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**Lane
County**
OREGON

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February 11, 2004

Board of County Commissioners
Lane County
125 East 8th Avenue
Eugene, OR 97401

Dear Commissioner:

Enclosed please find the FY04 Semi-Annual Report published by the Convention & Visitors Association of Lane County Oregon. This report is intended to meet the mid-year reporting requirements outlined in our marketing contract with Lane County.

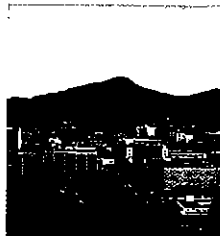
Included on page three is an executive summary, which gives a quick overview of our achievements during the first half of the program year, July 1, 2003 through December 31, 2003. We achieved strong results for the period compared to a year ago. There remains much work to be done, however, and we remain very focused on our mission of attracting overnight visitors to Lane County.

I am grateful for the hard work of the staff here at CVALCO. We are all very proud to serve the citizens of Lane County in our role of attracting new visitor dollars to the local economy.

I look forward to discussing this report with you in person on February 25, and answering any questions you may have. Thank you for your continued support and recognition of our marketing programs.

Sincerely,

Kari Westlund
President & CEO

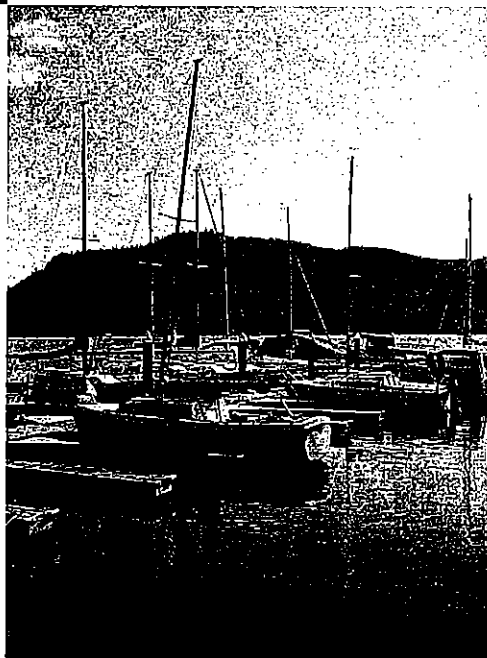


See All of Oregon in Lane County

Convention &
Visitors Association of

**Lane
County
OREGON**

Semi-Annual Report



FY 04
July – December, 2003

Convention & Visitors Association of Lane County Oregon
115 West 8th, Suite 190 ■ PO Box 10286 ■ Eugene, OR 97440
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Executive Summary

As we pass the halfway point in our program year, we sense the economy, and travel demand, picking up. On-line bookings and use of the web for travel information continues to rise, and ad responses to CVALCO and regional partnership ads are also up, as are qualified leads available from the Oregon Tourism Commission. Convention, conference, and sporting event confirmations are also up from last year.

Price competition from first and second tier cities continues to make the booking of conventions and meetings challenging, but Portland is strengthening, and that will drive its price points up. One of our strong selling points is an incredible value to price offering, but we'll find it tougher to compete with new convention and conference centers being built in Oregon and the Pacific Northwest. Current booking levels for future years are up from last years' efforts, but still lag record levels. The loss of the Clarion Hotel will leave a big hole in our product offerings.

Room tax collections are up 2.1 percent for the first half of FY04, and indications are that 2004 will see growth of around 3 percent.

Much of our work depends upon leveraging a positive image of Oregon and a powerful state brand. The passage of the Oregon Tourism Investment Proposal offers great promise to all of Oregon, and especially to those destinations within Oregon that leverage the state marketing efforts of the Oregon Tourism Commission to secure market share.

Research on travel motivators and categorical groupings of travelers has become more important to our work here at CVALCO, and identifying the crossroads of where our destination's strengths meet with those motivators is critical.

We continue to focus on outdoor recreation. And, as gardens and nurseries flourish throughout the county, from Belknap Springs to Cottage Grove to Florence, we are promoting travel to experience gardens and purchase specialized plants. We are also marketing Lane County's abundant cultural arts, wines and microbrews, and extensive culinary virtues from great eateries to high quality food production. These market niches are highly appealing to the aging boomers.

Executive Summary

Overall Returns: \$19,134,451

Room Tax Investment: \$513,713

Ratio: 37:1

For every dollar of room tax invested by Lane County in CVALCO, an estimated \$37.25 in visitor spending came or will come to the county economy. This is an estimate of direct expenditures; no multipliers are incorporated. In addition to \$63,312 in private dollar revenues, CVALCO received \$3,500 from the City of Springfield for the Business Opportunity Fund, and generated \$535,907 in public relations exposure and \$19,440 in in-kind support, extending the reach of its budget.

Convention Sales	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
Leads Achieved	86	85	91	92	85
Room Nights Booked	22,428	18,551	44,939	31,310	12,494
Delegates Booked	51,558	25,249	47,071	38,892	25,096
Est. Economic Impact	\$12 million	\$7.6 million	\$16.9 million	\$14.1 million	\$6.9 million

Tourism Sales	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
Ad Inquiries/Regional Coops	25,180	7,874*	14,843	17,975	19,438**
Media Coverage (non-local)	\$521,456	\$555,500	\$888,047	\$543,437	\$705,004

*Decline due in part to OTC's drop of the Business Reply Card, making fewer leads available for purchase.

