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August 27, 2003

Board of County Commissioners
Lane County
125 East 8th Avenue
Eugene, OR 97401

Dear Commissioner:

Enclosed please find the FY03 Annual Report published by the Convention & Visitors Association of Lane County Oregon. This report is intended to meet the reporting requirements outlined in our marketing contract with Lane County. Also enclosed is the annual Business Opportunity Fund report.

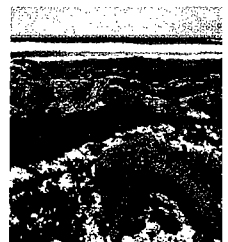
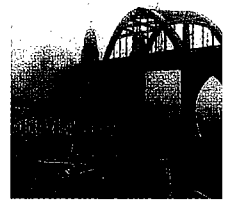
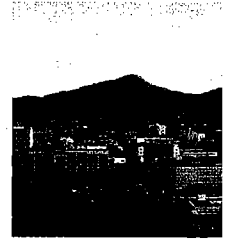
Included on page three is an executive summary, which gives a quick overview of our achievements during the last program year, July 1, 2002 through June 30, 2003. Given the state of our economy and particularly the visitor industry, we posted very strong achievements for the year. There remains much work to be done, however, and we remain very focused on our mission of attracting overnight visitors to Lane County.

I am grateful for the hard work of the staff here at CVALCO. We are all very proud to serve the citizens of Lane County in our role of attracting new visitor dollars to the local economy.

I look forward to discussing this report with you in person on September 10, and answering any questions you may have. Thank you for your continued support and recognition of our marketing programs.

Sincerely,

Kari Westlund
President & CEO



Convention & Visitors Association of
Lane County Oregon

Annual Report

FY 2002 - 2003



VisitLaneCounty.org

115 West 8th, Suite 190, PO BOX 10286, Eugene, OR 97440

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Executive Summary

Overall Returns Measured: \$50,898,699 Room Tax Investment:\$1,027,425 Ratio: 49.54:1

For every dollar of room tax invested by Lane County in CVALCO, more than \$49.54 in visitor spending came, or will come, back to the county economy. This is an estimate of direct expenditures; no multipliers are incorporated. No economic returns are associated with our website. In addition to \$169,591 in private dollar revenues and in-kind support, CVALCO generated \$1.47 million in public relations exposure, dramatically extending the reach of its budget.

Convention Sales	<i>FY03 Goal</i>	FY03	FY02	FY01	FY00
Leads Achieved	191	183	182	193	210
Room Nights Booked	89,004	99,799	84,766	67,889	50,214
Delegates Booked	n/a	279,802	116,496	95,2439	8,353
Tourism Sales	<i>FY03 Goal</i>	FY03	FY02	FY01	FY00
Ad Responses	26,000	19,265	37,804	38,967	30,815
Media (non-local)	\$1,200,000	\$1,412,858	\$1,744,570	\$1,886,894	\$1,497,604
Trade Contacts	400	222	430	306	1,359
Visitor Services		FY03	FY02	FY01	FY00
Walk-ins		7,481	6,762	9,244	11,191
Mail/Phone/Ad Inquiries		27,714	47,297	56,743	51,449
Visitor Van		12,837	12,146	11,197	10,982
Total		48,032	66,205	77,164	73,622
Website	<i>FY03 Goal</i>	FY03	FY02	FY01	FY00
Users	261,882	302,063	239,211	119,159	81,746
Hits	6,839,522	5,767,388	4,559,681	1,645,239	915,892
Membership	<i>FY03 Goal</i>	FY03	FY02	FY01	FY00
New Members	63	65	60	66	74
Community Relations	<i>FY03 Goal</i>	FY03	FY02	FY01	FY00
Media (local)	\$40,000	\$36,979	\$42,035	\$36,705	\$41,242
Media (national convention)	n/a	\$21,699	\$6,948	\$17,815	n/a
Press Releases	36	53	49	59	45
Media Stories	n/a	120	144	151	149
Presentations	24	18	30	30	33

Youth Oriented/Internship/Volunteer Programs

CVALCO participated in job fairs and gave presentations to high school and college level students about tourism and ways to embark on careers in the industry. CVALCO continued its internship and volunteer program. College interns and other volunteers worked with CVALCO staff on marketing programs during the year, learning important career skills and providing invaluable assistance.

Travel and Tourism: An Economic Generator

Return on Lane County Room Tax Investment in CVALCO

Not all of CVALCO's marketing efforts are quantifiably measurable in the returns they provide, and much of its marketing is labor intensive and customer service oriented. CVALCO does, however, measure many of its programs. Summarizing those programs measured for quantifiable returns, an investment of \$1 million by Lane County into CVALCO secured more than \$50.8 million¹ in economic impact to the county during the FY03 program year.

Private businesses contributed \$169,591 in cash and in-kind donations to leverage Lane County's investment and increased CVALCO's overall effectiveness. Media relations efforts at the local and national level extended the reach of CVALCO's budget by another \$1.47 million.

Tourism in Lane County

Lane County is continuing to experience steady growth in visitor spending. Overall, travel revenues in Lane County reached \$461.1 million² in 2002, a 3.6 percent increase from 2001, and a 58.2 percent increase from 1991. The visitor industry in Lane County is made up of many small and medium sized businesses. Together they employed an estimated 7,990 people and paid out \$114 million in earnings in 2002.³

Tourism in Oregon

During 2002, travelers to Oregon contributed an estimated \$6.2 billion directly to the state economy, supporting 136,200 jobs (direct and secondary) and \$2.8 billion⁴ in earnings.

Tourism in America

As one of the world's largest and fastest growing industries, travel and tourism generated \$555.2 billion⁵ in travel expenditures during 2002, up 1.8 percent over 2001. Tourism supported 7.9 million jobs for Americans, with a payroll of nearly \$174 billion, making it one of America's largest employers. Travel and tourism remains America's third largest retail industry. It also generated \$98.8 billion in federal, state, and local tax revenues.

CVALCO: A Private-Public Partnership

A recognized visitor industry leader, CVALCO partners with business, civic, government and community groups, including its 405 members. As a private, nonprofit corporation, CVALCO is governed by a 30-member board of directors, including representatives from the Lane County Board of Commissioners, the Eugene City Council, and the Springfield City Council. Ex-officio board members provide additional links to city and county government.

CVALCO is funded by county room tax, paid by visitors staying overnight in commercial lodging and campgrounds. It receives a specified percentage of room taxes collected by the County. This method of funding sets up a healthy incentive; the better job CVALCO does at bringing overnight visitors and their dollars into the county, the more funds it receives to use in marketing.

