

City of St. Helens

CITY COUNCIL

Special Session Minutes

January 8, 2020

Council Members Present: Rick Scholl, Mayor
Doug Morten, Council President
Keith Locke, Councilor
Ginny Carlson, Councilor
Stephen R. Topaz, Councilor

Staff Present: John Walsh, City Administrator
Kathy Payne, City Recorder
Tina Curry, Event Coordinator

Others: Joanna Story Jennifer Pugsley Jane Garcia
Susan Conn Brady Preheim Christine Menges
Leah Tillotson Mark Kirchmeier



4:30PM – Call Special Session to Order – Mayor Scholl

St. Helens Tourism Events and Activities

- **Meeting Purpose**

City Administrator Walsh reported that the purpose of this meeting is to talk about the direction of tourism, current activities, funding, and going forward. The primary objective of tourism is to support local businesses. It's also an opportunity to elevate the image of St. Helens.

- **History of Tourism in St. Helens**

Walsh explained that in 2001, the City worked with the Chamber of Commerce to adopt the transient room lodging tax. The Tourism Committee was formed. The primary mission of the Committee was to collect revenue for a convention center and pay for a Tourism Director. They were not creating the large-scale events like what is done today.

In 2015, the Tourism Committee discontinued meeting and then later disbanded. Their functions were turned over to City Council and then the Community Development Department. An RFP was released, resulting in E2C Corporation being hired and expanding on events to draw tourism.

Councilor Locke added that coordinating events is a full-time job. It was not a goal of the Tourism Committee. The St. Helens Community Foundation was formed and he helped coordinate many of the events.

Council President Morten spoke of the internal friction that he saw on the Tourism Committee. It got to a point where it was almost non-functional. There was a lot of bickering. He sees what they are doing now as a more efficient process. The Tourism Committee was also in a lot of debt when the Council took it over.

- **Current Programs and Activities**

Event Coordinator Tina Curry reported that they are trying to focus on events that will bring visitors to the community year-round. They are building programs that are attractive to sponsors, merchants, and partners. They are focusing on aspects and branding to give visitors one source

to find all the information they need on www.discovercolumbiacounty.com. Businesses will be able to promote what they want for 60 days at \$25. Nonprofits can advertise at no cost.

Summer activities:

- Kite program
- Sand Island camping
- River rides
 - Launching point would be the Sand Island docks
- Move the haunted house to the Masonic Ballroom. All of the items were donated to the City. A top reason people visit St. Helens is for the haunted house.
- Masonic building downstairs:
 - Riverfront development informational area
- Masonic building upstairs:
 - Escape room
 - Museums
 - Business incubator
- Market and promote all year.

Tina is working on a lot of things right now. She suggested that merchants in attendance share what they have experienced.

- **Tourism Funding**

Walsh spoke of the tourism fund being a special revenue fund. It is different than an enterprise fund. Mayor Scholl added that tourism dollars are paid by hotel rentals. You cannot spend that money on anything other than tourism, which brings people in from outside the area. There is a very small portion that goes towards administration.

Councilor Topaz asked if it can include purchase of equipment. Mayor Scholl said yes. Councilor Topaz went on to ask if the funds could be used to put a dock in. Walsh responded that St. Helens is in a very unique place because we adopted our ordinance prior to the restrictions to tourism spending dollars. Council President Morten believes the mission of the tourism fund was to create a hotel/convention center. The ORS is very specific to saving for a convention center.

Walsh explained that the revenue collected from transient lodging fees, which is the tax from hotel rooms, camping, RV rentals, etc., totals about \$100,000/year. Event revenues, sponsorships, and grants are added to that. E2C is being paid to produce the events. Each event has a budget. The Council has specifically said that total revenues have to cover expenses. Breaking even is not the only measure of success. Success is measured by the number of visitors, visitor spending, community awareness, etc. St. Helens is on the map now with Spirit of Halloweentown. The investments being leveraged add value to the town. Visitors are staying in hotels outside of St. Helens because hotels here are either full or don't meet their standards.

- **Going Forward**

Walsh reported that E2C is currently working without a contract. Plymouth Pub wants to expand into the haunted house space. Tina added that the haunted house will be donated to the City and the former owners will continue to operate it at the Masonic building. She envisions revenues increasing with several other things that we would put in that location. Mayor Scholl clarified that the haunted house materials will be gifted to the City. They also have the ability to lease the downstairs of the Masonic building. Tina confirmed that is correct. The haunted house has a proven track record of generating income. However, Spirit of Halloweentown funds don't come until October. They need money to rent the space and get it going within 60 days. Halloween is in the black but it's not enough to support it through the year until September.

Public Comment

♦ Jennifer Pugsley. She is one of the owners of 50 Plaza Square. She has been selling real estate here for over 40 years. One of the reasons they came down here is because of the tourism. There is talk within the local real estate industry that St. Helens is now the "it girl." Tina let them borrow the Mayor's movie costume during Spirit of Halloweentown. People came in and took photos with it. Next year, they want to have a map to mark where people came from. There were people from Kentucky on their honeymoon, Australia, Virginia, Tennessee, England, Washington, etc. They feel like they are in a Hallmark movie. Historic preservation also has a tourism aspect to it.