**Includes 11,541 special OCVA leads.

Visitor Services	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
Walk-ins	4,489	4,405	3,910	5,879	6,629
Mail/Phone/Ad Inquiries	28,394	12,280	20,158	25,348	26,606
Visitor Van	<u>9,938</u>	<u>7,346</u>	<u>6,432</u>	<u>6,005</u>	<u>7,685</u>
Total	42,821	24,031	30,500	37,232	40,920

Web Site	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
Users	180,148	141,446	121,284r	59,234	34,103
Hits	3,433,901	2,768,630	1,653,854r	821,615	371,521

r=revised (New company tracking reports. Previous Jul-Dec '01 figures were: Users: 98,729; Hits: 1,653,196.)

Membership	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
New Members	37	43	20	34	35
Total Membership	407	403	392	402	395

Community Relations	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00	Jul-Dec '99
Media Coverage (local)	\$11,172	\$9,457	\$14,232	\$15,200	\$21,917*
Press Releases	18	33	9	24	21
Media stories	42	55	44	58	62
Presentations	10	8	7	6	14

*Includes local A&E coverage totaling \$6,321

Travel and Tourism: An Economic Generator

Return on Lane County Room Tax Investment in CVALCO

While not all of CVALCO's marketing efforts are quantifiably measurable in the returns they provide, CVALCO is able to measure many of its programs. Summarizing those programs measured for quantifiable returns, an investment of \$513,713 by Lane County into CVALCO secured over \$19.1 million in future economic impact to the county during the first half of the FY04.

Private businesses contributed \$7,439 in in-kind donations, \$40,765 in dues, and \$123 in label program sales, to leverage Lane County's investment and increase CVALCO's overall effectiveness. Interns and volunteers contributed \$12,001 in labor and local and national level media efforts extended the reach of CVALCO's budget by another \$535,907 for the six-month period.

Tourism in Lane County

Lane County is continuing to experience growth in visitor spending. Overall, travel spending in Lane County reached \$473 million in 2003p, a 1.7 percent increase from 2002.² The visitor industry in Lane County is made up of many small and medium sized businesses. Together they employed an estimated 7,660 people and paid out \$129 million in earnings in 2003.³

Tourism in Oregon

During 2002, travelers to Oregon contributed \$6.2 billion directly to the state economy (up 1.6% over 2001), directly supporting 94,500 jobs with earnings of \$1.6 billion.⁴

Tourism in America

Travel and tourism generated \$528.5 billion⁵ in travel expenditures during 2002, down 2.4 percent over 2001. Tourism supported 7.2 million jobs for Americans, with a payroll of \$157 billion, making it one of America's largest employers. Travel and tourism remains America's third largest retail industry; following automotive dealers and food stores. It also generated \$93.2 billion in federal, state, and local tax revenue.

CVALCO: A Private-Public Partnership

A recognized visitor industry leader, CVALCO partners with business, civic, government, and community groups, including its 407 members. As a private, non-profit corporation, CVALCO is governed by a 30-member board of directors, including representatives from the Lane County Board of Commissioners, the Eugene City Council, and the Springfield City Council. Ex-officio board members provide additional links to city and county government.

CVALCO is funded by county room tax, paid by visitors staying overnight in commercial lodging and campgrounds. It receives 70 percent of three of the eight points of room tax collected by the County, except in Florence where it receives 70 percent of two out of seven total points collected. This method of percentage-based funding sets up a healthy incentive; the better job CVALCO does at bringing overnight visitors and their dollars into the county, the more funds it receives to re-invest in marketing.

CVALCO's Mission

CVALCO is dedicated to its stated mission of increasing the number of overnight visitors to Lane County for the benefit of its members and all businesses and citizens who depend on a strong Lane County economy. CVALCO continues to implement marketing strategies to promote Lane County as a convention, meeting, event, and leisure-travel destination. Ongoing areas of focus include convention and meeting sales and service, tourism marketing, visitor information services, membership and community relations.

Room Tax

During July through December of 2003, room tax collections increased 2.08 percent overall. Cottage Grove posted the highest rate of gain, 21.26 percent, while Springfield saw an 8.16 percent decrease in collections. Collections for FY03 (July 1, 2002 – June 30, 2003) decreased 0.92 percent overall.

Lane County Room Tax Collection Summary

	Jul-Dec '03	Jul-Dec '02	% Change
Eugene	\$1,432,666	\$1,328,533	7.84%
Springfield	647,490	705,054	-8.16%
Florence	144,997	149,189	-2.81%
Cottage Grove	91,941	75,819	21.26%
Other	478,216	479,631	-0.30%
Total	\$2,795,310	\$2,738,266	2.08%

Source: City of Eugene Transient Room Tax Collections Monthly Reports.

Revenues to Lane County do not come in at the same rate from all parts of the county. Collections accruing to Lane County for the period total \$1,706,968, up 1.77 percent from the same period last year.

Hotel/Motel Occupancy for Lane County Metro Area

Room tax collections are a function of both occupancy and rate. Through a weekly survey, CVALCO assists in tracking room occupancy rates. Figures are based on a sample of 2,000 metro area hotel/motel rooms. The first half of FY03 saw a slight increase over the same period last year.

Lane County Metro Area Average Occupancy Rate

Jul-Dec 03	Jul-Dec 02	Jul-Dec 01	Net Change
64.01%	63.21%	61.23%	↑1.3%

Eugene Airport Deplanements

A total of 161,728 deplanements were reported the first half of the fiscal year, down 1.8% percent from the same period last year.⁶ This is much more stable than losses suffered in the two previous years. Increased frequency now available via regional jets and the new Delta service to Salt Lake City scheduled to begin May 1, 2004 may help improve demand for air travel to and from Eugene in the year ahead.

