

2012



# Sandy Lodging Market Analysis

## City of Sandy, Oregon

November 16, 2012



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## **In Appreciation**

Funding for this project was provided by the City of Sandy and Clackamas County Business and Economic Development Department

## Introduction

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The City of Sandy seeks to understand its potential for a new boutique lodging facility to better serve the needs of visitors, residents, businesses and other groups. A key motivating factor is that overnight visitor spending is up to three times higher than day visitor spending and provides significant economic benefits to area businesses and the community overall. The Sandy area's natural attractions including Mt. Hood and the Sandy River Gorge draw residents from metro Portland and outdoor enthusiasts from throughout the Pacific Northwest and country.

The proposed 80-room boutique hotel would be designed to cater to both leisure and business travelers, with meeting space to accommodate corporate, civic and social events. It will have a spa and high quality restaurant. Although the precise location is not established, the sites under review have excellent Highway 26 access without being immediately visible from the highway and most importantly, have an exceptional view of Mt. Hood and the surrounding landscape.

This memo shares the findings of Marketek's Lodging Market Analysis, the goals of which are to:

- Create an accurate and realistic picture of Sandy's lodging potential within the current marketplace, including the location and characterization of the existing supply of all types of existing lodging facilities;
- Draw conclusions regarding lodging opportunities and constraints for Sandy; and
- Identify next steps and a plan for preparing for the pursuit of lodging.

## Methodology

Marketek's primary and secondary research included:

- Overview of national and statewide lodging market trends;
- Interviews with representatives of the local travel, visitor and meeting industries;
- Electronic survey of Sandy area employers regarding need for meeting space;
- Inventory of existing lodging and meeting space within the competitive market area;
- Demographic profile of metro Portland residents;
- Summary of local visitor attractions and other demand generators; and
- Site visits to downtown Sandy and proposed hotel site locations.

Marketek was aided in information gathering by the City of Sandy, the Sandy Chamber of Commerce and the Clackamas County Tourism Development Council. City staff conducted interviews with Sandy's largest employers to discern the need for lodging.

## Lodging Market Overview

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The outlook for the hotel and lodging industry continues to improve with ongoing small-scale growth in revenues and increasing availability of financing. While 2009 was one of the most challenging years for hotels, with large drops in occupancy and room rates, the market has shown consistent signs of recovery since then. Table 1 below highlights several national and statewide trends; Appendix A provides a more detailed overview.

**Table 1. Summary of Lodging Market Conditions**

### U.S. Lodging Market Trends

- Occupancy rates have returned to pre-recession levels and nationwide occupancy is estimated at 70 percent for the first half of 2012.
- With limited financing for new lodging product, supply has lagged demand for the past two years, helping to bolster occupancy rates. However, investor interest in hotel properties is returning and room supply is expected to increase in 2013.
- Revenue hit an all-time high in August 2012 (\$78 billion) due to increases in room rates and occupancy rates. Revenue growth rates have been strongest on the West Coast.
- The leisure travel market has shown strong signs of recovery with continued room for growth. Business travel continues to be stagnant, with an increase in new jobs not yet translating into travel growth.
- Boutique hotels that offer a distinctive experience performed well during the recession, as they typically give developers/owners higher room rates, higher margins than similarly priced luxury hotels and more flexible pricing in response to market shifts.

### Oregon Lodging Market Trends

- Nationwide trends of increased occupancy rates and revenues along with limited expansions of supply have also been seen in Oregon. Statewide occupancy rate is estimated at 61 percent in the first half of 2012 and has grown at a rate above the national level.
- Lodging demand in Oregon is highest in Portland. While lodging revenue there is expanding, the average daily room rate in Portland (\$98) is slightly below the national average (\$102) and the averages in similar markets such as Seattle (\$115). Visitor spending in metro Portland increased over the last two years to reach \$3.9 billion as of 2011.
- Metro Portland's hotel supply has remained stagnant in recent years, although expansions are planned. One 100-room project is under construction and another 11 are in planning stages.
- The majority of visitors to Portland are in their 30s-50s. They tend to have lower incomes and fewer children than the average national traveler. Most trips originate from within Oregon, although this trend is changing as the national economic recovery proceeds and as Oregon's profile nationwide continues to grow.

Sources: Smith Travel Research, Longwoods Travel USA, Hotel News Now, Dean Runyan Associates

## Sandy Market Conditions

The potential support for a new, boutique hotel in Sandy depends on the level of demand for additional lodging in northern Clackamas County, the existing room supply and overall interest in Sandy as a destination.

