

APR 30 2014

KLAMATH COUNTY TOURISM

Tourism Grant Application

Organization Applying: Crater Lake – Klamath Regional Airport on behalf of the Air Service Partnership that includes Discover Klamath and the Chamber of Commerce.

Contact Person: Linda Tepper, Airport Business Manager

Phone Number: (541)883-5371

Email Address: ltepper@flykfalls.com

Web Site Address: www.flykfalls.com / www.discoverklamath.com / www.klamath.org

Title of Project: Package Travel Program for Klamath County

Brief Description of Project: Increase out of county visitors through the establishment of package tour / group travel program in Klamath County. Project would undertake the initial phase of creating itineraries for ten themed tours that would then be marketed to both domestic and international tour operators. Each itinerary created would have at a minimum a three night stay in Klamath County consisting entirely of out of county visitors.

The undersigned, as proposer, declares that he/she has carefully examined the requirements of the Klamath County Tourism Grant Application packet and agrees, if the application is funded, that proposer will enter into an agreement with Klamath County to furnish the services as specified, in accordance with the grant application attached.

Signature of Applicant Linda Tepper  
Airport Business Manager

Date 4.20.14

Signature of Board Chair [Signature]  
Airport Director

Date 30 APR 2014

## PROJECT DESCRIPTION

### Project Plan:

#### 1. What is the main focus of this proposal?

The Air Service Partnership was formed by the Crater Lake – Klamath Regional Airport, the Klamath County Chamber of Commerce and Discover Klamath to promote air service to and from the Klamath Falls area and in conjunction, tourism. Primarily the focus has been on out of county visitors as they are a benefit for not only the local economy in general but they also generate transient room tax, a portion of which goes to the City of Klamath Falls and is allocated to the airport. In addition, visitors utilizing the airport as their access point to the community (via commercial, private or charter air service) are a direct benefit to the Airport's vitality.

The U.S. Travel Association reports that national parks/monuments ranks #4 in top leisure travel activities for visitors. With the Crater Lake National Park and the WWII Valor in the Pacific National Monument nearby, Klamath Falls is uniquely positioned to take advantage of an opportunity to significantly increase the local tourism industry.

We believe this is feasible through the use of group or package travel which is an under-developed segment of our local tourism industry. A feasibility study on packaged travel in Klamath County done by Melody Johnson of Falcon's Crest, Inc. (25+ years in the tourism industry / former President of the Oregon Tour & Travel Alliance) in April 2013 concluded that our area is ideal for tour operators and their clients.

It's a known fact that tour groups already travel through Klamath Falls (just spend a couple of hours in the McDonald's parking lot for firsthand evidence) but what they aren't doing is stopping to spend the night, take in our local attractions and spend money with our local businesses. A thirty-five passenger motor coach results in \$15,000 per night stay to the local economy. Our goal for this project is to build itineraries/tours that result in stays by tour groups of three nights minimum.

#### 2. What are the project activities?

The establishment of a packaged travel program for Klamath County involves a significant amount of work and the expertise of an experienced tour operator that knows the ins and outs of the industry. The Partnership has broken the task into two phases with this grant application pertaining to Phase I. For both phases, assistance will be provided by Melody Johnson, Falcon's Crest, Inc. who performed the initial package travel feasibility study and is an expert in tour operations.

Phase I will involve the following activities:

- Research existing and future partnerships that would enhance and strengthen the region as a package travel destination.
- Develop budget for marketing package travel tours to tour operators.

- Develop and create description of potential tours.
- Design itineraries for tours.
- Create password protected pages on Discover Klamath's website to promote tours.

Phase II builds upon the work completed in Phase I and primarily involves the promotion of the tour packages at a number of tour operator trade shows in the first quarter of 2015:

- Design and produce marketing material to be used at trade shows to promote each specific itinerary developed in Phase I.
- Research tour operators that will be attending trade shows and make appointments with those most likely to be interested in our itineraries.
- Attend three major travel trade shows in the first quarter of 2015 to meet with over 300 potential tour operators.
- Follow through with potential tour operators after appointments with additional information.
- Training of local service providers so that they understand the package travel industry and are prepared to accommodate tour groups.