Convention Sales & Marketing

Pat Phillips, Vice President of Convention Marketing
 Sandee Hansen, Convention Services Manager
 Sue Gorham, Convention Sales Manager

Sue Krug, Convention Sales Manager
 Michelle Geschke, Convention Sales Manager

The Convention Sales and Marketing program continued to attract conventions, meetings and events to Lane County. The staff's sales strategies to develop new business and maintain existing accounts during the first half of FY04 resulted in a direct economic impact of over \$12 million in anticipated convention/event delegate spending. Trade shows, sales presentations, advertising campaigns, direct sales calls and sales missions targeting meeting/event planners, have been effective means of increasing overnight visits to Lane County.

Business Booked	Jul-Dec '03	Jul-Dec '02	%Change
Delegates	51,558	25,249	↑104%
Room Nights	22,428	18,551	↑21%
EEI	\$12 million	\$7.6 million	↑96%

Leads	Jul-Dec '03	Jul-Dec '02	%Change
Total Leads Generated	86	85	↑1.2%
Generated (w/rooms)	77	78	↓1.3%
Confirmed	58	55	↑5.5%
Pending	15	13	↑15.4%
Lost	10	12	↓16.6%
Cancelled/Postponed	3	5	↓40.0%

Sample Confirmations	Meeting Year	Attendees	Scope
American contract Bridge League Regionals	2004	120	Regional
Cascade Team Penning Association	2004	300	National
Daughters of the American Revolution	2005	150	State

Pacing Report (calendar year)

CVALCO's pacing report is designed to better track and compare sales results against historical efforts.

	Booked For Same Year	One Year Out	Two Years Out	Three Years Out	Four Years Out	Five Years Out	Totals
Booked In							
1998 - Room Nights	16,321	20,591	6,798	5,101	3,140		51,951
1998 - Delegates	31,750	26,601	7,120	4,720	3,350		73,541
1999 - Room Nights	20,806	14,440	3,850	825			39,921
1999 - Delegates	50,247	23,736	3,525	950			78,458
2000 - Room Nights	27,545	26,485	7,730	4,770	1,500		68,030
2000 - Delegates	57,994	41,935	6,272	4,898	1,050		112,149
2001 - Room Nights	33,987	27,821	7,460	5,470		1,000	75,738
2001 - Delegates	56,456	32,709	6,127	7,680		450	103,422

	Booked For Same Year	One Year Out	Two Years Out	Three Years Out	Four Years Out	Five Years Out	Totals
2002 – Room Nights	35,273	18,340	2,580	1,935	250		58,378
2002 – Delegates	58,126	23,218	3,230	1,520	250		86,344
2003 – Room Nights	38,850	25,154	11,670	9,560	11,560	6,882	103,676*
2003 – Delegates	73,313	78,533	44,055	42,250	46,460	21,500	306,111*

**These numbers include OSAA Football, Track, & Basketball Championships booked through the next five years.*

Tradeshow Participation

Participation in industry trade shows is an important part of the sales team's marketing strategy. Shows provide effective opportunities to meet with meeting planners and promote Lane County as a meeting destination. CVALCO's Convention Sales staff attended the Oregon Society of Association Management annual meeting in Bend, OR, and Teams 2003 in New Orleans, LA, during the first half of FY04.

Site Inspections

CVALCO assisted meeting planners with inspections of the area. During this period, planners came to Lane County to research the potential of holding a meeting, convention or event. Groups included the Veterans of Foreign Wars 2007 (pending); Daughters of the American Revolution 2005 (confirmed); and the Episcopal Archdiocese of Portland, Prison Ministry 2004 (postponed).

Advertising

The Convention Sales & Marketing Department placed advertisements targeting meeting and event planners in the following publications: Meeting Professionals International and the Religious Conference Management Association.

Projects

During the first half of FY04, the CVALCO Sales Department produced the Meeting & Event Planning Expo, aimed at bringing together meeting and event planners from around the state and locally. Approximately 100 meeting and event planners attended the event and 26 CVALCO members set up exhibits. Hospitality students from Lane Community College also attended the event.

Convention Services Program

The Convention Services program continued to explore new approaches to servicing meetings and assisting meeting planners. Services are designed to enhance meeting planning, help ensure the overall success of meetings or events, increase the chances for repeat business in Lane County, and encourage planners to utilize applicable CVALCO member products and services.

During the first half of FY04, convention services were provided for 84 groups and 39,613 delegates. These services included delegate welcome signs and letters, VIP packets, press releases, media contacts, registration personnel, promotional videos, slides, transportation assistance, and local attraction brochures. Room referrals were operated for 27 conventions, to assist planners and delegates in booking reservations during events with extensive lodging demands.

Services staff also worked as a liaison between meeting planners and CVALCO's members. Service and informational leads, identifying meeting planner needs, were sent to CVALCO members to help them procure business and ease meeting planners' search for products and services. Services staff worked closely with the Visitor Services Department to schedule the mobile visitor van at meetings and events. Gift bags and baskets were also distributed to various organizations, conventions and events, including the League of Oregon Cities, Association for Direct Instruction and the Pacific Northwest District Kiwanis International.

CVALCO attendance at conventions the year prior to them coming to Lane County continues to prove a useful tool in the promotion of these events. During the first half of FY04, staff attended the Pacific Northwest District Kiwanis International meeting in Yakima, WA. Eugene will host that meeting in Eugene in 2004.

Staff also served on the planning committee for the Cascade Occupational Safety & Health Conference, Family Friendly Business Summit, Pacific Northwest District Kiwanis International and the Oregon Rotary District #5110.

