234
Beginning Fund Balance (2016/17)	149,857				
Estimated Additional Funds					
Interest	2,564	2,580	2,600	2,620	2,640
Total	1,177,943	1,058,868	1,090,577	1,123,236	1,156,874
Expenses					
Transfers out General Fund	665,905	685,883	706,460	727,653	749,482
Visitor Center Contract	137,548	141,674	145,924	150,302	154,811
Tourism Promotion (undefined)	374,490	228,731	235,593	242,661	249,941
Tourism Consultant	40,000				
Tourism Director - Salary ¹	55,000	56,100	57,222	58,366	59,534
Tourism Director - Taxes, Insurance (18%)	9,900	10,098	10,300	10,506	10,716
Tourism Manager - Admin Support ²	4,100	4,182	4,266	4,351	4,438
Tourism Director - Recruitment	1,000				
Tourism Director - Meetings, Travel, Networking	5,000	5,000	5,000	5,000	5,000
Tourism Marketing	10,000	10,000	10,000	10,000	10,000
Fundraising	10,000	10,000	10,000	10,000	10,000
Office Space Lease/Utilities ³	18,000	20,700	23,805	27,376	31,482
Furniture/Desk/Computer/Phone	10,000	500	500	500	500
Office Supplies	1,500	1,500	1,500	1,500	1,500
Secretary of State filings	100	100	100	100	100
Subtotal	164,600	118,180	122,693	127,699	133,270
Audit (ongoing)	2,000	2,000	2,000	2,000	2,000
Tourist Related Facilities	187,890	91,131	93,500	95,582	97,311
Small Grant Program (pilot program)	20,000	20,000	20,000	20,000	20,000
Total	1,177,943	1,058,868	1,090,577	1,123,236	1,156,874

¹ 2% annual COLA

² 2% annual COLA

³ 1,500 sft at \$1.00 sft at 1.5% annual increase