### Demand Generators

Potential demand generators for hotel and meeting space in Sandy include business travelers, metro Portland residents and other regional leisure travelers, and group travel, for both business and leisure.

#### Business Travel & Meeting Market

The City of Sandy is home to an estimated 349 businesses, with another 874 within a 15 minute drive. In the 15-minute drive time, the largest share of companies are in the

services sector (34 percent), followed by retail trade (20 percent). There are 56 businesses in the finance, insurance and real estate industries and 27 government-sector establishments.

Within the city, there are nine businesses employing 50 people or more; they include retail trade (grocery and auto sales), construction, transportation, personal service and professional service companies. See Appendix B for total businesses by industries and a list of top employers.

In October 2012, eleven members of the Sandy Area Chamber of Commerce responded to an electronic survey of interest in local meeting facilities. Table 2 shares the results.

**Table 2. Survey of Local Meeting Space Needs, Fall 2012**

- Most businesses/groups are currently using City Hall, the library, Chamber offices and area restaurants to hold meetings.
- Three of the eleven respondents would not book a meeting space if it were available. Five of the eleven respondents would book a quality meeting space one to three times a year; one group would book three to five times a year and two groups would book five to ten times a year.
- Most respondents (six of eleven) hold meetings with 10 to 25 people in attendance.
- Five respondents identified the need for overnight lodging for some meeting attendees.

Source: Marketek, Inc.

The City of Sandy also interviewed several large employers to gauge support for additional local lodging and meeting space. Table 3 summarizes results and Appendix B provides further details.

**Table 3. Survey of Local Lodging Needs, Fall 2012**

- Of the eleven businesses interviewed, nine have overnight visitors. The average number of overnight stays varies ranging from 2-3 per month for two businesses to as many as 20 per month for two businesses.
- Business visitors currently stay at the Sandy Inn, the Holiday Inn in Gresham, the Monarch Hotel and the Resort at the Mountain in Welches.
- Interviewees do perceive a need for a high quality hotel in Sandy. Two respondents, however, note that cost is a factor and that the Sandy Inn is too expensive for them.
- Four respondents would like to see a high end restaurant in Sandy. Another four would use a new local meeting facility.
- Demand generated by local users is not highly significant. Combined, interviewees have potential need for 68 to 102 hotel nights per month, although it is uncertain how much of this existing demand would shift to a new, higher priced facility.

Source: City of Sandy

### **Leisure Travel Market**

Given national and statewide trends showing that travelers are opting for more local and intrastate trips, we use the Portland Metropolitan Statistical Area (MSA) as the market area for leisure visitors to Sandy. As of 2011, metro Portland's population was estimated at 2.25 million persons, representing an average increase of 1.5 percent per year since 2000 (Table 4). Growth is projected to slow somewhat to an average of 1.1 percent per

year through 2016, which is an addition of 124,000 persons. Metro Portland residents tend to be slightly younger and more racially diverse than residents statewide. Median household income in the MSA is about \$6,800 greater than in the state, and nearly one-third of MSA residents hold four-year college degrees. Please refer to Appendix C for further demographic analysis of the City of Sandy, the MSA and the state.

**Table 4. Demographic Overview for City of Sandy, Portland MSA and State of Oregon**

Demographic Indicator	City of Sandy	Portland MSA	State of Oregon
Population			
2011 (estimate)	9,747	2,250,337	3,865,864
2016 (forecast)	10,514	2,374,493	4,040,049
Avg. Ann. % change ('00-'11)	4.9%	1.5%	1.2%
Avg. Ann. % change ('11-'16)	1.4%	1.1%	0.9%
Median Household Income	\$53,272	\$54,672	\$47,814
Median Age	34.6 years	36.8 years	38.4 years
Race & Ethnicity			
White Alone	91.5%	80.9%	83.5%
Non-White Alone	8.5%	19.1%	16.5%
Hispanic (any race)	7.2%	11.1%	12.0%
Education Level – 4-Year Degree or Higher	17.2%	32.8%	28.7%

Source: ESRI Business Information Solutions

A 2009 study by Longwoods Travel USA characterizing the visitor market for Mount Hood-Columbia River Gorge shows that 2.4 million people make overnight trips to the region annually, spending an average of 2.8 nights there. The vast majority are leisure trips (92 percent) and most visitors are couples without young children. Incomes vary considerably – 13 percent of visitors have annual incomes below \$25,000 and another 13 percent have incomes above \$150,000. Top reasons for visiting include the outdoors, touring and special events; top activities include visiting parks and historic sites, shopping, being along the water, hiking, fine dining, visiting museums and camping.

