



APPROVED: June 22, 2016

**CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, May 25, 2016
5:00 p.m.**

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 5:00 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Julie Jackson (left at 6:15 excused), Chuck Leland, Mike Martin, Steve Reynolds

Committee Members absent: Mitch Langjahr (excused), Betsy Penson (excused)

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Pierson welcomed those present and said he was excited to see that so many people are interested in this important subject. He said there have been discussions with staff and the Budget Committee regarding funding challenges and the need to think in terms of bold discussions that lead to bold initiatives. He asked that each committee member think about what they would choose to do with TLT funds if they were the decision-maker which, he said, may lead to those bold ideas and contribute to the recommendation. He noted that it will also be important to consider and recommend what happens to each entity's allocation during times of reduced TLT revenue.

Presentation – TLT Recipient: Albany Visitors Association

Jimmie Lucht, Executive Director of the Albany Visitors Association (AVA), began a presentation about the AVA. The presentation was included in meeting packets. Highlights included the following:

- Based on a 2013 study conducted by Longwoods International, tourists visit the Willamette Valley for a number of reasons including shopping, history and culture, culinary experiences, outdoor activities, events, and sporting events.
- The Longwoods' study found that in 2013, there were 30.6 million overnight trips in Oregon, 5.2 million of which were in the Willamette Valley and 1.8 million in Linn County. It was found that the majority of visitors were over 45 years old, 65 percent were married with no minor children, 60 percent had a college degree, and 51 percent were retired.
- The Longwoods' study found that in 2013, overnight visitor spending in the Willamette Valley included lodging (\$183 million); restaurants, food, and beverages (\$166 million); retail (\$124 million); transportation (\$95 million); and recreation (\$53 million). Visitor spending in Linn County was \$117 million, which created more than 1,600 jobs with direct earnings of \$29.7 million and direct tax receipts of \$5.1 million.
- The AVA is located at 110 Third Avenue SE; they are on a ten-year lease that will be renewable in 2022.

- The AVA began as the Albany Convention and Visitors Commission and was incorporated as a non-profit organization in 1990. It is not a membership organization; 99 percent of funding comes from the TLT.
- The AVA has three full-time staff members, three part-time staff, and a contracted part-time tourism consultant. Volunteers provide over 1,300 volunteer hours, about \$31,000 in value for the community.
- The Visitor Center had more than 6,000 visitors and more than 4,200 phone inquiries in FY 2014-15. The AVA gives directions, recommends things to see and do, recommends restaurants and events, and helps people find lodging.
- An information kiosk has been set up seasonally at the Santiam rest stop for about 30 years. It is staffed by volunteers who provide brochures and maps and coffee and snacks. In 2014-15, the kiosk had more than 16,000 visitors, \$9,229 in donations, and \$5,450 in operating costs.

Rebecca Bond, Historic Resources Coordinator for AVA, presented information about cultural heritage tourism in Albany, including the following:

- Cultural heritage tourism is defined by the state as traveling to historic and cultural attractions and sites to learn about the past in an enjoyable way.
- According to the National Trust for Historic Preservation, trips including cultural heritage activities are one of the most popular segments of the travel industry, accounting for about 25 percent of all domestic trips. This group spends more, stays longer, and is more likely to use hotels, motels, and resorts.
- The five principles for successful and sustainable culture heritage tourism include collaboration, finding the fit, making sites and programs come alive, focusing on quality and authenticity, and preserving and protecting resources.
- Albany is a leader in Oregon's historic preservation, recognizing the importance of an authentic experience. The City is known throughout the state for its historic homes and buildings.
- Programs and events include historic home interior tours, a historic plaque program, the National Main Street Program, Oregon Heritage All-Star Community, Albany Historic Carousel and Museum, Monteith House, Albany Regional Museum, and the Annual Veterans' Day Parade.
- Historic Downtown Albany is known for local restaurants, antique and specialty shops, River Rhythms concerts at Monteith River Park, and the Farmers Market.
- Volunteers are an important part of what AVA does, and efforts are being made to find and retain volunteers.
- Joint efforts in the community related to the historic resources program are bringing in new dollars; helping local businesses succeed; helping make neighborhoods stronger and safer; and creating a community that is rich in history, culture, and pride.
- A number of photographs, articles, and publications featuring Albany were included in the presentation.

Lucht said the AVA has been referred to as the marketing arm of Albany. In 2014-15, the AVA website had more than 55,000 unique visitors and 167,000 page views, of which 5,700 went to lodging properties pages on the site and 3,700 exited the website to one of the local lodging booking sites. The AVA has 5,000 fans on Facebook, 390 followers on Twitter, and 400 followers on Instagram. Paid advertising include ads in publications such as *Northwest Travel* and *Sunset*, as well as publications with smaller runs. In 2014-15, earned media, defined as hosting a publisher, writer, or blogger with the hope they will write a story, led to 26 articles published with an advertising value of almost \$80,000. In 2014-15, the AVA provided direct support for 43 new and existing events. An annual publication called *See Albany, Discover Oregon* is funded through advertising and distributed through visitor and welcome centers across Oregon.

