Oregon City Tourism

Scope of Services

Point B Destination Advisors has been contracted to design and recommend a winning tourism strategy for Oregon City. The strategy includes: recommendations on organizational infrastructure, a near and long-term financial strategy, and a step-by-step plan and timeline to implement the strategy.

Methodology and Timeline of Work

Point B’s methodology consists of five phases: 1) due diligence and research, 2) strategic brainstorming and planning, 3) collaboration and consensus building, 4) presentations of recommendations to community leadership, 5) implementation.

Current status: We have completed our Phase I work of due diligence and research, and our Phase II work of internal strategic brainstorming and planning. This report marks the beginning of Phase III, external collaboration and consensus building.

Sources – Interviews, Meetings, and Research

Interviews
- Jonathan Stone, Downtown Oregon City Association
- Sam Drevo, eNRG Kayaking
- Claire Blaylock, Clackamas County Historical Society
- Alice Norris, Willamette Falls Heritage Area Coalition
- Eric Underwood, Oregon City Economic Development
- Amber Holveck, Oregon City Chamber of Commerce
- Dan Fowler, Abernethy Center
- Danielle Cowan, Oregon's Mt. Hood Territory RDMO/CCTCA
- Michelle Beneville, Oregon City Finance Department
- Gail Yazzolino, End of the Oregon Trail Interpretive & Visitor Information Center
- Jim Mattis, Willamette Falls Heritage Area Coalition and Willamette Falls Heritage Foundation
- Rocky Smith, Oregon City Commission
- Denyse McGriff, Clackamas County Heritage Association and McLoughlin Memorial Association
- Rolla Harding, Oregon City Tourism Council and McLoughlin House

Source Documents and Websites
- City of Oregon City
- CCTCA (RDMO)
- Clackamas County
- Willamette Falls Legacy Project/Rediscover the Falls
- Willamette Falls Heritage Area Coalition
- Willamette Falls Heritage Foundation
- All prior tourism studies and reports dating back to 2003
## Key Findings and Directional Observations

- There is not a city in the western half of the United States with a more compelling collection of historical attractions than Oregon City. From a tourism perspective, Oregon City's heritage attractions have the potential of supporting a thriving year-round tourism industry with national appeal.

- On the flipside, Oregon City's tourism industry is significantly underachieving in relation to its potential.

- Money is not the obstacle to Oregon City's tourism success, at least not in the near term. To elevate Oregon City's tourism industry to a competitive level, it won't take any additional money than what is currently available. To implement the recommended long-term strategy, additional funding will be required.

- Oregon City's fragmented tourism industry, divided heritage leadership, and the general lack of coordination is the anchor preventing Oregon City’s tourism industry from rising to its potential.

- Ownership of Oregon City tourism is a “hot potato” in that none of the organizations or individuals we spoke with expressed a desire to own it (which is unusual, because most often organizations are fighting for control of the money).

- There are enough tourism assets and tourism potential to eventually justify a full-service and dedicated Destination Marketing Organization (DMO) in Oregon City. This is our recommendation for the long term.

- The time to evolve is now. Oregon City is coming of age. There is significant community momentum, and it's time for Oregon City's tourism industry to organize, collaboratively plan for a lucrative future, and implement this plan.

- Everyone we spoke with wants Oregon City tourism to be successful. The general sentiment seems to be that everyone will support a winning tourism strategy once it's implemented.

- The county-wide tourism promotion effort is strong and well-funded, but alone is not enough to achieve Oregon City's tourism potential. A city-specific dedicated DMO is needed.

- Oregon City's heritage assets are the foundation and “the hook” of Oregon City tourism. Even without the Riverwalk Legacy Project, Oregon City possesses enormous unmet heritage tourism potential. Outdoor recreation and agri-tourism are important tourism segments that merit Oregon City's cultivation and promotion, but heritage tourism is the segment that has the power and potential to differentiate Oregon City tourism from every other destination on the West Coast. It is our recommendation to fortify Oregon City's heritage tourism segment, then incorporate the other tourism segments into the rising tide.
Key Findings and Directional Observations (cont’d)

While anecdotal, there seems to be a defeated and frustrated attitude when it comes to Oregon City tourism. In addition to structural change, there needs to be cultural change.

Consultants have made recommendations in the past that have not been implemented. Their observations and recommendations are not significantly different from ours. So we asked a lot of questions about why the advice of the previous consultants had not been enacted. What we learned is the previous recommendations required too much change all at once. Additionally the previous recommendations did not provide a manageable implementation plan to achieve the goals and objectives.

