RESOLUTION NO. 2013-3050

A RESOLUTION APPROVING THE VISITOR INFORMATION CENTER BUSINESS PLAN FOR FISCAL YEAR 2013-2014 AND ACCEPTING THE FISCAL YEAR 2012-2013 3RD QUARTER FINANCIAL REPORT AS PRESENTED BY THE CHEHALEM VALLEY CHAMBER OF COMMERCE

RECITALS:

1. Resolution No. 2011-2927 adopted a contract for the operation of a Visitors Information Center. A requirement of the contract is for the Chehalem Valley Chamber of Commerce to present an annual Visitor Information Center Business Plan for approval by the Council.

2. The same contract also requires submission of quarterly financial reports for acceptance by the Council.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Council hereby adopts the fiscal year 2013-2014 Visitor Information Center Business Plan, which is hereby attached as Exhibit "A" and by this reference incorporated, providing for a city Visitor Information Center to be operated by the Chehalem Valley Chamber of Commerce.

2. The City Council hereby accepts the proposed Chehalem Valley Chamber of Commerce budget for fiscal year 2013-2014, which is hereby attached as Exhibit "B" and by this reference incorporated.

3. The City Council hereby accepts the fiscal year 2012-2013 3rd Quarter Financial Report, which is hereby attached as Exhibit "C" and by this reference incorporated.

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: June 4, 2013.

ADOPTED by the City Council of the City of Newberg, Oregon, this 3rd day of June, 2013.

Norma I. Alley

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 6th day of June, 2013.

Bob Andrews

Bob Andrews, Mayor

The Gateway to Oregon Wine Country

CHEHALEM Valley

VISITOR'S CENTER

Newberg Visitor and Information Center
Executive Summary

Oregon's tourism and hospitality industry is a leading contributor to the state's socio-economic success. It is a $9.2 billion industry and directly generates 91,100 jobs in Oregon and indirectly creates another 41,000 more in agriculture, construction, manufacturing and transportation making it the largest traded-sector (export oriented) employer in the state. The tourism and hospitality industry is also one of the Oregon's top contributors to the gross state product.

The mission of the Newberg Visitors Center is to encourage economic growth and to enhance the quality of life through the strengthened economic impact of tourism in Newberg and the surrounding areas. Travel Oregon does a fantastic job of recruiting visitors to the State of Oregon but it is up to Newberg to attract our share of visitors and their spending to our community.

Based on the statewide financial impact of tourism, The Chehalem Valley Chamber of Commerce (CVCC) has identified the expansion of our tourism product as one of the greatest and most immediate opportunities to increase dollars in our local community over any other activity prior to the completion of the bypass and expansion of the UGB.

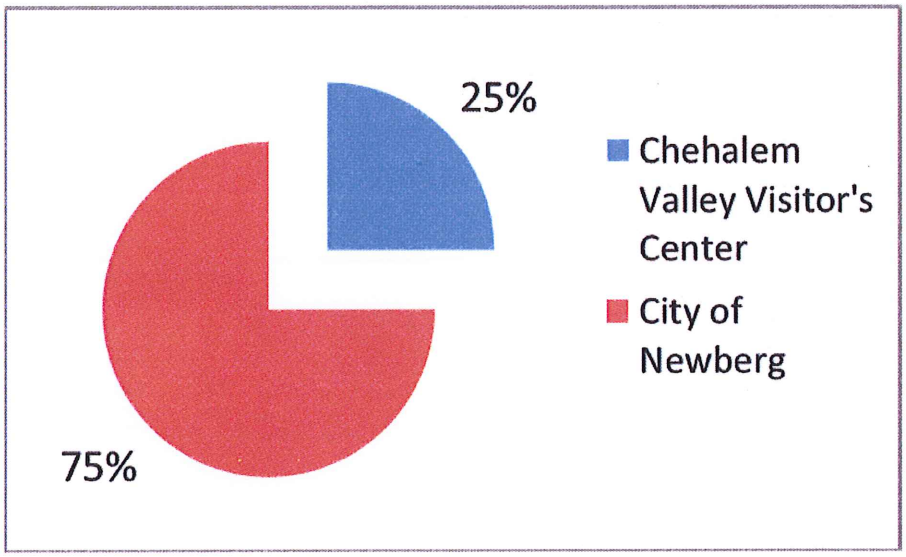
The purpose of the Visitors Center Destination Marketing plan is to expand the role of the Newberg Visitors Center to serve as a dynamic community marketing organization. As a marketing organization we will define strategies that will allow us to market our Visitor Destination product to people that have not already heard about us. We will methodically develop a plan that will bring new visitors and increased travel spending to the area.