CVALCO's Mission

CVALCO is dedicated to its mission of increasing the number of overnight visitors to Lane County for the benefit of its members and all businesses and citizens who depend on a strong Lane County economy. CVALCO continues to implement aggressive marketing strategies to promote Lane County as a convention, meeting, event and leisure-travel destination. Ongoing areas of focus include convention sales and service, tourism marketing, visitor information services, membership and community relations.

Room Tax

During FY03, room tax collections decreased 0.92 percent overall, with communities varying significantly. Rural areas, or "other," posted the largest gain at 8.43 percent, followed by Springfield at 0.76 percent. Room tax collections declined for Eugene, Florence and Cottage Grove.

Lane County Room Tax Collection Summary

	FY03	FY02	FY01	FY00	FY99
Eugene	↓3.72	↑2.96%	↑6.9%	↑0.03%	↑1.5%
Springfield	↑0.76	↓3.72%	↓3.8%	↑8.9%	↑4.6%
Florence	↓3.82	↑1.30%	↓1.8%	↑14.8%	↑3%
Cottage Grove	↓7.40	↓3.65%	↓15.1%	↓2.4%	↓8.4%
Other	↑8.43	↑1.37%	↑0.7%	↑9.1%	↑0.9%
Total Tax	↓0.92	↑0.64%	↑1.7%	↑4.3%	↑1.8%

Source: Lane County Transient Room Tax Collections Monthly Reports.

Hotel/Motel Occupancy for Lane County Metro Area

Room tax collections are a function of both occupancy and price. Through a weekly survey, CVALCO assists in tracking actual room occupancy rates. Figures are based on a sample of more than 2,000 Eugene/Springfield metro area hotel/motel rooms. During FY03, the average occupancy rate was 58.68 percent, a slight decrease from FY02's 59.16 percent figure. Overall economic conditions likely played a role in depressed demand. As anticipated, occupancy rate changes correlate closely with room tax collection changes in FY03.

Eugene Airport Deplanements/Service

A total of 301,227 deplanements were reported during FY03, down seven percent over last year. The decline is mainly due to the large loss in seats during the period, however, load factors for Eugene carriers were up, indicating that people are returning to air travel.

Several major changes to Eugene's fleet mix occurred during the year. After serving Eugene for over 50 years, a restructuring effort forced United Airlines to end its large jet service between Eugene and San Francisco and change Eugene to an express station, effective January 7, 2003. While a switch to 50-seat regional jets resulted in an overall reduction in

seats, frequency immediately increased from three to five daily flights, and grew to six daily flights by May 2003.

In March 2003, America West Express added one daily non-stop flight between Eugene and Las Vegas, and reinstated the third daily flight between Eugene and Phoenix. Horizon Air added a third flight between Eugene and Los Angeles and began providing daily service to Medford in April 2003.

Convention Marketing

Pat Phillips, Vice President of Convention Marketing
 Sue Gorham, Convention Sales Manager
 Sue Krug, Convention Sales Manager

Michelle Geschke, Convention Sales Manager
 Sandee Hansen, Convention Services Manager

The Convention Sales and Marketing Department continued its efforts to attract conventions, meetings and events to Lane County. The staff's sales strategies to develop new business and maintain existing accounts secured a direct economic impact of \$41 million in convention/event delegate spending, up 11 percent over last year. Trade shows, sales presentations, advertising campaigns, direct sales calls, and special sales missions targeting meeting and event planners, have all been effective means to increasing overnight visits to Lane County.

Business Booked	FY03	FY02	FY01	FY00	% Change since FY02
Conventions/Events	153	151	152*	152	↑1.3%
New Business	65	63	69*	67*	↑3.1%
Delegates	279,802	116,496	95,243	98,353*	↑140%
Room Nights	99,799	84,766	67,889	50,214*	↑17.7%
Est. Economic Impact	\$41 million	\$37 million	\$34 million	\$29.8 million	↑11%

*revised

Leads	FY03	FY02	FY01	FY00	% Change since FY02
Total Leads Generated	183	182	193	210	↑0.5%
Confirmed	134 (73%)	116 (64%)	122 (63%)	121 (58%)	↑15.5%
Pending	12 (7%)	13 (7%)	44 (23%)	43 (20%)	↓7.6%
Lost	29 (16%)	37 (20%)	25 (13%)	45 (21%)	↓22%
Cancelled/Postponed	8 (4%)	13 (7%)	2 (1%)	1 (1%)	↓38.4%

Sample Confirmations	Meeting Date	Delegates
The Mars Society	2003	1,000
American Scientific Glassblowers Society	2003	200
OSAA Football 3A/4A Championships**	2003	8,750
OSAA 4A Boys Basketball Tournament**	2004	21,500
Centennial Convention for OR Rotary	2005	800

** OSAA has contracted with the University of Oregon to hold these events in Eugene for five years.

Tradeshaw Participation

Participation in industry trade shows continued to play an important part of the sales team's marketing strategy. During FY03, the sales staff attended the following shows to meet with meeting planners and promote Lane County as a meeting destination:

Affordable Meetings, San Jose, CA	Society of Government Meeting Planners, Salem, OR
Teams 2002, Chicago, IL	Destination Showcase, Washington, D.C.
Reunion Network, Tucson, AZ	Healthcare Convention & Exhibitors Association, Palm Springs, CA

Advertising

Convention advertisements targeted meeting and event planners in the following publications: Oregon Society of Association Management, Meeting Planners International, and Horizon/Alaska Air Magazine Special Meeting Planner Edition.

Site Inspections

CVALCO conducted site inspections and tours of the area for meeting planners. Site inspections that resulted in bookings are below. A site inspection was also conducted for Triple Crown Sports.

	Meeting Date	Delegates
Northwest Tandem Rally	July 03	650
Oregon Department of Transportation	October 03	275
American Scientific Glassblowers	October 03	200
Society for American Music	February 05	300

Hospitality Partnership Return

The Hospitality Partnership Return (HPR) program has helped keep business in Lane County while providing marketing dollars for participating groups to grow their meeting/event size. During FY03, groups included the AAU Basketball Tournaments, Track City Classic, Special Olympics, and Kidsport Memorial Day Soccer Tournament.

CVALCO presented its Convention Leadership Award to local residents that were directly responsible for the confirmation of a meeting or event that brought a significant number of overnight visitors to Lane County. Recipients included: Gary & Betty Willoughby representing the Oregon Midwinter Square Dance Festival; Linda Mulvihill representing the National Academy of Artistic Gymnastics; and Wayne Thompson representing the Black Sheep Gathering.

Sports Marketing

CVALCO continued to aggressively retain and attract sporting events to Lane County. This past year we sponsored a meeting, which pulled together local organizers of scheduled bike races, to help facilitate communication among them and make sure there were no conflicts in dates. As a result, we have been able to help promote and assist with lodging for the many competitors that came to Lane County to participate in these races.

