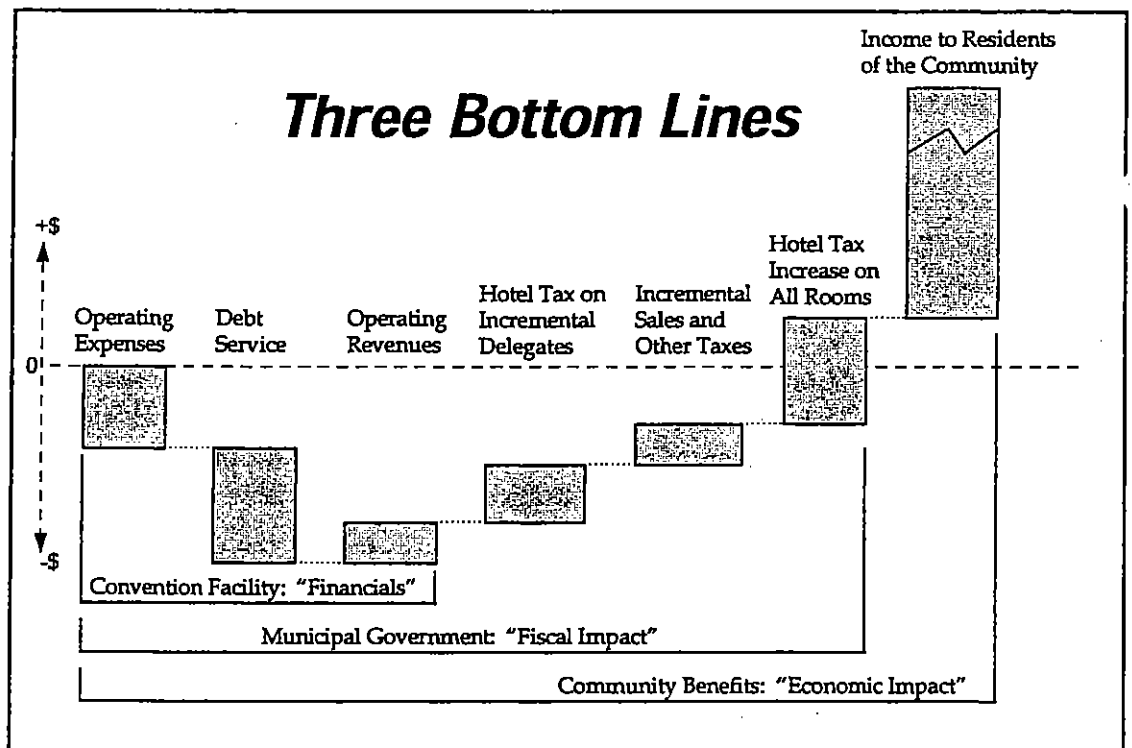


On the other hand, no matter how good the intentions, the local government must remain whole in order to survive over the long run. Some other forms of public revenues must be used to make up the loss from the convention facility. As can be seen in the figure, the hotel tax on the rooms the incremental delegates pay is not enough. Even adding all the other taxes the delegates generate, such as sales tax or payroll taxes, don't add up to enough to meet the break-even line. In the case of the expansion being analyzed here, which was true of San Francisco about ten years ago, and is true of the new expansion being proposed today, the hotel tax city-wide must be raised a point or two to create a fiscal situation for the local government that is positive for the long run. It is important to note that an enlightened hotel community is willing to go along with this tax increase because they receive much of the incremental business in the economic impact column on the right of the figure. Furthermore, this incremental hotel business tends to be the additional money flowing in after fixed costs have been covered, and is what contributes disproportionately to the bottom-line profits for hotel properties.



4. Operating Policies Affect Impact

From the figure before, one might look at the third bar and ask "why not operate the facility in such a way as to maximize facility revenues?" The way to do this is by booking consumer shows and events which cater to the local market. Promoters of these shows pay great rent, often in the form of a percentage of the gate. The problem with this strategy is that there is little or no expansion in the local economy created.

Community economic impact is maximized when delegates and exhibitors are attracted from out of town, bringing their money with them to spend as they stay for several days in your city. This new money flowing in then creates multiplier effects as the initial spending is circulated through businesses which serve as suppliers to the directly-affected hotels and convention service companies, and from there as it filters from the hands of employees into the grocery stores, service stations and other businesses that support the general population in your community.

Most major cities have realized this trade-off today, but the industry has been evolving over the last couple of decades. On behalf of ERA, I spent the 1980s shuttling between Los Angeles and San Francisco, advising both communities on their tourism industries and meeting facilities. San Francisco had bought into this systemic view of the convention industry early on, and geared their marketing and booking policies to attract out-of-town user groups. In contrast, Los Angeles pursued policies to maximize facility revenues in service to the City Council. As a result, Los Angeles covered operating costs and, in some years, even contributed slightly to debt service, but did not enjoy nearly as large a boost to its city economy as did San Francisco as a result of convention business. Los Angeles is still struggling today, in spite of its \$500 million investment in a facility expansion, to change its image and boost its economic impact.

One other point on operations is that each location has its own unique seasonality in hotel occupancy. The point of attracting meeting groups is to fill hotel rooms in the slower periods, but not to displace the higher-paying, free and independent tourists and commercial travelers. Booking priorities, pricing and marketing should reflect these seasonal imperatives.

5. Civic Centers Are OK

As a counterpoint to the bulk of this presentation, it should be noted that economic impact is not the only reason communities build public assembly facilities. In spite of the goals of CUED, economic development is not the only goal communities have. Legitimate public purposes can be served by having civic auditoriums and

community meeting halls, and because there is that demand for day-use meetings in every community, even heavily-subsidized civic facilities have the potential to make some revenue by renting space for meetings.

The point, however, is to be honest in the community's objectives. It is a mistake to try to justify development of a civic center for your own residents' use by claiming it will have great economic impacts. Civic centers are public precisely because they serve social purposes, yet are not sufficiently profitable to be provided by the private sector.

If you are in this situation, you should stop feeling guilty about wanting facilities to expand your own quality of life. Community-serving facilities may not generate great economic benefits, but they are good for you anyway.

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Summary of Findings A

An Analysis of Potential Convention Center Development in Lane County Oregon *Coopers & Lybrand L.L.P., September 5, 1995*

Quantified market demand analysis

Based upon 225 surveys of convention and trade show event organizers, associations, corporations and public show event promoters:

- 197 likely events using 304 days
- 30,000-40,000 of exhibition/multi-use space required
- 10,000-12,000 square feet of ballroom space required
- 10,000 square feet of meeting space with 12-15 sub-dividable rooms would meet 90% of demand
- *Number one factor considered important by convention and association meetings is availability of convention quality hotels and meeting facilities*
- In 1994, the Pacific region experienced one of the heaviest convention activities of any region in the US
- Lane County perceived as not easily accessible on a regional level
- "Although some facility utilization in terms of state and local events are currently being accommodated by area hotels, the Eugene Hilton Conference Center and the Lane County Convention Center, the level of interest in a new facility in Lane County from local, state and regional event organizers indicates **a potential to effectively expand the event markets in which Lane County currently competes.**"
- Destination marketing funding mid range at that time

Infrastructure Analysis

Within state/regional markets:

- The Lane County Convention Center offered a strong amount of total exhibit space, but its prime gross exhibit space was not competitive with, nor considered even comparable to, many of the other facilities reviewed which were newer.
- The Hilton Eugene was second from the bottom of the list of exhibit facilities reviewed in terms of size
- Meeting and ballroom space was competitive for size
- Parking availability for facilities in Lane County was considered mid-range and was cited as a concern by meeting planners interviewed
- Lane County ranked in the low range in terms of committable city-wide room supply
- Very competitive room tax rates – a marketing advantage for us and a potential revenue source for capital
- Over 90% of the potential event market could be accommodated by up to 400 committable rooms, preferably adjacent or very near the facility

Financial Analysis

- Estimated net facility operating loss of \$322,000
- Estimated incremental room taxes of \$258,000
- Estimated incremental direct spending in Lane County of \$7,128,000
- Total incremental economic impact of \$14,259,000
- Incremental earnings of \$4,610,000 (included above)
- Total estimated project cost of \$25 to \$30 million
- At that time, existing room tax only able to support \$11 million of new debt

Summary of Findings B

Financial Analysis Lane County Convention Center Gardiner & Clancy, LLC, December 1996

- Initial projections of 3% annual growth in room taxes were adjusted to 4.7% in the final draft
- Any financing was assumed to be initiated in fiscal year 2001 or later due to the then in effect fairgrounds related bonds
- It was suggested that bonds for a new convention center could be either a straight TRT revenue bond or TRT full faith and credit bonds and could be issued by either Lane County or the City of Eugene
- Straight TRT bonds are limited due to the limited base of activity and strong correlation to discretionary spending
- Full faith and credit bonds would still be paid by TRT, but could be issued without a reserve and would likely receive a slightly better interest rate (essentially, there is more risk assumed by the issuer and less by the investors)
- Total bond proceeds estimated at \$8,510,000 with \$7.4 million available to the project

Summary of Findings C

How To Finance a New Convention Center

Lane County/City of Eugene/City of Springfield/CVALCO, August 1997

- The report recommended:
- Dedication of all TRT funds not already currently dedicated to other projects and programs to the construction of a new convention center.
- Increase TRT 1 percentage point, generating close to \$500,000 more per year.
- Use Urban Renewal Tax Increment Financing to generate \$250,000 to \$500,000 per year.
- Consider a combination of the following:
 - Business Improvement District or Business License Tax - \$1.1 - \$2.2 million
 - Surcharge on Room Nights - \$650,000-\$1 million per year
 - State of Oregon contribution - Likely \$0 - \$20 million
 - Host Hotel Contribution - Perhaps coverage of operating deficit
 - Use Fees and Charges - Operating revenues
 - Naming Rights - \$0 - \$5 million

Also discussed were gross receipts taxes, restaurant tax, and amusement/entertainment tax but felt each was untenable for a variety of reasons.

