

TRANSIENT LODGING TAX AD HOC COMMITTEE MEETING MINUTES
APRIL 4, 2018, 4:00 PM
Permit Center Conference Room, Newberg City Hall
414 E First Street

Chair Lewis called the meeting to order at 4:01 p.m.

ROLL CALL

Members Present:	Dennis Lewis, Chair	Shelia Nicholas, Vice Chair
	Rob Felton	Matthew Murray
	Megan Carda	Jessica Bagley
	Brian Love	Lori Louis
	Loni Parrish	Kyle Lattimer
	Joe Hannan, Ex Officio	Ex Officio Mayor Andrews

Members Absent: Robert Griffin, Ashley Lippard

Staff Present: Doug Rux, Community Development Director

Guests: Carr Biggerstaff, Mike Ragsdale, Kitri McGuire, Ted Crawford

CONSENT CALENDAR:

Approval of the February 7 & March 7, 2018 meeting minutes

MOTION: Rob Fenton/Sheila Nicholas moved to approve the February 7 & March 7, 2018 TLT meeting minutes. The motion carried (9Yes/ 0 No).

PUBLIC COMMENTS: None

VISIT MCMINNVILLE – JEFF KNAPP & TED CRAWFORD – DUNDEE TLT COMMITTEE CHAIR

Kitri McGuire filled in for Jeff Knapp and indicated that McMinnville citizens in 2013 discussed a tourism committee.

Ex Officio Mayor Andrews inquired if the committee was autonomous or not from the City of McMinnville.

Ex Officio Hannan inquired if Visit McMinnville was a 501.c3 organization.

Kitri McGuire shared that Visit McMinnville is a 501.c6 organization. They had researched other organizations and did not know if they wanted to be a Destination Marketing Organization (DMO). McMinnville did grants originally and found that they did not work. The McMinnville group determined to go with the Bend model as an organization. Visit McMinnville is not a committee of the city and they have one client the City of McMinnville. The organization has a governing board not a managing board. They do not do grants or events, they only do marketing. Jeff Knapp was hired in 2015 and Kitri was hired in 2016. The City of McMinnville increased the lodging tax to 10% to use for group sales. The increase in the tax went from 8% to 10% with the

additional 2% going to increase the group sales program. In McMinnville 70% goes to Visit McMinnville with 30% going to the City of McMinnville.

Member Felton asked for clarification on the definition of marketing (Destination Marketing).

Kitri McGuire indicated they market for overnight stays.

Member Felton asked about the definition of a Destination Marketing Organization (DMO).

Chair Lewis indicated the State has a definition for DMO.

Kitri McGuire noted she was not sure there is a definition.

Member Carda inquired if Visit McMinnville markets Yamhill County or just McMinnville.

Ex Officio Hannan inquired about the size of Visit McMinnville's budget and if they distribute brochures.

Kitri McGuire noted their budget is \$830,000 and they have a Business & Marketing plan.

Ex Officio Hannan inquired who pays for brochures.

Kitri McGuire noted that Visit McMinnville does not do a Visitor Center. The McMinnville Chamber does an ad hoc Visitor Center. No Visit McMinnville dollars to the McMinnville Chamber to operate the Visitor Center.

Member Murray inquired if the City of McMinnville funnel any of their 30% of lodging tax the McMinnville Chamber.

Kitri McGuire indicated no.

Member Carda clarified that the McMinnville Chamber has higher dues than the Chehalem Valley Chamber.

Kitri McGuire shared that Bend is being sued by the Restaurant Lodge Association (RLA) for reported improper use of their transient lodging tax funds.

Member Louis – How Many rooms are in McMinnville?

Kitri McGuire noted that there are 460 rooms which includes bed & breakfast and vacation rentals. There are 50-60 vacation rentals, 8 hotels, 3 Bed & Breakfast establishments and one recreational vehicle park.

Chair Lewis asked about the struggles involved with doing grants.

Kitri McGuire shared that only 501c3 organizations were allowed to apply and that there was a limited pool of those organizations dealing with tourism. Single day events were proposed, not enough 501c3 organizations. Activities were not increasing tourism traffic, and rooms in summer were limited.