Tourism Marketing & Sales

Natalie Inouye, Vice President of Tourism Marketing

Joanne Holland-Bak, Director of Tourism Marketing

Debbie Williamson, Tourism & Film Marketing Manager

CVALCO's Tourism Department implemented successful marketing strategies to try and garner a greater share of the travel market. Regional and national advertising, cooperative marketing promotions through regional partnerships, travel trade shows, and extensive media coverage were all utilized to attract both group tour and independent leisure travelers. Working with the Oregon Film and Video industry also increased opportunities for exposure. Tourism marketing efforts during the first half of FY03 resulted in more than \$3,502,241 million in returns from inquiry generation, fulfillment and bulk brochure distribution alone.⁷

Leisure Marketing

Lane County continued to be a draw for independent leisure travelers seeking the scenic beauty, nature-based recreation opportunities and highly acclaimed cultural and performing arts events and activities the area offers. CVALCO marketing efforts capitalized on brand awareness of Oregon with special focus on activities for visitors to enjoy.

	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	%Change (03:02)
Visitor Inquiries Generated by				
CVALCO's Destination Advertising	4,343	1,666	3,023	↑161%
Regional Partnerships				
Purchased leads	16,537	3,245*	7,968	↑410%
Other	<u>4,300</u>	<u>2,963</u>	<u>3,852</u>	<u>↑45%</u>
Total	25,180	7,874	14,843	↑220%

*Decline due in part to OTC's drop of the Business Reply Card, making fewer leads available for purchase.

CVALCO Destination Advertising and Regional Partnerships

CVALCO continued its general destination advertising program. Ads in the following publications generated 4,343 requests for information during this time period: America Journal (German magazine), Good Housekeeping, Northwest Travel, Oregon Attractions Insert, Oregon Coast magazine, Travel Oregon, Oregonian, Register-Guard Discovery Magazine, Sunset and Travel Oregon. In an effort to boost responses to CVALCO's destination advertising, Sunset Magazine was replaced with Good Housekeeping Magazine during the period due to Sunset's continuing decline in generating inquiries.

The significant jump in visitor inquiries generated from purchased leads resulted from changes in Oregon Tourism Commission's lead service. CVALCO now purchases leads based on origin of visitor rather than areas of interest. This has increased the number of leads available for purchase.

Website Marketing

With increased website usage, CVALCO continues to direct efforts toward converting visitors via the Internet.

Web Site*	Jul-Dec '03	Jul-Dec '02	%Change
Users	180,148	141,446	↑27.3 %
Hits	3,433,901	2,768,630	↑24%

**Users are tracked each time an individual enters CVALCO's site. Hits are counted for each page an individual searches on the site.*

Efforts were focused on on-line accommodation bookings and a leisure-based e-newsletter. The Travel Hero booking system resulted in 59 reservations (↑136%) and 121 room nights (↑218%). During the period, the winter e-newsletter was viewed by 1,829 people, who had self-subscribed, providing potential visitors with information about Lane County events and travel packages.

Travel Trade Marketing

Travel trade shows continued to be effective marketing venues for attracting new group tour travel business to Lane County. CVALCO attended the National Tour Association in Charlotte, NC, resulting in 45 leads. CVALCO also advertised in Group Tour Magazine, which generated 49 requests from travel trade representatives.

Media Relations/Editorial

Extensive national and international media coverage stretched CVALCO's marketing efforts by providing free publicity and exposure for Lane County worth \$521,456

CVALCO has worked to generate coverage through press releases, press kits and by responding to media requests for assistance with articles, stories, guidebooks, and travel television shows. Editorial coverage included topics about Lane County's events, activities, attractions, outdoor recreation, fall foliage and the coast. Special press releases were sent on the Animal House Celebration, fall foliage, and the performing arts. CVALCO continues to send the monthly Lane County calendar to media, select CVALCO members and Lane County residents. A total of 44 Lane County events appeared in various publications as a direct result of CVALCO efforts.

Numerous national and international media provided coverage about Lane County during the period. *Magazines:* American Journal (German magazine); Northwest Travel; Portland Family; Sunset; Travel 50 & Beyond; Travel America; Travel Oregon and VIA Magazine. *Broadcast:* History Channel re-aired Haunted History – Pacific Northwest. *Travel Trade Publications:* Destinations; Group Tour Magazine; The Group Travel Leader; and Travel Tips. *Newspaper:* Bellingham Herald; Davis Enterprise; Gresham Outlook; Idaho Statesman; Los Angeles Times; News Tribune; Oregonian; Spokesman-Review and Statesman Journal. An additional 28 articles ran newspapers across the country as a direct result of CVALCO media outreach to promote the Animal House Celebration.

Press Trips

During the period, CVALCO assisted with numerous press trips. Publications and Lane County locations, and/or subjects in conjunction with the tours, were as follows: GIO Globetrotter Guidebook updating the popular Japanese guide book to Oregon and Washington; a columnist for the Bellingham Herald researching future stories; freelance journalist researching a cultural cascades story and a freelance writer on assignment for Travel America research the Oregon Coast.

Cultural Cascades Campaign

CVALCO continued its Cultural Cascades partnerships with Portland, Tacoma, Seattle and Vancouver, B.C. Efforts focused on the promotion of the www.culturalcascades.com website through targeted advertising and media outreach. Media outreach resulted in two articles valued at \$62,053. Ads were also placed in the following publications: Northwest Travel Magazine (September/October

2003); Seattle Magazine (October & November 2003); and Museums Magazine (set to run April 2004).

Group Tour Tracking

The total number of actual group tour travelers and complete economic impact are unknown since CVALCO must rely on voluntary reports from lodging, attraction, and restaurant operators. However, during the period CVALCO began working with a core group of accommodations and attractions that regularly report their tour business. The results of the groups CVALCO was able to track generated 1,038 room nights and 2,490 passengers, resulting in \$326,190 in spending⁸.