In October, CVALCO attended the TEAMS 2002 sports trade show in Chicago, IL to promote Lane County's sports facilities and services. In addition, CVALCO worked with the University of Oregon in its efforts to secure a five-year contract with Oregon School Activities Association (OSAA) to host the 3A/4A Football Championships and the 4A Boys Basketball Tournament.

Meeting Facility Development

CVALCO's opportunities to market Lane County as a meeting destination grew during FY03 as new meeting space became available and plans for future projects got underway. CVALCO began marketing the new 38,000-square-foot Center for Meeting and Learning at Lane Community College. The soon-to-open Morse Event Center at Northwest Christian College and future development of the Lane Regional Sports Arena in Springfield have also enhanced Lane County's outlook for future meetings and events. Meanwhile, phase one was completed on the

potential development of a Springfield Civic Center. CVALCO provided partial funding for and input on the implementation of phase one.

Convention Services Program

The Convention Services program continued to explore new approaches to servicing meetings and assisting meeting planners. Services were designed to enhance meeting planning, help ensure the overall success of meetings or events, increase the chances for repeat business in Lane County and encourage planners to utilize applicable CVALCO member products and services.

Delegate welcome signs and letters, VIP packets, press releases, media contacts, registration personnel, promotional videos, slides, transportation assistance and local attraction brochures were among the services provided to 83,650 delegates representing 149 groups. A room referral program was implemented for 36 conventions/events, assisting planners and delegates in booking reservations during events with citywide lodging demands.

Gift bags and baskets were also distributed to various businesses, conventions and events, including: Eugene School District 4J, Mid-Winter Square Dance Festival, Oregon Logging Conference, NAACP, Veterans of Foreign Wars, Oregon Rural Letter Carriers, McDonald Wholesale, NW Law Enforcement Bowling Tournament, U.S. Naval Cryptologic Veterans Association, American Birding Association and the Mike Belloti Golf Tournament.

The Convention Services program also continued working as a liaison between meeting planners and CVALCO's members. Service and informational leads, identifying meeting planner needs, were sent to CVALCO members to help them procure business and ease meeting planners' search for products and services. Meeting planners requested help with catering, tours, transportation, trade show vendors, discount coupons and promotional items.

The following large-scale groups prompted significant welcome efforts, housing referral services and the utilization of nearly all CVALCO convention services:

Group	Delegates
Oregon Logging Conference	3,500
Mid-Winter Square Dance Festival	1,380
Association for Direct Instruction	800
Rotary International	550
American Birding Association	500
Arts Northwest	300

Promotional Assistance/Committees

The Convention Services program worked to boost attendance for upcoming Lane County conventions by attending those conventions in preceding host cities. Conventions included the Oregon Library Association, Eugene School District 4J, and Association of Oregon Counties. The Convention Services program also served on the planning committee for: The Mars Society, NAACP, 2004 Cascade Occupational Safety & Health Conference, Breaking the Glass Ceiling and the Bristow Challenge.

Tourism Marketing & Sales

Natalie Inouye, V.P. of Tourism Marketing

Joanne Holland-Bak, Director of Tourism Marketing

Debbie Williamson-Smith, Tourism & Film Marketing Manager

CVALCO's Tourism Marketing and Sales department continued its marketing strategies to garner a greater share of the growing travel market. Regional and national advertising, cooperative marketing promotions, regional partnerships, travel trade shows and extensive media coverage all combined to attract both group tour and independent leisure travelers to Lane County. Working with the Oregon Film and Video industry also increased opportunities for exposure. Tourism marketing efforts during FY03 resulted in more than \$4.8 million⁷ in returns from inquiry generation, fulfillment and bulk brochure distribution alone.

Leisure Marketing

Lane County continues to be a draw for independent leisure travelers seeking scenic beauty, nature-based recreation opportunities and highly acclaimed cultural and performing arts events and activities. CVALCO marketing efforts capitalize on the brand awareness of Oregon with special focus on activities for visitors to enjoy.

CVALCO Destination Advertising

Effective advertising placement remained crucial for generating requests and increasing visitation to Lane County. During the period, CVALCO tracked 7,744 responses directly as a result of CVALCO advertisements. Publications included: Good Housekeeping, Northwest Travel, Oregon Coast Magazine, Travel Oregon, Sunset Magazine and the Oregon Attractions Insert that was placed in newspapers throughout Oregon and other Western States.

Regional Partnerships

Regional partnerships were key in generating inquiries for visitor information, but a lack of funding at the state level resulted in a drop of more than 50 percent in related responses. A total of 11,521 visitor information requests or leads were generated as a result of partnerships with the Oregon Coast Visitors Association, the Willamette Valley Visitors Association and the Oregon Tourism Commission. These requests and leads were fulfilled with CVALCO's Visitor Guide. CVALCO continues to hold leadership positions in regional associations. Joanne Holland-Bak served as the Willamette Valley Visitors Association secretary and Natalie Inouye served on the board of the Oregon Coast Visitors Association.

Visitor Inquiries					%Change since FY02
Generated by:	FY03	FY02	FY01	FY00	
Destination Advertising	7,744	6,168	15,949	13,537	↑25%
Regional Partnerships	<u>11,521</u>	<u>31,636</u>	<u>23,018</u>	<u>17,278</u>	↓63%
Total	19,265	37,804	38,967	30,815	↓49%

Top Geographic Markets

International top markets of geographic origin for visitors to CVALCO's information centers included: Canada, Japan, England, Germany, Australia, New Zealand, Russia, Holland,

Chile and Switzerland. Top U.S. markets included: Oregon, California, Washington, Arizona, Colorado, Texas, New York, Florida, Illinois, Nevada, Minnesota and Hawaii/Idaho/Michigan. Top Oregon markets included: Eugene, Portland, Springfield, Florence, Corvallis, Roseburg, Salem, Cottage Grove, Junction City and Bend.

Consumer Travel Shows

Consumer travel shows played an important role in generating destination awareness and attracting leisure travelers to Lane County. During FY03, CVALCO took part in six consumer shows, some of which included partnerships with the Oregon Coast Visitors Association (OCVA). Participation and partnerships in the following shows generated a total of 2,649 leads:

Partnerships	Consumer Travel Shows	Leads
CVALCO members	Sunset Celebration Weekend	889
CVALCO members	Portland Big Bash	192
OCVA	Sacramento, Puyallup, Portland and Redmond Sportsmen Shows	1,568

Travel Trade Marketing

Travel trade shows, advertising and partnerships continued to be effective means for attracting new group tour travel business to Lane County.