Our legislators believe so emphatically that tourism promotion provides a sound return on investment that they passed a law in 2003 called the Oregon Tourism Investment

Act. The bill made tourism and hospitality a pillar of Oregon's economy by reinvesting 1% of lodging revenue back into tourism development and marketing. The state of Oregon through Travel Oregon has been tracking the return on investment since that law and discovered through research that $1.00 in State Marketing equates to $193.00 in Visitor Spending and that $1.00 in State marketing = $8.00 in new state and local tax revenues.

In addition to creating the 1% statewide room tax the law also mandated that a minimum of 70% of local room tax collection must be dedicated to support tourism promotion and facilities. Municipalities with TOT statutes prior to July 1, 2003 were omitted from the provision but clearly the intent of the law was to ensure that significant portion of the room tax collection was invested in local tourism rather than funding other City general fund expenses.

A universally accepted method for measuring the effectiveness of a destination marketing program is through evaluation of the trends in Transient Occupancy Tax (TOT) collection. In 2012 TOT in Newberg increased from $352,000 to $416,656. The CVCC provides the City of Newberg value and destination marketing services that exceeds basic walk-in visitor center services. The CVCC destination marketing plan has significant impact on visitor spending in the Newberg area. The increase in local visitor spending adds to the bottom-line of the City of Newberg, who retain(s) 75% of transient occupancy tax that is collected. The better the CVCC does our job the more revenue the City of Newberg realizes.



For example in this diagram The City collected $416, 656 and because the local TOT was in place prior to the Tourism Investment Act of 2003 they were able to retain 75% or $312,492 in their General Fund and invest the balance of $104,164 in tourism development through the contract with the Chehalem Valley Chamber. The Chamber

destination marketing plan makes a significant positive impact on the local economy and has produced measurable economic impact that benefits the City of Newberg.

As in previous years the Chehalem Valley Chamber of Commerce also contributes funding to the Visitor Center and Newberg Destination marketing plan. In 2013-2014 The Chehalem Valley Chamber of Commerce invested $54,500 of their annual budget to augment the City of Newberg portion of the Newberg Destination Marketing Plan.

The budget for 2013-2014 is the same as 2012-2013, however the allocation will look slightly different. Last fiscal year we continued to invest in capital improvements associated with the opening of the Wine Education Center within the Newberg Visitor Center. Those improvements are complete and the center is open. This budget allocates $15,000 more to personnel which will allow us to hire a P/T Public Relations person and add additional staffing to the busy visitor center.

The destination marketing plan and budget reflects the third year of a five year contract. The most significant increases during this period include the fact that when we started the contract we were in a different physical location and did not pay rent. Since that time we secured the highly visible location for the visitor center on Hwy 99W. There are increased expenses associated with the location and remodel of the building. The second area that has grown significantly is the portion of the budget that is spent on marketing. As the tourism budget has increased we have increased our investment in marketing programs that will increase tourism to Newberg. In addition we have cooperatively picked up some marketing expenses that were formerly funded directly by the City of Newberg.

The following chart outlines the basic requirements of the contract between the City of Newberg and The Chehalem Valley Chamber. The second chart itemizes the additional services over and above the contract that the Chamber provides as part of our destination marketing strategy. Page 7 through 9 outlines the Destination Marketing Plan for 2013-2014.