Film & Video

The Tourism Department continued its partnership with the Oregon Film and Video office by assisting movie and television production companies considering Lane County as a site for filming. During the period, CVALCO provided assistance for five feature films, two television series, one commercial and two broadcast media features.

Lane County Fair Photo Contest

CVALCO participated in the annual Lane County Fair Photo Contest by purchasing non-exclusive rights to use three winning entries, as selected by a panel of CVALCO judges. As a result, three new slides were added to CVALCO's inventory of slides used for publications and editorial needs.

Visitor Guide

The process of updating editorial, redesigning and adding new features to the Official Lane County Oregon Visitor Guide got underway during the period. The Guide will be released in March 2004. New features on road trips, special themes, and an increased number of photos will be included in the revised edition. The guide is used as CVALCO's primary promotional and visitor fulfillment piece. A total of 100,000 copies will be printed and distributed through CVALCO's Visitor Center and Visitor Van, Oregon Welcome Centers, Chamber of Commerce offices, CVALCO member businesses and visitor centers statewide.

Visitor Services

*Natalie Inouye, Vice President of Tourism Marketing
Kris Redmond, Visitor Services Manager
Pujita Mayeda, Membership/Visitor Services Assistant
Margaret DeYoung, Visitor Fulfillment Specialist
Elizabeth Wilde & Pujita Mayeda, Membership/Visitor Services Asst.
Visitor Services Specialists: Vivian Doolittle, Larry Moran,*

*Marcella Schoen Barbara Allen,
Audi Fleishman, Krista Phillips
Jamee Henson-Hammer, Karen Long,
Janet Auxier, Peggy Price and Geoffrey Wilson*

As CVALCO's frontline, Visitor Services continued to maintain information about Lane County and Oregon readily available to meet the needs of visitors. The department fulfilled requests from both walk-in visitors to the center and those received via phone, mail or advertising responses. CVALCO's Official Lane County Oregon Visitor Guide and other literature on lodging, attractions, events, restaurants, maps, and CVALCO member services/products were distributed throughout the year as needed. The department maintained a detailed account of information requests and their place of origin. Visitor Services continued its operation of the mobile visitor van, which provided visitors a convenient way to receive assistance and literature.

Visitor Information Requests

During the first half of FY03, CVALCO fulfilled a total of 42,821 requests for visitor information, a 78 percent increase from last year at this time. Walk-in visitors totaled 4,489, up 1.9 percent, generating \$974,113 as a result of visits to the center. Phone and mail requests totaled 28,394, accounting for an economic impact estimated at \$2,922,200.

Estimated economic impacts reflected in this section are dollars attributable to CVALCO's leisure marketing efforts and are not inclusive of overall visitor spending, which totals \$473 million per year in Lane County.⁹ The economic impact figures here are not inclusive of all CVALCO returns – only those programs verified through tracking and published research methodology.

Visitor Information Requests

	Jul-Dec '03	Jul-Dec '02	% Change	Est. Economic Impact
Walk-In	4,489	4,405	↑ 1.9%	\$974,113
Phone/Mail/Ad Inquiries	28,394	12,280	↑ 131%	\$2,922,200
Visitor Van	<u>9,938</u>	<u>7,346</u>	<u>↑ 35%</u>	<u>\$2,156,546</u>
Total	42,821	24,031	↑ 78%	\$6,052,859

Relocation Requests

Of the total number of visitor information inquiries, 1,004 were relocation requests, up slightly from last year's total during this period. Relocation requests are fulfilled with CVALCO's Lane County Official Relocation Guide and a Lane County Official Visitor Guide. Visitors receiving CVALCO's Relocation Guides are given countywide information and overviews of Lane County communities. In addition, applicable members were provided the opportunity to follow up on these leads available through CVALCO's label program.

Visitor Van

CVALCO's Mobile Visitor Van, which serves as a mobile visitor information center, remained effective in reaching visitors and Lane County residents. Throughout the period, the van appeared at various festivals, events, and attractions serving a total of 9,938 people, up 35 percent over last year. The increase can be credited to the addition of two outreach locations. While maintaining previous sites,

the van staff added the Sisters Quilt Show and the Oregon State Fair to the schedule. These sites were very successful in promoting Lane County to new audiences. Visitor spending increased an estimated \$2,156,546 as a result of this outreach.

Website

CVALCO's website usage continues to grow. Individual users totaled 180,148 a 27.3 percent increase over last year, and users generated a total of 3,433,901 hits, a 24 percent jump.

Web Site*	Jul-Dec '03	Jul-Dec '02	%Change
Users	180,148	141,446	↑27.3 %
Hits	3,433,901	2,768,630	↑24%

**Users are tracked each time an individual enters CVALCO's site. Hits are counted for each page an individual searches on the site.*

State Welcome Center Distribution

A total of 3,655 Lane County Official Visitor Guides and 800 promotional guides were distributed to welcome centers and visitor information centers throughout the state during the period. This resulted in an estimated \$580,041 in economic activity in Lane County during the first half of FY04¹⁰.

Volunteer/Internship Program

The Visitor Services Department continued to develop the volunteer program to support the Visitor Center and program staff. Volunteers served 1,212 hours, an increase of 70% over last year. This resource represents a value of approximately \$10,908. Currently the program covers at least 50% of the front desk staffing during weekdays. Volunteers who have worked during this time period are Catherine Burke, Shari Wright, Connie Behm, Amanda Dougherty, Kay Rhyme and Shelly Rude.

