

HOUSE LEGISLATIVE COMMITTEE ON TRADE AND ECONOMIC DEVELOPMENT

January 28, 1991Hearing Room 343 8:00 A.M.State Capitol Salem, OR

Tapes 21-24 ECONOMIC DEVELOPMENT DEPARTMENT BRIEFING: COMMUNITY INITIATIVES PROGRAM TOURISMDIVISION

MEMBERS PRESENT: REP. RAY BAUM REP. JERRY BARNES REP. MARGARET CARTER REP. CEDRIC HAYDEN REP. VERA KATZ REP. DAVE MC TEAGUE REP. BOB PICKARD

MEMBERS EXCUSED:

STAFF PRESENT: JOSEPH CORTRIGHT, EXECUTIVE OFFICER TAMIRA MILLER, POLICY ANALYST JERI CHASE, OFFICE MANAGER JILL COPELAND, COMMITTEE ASSISTANT WITNESSES: STEVE PETERSON, DIRECTOR, ECONOMIC DEVELOPMENT DEPARTMENT LYNN YOUNGBAR, MANAGER, COMMUNITY INITIATIVES PROGRAMS JULIE CURTIS, ACTING DIRECTOR, TOURISMDIVISION

NOTE: These minutes contain materials which paraphrases and/or summarizes statements made during this meeting. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE 21, SIDE A

000 CHAIR BAUM: convened the meeting at 8:04 a.m.

010 STEVE PETERSON: We would like to cover two program areas: community initiatives program and the touriSMprogram.

COMMUNITY INITIATIVES PROGRAM

019 LYNN YOUNGBAR: Began presentation of Community initiatives program objectives (EXHIBIT A). Objectives of Community Initiatives Program are listed in (EXHIBIT A).

091 YOUNGBAR: How we are meeting these objectives is still in the development process (EXHIBIT A).

120 YOUNBAR: Continued with presentation of (EXHIBIT A).

141 REP KATZ: After the SWOT analysis did you actually put together a strategic plan and a plan of action?

143 YOUNGBAR: Yes. Continued with presentation of (EXHIBIT A).

191 REP. HAYDEN: Are you saying that things break down on the third meeting?

195 YOUNGBAR: Yes.

215 REP. KATZ: The third meeting is comparable to adolescence so if you can figure out how to transition adolescence into adulthood at a meeting you can usually make that break.

220 YOUNGBAR: We are still learning, it seems to take a different strategy in each community. Continues with presentation of (EXHIBIT A).

270 YOUNGBAR: Continues with presentation of (EXHIBIT).

299 REP. KATZ: What are the social indicators in terms of abuse and family disorganization in those rural areas that impact everything you just identified?

294 YOUNGBAR: The Department of Human Resources provides a broad spectrum of resources for those people in those communities but whether or not they take advantage of them is another issue.

319 REP. HAYDEN: What are your reasons that rural communities should survive?

331 YOUNGBAR: My personal feeling is that people who choose to live in rural areas should have that opportunity. I also think that the rural areas are key to the prosperity of the whole state.

348 REP. KATZ: Let's not forget agriculture.

353 REP. HAYDEN: This position paper has special emphasis on the timber dependant communities.

356 REP. KATZ: That is only because of the economic dislocation occurring because of federal and state policies.

358 YOUNGBAR: We started with timber dependent communities and they've been an emphasis but really the program is geared towards all rural communities.

364 REP. CARTER: This committees mission has been to deal with economic development state wide and to look at economic development in rural communities.

412 REP. HAYDEN: The committee may have overlooked a very important service that they could provide to the citizens of the state specifically the issue of health care. The ultimate goal is to not have a doctor there but to be have a healthy happy people. We've overlooked how to keep people healthy.

455 YOUNGBAR: Continues with (EXHIBIT A)

TAPE 22, SIDE A

030 YOUNGBAR: Continues with presentation of (EXHIBIT A).

049 CHAIR BAUM: Are these counties the ones that will be most hard hit by the spotted owl or is the list not that exclusive?