Summary of Findings D

Civic Facility Feasibility Study, Northwest Center at Springfield Hunter Interests, Inc., April 2003

- Study recommended a high quality mixed use project that would provide a civic "place" in Springfield and also appeal to visitors.
- Facility should offer the flexibility to accommodate various types of groups and functions.
- It should incorporate arts and entertainment elements along with a hotel and restaurant.
- It should relate to the outdoors, particularly via proximity to parks and rivers.
- Convenient and efficient public transportation and adequate parking are important.
- The facility should reflect the culture, history and traditions of the area

Of 484 meeting facility users surveyed by mail, 12% responded (60 responses), well above the typical 3%-5%:

- The 60 respondents cited 101 different facilities in Oregon and the Northwest that they had used for events within the past three years. No dominant facility emerged from this analysis.
- 55 survey respondents, including associations, corporations, organizations and other groups indicated they would use a new civic facility in Springfield if it met their needs.
- 25% of respondents who indicated they had considered Eugene/Springfield but did not meet here said it was due to needing larger capacity. *Hunter Interests concluded the basic lack of appropriate space in Springfield is at the core of reasons for planners to book events elsewhere. If the supply is not present, there is no opportunity for the City to capture a fair share of the group business market.*
- 62.5% and 57% of planners, respectively, cited the need for breakout rooms and a large conference room as the most important elements of meeting facilities.
- 48.9% cited an integrated hotel and 48% cited banquet facilities.
- 32.7% cited the presence of an auditorium.
- 72% of respondents indicated they would use a hotel combined with meeting and ballroom space in the coming 3-5 years and 60.6% indicated they would use a civic center with large exhibit space. 45.5% cited the need for a high-tech conference space and 51.5% said they needed a high level of amenities.
- Hunter Interests identified a hotel as being a critical element for the project to be competitive, and a high-tech conference center and/or resort/retreat center to be a potential gap to fill for a competitive edge.
- Availability of needed space (71.7%), costs (60.4%), and availability of lodging (57.4%) are the three most important factors cited in deciding where to schedule meetings.
- The ADR cited by planners (\$90) is considerably higher than that currently experienced by Springfield hotels (\$65).
- A high performance commercial building would be distinctive, compatible, save operating costs, reduce impacts on the environment, and be a healthy place to work and meet
- A high performance building would provide Springfield with a high-profile project that could be the subject of industry journal articles and be the focus of a marketing plan that promotes the entire project.

Summary of Findings E

Salem Community Conference Center Feasibility Study

ECONorthwest, Parametrix, Winterbrook Planning, WBG Architects, Kittelson & Associates, July 2001

Recommendations:

- The City of Salem should build a community conference center
- Urban renewal funds should be a primary source of capital construction costs
- Projected operating deficits should be covered by a variety of sources, including TRT

Findings:

- There is a demand for this type of facility in Salem
- The "regional" market area for this study is defined as the Willamette Valley plus Bend and Roseburg. This "region" will comprise the majority of demand.
- Main competition will be Eugene Hilton, Vancouver (WA) Doubletree, Seaside Civic and Convention Center, and CH2M Hill Alumni Center
- Most space currently existing in Salem is for groups of 500 or less
- Larger space is not suited as to type or quality to attract regional events or has very limited availability
- 76% of meeting planners and event coordinators who responded to the survey would be interested in using a conference center in downtown Salem
- Comparable facilities report hosting 250-300 events per year, including 14-33 multi-day events
- Recommend total size of 45,000-50,000 sq ft; 12,000 main hall/ballroom, 300 parking spaces
- Direct spending from project is estimated to be \$2-\$4 million per year
- Total spending estimated at \$4-\$6 million per year and 100-140 full time jobs
- Other benefits include increased visibility for the city as a regional business center, local use and civic pride.
- ECONorthwest found that the conference facility market for a midsize city like Salem is primarily the I-5 corridor from Seattle to Eugene.
- That regional market is highly dependent on available facilities for booking near term meetings and conferences.
- New facility additions have been few and demand for conference facilities has grown considerably since the early 1990's.
- The proposed convention facility for Salem "would fit into the high-quality niche in an urban location. *This type of meeting space is rarely produced by the private industry on its own. Several things work against these facilities being developed without major public support:*"
 - Large amounts of downtown land are difficult to achieve
 - Gaining private financing for a hotel is difficult and virtually impossible if the hotel has to support a large amount of meeting space...
 - Lead times for assembly, construction, and scheduling of future meeting events require large amounts of very patient capital...require debt service...before the facility is even open.

- Business demand for conference centers has been captured by those communities that have invested in facilities: approximately 35,000-45,000 sq ft of building space with parking, high-quality furnishings and technical equipment, appropriate ingress and egress and support for loading for large semi trucks, class A ballroom and catering capacity for 500-800 people.
- ECONorthwest compiled detailed overviews of competing space within the identified competitive market.
- ECONorthwest identified growth trends in the meeting and event industry, including rapid growth in the executive training and continuing education markets. ECONorthwest stated that conference facilities near higher education institutions have been able to induce demand for educational events.
- Larger corporations are trending away from constructing their own training facilities, which they do not fully utilize.
- ECONorthwest surveyed Oregon Society of Association Management, Salem CVA, and Salem Economic Development Corporation members (about 500 in total) and received 125 surveys back. Over half the responses were from the Salem area. In total, 1,403 events serving 217,055 attendees, with average attendance of 155 and average hotel room use of 16 rooms were represented in the responses.
- 76% of respondents said they would use the Salem Conference Center for an estimated 349 events serving a total of 56,091 attendees.
- 20% (representing 70 events with nearly 16,000 attendees) said an attached hotel was essential, 59% said an attached hotel was desirable but not essential.
- ECONorthwest found that while Salem is in oversupply of hotel rooms, with more rooms than market demand warrants, many of the existing hotel and motel rooms are quite old by industry standards. New rooms are suite hotels designed for extended stays. *"Thus, while the market outlook overall is unfavorable, conditions could improve more quickly for modern, higher-end properties that target short stays."*
- Annual occupancy for Salem area hotels in 2000 was 46.9 percent. The market was forecast to remain in oversupply until 2009.
- ECONorthwest states that in most markets, room demand grows somewhat faster than employment and population unless the market is an unusually strong tourist attraction.
- This is not anticipated for Salem, and the oversupply of rooms will continue to be hampered by limited meeting space.
- ECONorthwest said that having a hotel combined or adjacent to the Conference Center appears to be important to attracting a substantial share of events, particularly for events with over 300 attendees. They stated that proximity would increase use of both the center and the hotel.
- ECONorthwest further found that the development of a conference center would allow Salem to have events that it presently cannot host because the facility does not exist. Thus, the conference center would generate additional room nights in the Salem area.
- The cost to develop the Salem Conference Center was estimated at \$250 per square foot, not including parking or land.
- An annual facility-operating deficit of \$330,000 to \$700,000 was estimated.

Summary of Findings F

Economic/Fiscal Impact Analysis for the Oregon Convention Center KPMG, June 2004

- During calendar year 2003, OCC hosted 538 events with total attendance of 656,600 people
 - 84 conventions and tradishows
 - 253 meetings
 - 201 other
 - Of these, 467 events were state/local and 71 were national, regional, and international
- Annual recurring economic impacts are estimated at \$481 million
- For 2003, jobs grew 24 percent to 7,700
- Total direct and indirect/induced earnings were \$221 million
- Annual tax revenues for 2003 totaled \$18.9 million

Summary of Findings G

Oregon Convention Center Benchmarking Analysis C.H. Johnson Consulting, Inc., September 2003

- The Oregon Convention Center (OCC) is owned by Metro and managed by MERC, the Metropolitan Exposition-Recreation Commission, a special-purpose arm of Metro dedicated to managing public assembly facilities.
- OCC is positioned in a highly visible location on the Willamette River, directly opposite downtown Portland, with skyline views. OCC offers 255,000 sq ft of contiguous exhibit space, a new 35,000 sq ft grand ballroom and 28,000 of additional meeting space and 1,100 parking spaces.
- Portland Metropolitan Exposition Center, Expo, has 333,000 sq ft of exhibit space, with its largest hall 144,000 sq ft, but it is in a different competitive category. It is also managed by MERC.
- OCC is the largest 'Class A' space in Oregon and the largest in the Northwest.
- OCC's expansion has moved it beyond its traditional events base and into a competitive set comprised of a broader array of western US cities and facilities vying for regional event and rotating national shows. The comparable set for this study included the Washington State CTC in Seattle, the McEnery CC in San Jose, Austin Convention Center, Colorado CC, and Salt Palace CC in Salt Lake City.
- Lack of a headquarter hotel and separation from the downtown by the river are OCC's key liabilities.