CVALCO attended the National Tour Associations Annual Convention in Los Angeles and Spring Tour Operator Retreat in Victoria, B.C. CVALCO focused on reaching the international market by attending the International Tourism Bourse (ITB) in Berlin, Germany; and Pow Wow in St. Louis. CVALCO's participation in trade shows generated 222 leads.

CVALCO advertised in the Group Tour Magazine, which generated 38 requests from tour operators and group leaders.

Partnerships in the German and Japanese speaking markets have led to press research tours, articles, television travel shows and greater exposure for Lane County's products in international tour catalogs.

Joanne Holland-Bak, CVALCO's director of tourism, held the office of Resources Committee Chair of the Oregon Tour & Travel Task Force keeping CVALCO well connected and involved in statewide group travel marketing activities.

Group Tour Tracking

The total number of actual group tour travelers and complete economic impact are unknown since CVALCO must rely on voluntary reports from lodging, attraction, and restaurant operators. However, in FY03, CVALCO began working with a core group of accommodations and attractions that are regularly reporting their tour business. The results will be a more accurate reflection of Lane County's tour business. The results of the groups CVALCO was able to track generated 1,368 room nights and 5,085 passengers, resulting in \$666,135 in spending⁸ in FY03:

	FY03	FY02	FY01	FY00
Group Travelers	5,085	9,438	3,936	5,651
Room Nights	1,368	2,046	1,938	2,600

Media Relations/Editorial

Extensive national and international media coverage stretched CVALCO's marketing efforts by providing free publicity and exposure for Lane County worth \$1,412,858.

CVALCO worked to generate coverage through press releases and by providing assistance to various media for articles, television programs and guidebooks upon request. Subjects included Lane County's events, activities, new brochures, attractions, wineries, gardens, performing arts and culture. The following media are among those that provided coverage about Lane County due to CVALCO's efforts:

Regional: Arizona Senior World, Dallas Voice, Essentially America, Hamilton Spectator, Nevada Senior World, North Shore News, Northwest Travel, Onward Magazine, Oregon Vacation Guide, Oregonian, Portland Family, Qwest Dex, Seattle Post Intelligencer, The Davis Enterprise, The New York Times, The Province, Union-Bulletin and VIA Magazine

National: Travel 50 & Beyond, Delicious Living Magazine and USA Today.

International: Ten Dutch newspapers (Brabants Dagblad, Apeldoornse Courant, Dagblad van het Noorden, Eindhovens Dagblad, Haarlems Dagblad, Utrechts Nieuwsblad, De Gelderlander, Provinciale Zeeuwsche, Twentsche Courant, Gazet van Antwerpen), America Journal (German magazine), Flyfisher Magazine (Japan), Hannoversche Allgemeine Zeitung (Germany), Reisebuero Bulletin (German), Travelution (Dutch magazine), WEEKLY PARGOLF (Japanese magazine), Wein Gourmet (German magazine)

Travel Trade Publications: Courier, Destinations, Group Tour Magazine, and The Group Travel Leader.

Broadcast: Haunted History - Pacific Northwest and Movie Lover's Road Trip; Episode 2

Events listed in: Oregon Family, Portland Family, VIA Magazine, Oregonian, Northwest Travel, New York Times, Portland Guide, San Mateo County Times, Oregon Coast Magazine, Packaged Travel Insider, Oakland Tribune, Northwest Palate, RV Journal, Alaska Airlines Magazine and Travel Oregon.

Guidebooks: GIO Globetrotter (Japanese), Taiwanese Guidebook and Vista Point Guidebook (German).

Press trips, representing various media, contributed to CVALCO's overall editorial coverage. During the period, CVALCO participated in 16 press trips including several related to Portland's new Lufthansa Air service and the Cultural Cascades.

Film & Video

The Tourism department continued its partnership with the Oregon Film and Video office by assisting production companies considering Lane County as a site for filming projects. During the period, CVALCO provided research and assistance for one feature film, three television series, one television mini-series, six commercials and two documentaries. Services included permit, travel and lodging assistance, location scouting, and providing location files, or images, of Lane County venues appropriate to filming requirements.

Debbie Williamson-Smith served on the board of directors of the Mid-Oregon Production Arts Network as the Government and Publicity Chair.

Lane County Fair Photo Contest

CVALCO participated in the annual Lane County Fair Photo Contest by purchasing the winning entries. As a result, three new images were added to CVALCO's inventory of images used for publications and editorial needs.

Publications

The Tourism department printed 80,000 copies of the Official Lane County Oregon Visitor in what will now be an annual publication.

Cultural Cascades Campaign

CVALCO continues to partner with three Northwest cities and Canada for the Cultural Cascades marketing campaign highlighting the arts, culture and cuisine of each participating community, while emphasizing rail travel between the cities. Participating cities include Eugene, Portland, Seattle, Tacoma, and Vancouver, B.C.

Culinary Tourism in Lane County

A new Culinary Tourism Task Force, made up of professionals from the tourism and food and beverage industries, was created to package and promote Oregon's culinary treasures as sellable travel products. Joanne Holland-Bak serves on the Task Force's leadership committee. Eugene was the site of the first Task Force meeting.

Visitor Services

Natalie Inouye, V.P. of Tourism Marketing
 Debra Delegato, Director of Visitor Services
 Kris Redmond, Visitor Services Program Manager
 Elizabeth Wilde, Membership Services/Visitor Services

Margaret DeYoung, Visitor Fulfillment Specialist
 Visitor Services Specialists: Barbara Allen, Vivian Doolittle, Audi Fleishman, Lou Hammer, Jamee Henson-Hammer, Karen Long, Larry Moran, Krista Phillips, Marcella Schoen, Eli Volem, Marian Walker and Geoffrey Wilson.

As CVALCO's front line, Visitor Services continued to play an essential role in the distribution of visitor information and promotion of Lane County. The department fulfilled all visitor information requests derived from Visitor Center and Visitor Van operations and requests received via phone, mail or advertising labels. The department continued to track and maintain detailed accounts of information requests and their places of origin for strategic marketing purposes. As a pilot participant in the new statewide Q Program, CVALCO also began spearheading efforts to train and certify front-line staff in customer service.

Visitor Information Requests

Estimated economic impacts reflected in this section are dollars attributable to CVALCO's leisure marketing efforts and don't reflect overall visitor spending, which totals \$461.1 million annually in Lane County. The economic impact figures here are not inclusive of all CVALCO returns; only those programs we can verify through tracking and published research methodology.

Requests for visitor information via CVALCO's Visitor Center, Visitor Van and website saw the largest increases, while phone and mail requests continued to decline.

While it's realistic to conclude that electronic marketing results are tied to overall economic impacts for Lane County, there is no current method to accurately assess its contribution so no estimates are associated with the final economic impact figures.