When we distilled the challenges and objectives of the Oregon City tourism landscape down to their foundation, we identified three separate but interdependent pillars, each of which must be strong and effective in order for Oregon City's tourism industry to reach its potential. The three pillars are: 1) Heritage Asset Operations, 2) Tourism Promotion, 3) Financial Strategy.

Options for Organizational Infrastructure and Implementation

#1. Continue the city's current grant program
- The advantages (+) and disadvantages (-) of this option include:
  - + It's an easy way to disburse funds.
  - + It makes people happy to receive checks.
  - - It's marginally effective at attracting visitors.
  - - It does not create a consistent year-round, demand-driving tourism program.
  - - It does not cultivate a long-term brand or strategy for Oregon City tourism.
  - - The quality of implementation and outcomes varies amongst grant recipients.
  - - Grants often subsidize private for-profit business models and events. This is not the most equitable or effective use of tourism promotion funds.
  - - The grant program will never lead to Oregon City achieving its tourism potential.

#2. House the ownership and leadership of Oregon City tourism promotion and development in one of the existing Oregon City organizations (City Administration, Chamber of Commerce, Downtown Association, Clackamas County Historical Society, etc.).
- The advantages (+) and disadvantages (-) of this option include:
  - + It’s been done before so there’s precedent.
  - + It’s done in other small towns where the tourism promotion budgets are small.
  - - The existing organizations’ resources are already stretched to capacity.
  - - Mistrust and lack of confidence exists.
  - - Tourism promotion is not, and should not, be the expertise of the existing organizations.
  - - "Mission creep" would likely be detrimental to each organization.
Options for Organizational Infrastructure and Implementation (cont’d)

#3. Funnel Oregon City’s tourism promotion funds to the Mt. Hood Territory RDMO and have the RDMO enhance their marketing efforts for Oregon City.

- The advantages (+) and disadvantages (-) of this option include:
  - + RDMO already has staff and resources.
  - + It’s easy.
  - - It relinquishes control of local community destiny and success to a regional entity.
  - - The RDMO promotes a large and diverse area. The RDMO would be stretched thin to give the attention and focus that Oregon City deserves.
  - - It could create political turmoil at the county level.

#4. Establish a full-service DMO for Oregon City in the near term.

- The advantages (+) and disadvantages (-) of this option include:
  - + Oregon City tourism needs and deserves a full-service dedicated DMO.
  - + Having a dedicated DMO is the best way for Oregon City to achieve its full tourism potential.
  - + A dedicated full-service DMO would clearly and permanently establish tourism leadership and accountability in Oregon City.
  - - It takes a lot of work and leadership to set up a DMO.
  - - In the near term, the available funding would be entirely consumed by organizational expenses and little would remain for marketing and promotion.
  - - Until Oregon City’s heritage assets are operationally stronger and more coordinated, tourism promotion will only be marginally effective.

#5. Milestone Plan to Long-Term Success:

- When we distilled the challenges and objectives of the Oregon City tourism landscape down to their foundation, we identified three separate but interdependent pillars that must be strong and effective in order for Oregon City’s tourism industry to reach its potential. The identified pillars are: 1) Heritage Asset Operations, 2) Tourism Promotion, and 3) Financial Strategy.

- Additionally, we came to understand the reason why the previous consultants’ recommendations hadn’t been enacted was that the recommendations required too much change all at once, and the implementation plan lacked sufficient direction.

- When we segmented everything required to achieve success into the three pillars, and overlaid that with a phased-in implementation plan, we were convinced the winning tourism strategy for Oregon City should be based on a phased-in milestone implementation plan of manageable and synchronized steps.

- The implementation plan for each pillar will be led by three separate but closely coordinated groups, and will culminate in four years with the development of a dedicated DMO and unified or coordinated heritage assets.

- The milestone projects in each pillar represent key projects that when accomplished and viewed cumulatively will elevate Oregon City tourism to a competitive level.
Options for Organizational Infrastructure and Implementation (cont’d)

#5. Milestone Plan to Long-Term Success (cont’d):

- See attached infographic for descriptions and timelines of Milestone Plan.