- The current facility is attracting demand on par with comparable markets for conventions, tradeshows, and consumer show events. Average attendance is lower.
- Most convention centers are intended to function as economic loss leaders and operate at a planned rate of deficit in order to attract out of town business and promote economic development. This is the case for OCC. It receives TRT to help fund its operations.
- There are two key differences: OCC passes through \$2.8 million to POVA for marketing and OCC is assessed a 7.5 percent excise tax on all gross earned revenue by its parent body, MERC. Both are included in its chart of accounts but should be viewed as deductions from its operating support rather than contributing to perceived deficits. If removed, OCC's operating deficit per square foot is \$9.42 compared to the average of \$17.84 for other centers. When the expansion is added in, OCC's deficit is just \$5.73 per square foot.
- TRT subsidies to OCC are \$6.81 per square foot, 11 percent of the average amount of \$52.68.
- OCC's excise tax amounted to \$767,000 in FY2000-01. It is the only facility in its competitive set required to fund other public operations via tax assessments. This is felt to be a detrimental financing burden.
- OCC is also charges for governmental support services, which are mandatory and non-negotiable. Generally, when facilities have the ability to control costs through competitive selection of service providers rather than mandatory municipal assessments, those costs are usually lower.
- When accounts are adjusted to move the TRT pass-through out of operations and put the MERC admin charges into operations, the net deficit for the OCC is around \$1.5 million. Additional TRT funding to OCC more than covers the operating deficit each year and the facility has a reserve.
- Center rate discounts typically are dealt with in three ways, 1) a discrete fund that pays costs for the facilities, 2) on a case-by-case basis via formally recognized rent or other discounts, and 3) informal discounts in the form of lenience in charges for move in/out, labor, etc.
- Business opportunity funds that compensate the center for its costs without eroding its pricing policy while providing a competitive tool are the preferred discounting method.
- Initial development of the OCC was \$90 million, including \$60 million for construction and \$25 million for site acquisition, soft costs, FF&E and construction management fees. Project financing was property taxes (\$70 million), a local improvement district tax (\$5 million), and the state lottery (\$15 million). The initial project was 155,000 sq ft of exhibit space, a 25,000 sq ft ballroom, 27,000 sq ft of meeting space in 28 flexible rooms and on-site parking for 400 cars.
- The expansion project totaled \$116 million. OCC now offers 255,000 sq ft of contiguous exhibit space, a new 35,000 sq ft ballroom in addition to the original 25,000 sq ft ballroom, 52,000 sq ft of flexible meeting space and parking for 1,100 cars. The expansion is being funded by a .25 percent increase in the County TRT and car rental tax, a \$5 million contribution from the City of Portland via development commission funding, and a \$5 million matching contribution from MERC drawn from the OCC reserves. The TRT and car rental tax increases will sunset when the bonds for the project are paid off.

TOURISM SUMMIT OF LANE COUNTY
KARI WESTLUND/CVALCO PRESIDENT & CEO
SPEAKER NOTES

Welcome and thank you for joining this conversation about tourism in Lane County.

We find ourselves on the brink of opportunity.

A number of projects are planned or underway throughout the county, some of which relate very much to tourism, others that involve key transportation corridors.

Discussion in the media around the future of the fairgrounds recently caused a flurry of speculation and sentiment, as well as a hard look at the future needs of this campus.

The County's budget process, now getting underway, may well include a discussion and review of how the County currently invests room tax. In addition, the Board of County Commissioners is approached with increasing regularity either directly or via grant processes to support a wide variety of tourism projects. Resources are limited, and our collective input on priorities through a strategic plan could be very helpful to the Commissioners.

The new statewide room tax will also mean potential opportunity for Lane County to increase visitor expenditures if we successfully capture market share.

These issues deserve all of our attention and input. It seemed to be time to bring people together and discuss what we collectively want to see happen in the future.

Our timeline is very tight this morning and we have local councilors, mayors and other dignitaries from throughout the county with us. Please forgive me for not making special introductions other than to recognize Representative Robert Ackerman

One desired outcome for the morning is to determine is whether or not we stand to gain more by working together on a proactive, collaborative tourism strategy. While I may think so, the answer is not predetermined, and we hope by the end of the morning to get a sense of what all of you think. If the answer is yes, we have some very preliminary ideas of how to begin to accomplish that. Either way, we will all leave better informed about the visitor industry, here and throughout the region.

The plan for the morning is a series of briefings – this means brief and relatively fast – followed by short remarks from several individuals whom I have asked to share their perspective.

We will then break into roundtables to give everyone a chance to participate and give input. The questions you will be asked to discuss are these:

Should we spend time and energy on a collaborative tourism strategy for Lane County?

What should be included?

What is the appropriate role for local governments?

Should the County take the lead?

They are noted on your agenda, and you might consider them as you take in the information we are going to present.

Like other industry sectors, tourism is (hopefully) emerging from a recession. It does seem to me that strategic and collaborative planning will enable us to make the most of a strengthening economy and the increased marketing programs to be implemented from the new statewide lodging tax.

CVALCO is often referred to as the tourism leader in the county. We take that responsibility very seriously and have a great deal of pride in the results that we achieve. Our job, though, is to attract visitors and their dollars to Lane County through marketing programs. Our expertise is not planning and development. A long term tourism strategy will need the wisdom of those disciplines and skill sets in addition to ours.

This is a key time of opportunity in the economic cycle, but if we aren't prepared to make the most of it, we won't. Those communities, counties, and regions who clearly identify the results they want to achieve and make a plan to get from A to B, will be rewarded.

As we will share this morning, all around us, those plans are being made and executed, to the benefit of our competitors and to our prospective detriment as they become comparatively stronger destinations. It's time for us to have a collaborative conversation about what we want our destination to be/look like and build a plan on how to reach that vision.

So, let's get started.

TOURISM SUMMIT OF LANE COUNTY INVITED SPEAKERS COMMENTS

Below are the list of speakers and their comments made at the January 15, 2004, Tourism Summit of Lane County. In many instances, comments are paraphrased.

TODD DAVIDSON, OREGON TOURISM COMMISSION: OREGON TOURISM INVESTMENT PROPOSAL (1 PERCENT STATEWIDE LODGING TAX).

Rational: Oregon's tourism budget has traditionally ranked between 45th and 46th out of 50 states. During a time when the average national tourism marketing budget is \$13 million per annum, Oregon's has been \$3 million per annum. An opportunity was brought forward by the lodging industry and manifested in HB2267. There was recognition that Oregon needed an economic stimulus.

When we advertise to invite visitors to come to our state, they come in that same year. That stimulus to the economy is immediate. Oregon was losing market share, slipping from 1.09 percent in 1999 to 1.04 percent or 1.05 percent in 2000. That very slight loss of market share represented \$224 million in lost visitor spending. The tourism commission was able to demonstrate that for every \$1 invested in advertising, \$114 in spending was generated. Spending that was incremental due to tourism advertising and would not have occurred without that advertising. Research indicated that Oregon's marketing campaign was one of the most effective and efficient in the country.

HB2267 commenced a 1 percent statewide lodging tax on January 1, 2004. It is anticipated to generate between \$9 and \$10 million annually. Operators may deduct 5 percent as a collection reimbursement charge. The Department of Revenue may deduct actual expenses up to a maximum of 2 percent. The balance is continuously appropriated to the Oregon Tourism Commission to carry out its marketing programs. At least 80 percent of those receipts must be invested in marketing. Up to 15 percent may be invested in regional marketing programs through the regional destination marketing organizations. This could total up to \$1.5 million based on projections. Regional meetings have been held to collect input on how to distribute these dollars, and what stipulations to place on their use, as well as how to revise the current strategic marketing plan.

Total projected returns on the new statewide tax total \$540 million in visitor spending. If travel patterns remains constant, Lane County would see \$39 million in increased visitor spending, \$9 million in increased earnings for tourism related jobs, and \$650,000 more in new local tax revenues.

There are, however, caveats to these projections. The first is that estimates were based upon the new revenues for marketing being an enhancement to current lottery funding, for a total annual budget of around \$13 million. A second caveat is that locales will have to continue to invest in marketing, to grab their respective shares of this new, larger visitor spending pie.

DAN EGAN, SPRINGFIELD CHAMBER OF COMMERCE: SPRINGFIELD CIVIC CENTER PROJECT UPDATE.

The Springfield Civic Project discussions began about three years ago. It presents an opportunity not just for Springfield, but for the industry.

Springfield has a large investment in tourism. A lot of people in Springfield work in the visitor industry, not just in Gateway, but throughout the city. In order to protect that civic and industry investment, growth is needed. There is a shortage of infrastructure, bricks and mortar, places where people can go in, see something, enjoy something, and participate in something.

In Springfield, we've been operating in one place for a long time; the Clarion Hotel (formerly the Doubletree, formerly the Red Lion, formerly the Roadway Inn). Our industry is concentrated in that area, our civic life is concentrated in that building as well. With the possible closure of that building, the civic center project has a greater sense of urgency.

The project is a public assembly project and is not yet specifically defined. We have conceptual recommendations, received from a consultant a year ago. We have conducted a series of discussions with stakeholders. Now it's time for us to move forward from planning. The biggest potential challenge is lack of will. Financing obstacles can be met. Methods of development can be met.

The project is in its third year of planning, and is needed whether or not another facility is built in Eugene.

BOB ZAGORIN, LANE COUNTY FAIR BOARD, CVALCO BOARD:

On behalf of the Fair Board, welcome to the Gleason Atrium and the Lane Event Center.

I'd like to make three points. First, we very much appreciate the leadership of the Lane County Board of Commissioners. Through thick and thin, they have supported CVALCO and the fairgrounds with reinvestment of room tax revenues, recognizing that investment primes the pump and produces more revenues. That hasn't always been an easy choice, but they have stuck with it.

As we move forward on the development of a regional tourism strategy, we look to the County for leadership again. It's a countywide effort, with diverse public and private interests.

The Lane County Fairgrounds is 55 acres right in the middle of Eugene, public property, great parking, 70,000 square feet of trade show and exhibit space. It is a destination attraction in and of itself, hosting the Logging Conference, Asian Festival, home shows and much more. Almost a million people a year go through the facility. But it is not a class A convention facility with a headquarters hotel like much of the competition has. It

plays a role, supports our tourism industry, and drives room tax revenue. Five to ten years out, we'll need to invest more money to keep the facility up just to keep it current, but this facility will not solve all of our problems moving into the future.

The third point is about public/private partnerships, using the Eugene Airport as an example. If we are going to be successful in building a strategy and competing effectively in the marketplace, the public sector isn't going to be able to do it alone and the private sector won't be able to do it alone. It will have to be a public/private partnership. Four years ago we had four destinations served from the Eugene Airport: Seattle, Portland, Denver, and SFO. Through a public/private partnership led by Dave Hauser at the Eugene Chamber and supported by the Eugene City Council and Airport staff, we managed to get America West and Phoenix service. Then Horizon added LAX service. Now we also have Las Vegas service on America West and we just gained service to Denver on Delta.

