



Memorandum

To: Mayor and City Council
From: John Walsh, City Administrator
Subject: Evaluating the City's Tourism Program
Date: November 12, 2021

The intent of this Memo is to offer the Council guidance on evaluating the City's Tourism Program. As Mayor Scholl prides our community in stating "Why not St. Helens?" the same can be said for the City's Tourism Program. The City enacted its Transient Room Fee (TRF or TLT) in 2002 and the program has struggled since inception until recent years. With not much to show for years of investment it may be easy to question Why invest in Tourism? In 2015, the City Council changed its approach to Tourism and made the decision not to hire a Tourism Director and work directly with a third party contractor to produce specific events and activities to leverage the City's limited funds. The Tourism Advisory Committee was disbanded and the Council directly made policy decisions while designating the City Administrator to administer the Tourism Program. These decisions have turned the program around and the City is seeing remarkable results from the TLT investment. Our community now believes in itself and can proudly ask Why not Tourism? The City's Tourism Program attracts visitors far and wide while benefitting local business, non-profit partners, and other community partners. The program is fiscally sustainable, with increasingly less support from other City departments.

Tourism is critical to the City's overall Economic Development strategy in creating an active and vibrant community, improving livability, and attracting new growth and investment in the City. In evaluating the program please consider the following outline which defines the City Council's role, embraces the programs goals, strategies to achieve the goals, and explores various business model options to leverage limited resources to achieve amazing results.

City Councils Role in Tourism

- Council sets Tourism Program policy
- Staff administers Tourism Program to achieve program goals

Tourism Program Goals

- Attract visitors to the St. Helens Community
- Support local businesses and non-profit organizations
- Elevate the image of the City and region to the outside world
- Operate a sustainable Tourism Program (revenues meet or exceed expenses)
- Attain a high rate return on TLT investment (Transient Lodging Tax)

Tourism Program Strategy

The State is divided into seven Tourism Districts and each District has several recognized DMO's (Destination Marketing Organizations) designated by the State. Columbia Economic Team serves as the DMO for the Columbia County Region and the St. Helens Tourism Plan (Towards Sustainable Development) is incorporated by reference into the regional plan as part of the Portland District of the State's Tourism plan. Both local and regional plans focus heavily on outdoor recreation opportunities, specifically water-related opportunities with emphasis on leveraging assets to achieve results. The St. Helens plan is more specific on the impact of events and activities. The City of St. Helens Tourism strategy has been to enter into a contract for services with a third party contractor to produce several events and activities throughout the year aimed at achieving the Plan Goals. These include: 13 Nights on the River, support 4th of July Fireworks, The Spirit of Halloweentown, and Christmas Tree lighting ceremony in conjunction with the annual Christmas Ships visit. The contractor has additional discretion, subject to City approval, to produce additional events and activities so long as total revenues cover expenses.

Evaluating Tourism Program effectiveness

Measuring success of the City's tourism can be complex as there are many variables and perspectives to consider. For purposes of the Council's evaluation, the Council should consider the program goals against the current contracted events and activities and consider any policy changes to improve the program. The following interrogative questions may help guide the evaluation process.

What's working well?

How can we improve?

What, if anything, should we be doing differently?

Contracted Events and Activities

- 13 Nights on the River
- The Spirit of Halloweentown
- Christmas Tree Lighting/Christmas Ships
- Sand Castle Competition
- Other

Tourism Program Goals

1. Attract visitors to the St. Helens Community
2. Support local businesses and non-profit organizations
3. Elevate the image of the City and region to the outside world
4. Operate a sustainable Tourism Program (revenues meet or exceed expenses)

5. Attain a high rate of return on TLT investment (Transient Lodging Tax)

Tourism Business Models

The City has utilized various business models over the years in an attempt to develop and sustain a viable Tourism Program. Most Tourism programs are supported by Hotel Tax revenues (TLT), and with only two (2) hotels contributing, the City's resources are limited compared to other communities the size of St. Helens. For perspective, neighboring Astoria collects around \$1.5M, Seaside receives \$2.5M compared to St. Helens meager \$100- \$110K. This financial constraint forces the City to be strategic with its limited funds and make investments that yield a high return on investment. The following are the various business models the City has considered or utilized to administer the Tourism Program. Each model has pros and cons and the results have varied broadly with the only constant being contention. Tourism has a history of being contentious which is likely due the limited City resources available and diminished capacity to support community partner organizations. The current model where the City has hired a third party contractor to produce events and activities has been very effective. The City has leveraged its limited TLT funds to secure a contractor to produce events that achieve and exceed the program goals. By contracting for these services the City has attracted visitors from across the planet, created a positive community image and identity, supported local and non-profit community partners, and become financially sustainable.

Business Model Considerations

City hires Tourism Director to achieve Tourism Program goals and objectives

- City hires/designates Staff to market, produce events and activities
- Staff manages tourism contracts for marketing of events and activities

City contracts with third party to achieve Tourism Program goals and objectives

- City contracts with third party to produce events, activities, and other services
- City/City Administrator manages third party contract(s)

Tourism Advisory Committee

- City Council acts as Tourism Program Administrator
- City Council designates City Administrator to Administer Tourism Program
- City Council (re)creates a Tourism Advisory Committee to advise the Council on Tourism related investments

City Reallocates all or portion of TLT revenues to achieve Tourism Program Goals and objectives by supporting:

- Chamber of Commerce
- Main Street Program
- Keep it Local Columbia County
- CET

- Community Service Organizations
- Non-profits
- Direct investments to local businesses
- Other Service contracts
- Other investments resulting in high ROI

Summary

In summary, the City collects very limited funds relative to comparable communities and this lack of resources has had a significant impact on the City's capacity to offer broad support to community partners engaged in promoting Tourism. The City needs to be strategic with the limited tax funds received and make investments that offer the broadest community benefit. The current model of hiring a third party contractor to produce revenue generating events, leverages the limited funding and offers broad benefit to local business, non-profits, and community partners and the City. This third party contractor relationship is one part of a larger vision for the City's Tourism Program. In evaluating the effectiveness of the program perhaps the best question to ask is "How else would the City invest limited TLT funds to better benefit the community?"

Regards,
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