The advantages (+) and disadvantages (-) of this option include:

- + Dividing the responsibilities of the three pillars makes it achievable and not overwhelming for any one group.
- + Dividing the responsibilities among three separate but coordinated groups allows the responsible organizations to focus on their area of expertise.
- + Coordinated and synchronized plans foster collaboration, cooperation, and ultimately evolution.
- + A phased-in coordinated plan provides step-by-step directions for each pillar to achieve the end-goal (i.e. it allows us to walk before we can run).
- + A phased-in plan allows the tourism industry to evolve simultaneously with the rest of the city (development projects, etc.).
- + IT’S ACHIEVABLE AND WILL LEAD OREGON CITY TO LONG-TERM TOURISM SUCCESS.

Oregon City Tourism
Milestone Plan to Long-Term Success

<table>
<thead>
<tr>
<th>HERITAGE ASSETS OPERATIONS</th>
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<tbody>
<tr>
<td><strong>UNIFICATION</strong></td>
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<tr>
<td>Unify tourism attraction leadership and operations. Continue collaboration coalition.</td>
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<td>$30,000</td>
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<thead>
<tr>
<th>CROSS-TRAINING</th>
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<tbody>
<tr>
<td>Establish cross-training program to coordinate front line staff at all heritage attractions. Implement similar uniforms, name tags, and materials across all heritage attractions.</td>
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<td>$13,000</td>
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<tr>
<th>COMMON TICKETING</th>
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<tr>
<td>Launch common ticket product and/or collaborative ticket strategy.</td>
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<td>$15,000</td>
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<tr>
<th>OPERATING HOURS</th>
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<tbody>
<tr>
<td>Heritage Trail to open same 5 days of week – recommended Wednesday - Sunday.</td>
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<tr>
<td>$60,000</td>
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<tr>
<th>TOURISM PROMOTION</th>
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<tbody>
<tr>
<td><strong>LAUNCH DMO</strong></td>
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<tr>
<td>Open Visit Oregon City SA service DMO.</td>
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<td>$100,000</td>
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<tr>
<th>DESTINATION MARKETING</th>
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<tbody>
<tr>
<td>Design, build, launch, and maintain Visit Oregon City website and social media accounts, promoting all tourism segments (indoor recreation, cyber/tourism, etc.).</td>
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<td>$70,000</td>
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<tr>
<th>TRAIL MARKETING</th>
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<tbody>
<tr>
<td>Design and produce advertising creatives to promote the Heritage Trail (TV, radio, digital, print) and implement advertising campaign.</td>
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<td>$20,000</td>
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<thead>
<tr>
<th>HERITAGE TRAIL</th>
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<tbody>
<tr>
<td>Launch Heritage Trail promotion, including trail map, website, social media, and “gateway” concept.</td>
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<td>$40,000</td>
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<tr>
<th>FINANCIAL STRATEGY</th>
</tr>
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<tbody>
<tr>
<td><strong>FINANCIAL PLAN</strong></td>
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<tr>
<td>Establish financial strategy to fund Phase 1, 2, and 3 projects.</td>
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<tr>
<td>Required funds: $390,000</td>
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<tr>
<th>REQUIRED FUNDS</th>
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<tbody>
<tr>
<td><strong>FINANCIAL PLAN</strong></td>
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<tr>
<td>Establish financial strategy to fund Phase 1 and 2 projects using potential revenue sources from strategic plan.</td>
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<td>$215,000</td>
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<tr>
<th>FINANCIAL PLAN</th>
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<tbody>
<tr>
<td>Establish financial strategy to allocate $120,000 to Phase 1 Milestone Projects.</td>
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<td>$120,000</td>
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- ATTACHMENT A
Organizational Infrastructure for the Milestone Plan

Pillar #1: Heritage Assets Operations Pillar
- Heritage Assets Operations Collaboration Coalition (“The Collaboration Coalition”)
- The Coalition will be comprised of representatives from each of the heritage assets, plus an independent facilitator who will also work with the leadership groups overseeing the other two pillars.
- The group will meet once per month until the objectives are achieved.
- The facilitator will keep the group on track to achieve the milestones prescribed in the plan and will ensure coordination with other pillars.
- The Coalition may not rewrite the objectives. They must stay on the prescribed course. Expenses related to work will be processed by the city and must stay within the original budget.

Pillar #2: Tourism Promotion
- The Tourism Promotion pillar will be overseen by the Tourism Leadership Council.
- This group will be comprised of tourism leaders similar to Oregon City’s existing group of tourism leaders.
- The project facilitator will also work with this group to keep them on track and ensure coordination with the other two pillars.
- The marketing work required in each milestone will be contracted to independent marketing agencies/subcontractors who will report to the Tourism Leadership Council.
- Expenses related to the work will be processed by the city and must stay within the original budget.

