



CITY OF OREGON CITY

Staff Report

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To: Oregon City Commission Work Session Meeting
From: Tony Konkol, City Manager

Agenda Date: November 7, 2023

SUBJECT:

Developing a Destination Management Organization

STAFF RECOMMENDATION:

Staff recommend that the City Commission review the attached analysis and recommendations aimed at helping to further the discussions about establishing a DMO in Oregon City.

EXECUTIVE SUMMARY:

The information and comparative analysis of DMOs in the Portland Area Metro Region is designed to aid discussions about establishing a destination management organization for Oregon City. It is not the intent of the economic development staff to, on its own, develop a destination management organization and then contract with it. It is the staff's hope to work with or assist a group or committee to prescribe an organizational framework for a DMO focusing on its mission, goals, objectives, and performance metrics.

It is expected that those charged with operating the destination management organization ("DMO") on a daily basis, would be responsible for implementing strategies and establishing performance metrics for the new entity. Of course, the DMO would be informed by today's best practices and function more like a business.

BACKGROUND:

During the years between 2020 to 2022 the Economic Development Department has instituted various initiatives and programs designed to provide support to nonprofits and for-profits engaged in tourist-facing activities. Although the pandemic presented many challenges to the tourism industry in Oregon City, the department created several initiatives that helped many for-profits and nonprofits weather the impact of COVID-19.

The department also was instrumental in implementing many elements of the Oregon City Tourism Strategy. Programs such as the Community Showcase, the Concierge

Institute, the re-establishment of the Arts Commission, and City-sponsored events, such programs addressed directly several areas of the existing tourism strategy.

During early winter of 2023, staff recommended the creation of a destination management organization to further the development of the tourism program within the community. With the concurrence of the City Commission, staff proceeded to conduct research that would inform staff on various models used by other communities and offer recommendations to the City Commission to help further discussions on the topic.

Over the last several weeks, staff have conducted research on existing DMOs within the Portland Metro-Region. The State of Oregon is divided into seven (7) regions. Each region has one destination management organization to act as its Regional Destination Management Organization (RDMO).

Most DMOs function as either chambers of commerce or visitation centers. Also, the actual activities of most DMOs interchange between being a destination management organization and/or a destination marketing organization. Few behave solely as one or the other. It is important not to get stalled on definitions. What really matters is how the proposed organization operates to tourism within their communities.

There are 16 DMOs in the Portland Region. Most of these are chambers of commerce with the exception of Columbia County Economic Team, the Affiliated Tribes of Northwest Indians Tourism Center, the Oregon City Regional Visitor Information Center, Oregon's Mt. Hood Territory and Tualatin Valley/Washington County Visitors Association.

Staff identified two communities, McMinnville and Wilsonville, that are among the oldest DMOs in our region. Although both DMOs behave more in line like destination marketing organizations or destination management organizations, they carry out their respective activities in very different ways.

Included in this staff report is a comparative analysis of the McMinnville and Wilsonville DMOs. Staff has also provided recommendations to help further the discussion about establishing a DMO in Oregon City. And finally, a financial statement of Oregon City's Tourism Program. The financial statement is not a cashflow statement but a document that reflects the level of revenue and expenditure of the tourism program as it currently exists.

OPTIONS

1. Staff recommend that the City Commission review the attached analysis and recommendations aimed at helping to further the discussions about establishing a DMO in Oregon City.
2. Provide staff with alternative direction

BUDGET IMPACT:

Amount

FYs

Funding Source