The Department also oversaw CVALCO's internship program. One intern, Megan Collins, worked with CVALCO staff on various marketing programs, learning important skills and providing invaluable assistance. Interns contributed 121 hours valued at \$1,089.

Q Customer Service Training Program

The initial grant period which created the Q Customer Service Training program is ending. The Oregon Tourism Commission and Oregon Restaurant Education Foundation partnered with CVALCO, Clackamas County Tourism Development Council, Tillamook Downtown Association and Oregon State Parks in the pilot year, which began in May 2003. A total of 302 frontline employees were trained. A total of 179 of those employees were from Lane County, representing 59 percent of the total. A total of 90 Lane County employees were trained in Oakridge. The program will launch statewide in April 2004 at the Oregon Governor's Conference on Tourism.

Membership

Sally McAleer, Director of Membership Marketing

Pujita Mayeda, Membership/Visitor Services Assistant

Membership remains a critical component of CVALCO's marketing efforts. In addition to membership recruitment and retention efforts, the membership program helped members utilize CVALCO's marketing tools to promote themselves to visitors and other members. The quality products and services members provide are key to the success of CVALCO and Lane County's visitor industry.

Membership Sales

CVALCO currently has 407 members. During the period, CVALCO gained 37 new members and lost 36 members. Members contributed \$40,765 in dues revenue.

Membership	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	%Change ('03:'02)
New Members	37	43	20	
Lost Members	36	26	30	
Net Loss/Gain	1	17	(10)	
Total Members	407	403	392	↑.9%

Publication Production & Advertising Sales

The Lane County Oregon Official Relocation Guide was published in September 2003. Membership was responsible for advertising sales, data entry and project oversight. Ad sales exceeded the goal of \$6,000 for a total of \$9,100. In October, a new Marketing Opportunities piece was produced to identify specific CVALCO marketing and advertising options available to members.

Production of a new Lane County & Eugene/Springfield pad map began in December 2003. To cover growing publication and printing costs, members were asked to pay a \$100 listing fee. More than \$8,000 was raised from members.

Membership Meetings/Outreach

CVALCO continued to hold quarterly Membership Briefings, giving members the chance to meet CVALCO staff and learn more about ways to market their business. Since July 2003, 33 member businesses and organization have participated. Members were also given the opportunity to talk about their business or product to CVALCO staff during quarterly Membership Spotlight meetings. Additional membership functions included the CVALCO Meeting & Event Planning Expo in October and the membership holiday reception at the University of Oregon Museum of Natural History. Meetings in Florence, Oakridge and the McKenzie River area were also held during the period to talk about CVALCO, tourism marketing and membership opportunities.

Web Site/Database Management

CVALCO website and database development rests largely within the membership department. The website continues to gain users annually and CVALCO's ability to expand offerings through the web has helped keep information fresh so users will keep coming back. The past six months have been spent primarily on developing the visitor services contact database. Current website statistics are included in the Visitor Services section of this report.

Two Visitor Services staff trainings were held during the period to help staff utilize and navigate CVALCO's website to better assist visitors.

Labels

CVALCO's label program allows members to purchase the names and address of information requests to send out their promotional materials to prospective visitors. During the first half of FY04, members purchased 2,091 visitor inquiry, relocation, or membership labels with a revenue of \$123, over the stated goal of \$60. Currently, there are 20 members utilizing the convention & event calendar leads which is up from previous years. There is no fee for this service as is it part of the convention marketing package.

Community Relations

Lisa Lawton, Director of Community Relations

The Community Relations program continued to build strength in being a point of contact for the local media to provide a voice for the Lane County visitor industry. Additional efforts continued to inform, educate and maintain open communications with the business/community groups, government/public officials and local residents to heighten awareness about CVALCO and the impacts of tourism.

	Jul-Dec '03	Jul-Dec '02	%Change
Media Exposure (Lane County)	\$11,172	\$9,457	↑18%
Media stories/articles	42	55	↓23%
Press Releases	18	33	↓45%
Presentations	10	8	↑25%

Media Coverage (Lane County)

CVALCO continued to be a strong resource for visitor industry related coverage. Local media exposure about CVALCO and CVALCO-generated coverage about Lane County's tourism industry totaled \$11,172, an 18 percent increase over FY03. Coverage included topics on the economic impacts of conventions and events, visitor spending statistics, the Tourism Investment Proposal (statewide room tax), gas prices, Amtrak Cascades service, CVALCO's Relocation Guide, Springfield Conference Center proposal, CVALCO's Meeting and Event Planning Expo, Lane County Events Center/Fairgrounds issues, OSAA Sporting Event Impacts, Oregon's new slogan and CVALCO staff and board news.

Advertising Campaigns

CVALCO renewed its advertising partnership with Eugene Weekly to provide members with the opportunity to advertise year-round at a substantial discount. Initial planning began for a fifth-year run of CVALCO's spring cooperative television advertising campaign with KMTR-TV. The Community Relations department also assisted with the design and content creation of the new CVALCO back-lit display at the Eugene Airport and contributed research and content for the new tourism in-state advertising campaign.

Convention-Related Media Coverage/Advertising

CVALCO press releases and media assistance to convention publications generated \$3,279 in free editorial coverage during the period. Article topics included coverage about Lane County as a meeting destination, sightseeing for convention delegates, hotel renovations, and news about CVALCO's convention sales staff. During the period, the Community Relations department oversaw the media coverage, publicity and advertising for the CVALCO Meeting and Event Planning Expo held in October at the Lane Event Center. Press releases were sent to local and state media, chambers, and regional association newsletters and publications. Advertisements were placed in the Register-Guard and the Eugene Weekly. A sponsorship was secured with KVAL-TV, which provided both discounted advertising rates and in-kind coverage valued at \$800.