Pillar #3: Financial Strategy
- The Financial Strategy pillar will be overseen by the city’s economic development staff (intentionally not the city’s finance department).
- The city’s ownership of this pillar is a clear statement of the city’s commitment to and investment in Oregon City’s tourism industry. It’s also a statement that tourism is a primary and important element of the city’s overarching economic development plan.
- The project facilitator will work with city staff to ensure progress and coordination with other pillars.

Project Facilitator
- The project facilitator will guide and “taskmaster” the groups to ensure milestones are met on time and within budget.
- The project facilitator will contract with and report to the city commission and the city manager.
- Why have the facilitator report to the city commission and city manager? If Oregon City tourism is going to achieve its potential and successfully navigate through this implementation plan, we believe the effort should be owned by the highest level of community leadership.
**Potential Revenue Sources for Tourism Promotion and Development**

- Oregon City's current TRT collections are sufficient to fund the first year of the Milestone Plan.

- An additional increase to Oregon City's TRT rate would provide additional revenue. Even with the recent increase in Oregon City's TRT rate, it's still below the threshold. Case studies reflect little to no consumer resistance to TRT rates. Lodging taxes create important economic development funds without taxing the local community (see TRT comparison chart).

- County, state, federal, and cause-specific grants. Various and many grant opportunities exist, especially for heritage-related economic development projects. The Milestone Plan recommends a common grant writing position housed at the city to pursue grants to fund tourism promotion and economic development.

- The creation of a Tourism Improvement District (TID) to create funds for tourism promotion. TID's can take many forms. They have been implemented in Portland with success.

- We believe the concept of an aerial tram connecting the Riverwalk project to the upper promenade is an excellent idea that merits careful consideration. An aerial tram would create a connecting loop for Oregon City's heritage attractions and could also generate important funding for the heritage attractions and tourism promotion.

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**The Power and Potential of Heritage Tourism**

- A 2009 research study conducted by Mandala Research for the U.S. Department of Commerce, U.S. Cultural Heritage Tourism Marketing Council, National Trust for Historic Preservation and other industry partners, reports that **“78% of all U.S. leisure travelers participate in cultural and/or heritage activities while traveling, translating to 118.3 million adults each year.”**

- The study further demonstrates the impact of this industry segment, reporting that cultural and heritage travelers spend more than other types of travelers – an average of $994 per trip compared to $611 for all U.S. tourists. This spending translates to a contribution of more than $192 billion annually to the U.S. economy by the cultural heritage tourism segment.

- There are approximately **850 million visits each year to American museums**, more than the attendance for all major league sporting events and theme parks combined (483 million in 2011), according to the American Alliance of Museums.

- **Arts and cultural spending has a ripple effect on the overall economy**, boosting both commodities and jobs. For example, for every 100 jobs created from new demand for the arts, 62 additional jobs are also created.

- **Cultural Heritage Tourism** has been identified by Congressional Research Services as one of the leading, or rapidly developing, areas of tourism.
Tourism promotion is a competitive game, with winners and losers. Oregon City leadership needs to prepare their community for that competition. The team needs leadership, a winning plan, and a competitive culture of winning.

Having a shared development director/grant writer housed in the city’s economic development department to support all cultural organizations and tourism objectives is a smart idea and a good economic development investment for the city.

The city should lead the Financial Strategy pillar even after a dedicated DMO is established because it institutionalizes the city’s role and investment in the tourism industry. The city is the ultimate holder of the purse strings of tourism promotion funds.

The city’s economic development department should draft a clear mission statement pertaining to their commitment to and role in achieving the city’s tourism potential. Tourism must be a primary theme in the city’s overarching economic development plan.

Oregon City is positioned perfectly to capitalize on the heritage trail concept. This could be the majority of Oregon City’s tourism promotion work. Refer to Boston’s Freedom Trail and Bend’s Ale Trail for case studies and ideas. This is recommended as the first year milestone for the Tourism Promotion pillar.

The current shortage in available hotel lodging inventory can be mitigated by encouraging local home owners to operate VRBO’s and bed & breakfasts in their homes, especially in the many historic homes throughout Oregon City. Additional lodging inventory would help maximize transient lodging taxes and would enhance Oregon City’s tourism experience. City administration can support and encourage this by creating policies that encourage and make it easier for homeowners to operate short term lodging operations out of their homes.

Next Steps

- October and November: collaboration and consensus building amongst all stakeholders
- November: final presentations
- December onward: implementation and success

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