Chehalem Valley Chamber of Commerce
Visitor Information Center
Contract Performance Report
April 16, 2013

Basic Service Requirements	Actual:	
1. Maintain regular open hours: Minimum 2,000/Yr.	7/1/12 – 4/16/13 = 1791 Hours 4/17/13 – 6/30/13 estimated 514 hours = 2305 Hours	Note that we expand Visitor Center Hours to 7 days per week from Memorial Day to October 1st each year
2. Visitor Response Procedures	Telephone calls within 3 rings Walk-ins within 15 seconds Internet requests within 24 hours	
3. Trained staff w/Q certification	Complete	
4. Visitor Center information materials & maps.	Over 1,000 different brochures, maps, magazines & periodicals are stocked. Titles are maintained in an extensive database for efficient tracking	
5. Travel Oregon & ODOT Materials stocked	Yes	Travel Oregon Magazine; Oregon Festival & Events Guide; Ski Oregon
6. After hours brochure access	Local and state maps and visitors magazines stocked in 24 hour access location in front and back of Visitor Center.	
7. Information and directions to local businesses	Visitors are provided Mapquest printouts as needed.	In addition staff is trained to act as an active concierge to visitors and often make calls to check on lodging availability or to make tour/tasting appts.
8. Fulfill relocation requests, visitor requests & new employer information	Fulfilled over 100 relocation & visitor information packets. Stocked over 500 guides for local employers to provide to new employees	Potential visitors can also make relocation requests in a form we have created online for 24 hour access.
9. Participate & seek marketing "best practices" through membership in Travel Yamhill Valley and ODMO	Currently serving as Past President on board of Travel Yamhill Valley & hosted ODMO conference in Newberg in December 2012	

10. Publish Newberg Community Guide	7,500 of the 64 page color guide is published annually in May and distributed throughout the community.	In addition to the community guide the chamber publishes a 16 page four color tourism magazines that has distribution of 17,500
11. Maintain Online calendar of events	The online calendar is available at www.chehalemvalley.org. In addition any community member may enter their community event online	In addition to an online calendar the Chamber runs a Community Calendar of events on the Visitor Center flat screen television.
12. Maintain a website with visitor information	Yes	
13. Provide information for employers to provide in new EE packets	Employers that regularly request directories for this purpose include: A-dec, Climax, GFU, Providence & Newberg School District	
14. Parking within walking distance	Yes	
15. Drinking fountain or access to water during open hours	Yes and for traveling pets too.	
16. Restrooms within walking distance	Yes	
17. ADA Accessibility	Yes	
18. Landline Telephone	Yes	
19 Quarterly report to The City of Newberg	Yes	

Chehalem Valley Chamber Destination Marketing Summary

Additional Services Provided per 2012-2013 Marketing Plan	Results:
1. Open Oregon Wine Education Center	The educational murals have been completed, video content created & visitors now have a place to stop and learn more extensively about the origin of winemaking in this region.
2. Visitor Center Service Improvements	Our new location and interior design of the new space has resulted in an increase in visitor traffic and people spending more time at the visitor center planning their activities in the area. This allows us more time to interact with the visitor to encourage them to stay in the Newberg area
3. Event Marketing & Promotion	A significant amount of staff time and marketing budget is spent promoting Tunes on Tuesday, Chehalem Valley Food Wine & Art Festival, First Friday Artwalk and The Camellia Festival. Attendance at all of these specific events has experienced significant increases of both local and out of town guests.
4. Website & Interactive Marketing	Additions to our visitor content on the website and itinerary planning has doubled the time that visitors are spending on the website. The Chehalem Valley Chamber is currently gathering bids to produce and add video content to the tourism section of the website.
5. Shoulder Season Promotions	The Chehalem Valley Chamber served as a sponsor and worked collaboratively with Travel Yamhill Valley's "Dig into Yamhill Valley" campaign to encourage increased shoulder season activity. Chehalem Valley Chamber is conducting a telephone survey with our tourism partners to measure perceived benefit of the campaign for the months of January, February and March.
6. Small Convention Recruitment	Small Convention Recruitment will continue to be an important Destination Marketing Strategy for Newberg. The potential for success will be greatly enhanced when the remainder of the Cultural Center is remodeled and available for rental. The Chehalem Valley Chamber continues to reach out to meeting planners for Portland Based conventions regarding pre and post-convention travel to Newberg
7. Community Leadership	Sheryl Kelsh currently serves on the Board of Travel Yamhill Valley. She is also a member of the Dundee Tourism Committee, Oregon Destination Marketing Organization and GROW Yamhill Steering Committee. In addition she has been asked to serve on a regional committee on Wine Tourism and Economic Development.
8. Research	The Chehalem Valley Chamber is currently collecting bids on a visitor demographic and behavior study for the area.
9. Continuing Education	Sheryl Kelsh attended the Oregon Governors Conference on Tourism in Salem April 7-9th and attended the Agri-tourism Conference at OSU in March.

