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Executive Summary

This second Master Plan¹ is the result of a review of the current tourism industry in Clackamas County, the past performance of the Clackamas County Tourism Development Council (TDC) as an organization and also a situational analysis of tourism in the broader sense of the Greater Portland metropolitan region, Oregon and the U.S.

This Executive Summary recapitulates the major findings and recommendations that are presented in chapters 2 through 6.

Purpose of the Master Plan Update

The Master Plan Update is intended to serve as a framework to guide the TDC's efforts for the next five years. It is not intended to be a detailed work plan to accomplish specific programs (i.e., marketing, attractions development, visitor centers or other programs). Rather, it is intended to be a framework to set a course of action by the TDC. The TDC subcommittees and staff, within the framework of the Master Plan will then develop an annual program of work during the next five years.

Vision and Mission Statement

During the study process, the participants in the surveys, interviews and forums repeatedly and unanimously expressed their concern about a lack of openness at the TDC in previous years. However, with new leadership and staff, the process is perceived to be opening up.

There is a general agreement that a good starting point for continuing the process started with the Master Plan review is to evaluate the existing vision and mission statement of the TDC. The organization has matured and developed over the past five years covered in Master Plan I and it is time to step back and revisit the foundation upon which the organization is based. There is a strong perception that the Clackamas County tourism industry was not engaged in the previous process for developing a vision and mission and thus has a limited sense of partnership with the TDC. The process of evaluating the vision and mission statements will help engage the industry and is an important step in building the partnerships needed to effectively market Clackamas County to visitors. This process will also help define the responsibilities of the appointed council members/officers in a manner that is understood by everyone.

There are at least three crosscutting issues that need to be considered in this process.

- ◆ First, there is general agreement by the participants in the planning process that more TDC effort could be focused on developing overnight visitors, especially the small meeting and group tour target markets. This has the added benefit of creating and sustaining better tourism attraction development and products that also appeal to day visitors and residents.
- ◆ There is a need to define TDC as the Destination Management Organization (DMO) for the county and coordinate all efforts to maximize the return on investment from tourism for Clackamas County.

¹ BST Associates was retained by the TDC to help develop Master Plan II.

- ◆ There is a need to understand how to measure the effectiveness of the TDC's programs and expenditures. It is imperative that County commissioners, TDC members, TDC staff and the tourism industry develop mutually agreed upon performance objectives to measure the realistic success or failure of TDC programs and expenditures. This dialogue should be considered while determining the goals and objectives needed to implement the vision and mission statement.

We recommend hiring a facilitator to lead the Clackamas County tourism industry through the planning process to redefine the vision statement, mission statement and goals for Clackamas County tourism. This process should be undertaken within the first year of this five-year Master Plan II.

This effort would produce a vision and mission statement stating clear measurable goals. The objectives and strategies to accomplish each goal would be developed in the annual program of work. As an example:

- ◆ **Goal:** To achieve maximum usage of visitor attractions, facilities, and services in Clackamas County with an emphasis on overnight visitors.
- ◆ **Objective A** – In 2001, develop and track meeting and convention bookings for Clackamas County to a total of 10,000 room nights with an economic impact from overnight and day meetings totally \$1 million as reported by the industry through December 31, 2001.
- ◆ **Strategies** - Promote the convention services the TDC offers such as pre show attendance promotion, customized programs for delegates and spouses/families, and welcome packets working with 25 groups in 2001.

Similar objectives and strategies must be developed for all elements, which are directly or indirectly related to tourism, some of which may have non-economic value in creating pride in the community, education and other values, that may be difficult to measure numerically.

Attraction Development

Through the study process, there was great concern expressed about the existing grant program. The perception is that the process is relatively cumbersome. Many of the planning study participants question the effectiveness of selected projects because there is no overall plan and no performance objectives, against which to measure success or failure. There is a desire to find the optimum balance between new product development, sustaining the operation of current tourism products and marketing the destination so that the TDC is able to achieve a maximum return on the investment of the transient room tax dollars (TRT).

This program area should be re-named as attraction development. The TDC should help develop Clackamas County tourism products with partners at the local level. Attraction development that creates and maintains tourism product that is marketable to visitors and strives to increase the amount of TRT collected should be the overriding criteria for support. In addition, the TDC might consider providing loans as well as grants.

Marketing

The overall perception of the planning study participants is that recent marketing efforts were not broad enough and did not effectively include the small meetings and group tour markets. In addition, the marketing program did not develop all three of the niche product areas that are strong in Clackamas County: agri-tourism, heritage tourism and recreation.

The TDC could consider a broader approach to marketing Clackamas County as a destination and seek opportunities to leverage the Clackamas County marketing message with marketing partners such as Oregon Tourism Commission (OTC), Portland Oregon Visitor's Association (POVA), Convention and Visitor's Bureau (CVB) of Washington County, among many others. The promotion of this destination could also entail more involvement at the grass roots level of the Clackamas County tourism industry.

The program area of visitor services, which has been considered a separate element by the TDC, could be incorporated into the marketing program area. It is an industry practice to provide for the dissemination of services as a natural follow through to inviting visitors to come to a destination. Word-of-mouth advertising is one of the strongest means of promoting a destination and what visitors share with friends and relatives after a trip is often determined by the exceptional customer service received while in a destination area.

The delivery of visitor services could become an integrated part of marketing the destination and include not only the staff in visitor centers but also the frontline employees who serve visitors everyday. The TDC and its partners need to make it easier for visitors to find the answers to their questions and to give them suggestions that would cause them to linger longer in Clackamas County.

Another component of the delivery system is education of frontline employees as to the needs of visitors and the many things for visitors to do and see in Clackamas County. This employee is often the person a visitor turns to for ideas about how to enjoy a destination and also for directions and recommendations. Nothing is worse than the answer "I don't know" because most people translate that as "I don't care." It has been shown that employees who are recognized for providing exceptional customer service will make a difference in a destination's perceived image. Part of the education program could be a "recognition of exceptional service" program.

We recommend that the program areas of attraction development and marketing undergo a review through a marketing consultant hired to assess the existing and potential tourism products in Clackamas County. The end result would be an overall plan from which the annual program of work could be written with measurable performance objectives and related strategies to achieve the approved mission and goals. It will also be important that the tourism industry be involved in this process. This process could dovetail with the vision and mission development detailed earlier in year one.

Five Year Schedule

The following schedule summarizes the efforts that need to be accomplished during the next five years:

♦ Year One

- ♦ Work with a facilitator to evaluate the present vision and mission statements. The result would be the creation of a flexible operating system for the destination management organization that would allow the TDC and the County tourism industry to work as a team to effectively maximize the economic impact of tourism for all the residents of Clackamas County. This would include approved performance objectives that will be used to evaluate the return on investment gained from tourism for Clackamas County.

- ◆ Work with a consultant to develop a tourism product assessment with the result being a plan to develop and market the destination as guided by the vision and mission. An annual development and marketing plan with measurable objectives and strategies would be used each year to direct the actual programs
- ◆ Update the bylaws to reflect the organizational changes highlighted in this Master Plan II
- ◆ **Year Two:**
 - ◆ Make any needed organizational changes as recommended in the vision and mission development process
 - ◆ Review successes of the year one development and marketing plan
 - ◆ Prepare and implement the annual development and marketing plan taking new information and past successes into account
- ◆ **Year Three, Four and Five:**
 - ◆ Review success of previous year's development and marketing plan
 - ◆ Prepare and implement annual development and marketing plan
- ◆ **Year Five:**
 - ◆ Develop Master Plan III

Chapter One - Introduction

This chapter identifies the purpose of the master plan update and the process undertaken.

Purpose of the Master Plan Update

The Clackamas County Tourism Development Council (TDC) was established in June 1992 to administer the County's tourism program. Funding for the TDC comes from a 6% transient lodging room tax, which went into effect in January of 1993.

The nine-member TDC Council, whose members are appointed by the Board of County Commissioners, is an advisory committee to the Board of County Commissioners. The TDC oversees the development and promotion of tourism and conventions in Clakamas County.

The TDC is required by the tax ordinance to develop, adopt and implement a Tourism Development and Promotion Master Plan, subject to the approval of the Board of County Commissioners. The requirements of the Plan are discussed more thoroughly in the next section.

The first Master Plan was completed in August 1994 to provide a comprehensive framework for maximizing Clackamas County's tourism potential. Minor updates have been undertaken annually since completion of the initial plan. However, since conditions change frequently in the tourism industry, the TDC has decided to develop a new Master Plan. This Master Plan II is intended to serve as a framework to guide the TDC's efforts during the next five years. It is not intended to be a detailed work plan to accomplish specific programs (i.e., marketing or other TDC programs). These programs are developed by the TDC subcommittees, within the framework of the Master Plan.

Master Plan Update Process

The TDC intended that a substantial portion of the consultant's effort be focused on public outreach to industry stakeholders and community leaders. BST Associates, a market research and strategic planning firm from Bothell, Washington, was retained to conduct the Master Plan II. The study process consisted of four primary steps:

Prepare a Tourism Situational Analysis

The objective of the first task was to evaluate the current state of the tourism industry in Clackamas County, the current status of the programs of the TDC and to identify social and economic trends, which may impact the TDC and the tourism industry in next five years. BST Associates reviewed numerous relevant national, state and local publications to complete this task.

Interview Industry and Community Leaders²

The objective of the second task was to facilitate discussions with tourism industry partners to identify key issues which should be addressed in the Master Plan, and to familiarize partners

² A complete list of firms and agencies interviewed in the Master Plan Update process is included in the Appendix.

with the state of the industry and TDC programs to date. BST Associates conducted the following outreach plan:

- ◆ Interviews were undertaken with approximately twenty (20) industry and community leaders,
- ◆ Surveys were sent to 300 individuals/firms and 60 completed surveys were returned.
- ◆ Meetings were held with representatives of nearly all of the chambers of commerce of Clackamas County³, as well as attendance at two joint meetings of the Clackamas County Associated Chambers of Commerce.
- ◆ Contact was made with eight City Managers in Clackamas County to identify whether there was a tourism component of their comprehensive plan and to see if they or their councils were interested in completing a survey form.
- ◆ Interviews were held with the three Clackamas County Commissioners.

Facilitate Discussions with Key Industry Partners & the Public

The third task consisted of facilitating discussions with key industry partners and the general public. BST Associates facilitated:

Four (4) focus groups with representatives from the following industry subgroups:

- ◆ lodging industry,
- ◆ food service/restaurant and selected retailers,
- ◆ cultural, heritage and agricultural attractions, and
- ◆ recreation industry.

The purpose of these focus groups was to document the current performance of tourism in Clackamas County, to assess the perceptions of the TDC by these industries, and to seek suggestions for positive changes to TDC organization and programs.

Four (4) public meetings were held in each of the four zones in the County (i.e., I-5, I-205, Rural area, and, Mount Hood zones) to receive additional information from industry representatives and the community. These meetings were advertised in local newspaper according to Clackamas County procedures.

Draft and Present Consensus Findings

The final task was to prepare a draft report for review with the Master Plan Revisions Subcommittee. BST Associates prepared an initial draft of the Master Plan Update in June 2000. A revised Draft Plan was prepared in October, 2000 based upon comments received on the initial draft plan. After approval of the Draft Plan, BST Associates will formally present the final draft to the TDC for adoption. The final step in the process requires the TDC to submit the plan to the Board of County Commissioners for approval.

³ BST Associates met with the North Clackamas, Oregon City, Wilsonville, Lake Oswego, Canby, Estacada, Molalla chambers of commerce. A representative from the West Linn chamber was present at the meeting of the Associated Chambers of Commerce. Due to scheduling problems, we were unable to meet with the Tualatin Chamber of Commerce.

Chapter Two - Tourism Development Council Purpose & Relationships

The following chapter addresses the organization and purpose of the TDC. It also reviews the nature of existing partnerships.

Purpose of the Tourism Development Council

The purpose of the TDC shall be to implement the directive of the Ordinance, which is as follows:

“to develop, adopt, and implement, subject to the Board of County Commissioners’ approval, a Tourism Development and Promotion Master Plan”.

The Plan is required to address the following elements, at a minimum:

- ◆ Tourism promotion,
- ◆ Tourism development,
- ◆ Conventions,
- ◆ Visitor information services,
- ◆ Special events and festivals, and,
- ◆ The County Fair.

This purpose is further described in Master Plan I in the following vision statement.

“The TDC is the central resource for the development and promotion of Clackamas County’s tourism industry committed to responsible use of transient room tax revenues for the development and marketing of visitor services, attractions, and facilities to maximize benefits and positive visitor experiences.

Bringing together in a common effort all groups associated with tourism and/or visitor attractions in Clackamas County,

Encouraging job development and income growth through an expanded visitor attraction program,

Building upon resources and attractions to increase awareness and repeat visits to Clackamas County,

Increasing use of current visitor serving businesses in Clackamas County rather than developing new competing businesses,

Developing a broad-based tourism marketing plan which targets expanding employment and income opportunities in every season of the year, and,

Optimizing visitor satisfaction and opportunity⁴,”

The purpose of the TDC is further defined in the following County documents. The Clackamas County Business Plan⁵ mentions the TDC within the activity area of economic development:

⁴ Source: Original TDC Master Plan

- ◆ “Continue the promotion and development of the tourism industry through the Clackamas County Tourism Development Council”

The Strategic Plan⁶ for the Clackamas County Public and Government Relations Department presented the following mission statement and objectives for tourism development.

- ◆ Mission Statement - Coordinate and plan County investments that encourage tourism-related job development and income growth, respond to the business community, and optimize current businesses serving visitors.
- ◆ Objectives:
 - ◆ Increase tourism travel to Clackamas County and related tourist travel expenditures.
 - ◆ Strengthen and promote Clackamas County tourism product in each of the four niche markets: historic/heritage, recreation, agriculture/eco-tourism and convenient, high-quality urban and rural leisure opportunities.
 - ◆ Provide a central resource of information and communications on the tourism industry in Clackamas County
 - ◆ Create a lasting positive impression of the area for visitors to Clackamas County.
 - ◆ Design and implement fiscal and administrative policies and procedures for the expenditure of County transient room taxes by the Tourism Development Council.
 - ◆ Build a network of information involving all agencies/businesses with an interest in tourism.

Because industry conditions have changed during the past five years and will continue to change during the next five years, it is prudent to evaluate the vision, mission and goals/objectives of the TDC. As a part of this effort, it is important that open communication with stakeholders⁷ occur and that goals, objectives and performance objectives are developed that clearly illustrate what the TDC is expected to accomplish and whether it is meeting these objectives.

Key Findings about Tourism in Clackamas County

The following section summarizes the key findings about the state of tourism in Clackamas County, excerpted from the situational analysis in pages 19 through 58.

Characteristics of Visitors

Most visitors come to Clackamas County for pleasure and/or to visit friends and relatives and secondarily to conduct business.

Most visitors live within a 300-mile radius of Clackamas County. Nearly half of the overnight visitors are from Oregon (47%), followed by Washington (20%), California (15%) and Idaho

⁵ Revised in July, 1998, page 25.

⁶ Dated 1997-98.

⁷ The term “stakeholders” is used broadly in this report to include all tourism industry representatives, including lodging operators, managers of recreation, cultural/heritage, agricultural/industrial and other related tourism businesses, facilities and events, chambers of commerce, operators of regional visitor centers, community leaders and interested citizens.

(4%). The rest are spread fairly evenly across other regions of the U.S. as well as some international visitors.

Because the largest share of visitors come from close proximity, most travel in personal vehicles and stay over the weekends.

Size of the Industry & Economic Impact

In 1999, visitors to Clackamas County made an estimated 3.3 million trips and stayed 6.7 million person-days.

Day travel represented approximately 2/3rds of the trips but only one-third of the person-days and about 25% of the overall expenditures.

Clackamas County accounts for 1.6% of the visitor expenditures in the Pacific Northwest region (i.e., Washington, Oregon and Idaho). In terms of traveler expenditures, Clackamas County ranked:

- ◆ 13th among all counties in the PNW market, and,
- ◆ 7th among Oregon State counties in terms of the tourist expenditures in 1997 (the last year for which data on all PNW counties is available).

Travel spending in Clackamas County has grown from \$170 million in 1991 to \$264 million in 1999, or at an average annual rate of 5.6% (unadjusted for inflation). Travel spending is greatest by travelers staying at hotel/motel and other lodging accommodations. The average day traveler spent \$26 per person-day, while the average overnight traveler spent \$44 per person-day.

Spending by travelers staying at hotels/motels has also increased the most rapidly followed by travelers staying at vacation homes.

Clackamas County Lodging Industry - Size & Performance

Clackamas County has approximately 3,318 rooms in four types of lodging accommodations. Hotels and motels account for slightly more than 75% of all room equivalents followed by RV Parks (20%), vacation rentals (2%) and bed & breakfasts (2%).

Clackamas County lodging operators generated \$36.2 million in gross revenues in 1999. Between 1991 and 1999, gross revenues grew at 7.0% per year (unadjusted for inflation). This was slightly higher than the growth that occurred statewide and in Marion and Hood River counties, but was slightly slower than the growth rates in Multnomah County and in Washington County, which was the fastest growing county.

As a result of a large increase in the number of rooms in Multnomah, Washington and Clackamas counties in 1998 and 1999, occupancy rates and average room rates have declined in the Portland suburbs. This has negatively impacted both lodging revenues and the transient room tax collections by the TDC. Experts estimate that it may take a few years to absorb the additional supply.

Tourism Products in Clackamas County

Clackamas County is very diverse geographically, falling within three of the tourism regions defined by the Oregon Tourism Council (OTC), including the Portland, Columbia Gorge/Mount

Hood and Willamette River Valley regions. Within the visitors' perspective, county lines are unimportant, but regional coordination of products is very important.

Clackamas County offers three primary tourism products:

- ◆ Recreation,
- ◆ Heritage/Cultural facilities,
- ◆ Agri-Tourism.

Efforts to better understand tourist behavior and promote the synergies between products and regions could be undertaken.

Key Findings about the Tourism Development Council

The following section summarizes the key findings about the TDC as an organization.

Partnerships

A common theme that we heard from planning study participants throughout the Master Plan update process is a strong desire by industry, the chambers and others to be partners. The TDC has been perceived as being closed to input in the past. However, with new leadership and staff, the process is beginning to open up and it is felt this process should be further encouraged.

It was stated many times that "there is room for the TDC to become stronger by bringing more people into the information and implementation loop." And that it was important to "treat partners as partners".