053 YOUNGBAR: We are talking the number of jobs lost based on the number of jobs that there are. The percentage may be higher in some counties

but there aren't as many jobs.

057 CHAIR BAUM: Is it or isn't it the impact area of the spotted owl?

056 YOUNGBAR: It is the impact area but there are also other impact areas. This is partly due to the fact that we had to start small.

064 CHAIR BAUM: I would be interested in a comprehensive list of those counties that are impacted in any major way by the spotted owl.

066 YOUNGBAR: That is what we are planning to do this next biennium.

069 YOUNGBAR: Continues with presentation of (EXHIBIT A).

075 REP. HAYDEN: Every community needs an I-5.

080 CHAIR BAUM: Do all the nominated communities want to participate in the community initiatives?

087 YOUNGBAR: They all wanted a SWOT analysis and they all wanted to participate but some didn't follow through.

094 CHAIR BAUM: Expand on the effectiveness of the program.

094 YOUNGBAR: We wanted people who wanted to participate in this program.

104 REP. HAYDEN: They are expanding their horizons and allowing them to make a choice.

125 CHAIR BAUM: How many of your programs actually go to implementation?

120 YOUNGBAR: So far out of the 13 SWOT analysis that we did only three communities have dropped out.

132 CHAIR BAUM: How do you measure the results?

132 YOUNGBAR: I hope that we get to that. I think that we need to set some benchmarks.

140 CHAIR BAUM: Are you going to explain the difference between the budget for last biennium verses the request this biennium and how that money will be used?

145 YOUNGBAR: I didn't come prepared for a lengthy presentation on the budget but I can certainly cover the figures.

154 REP. KATZ: As for measuring performance what is it that the communities said they were going to do and where are they now?

159 YOUNGBAR: We are trying to pull that information together now.

165 REP. KATZ: What is it that they want to do and how does it differ from regional strategies?

174 YOUNGBAR: Regional strategies are a program for counties and groups of counties and they have to choose a single industry to focus their efforts on. In community initiatives we don't focus on a single strategy.

232 REP. HAYDEN: Are any of the communities that you are dealing with using political strategies to ease themselves out of it?

262 YOUNGBAR: 90% of the communities are dealing with that issue. We work at diversifying their economies and one of their goals is working on the political front.

275 REP. CARTER: I think that we put our executive people on the spot when we talk about political attitudes and to remind the committee she was involved in looking at plant closures and issues of planning not to deal with the political ideology of any kind.

292 REP. PICKARD: I would be a little bit more than uneasy if in fact employees of the state were going out on a mission of teaching radical political activity like getting involved on one side of an issue or another.

304 REP. BARNES: What these folks have to do is make sure these communities do not put a political overlay on everything.

334 YOUNGBAR: Many of these communities are looking at the fact that they are not going to totally lose the wood products industry. An important strategy in many of these communities is how to encourage cottage industries.

376 REP. KATZ: If you are going to make a commitment to market cottage industries you then need to make a commitment to help those communities market those products all over the world.

399 YOUNGBAR: Continues with (EXHIBIT A).

427 YOUNGBAR: The budget for this program was about a million dollars over the biennium. The two million budgeted by the Governor for the next biennium is what we think would be needed to take the project state wide, to provide this opportunity to all rural communities and for a more extensive leadership training.

TAPE 21, SIDE B

042 REP. KATZ: It would be wonderful if you could work with the American Leadership Forum in Portland and capture parts of their program in regional areas.

046 YOUNGBAR: We have been working closely with Bill Wyatt of the Oregon Business Counsel on developing this.

057 PETERSON: Both technical assistance and leadership are in great need.

064 CHAIR BAUM: The amount of money actually spent under community initiatives is closer to one million than it is to \$400,000. The E Board offered \$225,000, the Governor has budgeted 2 million, there is also the Forest Products Opportunity Fund; where do these cross the line and when do these technical funds start being used to help these communities implement the regional strategies program?

086 YOUNGBAR: The smaller communities weren't really accessing the regional strategies. The projects themselves were all over the map in terms of where they were oriented.