DAN WILLIAMS, UNIVERSITY OF OREGON:

The University is an important economic engine for the County. Students alone spend about \$14 million a year in the local economy. The public invests \$70 million a year in the University and in return the State of Oregon receives about \$703 million in economic impact.

In addition to instruction and research, a whole host of appealing activities supplement and complement the more traditional things we do on the campus. There is a major two-week Bach Festival, which has achieved an international reputation. Hayward Field and Autzen Stadium provide venues for a considerable amount of athletic activity – not all of it collegiate activity. Recently we were able to negotiate a return to Eugene of the OSAA football and basketball championships. There are a number of professional conferences on the campus, bringing visitors to Eugene from all over the world. Six times a year more than 50,000 people assemble in Autzen Stadium and spend time and money in the community before and after the ball game.

Our feeling is that this collection of activity will be a core element of a long-term plan for tourism in Lane County and we'd like to be a part of that. I'm not sure that the University has capitalized on the value of these activities to the community in general. We would therefore like to be a player in this plan because it's good for the University of Oregon to take advantage of opportunities to demonstrate to the general citizenry that the University of Oregon is of value to the County and to the State. The more we can introduce citizens to what happens on the campus and what we do, the stronger support we will get from the public, and that helps us to achieve our mission. We look forward to participating in and supporting whatever plan comes from this meeting.

RODGER BENNETT, CITY MANAGER, CITY OF FLORENCE:

The tourism industry supports the City of Florence. The County is investing in Florence through its support of the construction of the Florence Events Center. Collaboration is

important. We all know that we can't accomplish things alone, it takes collaboration. Florence will be a very willing and active volunteer in formulating a strategic plan for Lane County.

ROBB HANKINS, DIRECTOR OF THE CULTURAL SERVICES DIVISION, CITY OF EUGENE:

I'm a tourist. I've been here just two months. I have been experiencing everything – and there is more here than we know, then we market, and then we celebrate. How does the City get involved, not only in tourism, but also in helping to market all of the arts and culture in the region.

I've studied cities across this county. I come (most recently) from Austin. Everyone talks about how nice Austin, Texas is. Why? Twelve years ago, Austin defined itself as the Live Music Capital of the World. And they rode that pony as only Texans can. Live music at every city council meeting. One access station is dedicated to live, local music. Austin City Limits is known worldwide.

Read the book *The Rise of the Creative Class* by Richard Florida. It says that two things – celebrating the outdoors and celebrating arts and culture – will generate more tourists, more money, and more business than anyone could possibly imagine. We need to define ourselves, just as Austin did.

KEN ENGELMAN, MCKENZIE RIVER CHAMBER OF COMMERCE:

As discussed in a rural tourism summit three years ago, we need to focus on recreation, and promoting progressive events, like a progressive golf tournament across the county, trails across the county, fly-ins, fishing.

Focus in on "See All of Lane County." Similar heritage markers should tie areas together and we should cross promote through the museums. Set up living history trails. In the area of seeing all of Lane County, we should work on the concept of gateways. Springfield is the gateway to the McKenzie River, Oakridge could be the gateway to mountain biking, Florence could be the gateway to the Pacific Ocean.

MAYOR SID LEIKEN, CITY OF SPRINGFIELD:

Tourism and the economy are linked. We have a golden opportunity with the new arena to host events. Working with the Hult Center and the new arena (proposed UO Sports Arena) will create opportunities. Two world class hospitals will bring a focus around medical technology and attract air travelers. Glenwood will be a real key, creating triangulation with Gateway and downtown Eugene.

JOHN ERICKSON, LANE COUNTY LODGING ASSOCIATION:

Hats off to our Lane County Commissioners for supporting marketing of overnight stays, and for its special projects grants program. We have a number of underutilized facilities throughout the county. A huge inventory of fabulous places to meet and organize

throughout the county, a bounty of wonderful amenities. We need to support the marketing efforts that help attract visitors to use these facilities.

MAYOR JIM TORREY, CITY OF EUGENE:

In Eugene, in the last few years, we've seen Safeway totally demolish two stores that were very successful. They did that, because they knew if they didn't plan for the future, they weren't going to continue to be successful. Eugene is the second largest market for conventions, but some groups who have always met here are going to begin to look at Salem, Newport, Bend, and others. We cannot afford to be complacent. The convention and conference business ripples throughout the area. Visitors move throughout the county. I fear that Eugene is losing its status as a convention center. We need a special group of people who will do an analysis of what we have, what we could possibly need in the future. How we could afford it, and why it's important to people that live in this area. I don't want to see us wake up five years from now and say "Were these people asleep at the wheel? Why did we lose out on this opportunity?"

2004

Tourism Summit

of Lane County

Event held Thursday, January 15, 2003

Gleason Atrium, Lane County Fairgrounds

Over 100 public and private leaders from around the County attended

There was unanimous agreement that a county-wide strategic tourism plan is needed to ensure Lane County remains competitive in capturing visitors and related spending in the years ahead.

Economic Impacts

Oregon

\$6.2 billion overall spending

\$236 million in taxes

136,200 jobs, with \$2.8 billion in earnings

Source: 2002 Dean Runyan Associates

Taxes include lodging tax, car rental tax, corporate income taxes associated with tourism, gas taxes attributable to travel, and personal income tax associated with tourism jobs.

No property taxes, either business or personal, are included.

Economic Impacts

Top-five generators of travel spending:

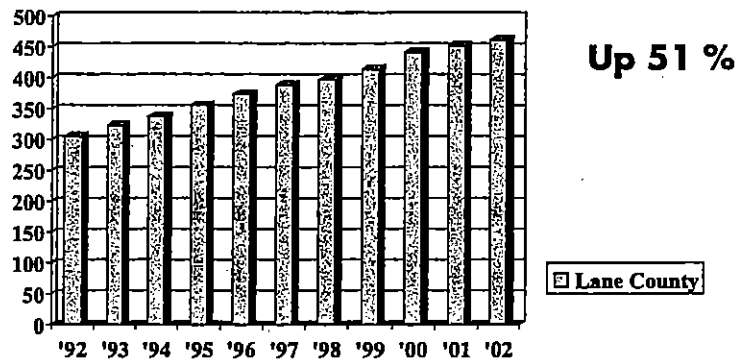
1) Multnomah County	\$1.720 billion
2) Lane County	\$451.6 million
3) Lincoln County	\$440.3 million
4) Washington County	\$358.5 million
5) Deschutes County	\$352.5 million

Source: 2001 Dean Runyan Associates

2001 data

Lane County and Lincoln County vie for second annually

Economic Impacts



Source: 2002 Dean Runyan Associates

Much flatter rate of growth since 2000, but Lane has seen a bit of growth each year, while other areas declined and now have to make up ground.

Economic Impacts

Lane County

\$461.1 million overall spending

\$18.3 million in taxes

7,990 jobs with \$114 million in earnings

Source: 2002 Dean Runyan Associates

2003 spending estimate at \$469 million, up 0.8%

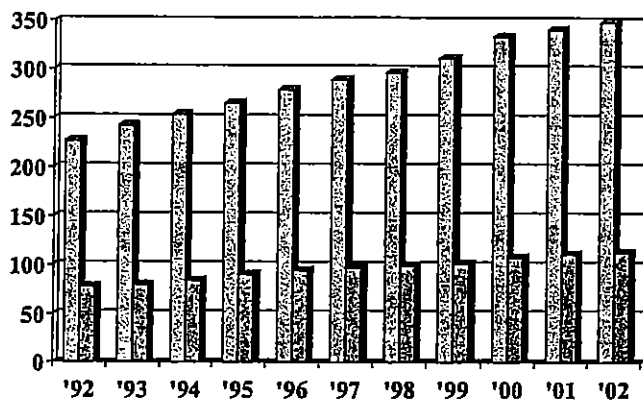
Economic Impacts

East Lane County	West Lane County
\$348.3 overall spending	\$112.8 overall spending
\$16 million in taxes	\$2.3 million in taxes
5,990 jobs	2,010 jobs
\$85 million in earnings	\$29.1 million in earnings

Source: 2002 Dean Runyan Associates

Coast captures 25% of visitor spending and tourism jobs - a critical industry for the coastal economy.

Economic Impacts



Coastal growth curve appears flatter, but starts from a smaller base. Ten year growth rate about the same, however the last couple of years have been poor for the coast.

Lane County Development

<u>Facility</u>	<u>Square Feet</u>	<u>Completion Date</u>
LCC Center for Meeting and Learning	38,000	Jan 2003
NCC Morse Event Center	46,123	Fall 2003
Village Green	7,273	April 2005
Lane Regional Sports Arena	160,000	Spring 2004 (first phase)
UO Sports Arena	TBD	Fall 2006
Springfield Civic Center	Discussion Phase	
Florence Casino	Discussion Phase	

Gleason Atrium

The Shedd

King Estate Tasting Room

Kesey Sculpture/Public Art

Clarion Hotel future??? 234 rooms times 365 days equals 88,695 room nights of capacity. 12,000 square feet of meeting space.

Lane County Development

Oregon Horse Center	Eugene	Summer 2002
Autzen Stadium	Expansion	Fall 2002
Willamette Pass Ski Area	Six-passenger lift Gondolas	Winter 2002 Summer 2003
Guy E. Leabo Memorial Gold Mining Museum	New Cottage Grove Museum	Fall 2003
UO Museum of Art	Renovation/Expansion	Reopening Fall 2004
UO Museum of Natural History	Renovation	Reopening Fall 2004
Camp Yale	McKenzie River Valley	

Horse Center booked every weekend through September

Same for McKenzie River Conference Center

UO Museum of Art expansion a significant addition

Lodging support for Florence Event Center a focus for City of Florence

Half million dollar upgrade planned for South Eugene Track

Lane County Development

Eugene Public Library

New Federal Courthouse Eugene

Peacehealth & McKenzie Hospitals Eugene & Springfield

Large public projects have the potential to drive adjacent development

Lane County Development

Transportation

Airport Runway Project	Eugene
Eugene Air Service	Delta – Eugene/Salt Lake City
Eugene Train Depot	Renovations
LTD Station	Springfield
Road Improvements	Florence
Airport Runway Extension	Florence
Interstate-5 Bridge Work	

On/Off ramps from I-5 bridge a critical need

Development is occurring throughout Lane County

Oregon Development

	Square Feet	Completion Date
Oregon Convention Center Expansion	255,000	Sept 2003
Salem Conference Center	75,700	Jan 2005
Bend – RiverHouse Resort Expansion	22,000	2005
Newport	40,000 to 50,000	2006
Corvallis – Hilton	1,300 (156 rooms)	Sept 2003
Astoria	Discussion Phase	

Not an exhaustive list

Lithia Amphitheater in Medford

New performance hall in Bend

Seven feathers may build a convention center in downtown Roseburg.