♦ Brady Preheim. He lives in town. He was actually chair of the Chamber when it had the tourism contract with the City. They didn't have the staffing to do tourism. Prior to Tina coming along, that money was spent every year but they got nothing out of it. It basically paid for a person with no budget to do anything. Martha Stewart rated St. Helens as the number three location for Halloween. The City needs to continue supporting Spirit of Halloweentown and E2C. There is a proven track record. Whatever is spent, it comes back two-fold, three-fold.

♦ Joanna Story. She owns Jo's Grub Shack and Bakery, which is a food cart. This is her livelihood. Tina has made it possible to participate in 13 Nights on the River, 4th of July, and Spirit of Halloweentown. She's amazed at how many people come from all over the world. It's a lot of work but it's also a lot of fun. She's all for it. Keep it going.

Councilor Topaz doesn't like it as the mainstay. It should be kept going but we need heavy-weight jobs. He suggests using the funds for something like building docks or the town. Getting people to wander through town is not the same as building business. Let's not get over-excited that this is the answer to all our problems. We shouldn't get blindsided that this is the best and only thing to do. The State is making us look like little Portland and not give us our own individuality. We are a different town than anybody else. Tourism is make-believe.

Councilor Locke thinks Spirit of Halloweentown is great but he would like to focus on getting more realistic stuff and offering more to do.

Councilor Carlson has watched foot traffic double and triple in August and July. Empty shops have filled up. The restaurant had to expand because they didn't have enough refrigerator space. It's not just about October. Talking to representatives from other cities, you have to provide a community where people want to live. Building a Mainstreet has been a priority for several years. Tourism is not the magic bullet that's going to solve all our problems but it's a start. For her, tourism has had a good return on our investment. A good litmus test for her is watching a tree lighting of 300 people five years ago grow to 1,000 – 2,000 people today. It's about strengthening events on our calendar. The haunted house will give people something else to do.

Council President Morten has had the honor of serving on the Council for the past 12 years. The City was in trouble when he first came. Boise was about to shut down, Friesen Lumber went away, and lumber industry was leaving. The question on the Council was what are we going to do? We can't go visit corporations to entice them to relocate here. The personality of a town is made up of small businesses. Citizens have had to take on higher sewer and water prices when Boise pulled the plug. He doesn't agree with Councilor Topaz. It's exciting to see vitality, life, and culture being brought in with tourism. Spirit of Halloweentown has turned into something unbelievable with world-wide recognition. There are more successes out there that are untapped. He was able to travel after he retired. He would ask what their main industry was when he visited and was told it was tourism. Tourism does pay the bills. It is a big industry.

Councilor Topaz said a problem that he sees with tourism is the state law. We can't use the money other places. Council President Morten argued that the money goes to business owners.

Councilor Topaz pointed out that he didn't say to get rid of tourism, just be careful with it. They need something that's not talked about to bring money.

Mayor Scholl stated that tourism is a big deal. If you go over to Bend, it's a big deal over there. He applauded Tina for touching on Twilight this year. It was really successful. He met some people who came to Spirit of Halloweentown from Florida. He told them where to go eat and other places to go visit. Tourism dollars spent are probably quadrupled back into the community. They stay at our hotels, eat at our restaurants, and shop at our businesses. It's a huge economic driver. The Fairy Festival and Mardi Gras events add to tourism. There will be five weekends around Spirit of Halloweentown where the downtown area streets will be closed. He thanked Tina for taking over 4th of July activities. It's a lot of work. As far as the issue at hand, he likes the idea of using the Masonic building for future merchants, nonprofits, and Spirit of Halloweentown activities. He's okay with taking it on if Tina thinks they will break even.

Councilor Topaz asked if the budget can be put in the bank or does it have to be spent within that year. Councilor Locke responded that it can be put in the bank. The original intent was to save money for a convention center.

Discussion ensued. Tina said she raises approximately \$265,000 per year above what she gets paid. She spends 100% of that money on activities relating to organized events. We've gradually been building assets so they aren't starting at ground zero anymore. She is risk-averse. The sponsors and people who visit are the ones paying for tourism. 13 Nights on the River is another one that is very demanding of time. That event has moved into the black as well.

Mayor Scholl proposed the Council add an agenda item to renew the E2C contract.

Councilor Topaz wants to put an RFP on the agenda as well to clear the air. He thinks renewing it is a back door deal. Walsh said an RFP was done two years ago. Mayor Scholl argued that it is not a back door deal.

Discussion ensued. Consensus of Council to extend the contract for one year and distribute an RFP for next year. Council would also like to move forward on negotiations for the Masonic building with more information brought to the work session.

Walsh added that budgetary action will be needed prior to entering a lease for the Masonic building.

♦ Jennifer Pugsley. Don't underestimate the years of work that has gone into tourism. Ongoing relationships matter. Tina has really built something. To bring someone in to start at ground zero is a huge mistake.

Councilor Carlson pointed out that Tina was selected after the RFP and interview process two years ago.


♦ Brady Preheim. Suggested an RFP needs to be done in July, not now.

Adjourn - There being no further business, the meeting adjourned at 5:43 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:


Kathy Payne, City Recorder


Rick Scholl, Mayor