Chehalem Valley Chamber & Visitor Center (CVCC)
Destination Marketing Plan
Our six key objectives for 2013/2014

1. To increase visitor volume, visitor spending and economic impact for the Chehalem Valley by providing quality service in direct interactions with visitors and potential visitors.
    a. Printed Collateral to support the objective includes production of the Community Guide & Directory, Wineries of the Chehalem Valley Magazine, rack-size promotional brochure and the city/county map.
    b. The CVCC website is the most up-to-date tool available. On the website visitors access information on activities, events, restaurants and lodging.
    c. Web pages highlighting sample itineraries/tours.
    d. All CVCC staff and volunteers are fully trained in customer service, Chehalem Valley product knowledge and referral marketing.
    e. All frontline staff is Q certified within their first three months of employment.
    f. All frontline staff is trained to effectively serve the general visitor whether domestic or international.
    g. All frontline staff will offer visitors reservation assistance for the local area.
    h. Frontline staff participates in research trips to visit a wide variety of tourism destinations for increased product knowledge.

2. Travel Trade Sales & Marketing – To increase leisure visitor volume, visitor spending and economic impact for the Chehalem Valley through the promotion and distribution of the Chehalem Valley' products to the travel trade.
    a. Actively seek opportunities to promote the Chehalem Valley through travel trade partners through the following methods:
        i. Quarterly presentations at the ODMO meetings on "Whats New" in the Chehalem Valley.
        ii. Quarterly "What's New" email to the Willamette Valley Visitors Association with annual invitation to host their regional meeting in Newberg.
        iii. Continue to contact meeting planners through convention services at Travel Portland to solicit pre & post-convention trips to the Chehalem Valley.
        iv. Produce "meeting planner" kit for the Chehalem Valley area.

3. Marketing & Communications – To increase visitor volume, visitor spending and economic impact for the Chehalem Valley by developing awareness and preference.
    a. All tools discussed in objective 1.
    b. Create a full color general press kit]
    c. Create talking points or fact sheet for use when trying to increase editorial content through guidebooks and travel writers
    d. The Chehalem Valley Chamber will continue to advertise in regional/niche publications such as Northwest Travel Magazine, Travel Portland and Travel Oregon publications to promote the Chehalem Valley as a tourist destination.
    e. Leverage efforts of Travel Oregon and their contractors, to increase their knowledge of the Chehalem Valley product through personal research trips and communications.
    f. The Chehalem Valley chamber will continue to develop a process for hosting media for "familiarization tours", the objective of obtaining a minimum of 6 stories per year.
    g. Monitor editorial calendars and pitch story ideas to appropriate leisure and travel trade publications for the Chehalem Valley.
    h. The Chehalem Valley Chamber will engage in active print and electronic promotion of the following annual events:
        i. The Newberg Camellia Festival
        ii. Tunes on Tuesday
        iii. The Old Fashioned Festival
        iv. Brews & BBQ event
    i. Increase the number of website users by 20%.