Table 5 summarizes special events in Sandy. When asked to estimate need for lodging, all event organizers indicated a medium level of demand. While events do attract out-of-town guests, they do not see a significant gap in the lodging market at present.

**Table 5. Sandy Special Events, 2012**

Event	Attendance	Notes
Hood 2 Coast	16,200	World's largest relay race; 6 national sponsors
Sandy Mountain Festival	30-40,000	Sponsored by Clackamas County Bank and Adventist Health
Sandy Oktoberfest		15 local and national sponsors
Sandy Brewfest	2,000	First ever
Cruise In Fly In		Car show held at Sandy Airport; Sponsored by Sandy Kiwanis
Fall for Sandy	124-200	Benefit dinner and auction

Source: City of Sandy and Sandy Chamber of Commerce

## Existing Supply

A new hotel in Sandy would compete with existing lodging products in Gresham, Clackamas and other areas surrounding Mt. Hood, primarily in Clackamas County. Following national trends in the wake of the recession, average occupancy in the county dipped to 63.1 percent in 2009, but has grown steadily to reach 75.5 percent in 2012. The rebounding occupancy rate is due to both a drop in room supply and an increase in demand (i.e., rooms sold). Room rates and revenues followed a similar path; ADR grew from \$81 in 2010 to \$87 in 2012 (Table 6).

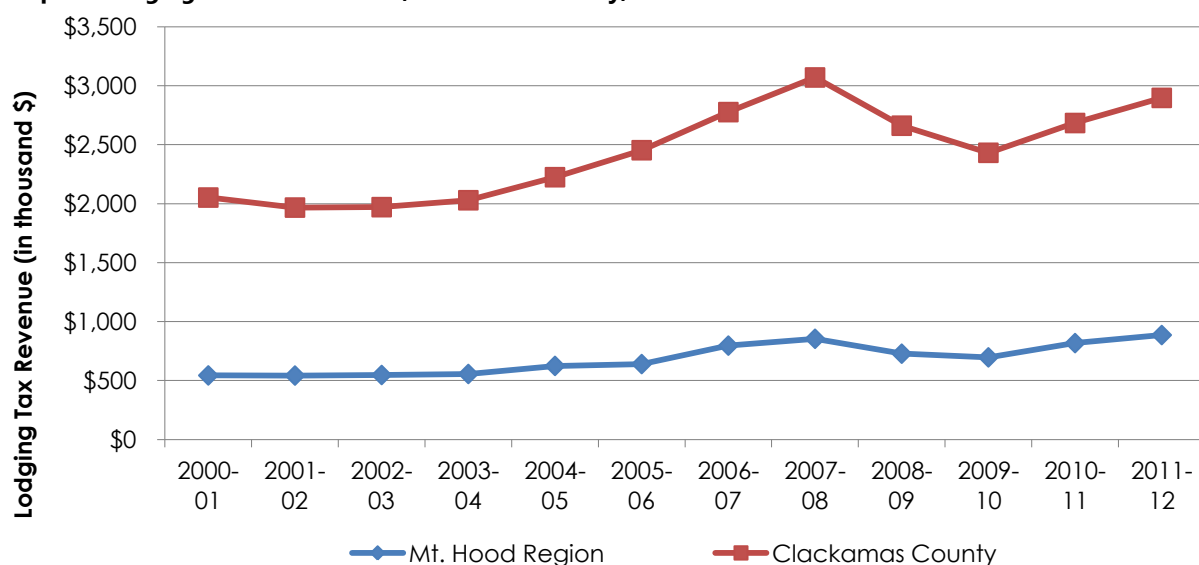
**Table 6. Lodging Market Indicators, Clackamas County, June 2008 to June 2012**

Market Indicator	2008	2009	2010	2011	2012
<b>Occupancy</b>					
Room Supply	74,910	74,910	74,910	72,840	72,840
Room Demand	53,214	47,240	49,896	51,761	54,993
Occupancy Rate	71.0%	63.1%	66.6%	71.1%	75.5%
<b>Rates &amp; Revenue</b>					
Average Daily Rate	\$90.58	\$83.04	\$81.47	\$84.19	\$87.11
Total Revenue	\$4,820,089	\$3,923,033	\$4,064,931	\$4,357,522	\$4,790,476
Revenue per Available Room	\$64.35	\$52.37	\$54.26	\$59.82	\$65.77

Source: Smith Travel Research

Lodging tax revenue in Clackamas County shows a steady expansion of the local market from 2003 to 2008, followed by a sharp decline. Over the last two years, however, tax revenue has returned to pre-recession levels in both Clackamas County and its Mt. Hood Region. Sandy's only hotel property – the Best Western Sandy Inn – generated \$30,290 in tax revenue over the last two years.