Chair Lewis asked if Visit McMinnville works with Travel Oregon.

Kitri McGuire noted they do work with Travel Oregon. McMinnville does "Taste McMinnville" and Travel Oregon assisted with pushing advertising.

Chair Lewis inquired if Visit McMinnville assists the UFO Festival.

Kitri McGuire noted they do not, but they do help market the event.

Chair Lewis asked for clarification on if a group comes and asks for assistance what you do.

Kitri McGuire noted they can support with social media, photos, but don't write checks or do radio ads.

Member Carda asked if Visit McMinnville helps connect people to grants.

Kitri McGuire noted they do letters of recommendation.

Chair Lewis asked the group if Newberg directed all funds towards marketing could they generate other funds to support activities.

CDD Rux noted that all lodging pays the Newberg Transient Lodging Tax.

There was a general discussion on the split of revenues pre and post HB 4041.

Ted Crawford shared that Dundee started its tourism program in 2010 with development of the Inn at Red Hills, a Committee made recommendation originally to City Council. They now generate \$80,000 – \$90,000 a year of which 70% goes to marketing. Dundee originally did grants but now do marketing & facilities with focus on restrooms and visitor kiosk that are several years away. They maintain a website and do social media with volunteers.

Kitri McGuire noted it is important to have a diverse group. In McMinnville they have representative from lodging, restaurants, winery's, at large citizen, City Manager and the City Council President. They have quality paid staff because volunteers have other jobs. In their organization expenditures are 25% on staffing (only two staff) and 75% on marketing. They may add staff in future.

Member Louis inquired about the difference between a governing boards verses a managing board.

Kitri McGuire shared that they have a governing board and that their overall direction is the focus of the organization and they do not approve posters as an example. The Board hired Jeff Knapp, Executive Director. The Board initially self-selected, then wrote bylaws. A three person committee of the Board reviews applicants for Board positions and the full Board votes on the committee's recommendations.

Chair Lewis noted that Newberg is growing.

Ted Crawford shared targeting visitors from outside Oregon needs to be done.

Kitri McGuire shared that she sees mutual benefit in cooperating with McMinnville and Newberg. The Willamette Valley Wine Board (WVWB) doing interesting things that could be leverage.

Ex Officio Hannan inquired about the split on salaries and benefits verses marketing in their budget.

Member Louis inquired about rates increasing at lodging facilities or not.

Kitri McGuire noted they have four measures:

1. Traffic to website
2. Leave to another site
3. Increase in funding
4. Increase in total overnight stays

Member Murray inquired about the length of their contract.

Kitri McGuire indicated that it is a 3 year contract. In May of each year they present a budget to the City of McMinnville and quarterly meet with City Council and report on activities.

Member Felton inquired on how long it took to get nonprofit status.

Kitri McGuire noted she did not know but she can get that information. She also shared that brand recognition in Willamette Valley is important and not specific committees.

STATUS OF SMALL GRANT AWARDS FY 2017-2018

CDD Rux provided an update that the Cultural Center contract has been executed. Three other grants are in process and drafts should be out to applicants next week.

TLT MEMBER UPDATES

Chair Lewis distributed a Newberg Graphic article on the wine industry to the committee members.

Member Louis noted the Atticus Hotel rates are similar to the Allison Inn. There is a lot of competition out there, market is changing and the Alison had a challenging 1st Quarter. She shared that Travel Portland is spending dollars to get people to Portland Hotels and paying extra dollars to bring people in during off season.

MARKETING SUBCOMMITTEE – MARKETING PROPOSAL

Chair Lewis asked the Committee on how we should use our marketing Funds and noted Newberg and Dundee needs are similar.

Member Lattimer inquired what the contributing factors in tourism growth are. He noted his business was flat.

Member Louis noted that is hard to say and that other destinations are marketing off season times to attract visitors. McMinnville increased their lodging tax rate to attract groups.

Member Love shared that in Portland old buildings are being converted into hotels.

Member Louis noted that Portland occupancy is increasing and hotel rates are increasing. There are 1,600 new guest rooms in Portland.

Member Lattimer noted that a variety of lodging is important.