110 PETERSON: The \$225,000 provided us with some initial pilot implementation projects.

118 CHAIR BAUM: The difference between the one million we spent this time and the two million we purpose to spend will it be spent in the same manner, to actually complete the projects?

114 PETERSON: At this point we're not anticipating doing a round of opportunity grants out of that two million.

130 PETERSON: The communities need to understand that there is no pot of gold at the end of the process.

143 CHAIR BAUM: The question for the committee is whether we want to face those options or if we want to close them down because they have apparently been used as a pot of gold in the past.

149 REP. CARTER: They have identified some communities that have followed through with the program at that particular money level. We need to graduate them from the community development level to the leadership development level.

160 CHAIR BAUM: What has the program actually been doing and whether we want to continue that. We have an extra million dollars in the budget and I wasn't sure if that was going to go towards more leadership or whether it was to go towards more specific projects.

178 REP. CARTER: It is going to be hard to put a dollar amount on developing leadership.

211 CHAIR BAUM: On a percentage basis do you know how much money was put through this program that was used for training verses actual projects?

218 YOUNGBAR: Of the \$1.25 million some were actual projects and feasibility studies and the rest of the money was spent on training and technical assistance.

223 CHAIR BAUM: What is the intent of the Governors budget of \$2 million?

226 YOUNGBAR: Our main focus is still going to be on training and leadership development. We want to be able more technical assistance.

237 CHAIR BAUM: What exactly do you mean by technical assistance?

238 YOUNGBAR: Technical assistance is the experience of figuring out a project rather than actually funding a project.

259 REP. HAYDEN: You're helping a community write a business plan and write a grant plan for federal grants.

294 CHAIR BAUM: Recess the hearing at 9:22 a.m.

309 CHAIR BAUM: Reconvened the hearing at 9:30 a.m.

TOURISMDIVISION

326 JULIE CURTIS: began testimony on (EXHIBIT B).

340 CURTIS: Began presentation of slide show along with (EXHIBIT B).

TAPE 22, SIDE B

030 CURTIS: Continues with (EXHIBIT B) and slide presentation.

063 REP. KATZ: Is there additional training for those women that beginning to get into the sales and marketing promotion so that when they get out they have certificates and degrees (doesn't need to be answered now)?

071 CURTIS: Continues with (EXHIBIT B) and slide presentation. >Add campaigns; for every dollar spent \$19 in new visitor revenue is returned to the state.

099 REP KATZ: The program is first class.

110 CURTIS: We have made it our goal to strive for the very highest quality possible.

115 CURTIS: Continues with presentation of (EXHIBIT B), International markets.

139 CURTIS: Continues with presentation of (EXHIBIT B), direct air-service to Germany.

157 CURTIS: This spring we broke ground on a new welcome center in Umatilla. Nearly 60% of people visiting Oregon do not have concrete plans for travel in Oregon it is our conviction that welcome centers are key marketing tools.

184 REP. KATZ: Say that again.

186 CURTIS: 58% of the people that we surveyed in our add conversion study said they did not have concrete plans for traveling in Oregon.

207 REP. KATZ: When you did contact them? Did you mail information for a variety of possible side trips or did you send out general information?

216 CURTIS: Our basic information packet includes the state travel guide, the accommodations guide, and the events calendar.

220 REP KATZ: You haven't done what I thought you needed to do.

222 REP. CARTER: In 1986 a study was done on people who were traveling through the state to EXPO.

234 CURTIS: We have tear out information in our advertising that can tailor the requests for info. We then make labels and make them available to the industry so that they can do direct mail.

254 REP. KATZ: We need to provide people with packages of things that they can do while they are visiting Oregon (in one day you can go from the beach to the mountains to the desert) and walk them through where they can stay and where they can go.

252 REP. PICKARD: Isn't it the concept of the tourism centers to do just that?

276 CURTIS: That is right. Oregon tourism has a brochure that includes 5 loop tours.

302 CHAIR BAUM: Who are "they"?

303 CURTIS: "They" are the local convention and visitors centers.

337 CHAIR BAUM: Are the regional strategies programs responsible for their own marketing of projects?

340 CURTIS: Lottery dollars that have been allocated through regional strategies primarily go for infrastructure and facility development projects.