Mill Casino has just purchased adjacent property - conference center proposed.

Oregon Development

Salem Conference Center

Under construction

75,700 total square feet

29,000 square feet of meeting space

193-room adjoining suite hotel

Opens: Jan 2005

Funding: Urban Renewal Dollars (City)



Comparable to Hilton Eugene & Conference Center but with fewer rooms

Oregon Development

Columbia River Maritime Museum

Pacific Dunes Golf Course

Mill District Renovation & Outdoor Amphitheater in Bend

Portland International Air Service

Lufthansa

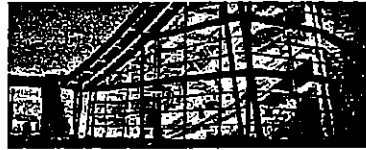
Germany

Mexicana

Mexico

Northwest

Japan



\$6 million raised locally in Astoria for Maritime Museum upgrade

Also monument, historic lodging, and Fort Clatsop upgrades underway in Astoria, and they are now hosting cruise ships and considering building a conference center.

Regional Development

Washington Mutual Leadership Center at Cedarbrook

Near Sea-Tac Airport, Seattle

Meeting & Special Events Center

30,000 square feet

110 guest rooms & suites

Opened: December 2002



Regional Development

Everett Events Center

Conference Center/

Multi-purpose, sports venue & ice rink

12,000 square foot conference center,
plus 57,000 convertible space

Adjacent hotels

Opened: Sept/Nov 2003

Funding: City of Everett



Regional Development

Yakima Convention Center

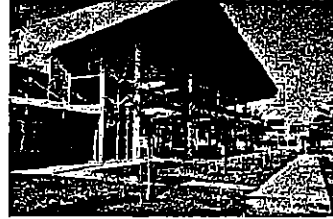
Expansion - 11,600 square feet

41,000 meeting/exhibit space

Adjacent Hotels

Expansion Opened: Sept 2003

Funding: Public Facility District; state
rebate



Regional Development

Three Rivers Convention Center

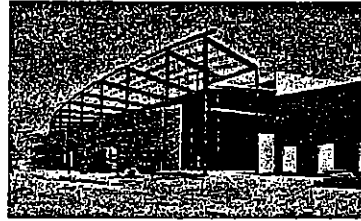
Kennewick, Washington

50,000 square feet

Opens: June 2004

Adjacent Hotel Opens: December 2004

Funding: Public Facilities District; City bonds; annual grants from city and county



Regional Development

Greater Tacoma Convention & Trade Center

73,000 square feet

exhibit/ballroom/meeting space

Hotel opens: Spring 2004

Convention Center opens: Fall 2004

Funding: hotel/motel taxes; state sales tax credit



Also in Tacoma:

Museum of Glass

Museum of Art

Historical Museum

Downtown renaissance

Regional Development

Vancouver, Washington

Conference Center & Hotel

30,000 square foot conference center

226-room, four-star hotel

Groundbreaking: December 2003

Opens: April 2005

Funding: Bonds repaid through state
sales tax credit; lodging tax



Regional Development

Spokane Center

Convention Center Expansion

Proposed

100,000 square foot addition

Adjacent Hotels

Funding: Sales and use tax credits to the Spokane Public Facilities District; includes extension of hotel/motel and local sales taxes



Currently center is at 58,000 square feet

Expansion will total 168,000 additional square feet, with exposition, banquet and breakout space

Finished facility will be close to Oregon Convention Center in size.

Complete in 2006

Regional Development

Boise Center at Capital Station

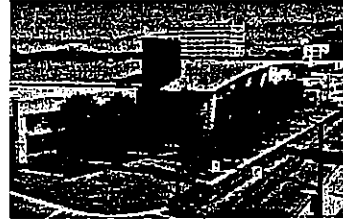
Convention Center Expansion

Proposed

127,000 square feet

Adjacent Hotels

Funding: Room tax; user fees



Another key regional competitor

Regional Development

Arts and Conference Center

Olympia, Washington

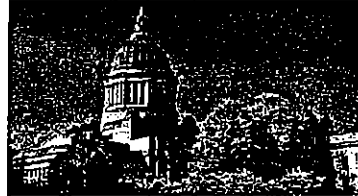
Proposed

37,000 Conference Center

4,600 Arts Center

Adjacent Hotel Planned

Funding: State sales tax rebate; private donations and grants



Community Profiles

Florence

Heceta Head Lighthouse

Sea Lion Caves

Sand Dunes/Beach

Old Town

Golf

Horseback riding



Honeyman State Park

July-Nov room tax down 3.9%

"Other" category up 0.7% - includes non-city coast

Concerned about coast tourism economy

Community Profiles

Veneta-Elmira

Wine Country

Fern Ridge Lake

Sailing/Water Activities

Campgrounds

Oregon Country Fair



No rooms - points of commerce important for community to leverage tourism

Community Profiles

Junction City

Scandinavian Festival

Golf

Museums

RV Manufacturing/Sales

Agricultural Tours



Community Profiles

Coburg

Antique shopping

Historic District

RV Manufacturing/Sales

Special Events



Coburg now operating a shuttle, focusing on antiquing events to draw shoppers

Golf course proposed.

Community Profiles

Eugene

Arts & Culture

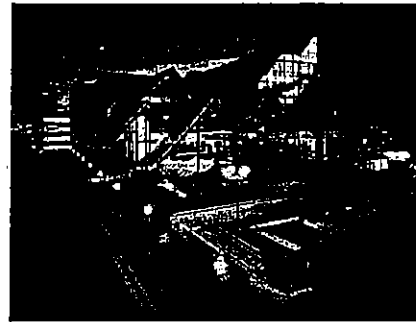
Bicycling & Parks

Culinary/Dining

Shopping

Sporting Events

University of Oregon



Tier 3 = under 10,000 rooms in MSA

Room tax up 8.3% for July - Nov

Air up Nov/Nov

Rail up Oct/Nov, off in Dec

Occupancy 59% for 2003 (down a point from 2002)

Occupancy 64% for July - Dec, highest since 2000

Eugene tied with Salem for second largest city in Oregon

Community Profiles

Springfield

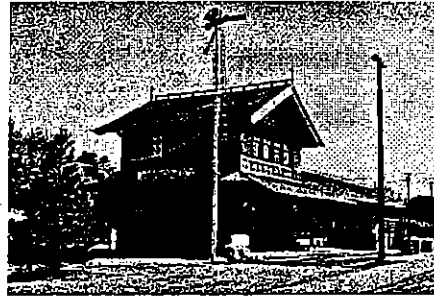
Historic District

Dorris Ranch

Murals

Shopping/Antiques

Family Activities



Family Destination -

Wave pool

Gateway entertainment complex

New sports complex under construction

Wildish Theater and cultural district

Room tax down 7.8% July - Dec

Uncertainty around Clarion Hotel

Community Profiles

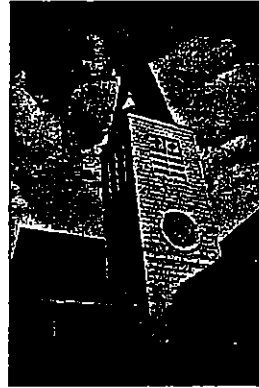
Creswell

Museum

Golf

Hiking

Airport



General aviation airport is a real asset for Creswell

Winery connection also a strength for all of South Lane
County

Community Profiles

Cottage Grove

Covered Bridge Capital

Museums/Gold Mining History

Movie productions/Events

Reservoirs/Recreation

Gardens



Room tax up 23% following six years of decline

Village Green renovation likely to total \$5 -\$7 million over five years. Gardens, rooms underway, pool relocated, public space renovations to begin soon.

\$110,000 transportation and growth management grant from ODOT for downtown revitalization and refinement.