	FY03	FY02	FY01	FY00	% Change	FY03 EEI
Walk-In	7,481	6,762	9,244	11,191	↑10.6%	\$1,623,377
Phone/Mail*	27,714	47,297	56,743	51,449	↓41.4%	\$2,852,330
Visitor Van	12,837	12,146	11,197	10,982	↑5.7%	\$2,785,629
Total	48,032	66,205	77,164	73,622	↓27.4%	\$7,261,336

*Includes ad responses, faxes, e-mail and general information inquiries.

Website	FY03	FY02	FY01	FY00	% Change
Users	302,063	239,211	119,159	81,746	↑26.2%
Hits	5,767,388	4,559,681	1,645,239	915,892	↑26.4%

*Users are tracked each time an individual enters CVALCO's site. Hits are counted for each page visit or individual search on the site.

Relocation Requests

Relocation requests made up 1,903 visitor information inquiries. Requests were fulfilled with CVALCO's Official Lane County Oregon Relocation Guide and an Official Lane County Oregon Visitor Guide. Visitors receiving CVALCO's Relocation Guide were given countywide information and overviews of its communities. They also were directed to individual chambers of commerce and CVALCO real estate members for additional relocation information.

Visitor Van

CVALCO's Mobile Visitor Van, which serves as a mobile visitor information center, remained effective in reaching visitors and Lane County residents. Throughout the period, the van appeared at various festivals, events, and attractions serving a total of 12,837 people, a 5.7 percent jump from last year. Visitor spending increased an estimated \$2,785,629 as a result of this outreach.

State Welcome Center Distribution

CVALCO tracked the distribution of at least 9,240 Official Lane County Oregon Visitor Guides and 5,900 promotional brochures to welcome centers and visitor information centers around the state. This resulted in \$1,971,228 in economic activity in Lane County.¹⁰

Oregon's "Q" Program: New Standards in Quality Visitor Services

CVALCO participated in the inaugural season of the Q Program, a statewide certification class in customer service training for front-line employees. Through a partnership with the Oregon Tourism Commission and Oregon Restaurant Education Foundation, the program was created in alignment with the National Skills Standards Board. This program establishes new standards in quality visitor services. The curriculum titled "It Pays to Please" is a three-hour class that validates existing workplace training while providing specific, practical customer service skills and local visitor information resources.

Membership Development and Marketing

Sally McAleer, Director of Membership Marketing
Elizabeth Wilde, Membership/Visitor Services

During the year the primary focus of the membership director has been the continued development of the CVALCO website and integrated database. The half-time position continues to support the membership department in data entry and member retention. The commission-only sales staff excelled in bringing in new members during a difficult economy. The membership department continues to help members utilize CVALCO's marketing tools to promote themselves to visitors and other members. The quality products and services members provide are key to the success of CVALCO and Lane County's visitor industry.

Membership Sales and Retention

Memberships increased by five percent over last year, due to an increase in membership sales prior to the visitor guide publication and improved efforts on member retention.

Membership	FY03	FY02	FY01	FY99
New Members	65	60	66	74
Lost Members	46	68	67	50
Net Gain/Lost	+19	-8	-1	+24
Total Members	405	386	403	404
Total Revenue	\$89,154	\$78,026	\$86,012	\$82,162

Website/Database Development

About 50 percent of CVALCO's director of membership's hours have been spent on website and database issues for the organization. The website continues to gain users annually and CVALCO's ability to expand offerings through the web has helped keep information fresh so users will keep coming back. The first six months of this fiscal year were spent on developing the contact management portion of the database. In addition, a new on-line accommodation booking service was added to the site and the ability to easily create new pages with multiple images. Current website statistics are included in the Visitor Services section of this report.

Membership Meetings/Outreach

CVALCO continued to hold quarterly Membership Briefings, giving members the chance to meet CVALCO staff and learn more about ways to market their business. Members are also given the opportunity to talk about their business or product to CVALCO staff during quarterly Membership Spotlight meetings.

Additional membership functions included the Annual Picnic held at Fern Ridge Lake, the Fall Event at King Estate, the Annual Holiday Party at Wild Duck's new banquet hall and the Winter Event at Lane Community College's new meeting facility.

Special membership outreach trips provided the membership director and CVALCO staff the chance to spend one day a month visiting members in specific regions of the county. This is an opportunity to remind members of the benefits they receive, deliver collateral materials

and show them that we care about their business. It also provides staff with an opportunity to see the businesses they are promoting.

Communication/Publications

CVALCO continues to communicate with its members through the weekly update via e-mail and fax, and the Visitor Industry News, CVALCO's quarterly newsletter. This year the membership services position continued a regular schedule of contacting new members and calling renewing members to thank them for rejoining.

Development of on-demand printed pieces have continue to be part of the membership department. These pieces provide customers and staff with current membership information. In addition, there has been development to enable staff to have easy access to these pieces.

Labels /Leads

CVALCO's label program allowed members to purchase information request leads to use when sending out their promotional materials to prospective visitors. During FY03, members purchased 8,441 visitor inquiry, relocation, or membership labels, with revenues of \$907.90. This is down from the previous year of 9,201 labels purchased. There are 15 members that are currently requesting the Convention/Meeting Planner Lead List Service.

Community Relations

Lisa Lawton, Director of Community Relations

The Community Relations program continued to work to inform, educate and maintain open communications with media, business/community groups, government/public officials and local residents to heighten awareness about CVALCO and the positive economic impacts of tourism. CVALCO has successfully worked to become a point of contact for the local media to provide a voice for the Lane County visitor industry.

	FY03	FY02	FY01	FY00	% Change
Media (local)	\$36,979	\$42,035	\$36,705	\$41,242	↓12%
Media (national convention)	\$21,699	\$6,948	\$17,815	n/a	↑212%
Press Releases	53	49	59	45	↑8.1%
Media stories/articles	120	144	151	149	↓16.6%
Presentations	18	30	30	33	↓40%

Local Media Coverage

CVALCO continues to be a recognizable resource for visitor industry related coverage. Local media exposure about CVALCO and CVALCO-generated coverage about Lane County's tourism industry totaled \$36,979. Press releases and media interviews continued to be among the best tools for generating coverage. During the period, 53 press releases were sent to media contacts resulting in 120 articles or stories. Coverage was derived from Lane County-based television, radio, newspaper and other Lane County business and community publications. Wide-ranging topics included economic impacts of conventions and events, visitor spending statistics, Lane County site seeing, National and Lane County Tourism Week, national and international media attention, CVALCO promotional literature and website, travel and tourism trends and issues, political issues, transportation issues, and member, staff, and board news and awards.

Proactive generation and response to the local media was somewhat limited during FY03 due to a brief absence of the director of community relations who was on maternity leave between March and May. Press releases and media kits were produced in advance to help generate coverage during this absence.