Community/Member Outreach

CVALCO staff made a concerted effort to partner with chambers and other community groups throughout the County. In this effort, CVALCO staff attended and participated in 95 community and business group meetings, events and activities. Presentations to business and community groups continued to be an effective means of spreading the word about CVALCO and the positive benefits

tourism brings to Lane County. CVALCO staff made a total of 10 presentations, up 25 percent over the same period last year.

Communication/Publications

CVALCO continued to produce a four-color quarterly newsletter sent out to more than 900 members, public officials and other key business and visitor industry constituents. A new graphic designer was selected to replace the former designer who ceased design services. Weekly Updates, emailed to more than 400 members, continued to be an effective way to communicate with members about marketing opportunities and other visitor industry news. The Community Relations department also continued to coordinate and produce the CVALCO Annual Report.

Website Development

The Community Relations department increased its overall focus on improving CVALCO's website content. During the period, 14 feature pages were added to CVALCO's website providing users with ongoing seasonal sightseeing and activity ideas. Featured pages, linked to both member pages and to outside member links, have provided enhanced member exposure and easier information access for web users. Pages have included features on scenic byways, fall foliage, farmers' markets, fishing, Meeting and Event Planning Expo, OSAA Championships, winter recreation, fall travel ideas, whale watching, the Oregon Skyway, holiday shopping, seasonal events and special community events like the McKenzie Arts Festival.

Tourism Summit

During the period, the department took part in extensive planning and research for the Tourism Summit of Lane County held in January 2004. Efforts focused on the state of the local tourism industry as well as state and regional convention and conference facility development.

Holiday Calendar

The production and release of CVALCO's fourth annual calendar was completed during the period. The calendar featured an image of Heceta Head Lighthouse near Florence. The calendar is sent to CVALCO members, key community groups, public officials, and media representatives.

Administration

Kari Westlund, President & CEO

Stephanie Turner, Director of Finance & Administration

Office Systems

CVALCO replaced its central computer network server, upgraded its fire wall and virus protection, and began conversion to updated software, which will continue into next fiscal year. The voice mail system was also replaced. These investments are substantial, but are critical to the productivity and efficiency of our organization.

Employee Hires

CVALCO had one new staff hire during the first half of the year; Pujita Mayeda, who provides essential support for the membership and tourism departments and oversees our database, one of our most valuable assets. Pujita filled a position vacated by Elizabeth Wilde. Otherwise, paid staff positions were stable throughout the period.

CVALCO Board

Jeff Morton took over as CVALCO Board Chair in July. Other members of the executive committee include Libby Tower as Vice Chair, Chris Otto as Treasurer, Mike Gillette and Gary Feldman as At Large members, Mike Drennan as Past Chair, and Commissioner Bobby Green, Mayor Sid Leiken, and Councilor George Poling as liaisons to Lane County, Springfield, and Eugene.

In-Kind Support

A total of \$19,440 was generated through in-kind support during the period. CVALCO received 1,333 hours of donated work through volunteers and interns. Assuming a \$9 per hour pay rate, this labor was valued at \$12,001. Other in-kind donations, valued at \$7,439, were received in connection with travel writer/media visits, free visitor van access to fair and festivals, Q-training host sites, and advertising, prize donations, and facility usage associated with the Meeting and Event Planning Expo.

Footnotes & Sources

1. \$12,175,361 million from convention sales bookings, \$2,922,200 million from inquiry generation and related visitor guide/mail fulfillment, \$974,113 million from visitor information center operations, \$2,156,546 million from mobile visitor van operation, and \$580,041 from bulk brochure distribution. No economic returns from trade shows, group tour sales, international sales efforts or film and video are included.
2. Lane County Travel Impacts 1991-2003p. Prepared for CVALCO by Dean Runyan Associates, February 2004, for CVALCO.
3. Ibid.
4. Oregon Travel Impacts and Visitor Volume. Prepared by Dean Runyan Associates for the Oregon Tourism Commission, January 2003.
5. Travel Industry of America 2002p Report.
6. Monthly report from Eugene Airport Manager's office.
7. \$2,922,200 million in inquiry generation and related fulfillment and \$580,041 million in bulk brochure distribution, for a total of \$3,502,241.
8. Based on GMA Research: 2,490 passengers at \$131 per person, per trip, for a total of \$326,190.

9. Lane County Travel Impacts, 1991-2003p, Dean Runyan Associates, February 2004.
10. Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed 4,455 visitor guides and 800 promotional guides to visitor information centers during July–December 2003. Using the 60% factor, and the average party expenditure of \$217 per day, identified in the visitor profiles mentioned above, total economic impact is \$580,041.

Formulas

Overall Returns: \$12,175,361 (convention bookings); \$2,922,200 (tourism inquiries/fulfillment); \$974,113 (visitor center operations); \$2,156,546 (mobile van operations); \$580,041 (bulk brochure distribution). Total: \$18,808,261 (without group impacts).

Convention Sales Bookings: Determined by regional convention and visitor association averages using the International Association of Convention and Visitor Bureau's formula for convention delegate spending. By multiplying the number of delegates by the number of days of the event by \$166, the economic impact is estimated at \$12,175,361.

Inquiry Generation: GMA Research identified an overall conversion rate of 31%. 67.5% of those are true conversions of people who would not otherwise have visited. In addition, 10% of visitors receiving CVALCO's visitor guide extended their stay by an average of 1.8 days. $28,394 \text{ inquiries} \times 31\% = 8,802$. $8,802 \times 67.5\% = 5,941 \text{ parties}$. $5,941 \times \$434 = \$2,578,394$. $8,802 \times 10\% \times 1.8 \text{ days} \times \$217 = \$343,806$. The average party spent \$434 per group per trip, \$217 per group per day. Total economic impact: \$2,922,200.