Stakeholders had the following comments:

- ◆ "The TDC is viewed by others, and often by themselves, as the people with the deep pockets that everyone is trying to dig into. Lack of involvement with the tourism industry has perpetuated that idea."
- ◆ "Tourism is an increasing commodity in our economy. The county has wisely recognized its importance for future growth. This planning is working well. The formation of the Tourism Council to advise is also very positive. Improvements to consider: Utilize city leaders, & chambers of commerce to provide advice & guidance. Incorporate cultural tourism and historical tourism as integral parts of the plan."
- ◆ Non-TDC input could be included in subcommittees. As an example, the Marketing Subcommittee has Mr. David Porter from the End of the Oregon Trail as a member.
- ◆ Provide for additional communication with key stakeholders with regular meetings, networking opportunities, website with an internal business location and monthly written communication.
- ◆ TDC should strive to be the tourism leader in Clackamas County and be the destination marketing organization for the county.

Specific Needs by Tourist Industry Sectors

Larger Lodging Properties

Most of the hotel/motel rooms in Clackamas County are in larger properties, which are primarily oriented toward meeting-related travel (providing 70% to 80% of revenues). Operators have substantial synergy with other large Portland area hotels. As larger conventions and meetings are booked in Portland, the rooms in suburban hotels tend to fill up. Coordination with POVA in booking larger conventions and meetings is very important.

These hoteliers believe that the TDC could focus more on promotion programs and less on brick and mortar projects. They also stated that existing TDC programs have not adequately targeted the meeting market, which is very important to their success. Hoteliers want to see the TDC evaluate its efforts based upon reasonable but quantifiable performance objectives. POVA, which posts the number of convention room nights that are generated by its marketing efforts, was used as an example.

There appear to be several areas that the TDC could consider as a part of the Master Plan Update:

- ◆ First, establish a better relationship with POVA to help attract larger conventions and meetings and create a better opportunity for Clackamas County hotels to participate in this target market.
- ◆ Second, there is a market niche for smaller (150 to 200 room nights) and price sensitive conventions/meetings that POVA is not interested in or is unable to promote.
- ◆ Third, there is strong business in meeting the needs of the local businesses and organizations (war veterans, weddings, fraternal organizations, graduations, reunions etc.).
- ◆ Finally, the TDC could assist in attracting more motorcoach and group tour business to fill in weak spots in the week (Monday through Wednesday) and during the shoulder seasons (late fall through early spring).

Smaller Lodging Properties

The smaller hotel/motel and other lodging facilities are mainly oriented toward the pleasure traveler. These facilities would also like to see the TDC use performance standards.

There appear to be several areas that could consider as a part of the Master Plan Update:

- ◆ First, assist in coordination of the delivery of the tourism products by helping each community understand its potential and how it fits into the countywide and regional picture.
- ◆ Second, organize promotional efforts, and make sure that businesses are aware of each other. This could also lead to assistance in developing business referral programs.
- ◆ Third, assist in effective marketing and promotion.

Recreation Tourism Products & Events

Outdoor recreational resources (skiing, hiking, camping etc.) have been well developed over the last sixty years by a strong public-private partnership. In general, it appears that the recreational product is fairly well organized and functions effectively. However, there are some specific needs:

- ◆ It is important that an adequate supply of quality recreational sites is available to meet the needs of local citizens and visitors.
- ◆ There is a need to develop “100 things to do when it rains” to inform visitors of the options, when the weather is inclement.
- ◆ There is a need for improved transportation to the mountain from Highway 26 locations.

Other recreational products (fishing and water-related activities) need additional assistance because of declining budgets for fisheries and the under-developed state of water connections within Clackamas County and between neighboring counties.

There may also be additional recreation market niches that are not currently being filled (e.g., horseback riding trips, among others). Coordinated marketing is also critical in further developing the recreational product. The TDC could play a role in coordinating these efforts. See pages 17 through 41 for more detailed information.

Heritage Tourism Products & Events

Heritage tourism is growing in Clackamas County, featuring 65 buildings and sites listed on the National Historical Register and 28 active historical agencies dedicated to preserving the county's rich heritage.

However, there are significant limitations on the existing structure and delivery of the heritage product. Fragmentation is clearly visible within the heritage community, and financial resources are limited. As part of the assessment of the tourism product, heritage resources should be inventoried as to the relative tourism value of each of the products and how they inter-relate with each other. This could be accomplished by the leaders of the heritage sector in conjunction with the TDC. The result would be a unique marketing approach for the heritage products. See pages 41 through 42 for more detailed information.

Cultural Tourism Products & Events

Clackamas County has a wide variety of cultural tourism product venues and events. An active arts group exists in the county. A cultural resources inventory should also be part of the product assessment process and could be developed by members of cultural organizations and event programmers in conjunction with TDC. In addition, better coordination and promotion of events and cultural organizations could be undertaken. These efforts could be undertaken by the TDC in collaboration with the cultural organizations and the Chambers of Commerce.

It should be recognized that there is disagreement about the relative importance of cultural events serving visitors. Research shows some events are used primarily by the local community but event promoters dispute these findings. The TDC could develop performance standards in conjunction with these stakeholders to clarify realistic expectations and a balance between community events and public events that are an attraction for visitors from outside the community.

The grant process is also very important to cultural organizations and events promoters. An overhaul of the grant process could be considered. Specifically, the marketing components of events could be pulled from the development grant process. A budget could be established to meet the marketing needs of eligible events. See pages 43 through 44 for more detailed information.

Agri-Tourism Products & Events

Clackamas County has a significant and growing agri-tourism base that is primarily (but not exclusively) located in the Willamette River Valley. Again, this niche market could be included in the product assessment with an inventory and master plan developed by members of the agri-tourism industry in conjunction with TDC. This effort would also include development of a unique marketing plan for agri-tourism.

Some members of the agri-tourism industry face additional difficulties when obtaining permits from the County. The TDC could serve as an advocate for the industry by bringing together various relevant departments to discuss issues related to development, define the problems that exist and identify what may be done to ameliorate them. See pages 44 through 46 for more detailed information.

Retail Stores & Restaurants

Visitors to destinations always rate shopping and eating out at restaurants as two of their most favorite activities. Clackamas County has a competitive advantage relative to Washington State because there is no sales tax in Oregon. The challenge in Clackamas County is to increase awareness within the community about the retail businesses that are directly linked to tourism (shops, restaurants) and those that indirectly linked (i.e., service stations, grocery stores, ATMs etc.). There is a potential need for improved promotion and advertising for the retail sector.

Again, this segment of the visitor experience should be integrated into the Marketing Plan as the assessment process is completed. See pages 46 through 48 for more detailed information.

TDC Organizational Structure

The TDC is currently organized as one of six divisions within the Public and Government Relations Department of Clackamas County. The offices represent a diverse group of outward looking divisions, which serve a very wide set of needs in the community, including:

- ◆ Government Relations: This office lobbies for the County to affect legislation, and works directly with departments in solving issues associated with local, state and federal government policies and procedures.
- ◆ Cable Communications: Regulates cable companies using county rights-of-way in the unincorporated areas; monitors franchise company agreements for compliance on customer service, rates, technical compliance, system construction and access channels. Develops programming for the Government Access Channel.
- ◆ Library Network: The Library Information Network of Clackamas County provides programs and services to member libraries, including central cataloging, computer system administration and interlibrary courier delivery services. The Network allows users to access 13 public libraries in the County.
- ◆ Media Relations: Serves as the liaison between the County and the business community, media, other jurisdictions and the public.
- ◆ Public Affairs Office: Assures public participation in the governmental process by recruiting citizens for County advisory boards and commissions. This office also publishes informational materials, and is the liaison with the County's land use Community Planning Organizations.
- ◆ Tourism Division: Implements the policies of the County Tourism Development Council to promote tourism in the County. Administers marketing, development, research and visitor information programs. Funded by Clackamas County Transient Room Tax.

Tourism Division

The Tourism Division operates from an annual program of work, generated from the direction outlined in the approved Master Plan II. The program of work developed in Master Plan II will have three components.

Marketing

This program area includes those undertaken by staff, consultants/vendors and organizations with funding by the TDC grants process. This includes research, advertising, direct mail, trade shows, publicity, online promotions, visitor services and collaterals for all three target markets – leisure, meetings and group tours.

Much of the TDC's current effort is placed on leisure travel. Additional efforts are required to build a program for group tour and meeting/conference business. A more detailed analysis of how Clackamas County is perceived by the groups involved in group tours and meetings/conferences could be undertaken to identify what niches are best for the County. Then a detailed annual marketing plan could be established to meet the needs of the market and accomplish the identified mission and goals.

Research

Research is Important as a resource of information and communications on the tourism industry in Clackamas County can disseminate research data and communications within the industry and public.

It is imperative that Clackamas County tourism product be reviewed and properly matched to markets and overlaid with tourism trends. This could include research with each market segment to include fundamental questions:

- ◆ What do potential leisure visitors think of Clackamas County,
- ◆ How to measure the effectiveness of TDC marketing?
- ◆ What do meeting planners know/think of meeting facilities in CC?
- ◆ What do tour operators know/think of tour products in CC? Etc.

Using market research, marketing should be directed to clearly identified target markets.

- ◆ Complete and maintain an inventory of Clackamas County tourism attractions, events, programs and services,
- ◆ Maintain an inventory of industry partners and partnership efforts.

Visitor Services

An important component of the marketing plan includes a visitor services delivery system that is comprehensive, comprising more than the visitor information centers (VIC's). The TDC could find partners and seek to operate regional visitor information centers in Wilsonville, Oregon City and Welches as financially self-sufficient operations. At other locations in the county, the TDC could evaluate the need for the current visitor centers and again seek partnerships with chamber of commerce offices in the selected locations where visitors can find the information they need about a specific locale.

As part of the delivery system, clear standards to measure and guide the success of these facilities must be adopted. The partners operating the current system of regional and city visitor information centers should be involved in developing the new system and standards. The role of each regional and city visitor information center is unique and may include different levels of service, hours of operation, displays, retail, technology such as kiosks, and meeting space.

Visitor information fulfillment includes support for visitor information centers, follow-up to telephone requests for information, hospitality training:

- ◆ Develop a volunteer recruitment and training program applicable to visitor information centers to alleviate costs of relying on paid information staff, where feasible,
- ◆ Centralize county-wide fulfillment of visitor information to save expenses by deriving volume discounts,
- ◆ Consider other uses of VICs to increase revenues (e.g., TicketMaster is located in the Portland VIC, other opportunities could be evaluated), and,
- ◆ Reduce potential duplication of services.

Attraction Development Program (formerly called Grants Program)

The attraction development program includes start-up funding, capital investment and limited operational support for relevant festivals⁸, events, programs and attractions, and support for development partnerships. The attractions development program should be re-evaluated by a consultant in the first year of Master Plan II.

As participants in the Master Plan process stated:

- ◆ "The process for application for grants could be streamlined. This is especially true for organizations, events, and special attractions, which are stars in the crown for the county. Many of these entities do an immense amount of work to stage a hospitable impression for our many visitors. We should embrace those doing good work."
- ◆ "The grant process is also very important to cultural organizations and events promoters. An overhaul of the grants process could be considered. Specifically, the marketing components of events should be pulled from the development grant process. A budget could be established to meet the marketing needs of eligible events."

Through the study process, there was great concern expressed about the existing grant program. The perception is that the process is relatively cumbersome. Many of the planning study participants question the effectiveness of selected projects because there is no overall plan and no performance objectives, against which to measure success or failure. There is a desire to find the optimum balance between new product development, sustaining the operation of current tourism products and marketing the destination so that the TDC is able to achieve a maximum return on the investment of the transient room tax dollars (TRT).

The TDC desires that priority for funding could be given to those projects creating development partnerships and meeting the performance measures developed as a part of the tourism product strategies. The TDC could help develop Clackamas County tourism products with partners at the local level. Attraction development that creates and maintains tourism product that is marketable

⁸ Funding for the County Fair is provided separately from transient room taxes before budgeting for the TDC.

to visitors and strives to increase the amount of TRT collected could be the overriding criteria for support. In addition, the TDC might consider providing loans as well as grants. Successful applicants must also address future self-sustainability.

Administration

Currently, there are three full-time staff in the TDC, including an office specialist I, an administrative assistant and an executive director. In order to meet the strategies developed by the TDC, outside vendors and consultants (i.e., advertising agency and research firms) are also required to carry out the plan. Once the mission and goals of the TDC have been established, there may be a need for more TDC staff hours devoted to marketing. Alternatively, the TDC can partner (fund or trade services) with other Clackamas County stakeholders (industry, chambers etc.) or regional agencies (POVA, CVB of Washington County, etc.) to extend its reach into these marketing efforts.

The Administration's primary purposes are to manage day-to-day operations to implement the policies set forth by the TDC and the Board of County Commissioners, to communicate with the local tourism industry and other interested parties and to manage the budget.

Clackamas County transient lodging tax receipts increased from slightly more than \$1.0 million in FY1992/93 to nearly \$1.8 million in FY98/99. This translates to average annual growth at 9.5% per year in nominal terms (unadjusted for inflation) and 6.5% in real terms (adjusted for inflation based upon the Portland area Consumers Price Index). However, most of the growth was registered in the first few years. Taking into account the period from 1994/95 to 1998/99, real receipts increased at only 0.6% per year on average. In 1996/97, real receipts fell by -1.3%, and in 1998/99, real receipts only increased 0.4%. It appears that the lodging tax flattened out in Clackamas County during this time period. (See Figures 1 and 2)

Figure 1 – Clackamas County Transient Room Tax Trends

Clackamas County Transient Room Tax Receipts

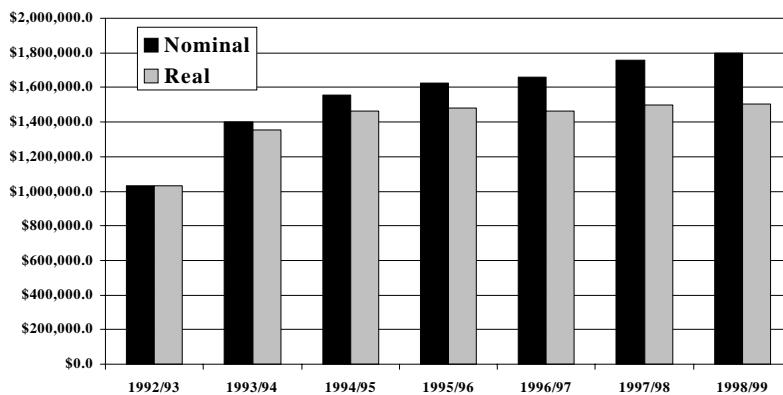
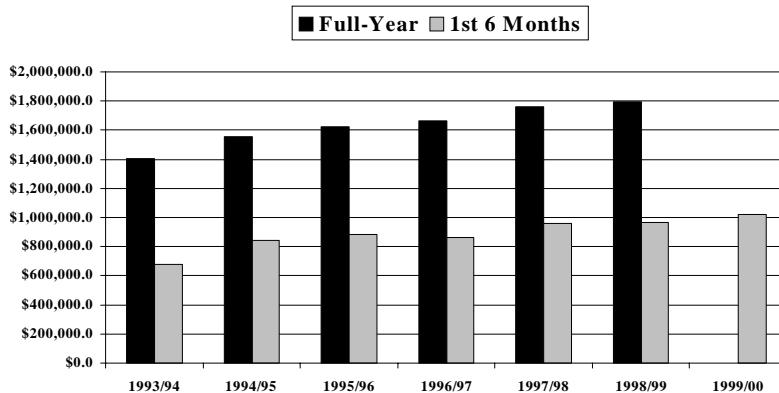


Figure 2 – Clackamas County Transient Room Tax Trends

Clackamas County Calendar Year Transient Room Tax Receipts



Note: Data are unadjusted for inflation.

The revenues generated in the first six months of the fiscal year typically represent slightly more than half of the annualized revenue. The first six months of the current fiscal year have generated slightly more than \$1 million. As shown in Table 1, it appears that the transient lodging tax could generate \$1.9 million this fiscal year, which would represent a 7.1% increase over the previous fiscal year.

Table 1 – Preliminary Gross Revenue Forecast (Unadjusted for Inflation)

| Actual | Six Months | Year | Growth | | |
|-----------------|-------------------|---------------------|---------------|----------------------|---------------|
| 1993/94 | \$681,108 | \$1,402,647 | | | |
| 1994/95 | \$842,473 | \$1,554,856 | 10.9% | | |
| 1995/96 | \$886,759 | \$1,626,035 | 4.6% | | |
| 1996/97 | \$862,289 | \$1,661,384 | 2.2% | | |
| 1997/98 | \$957,273 | \$1,757,706 | 5.8% | | |
| 1998/99 | \$965,118 | \$1,797,118 | 2.2% | | |
| 1999/00 | \$1,019,694 | | | | |
| | | Low Estimate | | High Estimate | |
| Forecast | | Revenue | Growth | Revenue | Growth |
| 1999/00 | | \$1,924,000 | 7.1% | \$1,924,000 | 7.1% |
| 2000/01 | | \$1,967,000 | 2.2% | \$2,028,000 | 5.5% |
| 2001/02 | | \$2,011,000 | 2.2% | \$2,139,000 | 5.5% |
| 2002/03 | | \$2,056,000 | 2.2% | \$2,255,000 | 5.5% |
| 2003/04 | | \$2,102,000 | 2.2% | \$2,378,000 | 5.5% |

Source: Clackamas County TDC, BST Associates

The projected growth for the TDC revenues ranges from 2.2% (low growth rate during the past six years) to 5.5% per year (average of growth rates for last six years including the estimate for the current year), under low and high growth scenarios, respectively. These estimates are unadjusted for inflation.

Funding for the Clackamas County Fair is made prior to developing the TDC budget. The Clackamas County Fair was funded at \$250,000 when the TDC was established by ordinance. An amendment to the ordinance mandated that the funding be increased at the level of the consumer price index for Portland. The fair is currently funded at \$313,000 for fiscal year 1999/2000. In addition, Clackamas County charges 2% for administering the TDC program. Adjusting for the Fair and for inflation (assumed to be 3% per year), the TDC budget remains at \$1.5 to \$1.6 million under the low growth scenario and increases to \$1.8 million under the high growth scenario.

If the TDC's programs become more effective at increasing the number of overnight visitors than exist at the present time, the high growth scenario may be attained. If it does not, the budget is expected to remain at current levels (or decline slightly) in real terms.