### 3. When will the project occur? How long will it last?

Phase I of the project will begin as soon as possible and is expected to take 60 days to complete. As soon as the category descriptions are written, the itineraries designed and uploaded to the password protected pages on Discover Klamath's website they can begin to be marketed immediately. There is a strong possibility that Klamath County could begin to see tours in 2014 utilizing existing leads from Melody Johnson/Falcon's Crest and other sources.

Phase II of the project will begin after the completion of Phase I and will culminate in the first quarter of 2015 with tour operator trade shows and then remain ongoing as potential tour operator leads are pursued. Once the itineraries are developed, and relationships with tour operators are established, this project will continue to generate economic benefits to the local economy for many years to come.

### 4. Who is the target market for attending the project?

The primary target market for this project is domestic and international tour operators that are looking for new regions and experiences for their clients to enjoy. The initial feasibility study identified ten overall tour themes that correlate well with what Klamath County has to offer:

- Arts & Artisans
- Audubon & Wildlife Seekers
- Festivals & Events
- Historical Significance
- Multi-Generational
- Native American Cultures

- Scenic Byways
- Soft Adventure
- Multi-Regional
- Generation XYZ & Beyond

Itineraries for the above themes will be written and marketed at travel trade shows to both domestic and international professional tour operators.

#### Project Goals:

5. How many out of county visitors do you expect to attract to the project? How will you count the number of out of county visitors versus the number of locals?

The initial goal for 2014 is to book two tour operators for two itineraries. This will be accomplished through the use of existing leads from Melody Johnson/Falcon's Crest, Inc. and other sources such as Travel Oregon.

In the first quarter of 2015 the itineraries will be marketed at three significant travel trade shows: the American Bus Association, National Tour Association and the Go West Summit (International Tourism Marketing, Inc.). Attendance at these trade shows will provide the opportunity to meet with over 300 potential tour operators. The goal for 2015 is book five tour operators for at least three itineraries.

Out of county visitors are this project's only target audience and as such 100% of those that participate will be from out of county. Tour operators will provide advance notice of their intent to utilize one of the itineraries and also provide information as to the number of people involved in their tour.

6. How are you planning on extending the out of county visitor's length of stay? How will you encourage early arrival and late departure? How will you count the number of extra days?

Itineraries to be developed will include a minimum of three nights in Klamath County. As it is believed that most, if not all, tour operators currently stay zero nights in Klamath County - a stay of three nights will be a significant extension of visitor's length of stay. As tour operators become familiar with the many additional attractions that Klamath County has to offer, itineraries can be modified to increase the length of stay. Additionally, well designed itineraries that go above and beyond the expectations of the tour operator will encourage them to book additional tours thus leading to additional visitors staying in Klamath County.

#### QUALIFICATIONS OF APPLICANT

7. Describe your organization.

The *Crater Lake – Klamath Regional Airport* has served as a gateway for visitors to the Klamath region since 1947 when United Airlines became the first scheduled air carrier to

serve the community. As a transportation hub, the Airport interacts with visitors on a daily basis and understands the importance that visitors mean to the local economy.

The *Klamath County Chamber of Commerce* is the oldest active business advocacy organization (incorporated in 1905) in Klamath County. The Chamber represents nearly 500 businesses located in or near Klamath County. Chamber members provide support for a wide variety of community activities, events and charities. The Chamber provides valuable relationship, business intelligence, and leadership opportunities and is uniquely positioned to obtain "buy-in" on this project from local businesses.

As Klamath County's leading advocate, *Discover Klamath* partners with county business, organizations, governments, and residents to foster best practices, ensuring guests' expectations are exceeded and they depart as enthusiastic advocates with high intentions of returning. Discover Klamath effectively and efficiently uses public resources to maximize the impact of its outbound communications, establishing Klamath County's appeal as a visitor destination. Discover Klamath strengthens Klamath County's economy by attracting and encouraging visitors and residents to experience the Klamath region by promoting the area's unique natural environment, vibrant cultural communities and rich heritage resources.