4. Influence the long-term development of the destination and its brand.
    a. Embark on a community branding exercise that will define the Brand Platform for the Newberg & Chehalem Valley area.
    b. Work with travel writers, editors, loggers, online media and other influencers to generate beneficial media placement the will reinforce the brand.
    c. Produce high-quality publications including the Chehalem Valley Community Guide and Wineries of the Chehalem Valley Magazine in a manner that reinforces the destination brand.
    d. Working with community partners, make Newberg and the Chehalem Valley the best destination experience possible.
    e. Whenever possible, exert influence in community decision-making that impacts Newberg and the Chehalem Valley's quality of life and viability as a travel destination.
    f. Maintain visibility in community; represent the interests of local tourism on decision-making committees, task forces and work groups; and provide input, as needed.

5. Deliver a consistently remarkable customer experience.
    a. Operate a year-round visitor center that serves as many as 10,000 guests per year.
    b. Survey visitors to acquire a better understanding of what they are seeking.
    c. Develop a community-wide hospitality training program.
    d. Develop systems and metrics to monitor customer satisfaction and take positive action to improve the customer experience based on this feedback.

6. Foster high-value relationships with our stakeholders.
    a. Make quarterly visitor center reports to the Newberg City Council
    b. Conduct two focus groups with tourism stakeholders each year.
    c. Conduct one satisfaction survey with tourism stakeholders each year.

Exhibit "B"
Resolution No. 2013-3050

2013-2014 Visitor Center Budget

Presented by The Chehalem Valley Chamber of Commerce

Income

		13-14 BUDGET TOTALS		12-13 BUDGET
City of Newberg		**$110,000**		$109,979
Chehalem Valley Chamber of Commerce Contribution		**$54,500**		$54,500
	TOTAL	**$164,500**		$164,479

Expenses

Personnel		**$67,000**		$52,000
CEO				
Marketing Coordinator				
Visitors Center Coordinator				
Visitors Center - Seasonal Help				
Bookkeeper (P/T)				
*Add part-time Public Relations for Visitor Center/Destination Marketing				
Benefits - Health Insurance & Retirement				
Taxes				
Marketing Expense		**$44,521**		$41,500
Print Advertising				
Online Advertising				
Tourism Magazine - City Map				
Travel Yamhill Valley - Co-op Ad Opportunities				
Willamette Valley Visitors Association - Co-op Ad Opportunities				
Governors Conference on Tourism - Oregon Destination Marketing Conference				
First Friday Artwalk participation/Trolley Sponsorship				
Camellia Festival Support and Trolley Sponsorship for First Friday				
Newberg Christmas Lights Seasonal Electricity				
Event Marketing - Camellia Festival, Tunes on Tuesday, Brews & BBQ				
Website modifications				
Travel Yamhill Valley - Membership				
Travel Oregon Co-op Advertising Opportunities				
Travel Portland - Tradeshow				
Contingency marketing dollars set-aside for unique opportunities				
Shared Expenses		**$52,979**		$48,500
Calculated on 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,				
Capital Improvements to 115 N. College St.		**$0**		$16,500
Complete remodel of Kitchen & wine porch area				
Installation of Wine Education Center Murals and displays				
Reserves		**$0**		$5,979
	TOTAL	**$164,500**		$164,479

Exhibit "C"
to Resolution No. 2013-3050

Newberg Visitor Information Center
2012 - 2013 Fiscal Year
Third Quarter Report
(January - March 2013)

	Q3	YTD 12-13	Budget
REVENUE:			
City of Newberg	$24,000.00	$91,979.13	$109,979.00
Newberg Chamber contribution	$36,779.24	$37,251.20	$54,500.00
TOTAL REVENUES:	**$60,779.24**	**$129,230.33**	**$164,479.00**
EXPENSES:			
Personnel	$12,218.43	$40,973.96	$52,000.00
Marketing	$15,050.77	$24,888.27	$41,500.00
Overhead/Utilities, etc.	$9,933.04	$39,791.10	$48,500.00
Reserves	$5,979.00	$5,979.00	$5,979.00
Capital Improvements	$17,598.00	$17,598.00	$16,500.00
TOTAL EXPENSES:	**$60,779.24**	**$129,230.33**	**$164,479.00**