Table 2 – Real and Nominal Revenue Forecasts adjusted for County Fair

| Year | County Fair* | Nominal Budget | | Real Budget | |
|-----------------------------|---------------------|-----------------------|-------------|--------------------|-------------|
| | | Low | High | Low | High |
| 1999/00 | \$304,000 | \$1,620,000 | \$1,620,000 | \$1,620,000 | \$1,620,000 |
| 2000/01 | \$313,100 | \$1,653,900 | \$1,714,900 | \$1,605,728 | \$1,664,951 |
| 2001/02 | \$322,500 | \$1,688,500 | \$1,816,500 | \$1,591,573 | \$1,712,225 |
| 2002/03 | \$332,200 | \$1,723,800 | \$1,922,800 | \$1,577,521 | \$1,759,634 |
| 2003/04 | \$342,200 | \$1,759,800 | \$2,035,800 | \$1,563,560 | \$1,808,782 |
| Net Increase 99/00 to 03/04 | | \$139,800 | \$415,800 | -\$56,440 | \$188,782 |

Source: BST Associates

Chapter Three - Tourism Industry Situational Analysis

Introduction

The following chapter presents a summary of the major trends affecting the tourism industry in the United States, Oregon, and Clackamas County. The purpose of this assessment is to provide a context for evaluating the performance of the tourism industry in Clackamas County.

Trip Characteristics

Number of Trips

U.S. Trends

According to the Travel Industry Association of America (TIA), the number of domestic resident person trips⁹ in the U.S. has increased steadily nearly every year from 924.5 million trips in 1988 to 1.3 billion person trips in 1999, or at an average annual growth rate of 3.5%. Domestic pleasure trips in the U.S. have increased at a more rapid rate than business trips (e.g., 3.8% per year for pleasure trips as compared with 2.0% per year growth for business trips).

However, two out of ten business travelers (21%) combined business and vacation on their last business trip. Women and less frequent business travelers are more likely to combine business and vacation in one trip (25% and 23%, respectively). This trend is also occurring in the Portland market (including Clackamas County), as business travelers seek to extend their stay and visit additional sites in the region.

International travel to the U.S. has been relatively stagnant during the past five years, growing at a mere 0.3% per year. The number of visitors from Canada and Mexico decreased during this period, in part due to relative declines in exchange rates. Visitors from overseas (especially Europe, Asia and South America) increased at a combined 4.8% annual growth rate during this period. However, the financial crises impacting Asia, South America and other areas also resulted in a decline in visitation in 1999 relative to 1998. For similar reasons, the Oregon (and Portland Metro) market has also experienced a decline in international visitors.

Oregon State Trends

In 1997, Oregon welcomed 43.5 million visitors, including 26.3 million day-travelers and 17.2 million overnighters. Business travelers accounted for approximately 14% of overnight trips and 9% of day trips. Pleasure travelers accounted for 86% of overnight trips and 91% of day trips.¹⁰

⁹ Visits are defined differently by each researcher, which makes direct comparisons difficult. A visit is defined as a trip at least 100 miles away from home by the TIA. The definition used by Oregon researchers is a journey of at least 50 miles from home. In Clackamas County, visitors are defined as non-Clackamas County residents.

¹⁰ Source: ***Travel & Tourism in Oregon***, prepared by Longwoods International for the OTC in 1998. This is the most recent data available for Oregon state. It should be noted that many pleasure visitors stay at friend's and relative's houses or other non-lodging facilities.

The number of overnight pleasure trips has increased from 12.5 million in 1994 to 14.9 million in 1997. Business travel has been somewhat static, declining from 2.5 million trips to 2.3 million during this timeframe.

Similar to the U.S. market conditions, international travel to Oregon has also been stagnant in recent years due to the aftermath of the Asian economic crisis. The Oregon Tourism Commission (OTC) is placing greater emphasis on attracting European visitors at the present time.

Clackamas County Trends

Considering both overnighters and day travelers, Clackamas County is much more oriented toward the pleasure trip market than Oregon or the U.S. as a whole. Approximately 89% of visitors to Clackamas County are on pleasure trips and 11% are on business trips. However, most business travelers stayed overnight. As a result, business travelers represent an estimated 30% of the overnight stays.

Overall, travelers to Clackamas County accounted for 6.7 million person-days on 3.2 million trips in 1998 (e.g. an average of slightly more than 2 days per trip)¹¹. Day travel represented approximately 2/3rds of the trips but only one-third of the person-days and about 25% of the overall expenditures. The average day traveler spent \$26 per person-day, while the average overnight traveler spent \$44 per person-day. Overnight visitation is one focus of the TDC.

Table 3 – Visitor Volume & Expenditures

| Item | Expenditures | Person-Days | Trips | Expenditures | |
|------------------|---------------------|--------------------|-----------------|-----------------------|-----------------|
| | \$Million | Millions | Millions | Per person day | per trip |
| Overnight Travel | 201.7 | 4.6 | 1.1 | \$44 | \$183 |
| Day Travel | 54.4 | 2.1 | 2.1 | \$26 | \$26 |
| Total | 256.1 | 6.7 | 3.2 | \$38 | \$80 |

Source: Bardsley & Neidhart, Dean Runyan & Associates compiled by BST Associates.

Approximately 5% of visitors to Clackamas County were from foreign countries. These visitors were primarily from British Columbia, along with some visitors from oversea countries.

Profile of Visitors & Their Image of the Visit

Oregon Visitor Profile versus the U.S. Norm

Approximately 50% of the national domestic travelers visited friends and relatives as the primary purpose of their trip. About one-third (35%) traveled for entertainment and 15% traveled for outdoor recreation. Nationally, the top three activities for domestic travelers were – Shopping (First), Outdoor Activities (Second), Visiting Museums and/or Historic Sites (Third).

Travelers to Oregon are slightly more inclined to visit friends and relatives than the U.S. norm. They are also more likely to engage in outdoor recreation (beaches, rivers, mountains and related flora and fauna) and historic sites and museums than the national average.

¹¹ Source: *Clackamas County Travel Impacts, 1991 – 1998*, for the Clackamas County TDC by Dean Runyan Associates, June 1999, page 11.

In comparing the Oregon pleasure visitor profile with that of the U.S. norm, Longwoods International found that:

- ◆ “The average Oregon visitor had somewhat downscale demographics (lower income) but also has a higher educational background,
- ◆ Oregon pleasure visitors were more likely to be on a family-oriented trip with more parties than average including spouses or partners and children,
- ◆ People come to Oregon to indulge their interests in outdoor recreation, nature experiences and historic sites and attractions.
- ◆ The Oregon travel experience is considered exceptional,
- ◆ Versus U.S. norms, more Oregon travelers
 - ◆ See beaches and oceans,
 - ◆ Experience mountains, lakes and rivers, wilderness areas, wildlife and birds,
 - ◆ Visit historic sites and museums
- ◆ The post-trip impressions that Oregon visitors have of the state are outstanding versus U.S. norms, exceeding them by a margin on almost 80% of the comparisons evaluated,
- ◆ Predictably, Oregon’s most important strengths are in sports and recreation, including rafting, hiking, and mountain climbing, camping and canoeing, viewing wildlife, hunting, fishing, etc. as well as beaches and water sports.
- ◆ But Oregon also delivers an exceptional product versus the norm in terms of:
 - ◆ Unique and beautiful scenery,
 - ◆ A must-see place that offers real adventure,
 - ◆ An experience that is great for the whole family, including both children and adults,
 - ◆ Outstanding sight-seeing, including lots to see and do, interesting cities, as well as small towns, excellent museums and galleries, theatre, live music and elegant restaurants, historic areas, interesting customs and traditions,
 - ◆ All this in a place that is safe, affordable, relaxing, not too crowded and with warm and friendly people.
- ◆ With this outstanding performance, it should come as no surprise that Oregon’s product ratings are also much better than the image of consumers who have never visited the state.
 - ◆ Oregon delivers an outstanding tourism experience, while its image is merely considered good
- ◆ There is a continuing need for communications aimed at improving Oregon’s image so that it measures up to the actual experience of travelers.”¹²

Clackamas County Visitor Profile

The typical Clackamas County pleasure visitor profile mirrors the Oregon profile¹³. Visitors are:

- ◆ Middle-aged – median age is 44 with a typical range from 35 to 54,

¹² Source: Travel & Tourism in Oregon, prepared by Longwoods International for the OTC in 1998.

¹³ Source: Winter and Summer Visitor Profile, 1997 by Bardsley & Neidhart, Inc Marketing Research for the Clackamas County TDC.

- ◆ Upper middle income - median income is \$48,800
- ◆ Well-educated – Median education among adults is college completion.

Most visitors to Clackamas County are repeat visitors (79% in summer and 82% in winter).

Table 4 - Repeat or First Time Visitor

| Repeat or First Timer | Summer 96/97 | Winter 96/97 |
|-----------------------|--------------|--------------|
| First Time Visitor | 21% | 18% |
| Repeat Visitor | 79% | 82% |

Source: Bardsley & Neidhart

Clackamas County follows the Oregon travel pattern. Most summer visitors are in Clackamas County for pleasure and/or to visit friends and relatives. Winter visitors come to Clackamas County for pleasure, skiing, business and to visit friends and relatives.

Table 5 – Purpose of Trip

| Purpose of Trip | Summer 96/97 | Winter 96/97 |
|------------------------------|--------------|--------------|
| Pleasure | 46% | 24% |
| Visit Friends/Relatives | 26% | 15% |
| Business | 6% | 18% |
| Combined Business & Pleasure | 5% | 4% |
| Skiing | 0% | 22% |
| Other | 17% | 17% |

Source: Bardsley & Neidhart, Summer and Winter Tourist Profiles prepared for the TDC in 1997.

Definition of Market Hinterland

Distance Traveled

Most of the travel by U.S. domestic pleasure travelers consists of short trips. Nearly 70% of all travel in the U.S. is for three nights or less. As a consequence, the travel distance is limited. The roundtrip distance traveled by U.S. Residents in 1998 was as follows:

- ◆ 200-299 miles - 23% of trips,
- ◆ 300-399 miles - 15% of trips,
- ◆ 400-599 miles - 17% of trips,
- ◆ 600-999 miles - 15% of trips,
- ◆ 1000-1999 miles - 14% of trips,
- ◆ 2000 miles or more - 11% of trips, and,
- ◆ Outside of the U.S. - 5% of trips

Because the trips are relatively short and concentrated on neighboring population centers, much of the travel occurs by personal vehicle. In the U.S., the majority of pleasure travelers arrive by auto-car/truck/RV/rental car (83%). Only 13% traveled by airplane. The remainder traveled by bus, boat or other means of conveyance.

A similar pattern occurs in both Oregon and Clackamas County. Approximately 86% of the overnight pleasure business in Oregon comes from the Pacific Northwest and California. Nearly

half of the overnight visitors are from Oregon (47% of the total) followed by Washington (20%), California (15%) and Idaho (4%). The rest are spread fairly evenly across other regions of the U.S.

Like Oregon, Clackamas County is very dependent on the west coast and primarily Oregon and Washington for pleasure travelers. The typical summer visitor to Clackamas County lives in Oregon (53%), Washington (17%), California (11%), other areas of the U.S. (15%) or Outside the U.S (5%). The typical winter visitor to Clackamas County lives in Oregon (66%), Washington (17%), California (3%), other areas of the U.S. (15%) or Outside the U.S (4%).

Table 6 – Origin of Visitors to Clackamas County

| Origin of Visitor | Summer 96/97 | Winter 96/97 |
|----------------------|--------------|--------------|
| Oregon | 66% | 53% |
| Portland Metro | 68% | 37% |
| Willamette Valley | 20% | 8% |
| Eastern Oregon | 7% | 4% |
| Coast | 5% | 3% |
| Southern Oregon | 1% | 1% |
| Washington | 17% | 17% |
| California | 3% | 11% |
| Other Western States | 4% | 3% |
| Central U.S. | 3% | 3% |
| Northeast U.S. | 2% | 2% |
| Great Lakes | 1% | 3% |
| Southern U.S. | 0% | 4% |
| Outside of U.S. | 4% | 5% |

Source: Bardsley & Neidhart

Other Relevant Factors

There are two other national trends that also apply to Oregon and Clackamas County.

Most travelers are destined for one location. Approximately 75% of travelers visited one destination during their trip; 13% had no destination; 9% had two destinations and 4% had three or more destinations. For Clackamas County, the primary destinations of overnight visitors are Portland and Mount Hood, although excursions are made from these destinations.

More than half of all travel in the U.S. is over a weekend (Friday night stay over - 7%, Saturday night stay over - 10%, both Friday and Saturday Night - 34%). Weekend travel is also very important in Oregon and Clackamas County, since a large portion of travel occurs from the neighboring population base on short weekend trips.

Chapter Four - Economic Impacts of Traveler Spending

The economic impact of tourism is substantial and growing. The following chapter summarizes the economic impacts at the national, state and county levels.

U.S. Travel Spending

Travel and tourism is the nation's largest services export industry, third largest retail sales industry and one of America's largest employers. It is in fact the first, second or third largest employer in 29 of the states. In 1998, the U.S. travel industry received more than \$515 billion from domestic and international travelers¹⁴. These travel expenditures, in turn, generated 7.6 million jobs for Americans, with over \$147 billion in payroll income. The economic impacts of tourism in the U.S. are summarized below:

- ◆ Travel Expenditures - \$515.2 Billion
- ◆ Travel-Generated Payroll - \$147.4 Billion
- ◆ Travel-Generated Employment - 7.6 Million Jobs
- ◆ Travel-Generated Tax Revenue - \$82.6 Billion
- ◆ Trade Surplus - \$18.7 Billion

During 1998, U.S. resident travelers spent \$424 billion on transportation, lodging, meals, entertainment & recreation services, and incidental items within the U.S. In addition, U.S. resident travelers spent nearly \$72.6 billion while traveling in foreign countries during 1998.

During 1998, spending by U.S. resident and international travelers in the U.S. averaged \$1.36 billion a day, \$56.5 million an hour, \$941,971 a minute, and \$15,700 a second.

Approximately 1 out of every 17 U.S. residents was employed due to direct travel spending in the U.S. during 1998¹⁵.

The service industry, whether perceived or actual, has historically been characterized as providing low paying employment. Hence the widespread belief that travel industry employment consists of low paying service jobs with little opportunity for growth and advancement.

These beliefs stem from the 1950s, 60s, and early 70s, when much of the economy and employment centered around manufacturing and production. The 1990s, however, has begun a new era for the American economy with major underlying changes in our employment structure. Many of these shifts, however, have gone unnoticed, perhaps because of the difficulty in comprehending such profound fundamental structural changes in the U.S. employment after so many decades of being dominated by the manufacturing industry. But, those changes are clearly underway and the role of travel and tourism is on the ascendancy.

¹⁴ Includes international passenger fares.

¹⁵ Including both U.S. resident and International Travel. Includes spending by U.S. resident and international travelers in the U.S. on travel related expenses (i.e., transportation, lodging, meals, entertainment & recreation, and incidental items), as well as international passenger fares on U.S. flag air carriers.

Travel and tourism directly generated over 7.6 million jobs in 1998, with one million of these jobs being generated by international tourism to the U.S. An additional 9.4 million jobs were supported by indirect and induced sales, resulting in a total of 16.9 million jobs. Employment directly generated by travel has grown 27.7 percent in the last ten years, almost one-and-a-half times as fast as the more modest 19.6 percent increase in total non-agricultural U.S. employment.

Travel Spending in Oregon¹⁶

Oregon's Share of Travel Spending

According to the Travel Industry Association of America (TIA), Oregon accounted for slightly more than one-third of the travel spending in the Pacific Northwest (defined to include the states of Washington, Oregon and Idaho) and approximately 1% of total U.S. travel expenditures. Oregon domestic travel receipts were more than 10 times greater than expenditures by international visitors. The PNW accounted for 3% of total U.S. travel expenditures. (See Table 10).

Table 7 - Travel Expenditures (\$Millions)

| Area | Domestic | International | Total |
|---------------------------|-------------|---------------|-------------|
| Oregon | \$4,721.0 | \$433.8 | \$5,154.8 |
| % of PNW (Wash/Ore/Idaho) | 35.7% | 27.7% | 34.9% |
| % of USA | 1.2% | 0.6% | 1.1% |
| PNW | \$13,224.7 | \$1,564.1 | \$14,788.8 |
| % of USA | 3.2% | 2.2% | 3.1% |
| USA | \$407,556.9 | \$70,336.3 | \$477,893.2 |

Source: TIA 1998 Travel Impact Estimates by State.

Oregon Economic Impacts

Total travel spending in Oregon reached \$5.5 billion during 1999, which is up 6.3% over the preceding year. Total travel spending has experienced sustained growth, increasing 5.7% per year since 1991 in current dollars (unadjusted for inflation) and by 3.0% in constant dollars (adjusted for inflation).

In 1999, travelers that stayed overnight in commercial accommodations spent \$2.2 billion, accounting for 44.2% of all destination spending (excluding air fares) in Oregon. As shown in Figure 3, slightly less than 50% (44%) of visitor expenditures were made by visitors staying in hotels/motels and like accommodations. Slightly more than 25% of the expenditures were made by day travelers. The rest of the expenditures were made by visitors in private homes (10.7%), private campgrounds (7.4%), public campground (5.7%) and vacation home (3.8%).

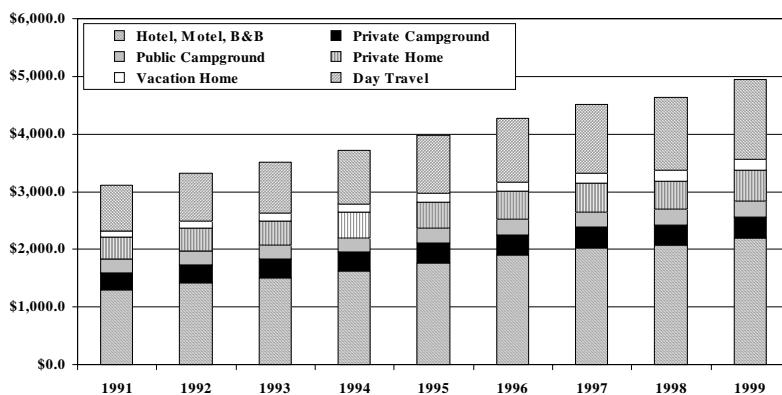
The largest share of all travel expenditures was for food services. In 1999, travelers in Oregon spent \$1.2 billion in eating and drinking establishments, which ran the gamut from elegant

¹⁶ This section draws heavily from **Oregon Travel Impacts 1991-1999**, prepared by Dean Runyan Associates for the Oregon Tourism Commission in January 2000.

restaurants to fast food outlets. Almost 79,000 jobs were directly generated by travel spending in 1999. Three-fourths of these jobs were in food services, accommodations and recreation.