8. Describe your experience in operating past or similar projects. Have these projects been successful in bringing tourists to Klamath County? How is your organization uniquely qualified to carry out this project?

Each entity (Airport, Chamber, Discover Klamath) in the Partnership brings a unique skill set to this project and together, can efficiently and effectively bring it to fruition. Of the three entities, Discover Klamath is the most experienced in tourism having held the contract to provide tourism services to Klamath County since January 2009. They have an extensive network of local tourism partners and a broad knowledge of the tourism industry. They have arranged and assisted with various group and individual travel projects in the past.

The Chamber is extremely experienced with long term initiatives especially as they relate to the economic health of the community. Their membership base and existing partnerships throughout the public and private sector will allow the Partnership to gather support for this project throughout the community.

The Airport is a strong advocate for tourism and has an established history in working with both Discover Klamath and the Chamber on local tourism initiatives. As an advocate, the Airport serves as an additional resource to assist in implementing the project and promoting it to the community. In addition, the Airport will use its extensive knowledge of air transportation to explore the possibility of bringing larger groups in through the use of air charters.

## MARKETING PLANS

9. Describe specifically how you will market the project to out of county visitors.

The primary marketing opportunity to out of county visitors is through attendance at three large travel trade shows hosted by the American Bus Association, the National Tour Association and the Go West Summit/International Tourism Marketing, Inc. in the 1<sup>st</sup> quarter of 2015. At these trade shows there will be the opportunity to have one-on-one meetings with 300 tour operators selected because their profiles most closely match the itineraries developed to showcase Klamath County.

A second marketing opportunity exists in utilizing already existing leads from entities such as Falcon's Crest, Inc. and Travel Oregon from tour operators that are looking for new regions and/or experiences for their tours.

For both opportunities preparation is critical and this grant request is for assistance in developing the itineraries and associated material that will be used to market the tour packages at the trade shows. In addition, research will be conducted to identify potential local partners that will be involved with the tours.

10. How will you measure your success or attendance in drawing out of county visitors to the project?

Success will be measured in terms of the number of tours booked by tour operators and the number of visitors in each tour group. Long term success will be measured by an increase in the number of tours per year and the ability to increase the number of night stays in each itinerary.

11. If your project is already underway, explain how this award will increase your likelihood of success?

The Partnership believes strongly that the package travel market is an opportunity that must be pursued immediately as it will take 3-5 years to truly establish Klamath County as a package tour destination. The local economy has taken repeated hits over the last number of years but tourism remains the one strong possibility for the community to regain its economic footing.

Plans are being made to begin Phase I as soon as possible due to the significant amount of preparatory work that needs to be accomplished in a relatively short time. The overall cost of Phase I is approximately \$19,000 and Phase II will be approximately \$63,000 - mostly due to the expense of attending the three trade shows which will serve as the cornerstone of the marketing efforts.

The Airport and Discover Klamath are taking the lead on funding Phase I of the project but both entities have limited budgets with many equally important projects in need of financial

support. A grant award would allow both entities to keep this project as a priority moving forward without having to withdraw financial resources from other important projects.

12. Describe any in-kind, barter, volunteer labor or discounted services you expect to receive in support of this project. (Volunteer labor valued at \$10/hour)

For Phase I all entities of the Partnership will be dedicating a significant amount of time to this project but it is not envisioned that there will be a need for any additional in-kind, barter, volunteer labor or discounted services.