355 CHAIR BAUM: Have you picked the ball up at the state level to market the Oregon trail and whatever Southwest Oregon is doing?

356 CURTIS: It has been our goal to market the entire state of Oregon.

378 REP. KATZ: Identify 3 large conventions that took place in the metropolitan area or at Seaside.

387 CURTIS: Portland; the Rotary International Convention and the Police Chiefs Convention. Seaside has Volleyball Championships every year.

395 REP. KATZ: Now identify for us (don't need to do it today) what was mailed to these people before they arrived in Oregon and then what was presented to them at the point of arrival.

430 CHAIR BAUM: The concern of the chair is that we have some tourist focus centers in the state (Portland, Eugene, Bend) and I'm concerned about doing what we can for those areas that can't pool their private resources together.

446 CURTIS: Continued with presentation of (EXHIBIT B).

TAPE 23, SIDE

030 CURTIS: Continued with presentation of (EXHIBIT B).

058 CHAIR BAUM: You said that we get less than 1% of the available tourist dollar. CURTIS: Yes CHAIR BAUM: What's been the historical percentage on that, have we stayed where we've always been or have we improved?

060 CURTIS: We have hovered around that percentage historically.

067 REP. KATZ: I'm not convinced that we are focusing the travelers into other areas of the State at the level that we should or at the quality of services to make their regional strategies successful.

051 CURTIS: It is a priority to work with the entire state.

102 REP. KATZ: How do people get from the convention center, Salem, Eugene or Portland to the regional areas that have a tourism strategy (you don't need to answer that now).

114 REP. BARNES: Do you share information to help create new small business at the local level?

132 CURTIS: We probably haven't done that piece as well as we could.

145 BARNES: If we can create jobs that will support the tourist industry it seems that that would be another way to work well.

149 REP. CARTER: What I would like to see draft wise is how much has the impact of tourism changed since 1985.

165 REP. KATZ: How do we know that information that you are mailing in fact generates a trip that wouldn't have been taken without our advertising? How do you know where they go, how much they spent, what's happening in the local areas and at what point have you saturated the market enough.

188 REP. PICKARD: How do we really measure in terms of dollars and cents what kind of difference your marketing has made? I would like to know the degree of participation in the private sector?

212 REP. KATZ: If we're spending millions and millions of dollars on tourism then we need to understand customer service.

225 Continued discussion.

255 CURTIS: Continues with presentation of (EXHIBIT A), Oregon Tourism Division Presentation.

298 REP. KATZ: You need to show us what it is that you are measuring to make sure we see it (economic impact, jobs and room tax).

312 CURTIS: Continues with presentation of (EXHIBIT A), the proposed budget.

369 CHAIR BAUM: Take 10 min. for the Oregon Trail.

356 CURTIS: Continues with presentation of (EXHIBIT B), the Oregon Trail fund.

390 REP. KATZ: Is the goal of the Oregon trail project for us to be able to walk the Oregon Trail?

382 CURTIS: The final product would be to raise an awareness of the Oregon Trail as a tourism product. The tourism division would like to get the entire state involved and make this a state wide celebration.

TAPE 24, SIDE A

028 REP. KATZ: At what point do you work with the issue of whether we are exceeding the number visitor in the areas that are endangered such as the Wallows.

032 CURTIS: We understand that there is a need to address those kinds of issues.

053 CHAIR BAUM: The Oregon Trail asked for \$2 million and are getting \$1 million when you come back at budget time would you address what can be bought with \$1 million and what we were trying to buy with \$2 million and why the difference.

066 CURTIS: The budget I presented to you today lists in quite a bit of



detail how the TourisMDivision would use our \$5 million but the Oregon Trail budget is more general.

083 CHAIR BAUM: Adjourned committee at 10:40 a.m.

Submitted by,

Jeri Chase Office Manager

EXHIBIT SUMMARY

EXHIBIT A -Testimony on Community Initiatives Programs, submitted by Lynn Youngbar.

EXHIBIT B - Testimony and packet on Oregon tourism, submitted by Julie Curtis.