Figure 3 – Oregon Travel Spending by Visitor Accommodation

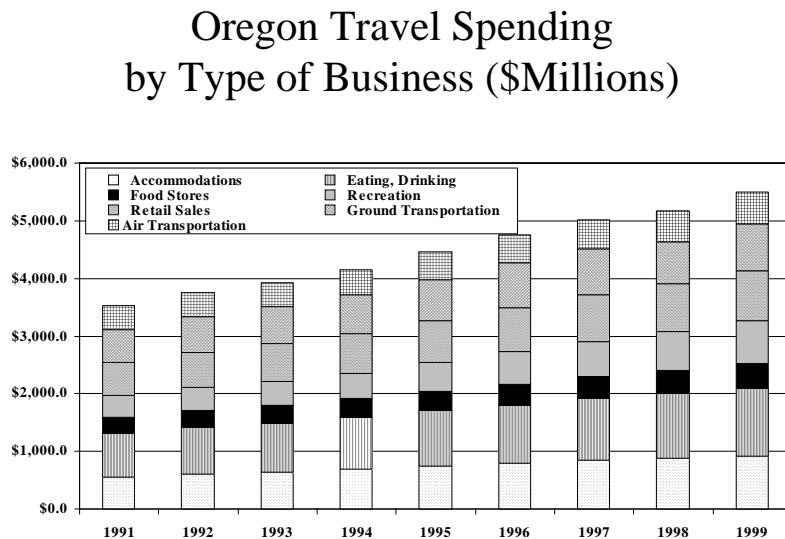
Oregon Travel Spending by Type of Traveler Accommodation (\$Millions)



There were 24 travel-generated jobs in the state of Oregon in 1998 for every 1,000 residents. One-third of all travel spending in the state occurred in the Portland Metropolitan Region (which includes the western portion of Clackamas County). However, the amount of travel spending per resident was higher in other regions of the state, most notably the North Coast and Central Coast.

The regions with the highest number of travel-generated jobs in relation to residents were the North Coast (124 jobs for every 1,000 residents), Central Coast (124) and the Mt. Hood/Gorge (63) regions. Counties with the highest ratios were Clatsop (132), Lincoln (128), and Tillamook (113).

Transient lodging tax receipts reached an estimated \$54.1 million in 1999, which represents an increase of 4.4% over 1998. Since 1992, transient lodging tax receipts have grown at an average rate of 7.4 percent per year. Over the same period, room sales increased by 6.5 percent per year.

Figure 4 – Oregon Travel Spending by Type of Business

Clackamas County Travel Expenditures

Clackamas County Share of PNW Tourism Market

As shown in Table 10, Clackamas County ranked 13th among all counties in the PNW region and was 7th among Oregon State counties in terms of the tourist expenditures in 1997 (the last year for which data on all PNW counties is available). Clackamas County accounts for 1.6% of the market.

Expenditures by Type of Accommodation and Type of Business

Travel spending in Clackamas County has grown from \$170.8 million in 1991 to \$264.3 million in 1999, or at an average annual rate of 5.6%. Travel spending in Clackamas County (as in Oregon) is greatest by travelers staying at hotel/motel and like accommodations. However, unlike Oregon, the next largest sector includes visitors staying at private homes, followed by day travelers. Spending by travelers staying at hotels/motels has also increased the most rapidly, followed by travelers staying at vacation homes. (See Figure 4)

Retail sales accounted for slightly more than one-third of overall expenditures followed by sales at eating and drinking establishments, lodging facilities and recreation. Sales at lodging facilities grew the fastest during the past seven years followed by eating and drinking establishments. (See Figure 5)

Table 8 – Overall Tourism Comparison by County in the PNW (1997) data

| Rank | County | Expenditure | Payroll | Jobs | Expend Per Job | Payroll as % of Exp. | Average Payroll | % of Region | | |
|------|------------|--------------|-------------|---------|----------------|----------------------|-----------------|-------------|---------|--------|
| | | | | | | | | Expenditure | Payroll | Jobs |
| 1 | King | \$4,647,140 | \$1,106,280 | 49,371 | \$94,127 | 23.8% | \$22,407 | 29.2% | 34.0% | 22.6% |
| 2 | Multnomah | 1,333,440 | 326,020 | 15,947 | 83,617 | 24.4% | \$20,444 | 8.4% | 10.0% | 7.3% |
| 3 | Pierce | 487,880 | 92,950 | 7,703 | 63,336 | 19.1% | \$12,067 | 3.1% | 2.9% | 3.5% |
| 4 | Lincoln | 487,640 | 93,320 | 7,356 | 66,291 | 19.1% | \$12,686 | 3.1% | 2.9% | 3.4% |
| 5 | Spokane | 482,610 | 91,110 | 7,335 | 65,796 | 18.9% | \$12,421 | 3.0% | 2.8% | 3.4% |
| 6 | Snohomish | 456,760 | 95,960 | 7,001 | 65,242 | 21.0% | \$13,707 | 2.9% | 2.9% | 3.2% |
| 7 | Lane | 396,240 | 80,020 | 6,392 | 61,990 | 20.2% | \$12,519 | 2.5% | 2.5% | 2.9% |
| 8 | Ada | 323,696 | 61,112 | 4,694 | 68,960 | 18.9% | \$13,019 | 2.0% | 1.9% | 2.1% |
| 9 | Deschutes | 296,500 | 58,550 | 4,852 | 61,109 | 19.7% | \$12,067 | 1.9% | 1.8% | 2.2% |
| 10 | Whatcom | 278,480 | 47,450 | 4,078 | 68,288 | 17.0% | \$11,636 | 1.8% | 1.5% | 1.9% |
| 11 | Clatsop | 261,770 | 50,850 | 4,190 | 62,475 | 19.4% | \$12,136 | 1.6% | 1.6% | 1.9% |
| 12 | Washington | 253,760 | 60,440 | 3,887 | 65,284 | 23.8% | \$15,549 | 1.6% | 1.9% | 1.8% |
| 13 | Clackamas | 251,590 | 55,240 | 3,540 | 71,071 | 22.0% | \$15,605 | 1.6% | 1.7% | 1.6% |
| | | \$15,901,187 | \$3,257,986 | 218,695 | \$72,709 | 20.5% | \$14,897 | 100.0% | 100.0% | 100.0% |

Source: BST Associates using data from Dean Runyan Associates prepared for the Tourism Divisions of the States of Washington, Oregon and Idaho.

Figure 5 – Clackamas County Travel Spending by Visitor Accommodation

Clackamas County Travel Spending by Type of Traveler Accommodation (\$Millions)

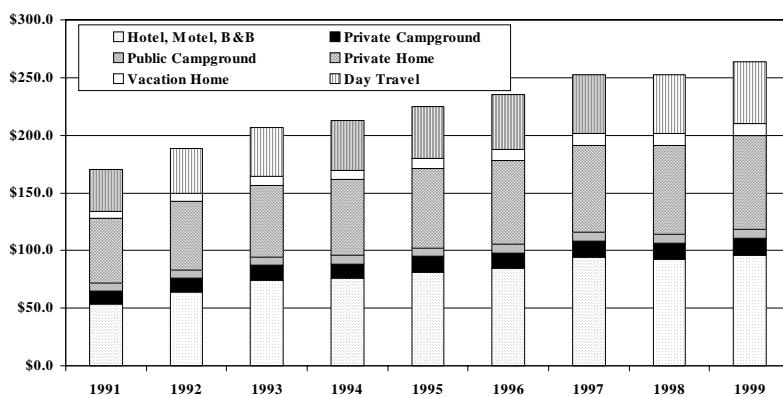
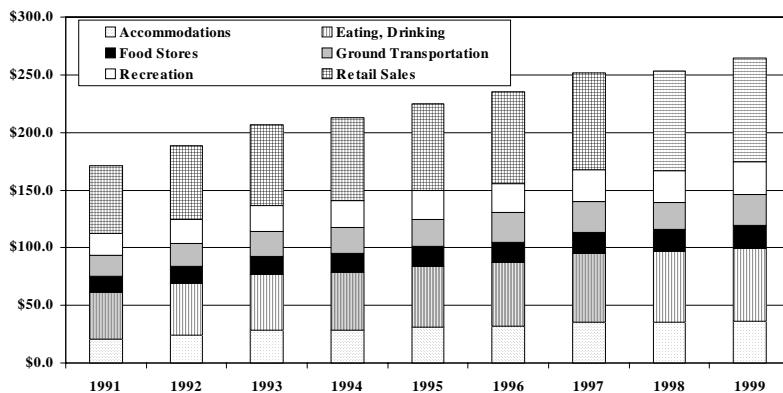


Figure 6 – Clackamas County Travel Spending by Type of Business

Clackamas County Travel Spending by Type of Business (\$Millions)



Expenditures by Season

Nationally, travel is fairly evenly distributed across all seasons, although more occurs during the summer and its shoulder seasons – 20% occurred in Winter, 25% in Spring, 31% in Summer and 24% in Fall. Clackamas County experiences more winter tourism than the U.S. average, but seasonality is also relatively strong in Clackamas County. In general, travel expenditures in the spring/summer season account for about 61% and fall/winter season represent approximately 39% of annual expenditures. Sales at food stores are the most seasonal (33% occur in Fall/Winter and 66% in Spring/Summer), while expenditures for recreation are the least seasonal (42% in Fall/Winter and 58% in Spring/Summer). (See Table 11 and Figure 8)

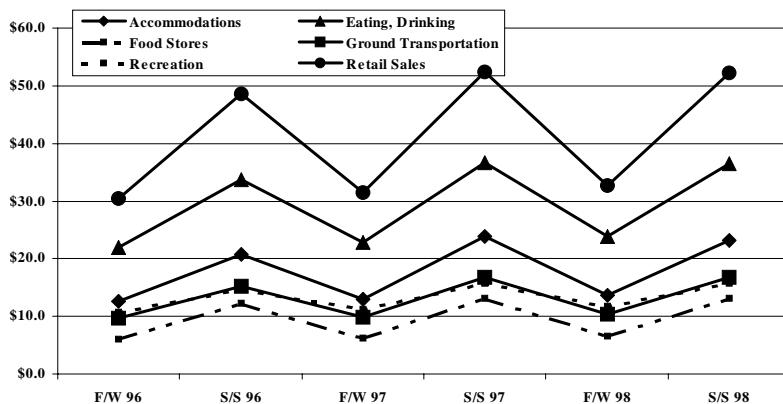
Table 9 – Clackamas County Travel Impacts by Season

| Year | Fall/Winter | % of Total | Spring/Summer | % of Total | Total |
|---|-------------|------------|---------------|------------|---------|
| 1996 | \$96.5 | 41.0% | \$138.8 | 59.0% | \$235.3 |
| 1997 | \$100.0 | 39.7% | \$152.0 | 60.3% | \$252.0 |
| 1998 | \$100.7 | 39.8% | \$152.3 | 60.2% | \$253.0 |
| 1999 | \$106.5 | 40.3% | \$157.7 | 59.7% | \$264.2 |
| Average Annual Percentage Change | | | | | |
| 96-99 | 3.3% | | 4.3% | | 3.9% |
| 97-99 | 3.2% | | 1.9% | | 2.4% |

Source: Dean Runyan Associates

Figure 7 – Clackamas County Travel Spending by Type of Business & Season¹⁷

Clackamas County Travel Spending by Type of Business & Season (\$Millions)



Expenditures By Zone

Considering overall travel expenditures, there is reasonably even distribution across all four zones in Clackamas County.

- ◆ The I-205 zone represented 23.4% of travel expenditures in 1999,
- ◆ The I-5 zone represents 23.5% of travel expenditures,
- ◆ The Mount Hood zone represents 25.4% of travel expenditures, and,
- ◆ The Rural zone represents 27.8% of travel expenditures.

Table 10 – % of Travel Expenditures in Clackamas County by Type of Business and Zone

| Type of Business | Mt. Hood | I-205 | I-5 | Rural |
|------------------|----------|-------|-------|-------|
| Accommodations | 27.6% | 36.0% | 34.0% | 2.4% |
| Eating, Drinking | 49.0% | 0.0% | 22.4% | 28.7% |
| Food Stores | 50.0% | 1.2% | 0.0% | 48.8% |
| Ground Transport | 10.4% | 22.9% | 26.0% | 40.6% |
| Recreation | 89.7% | 0.0% | 0.0% | 10.3% |
| Retail Sales | 20.9% | 15.4% | 9.4% | 54.3% |
| Total | 25.4% | 23.4% | 23.5% | 27.8% |

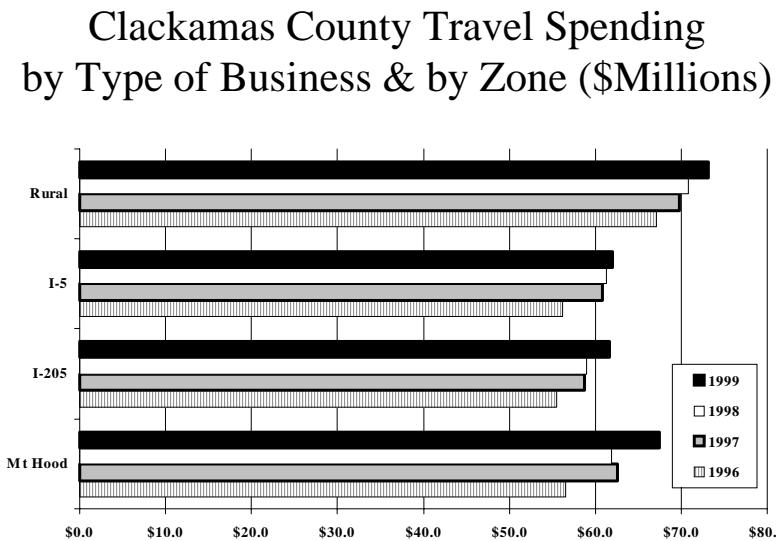
Source: BST Associates using data from Dean Runyan Associates

¹⁷ Data by type of expenditure was not available in the 1999 report.

However, there is quite a marked difference by type of expenditure. The rural zone has a very low percentage of lodging sales (2.4%), which are fairly evenly distributed across the other three zones. The Rural and Mt Hood zones dominate sales among eating and drinking establishments, food stores, recreation and retail sales. (See Table 11).

All areas gained sales in 1999 relative to 1998 but 1998 was relatively flat for most areas. (See Figure 9)

Figure 8 – Clackamas County Travel Spending by Type of Business & Zone



Chapter Five - Tourism Products

Clackamas County has three primary tourism products: recreation, cultural/heritage, and agricultural/industrial tourism. The following chapter is intended to summarize the factors that drive interest in these types of tourism products and to summarize suggestions on how to understand and improve the product. This chapter also evaluates the existing supply of lodging accommodations in Clackamas County within a regional and national context. In addition, this chapter explores the geographical diversity of Clackamas County.

Geographical Diversity of Clackamas County

Clackamas County is very diverse geographically, falling within three of the tourism regions defined by the Oregon Tourism Council (OTC). These include the Portland, Columbia Gorge/Mount Hood and Willamette River Valley regions, each of which provides a unique experience.

The Portland area, which includes the portion of Clackamas County bordered by I-5 and I-205, provides relatively easy access to all of the urban amenities, heritage/cultural, recreational and other products available in Portland and its suburbs. The northwestern portion of Clackamas County shares the region with the City of Portland, which is the heart of this region, and other suburban centers in Multnomah, Washington and Clackamas counties. From the visitor's perspective, there is little real distinction between the I-5 and I-205 corridors.

The Mount Hood region includes the variety of mountain and river recreational experiences available in Mount Hood and the Columbia River Gorge. Within eastern Clackamas County, Sandy and Mount Hood fall within the Mount Hood region.

The Willamette River Valley provides access to the rich and diverse agricultural products and beautiful scenery. The southern portion of Clackamas County (in the Canby and Molalla areas) shares this region with Marion County.

Table 11 – Clackamas County within OTC Tourism Regions

| Portland Region | Mount Hood Region | Willamette Valley Region |
|--|-------------------|--------------------------|
| I-5 Corridor (Lake Oswego, Tualatin , Wilsonville) | Mt. Hood, Sandy | Canby, Molalla |
| I-205 corridor (Clackamas, Gladstone, Oregon City) | | |
| Other (Estacada/Clackamas River Area) | | |

Source: Oregon Tourism Council, BST Associates

It is important to emphasize that Clackamas County presents unique and diverse experiences and cannot be marketed effectively as a monolith. Rather, the tourism product should be understood from the visitors' perspective in which coordinated regional products are the critical goal. The challenge is to better understand how Clackamas County tourism products fit within each region and the synergy by type of product.

Lodging Accommodations

This section evaluates the recent trends in the lodging industry and identifies the needs for both large and small lodging properties in Clackamas County.

U.S. Trends

Hotels within the central business districts of U.S. cities have consistently achieved the highest occupancy rates and highest average daily room rates¹⁸, among all lodging facilities. Airport hotels are the next best performer in terms of occupancy rates but are in the middle of the pack with respect to rates. Suburban hotels are the third best performer, followed by resorts and highway properties. Overall occupancy fell slightly nationwide in 1999 as new properties came on line.

Table 12 – U.S. Hotel Performance

| Area | Occupancy | | Average Daily Room Rate | |
|---------------------------|------------------|-------------|--------------------------------|-------------|
| | 1998 | 1999 | 1998 | 1999 |
| Airport | 72.9% | 71.3% | \$89.09 | \$90.87 |
| Central Business District | 75.6% | 75.0% | \$149.01 | \$158.17 |
| Resort | 67.9% | 66.5% | \$91.24 | \$96.84 |
| Suburban | 70.3% | 68.6% | \$85.04 | \$86.30 |
| Highway | 65.8% | 64.5% | \$70.87 | \$73.28 |
| All | 71.5% | 70.4% | \$110.81 | \$114.43 |

Source: The Hospitality Group of PKF Consulting

Occupancy levels also fell in the Pacific Region, Oregon and the Suburban Portland area but increased in Downtown Portland. Average rates increased in the Pacific Region and Oregon state as a whole but fell in the Portland area (both at Downtown and Suburban properties).

Table 13 – Regional Comparison of Hotel Performance

| Area | Occupancy | | Average Daily Room Rate | |
|---------------------------------|------------------|-------------|--------------------------------|-------------|
| | 1998 | 1999 | 1998 | 1999 |
| Downtown Portland | 69.4% | 70.7% | \$113.67 | \$111.31 |
| Suburban Portland ¹⁹ | 64.7% | 62.2% | \$79.56 | \$77.30 |
| Oregon | 57.6% | 56.9% | \$67.54 | \$68.14 |
| Pacific Region | 66.8% | 67.2% | \$91.44 | \$94.34 |

Sources: PKF Consulting, Smith Travel Research, as reported in POVA's Annual Research Updates

Average daily rates in Portland and its suburbs are much less than the national averages, making the overall area a relative travel bargain. In addition, the hotels in the suburbs of Portland offer substantial savings relative to downtown Portland hotels. These factors create marketing opportunities for the region and specifically for Clackamas County.