Klamath County Tourism Grant Application  
Project Budget

| Package Travel Program - Project Budget  |  |           |         |       |        |                       |
|--|--|-----------|---------|-------|--------|-----------------------|
|  |  | Committed | Pending | Total | Actual | Comments/Explanations |
| <b>INCOME</b>  |  |           |         |       |        |                       |
|  | Tourism Grant Request                          | 10000     |         | 10000 |        |                       |
|  | Cash Revenues -                                |           |         |       |        |                       |
|  | Source: Discover Klamath                       | 6000      |         | 5000  |        |                       |
|  | Source: Crater Lake - Klamath Regional Airport | 4000      |         | 4000  |        |                       |
|  | Source:  |           |         |       |        |                       |
|  | Total Cash Revenues                            | 9000      | -       | 9000  | -      |                       |
|  | In-Kind Revenues:                              |           |         |       |        |                       |
|  | Source:  |           |         |       |        |                       |
|  | Source:  |           |         |       |        |                       |
|  | Source:  |           |         |       |        |                       |
|  | Total In-Kind Revenues                         | -         | -       | -     | -      |                       |
|  | Total Revenue                                  | 19000     | -       | 19000 | -      |                       |
| <b>EXPENSES</b>  |  |           |         |       |        |                       |
|  | Cash Expenses -                                |           |         |       |        |                       |
|  | Personnel costs                                |           |         |       |        |                       |
|  | Marketing costs                                |           |         |       |        |                       |
|  | Rentals  |           |         |       |        |                       |
|  | Supplies                                       |           |         |       |        |                       |
|  | Other: Research & Development                  | 3000      | -       | 3000  | -      |                       |
|  | Other: Develop Itineraries                     | 16000     |         | 16000 |        |                       |
|  | Other:   |           |         |       |        |                       |
|  | Other:   |           |         |       |        |                       |
|  | Total Cash Expenses                            | 19000     | -       | 19000 | -      |                       |
|  | In-Kind Expenses                               |           |         |       |        |                       |
|  | Labor  |           |         |       |        |                       |
|  | Marketing costs                                |           |         |       |        |                       |
|  | Other:   |           |         |       |        |                       |
|  | Other:   |           |         |       |        |                       |
|  | Other:   |           |         |       |        |                       |
|  | Total In-Kind Expenses                         | -         | -       | -     | -      |                       |
|  | Total Expenses                                 | 19000     | -       | 19000 | -      |                       |
|  | Net Income <Expense>                           | -         | -       | -     | -      |                       |
| <b>NOTES</b>   |  |           |         |       |        |                       |
| Be as specific as possible; provide explanation to help clarify budget items                     |  |           |         |       |        |                       |
| Use the "Actual" column when preparing your final report; submit this form with the final report |  |           |         |       |        |                       |
| Use additional space or lines if necessary to provide complete information                       |  |           |         |       |        |                       |
| Value all volunteer labor at \$10.00 per hour for in-kind revenues and expenses.                 |  |           |         |       |        |                       |



**Klamath County Tourism Grant Application  
Marketing Budget Form**

| Package Travel Program - Marketing Budget  |              |          |              |          |  |
|--|--------------|----------|--------------|----------|--|
|  | Committed    | Pending  | Total        | Actual   | Comments/Explanations  |
| <b>CASH INCOME</b>   |              |          |              |          |  |
| Tourism Grant Request  | 10000        |          | 10000        |          |  |
| Other Sources  | 9000         |          | 9000         |          |  |
| <b>Total Revenue</b>   | <b>19000</b> | <b>-</b> | <b>19000</b> | <b>-</b> |  |
| <b>CASH EXPENSES</b>   |              |          |              |          |  |
| Advertising  |              |          |              |          |  |
| Print  |              |          |              |          |  |
| Web  |              |          |              |          |  |
| Other Internet   |              |          |              |          |  |
| Other  |              |          |              |          |  |
| <b>Total Advertising</b>   | <b>-</b>     | <b>-</b> | <b>-</b>     | <b>-</b> |  |
| Printing   |              |          |              |          |  |
| Postage  |              |          |              |          |  |
| Misc/Other (Explanation Req'd):  |              |          |              |          |  |
| Other:   | 19000        |          | 19000        |          | The research and development of the four itineraries are all part of the necessary groundwork that needs to be done to prepare for marketing the program under Phase II. |
| Other:   |              |          |              |          |  |
| Other:   |              |          |              |          |  |
| Other:   |              |          |              |          |  |
| <b>Total Miscellaneous/Other</b>   | <b>-</b>     | <b>-</b> | <b>-</b>     | <b>-</b> |  |
| <b>Total Expenses</b>  | <b>19000</b> | <b>-</b> | <b>19000</b> | <b>-</b> |  |
| <b>Net Income&lt;Expense&gt;</b>   | <b>-</b>     | <b>-</b> | <b>-</b>     | <b>-</b> |  |
| <b>NOTES</b>   |              |          |              |          |  |
| Do not include any non-cash items as they are not eligible in determining the matching contribution requirement. |              |          |              |          |  |
| Be as specific as possible; provide explanation to help clarify budget items                                     |              |          |              |          |  |
| Use the "Actual" column when preparing your final report; submit this form with the final report                 |              |          |              |          |  |
| Use additional space or lines if necessary to provide complete information                                       |              |          |              |          |  |
| Value all volunteer labor at \$10.00 per hour for in-kind revenues and expenses                                  |              |          |              |          |  |