Melody Johnson, Tourism Consultant for AVA, provided additional information, including the following:

- Package travel is made up of attractions, festivals and events, food and beverage, lodging and retail. When any two of these are marketed together, they become a package. Packages can be done with tour operators, group leaders, individuals, and conferences.
- One way to reach the package travel market is through association memberships. The AVA is a member of a number of organizations that put on large marketing events or travel trade shows. Each year the AVA attends several trade shows at which they promote Albany and the region. They use a system to garner information about tour operators, request appointments, and work leads. They do this through personal relationships, homework, and follow-up. Tour operators do business with people they know and trust.
- Albany and the region have things that tour operators are looking for, including movie and agri-tourism themed itineraries, as well as Amtrak, bicycling, historic architecture, culinary experiences, and covered bridges.
- The AVA has designed itineraries on “Albany’s Seven Wondrous Journeys.” The itineraries have been provided to travel agents, and there are plans to further promote them through the website, brochure, social media campaign, and print advertising.
- At the end of 2014, AVA staff and the Board worked with the consultant to develop a prioritized marketing plan.
- Recent successes include the Oregon Heritage Conference, Oregon Tour Travel Alliance (OTTA) Board Retreat, Travel Oregon Commission, Spotlight on the Northwest, and Foodwork Post Conference Tours.
- In the works for 2018 is the Travel and Words Conference, Northwest Tandem Bike Rally, and the Oregon Governors Conference on Tourism.
- Next steps include working on bringing future events to the community, looking at new markets related to weddings and student groups, developing regional itineraries for tour operators and group leaders, and further developing marketing strategies for independent travelers.
- Albany has made great strides in tourism circles during the last few years. AVA staff has gained respect in the industry and has been appointed to offices and board positions. The City has gained recognition as a tourism destination and the region is fast becoming known as the Pacific Northwest culinary mecca.

Lucht said that Travel Oregon is a great partner and a valuable resource for the AVA. Other industry partners include the Willamette Valley Visitors Association, Visit Linn Coalition, Linn County Cultural Coalition, Oregon Tour and Travel Alliance, State Historic Preservation Office, and Oregon Destination Marketing Organizations.

Joel Pomerantz, Oregon Restaurant and Lodging Association (ORLA), said ORLA is a trade organization representing the interests of the hospitality industry. Part of their mission is to provide information and recommendations regarding the use of local lodging tax revenues. He distributed and reviewed information regarding Tourism Best Practices for Local Government (see agenda file). The recommendations included proactively reaching out to local lodging operators who have a vested interest in making sure lodging taxes drive increases in lodging tax revenue, supporting strong collaboration between lodging leaders and local destination marketing organizations, embracing recommendations from local lodging operators, and increasing lodging taxes only as a last resort. He said anything that drives overnights stays is a good use of TLT. He said that it is a time of tremendous opportunity and growth in the tourism industry in Oregon and that it is a great time for Albany to grab more of that market.

Todd Davidson, Travel Oregon, gave a presentation which he said was intended to provide context for some of the information presented by the AVA and recommendations the committee will be making regarding the use of TLT revenues (see agenda file). The presentation included graphs and information including the following:

- Oregon visitor expenditures grew from 1992 (\$4 billion) to 2015 (nearly \$11 billion). The growth was affected by changes in the economy, as well as 2004 legislation which put in place a one percent lodging tax committed entirely to the Oregon Tourism Commission.

- Oregon saw a substantial growth in both visitor spending and jobs between 2003 and 2015. This is solid time of momentum in the travel and tourism industry in Oregon and it's important that Albany is well positioned to receive its share.
- State and local travel generated taxes also saw significant growth, the bulk of that being lodging taxes.
- Linn County tax revenue mirrors the growth seen in visitor expenditures.
- Smith Travel Research (STR) data was presented comparing Linn County lodging statistics to the region, state, and U.S. on a monthly basis from March 2014 through April 2016. Linn County numbers were generally shown to be favorable.
- About 76 percent of revenue from overnight visitors comes from out of state/international visitors.
- In 2005, Oregon's share of national visitor spending was 0.97 percent. In 2014, that share had grown to 1.12 percent which represents an increase equal to \$1.4 billion.

Davidson said Travel Oregon is a partner with the AVA and is happy to support this committee's efforts.

Mike Martin asked if there is information on the value of international promotion versus domestic promotion. Davidson said that 12 percent of visitor spending comes from international visitors. Domestic trips average 4 to 5 days; international trips tend to be 7 to 20 days. In 2014, China became the number one international market. Travel Oregon is finding great value and return on investment related to international marketing efforts.

Pierson asked if some of the international attraction is due to the lack of state sales tax. Davidson said he does hear that, in addition to the natural beauty and the culinary scene, one of Oregon's attractors is the lack of state sales tax.

It was agreed that Lucht would present the AVA's wish list at the next meeting.

Staff updates and issues

Porsche said that she received a question from committee member Steve Reynolds regarding the potential for borrowing for a large project, with a portion of TLT revenues as the income stream that would repay the loan. Reynolds said he raised this question because Parks & Recreation Director Ed Hodney had indicated that upgraded sports complexes would be a revenue generator and the hoteliers had expressed support for attracting large sports tournaments. He wanted to explore whether some of the TLT revenue could be used as a leverage instrument for those upgrades.

Porsche explained that it would be possible for the committee to recommend using a portion of the TLT revenues as the income stream that would repay a General Obligation Bond for this purpose; however, the City Charter requires a vote of the people to approve a GO Bond. Based on a \$1.75 million bond, the rates might be 3 to 4 percent with a 10- to 15-year term. The cost to secure the bond would be \$50,000 to \$60,000 not including the cost of the ballot process. The repayment would be about \$150,000 to \$210,000 per year.

Pierson said that sports complexes have the potential to expand the demographic of visitors to the community by bringing in younger age groups and that this is the type of bold thinking he has been encouraging. He would like to see a proposal/business plan from Hodney that includes information about what improvements could be done, the costs involved, and what that might generate in terms of additional visitors to the community.

BUSINESS FROM THE COMMITTEE

No further business from the committee.

NEXT MEETING DATE

Wednesday, June 8, 2016, 3:00 p.m., City Hall Santiam Room

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 7:20 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director