¹⁸ These two factors are good descriptors of financial performance.

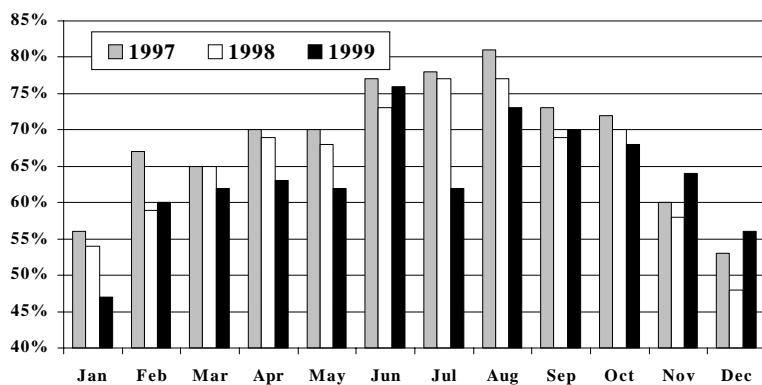
¹⁹ Suburban Portland includes Clackamas, Hillsboro, Tigard, Airport, Beaverton, Jantzen Beach and Lake Oswego.

Clackamas County Lodging Facilities

A slight downward trend occurred in suburban Portland²⁰ hotels in 1999. A large number of rooms came on line in Multnomah, Washington and Clackamas counties in 1998 and 1999. This additional supply dampened occupancy rates and drove down average room rates. These effects negatively impacted overall revenues and the transient room tax collections by the TDC. Experts estimate that it may take a few years to absorb the additional supply. (See Figures 9 and 10).

Figure 9 – Occupancy Rates in Suburban Hotels

Occupancy Rates in Suburban Portland Hotels



Clackamas County has approximately 3,318 rooms in four types of lodging accommodations. Hotels and motels account for slightly more than 75% of all rooms (76.9%) followed by RV Parks (nearly 20%), vacation rentals (2.3%) and bed & breakfasts (1.8%).

Table 14 – Clackamas County Lodging Facilities

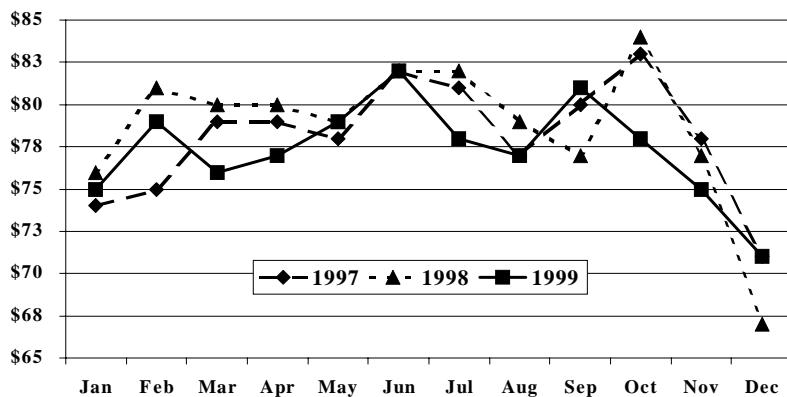
| Type | Number of Rooms | Percent |
|-------------------|-----------------|---------|
| Bed & Breakfasts | 60 | 1.8% |
| Hotels and Motels | 2,544 | 76.7% |
| RV Parks | 638 | 19.2% |
| Vacation Rentals | 76 | 2.3% |
| Total | 3,318 | 100.0% |

Source: Clackamas County TDC, compiled by BST Associates.

²⁰ Source: PKF Consulting as reported in POVA Annual Research Updates. Suburban Portland includes Clackamas, Hillsboro, Tigard, Airport, Beaverton, Jantzen Beach and Lake Oswego.

Figure 10 – Average Room Rates in Suburban Portland Hotels

Average Room Rates in Suburban Portland Hotels



Financial Performance

Clackamas County lodging operators generated \$36.9 million in gross revenues in 1998. Between 1991 and 1998, gross revenues grew at 7.9% per year between 1991 and 1998 (unadjusted for inflation). This was slightly higher than the growth that occurred statewide and in Marion and Hood River counties, but was slightly slower than the growth rates in Multnomah County and Washington County, which was the fastest growing county.

Table 15 – Comparative Assessment of Accommodation Revenues

| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
|--------------|-----------|-----------|------------|--------|------------|---------|
| 1991 | \$21.7 | \$127.8 | \$32.2 | \$15.4 | \$5.6 | \$557.0 |
| 1992 | \$25.3 | \$139.1 | \$35.4 | \$17.8 | \$6.6 | \$602.0 |
| 1993 | \$28.9 | \$146.4 | \$38.2 | \$19.1 | \$7.3 | \$639.0 |
| 1994 | \$29.6 | \$161.0 | \$41.8 | \$20.3 | \$7.6 | \$685.0 |
| 1995 | \$32.0 | \$183.1 | \$49.2 | \$22.0 | \$7.7 | \$741.0 |
| 1996 | \$33.4 | \$203.4 | \$55.5 | \$23.2 | \$7.8 | \$793.0 |
| 1997 | \$36.8 | \$220.5 | \$59.1 | \$24.0 | \$8.1 | \$840.0 |
| 1998 | \$36.9 | \$231.1 | \$59.3 | \$25.3 | \$9.0 | \$876.0 |
| CAGR (91-98) | 7.9% | 8.8% | 9.1% | 7.3% | 7.0% | 6.7% |

Source: Dean Runyan Associates

Needs Assessment for Larger Lodging Property

An important part of this Master Plan Update was to survey and interview key participants in the Clackamas County tourism industry. This section summarizes the needs expressed by owners and operators of larger lodging properties.

Most of the hotel/motel rooms in Clackamas County are in larger properties. Approximately 64% of the hotel rooms are found in twelve properties, each of which has 99 or more rooms. These larger properties are primarily oriented toward business travel, which accounts for 70% to 80% of overall revenues.

These properties have substantial synergy with other large Portland area hotels. As larger conventions and meetings are booked in Portland, the rooms in suburban hotels tend to fill up. In addition, business travelers to the Portland region frequently extend their vacations to include some leisure time, and often book space in Clackamas County accommodations or take day trips to visit attractions and events in Clackamas County.

Coordination with POVA in booking larger conventions and meetings is very important to these business-oriented hotels. Convention business opportunities should increase substantially after the expansion of the Portland Convention Center is completed, because the center will be able to accommodate larger conventions.

Lodging operators had the following comments on the importance of and performance of the TDC:

- ◆ “The lodging industry recognizes that tourism enhances lodging occupancies & would like to see tourism events scheduled in the off-season (fall & winter) as well as in the summer months.”
- ◆ “Extremely interested in programs to promote tourism to the area! Although our primary business source is the corporate business traveler, we are constantly looking for leisure & transient events to ‘fill in’, especially on weekdays.”

They believe that the TDC could focus more on promotion programs and less on brick and mortar projects. They also stated that existing TDC programs have not adequately targeted the meeting market, which is very important to their success.

Hoteliers want to see the TDC evaluate its efforts based upon reasonable but quantifiable performance objectives. POVA, which quantifies the number of convention room nights that are generated by its marketing efforts, was used as an example. As hoteliers put it:

- ◆ “I have not seen an increase in referrals generated by Clackamas County TDC. Events could be scheduled during the winter months to increase tourism. Examples: Ice skating tournaments, anything promoting indoor athletics.”
- ◆ “The TDC should evaluate outside visitor data per marketing dollar spent.”

There appear to be several areas that the TDC could consider as a part of the Master Plan Update:

- ◆ First, establish a better relationship with POVA to help attract larger conventions and meetings and create a better opportunity for Clackamas County hotels to participate in this trade.
- ◆ Second, there is a market niche for smaller (150 to 200 room nights) and price sensitive conventions/meetings that POVA is not interested in or is unable to promote. For example,

government officials (at federal, state and local levels) want to be located in close proximity to Portland but cannot afford the high rates at Portland hotels. These conventions could be accommodated at Clackamas County lodging properties.

- ◆ Third, there is strong business in meeting the needs of the local businesses and organizations (war veterans, weddings, fraternal organizations, graduations, reunions etc.). TDC could assist by further coordination and promotion of this market niche.
- ◆ Finally, the TDC could assist in attracting more motorcoach and group tour business to fill in weak spots in the week (Monday through Wednesday) and during the shoulder seasons (late fall through early spring).

Needs Assessment for Smaller Lodging Property

The smaller hotel/motel and other lodging facilities are mainly oriented toward the pleasure traveler. They also want performance objectives. As one B&B operator stated:

- ◆ "I would like to know statistics from advertising in TDC magazine. How much business has been gained from these ads."

Others mentioned:

- ◆ "Need coordination between tourism oriented organizations and businesses. Referrals would be a great boost to business."
- ◆ "Aside from establishing a few casinos, which are presently attracting the nation's "recreational" dollars, perhaps inundating the media w/information/education about the area's truly unique attractions - natural, historic, cultural - emphasizing the diversity among them, specific values, etc. Perhaps a special package could be aimed at educators; perhaps at other target groups (senior citizens, e.g.). We can show them a great time when they get here ... with a little advance co-op planning, that is!"
- ◆ "Pushing Mt. Hood is working but beyond Mt. Hood, little is really known. Clackamas County has such a diverse area and much more to offer. Canby is making a difference with the fair grounds and summer events. Each community could follow their example and create something unique to their area. Where is the County in this picture?"

There appear to be several areas that the TDC could assist with:

- ◆ First, assist in coordination of the delivery of the tourism products by helping each community understand its potential and how it fits into the countywide and regional picture.
- ◆ Second, organize promotional efforts, and make sure that businesses are aware of each other. This could also lead to assistance in developing business referral programs.
- ◆ Third, assist in effective marketing and promotion.

Recreation

U.S. Trends

As discussed previously, outdoor recreation activities are becoming increasingly important to U.S. travelers and are particularly important in Oregon and Clackamas County.

One-half of U.S. adults, or 98 million people, have taken an adventure trip in the past five years. This includes 31 million adults who engaged in hard adventure activities like whitewater rafting,

scuba diving and mountain biking. Adventure travelers are more likely to be young, single and employed compared to all U.S. adults.

Camping is the number one outdoor vacation activity in America. One-third of U.S. adults say they have gone on a camping vacation in the past five years and only 6% of people who have gone camping said it was unsatisfactory. Camping vacationers tend to be married with children at home. The average age of travelers who go camping is 37 and the median household income is \$43,000. People who go camping also tend to enjoy hiking, biking, canoeing.

Biking vacations attracted more than 27 million travelers in the past five years and they rank as the third most popular outdoor vacation activity in America, (following camping and hiking). People who take biking trips tend to be young and affluent. About half are between the ages of 18 and 34 and one-fourth are from households with an annual income of \$75,000 or more. More than 80% of biking travelers also took a camping trip in the past five years and 72% took hiking trips in the past five years.

Golf and Tennis are popular travel activities in the U.S. One in eight U.S. travelers (12%) played golf while on a trip of 100 miles or more²¹ away from home in the past year. This translates to 17.3 million U.S. adults. Six million U.S. adults (4% of past year travelers) played tennis while on a trip of 100 miles or more, one-way, away from home in the past year. Over one-half of golfing travelers (55%) said that on their most recent golf trip, golfing was not a primary or secondary reason, but rather just an activity on the trip.

National Parks are one of American's biggest attractions. Nearly 30 million U.S. adults (20% of travelers or 15% of all U.S. adults) took a trip of 100 miles or more, one-way, to visit a national park during the past year. A large share of these travelers (70%) participated in outdoor activities while visiting the national parks. Among these outdoor activities, hiking (53%) was the most popular, followed by camping (33%) and fishing (19%).

According to the National Ski Areas Association (NSAA), there were 521 ski areas operating in the U.S. in 1997/98, with 54.1 million skier and snowboarding visits. The Baby Boom generation (ages 34 to 53) will ski less over time but their children (the so-called Echo Boomers) are approaching their peak ski years.

Clackamas County Products

Clackamas County offers a wide variety of diverse recreational opportunities.

- ◆ Winter sports include alpine and cross country skiing, snowshoeing, a variety of activities at Sno-Parks and snow-mobiling. Mount Hood also has year around skiing at selected lifts.
- ◆ Summer sports on Mount Hood and the surrounding areas include camping, hiking, fishing, boating, kayaking and a variety of other activities. In addition, there are numerous parks, golf courses, ball fields and stables, among other facilities.
- ◆ There are also several indoor facilities such as the North Clackamas Aquatic Center, which attracts approximately 100,000 visitors each year.

Outdoor recreation at Mount Hood is a magnet attraction for visitors staying overnight as well as for day travelers. Business travelers frequently extend their trips to Portland and Clackamas

²¹ This is a one-way distance.

County in order to enjoy the magnificent recreational scenery and activities available in Clackamas County. Some of the recreational events in Clackamas County are listed in the following table.

Table 16 – Selected Recreation Events

| Area/Locale | Event Description |
|---|---|
| Clackamas River | Bob's Hole White Water Rodeo |
| Estacada | Upper Clackamas River Whitewater Festival |
| Lakewood Center for the Arts | Lake Run 12K Race |
| The Resort at the Mountain | International Croquet Invitational |
| Timberline Lodge | Pepsi Golden Rose Ski Classic |
| Mt. Hood | 11th Annual Int'l Speed Blast Training & Race |
| Mt. Hood | Goat Mountain Gallop 1/2 Marathon |
| Mt. Hood | Scotty Graham Memorial Extreme Ski Comp |
| Mt. Hood | Ski Mother Earth Vertical Challenge |
| Mt. Hood | 11th Annual Ski For Sunshine Benefit |
| Mt. Hood | Big Air Snowboard Contest |
| Mt. Hood | NORAM Cup Ski Race |
| Timberline | Winter Games of Oregon |
| Timberline Lodge & The Resort at the Mountain | Ski & Tee Open |

Source: Clackamas County TDC

Financial Performance

Clackamas County operators of recreation facilities (which charge fees for indoor and outdoor activities, equipment rental and expenditures at other amusement facilities) generated \$27.7 million in gross revenues in 1998, growing at 5.9% per year between 1991 and 1998 (unadjusted for inflation). This was slightly higher than the growth that occurred in Hood River County, but was lower than the growth in all other comparative areas. Statewide growth was stronger than in any of the neighboring counties, suggesting very strong growth in the coast and Central Oregon.

Table 17 – Comparative Assessment of Recreation Revenues by County

| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
|--------------|------------------|------------------|-------------------|---------------|-------------------|---------------|
| 1991 | \$18.6 | \$48.7 | \$15.3 | \$15.8 | \$6.2 | \$372.0 |
| 1992 | \$20.2 | \$52.3 | \$16.6 | \$17.6 | \$7.0 | \$396.0 |
| 1993 | \$21.7 | \$54.9 | \$17.7 | \$18.8 | \$7.5 | \$417.0 |
| 1994 | \$22.6 | \$59.1 | \$19.0 | \$19.7 | \$7.8 | \$440.0 |
| 1995 | \$24.0 | \$65.3 | \$21.2 | \$21.1 | \$8.0 | \$493.0 |
| 1996 | \$25.5 | \$71.1 | \$23.2 | \$22.1 | \$8.1 | \$561.0 |
| 1997 | \$27.0 | \$76.1 | \$24.5 | \$22.9 | \$8.5 | \$612.0 |
| 1998 | \$27.7 | \$79.3 | \$25.0 | \$23.9 | \$9.1 | \$668.0 |
| CAGR (91-98) | 5.9% | 7.2% | 7.3% | 6.1% | 5.6% | 8.7% |

Source: Dean Runyan Associates

Needs Assessment for Recreation Tourism

Mountain-related recreational resources (skiing, hiking, camping etc.) have been well developed over the last sixty years by a public-private partnership, which includes the U.S. Forest Service, U.S. Bureau of Land Management, other federal, state and local agencies and private firms. In general, it appears that the recreational product is fairly well organized and functions effectively. However, there are some specific needs:

- ◆ It is important that an adequate supply of quality recreational sites are available to meet the needs of local citizens and visitors. Some areas may be experiencing too much activity or may be experiencing incompatible use (e.g., areas where cross-country skiers and snow-mobilers coexist in too close proximity). Other opportunities and locations need to be further developed. The Bureau of Land Management and U.S. Forest Service are currently planning future facility needs with interested businesses and stakeholders.
- ◆ The weather on the mountain is relatively capricious. This creates problems for families when weather turns bad, because there is a limited availability of indoor recreational activities. One stakeholder suggested the creation of “100 things to do when it rains” to inform visitors of the choices. Some entrepreneurs are attempting to create additional niche markets (including indoor opportunities).
- ◆ Recreational users and firms have both suggested that improved transportation to the mountain is a critical component of further developing the resource. As one stakeholder put it: “we need Public Transportation to & from Mount Hood. Buses or a train that stops regularly at all downhill & cross-country Sno-parks. Heavy traffic causing several hours to return from the mountain to Sandy is our most heard customer complaint.”

Other recreational products (fishing and water-related activities) need additional assistance because of declining budgets for fisheries and the under-developed state of water connections within and between counties. Participants interested in the recreational area stated:

- ◆ “Clackamas County has a rich history of fishing for salmon and steelhead. I believe the TDC should be involved with the Oregon Fish & Wildlife Department in helping to increase fish populations. The ODFW currently has budget problems. Most projects to increase angling opportunity are privately funded. Clackamas County should help.” This suggestion was also made by federal agency personnel that run these and other (recreation-related) programs.
- ◆ In addition, there is growing interest in developing better utilization of the network of rivers that connect population centers in Clackamas County. Another stakeholder stated: “I would love to work with the TDC on water related activities and providing docks, riverside restaurants, and other like facilities and events.”
- ◆ In addition, marketing is a central concern for recreational stakeholders: “Without an awareness campaign to an area’s backyard (the Portland Metro area), the response is limited. As a secondary area to Portland what is the goal for programs in place? Capturing visitors for side trips from main destination focus should be the goal.”

In addition to these suggestions, there may be additional market niches that are not currently being filled. An example may be the further development of riding stables to serve domestic and international visitors. In particular, German and Japanese visitors place a high priority on this type of recreation. It could be tied in with cultural events such as the Molalla Buckaroo, which offers high quality bull and horseback riding, among other western events.