April 30, 2014

Klamath County Tourism Grant Committee  
305 Main Street  
Klamath Falls, OR 97601

RE: Package Travel Program for Klamath County

Dear Committee Members:

I am writing this letter of support for the Package Travel Program for Klamath County to expand its reaches by developing unique itineraries to be marketed domestically and internationally to tour operators. Theme itineraries will marry points of interest with special tourism groups bringing new revenues to our region.

As a full service resort community, Running Y Ranch is always looking for ways to attract more tourism to our area with limited staffing and funds. We feel this collaborative effort can only enhance the awareness of the diversity our county has to offer.

I personally appreciate your consideration in providing the funds needed to help further this unique experience.

Sincerely,

Patrick Fetsch / General Manager  
P: 541-850-5500 / C: 541-880-8840  
[patrickf@runningy.com](mailto:patrickf@runningy.com) / [www.runningy.com](http://www.runningy.com)

DISCOVER  
KLAMATH

OREGON UNEXPECTED

April 25, 2014

Ms. Linda Tepper  
Business Manager  
Crater Lake – Klamath Regional Airport  
6775 Arnold Avenue  
Klamath Falls, Oregon 97603

Dear Linda,

*Discover Klamath Visitor and Convention Bureau* is happy to support you/your organization's efforts towards receiving a Klamath County Tourism Grant in the current (spring) grant cycle towards its goal of increasing enplanements through our airport via promotion of group travel business that would fly in/out of Crater Lake – Klamath Regional airport.

Group Travel (aka Packaged Travel) continues to be an under-developed aspect of tourism in Klamath County. We know for example bus tour operators are continuously driving by/through Klamath Falls enroute to Reno, Portland, Central Oregon, Crater Lake, and other destinations.

Your goal, as we understand it, would be to attract the packaged travel business (e.g. groups). These groups would contribute towards your enplanement goals by (a) Flying into another airport such as Seattle, then bussing to our region/area, and then flying out of Crater Lake – Klamath airport; and/or, (b) Flying into our airport, bussing around our area, then flying out of our airport again.

We have been involved with you in identifying an experienced tour operator agent that understands the group travel business and is capable of supporting our collective desires to see more group/packaged travel arriving in our area (by bus and/or by plane).

To this end, Discover Klamath stands ready to support this initiative with a *minimum* \$5,000 cash match towards making this program viable. Our marketing team and board are currently evaluating higher investment levels.

Thank you for your leadership on this strategically important initiative to both the airport and the community.

*Jim Chadderdon*

Jim Chadderdon  
Executive Director



**Klamath County**  
**CHAMBER OF COMMERCE**  
*Lead, Connect, Advocate.*

**Board of Directors**

- Bridgitte Griffin**  
AG-SENSE
- Dan Keppen**  
Dan Keppen & Associates, Inc
- Kathie Philip**  
Pacific Crest FCU
- Willie Riggs**  
OSU Extension Office
- Stan Gilbert**  
Klamath Youth Development Center
- Rachael Spoon**  
KBHBA
- Randy Shaw**  
Coldwell Banker/Hoeman Premier Realty
- Ellsworth Lang**  
Kia-Mo-Ya Casino
- Mike Angell**  
The Ledge
- Jason Chapman**  
Chapman Ranch
- Jennifer McKeon**  
County Cork Collectables
- George Ormsbee**  
Cal-Ore Communications
- Werner Reschko**  
WinMedog, Inc
- Kelley Minty-Morris**  
Citizens for Safe Schools
- Maggie Polson**  
Cascade Comprehensive Care
- Col. Wes French**  
173rd Fighter Wing, Kingsley Field
- Joe Hudon**  
Herald & News
- Tessa Gutierrez**  
Court Appointed Special Advocates (CASA)