Community Profiles

Oakridge

Mountain Biking

Willamette Pass Ski Area

Hiking

Fishing

Hatchery/Museums



Points of commerce a focus for community

Branding campaign - mountain and back road cycling

Eugene to Pacific Crest Trail

Paved connector to Cottage Grove

Community Profiles

McKenzie River Valley

Rafting & Kayaking

Fishing

Hiking & Birding

Forest/Nature Sightseeing

Waterfalls

Horseback Riding



Hatchery

Visitors to Lane County

Top Markets

Oregon, California, Washington, Colorado, Arizona, Canada

Top Overseas Markets

Germany, Japan, United Kingdom

Average Visitor

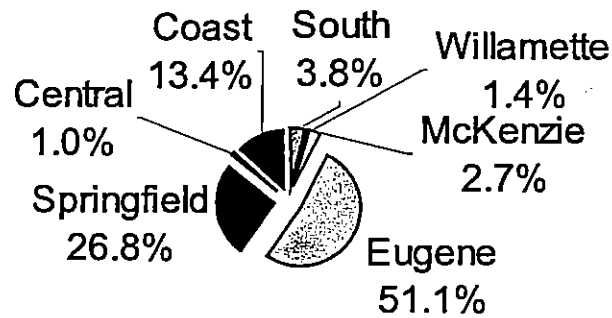
58 years old

Married with children

Post secondary education

Average Income: \$57,100

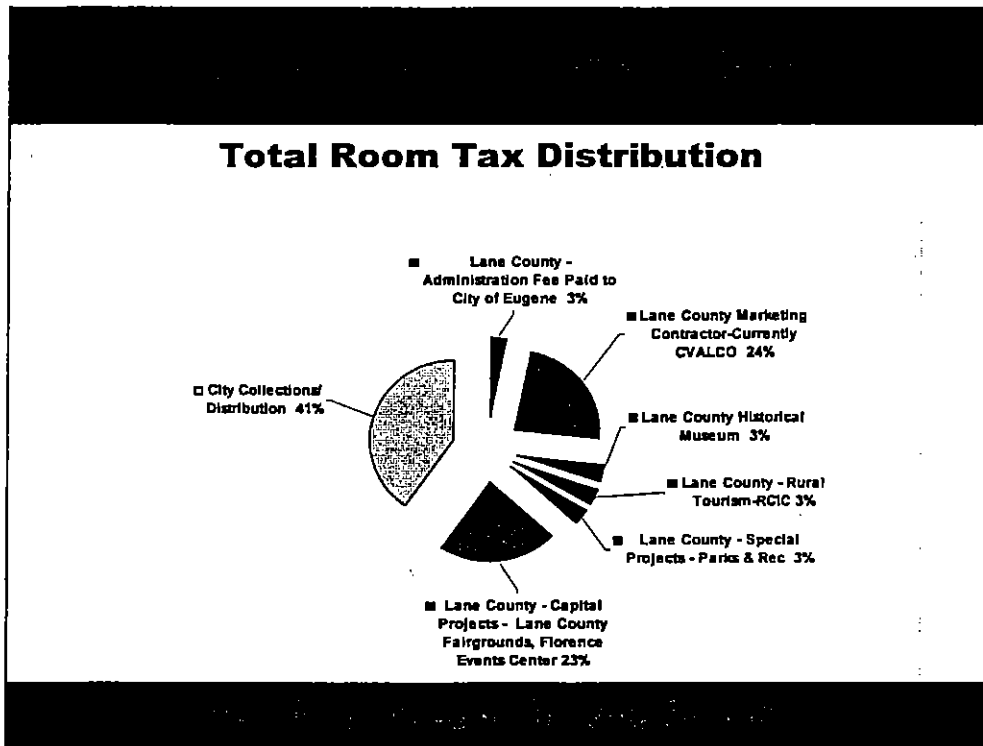
Room Tax Collections



Once here, where do visitors sleep?

Room rates, room tax rates all affect chart.

Bell curve is steep in rural areas - summer full, winter empty



Lane County Leadership

93/94 agreement between county, cities, and industry. Room tax raised two points to fund countywide marketing via CVALCO.

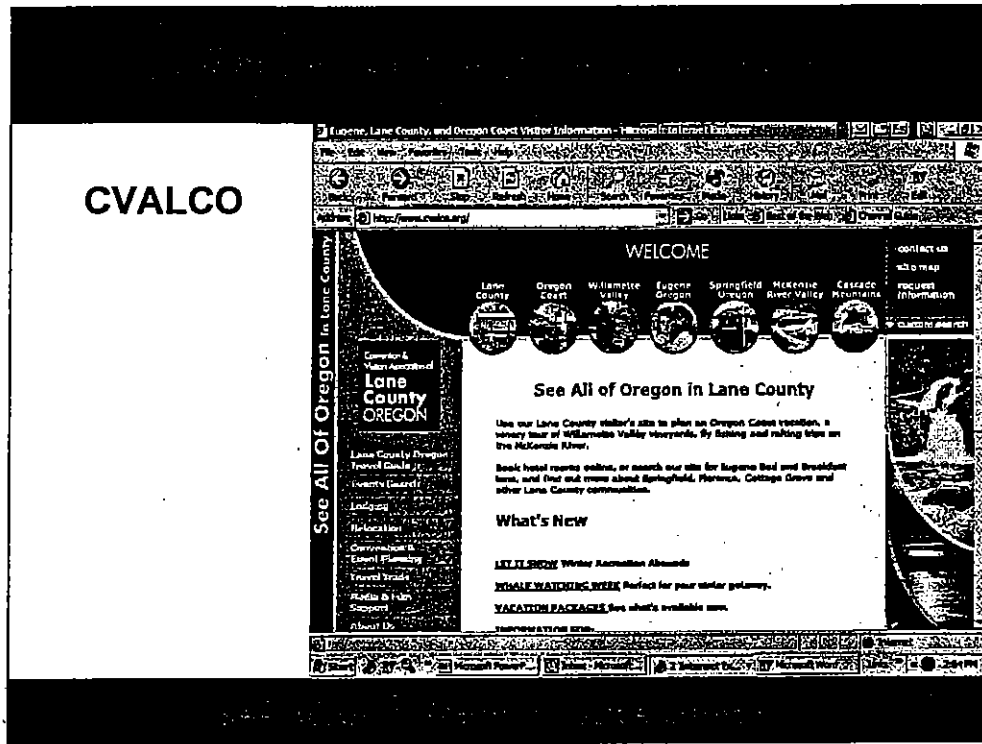
Formal reports 2x/year, ROI shown

Local option funds stay with cities

Car rental tax supports parks

Formal leadership from County - 100% of room tax reinvested

BCC often approached to support projects throughout the County, often long term - strategic planning could be helpful in determining priorities.



Key CVALCO Strategies

Internet/Electronic Marketing

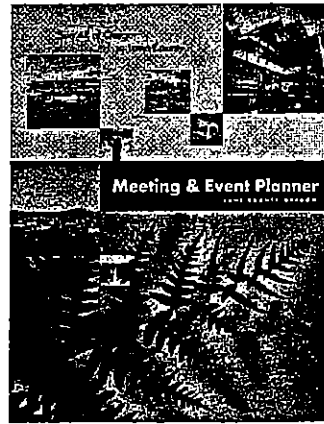
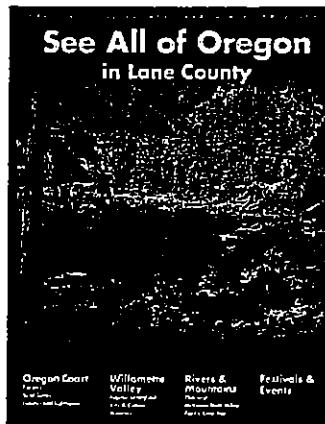
40% of travelers now use the Internet

Public Relations/Media Relations

25% of travelers use travel sections

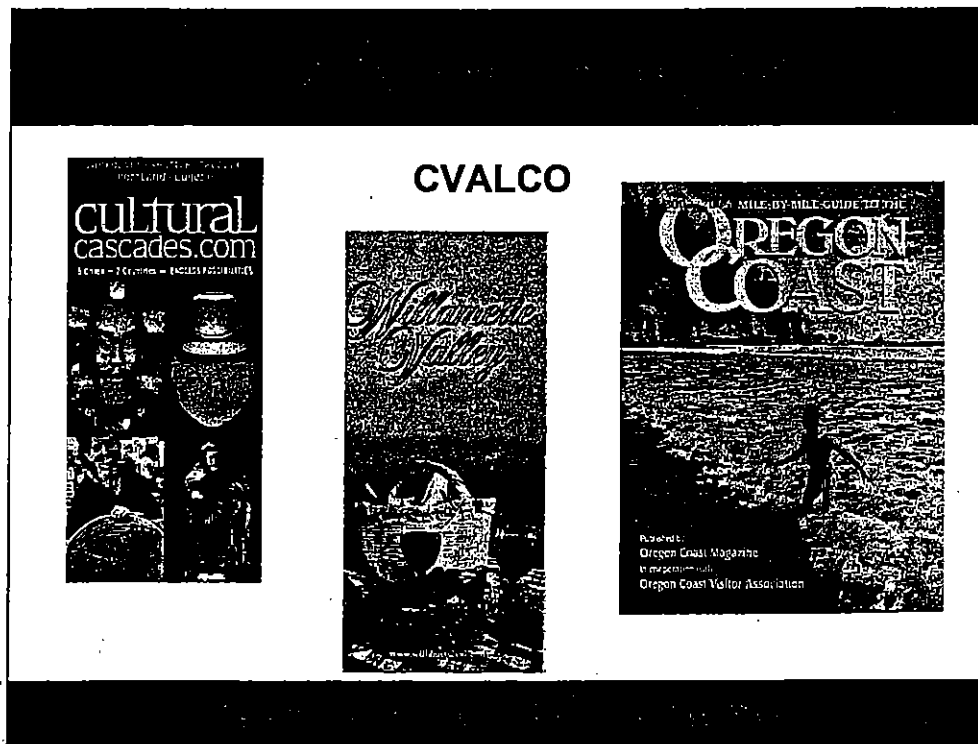
17% use general interest magazines (Sunset, etc)

CVALCO



Part of bringing visitors to Lane County is connecting them with points of commerce - with a focus on capturing them overnight and extending their stay.

CVALCO members are listed on web site, in the Visitor Guide, Meeting & Event Planner, and Lane County Relocation Guide.