Coordinated marketing is also critical in further developing the recreational product. This includes coordinated event planning so that:

- ◆ golf tournaments that seek the same audience are not scheduled on the same weekend, and,
- ◆ coordinated marketing should be organized with relevant organizations and local citizens in neighboring counties (Hood River, Washington, Multnomah, Marion et al.). As one participant stated: “As a resident in Portland I should be a target of TDC awareness. To this date, I am unaware of why I should go to, or recommend why someone else should go to, Clackamas County. Everyone surrounding Clackamas County should be targeted by TDC for this type of call to action.”

Cultural & Heritage Facilities and Events

U.S. Trends

Cultural and Historic Tourism is one of the more popular sectors of the travel industry. A recent TIA survey found that 53.6 million adults said they visited a museum or historical site in the past year and 33 million U.S. adults attended a cultural event such as a theater, arts, or music festival. Cultural and historic travelers tend to spend more, stay in hotels more often, visit more destinations and are twice as likely to travel for entertainment purposes than other travelers.

Festivals are a popular way for travelers to experience new and interesting cultures. One-fifth of U.S. adults (21%) attended a festival while on a trip away from home in the past year. This translates to 31.0 million U.S. adults. One third of festival travelers (33%) attended an arts or music festival in the past year, making it the most popular type of festival to attend while traveling. Twenty-two percent of festival travelers attended an ethnic, folk or heritage festival. This was followed by county or state fairs (20%), parades (19%), food festivals (12%) and religious festivals (11%). Thirty percent of festival travelers attended a type of festival other than the six previously mentioned.

Clackamas County Heritage Products

Heritage tourism is growing in Clackamas County, particularly building upon the strong historical roots surrounding the Oregon Trail. Clackamas County features 65 buildings and sites listed on the National Historical Register and 28 active historical agencies dedicated to preserving the county's rich heritage. Some of these facilities include: End of the Oregon Trail, Timberline Lodge, McLoughlin House, Canby Depot Museum, Barlow House, Oregon Military Museum, Oregon Electric Railway Historical Society, County Historical Museum, among many others. Historical events include:

Table 18 – Selected Heritage Events

| “Area/Locale | Event Description |
|---|---|
| Champoeg State Heritage Area | Founders Day |
| McLoughlin House | McLoughlin House Fathers Day Open House |
| the End of the Oregon Trail Interpretive Center | Pioneer Living & Trail Tales |
| Canby | General Canby Day |
| Estacada | Civil War Battles & Encampment |

Source: Clackamas County TDC

Needs Assessment for Heritage Tourism

There are significant limitations on the existing structure and delivery of the heritage product. Fragmentation is clearly visible within the heritage community, and financial resources are limited. As participants put it:

- ◆ “I strongly support TDC's grant program. I'm not sure the TDC has explained its priority grant categories so that applicants understand them clearly, although there are certainly a lot of applications, and some really successful programs/projects!”
- ◆ “Many smaller organizations exist which might thrive in a larger network, but no such network exists. Most organizations face significant funding limitations and operate extensively on volunteer resources. The ‘heritage product’ is scattered geographically throughout the County.”
- ◆ “For Oregon City, the TDC seems to be working great but for the smaller museums and areas around Clackamas County you don't see much activity. We are listed in TDC publications and that is great, but Clackamas County has 22 historic entities and the bulk of the grants issued go to Oregon City because they ‘Bring in the most tourism’”.
- ◆ “Nothing is done to protect the community and its history in Barlow/Canby area.”
- ◆ “The Pastports are working very well. Maybe something similar to this could be developed during the Holiday Season to ‘show off’ some of our historical homes in their holiday display. Better coordination between the historical homes would need to be improved.”
- ◆ “We are particularly interested in any programs which apply to heritage tourism/historical sites. As we reinvigorate our society & museum, we are interested in any guidance and support available to our museum and also participating in a coalition of other museums/sites in the County.”

A marketing plan that includes heritage resources could be developed to assess the existing condition, capital and operational requirements, and the relative tourism value of each of the products and how they inter-relate. This could be accomplished by the leaders of the heritage sector in conjunction with the TDC. A heritage plan could be developed that recognizes:

- ◆ There is a great diversity among heritage properties. Some facilities are capable of handling large volumes of traffic, while others are not. Some have limited parking, no access for buses, and limited space inside the exhibit while others can serve a larger audience.
- ◆ Financial resources are limited and may not be sufficient to save every historic building or to bring visitors to every site. The future success of heritage tourism in Clackamas County may be more assured, if a set of core projects are taken to a successful level first. The grant program is very important to heritage stakeholders but it is limited and needs to be wisely spent. A system of prioritizing expenditures for heritage products needs to be developed by representatives of this sector in conjunction with the TDC and community leaders.
- ◆ Within communities, there is also a need to provide better public transportation connecting the tourist resources. The trolleys and train in Oregon City and Lake Oswego offer an opportunity to easily transport visitors (and local citizens) between parking areas and shops, restaurants and heritage/cultural facilities.
- ◆ Finally, these facilities need a coordinated marketing and promotional strategy. New approaches to marketing the smaller facilities (with limited parking and access) may include a narrated tour, serving both organized motor coach tours as well as private driving tours.

Clackamas County Cultural Tourism Products & Events

Clackamas County has a wide variety of cultural tourism product venues and events. An active arts group exists in the county, including: Clackamas County Arts Council, Gladstone Arts Guild, Lake Oswego Arts Commission, Arts Action Alliance, Lake Oswego Festival of the Arts, North Clackamas Fine Art Guild, Tualatin Library Arts Advisory Committee, West Linn Arts Commission, and the Wilsonville Arts Council, among others. Clackamas County has numerous cultural events including those listed in the following table.

Table 19 – Selected Cultural Events

| Area/Locale | Event Description |
|--|--------------------------------------|
| Buckeroo Arena | Molalla Buckeroo/PRCA Rodeo |
| Lakewood Center and George Rogers Park | Lake Oswego Festival of the Arts |
| Molalla Adult Community Center | Spring Fling Festival of Arts |
| The Resort at the Mountain | Mountain Classics Concert |
| The Resort at the Mountain | Wickets & Wine |
| Clackamas County Fairgrounds | Clackamas County Fair Kick Off Dance |
| Clackamas County Fairgrounds | Spring Craft Bazaar |
| Molalla | Buckin with the Stars |

Source: Clackamas County TDC

Needs Assessment for Cultural Tourism

Participants from cultural organizations & events programs had the following comments:

- ◆ “Tourism plays a large role in our annual Festival of the Arts. We partner with the media, city and county to project our event (Festival of the Arts) to a tri-state area. More than 20,000 people attend.”
- ◆ ”The process for application for grants could be streamlined. This is especially true for organizations, events, and special attractions, which are stars in the crown for the county. Many of these entities do an immense amount of work to stage a hospitable impression for our many visitors. We should embrace those doing good work.”
- ◆ “Look to awarding grants to more established organizations on a 2 year process. One year has an extensive review and the next has a routine data capture necessary for statistical info. Reporting is essential but it shouldn't be as time consuming as it is.”
- ◆ “Smaller communities that have festivals and local events draw many people to the county. We need to work together to capitalize on this better. Better communications need to be established.”
- ◆ “Mount Hood is the only real tourist destination we have. Oregon City our 2nd attraction is not very pro-tourism. Hotel action on I-5, 205 is mostly Portland run-off or highway pullover traffic. Need to promote in Portland, Vancouver, coast & Central Or. Promote & expand festivals & events. Amtrak depot & Trimet in OC will help; must change old attitudes, outlooks, become more open-minded, less political, less sensitive”
- ◆ “Tourism activities support our community functions such as the Crawfish Festival, Tualatin Commons, Art Splash, National Historic Week activities.”

Cultural resources should also be included in the product assessment by members of cultural organizations and events programmers in conjunction with TDC. This plan could consider the following items:

- ◆ Research conducted by Bardsley & Neidhart reveals that some cultural events primarily serve the local sponsoring community, have a high percentage of repeat visitors, and provide little economic impact outside of the event venue. Proponents of these events dispute these conclusions. The planning process could develop performance standards that require an agreed upon percentage of non-Clackamas County (preferably overnight visitors) for the event to be eligible for funding.
- ◆ The grant process is also very important to cultural organizations and events promoters. An overhaul of the grants process could be considered. Specifically, the marketing components of events should be pulled from the development grant process. A budget could be established to meet the marketing needs of eligible events. Other proposed changes to the grant process are considered below.
- ◆ Better coordination and promotion of events and cultural organizations could be undertaken. Specifically, a promotion strategy could be considered that cost effectively maximizes the exposure to the Portland Metro population base via TV, radio and newspaper advertising. In addition, events could be well promoted to hotel concierges and others involved in providing suggestions to guests. The Chambers can provide invaluable assistance in coordinating promotion with support from the TDC.
- ◆ The TDC could recognize that Clackamas County has a very large number of artists, artisans and craftspeople. Efforts could be taken to develop a tour of artists studios and galleries and promote the tour to visitors.

Agri-Tourism

U.S. Trends

Garden Tours are popular with many travelers. Nearly 40 million Americans, or one-fifth of U.S. residents (20%) went on a garden tour, visited a botanical garden, attended a gardening show or festival, or participated in some other garden-related activity in the past five years. This translates to 39.3 million U.S. adults. Ten million U.S. adults (5% of U.S. adults, 7% of past year travelers) participated in a garden-related activity in the past year. Nearly three-fourths of garden travelers (71%) visited a botanical garden in the past five years, making it the most popular garden activity. Thirty-six percent of garden travelers attended a gardening show or festival and 29 percent went on some type of garden tour. Another 16 percent participated in some other type of garden-related activity or tour.

Clackamas County Trends

Clackamas County has a significant and growing agri-tourism base that is primarily (but not exclusively) located in the Willamette River Valley. It includes nursery products, show flowers (dahlias et al), vineyards/wineries, local farm produce and other products (pumpkins), among other products. Some of the agri-tourism events include:

Table 20 – Selected Agri-Tourism Events

| Area/Locale | Event Description |
|------------------------------|--------------------------------------|
| Barn Owl Nursery | Herb Festival |
| Charbonneau Country Club | Taste of the Vine 1999 |
| Canby | Canby Growers' Market |
| Canby | Master Gardeners Spring Garden Fair |
| Clackamas County Fairgrounds | Master Gardener's Spring Garden Show |

Source: Clackamas County TDC

The completion of the Oregon Gardens in June 2001 in Marion County will help create a draw to the Willamette River Valley and a strategy to make visitors aware of the opportunities in Clackamas County during their visit is required.

Needs Assessment

Participants from this sector mentioned the following items as important:

- ◆ “We are a retail operation and open to all types of peoples. We get local people at our farm as well as people from all over the world. We have had Russians, Japanese, Germans Australians and people from many other countries as well as from the 50 states. They love our place and come back as well as tell their friends & family.”
- ◆ “I think ads in magazines such as Sunset work well. The internet is also a big help also.”
- ◆ “The county needs to realize that people who want to develop their places need cooperation from all the county departments. Many times it's difficult to get a straight answer from them on how to go about certain developments.”
- ◆ “I was unaware of the marketing support for festivals. Currently many other organizations (i.e. Boyscouts, Women for Agriculture, Fire Dept., etc.) join our festival to either get information out or as a fundraiser. It would be nice to get more information out about what actually goes on at our festival.”
- ◆ “Need more incentive tourism in off seasons. Suggest Fall promotion - October, November – ‘Come see Fall colors.’ Spring promotion as well - April & May. Don't place so much emphasis on 4th of July and summer as business booms during that time.”

Agri-tourism should also be included in the product assessment, with input from members of the agri-tourism industry in conjunction with TDC. This could consider the following items:

- ◆ Agri-tourism is an important emerging industry for Oregon and especially for the Willamette River Valley. The TDC could help organize the members of the Clackamas County agri-tourism industry and help arrange their participation in the larger regional and statewide efforts being undertaken to promote this tourism sector.
- ◆ The TDC could help identify niche markets that do not exist at the present time. Once identified, the TDC could help develop a business plan to enable expansion of existing businesses or development of new businesses to meet the emergent need.
- ◆ The TDC could identify the unique synergies between different types of tourism products and evaluate strategies to promote a joint tour/event (e.g., an example could be crafts in conjunction with flowers).

- ◆ As mentioned above, the opening of Oregon Gardens will create a large flow of traffic into Marion County. Efforts could be undertaken to organize loop tours that take visitors into Canby, Molalla and other centers of the agri-tourism industry.
- ◆ Some agri-industry firms are located in relatively isolated areas in relationship to the Willamette River Valley. The TDC could help to familiarize firms about the range of products available in Clackamas County and assist in coordinated sales efforts.
- ◆ Advertising is very important to agri-tourism. A coordinated strategy to promote agri-tourism could be undertaken using all relevant forms of media and the website. As mentioned by one stakeholder, ads in Sunset magazine and information on the website have been particularly useful. The TDC could help further develop the promotional efforts.
- ◆ Marketing support for agri-tourism festivals could also be undertaken, with the same qualifications as discussed under cultural tourism (e.g., with higher priority for those events and festivals that draw in overnight visitors).
- ◆ Some members of the agri-tourism industry face difficulties when obtaining permits from the County. The TDC could serve as an advocate for the industry by bringing together various relevant departments to discuss issues related to development, define the problems that exist and identify what may be done to ameliorate them.

Retail & Restaurants

U.S. Trends

Dining, Shopping, Museums and Tours are the top activities for travelers. Over one-half of U.S. adult travelers (53%) planned activities after they arrived at their destination while on a trip of 100 miles or more, one-way, in the past year. This equates to 74.3 million U.S. adults. Dining out in restaurants was popular with more than 67 million travelers (48%) in 1998 and was the most popular activity planned after arrival at a destination. Going to a shopping area was the second most popular spontaneously planned activity (45%), followed by visiting a museum (26%). Other activities planned after arrival include: sightseeing tour (24%), movie (16%), theme park (15%), religious service (14%), live theatre or live performance (14%) and festival or parade (13%). One-quarter of past year travelers (24%) went to some other type of attraction, which they planned after arrival at their destination.

Clackamas County Trends

Retail activities in Clackamas County include retail shopping at major malls (Clackamas Town Center) and specialty shops as well as at eating and drinking establishments and food stores. Across all categories, Clackamas County had sales of \$167 million in 1998, including \$86 million in sales at retail stores, \$61.1 million in eating and drinking establishments and \$19.9 million at food stores. Overall, retail sales grew at 6.0% per year between 1991 and 1998. This was faster than the growth rates occurring statewide and at Marion and Hood River but slower than the growth rates in Multnomah and Washington counties.

Table 21 – Comparative Assessment of Recreation Revenues

| Retail Sales | | | | | | |
|---|------------------|------------------|-------------------|---------------|-------------------|---------------|
| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
| 1991 | \$57.5 | \$91.0 | \$29.4 | \$21.9 | \$8.8 | \$579.0 |
| 1992 | \$62.7 | \$97.7 | \$31.9 | \$23.6 | \$9.6 | \$617.0 |
| 1993 | \$67.4 | \$102.5 | \$34.2 | \$24.9 | \$10.2 | \$649.0 |
| 1994 | \$70.1 | \$110.5 | \$36.7 | \$26.0 | \$10.6 | \$683.0 |
| 1995 | \$74.6 | \$122.2 | \$41.2 | \$27.3 | \$10.9 | \$722.0 |
| 1996 | \$78.9 | \$133.4 | \$45.2 | \$28.6 | \$11.1 | \$763.0 |
| 1997 | \$83.8 | \$142.8 | \$47.8 | \$29.6 | \$11.5 | \$807.0 |
| 1998 | \$86.0 | \$148.8 | \$48.7 | \$30.7 | \$12.2 | \$836.0 |
| CAGR (91-98) | 5.9% | 7.3% | 7.5% | 4.9% | 4.8% | 5.4% |
| Eating & Drinking Establishments | | | | | | |
| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
| 1991 | \$40.0 | \$129.3 | \$41.9 | \$29.6 | \$11.0 | \$759.0 |
| 1992 | \$44.0 | \$139.1 | \$45.5 | \$32.6 | \$12.3 | \$810.0 |
| 1993 | \$47.8 | \$145.9 | \$48.7 | \$34.7 | \$13.2 | \$854.0 |
| 1994 | \$49.6 | \$157.5 | \$52.4 | \$36.4 | \$13.7 | \$903.0 |
| 1995 | \$52.9 | \$174.6 | \$58.7 | \$38.7 | \$14.0 | \$963.0 |
| 1996 | \$55.8 | \$189.6 | \$64.1 | \$40.4 | \$14.2 | \$1,004.0 |
| 1997 | \$59.6 | \$204.7 | \$68.3 | \$42.2 | \$14.9 | \$1,071.0 |
| 1998 | \$61.1 | \$215.1 | \$70.1 | \$44.3 | \$16.0 | \$1,128.0 |
| CAGR (91-98) | 6.2% | 7.5% | 7.6% | 5.9% | 5.5% | 5.8% |
| Food Stores | | | | | | |
| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
| 1991 | \$13.5 | \$23.0 | \$6.9 | \$11.9 | \$4.5 | \$281.0 |
| 1992 | \$14.5 | \$24.7 | \$7.4 | \$12.9 | \$5.0 | \$297.0 |
| 1993 | \$15.4 | \$25.9 | \$7.9 | \$13.7 | \$5.3 | \$311.0 |
| 1994 | \$16.1 | \$27.8 | \$8.5 | \$14.3 | \$5.5 | \$326.0 |
| 1995 | \$17.2 | \$30.6 | \$9.5 | \$15.1 | \$5.6 | \$344.0 |
| 1996 | \$18.3 | \$33.3 | \$10.3 | \$15.8 | \$5.7 | \$368.0 |
| 1997 | \$19.3 | \$35.6 | \$10.9 | \$16.4 | \$6.0 | \$389.0 |
| 1998 | \$19.9 | \$37.0 | \$11.1 | \$17.0 | \$6.3 | \$405.0 |
| CAGR (91-98) | 5.7% | 7.0% | 7.0% | 5.2% | 4.9% | 5.4% |
| Retail (combined) | | | | | | |
| Year | Clackamas | Multnomah | Washington | Marion | Hood River | Oregon |
| 1991 | \$111.0 | \$243.3 | \$78.2 | \$63.4 | \$24.3 | \$1,619.0 |
| 1992 | \$121.2 | \$261.5 | \$84.8 | \$69.1 | \$26.9 | \$1,724.0 |
| 1993 | \$130.6 | \$274.3 | \$90.8 | \$73.3 | \$28.7 | \$1,814.0 |
| 1994 | \$135.8 | \$295.8 | \$97.6 | \$76.7 | \$29.8 | \$1,912.0 |
| 1995 | \$144.7 | \$327.4 | \$109.4 | \$81.1 | \$30.5 | \$2,029.0 |
| 1996 | \$153.0 | \$356.3 | \$119.6 | \$84.8 | \$31.0 | \$2,135.0 |
| 1997 | \$162.7 | \$383.1 | \$127.0 | \$88.2 | \$32.4 | \$2,267.0 |
| 1998 | \$167.0 | \$400.9 | \$129.9 | \$92.0 | \$34.5 | \$2,369.0 |
| CAGR (91-98) | 6.0% | 7.4% | 7.5% | 5.5% | 5.1% | 5.6% |

Source: Dean Runyan Associates

Needs Assessment for Retail & Restaurants

Countywide, participants from the retail sector are primarily oriented toward the local market and only secondarily to visitors. However, there is a higher percentage of tourist sales as a percentage of total sales, as one nears Mount Hood. There is a potential need for improved promotion and advertising for the retail sector. Development of passports could be attractive to selected firms.