**Ex Officio Members**

- City of Klamath Falls  
 Klamath County  
 KCEDA  
 Oregon Institute of Technology  
 Klamath Community College  
 KUHS DECA

**Staff**

- Charles Massie**  
Executive Director
- Heather Tramp**  
Programs & Marketing Coordinator

April 29, 2014

Letter of Support for Crater Lake-Klamath Regional Airport

To whom it may concern,

I am writing on behalf of the Klamath County Chamber of Commerce to support the Crater Lake-Klamath Regional Airport's tourism grant application requesting funding for a packaged travel campaign to increase visitors to Klamath County to see the variety of recreational and cultural activities available.

The air service partnership has been actively seeking new options for attracting visitors to the area through the airport to help maintain air service viability. The packaged travel project will directly support the local lodging industry and the collection of TRT dollars due to encouraging multi night stays in the area.

This is a new strategy for Klamath County and one that should be supported completely.

Thank you for your consideration and support of this vital project.

Kind Regards,

**Charles Massie**  
Executive Director

*"The Klamath County Chamber of Commerce is committed to Klamath County by advancing its economic vitality and quality of life through the education, promotion and networking of our members"*



May 13, 2014

Tourism Grant Committee  
Klamath County  
305 Main St.  
Klamath Falls, OR 97601

To Whom It May Concern:

Thank you for the opportunity to provide greater detail on what we would use grant funding for in relation to our application for Package Travel Program for Klamath County. Our funding request was broken down into Research & Development and the Development of Itineraries.

Research & Development (\$3,000)

- Utilize local businesses to identify tour groups that may be currently stopping in Klamath Falls for meals and/or sightseeing. These groups are potential customers for the expanded itineraries that are developed.
- Identify potential partnerships to enhance and strengthen the region as a Package Travel Destination.
- Formulate marketing and business plan.
- Develop budget in relationship with marketing plan to include attending three major trade shows in the first quarter of 2015 to market itineraries.
- Compile existing package travel leads from all sources. These leads will be pursued once itineraries are developed with the goal of getting two tours booked for 2014.
- Document monthly, all activities and accomplishments to share with stakeholders.

Development of Itineraries (\$16,000)

- Write descriptions for each of the ten itineraries that are to be developed around the following themes:

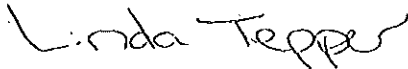
|                            |                          |
|----------------------------|--------------------------|
| Arts & Artisans            | Native American Cultures |
| Audubon & Wildlife Seekers | Scenic Byways            |
| Festivals & Events         | Soft Adventure           |
| Historical Significance    | Multi-Regional           |
| Multi-Generational         | Generation XYZ & Beyond  |
- Create itineraries for each of the above themes including detailed descriptions of all sights and activities to be showcased as part of the itinerary.
- Contact local businesses that would provide sightseeing activities, accommodations and other travel necessities (i.e bus charters, meals, etc.) as part of the itineraries to discuss their involvement and capabilities.

- Design package travel web page for Discover Klamath website. This would be a password protected page that would allow for controlled access to information about the itineraries. This would give Discover Klamath the ability to monitor and track all potential tours to the area.
- Design profile sheet for each itinerary for each of the 2015 trade shows.

All of the proposed work described above will be performed by Melody Johnson of Falcon's Crest Inc, with assistance from the Air Service Partnership Team. It is the Team's belief that it is critical to have someone with Melody's expertise and experience lead this initiative so that it achieves its maximum potential.

I look forward to meeting with the Tourism Grant Committee on May 28<sup>th</sup> to discuss our grant application further.

Sincerely,

A handwritten signature in cursive script that reads "Linda Tepper".

Linda Tepper  
Business Manager