CVALCO leverages several partnership programs:

Cultural Cascades.com (with Portland, Tacoma, Seattle, and Vancouver, BC)

WVVA - Willamette Valley Visitors Association

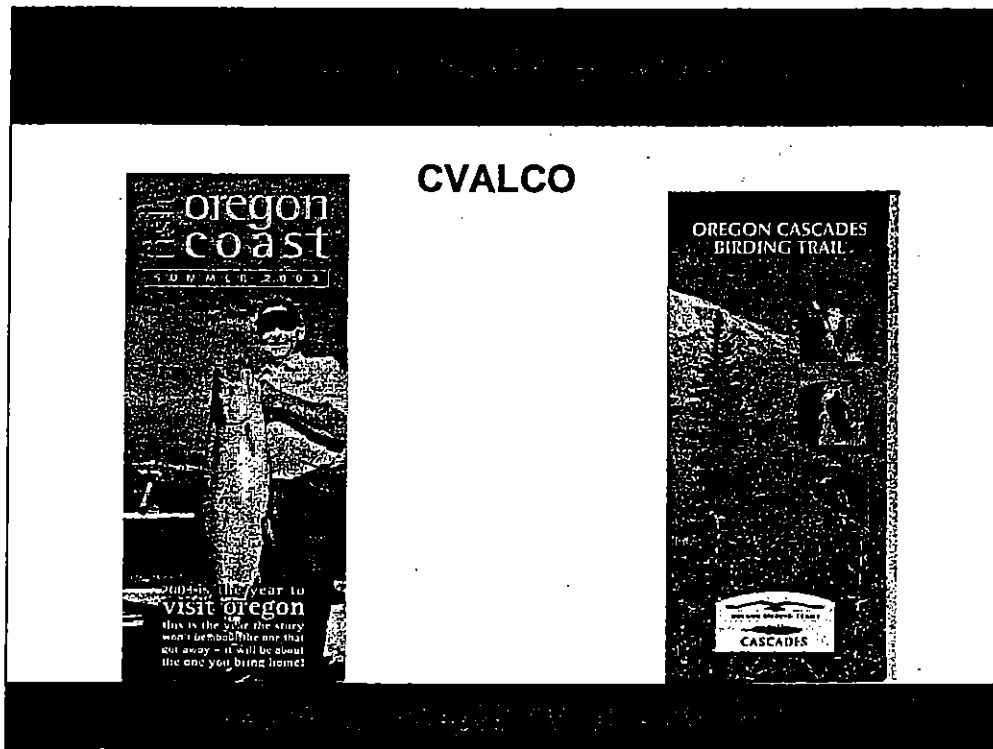
OCVA-Oregon Coast Visitors Association

Culinary Task Force - statewide program (new)

Oregon Partners - Port of Portland, POVA, CVALCO, Oregon Tourism Commission, and Clackamas TDC (focus is international)

Oregon Tourism Commission

Oregon Tour and Travel Task Force - focused on group tours



Special opportunities sometimes arise

Some are fleeting, like the fishing and birding brochures shown

Some long lasting - scenic byways and national designations that lend marketing and/or funding support

2004

**Tourism Summit
of Lane County**

FOR INFORMATION ONLY

Building Brand Equity

Linking City Brands to Lane County and Oregon

Increased In-State Advertising

On-Line Booking and Packaging

Leveraging Oregon Tourism Commission Programs

Oregon. We Love Dreamers campaign

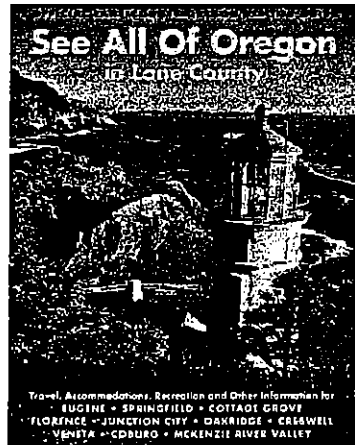
Linking cities and city brands to See All of Oregon in Lane County

Increase in-state advertising

On-line booking and packaging

Leveraging Oregon Tourism Commission programs and Oregon. We Love Dreamers

CVALCO



Link visuals to get more lift in the marketplace

Cycle through subregions - coast shot on Visitor Guide cover one year, valley the next, mountain/rivers the next, etc.

OPPORTUNITY does not equal GUARANTEE

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TOURISM SUMMIT OF LANE COUNTY ROUNDTABLE DISCUSSION RESULTS

At the January 15, 2004, Tourism Summit of Lane County, eight roundtable discussion groups were randomly formed to discuss the following questions. A CVALCO board member, present at each table, facilitated discussions and a CVALCO staff member was present to take notes and report out to all tables. Not all tables discussed every question. Below are the comments that resulted from all the roundtable discussion groups.

SHOULD WE ENGAGE IN A COLLABORATIVE STRATEGY FOR TOURISM IN LANE COUNTY?

Table 1

Yes. It must show cooperation between public and private businesses. We have some great successes to show in some of our cities that succeeded only because of public/private partnerships, i.e. Cottage Grove.

We should consider encouraging collaboration in special project applications. The process has been simplified, but it is always open for discussion. Note: There are already performance measures, but maybe there should be greater accountability/tracing of these funds. Challenge: How do we overcome community needs to want all funds going to their community.

Table 2

Yes

Table 3

Yes there should be a collaborative strategy for tourism in Lane County.
Working together is the natural way to go—great idea.
The theory is great, now how to do it?

Table 4

Everyone agreed that we should engage in a collaborative strategy for tourism in Lane County and decide collectively what is important to "us". There was an agreement that it was necessary to start planning now so that we can compete with other areas. There was discussion about the reality time line for getting something approved and built. There was collective agreement that the Tourism Summit momentum and process continue.

Table 5

Yes, the group agrees in a collaborative strategy for tourism.

Table 6

Collaboration is essential, but lets not lose sight of the unique niches of each community.
When we don't work together we lose the big picture.
Each community needs to distinguish itself.

Different parts of the county have different assets. What's good to promote in one community may not be ideal for another.

Table 7

Yes. This needs to be a collaborative effort because of the size and diversity of the product that we have in Lane County. We need to work together to solve the problems and create strategies.

Table 8

A collaborative marketing campaign is needed between cities and county, county and state.

Yes we should engage in a collaborative tourism strategy. Everyone and everything should be included. The County should take the lead. Provided we have a collaborative marketing effort, Lane County could be a resort without walls.

WHAT SHOULD BE INCLUDED IN A LONG-TERM STRATEGY FOR TOURISM?

Table 1

Investigate what the competition is doing in terms of facilities.

Are we a 'B' team trying to play in the major league? What are the elements needed to play in the majors? Larger facilities, adjacent/close hotel rooms, more breakout rooms, technical infrastructure, adequate parking.

Decide what to do about the Lane Events Center. Calling it a convention center is a mistake. Can it work as a fairgrounds and a convention center? Yes, with investment it could be developed that way. One idea to increase the appeal of the grounds – re-water the millrace so that it is a focal point.

Are the fairgrounds important to the community? Yes.

Look at strategies to promote mid-week and off-season visits.

Look for opportunities to:

Build new events to promote those mid-week and off-season visits.

Promote current events that have little or no marketing dollars/skills, i.e. BLM 4-wheel events that could bring people if people knew about the events!

Don't forget about rural Lane County. It shouldn't just be about Eugene and Springfield. That's where all conversations start, but there's a role that the rural communities play in bringing visitors.

Our cities have accomplished a great deal, but only because of public/private partnerships.

When you're looking at visitor impacts:

Look at festivals that help tie the communities together. They often get lost because they aren't tied to a facility.

Look at events like high school sports that bring in overnight visitors.

Track these activities to determine the value and then help promote them.

Keep promoting these events, but also get out and experience them personally.

Don't miss opportunities, i.e. when the train tracks were removed to create the Row River Trail, maybe we should have left some of the track so that people interested in the history of the area could see and touch it.

We're on the right track with groups like the Rural Lane County Network (where rural chambers come together to network) and the Lane Metro Partnership.

Encourage change in what Eugene and Springfield think about the rural areas, but also the way that the rural areas think about Eugene and Springfield. We're partners.

A group should be formed that includes: Lane County, all of the incorporated cities, CVALCO, University of Oregon (and other educational organizations), Lane County Lodging, other private sector businesses, and someone of a technical nature to help us create a technological vision for the future.

Make sure that we have strategies to address meetings and conventions and travel to rural communities.

Coordinate agencies in tourism promotion and keep an eye on the future.

Table 2

Need consistent identity to sell Lane County and a strong visual image.

Need to create unique packages for visitors and market them aggressively.

Need to enhance infrastructure. Improve signage that gets people around.

Bring visitors back-repeat business is the best.

Make Lane County the icon; emphasize the icons we have, e.g. Bach Festival, mountain biking, University of Oregon (niche icons).

Need unified information sharing regarding what's going on in the county.

Need a good inventory of what we have.

Need to leverage resources at hospitals and UO.

Table 3

There should not be too many meetings during the process. There should be two major meetings. First one to build concept and the second one for implementation.

There should be common branding within the county. This branding needs to be included in the marketing of our partners and on CVALCO marketing efforts.

This project will need total county buy-in to work.

Top Leadership throughout the county should be involved. Elected officials from all Lane County cities/towns and County Government. Chambers of Commerce and the U of O should be involved also.

What do we want to achieve with this collaboration?

Market Lane County outside of Oregon

Invest in current properties/facilities.

Until a convention property is built we need to do a better job of marketing what we have.

We need to identify what convention business that we are missing.

It is a good idea to build a Convention Center but where would it be located.

There is nothing unique about a convention center if everyone is building them. "Build it and they will come" is not a reality if there are too many of the same thing. We would be just one of the crowd.

Green Tourism and Eco-tourism are important focus areas at this time. What are we doing in this market?

Table 4

There was extensive discussion on evaluating existing facilities and the potential of building a new "Class A" facility.

There was discussion about the Lane Events Center and the need to decide who we are, what type of facility it is and remember it is aging.

It needs to be decided if the Lane Events Center needs to be retrofitted and updated.

In order to become a "Class A" facility a hotel needs to be attached.

It is serving a purpose as a "Class C" facility at this time.

It would be a financial hardship to the community if the Lane Events Center had to close down for the retrofit.

It was agreed that we would like to build a conference center and update the Lane Events Center.

It needs to be decided if both projects can be done and in what time line.

It was suggested that a smaller group or commission be established to spearhead the project of deciding what we should do. Private interests should play a major roll.

We need to find some new leverage for marketing the facilities. There was discussion about looking into new marketing strategies.

The facilities need to connect with the different cities and infrastructures and promote new opportunities.