Strengths and Weaknesses of the Clackamas County Tourism Industry

The following section summarizes the key strengths and weaknesses of Clackamas County tourism products.

Strengths

Transportation

Interstate highways (I-5 and I-205) serve communities in Northwest Clackamas County well. The Mt. Hood area is served by U.S. 26. A good county road system connects the remaining communities. Within the County, the road system allows for development of "loop tours" connecting smaller towns and their attractions. The major transit hub at Clackamas Town Center is a favorable feature for visitors interested in shopping.

Promotion and support of existing facilities

Most visitor attractions and facilities have full-time or volunteer marketing staff support. Clackamas County also has countywide publications, participates in the Oregon Tourism Alliance, Oregon Trail Marketing Coalition, POVA, National Tour Association, and American Bus Association, and funds marketing projects from transient room tax revenues.

Traditional fairs, events and festivals

Most communities within the county have fairs, events and festivals of long and successful standing. Several attract regional interest and continue to increase each year.

Excellent location

The county enjoys a diversity of visitor experiences, both urban and rural.

Diversity of natural resources

Clackamas County's natural resource inventory includes mountains, wilderness, rivers, forests and agriculture, each with a corresponding opportunity for tourism development.

Numerous historic attractions

Clackamas County has a distinct advantage with attractions tied to the history of the Oregon Trail.

Strong community involvement

Local activities and facilities have strong support from area residents. For the most part, tourism, as an industry, is supported because it contributes to the area's economic diversification.

Weaknesses

While many of Clackamas County's tourism industry weaknesses are not unique, they generally need to be addressed if development is to be successful. While not listed, limited financial resources to correct industry weaknesses, particularly at the local level, is a significant barrier to development of tourism in Clackamas County.

Transportation

Once outside the immediate metro area, access to Clackamas County from I-84 is limited. Visitors to east Clackamas County have few options for travel to Hwy. 26, making it necessary to travel a relatively long distance on county secondary roads or backtrack from the I-205 corridor.

Limited public transportation

The majority of scheduled transit service is targeted toward residents and business commuters into downtown Portland, rather than visitors interested in travel to outlying communities.

Lack of convention/ meeting facilities

Clackamas County does not have a facility large enough to house major conventions. Ten of the 33 Clackamas County hotel/ motel properties have the capacity to service small group meetings and motorcoach tours. Only the Holiday Inn Crown Plaza, Monarch Motor Hotel, Resort at the Mountain, and Timberline Lodge have the capacity to compete for the meetings and convention business conducted in the area.

Lack of public infrastructure

Examples include inadequacy of: signage (number, content, appropriate location, uniformity), local community upkeep (buildings, roadside landscaping), visitor information at welcome centers during peak travel times such as Saturdays and Sundays, countywide visitor information prominently displayed at welcome centers, number and location of restrooms, auto and motorcoach parking at visitor attractions, worker affordable housing in non-urban communities.

Inconsistent training of hospitality industry employees

Training of hospitality industry service personnel is "uneven" and typically directly related to the size of the facility and the market being addressed. Clackamas County resort properties and upscale restaurants tend to have excellent service standards and consistency of performance. Motels and other facilities serving the transient market are less consistent. A major problem is lack of awareness by staff of activities, attractions and special events available in Clackamas County.

Low development of natural resources for visitor use

Other than Mt. Hood, Clackamas County's natural resources are relatively undeveloped for visitor uses that generate economic returns to the county. Use of the county's wilderness areas, rivers and scenic sights needs to be linked to visitor services and support businesses. The lucrative overnight market is not being adequately reached both from a lack of destination attractions and targeted marketing communications.

Chapter Six - Information & Advertising

Travel information for initial planning of trips as well as refinements while on the trip are critical to visitors. The following chapter addresses the sources of information typically utilized by visitors, including websites, visitor information centers (VICs), travel guides, advertising and like materials.

Sources of Travel Information

U.S. Trends

Travel Information comes from a variety of sources, but friends and relatives are the number one source for information nationally about places to visit or about flights, hotels or rental cars (43%). Travel agents are the second most popular source of travel information (39%) and travel companies such as airlines, hotels or rental car companies were third (32%).

One in five past year travelers (21%) contacted a city, state or country's tourism office to get information about a destination that they planned to visit or about flights, hotels or other travel services in the past five years. This equates to 33 million U.S. adult travelers. Contacts with travel agents, tourism offices and travel companies include visits to the web sites of these organizations. In total, 19% of travelers visited a web site to obtain travel information in the past five years.

Travel agents are still the consumer's preferred source for making reservations and seeking information about travel prices and schedules, but a significant number of Americans have shifted their preference to the Internet in the recent past. In 1997 there was a 19% increase in the share of Americans who prefer the Internet for travel reservations, and six million Americans say they have done so. Travelers who prefer the Internet over travel agents tend to be younger, have children at home, have several wage earners in their households and are more likely to live in the South Atlantic region.

Oregon State Trends

Visitors planning a trip to Oregon relied much more heavily on personal experiences and advice from friends and relatives and much less on travel agents than the U.S. norm, but used Internet and on-line services twice as often as the U.S. norm.

- ◆ 47% relied on personal experience (U.S. norm = 42%),
- ◆ 28% took advice from friends/relatives (U.S. norm = 24%),
- ◆ 13% looked in travel books (U.S. norm = 11%),
- ◆ 11% used the state's 1-800 number (U.S. norm = 14%),
- ◆ 9% used auto club (U.S. norm = 9%),
- ◆ 9% used airline/commercial carrier (U.S. norm = 7%),
- ◆ 8% used travel agent (U.S. norm = 13%),
- ◆ 8% used online/internet (U.S. norm = 5%),
- ◆ 7% used hotel/resort (U.S. norm = 8%),

- ◆ 7% used visitor's bureau (U.S. norm = 5%),
- ◆ 5% used magazine (U.S. norm = 4%),
- ◆ 4% used newspaper (U.S. norm = 7%),
- ◆ 3% used government tourism office (U.S. norm = 2%),
- ◆ 2% used TV (U.S. norm = 1%),
- ◆ 1% used radio (U.S. norm = <1%),
- ◆ <1% used group tour company (U.S. norm = 2%),

Approximately 7% used the Oregon Travel Guide and 5% contacted the Oregon Tourism Commission for trip planning information. Approximately 92% of the visitors that used the Guide said they were "very" or "somewhat" satisfied with the material. For trip booking:

- ◆ approximately 55% of the visitors to Oregon booked their trip in advance (same as the U.S. norm),
- ◆ advance bookings were on more of an impulse basis than the U.S. norm,
- ◆ 18% used travel agents (lower than the U.S. norm of 26%), and,
- ◆ 4% participated in group travel or pre-paid packages (U.S. norm is 10%).

Clackamas County Trends

According to Bardsley & Neidhart, visitors to Clackamas County received initial information from similar sources as visitors to Oregon, relying mainly on print media, family/friends and personal experiences. Fewer visitors used the Clackamas County Travel Guide, the TDC 1-800 phone and visitor information or welcome centers than used the Oregon Travel Guide.

Table 22 – Initial Source of Information for Clackamas County Visitors

| Source | 1995 | 1996 | 1997 | 1998 | Average |
|-------------------------------|------|------|------|------|---------|
| Print Media | 36% | 28% | 40% | 26% | 33% |
| Family/Friends | 21% | 21% | 18% | 19% | 20% |
| Personal Experiences | 20% | 18% | 16% | 13% | 17% |
| Guidebooks | 7% | 5% | 4% | 10% | 7% |
| Oregon Travel Guide | 6% | 4% | 2% | 4% | 4% |
| Clackamas County Travel Guide | 0% | 0% | 0% | 1% | 0% |
| Clubs | 2% | 1% | 2% | 3% | 2% |
| Other Sources | 9% | 20% | 11% | 18% | 15% |
| Oregon Tourism Division | 2% | 5% | 2% | 4% | 3% |
| Toll Free 1-800 Number | 0% | 4% | 1% | 1% | 2% |
| Clackamas County TDC (Phone) | 0% | 0% | 1% | 1% | 1% |
| Visitor Information | 0% | 0% | 1% | 0% | 0% |
| Internet | 0% | 0% | 1% | 1% | 1% |
| No Answer/Don't Know | 4% | 2% | 10% | 10% | 7% |

Source: Bardsley & Neidhart Clackamas County TDC Advertising Conversion Study, Wave I & II, March 1999, Page 55

One stakeholder stated that more focus should be placed on familiarization tours and hands-on experiences for visitors:

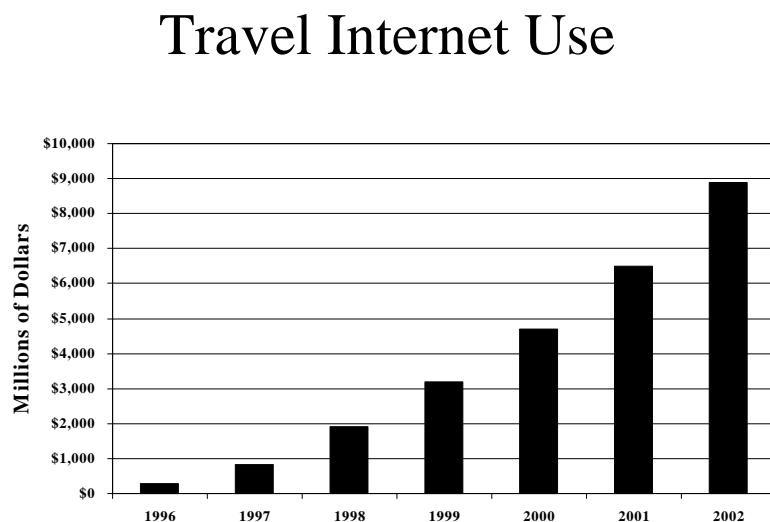
- ◆ “There is an old saying: ‘A Picture is worth a thousand words.’ I say that if this is true, then ‘A personal visiting experience is worth a thousand pictures!’ There needs to be more hands on, personal visiting experiences promoted. The money to do this should come from some of the \$’s now spent on ‘words’.”

Websites

U.S. Trends

Rapid growth has occurred and is expected to continue to occur in online internet services. At least a quarter of family travelers used the Internet to obtain information on places to go (25%), but they were more resistant to actually reserving their trips on-line (11%). Travel agents were used as often as the Internet for seeking travel information (26%), but were used more often to make travel reservations (34%). About half or more, however, used neither the Internet, nor travel agents for obtaining travel information (56%) or reserving trips (59%). The Internet²² and online services are very popular with travelers.

Figure 11 – Internet Usage



According to the National Travel Survey, Online travel revenues will grow enormously over the next five years as computer users discover the joys of booking travel online. Internet users booked \$276 million in travel online in 1996 including air travel, hotel rooms, car rentals, and other travel products. In 1997, sales tripled to \$827 million, and by the year 2002 the size of the online travel industry will top reach nearly \$9 billion.

²² Source: Travel and Interactive Technology :A Five Year Outlook, Travel Industry Association of America

When broken out into segments, the overwhelming bulk of online travel revenues in 1996 stemmed from airline ticket sales, approximately \$243 million or 90% of all online travel revenues. By the year 2002, the proportion of airline ticket sales is estimated to decrease to 75%, generating \$6.5 billion in revenues. Non-air revenues, consisting mostly of hotel reservations and car rentals are projected to grow from \$31 million in 1996 to \$938 million in 2000 and 2.4 billion by the end of 2002.

Clackamas County Needs Assessment

Clackamas County businesses with internet connections report that they also are experiencing rapid growth in visitor use of their websites. However, few businesses indicated that the hits came from the Clackamas County TDC website.

These firms are cautious about major expansion of the TDC website. They are also concerned about the ability of visitors to find the CCTDC website name and extension. They reported a need for better links to active sites and some need additional training in how to build and maintain a website.

Tourism Promotion & Advertising

Oregon Trends

The state of Oregon spent approximately \$492,000 for the advertising campaign in 1997. Longwoods International estimated that the ad campaign generated 402,000 incremental trips to the state. This translates to a cost per inquiry of \$1.22. A typical cost per inquiry is reported to be in the range of \$6.00 and assuming that there is a 50% conversion rate, the cost per inquiry would be \$12.00 per visitor. Longwoods suggested that the OTC's performance is "clearly outstanding and among the most effective" that they have measured.

Clackamas County Trends

Bardsley & Neidhart reported that Clackamas County's cost per inquiry (CPI) was \$14.99 in 1996, \$5.33 in 1997 and \$7.68 in 1998. In 1998, the Clackamas County ad campaign was estimated to generate an additional 2,575 visitors (or approximately 0.08% of the total trips, estimated at 3.2 million trips in 1998).

These ratios do not identify the real CPI because they are determined based solely on the results of returned magazine cards. They exclude website requests, information calls on the 1-800 phone number, visits to the regional and chamber visitor centers and direct requests to OTC.

Several stakeholders have mentioned concerns about the effectiveness of the ad campaign. It is viewed as excellent work but very expensive and of questionable assistance. It should be noted that some magazines perform better than others (i.e., Sunset and Ski Magazines performed well). There is a question about whether Clackamas County needs its own version(s) of the tourism guide (i.e., the TDC made a recent decision to produce only one travel guide per year. Previously, the TDC published both Spring/Summer and Fall/Winter editions). Additional research is required to analyze the real impact of the ad campaigns.

Welcome Centers

U.S. Trends

According to the 1997 Survey of State Travel Information Centers, 46 states operate year round visitor welcome centers and 13 of these states also operate seasonal visitor welcome centers. Of the states that operate year round welcome centers the average number of centers is eight. The states with the highest number of visitor centers are Nebraska (24 centers) Vermont (18 centers) and New Hampshire (16 centers).

Recent studies in California, Iowa, Minnesota and Missouri suggest that “anywhere from 11 to 39 percent of travelers who used the services of information centers, either extended their stays or visited more places within the states where they stopped for information.²³” However, as mentioned above, only 5% of visitors to Oregon used visitor bureaus and only 2% used government tourism offices. Major welcome centers in well placed locations have an opportunity to affect visitor behavior, in trip planning or during the trip. The corollary is that VICs in poor locations do not impact visitors behavior and are expensive to build and to operate and maintain.

Oregon Trends

Recently, POVA closed the Jantzen Beach State Welcome Center because it was not meeting expectations for visits. Difficult access and the distance from the freeway were noted as the primary reasons for the centers poor performance. In the last complete year (1997), this VIC accommodated 61,712 visitors. In contrast, the Downtown Portland VIC handled 104,784 visitors in 1997, growing to 127,800 in 1998 and 141,986 in 1999. Next year, the VIC will be moved to Pioneer Courthouse Square in the heart of Portland’s hotel district. The Oregon Tourism Commission is in the early stage of discussion to support four welcome centers designated as official state sites in the Greater Portland area. One of those sites will probably be the Oregon City Regional Visitor Information Center.

Clackamas County VICs

As a part of the first TDC Master Plan, there was a decision to develop VICs in the north, south and eastern gateways of Clackamas County.

Mount Hood VIC

During the past five years, the county purchased the building that currently serves the Mount Hood VIC. This active center, which is jointly manned by Mount Hood Area Chamber of Commerce and USFS personnel, handles in excess of 100,000 visitors per year. Many of these visitors come to the VIC to purchase use permits for activities on Forest Service lands.

The TDC should evaluate this VIC not only in terms of the physical condition and size of the facility but also the value of the volume of traffic in terms of the economic impact that is related

²³ Source: TIA Newsline, February 2000

to tourism. This VIC has clearly demonstrated that it is capable of improving travelers visits by providing up-to-the-minute information on trail openings and lodging availability.

In addition, the partnership with the US Forest Service is very valuable in this visitor center because it brings a unique perspective and knowledge as well as a shared budget. This partnership has worked well and should continue to be nourished.

Wilsonville VIC

The TDC recently built a new VIC at Wilsonville, located off I-5 at 29600 Park Place, in the new Town Center Park. The VIC, which consists of a 4,328 square foot center with approximately 2,000 square feet of displays and informational materials, as well as a central information desk, public restrooms and a meeting room, was opened in May of 1999. The TDC paid for construction of the building and funds the operations and maintenance of the VIC under a contract with the Wilsonville Chamber of Commerce. The VIC is also funded in part by the TRT collected in the City of Wilsonville and serves as the office of the Wilsonville Chamber of Commerce.

This facility is not well located for visitors traveling on I-5. Improvements to signage and development of the Korean War Memorial could improve the utilization of this VIC. Based on the first full year of operations, the VIC currently accommodates about 25,000 visitors per year.

Efforts could be considered to increase the activity of this VIC include fulfillment of all county visitor inquiries, among other activities. It might also be possible to reduce the contract for services to an amount more commensurate with services provided,

Oregon City VIC

A third regional visitor center is being built in Oregon City, next to the End of the Trail exhibit. The building is designed to house the tourism staff on the upper level of the building. Concerns were mentioned during the interview process that this location may also not be easily accessible for visitors. However, this is ameliorated somewhat by the presence of the End of the Trail.

This facility will be built with TDC funds on land owned by the City of Oregon City and the City will own the building once construction is complete. Discussion of an operation plan for this VIC is just beginning

All three regional VICs should be evaluated relative to their costs and benefits. The B/C ratio may be different in each VIC but needs to be agreed to by all concerned. It may be possible to find a means to make the centers financially self-sufficient by contracting with selected commercial/retail operations.

In addition, standardized procedures should be considered to include: creating a common computer system and database for all VICs, dividing the workload up between VICs to take advantage of differences in workloads throughout the year, standardizing funding to meet TDC budget process and developing annual performance objectives for each VIC in conjunction with the VICs and then tie performance to funding.

