

CITY OF COOS BAY
Agenda Staff Report

MEETING DATE 08/16/16	AGENDA ITEM NUMBER 8
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TO: Mayor Shoji and City Councilors
FROM: Rodger Craddock, City Manager
ISSUE: Proposed Changes to the VCB Agreement

BACKGROUND:

Back on May 17, 2016 the Council received a historical review of transient lodging tax and tourism promotion activities and further discussed the City's role in the Coos Bay-North Bend Visitors & Convention Bureau (VCB). During the discussion the promotional concerns related to the VCB expressed by the Council Promotions Committee included:

- Branding and Identity of the Organization
- Promotions Scope and Priorities
- Representation on the VCB Board
- Organizational Structure of the Organization
- Partners and Investors

(The attached May 17, 2016 staff agenda report contains details on each of the above.)

After considerable discussion, the Council voted in favor of continuing on a temporary basis as a partner of the VCB to allow time for stakeholders to meet and seek consensus on how best to provide promotional services for the City's stakeholders and the region. A group of stakeholders along with a facilitator hired by Travel Oregon met on May 24th and again on June 21st in an effort to find consensus on how best to move forward with a collaborative approach for regional tourism promotions of the Coos Bay/North Bend/Charleston area. Below you will find a list of the involved stakeholders:

City of Coos Bay - Mayor Shoji and Rodger Craddock
City of North Bend –Terence O'Connor
Coquille Indian Tribe - Lucinda DiNovo
Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Tribes - Bob Garcia
Bay Area Chamber of Commerce – Tim Slater
Port of Coos Bay – Brooke Walton
Coos County - Commissioner Cribbins
Charleston Merchants Association - Tim Hyatt and Rick Stillwagon
Local Lodging / Restaurant Reps. - Joe Monahan, Joe Benetti, and Mark Mattecheck
Wild Rivers Coast Alliance - Jim Seeley

Attached are summary notes from the first meeting in May. During the second meeting it was evident the group was unified in their desire to keep the VCB as an organization, although they made a number of suggested changes which are incorporated below:

	Current VCB Intergovernmental Agreement (IGA)	Recommended Amendments
Organization Identity	Coos Bay – North Bend Visitor & Convention Bureau	No changes proposed
Promotional / Branding Identity	Oregon’s Adventure Coast	Travel Coos Bay / North Bend on Oregon’s Adventure Coast
VCB IGA Partners	City of Coos Bay City of North Bend Coquille Tribe	No proposed changes to the founding VCB IGA Partners
Funding Comment of VCB Partners	2/7 th of TLT Revenue	No proposed changes
VCB Board Construction	<p>A five-person VCB Board</p> <p>One representative appointed by each of the VCB partners</p> <p>One representative of the Chamber of Commerce</p> <p>One representative of the local hoteliers</p>	<p>At minimum there should be a six-person VCB Board</p> <p>Each founding member should be represented on the VCB’s Board by two <u>voting</u> representatives, at least one of which must be an appointee representing tourism-related industries.</p> <p><u>Non-voting</u> stakeholders should be represented on the VCB Board. Stakeholder representation should include: Charleston Merchants Association; Chamber of Commerce; Lodging / Restaurant Association; CTCLUSI Tribe; Port of Coos Bay; SCDC; and Coos County.</p> <p>Note: It was suggested that any stakeholder group could purchase one voting position on the VCB for an annual contribution of \$25K annually and that the amount should be indexed over time at a rate consistent with the CPI.</p> <p>It was further suggested that if an entity wished to become a full partner with the right to appoint two Board members, they may do so by matching or exceeding the contribution level of the lowest-contributing founding partner.</p>
Partner Withdrawal or	Any of the three VCB Partners may withdraw and cause the termination of	VCB Partners wishing to withdraw should be required to provide 180 days’ notice.

Termination of the VCB IGA	the VCB IGA by providing 60 days' notice.	The VCB should continue to exist after a partner withdraws; unless there was an agreement amongst the partners to terminate the IGA and disband the organization.
Promotion of Local Events	<p>The primary promotional (paid advertising) focus of the VCB has been the natural attractions of the region which has included the dunes, state parks, Charleston, fishing, crabbing, etc.</p> <p>The VCB has promoted local events and cultural draws within the cities on Facebook and the VCB website.</p>	<p>In addition to promoting the natural attractions of the region, the VCB should set aside \$50-60K annually for the promotion (paid advertising) of local events which draw tourists as defined in ORS 320.300.</p> <p>The VCB should also continue promoting local events via Facebook, VCB website, etc. for local events which don't qualify for paid advertising.</p>

In the addition to the above proposed changes to the VCB IGA, branding and promotional focus, the workgroup suggested the following measures of success be adopted by the VCB, and used as an agreed-upon framework for assessing the ongoing performance of the VCB initiatives:

- Year-over-year growth in Transient Lodging Tax, adjusted for inflation
- Year-over-year growth in Average Daily Rate, per Smith Travel
- Year-over-year growth in Revenue Per Available Room, per Smith Travel
- Annual increase in Earned Media Value
- Annual increase in Earned Partnership Value
- Growth in ratio of economic impact to VCB overhead

ACTION REQUESTED:

If it pleases the Council, allow the City Manager to work with representatives from North Bend and the Coquille Indian Tribe, as well as the respective attorneys to draft a proposed amendment to the VCB IGA to include the suggestions from the workgroup for the VCB partner's consideration.