For instance by paving a stretch of road Oakridge, Cottage Grove and Sisters could be easily accessed. This opens the door for triathlons and bike routes. Creswell and local wineries can package themselves together etc. Cottage Grove High School just built a state-of-the-art track and field facility at their new high school. They see this facility as a possible profit center.

There was a discussion about reestablishing a sports authority. It was a shared belief that sports driven events are producing right now and they would like to see our sports facilities marketed and reinvigorated.

There was discussion about project funding.

Table 5

They would like to see a regional strategy that ties into the Brand Oregon campaign, piggybacking on OTC's programs and investments.

Is the "See All of Oregon in Lane County" motto still effective? Lane County is still too generic and not recognizable for a broad audience. They liked the idea of incorporating the city names for more recognition.

They would like to capitalize on the energy of today's summit and develop a steering committee representative of the entire region and all sectors of the tourism industry. They believe this would be a grassroots effort.

The steering committee would have to be small enough to be a working committee – about 10 people was discussed. Stressed that this needs to be an active working committee.

Suggested that the steering committee could then spread the message of the work/programs out to their industry. Therefore these committee members should be representatives of the key tourism industries.

A mission statement should be developed for this committee to guide the leadership. A wide objective would need to be developed to bring together all the communities.

They believe the committee should adopt certain programs for support – i.e. a convention center, I-5 bridge/Glenwood project, development of a major attraction.

We want to encourage the county to raise the flag for tourism to be a regional strategy.

The group would like to see more collective marketing opportunities.

How should we get people to Lane County?

A lot of talk about piggybacking on all of the visitors coming to the Northern Oregon Coast for the Lewis & Clark commemoration in 2005. What aspects of Lane County would get those visitors to come here? Our wineries, food, camping, fishing.

Emphasized a need to know how the Lewis & Clark commemoration is being sold – place the Lane County message next to that.

We need to tell Lane County's attraction through stories. Tie into "my Oregon story" idea. We need to make it personal. Recount visitor testimonials. Put it in their words. Describe the picture for the visitor. We need to adopt a story telling aspect.

Quick fix could be to request testimonials from CVALCO members (more specifically their clients) and post them on CVALCO's website. These would be visitor "stories" of their visit to Lane County. Example given of the artist who performed at the Scottish Christmas at the Hult Center – she fell in love with Eugene and told the entire audience how much she loved it here and why. It wasn't the big attractions, it was the quirky resale shops and Smith Family Books.

In these stories from visitors we can link to the CVALCO member businesses. If the visitor loved the Farmer's Market, then link the story to their website. Complete the "sale."

Talked about "pairings" and/or "packaging." CVALCO should encourage members to work together to develop packages. Example given was the Bach Festival and the Wineries Barrel Tasting. These enable folks to get more bang for their advertising dollars.

Members working together would also form a stronger voice in going after grant dollars for marketing, etc.

Discussed a "circle" development – Lane County story would link a visitor's testimonial to the farmer's market website, where their "Oregon Story" would be listed, which would link to the Travel Oregon website.

Discussed tying Lane County's seasonal aspects together – go fishing (some of the best in the world), get some fresh berries from the farmer's market, sample some Lane County wine.

Table 6

The overall economic strategy of the county needs to include Tourism.

A task force should be formed that's made up of public and private partnerships.

In terms of infrastructure "Let's not get the cart before the horse." We need to thoroughly examine the impact of new development like a convention center, attraction, etc.

We need to define ourselves as a county, like Austin, Texas did with making themselves the live music capital of the world.

We need to have an effective strategy that revitalizes downtown Eugene because the metro area is key to attracting visitors and acts as a catalyst in moving people to other areas of the county—coast, mountains, rural areas, etc.

We need to look at statewide tax reform.

Let's not reinvent the wheel. Let's look at other communities, share resources and research so we're not always starting from square one.

We need to encourage cross-promotion.

Branding is key. Let's not be so general that we're just marginal in many areas.

Table 7

We need to create a theme that the county can buy into.

The issues of infrastructure will always be with us.

The strategies need to be very defined.

Divide the interests into the arts & culture and recreation.

Center of Arts & Culture (metro area)

Epitome of recreation (rural county)

The cities need to buy into the strategies.

Strategy needs to include how we move the visitors to other parts of the county when they come into Eugene/Springfield or one of the other gateways into the county.

What are the features and benefits that we can all agree upon?

We need to market to ourselves.

We need to convince ourselves that we have a great product to offer visitors.

More emphasis needs to be placed on getting convention delegates to the outlying areas.

Capitalize on the delegation that went to New York after 9-11 because that created a lot of good will. Build on our good reputation.

Piggy back on what advertising the state does. For example, if they have an ad in a publication, have one next to it to.

There is a great deal of concern over the ability to continue to bring conventions to Lane County in the future.

Find different hobbyist or niche groups to bring to the area.

Consider that Florence is not the final destination, but part of the entire coast. Then have the visitor go east from Florence to see all of the other things to see and do in Lane County.

All locations should market the entire region.

Any packages that are marketed should be more than a weekend so the visitor will want to come back.

Create an icon to be used county-wide that distinguishes attractions. Create something that will last through time.

New concept of "Hand Made in Oregon" stops on a map.

Cross-market tickets from events that encourage them to stay longer or come back. Some kind of offer right on the ticket.

Table 8

County should take the lead on creating a facility that is competitive with other regional facilities. We lose business to Boise and Spokane and now other Oregon cities will become competition. It is worrisome that Salem and Tacoma are so far ahead of us. Our disadvantages will only get worse. We must decide that this segment (tourism) is important and raise the profile of tourism. We might want to investigate tourism alternatives including biotech, high tech, and production arts as other cities have done.

We should investigate those alternatives concurrently with tourism. Why hasn't there been a greater interplay between the cities in Oregon. Each city is like an island, no collaborative effort. We need to be proactive.

Each community should create a map like Oakridge. And the covers of the maps should have city logos and county logos on the cover to identify the city with the county. It is important that the human element not get lost. Anyplace where you can pick up a map, there should be a person able to explain it to you.

The perspective of East Coast residents, the wealthy side of the country, is that the Pacific Northwest is a highly desirable area. However it is too hard to get to and lack of air travel make them wonder "Why bother." Eugene should have a guidebook. Bend has a guidebook and Eugene/Lane County should have one as well.

The Hilton is not a convention center and should not market itself as such.

What would a regional convention center look like?

A multipurpose center with banquet space, meeting space, hall space, ballroom, breakout rooms, a cafeteria or built-in food service and hotels to accommodate the influx, preferably within walking distance. If there was another hotel across from the Hilton then it could be marketed as a convention facility.

With the new statewide tax, Oregon is just getting back to the future. We need to build on what we have beginning with the bed base. Hotels located all together. Focus on pre and post trips. Put a hotel on the fairgrounds property.

It seems like the fairgrounds would be a good base.

Downtown Eugene is a good location. It has major cultural amenities, easy access to Amtrak. A large investment in the future of Downtown Eugene has already been made. And there is plenty of space available.

Why don't we do it?

Lack of effective partnership between local government (county) and convention industry.

We have missed out on business because of lack of technical improvements. I define that as computers and cables.

The community and the industry haven't wanted to move forward. It is boom or bust. When the hotels are full they don't want to move forward because they don't need to, when they are empty they don't want to move forward because they don't want increased competition. We need a long-term plan with strong support for the industry. And it must have clarity of vision. And instead of automatically focusing on Downtown Eugene, we should look at the holes in communities and fill them. Look at the citywide perspective. What will become of the Clarion? Build a top-notch facility in Glenwood. It has river acreage, close to both metro areas and the University. The political vision must look farther down the road.

Glenwood is an ideal location.

Need more leadership.

Are the issues between the cities and county real or perceived?

Both. And we need to decide if we want to develop natural resources like logging or succumb to the outsiders who want everything to be a large park. I have of the mind that we have already overcut our forests, let's use the land as an asset to market.

WHAT IS THE APPROPRIATE ROLE FOR LOCAL GOVERNMENT?

Table 1

What is the appropriate role for government?

Government has the assets and knowledge of opportunities. They should act as a catalyst and should attract partners.

Table 2

County should take the lead with support from local communities.

Local governments don't have the expertise to do marketing.

Local governments should help with planning of future projects, play a supportive role by making process easier.

Need to pull together public and private partnerships.

Table 5

Private/public partnerships are essential. We need the policy makers involved for inclusion and efficiency. Mentioned that the government representatives are very problem solving oriented that would be a big help in the process.

Table 7

The local governments need to keep on dealing with the negative publicity an area receives, such as the anarchists in Eugene and the impact that has had on tourism. Deal with the problems as they come up so when something is stated it can be acted upon.

Table 8

The county commissioners would provide good leadership. They deal with the funds and the represent the many geographic sectors of the county. Economic Development and Tourism should be part of Lane County's purpose.

SHOULD THE COUNTY TAKE THE LEAD?

Table 1

Lane County and CVALCO. Both have existing staff that could be used.

Caution as we proceed: Room tax is a tax and not entitlement. There are many needs for tax dollars.

Table 2

Didn't have a lot of time for discussion of this question. Some did voice agreement with the idea of a county/CVALCO lead.

Table 3

CVALCO should take the lead. CVALCO is good at this. CVALCO is set-up for tourism and is not territorial. CVALCO does an excellent job of bringing communities together, everyone has a voice. CVALCO has support.

Table 4

The consensus was the County should take the lead. It was agreed the County were not good sales people and this could be a problem. There was discussion about funding needed for any project. It was believed that it would need to come from strong private partnership investment as well as public funds. It was discussed that CVALCO be the intermediary between the project and the County.

Table 5

Generally commented that the County should take the lead.

Table 6

Generally discussed that the County should take the lead with the help of CVALCO and representatives from tourism and government agencies.

Table 7

Difference of opinion on this.

There should be a public/private partnership that takes care of the overall image. Local government should play a supporting role.

MISC.

Table 1

First we agreed that we were all interested in increasing overnight stays in Lane County.