Chambers of Commerce

The TDC has provided \$7,000 per year during the past six years to each of the Chambers of Commerce in Clackamas County that operates a visitor information center. This includes:

- ◆ Canby Area Chamber of Commerce,
- ◆ Estacada/Clackamas River Area Chamber of Commerce,
- ◆ Lake Oswego Chamber of Commerce,
- ◆ Oregon City Chamber of Commerce (until 2000),
- ◆ Molalla Chamber of Commerce,
- ◆ North Clackamas County Chamber of Commerce, and,
- ◆ Sandy Area Chamber of Commerce.

In return for this funding, the Chambers provide visitor information services in accordance with criteria established by the TDC.

The relationship between the TDC and the Chambers had been strained during the past few years. The Chambers feel that they have been ignored by the TDC. As stakeholders put it:

- ◆ "I have interest in equality of programs and that the money is distributed equitably throughout the county. Chambers of Commerce promote most of the County tourism. It is unfortunate that we are ignored and treated like a ""poor stepchild"". The TDC would have a great deal of trouble without the cooperation of the C of C's."
- ◆ "The Chambers could do additional outreach in magazines & other publications regarding not only calendars of events but on-going activities such as the Aquatic Park & End of the Trail Center."

A priority of the TDC could be building consensus on the roles of the Chambers in tourism promotion and development activities and agreeing on the level of funding that could be tied to services rendered.

During a recent meeting with the Associated Chambers of Commerce, the TDC and Chambers jointly agreed on several items that could be better coordinated, including standardized maps, coordination and promotion of events/festivals, information dissemination, among other items. Future meetings should be planned to formally adopt a strategy with the Chambers.

In addition, the TDC should consider coordinating promotional opportunities with the other Chambers (outside of Clackamas County) that lie within each of the three tourism regions that Clackamas County straddles. A list of these Chambers is provided in Table 24.

Table 23 - Chambers of Commerce/Tourism Promotion Agencies by Tourism Region

| Chambers of Commerce/Tourism Promotion Agencies by Region | | |
|---|---|--|
| Portland | Columbia Gorge/Mount Hood | Willamette Valley |
| Estacada/Clackamas River Area Chamber | Clackamas County Tourism Development Council | Canby Area Chamber of Commerce |
| Lake Oswego Chamber of Commerce | Mt. Hood Information Center | Molalla Area Chamber of Commerce |
| North Clackamas County Chamber of Commerce | Sandy Area Chamber of Commerce | Albany Visitors Association |
| Oregon City Chamber of Commerce | Hood River County Chamber of Commerce (HRCOC) | Corvallis Convention and Visitors Bureau |
| Tualatin Chamber of Commerce | The Dalles Area Chamber of Commerce | Cottage Grove Chamber of Commerce |
| Wilsonville Chamber of Commerce | | Dallas Area Chamber of Commerce |
| Beaverton Area Chamber of Commerce | | Eugene/Convention & Visitors Association of Lane County |
| Forest Grove Chamber of Commerce | | Junction City-Harrisburg Area Chamber of Commerce |
| Greater Hillsboro Chamber of Commerce | | Keizer Chamber of Commerce |
| Gresham Area Visitor Information Center | | McKenzie River Chamber of Commerce/Information Center |
| Portland Oregon Visitors Association | | McMinnville Chamber of Commerce |
| Tigard Chamber of Commerce | | Monmouth-Independence Chamber of Commerce |
| Troutdale Area Chamber of Commerce | | Newberg Area Chamber of Commerce |
| Washington County Visitors Association | | Oakridge/Westfir Chamber of Commerce/Information Center |
| | | Philomath Area Chamber of Commerce/Information Center |
| | | Salem Convention & Visitors Association |
| | | Stayton/Sublimity Chamber of Commerce/Information Center |
| | | Sweet Home Chamber of Commerce |
| | | Woodburn Area Chamber of Commerce |

Source: OTC, the CCs in bold are located in Clackamas County.

Appendix

Individuals Contacted

The following section provides a list of the individuals contacted directly by BST Associates during the Master Plan Update process.

Survey Respondents

Respondents to the survey conducted during the Master Plan Update included representatives from the following organizations:

1. Barclay House/McLoughlin House
2. Barlow House
3. Bob Toman Guide Service LLC
4. Brightwood Guest House B&B
5. Broetje House
6. Brookside Bed & Breakfast
7. Canby Historical Society
8. Captain Ainsworth House B&B
9. Cascade Property Management
10. City of Molalla
11. City of Sandy
12. City of Tualatin
13. Clackamas County Historical Society
14. Clubhouse Deli
15. Courtyard by Marriott - Clackamas
16. Don Guido's Italian Cuisine
17. Estacada/Clackamas River Area Chamber of Commerce and Visitor Information Center
18. Flower Farm/Phoenix & Holly Railroad
19. Hampton Inn Clackamas
20. Happy Valley Council
21. Hydrangea Bed & Breakfast
22. Korean War Veteran's Association, Oregon Trail Chapter, Oregon Korean War Memorial Fund
23. Lake Oswego Chamber of Commerce
24. Lake Oswego City Council
25. Lake Oswego Festival of the Arts / Lakewood Center for the Arts
26. Milwaukie Downtown Development Assoc.
27. Milwaukie Museum
28. Molalla Area Chamber of Commerce
29. Mt. Hood Brewing Company
30. Mt. Hood Kiwanis Camp

31. Mt. Hood Summer Ski Camp / The Lodges at Salmon River Meadows
32. North Clackamas Aquatic Park
33. North Clackamas Chamber of Commerce
34. Oregon Electric Railway Historical Society
35. Oregon Military Museum
36. Oswego Heritage Council
37. Otto's Ski Shop
38. Pheasant Ridge RV Park, Inc.
39. Phoenix Inn Hotels
40. Rainbow Trout Farm
41. Riverbend House
42. Rose Cottage Bed & Breakfast
43. Slow Poke Tours/Tourism Team
44. Springwater Golf Course
45. Stevens - Crawford House Museum
46. Swan Island Dahlias
47. TDC
48. The Oregon Golf Club
49. The Resort at the Mountain
50. Thunderhead Lodge
51. Timberline Lodge
52. Tualatin Chamber of Commerce
53. Visitor Information Center - Wilsonville
54. West Linn Chamber of Commerce
55. Willamette Jetboats
56. Wilsonville Chamber
57. Windfall Stables
58. Wooden Shoe Bulb Co.
59. Your Host Motel
60. Zig Zag Inn

Interviews

In addition to the three Clackamas County Commissioners, BST Associates conducted interviews with the following stakeholders:

1. Molalla Area Chamber of Commerce
2. Canby Area Chamber of Commerce
3. Wilsonville Chamber of Commerce
4. Mount Hood Chamber of Commerce & Visitors Center
5. Estacada Chamber of Commerce
6. Sandy Chamber of Commerce
7. Oregon City Chamber of Commerce

8. North Clackamas Chamber of Commerce
9. Lake Oswego Chamber of Commerce
10. Zig Zag Inn
11. Cascade Property Management
12. Sandy Best Western
13. End of Trail Foundation
14. Bardsley & Neidhart
15. Pheasant Ridge RV Park
16. Monarch Hotel & Conference Center
17. Timberline Lodge
18. POVA

Industry Focus Groups

BST Associates facilitated focus groups with the following industry groups:

Attractions Focus Group

- ◆ Flower Farmer
- ◆ OR Elec. Railway. Historic Soc.
- ◆ Arts Action Alliance
- ◆ Oregon Trail
- ◆ End of the Oregon Trail Center
- ◆ Slow Poke Tours
- ◆ Canby Depot Museum
- ◆ Lakewood Center for the Arts
- ◆ Wooden Shoe Bulb
- ◆ L.O. Festival of the Arts

Lodging Focus Group

- ◆ Mt Hood Village
- ◆ Falcon Crest
- ◆ The Resort on the Mountain
- ◆ Oregon Lodging Association
- ◆ Monarch Hotel

Recreation Focus Group

- ◆ BLM
- ◆ Mt. Hood National Forest
- ◆ North Clackamas Park District
- ◆ Oregon Dept. of Fish & Wildlife
- ◆ Marine Board

Retail/Restaurant Focus Group

- ◆ Wasson Brothers Winery

Community Focus Groups

BST Associates facilitated focus groups in the following Clackamas County zones:

Rural

- ◆ Slow Poke Tours
- ◆ Arts Action

Mount Hood

- ◆ Sandy Chamber of Commerce
- ◆ Mt. Hood Chamber of Commerce

I-5

- ◆ Non-affiliated citizen
- ◆ L.O. Festival of the Arts/Lakewood Center

I-205

- ◆ No. Clackamas Co. Chamber of Commerce
- ◆ CC School District
- ◆ CC Historical Society
- ◆ Slow Poke Tours

Tourism Components of Economic Development Plans

Only a few public entities currently have a specific section on tourism as a component of their economic development plans. The following section summarizes the components of the Clackamas County and Mt. Hood Alliance economic development plans that specifically promotes tourism.

It would be very useful if each stakeholder developed a tourism plan that clearly laid out their interest in tourism. The TDC could assist in this effort by providing a framework for a plan as well as by assisting in facilitating development of the plans. This effort would assist in building common ground with stakeholders and could be linked to TDC funding programs.

Clackamas County

Clackamas County is economically and socially diverse. Within its boundaries are some of Oregon's wealthiest, fastest growing communities and some of the most economically depressed. The service sector (hotels, restaurants, retail and professional services) dominates the I-205 and I-5 corridors in the western portion of the county. Mt. Hood National Forest provides numerous visitor opportunities in the eastern portion of the county, while timber/forest products and agriculture remain the primary industries for many of the remaining communities. Clackamas County is the second largest agricultural producing county in the state. The severe loss of jobs in the timber industry has led to expanded efforts toward economic diversification. The Mt. Hood Economic Alliance (Clackamas and Hood River Counties) has placed an emphasis on industries that work harmoniously with present economic systems and take advantage of existing local attributes and workforce.

The Clackamas County economic development plan has the following goals:

- ◆ Maintain a high quality-of-life while providing increased job opportunities throughout the County.
- ◆ Preserve agricultural and forest lands and the natural resource base.
- ◆ Maintain mobility for people and freight in the face of expected growth.
- ◆ Encourage more local economic opportunity for residents and decrease the percentage of workers who live in the County but commute elsewhere to work.
- ◆ Diversify the economy and reduce its susceptibility to recessions.
- ◆ Increase the non-residential tax base.
- ◆ Respond to the unique opportunities and problems facing cities and support them in their efforts to develop job opportunities and quality business and living environments.
- ◆ Create a better match between workforce and industries in terms of skills and geography.
- ◆ This plan recognizes that economic development planning is not something the EDC, the County, or even the expansion and retention.

“A strategy for business development, expansion, retention, and recruitment is part of every economic development plan. In Clackamas County the shape of these efforts will differ in rural and urban parts of the County. Rural strategies will focus more on recruitment, while urban strategies will rely more on retention and expansion of existing employers.”

The specific reference to tourism in the plan is:

"Work in cooperation with the Tourism Development Council to develop tourism destination attractions."

Mt. Hood Economic Alliance

The Mt. Hood Economic Alliance is a coalition between Hood River and Clackamas counties that administers the Regional Strategies program which fosters the development of the agriculture, tourism and software industries, and the Rural Investment Fund that promotes rural community and economic development. The vision statement of the coalition is:

"Maintain the quality of life by providing a balance of opportunities for economic prosperity through job diversification for the current population."

The tourism goals and objectives of the coalition are to:

"GOAL: Increase off-season out-of-area visitor businesses by 10%. Expand private sector participation by 15 new companies.

- ◆ Expand the off-season for existing visitor businesses. Support start-up, expansion and upgrading of businesses, marketing efforts that include conversion packages.
- ◆ Enhance visitor site facilities. With demonstrated local community support, expand existing attractions, improve community appearance, signage, expand visitor support facilities.
- ◆ Support worker training and job enhancement education. Support project development and management skill building.
- ◆ Support a minimum of two other key industry projects with cross linkages to Tourism. First priority is projects linking to MHEA's other two key industries: Agriculture and Software/Technology."

Specific City Plans

Some cities have redevelopment plans that underscore the need for tourism.

City of Sandy

The City of Sandy recognizes the importance of tourism in their 1999 Economic Development Plan. The City is planning to enhance the opportunities for tourism by properly concentrating uses (zoning). For example, the area east of downtown on Highway 26 is zoned General Commercial with the following intent:

The City is also actively pursuing tourism enhancement by assisting in the construction of the proposed museum, which will also house the Sandy Chamber of Commerce when completed. In addition, the City actively seeks other grant funding opportunities that help promote tourism.

City of Lake Oswego

The City of Lake Oswego is currently redeveloping its downtown core. This effort coupled with the recent completion of Millenium Park will be a draw for both tourists and local citizens.

City of Oregon City

The City of Oregon City has developed plans to further develop and link historical properties in the City. In addition, the Oregon City chamber of commerce has a tourism subcommittee, dedicated to building tourism in the area.

City of Wilsonville

The City of Wilsonville is assisting in the construction of a Korean War Memorial, adjacent to the regional visitor center.

North Clackamas

The North Clackamas chamber of commerce has recently created a tourism task force to explore the opportunities to enhance tourism in the area.

Addendum 1: Transient Room Tax Ordinance

The Transient Room Tax Ordinance (Section 17.1a) allows for an annual adjustment for inflation of the \$250,000 allotment to the Clackamas County Fair "by an amount to be determined by the Tourism Development Council (TDC)."

The Fair shall be entitled to an inflationary increase in its allocation for tax dollars in an amount sufficient to maintain and preserve the purchasing power of the dollar. Therefore, annually, the COLA shall be determined by using the US Department of Labor, Bureau of Labor Statistics Consumer Price Index--All Urban Consumers (CPI-U), All Items (1982-1984=100), sub-index Portland-Salem, OR-WA, annual average. The annual average change for a given calendar year (January through December) will be the adjustment made for the subsequent fiscal year (beginning July 1). In the event that this index is no longer published, the TDC may use the nearest comparable data on changes in the cost of living.

Addendum 2: Definition of Terms

NTA – National Tour Association – membership organization of tour operators and suppliers, holds annual convention in November

ABA – American Bus Association – membership organization of bus companies, tour operators and suppliers, holds annual convention in spring

OSAM – Oregon Society Association Management – membership organization of executives managing associations, often plan meetings and conferences, hold monthly meetings and an annual convention in October

ASAE – American Society Association Executives – same as OSAM on the national level – annual conference includes a trade show and is held in August

OTTTF – Oregon Tour and Travel Task Force – volunteer group of attractions, lodging and destinations in Oregon working together to "sell" the state to the group and independent leisure markets

OTC – Oregon Tourism Commission – state office of tourism with appointed commissioners who set policy and oversee state tourism programs and staff

POVA- Portland Oregon Visitors Association – destination management organization for greater Portland area – membership based

CVALCO – Convention and Visitors Association of Lane County Oregon – destination management organization for Lane County – membership based

World Travel Mart – international trade show in Great Britain held annually in November

TRT – transit room tax – tax collected by lodging properties including campgrounds, B&B and vacation rentals from guests at a 6% rate for the county – set up by ordinance and used to fund tourism promotion and development in Clackamas County

ITB – international trade show held annually in Berlin

BCC – Board of County Commissioners – three elected officials who manage Clackamas County
PowWow – international trade show held annually in USA, sponsored by TIAA

ADR – average daily rate – room rate used by hotels in figuring profitability

Lead – information about potential group business

IACVB – International Association of Convention & Visitors Bureaus – international membership organization for destination management organizations, provides education and networking information for members, sets industry standards for DMO's

CVB – convention & visitor bureau – one name for a destination management organization

WACVB – Western Association of Convention & Visitors Bureaus – membership organization of destination management organizations in Alaska, Washington, Idaho, Oregon, California, Nevada, Arizona, Utah and New Mexico regional version of IACVB

ROI – return on investment – in tourism the term is used to measure the results of the funds used to market the destination

DMO – destination management organization – describes the organization with the legal authority to handle tourism functions and market the location to visitors

OLA – Oregon Lodging Association – membership organization of all types of lodging properties in Oregon

TIAA – Travel Industry Association of American – membership organization representing all aspects of the tourism industry in the USA

TICO – Travel industry association of Oregon – same as TIAA for Oregon

USFS - United States Forest Service – a department of the US Department of Commerce

BLM – Bureau of Land Management – a department of the US Department of Agriculture

GLAMER – Group leaders of America – individuals who plan and lead group tours, not employed by a motorcoach or bus company, may be a volunteer for a senior center or other affinity group

OACVB – Oregon Association of Convention & Visitors Bureaus – membership organization of destination marketing organizations in Oregon – state version of IACVB. WACVB

Tourism Industry – all businesses, associations, events, chambers and others who are working to promote visitors to a destination

TDC – Tourism Development Council – the destination management organization for Clackamas County created by ordinance and appointed by the BCC

Chamber of Commerce – membership organization representing a particular city or community that works to promote member businesses and work on projects to better the economic and quality of life for the city.

Stakeholders – for TDC synonymous with tourism industry

FIT – foreign independent traveler – a citizen of country other than USA traveling to the USA for leisure that has made individual arrangements for their trip instead of buying a group package with all of the components prearranged at one price

VIC – visitor information center

Booked Business – business secured by a particular business with a contract

PGR – Public and Government Relations – department of Clackamas County with tourism as one division and handles staff coordination with TDC

Package Travel – all or most of the components of a trip are prearranged and pre-priced

Room Night – one room used for one night – does not necessarily equal one visitor

Group leader – see GLAMER

Day visitor – person from outside Clackamas County coming to visit for other than business (nonmeeting), work or medical care

Overnight visitor – same as day visitor except stay overnight in Clackamas County

Leisure travel – travel that is non-work related and usually refers to travel individually as opposed to a group trip

Motorcoach tour – organized travel usually for leisure but as part of a prearranged group with a planned itinerary and traveling on a motorcoach

Tour operator – company or individual at company that packages travel for groups often traveling by motorcoach, may or may not own the vehicle

Meeting, convention, conference – gathering for purpose of conducting business often an annual meeting of an association or social, fraternal, educational or religious club

Receptive operator – individual or company that makes local arrangements for a group coming in from outside the locale – fee is figured as commission on arrangements such as lodging that receptive operator arranges, may work with both domestic and international companies and also do special components of conventions like spouse programs

AAA – American Automobile Club – membership organization that offers not only insurance and road service but travel information and travel agent service for members

Step on Guide – individual that joins a motorcoach tour in a locale to give local, expert commentary during a group tour.

Collateral – printed piece such as a calendar of events or travel guide

Rack card – collateral/brochure produced in a specific size to fit standard brochure racks

Rack Rate – standard published rate for lodging – usually printed and the highest rate you would expect to pay at lodging establishment

CCACC - Clackamas County Associated Chambers of Commerce