Convention-Related Media Coverage (national)

Editorial coverage about Lane County's convention-related industry resulted in a significant amount of free publicity during the year. CVALCO press releases and media assistance to convention publications generated \$21,699 in free editorial coverage during the period. Article topics included coverage about Lane County as a meeting destination, sightseeing for convention delegates, hotel renovations, new convention center and meeting facilities and news about CVALCO's new convention sales and service managers.

CVALCO Cooperative Advertising Campaigns

Major efforts were made to increase local advertising opportunities for CVALCO and its members to increase awareness about Lane County's visitor industry. CVALCO teamed up with KVAL-TV for a summer cooperative television advertising campaign called "Stay and

Play in Lane County." CVALCO's spring cooperative television advertising campaign with KMTR-TV continued for a fourth year with a newly designed ad campaign called "The Voice of the Industry." The campaign allowed members to appear in and voice their own commercials as a way to put a face on the people and places that make up the local tourism industry. CVALCO also ran its own "Voice of the Industry" ad that promoted the overall tourism industry and its positive impacts on Lane County's communities. In conjunction with this campaign, KMTR-TV donated \$15,000 worth of television airtime.

CVALCO also teamed up with Eugene Weekly to provide members with the opportunity to advertise year-round at a substantial discount. Other advertising opportunities were discussed with other local media including television and radio stations.

National Tourism Week

CVALCO teamed up with area radio and television stations to promote National and Lane County Tourism Week with an annual tourism trivia contest and various media interviews focused on the local tourism industry. KMTR-TV and area radio stations ran weeklong trivia contests during their morning shows as well as media interviews about the tourism industry valued at \$7,970. CVALCO members donated prizes for the contest valued at \$3,595. CVALCO's visitor van traveled throughout the county promoting the week and delivering "See All of Oregon in Lane County" promotional buttons. Lane County Commissioners passed an official proclamation designating the week Lane County Tourism Week to bring additional recognition to the positive impacts of the local tourism industry.

Presentations/Community & Member Outreach

Presentations to business and community groups and the Lane County Board of Commissioners continued to be an effective means of spreading the word about CVALCO and the positive benefits tourism brings to Lane County. CVALCO staff made a total of 18 presentations during the year. CVALCO staff also attended and participated in 297 business and community meetings and events throughout the year.

Publication/Website/Production Support

The Community Relations department provided support to other staff departments in various areas including CVALCO's website, quarterly newsletter, weekly updates, annual dinner video presentations, and the production of CVALCO's Semi and Annual Reports and annual calendar—a holiday gift to members. The calendar featured an image of Sweet Creek Falls near Mapleton.

Expos/Career Fairs

CVALCO participated in a number of local business and career fairs providing great networking opportunities with the local community and outreach to youth. CVALCO was involved in the Junction City High School Career Fair, the Lane County Job Fair and the Springfield Chamber Greeters Business Expo.

Administration

Kari Westlund, President & CEO

Stephanie Turner, Director of Finance & Administration

Personnel Changes

CVALCO welcomed seven new employees during FY03. Bryan Beban, Sue Gorham and Sue Krug were hired as full-time convention sales managers. Beban left to take a director of sales position at the Clarion Hotel, formerly the Doubletree. Michelle Geschke was hired as a part-time convention sales manager. Sandee Hansen was hired as the convention services manager. Krista Phillips and Geoffrey Wilson joined the staff as Visitor Services Specialists. An organizational chart, attached to this document, includes all CVALCO staff.

In-Kind Support

CVALCO received a total of \$34,169.81 worth of in-kind support. Donations came from a variety of sources, allowing CVALCO to increase its ability to market Lane County.

In-kind donations from CVALCO members and community partners were received in connection with National Tourism Week, CVALCO cooperative television advertising campaigns, CVALCO's Annual Dinner, newsletter production, promotional items, tourism familiarization tours, Sunset Show, OACVB auction, the "Q" customer service program and community event booth space for CVALCO's Visitor Van.

CVALCO interns from the University of Oregon and various volunteers contributed 974 hours of donated labor, up 132 percent over last year. Assuming a \$9 per hour pay rate, this labor would be valued at over \$14,076.

Footnotes & Sources

1. See Overall Returns under Formulas: \$41 million from convention sales bookings; \$2.8 million from inquiry generation and related visitor guide/mail fulfillment; \$1.6 million from visitor center operations; \$2.7 million from mobile visitor van operations; \$666,135 from group tours; and \$1.9 million from bulk brochure distribution. No economic returns from trade shows, international sales efforts, website visits or film and video are included.
2. Lane County Travel Impacts 1991-2002p. Prepared by Dean Runyan Associates, February 2003, for CVALCO.
3. Ibid.
4. Oregon Travel Impacts and Visitor Volume. Prepared by Dean Runyan Associates, January 2003, for the Oregon Tourism Commission.
5. Travel Industry of America 2001 Report.
6. Eugene Airport Manager's monthly reports.
7. \$2.85 million in inquiry generation and related fulfillment and \$1.97 million in bulk brochure distribution.
8. Based on GMA Research; 5,085 passengers at \$131 per person, per trip.
9. Lane County Travel Impacts, 1991-2002p, Dean Runyan Associates.
10. Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed over 15,140 brochures to visitor information centers. Using the 60% factor, the average party expenditure of \$217 per day, identified in the visitor profiles above, total economic impact is \$1,971,228.

Formulas

Overall Returns: \$41 million (convention delegate spending); \$2,852,330 (tourism inquiries/fulfillment); \$1,623,377 (visitor information center operations); \$2,785,629 (mobile van operations); \$1,971,228 (bulk brochure distribution); \$666,135 (partial group tour impacts). Total: \$50,898,699.

Convention Sales Bookings: Determined by multiplying number of delegates by number of days of the event by \$166, the average daily expenditure amount estimated for this area. Economic impact estimated at \$41 million.

Inquiry Generation: GMA Research identified an overall conversion rate of 31 percent. 67.5% of those are true conversions of people who would not otherwise have visited. In addition, 10% of visitors receiving CVALCO's visitor guide extended their stay by an average of 1.8 days. $27,714 \text{ inquiries} * 31\% = 8,591 \text{ visitor parties} * 67.5\% \text{ true conversions} = 5,799 \text{ parties} * \$434 \text{ per party} = \$2,516,766$. $8,591 \text{ visitor parties} * 10\% * 1.8 \text{ days} * \$217 = \$335,564$. The average party spent \$434 per group per trip (including transportation), \$217 per group per day. Total economic impact: \$2,852,330.