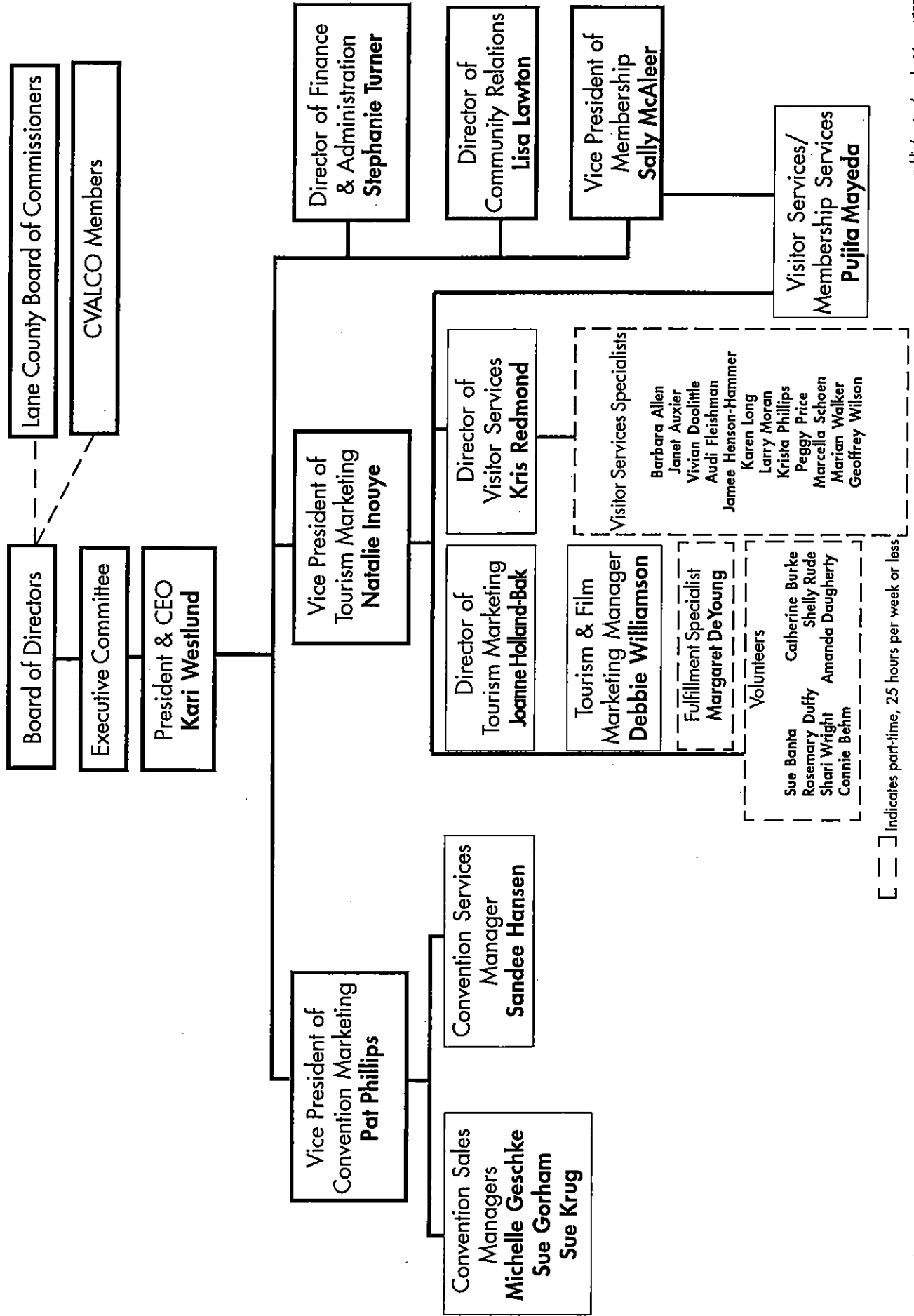
Visitor Information Center Operations and Mobile Visitor Van Operations: Based on research by Salem CVB, CVALCO estimated facilitating a one-day extension for walk-in visitors. The visitor center served 4,489 visitors at \$217 per day, per group, for a total of \$974,113. The Mobile Visitor Van served 9,938 for a total of \$2,156,546.

Group Tours: CVALCO is active in this market segment and provides planning assistance and sales promotion efforts to many group tour leaders each year. CVALCO relies on voluntary reports from lodging establishments, attractions and restaurants. CVALCO received reports totaling 2,490 passengers at \$131 per person, per trip for a total of \$326,190.

Media: CVALCO has been directly or indirectly responsible for print, broadcast, and film exposure of Lane County, but has limited tracking ability. Articles generated from our national/international efforts on the leisure side that CVALCO was able to track were valued at \$521,456. An additional \$3,279 in free media editorial was generated through national convention-related coverage. Editorial generated through Lane County media sources totaled \$11,172. This included coverage about CVALCO and CVALCO-generated coverage about Lane County's visitor industry.

Bulk Brochure Distribution: Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed 4,455 Lane County Visitor Guides and 800 promotional guides to visitor information centers during the period. Using the 60% factor, and the average party expenditure of \$217 per day identified in the visitor profiles mentioned above, total economic impact is \$580,041.

CONVENTION & VISITORS ASSOCIATION OF LANE COUNTY OREGON ORGANIZATIONAL CHART



[] Indicates part-time, 25 hours per week or less

CVALCO Board of Directors --- 2003-2004

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