Member Louis shared that the Umpqua Valley region is marketing.

Vice Chair Nicholas stated that Newberg needs something along the line of Visit McMinnville.

Member Murray indicated that the model is either hire someone only to do marketing or use the Chamber model. He shared that maybe there is County dollars and the possibility of Newberg as the marketing group for Yamhill County.

Chair Lewis noted that Yamhill County has no Destination Marketing Organization to get funding from Travel Oregon.

Member Parrish shared that the Willamette Valley Visitors Association (WVVA) doles out Travel Oregon dollars in the Willamette Valley.

Member Carda inquired why not Visit McMinnville as DMO.

Member Murray noted they can't because the only work for City of McMinnville.

Member Louis noted that Yamhill County does not have a seat on WVVA Board.

Member Carda asked who decides if DMO.

Chair Lewis followed up that we need to get the details on how to be the DMO.

Ted Crawford noted that Travel Yamhill County was a volunteer organization and was winery based.

Member Louis indicated the small membership base to Travel Yamhill County.

Member Murray asked the Committee should we take all the TLT funds including grants and funds to the Chamber for marketing and use it all for marketing. The other model is the Chamber Model and we provide additional funding for marketing use grant funds. He has heard at the Cultural District meeting concerns on having grants go away.

Ex Officio Hannan identified another model of using large grant at Chehalem Cultural Center for the kitchen. If all funds go to marketing miss out on tourism facility development.

Member Parrish noted a way forward is to cancel the Chamber contract and use those funds.

Ex Officio Hannan shared that City Council has responsibility to respond to the community if Chamber closed from removing their funding.

Member Carda shared that we should not do another round of grants.

Member Felton referred to the memo in the packet and that people agree they want to have a marketing person. He reviewed the memo and the five outlined options.

Member Parish noted she liked Option 2 with Option 1 and housed at the Chamber.

Carr Biggerstaff from the Chamber noted that under the Chamber model they would want to have a separate Board for tourism.

Member Felton noted it would be a year out to establish a 501c3 or 6 organization.

Carr Biggerstaff shared that the Chamber model is bridge approach.

Member Carda inquired if the Chamber would continue to operate as in past.

Carr Biggerstaff described that the Chamber would follow the City contract and explained what Chamber has done to promote tourism marketing.

Member Parrish asked the Committee who would administer grants if there is no grant program.

Chair Lewis asked the Committee if there were any other options than the five in the memo.

CDD Rux went over a possible schedule for future meetings with the Subcommittee, TLT Committee and City Council.

Member Murray indicated that the Committee needs dollar numbers and two options to consider.

Chair Lewis recapped the possibility of including Dundee in Options 1 and 2.

Member Love noted that the Committee today is where it should have been a year ago and have its wheels.

Chair Lewis suggested to not fund grants and that we should be a marketer directly to organizations for other grant opportunities. He asked what is the direction to the Marketing Subcommittee.

CDD Rux reviewed the financial models that were in the packet.

Member Louis indicated that we should be applying for grants and need a person to work on grant applications.

Member Parrish inquired on how much time CDD Rux on tourism. Ex Officio Hannan indicated a significant amount of time.

Member Murray suggested looking at a person at the Chamber for tourism marketing.

Chair Lewis conducted a straw poll to:

1. Keeping grant process & put a manager in the mix to manage
2. Eliminate grants 9-1

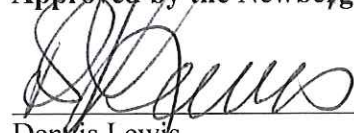
CDD Rux noted the next Marketing Subcommittee is April 16 at 8:30am and Chair Lewis noted he would be out of town.

Member Parrish asked if the City could keep a grants program and have a separate group to review applications.

Mike Ragsdale noted that you can set up an organization and & not have a 501c3 or 6 established and that you can just register with the Secretary of State's office. He also indicated he has space but no staff to support a person if they are housed there.

Meeting adjourned at 6:13 PM

Approved by the Newberg Transient Lodging Tax Ad Hoc Committee this 2nd day of May, 2018.



Dennis Lewis,
TLT Ad Hoc Committee Chair



Doug Rux,
Community Development Director