Visitor Information Center Operations and Mobile Visitor Van Operations: Based on research by Salem CVB, CVALCO estimates facilitating a one-day extension for walk-in visitors. The visitor center served 7,481 visitors at \$217 per day per group for a total of \$1,623,377. The Mobile Visitor Van served 12,837 for a total of \$2,785,629.

Group Tours: CVALCO is active in this market segment, and provides planning assistance and sales promotion efforts to many group tour leaders each year. CVALCO relies on voluntary reports from

lodging establishments, attractions and restaurants. CVALCO was able to identify 5,085 passengers at \$131 per person, per trip for a total of \$666,135 based on GMA Research.

Media: Similarly, CVALCO has been directly or indirectly responsible for print, broadcast and film exposure of Lane County, but has limited tracking ability. Media coverage generated from CVALCO's national/international efforts that we were able to track was valued at \$1,434,557. Local media coverage, identified as coverage generated from Lane County media sources, totaled \$36,979. This included coverage about CVALCO and CVALCO-generated coverage about Lane County's visitor industry.

Bulk Brochure Distribution: Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed over 9,240 Lane County Visitor Guides and 5,900 promotional brochures to welcome centers and visitor information centers during the year. Using the 60% factor, and the average party expenditure of \$217 per day identified in the visitor profiles mentioned above, the economic impact totaled \$1,971,228.

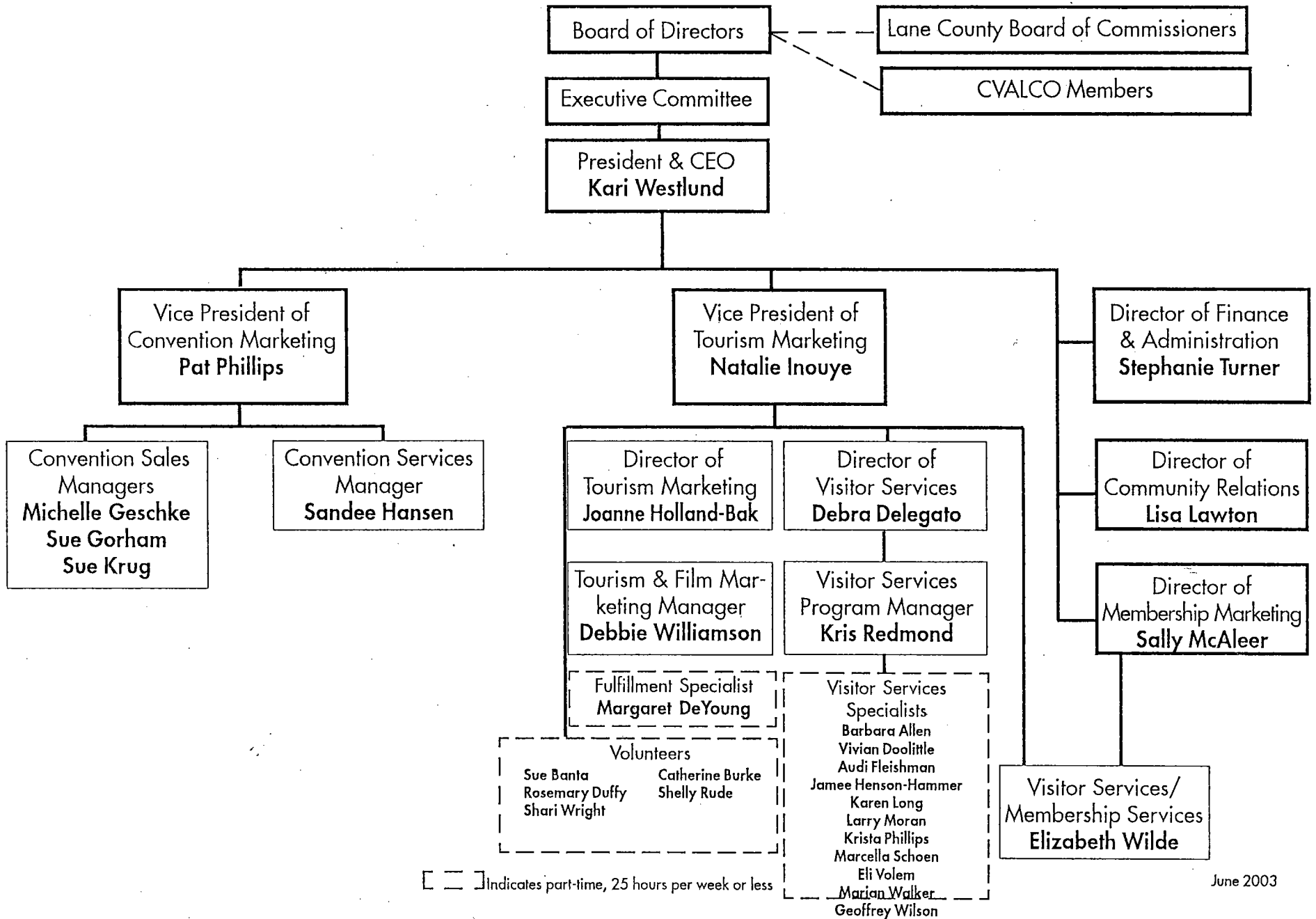
CVALCO Website: No estimates on economic returns from CVALCO's investment in its website are included in this report because no baseline statistics from credible research exist. In FY03 there were 109,289 unique visitors* to our site. If conversion figures from traditional inquiries were used, the economic returns would be estimated at \$10,660,342, adding significantly to CVALCO's generation of return on investment for Lane County.

Using traditional inquiry conversion rates:

$109,289 * 31\% = 33,880$ visitors * 67.5% true conversions = $22,869 * \$434$ per party per trip = $\$9,925,146$ plus $33,880 * 10\%$ who extended their stay * 1.8 days extended * $\$217$ per party per day = $\$1,323,353$. Adding the two = $\$11,248,499$.

