

TOBIAS COLVIN
General Manager SCP Redmond

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Name: Tobias Colvin – Hotel General Manager, Former City Councilor

Bill Number and Committee: HB 3556

Dear Chair Tran, Vice-Chair Grayber and Vice-Chair Lewis

My name is Tobias Colvin and I am the General Manager of SCP Redmond in Redmond Oregon, I appreciate the opportunity to convey my opposition to HB 3556.

As a former City Councilor and someone who has worked in elected government, I recognize the importance of tax revenue for our city. These funds enable us to improve infrastructure, employ essential city workers, and build reserves for economic downturns. Currently, Redmond allocates over 70% of its TLT to the city's general fund, which I acknowledge is beneficial, even though I believe a greater portion should be directed toward tourism.

The existing law stipulates that TLT funds should "(a) Fund tourism promotion, [or] tourism-related facilities" and "(b) Fund city or county services." I am curious to understand the rationale behind the proposed amendment to allocate funding to cities and county services on both sides of the TLT allocation.

As a hotelier, I have observed a need for increased tourism promotion in Redmond since my arrival in 2017. To address this, we've partnered with a new marketing firm and are preparing to launch a comprehensive marketing strategy aimed at attracting more visitors to our region. This initiative has been made possible through TLT funding from the State and the City of Redmond and the invaluable support of our regional DMO, Visit Central Oregon. During the post-COVID period, when our local TLT funds were insufficient, Travel Oregon and Visit Central Oregon provided crucial assistance through FAM trips, grants, and marketing initiatives that aided our recovery. We must maintain funding for this vital organization as we strive to enhance tourism in our city.

At the end of the day, it is the successful collaboration between the local and regional DMOs and Travel Oregon that is helping to generate economic activity and new jobs across Oregon. DMOs focus their tourism development and marketing programs on *non-peak* travel seasons because they know the importance of leveling the seasonality of tourism to create year-round job security and stability in our communities. That stability helps DMOs build a healthy tourism economy and implement local programs that are reflective of Oregon's values.

For example, Visit Central Oregon has implemented the following cutting edge programs to support our local community

- *In Central Oregon, funds were leveraged with local tourism resources creating a Commercial Air Service Development and Marketing Fund. This led to the match necessary to apply for and secure a federal Small Community Air Service Development Program (SCASDP) grant, which expanded commercial air service. – Central Oregon further leveraged their investment with more than \$220,000 in grant funding to community non-profits for arts, culture, and sustainable outdoor recreation initiatives.*

At the state level, tourism has become a bedrock of Oregon's economy as a result of the Tourism Investment Proposal of 2003, which created Travel Oregon, established a dedicated

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funding source through the statewide transient lodging tax, and protected local funding investments in tourism.

During the recession of 2003, the Governor, legislature, and leaders across the state recognized that tourism was an untapped market, and that strategic and sustained investment in tourism was needed to establish Oregon as a travel destination for business and leisure.

Statewide Economic Impacts:

Over the last 20 years, the return on the investments from statewide Transient Lodging Tax (TLTs) is clear:

- Visitor Spending in Oregon has more than doubled:
\$6.5 billion in 2003; Now = \$14 billion
- State and Local TLT tax revenues have more than tripled:
\$200 million in 2003; Now = \$650 million
- Demand has shifted:
 - Visitors to Oregon spend an additional 2.7 million nights in hotels alone compared to 2008 figures—overnight visitors spend more than residents while visiting restaurants, shops, and recreation businesses.
- Consistent growth in spending, earnings, employment and tax revenue:
4% spending, 5% earnings, 1.6% employment, and 4.8% tax rev annually that outpaces inflation.

While I understand that not all communities have the same financial distribution as Redmond and that many are seeking to utilize the Tourism Lodging Tax (TLT) to improve their communities, I believe this bill oversteps its intended purpose. It allows communities to short change the tourism industry as needed when times get tough.

By allowing cities and counties to access funding not only from their portion of the TLT but also from the other side, the bill deviates from the original spirit of the law. I am opposed to opening our small share of tourism dollars to the general fund, as I believe it could have unintended consequences for our local tourism industry.

Thank you for considering my perspective on this important matter and for the privilege to submit this testimony for your consideration.

Tobias Colvin

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