



Second Quarter Tourism Update

Prepared for BEDAB

January 5th, 2016

Executive Summary

Bend's tourism industry continued to grow through the first two quarters of Fiscal Year 2016. Six months into the current fiscal year, Bend's tourism industry is on pace to achieve a fifth consecutive record year.

Visit Bend's marketing, group sales, public relations, and financial plans have been executed according to the organization's Fiscal Year 2016 Business Plan that was approved by BEDAB and the Visit Bend board of directors.

The following document is intended to provide BEDAB with an Executive Summary update on the key metrics of Bend's tourism industry and key updates on Visit Bend's operations through the second quarter of Fiscal Year 2016.

Tourism Metrics Update

- TRT Collections: Fiscal year-to-date through October, TRT collections in Bend equaled \$3,453,743. This is a 28% increase YOY (23% normalized).
 - Bend's TRT growth rate is nearly double that of the State of Oregon, and nearly triple that of Deschutes County.
 - Three factors are driving Bend's extraordinary growth in TRT collections:
 - Higher volume of visitors
 - Higher rates being charged at lodging properties (ADR)
 - The addition of 143 registered vacation rentals
- Citywide Lodging Occupancy: Through October, Bend's citywide lodging occupancy rates equaled 81%. This is the highest occupancy rate in Bend for the first four months of a fiscal year.
- Citywide Average Daily Rate (ADR): Through October, the average daily rate being charged at Bend lodging properties equaled \$121. This is the highest ADR for Bend for the first four months of a fiscal year.
- Website Traffic: Traffic to www.visitbend.com from November 1 to December 24 is tracking 36% ahead of last year. This increase in website traffic is being driven by the winter advertising campaigns in Northern California, Seattle, and Oregon.
- Visitor Center Traffic: From July through November, the Bend Visitor Center hosted 17,034 visitors. This is a 12% increase over the same time period last year.

Financial Plan Update

- **Summary:** Through the first 5 months of the fiscal year, Visit Bend's financial position is very healthy.
- **Revenue:** Fiscal year to date revenue equaled \$1,659,997, which was \$305,427 (22.5%) better than budget.
- **Sales & Marketing Expenses:** Sales and marketing expenses equaled \$815,600, which was \$184,794 more than budgeted.
- **Overhead Expenses:** Through November, overhead expenses equaled \$77,449. This is 4.6% below budget.
- **Surplus Revenue Allocation:** Year to date, Visit Bend has allocated approximately 60% of the FYTD surplus revenue to board approved supplemental winter marketing programs. This will remain constant until the Visit Bend board of directors and BEDAB make a decision on whether or not to invest in a rainy day fund.
- **Balance Sheet:** Visit Bend's balance sheet remains very healthy, in terms of both liquidity (current ratio of 2.8) and leverage (debt to equity ratio of 0.5).

Marketing Plan Update

- **Winter Advertising:** Bend's winter advertising campaign was launched on November 1st in Northern California, Seattle, and all of Oregon.
 - The winter advertising campaign incorporates TV, radio, digital media, social media, magazine advertising, and newspaper advertising (see attached media plan).
 - The total investment in Bend's winter advertising campaign is \$1,100,000.
 - The initial results of the advertising campaign are reflecting record visitation and record traffic to www.visitbend.com.
- **Groups & Events:** Fiscal year-to-date, Visit Bend has bid on the following groups and events: USA Cycling Collegiate Road Nationals, USA Snowshoe Associations National Championships, Oregon Athletic Directors Association Annual Conference, NAIA Cross Country National Championship, and the USA Hop Growers Association Annual Meeting.
- **Public Relations:** Since November 1st, Visit Bend has hosted journalists from the *Washington Post*, *Where to Retire* magazine, *USA Today*, and *Trekaroo*. The writers' story assignments focused primarily on Bend's beer tourism, shoulder season travel, and family vacations.
 - Q1 and Q2 media coverage on Bend has appeared in the *Washington Post* (42 million unique digital visitors per month), *Men's Health* (more than 20 million readers worldwide), several *USA Today* top 10 lists (daily readership = 3 million), the Alaska Airlines in-flight magazine (1.8 million affluent readers per month), and *Chevy New Roads* magazine (mailed to 6.5 million Chevy owners).

Miscellaneous Updates

- **Visit Bend Leadership and Oversight:** In Q1 of Fiscal Year 2016, the Visit Bend board of directors expanded from 7 to 9 board members. The current Visit Bend board members are:
 - Dave Nissen, President/Co-Owner of Wanderlust Tours (Board Chair)
 - Matt Williams, President/Owner of Pine Ridge Inn and Birch Lake Hospitality (Vice Chair)
 - La Dona Canevaro, CEO of Hotel Knot (Treasurer)
 - Michelle Mercer, Marketing Director of Sun Country Tours and Bend Vacation Rentals
 - Alan Dietrich, CEO of Bendistillery

- Ben Perle, Vice President of Operations for the Oxford Hotel Group
- Jodie Barram, Director of Major Giving at the Tower Theatre
- Erick Trachsel, Director of Sales and Marketing at the Riverhouse Resort and Convention Center
- Brent McLean, Vice President of Sales and Marketing, Northview Hotel Group
- State Lodging Tax Proposal: Governor Kate Brown, Travel Oregon, and the Oregon Restaurant and Lodging Association (ORLA) are proposing an increase in the state room tax from 1% to 2%. If approved, the increase would double Travel Oregon's marketing budget.
- Bend Cultural Tourism Fund: The Bend Cultural Tourism Fund (BCTF) is entering its second granting cycle. The BCTF will issue approximately \$150,000 to arts and cultural organizations in Fiscal Year 2016.
- USA Cross Country National Championships: Visit Bend will host the 2016 USA Cross Country Running National Championships in February. This event will be headquartered at the Riverhouse and will attract approximately 2500 people for an average length of stay of 4 days.

Attachments

- TRT Report
- Citywide Occupancy, ADR, and REVPAR Report
- Winter Media Plan
- Sunset Magazine with Winter Mini-Guide Insert
- Comparative Analysis - Destination Marketing Budgets