**Unique Visitors – When a user visits CVALCO's site more than once in a given month, they are counted only the first time they visit, providing a more accurate tracking method.*

**CONVENTION & VISITORS ASSOCIATION OF LANE COUNTY OREGON
ORGANIZATIONAL CHART**



[- - -] Indicates part-time, 25 hours per week or less

CVALCO BOARD OF DIRECTORS - 2002-2003

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DAVID CAPEN PO Box 2402 Florence, OR 97439 997-1173 Fax: 997-1173 E-mail: dacapen@starband.net	2003	RILEY GRANNAN Eugene Ballet Company PO Box 11200 Eugene, OR 97440 485-3992 Fax: 687-5745 E-mail: riley@eugeneballet.org	2003	ANDY VOBORA Lane Transit District PO Box 7070 Eugene, OR 97401 682-6100 Fax: 682-6111 andy.vobora@td.lane.or.us	2005
NANCY CONNOR Best Western New Oregon 1655 Franklin Blvd Eugene, OR 97403 683-3669 Fax: 484-5556 E-mail: connorirving@aol.com	2004	GARY GRAY U of O Dept of Athletics 2727 Leo Harris Pkwy Eugene, OR 97401 346-5452 Fax: 346-5031 ggray@oregon.uoregon.edu		MAXINE WALTON Willamette Stationers 510 Oak St Eugene, OR 97401 342-5861 Fax: 342-8211 E-mail: maxinew@willstat.com	2004
DOT CRHA Comfort Inn 845 Gateway Blvd Cottage Grove, OR 97424 942-9747 Fax: 942-8841	2005	BOBBY GREEN Lane County Commissioner 125 E 8th Ave Eugene, OR 97401 682-4203 Fax: 682-3803 E-mail: bobby.green@co.lane.or.us		JOHN WEDDLE Sportsman Café PO Box 407 Oakridge OR 97463 782-2051 Fax: 782-5564	2003
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TUCKER DAVIES Lile Eugene Moving & Storage 3330 Roosevelt Blvd Eugene, OR 97402 33-3900 Fax: 344-7620 tucker2030@aol.com	2005	DARRALL IMHOFF McKenzie River Conference Ctr 1623 21 st St Ste B Springfield, OR 97477 736-7513 Fax: 736-7514 E-mail: usbamcrcc@yahoo.com	2005	BOB ZAGORIN Diamond & Zagorin Creative Strat. PO Box 1477 Eugene, OR 97440 343-8320 Fax: 343-8520 E-mail: bzshadow@aol.com	2004
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KARI WESTLUND
kwestlund@cvalco.org

**Convention & Visitors Association
of Lane County Oregon**

Business Opportunity Fund Report for FY03

August 2003

CVALCO's Business Opportunity Fund: A Brief Background

The Business Opportunity Fund was initiated in the fall of 1995 as a separate fund dedicated to buying down local costs in order to attract large conventions and meetings to the metropolitan Lane County area. CVALCO is responsible for administering the Fund and reporting on its use.

In FY96, Lane County contributed \$15,000 and Springfield \$3,500. The respective amounts were based on a 53%/32%/15% collection breakdown at the time the Fund was established. The City of Eugene contributed \$5,000 for three consecutive years. Lane County contributed another \$15,000 in FY99. In FY99, FY01, FY02 and FY03, Springfield contributed \$3,500 annually.

Certain criteria must be met in order for the Fund to be used:

1. The number of hotel room nights generated must equal or exceed 1,000.
2. The number of delegates/attendees must exceed 800.
3. Funds must be used to buy down local services required for the event, and must be paid out to local vendors and not the event or its promoter.
4. CVALCO must find that local businesses are also providing financial incentives through rate reductions or in-kind services.

Multi-year and low/shoulder season business receives the highest priority for assistance.

The original intent was for the Fund to be renewed annually, based on positive returns from the expenditures. No expenditures were made from the Fund in the first or second years, though several attempts were made to use the Fund to attract new business.

In FY99, a separate Hult Center Opportunity Fund was established, with unique criteria, to support (at risk) room tax generating, performance-related conventions in holding events at the Hult Center. Funded only by the City of Eugene, the criteria require that the convention generate a minimum of 300 room nights. Multi-year conventions receive the highest priority. Funds can only be used to buy down costs at the Hult Center, community businesses must join the City to provide financial incentives, and that the maximum amount of assistance is limited to 50% of estimated room tax generation within Eugene.

Uses of the Business Opportunity Fund

In FY98, two events requested and met the criteria to receive funds:

- The Pacific Rim International Model Engineer Exhibition received \$3,500
- The rebooking of the Promise Keepers came about in part as the result of a commitment of \$20,000 to purchase removable flooring for Autzen Stadium.

In FY99, the Pacific Rim International Model Engineer Exhibition requested and received funding of \$3,500

In FY00, the Mid-Winter Square Dance Festival received support in the amount of \$1,000. The Lane Event Center/Fairgrounds also supported a multi-year contract through discounted services.

In FY01, the fund was used successfully to secure several events:

- WOCO, World Council of Service Organizations, 1,200 delegates, 1,975 room nights, August 2001, \$5,000 in support to KOKE Printing in partial payment of brochure printing.
- USAG Level Ten Junior Olympics (gymnastics), 2,500 delegates, 1,200 room nights, May 2001, \$5,000 in support to UO Moshofsky Center.
- Association for Direct Instruction, 840 delegates, 1,200 room nights, July 2001, \$3,311 in support to Evergreen Stage Lines to fund ground transportation.
- USATF Championships, 10,000+ delegates (includes local spectators), 950 athletes, officials and media from out of town, 3,000 room nights, June 2001, \$7,500 in support to Hampton Inn to pay for officials' lodging.

In FY02, the Association for Direct Instruction received the final payment of a 2 year commitment, \$4,021, to help offset ground transportation costs.

These groups all received local support in discounted room rates, sponsorships, and volunteer services.

A comprehensive, year by year accounting of dollars in to and out of the Business Opportunity Fund is attached. For more information, contact:

Convention & Visitors Association of Lane County Oregon

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Eugene, OR 97440

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E-Mail: cvalco@cvalco.org

Web: www.VisitLaneCounty.org

**Business Opportunity Fund
Running Summary**

Fund Initiated in 1995

	Revenue	Expense		
FY96				
Lane County	\$ 15,000			
City of Springfield	\$ 3,500			
City of Eugene	\$ 5,000			
FY97				
City of Eugene	\$ 5,000			
FY98				
City of Eugene	\$ 5,000			
Pacific Rim Model Engineers		\$ 3,500		
Promisekeepers/UO		\$ 20,000		
FY99				
City of Eugene	\$ -			
Lane County	\$ 15,000			
City of Springfield	\$ 3,500			
Pacific Rim Model Engineers		\$ 3,500		
Sweet Adelines			\$	958
FY00				
City of Springfield	\$ -			
Mid-Winter Square Dance Festival		\$ 1,000		
FY01				
City of Springfield	\$ 3,500			
WOCO		\$ 5,000		
USAG Level Ten Junior Olympics		\$ 5,000		
ADI		\$ 3,010		
USATF Championships		\$ 7,500		
FY02				
City of Springfield	\$ 3,500			
ADI		\$ 4,021		
FY03				
City of Springfield	\$ 3,500			
Arts Northwest			\$	2,200
FY04				
City of Springfield	\$ 3,500			
TOTALS	\$ 66,000	\$ 52,531	\$ 10,000	\$ 3,158
Net Value Remaining		\$ 13,469	\$	6,842

The Performing Arts BOF is a separate fund, with separate, Eugene-specific criteria.