**Graph 1. Lodging Market Indicators, Clackamas County, June 2008 to June 2012**



Source: Clackamas County



A survey of selected hotel properties in Sandy’s competitive market area is provided in Appendix D. Facilities most likely to compete with a boutique hotel and meeting facility in Sandy include Resort at the Mountain in Welches, Skamania Lodge in Stevenson, Washington and Collins Lake Resort in Government Camp. Resort at the Mountain includes 157 rooms and 15,000 square feet of meeting space. Skamania Lodge offers 254 rooms and suites and 22,000 square feet of meeting space. The remaining properties are national chains. Occupancy data was not available for competitive properties, but interviews and transient room tax calculations indicate that the Best Western Sandy Inn has an occupancy rate of approximately 33 percent and Resort at the Mountain’s occupancy is estimated at 50 percent.

The City of Sandy also conducted a survey of local meeting facilities (Table 7). These properties accommodate a range of group sizes, with maximum capacities ranging from 45 to 619 people. Users are primarily local organizations and property managers estimate little need for lodging. Most properties do not allow alcohol and a few are unstaffed. A complete list of Clackamas County meeting space is provided in Appendix E.

**Table 7. Local Meeting Facilities, 2012**

Facility	Capacity	Rate	Meetings/Year	Year Built	Notes
Sandy Community Center	200	\$25/hr	150-200	1964	No alcohol; Nonprofits free
Sandy Public Library	75	Free	100-150	2011	No alcohol
Mt. Hood Athletic Club - Gym	619	\$175/hr	3	2006	
Mt. Hood Athletic Club - Yoga Room	45	\$75/hr	120	2006	
Clackamas County Bank	115	\$50	100-250	1994*	No food; Nonprofits free
Mt. Hood Hospice	100	\$0-\$100	12	1960s	Level of staff varies
Cascadia Village	20-25	Free	50-75	1990s	No alcohol or staff
Sandy Fire Annex	49	Free	50-75	1930s	No alcohol; Nonprofits only

\*Remodeled  
 Source: City of Sandy

## Sandy as a Destination

To understand perceptions of Sandy’s in the region as a destination for business and leisure travelers and the potential for overnight lodging at a Sandy boutique hotel, Marketek interviewed a dozen lodging and meeting industry professionals. Interviews findings are summarized in Table 8, with more detailed responses and a list of participants provided in Appendixes F and G.



**Table 8. Key Themes from Interviews**

### 1. Sandy's location and perceived offerings as a lodging destination are a challenge

- Sandy's proximity to Portland means travelers are likely to go home after a meeting or recreation activity.
- Sandy and east metro Portland have too few large employers to provide consistent commercial demand for lodging.
- Locals and leisure visitors are not a dependable market, especially in rural Oregon, where visitors are likely to stay with friends and family.
- While there may be some corporate and recreation travel groups from Europe, China and the Midwest, they represent a modest portion of the total market.
- Sandy lacks its own tourist attractions, making it difficult to attract overnight visitors. For meeting travelers, it must offer something *rare* and *unique* to encourage overnight stays.
- Sandy is not currently perceived as a compelling destination. Sandy's recreation activities and other offerings must first be packaged and marketed to raise its profile within the region and create a foundation for growing the lodging market.
- To develop a successful boutique hotel in Sandy, interviewees identified the following critical factors:
  1. Create a one-of-a-kind quality product and destination built with the consumer experience as a top priority.
  2. The hotel should celebrate the site and what it has to offer – nature.
  3. Be very clear on the target markets. The hotel will need to excel at serving multiple markets, as none is deep enough to support a new facility on its own.
  4. Sandy will have to create a market for meetings/group travel. There is no awareness of Sandy in the market at present.
  5. A full-time marketing manager is essential. An extensive array of packages should be developed, with the understanding that there will be a lengthy build-up period to achieve desired occupancy.

### 2. Sandy may have potential as a destination meeting location

- Sandy may be able to compete for small- and medium-sized gatherings, especially considering the few choices in the area. According to meeting planners, small meetings of between 10 and 30 people are the 'bread and butter' of the group business for many hotels. Typical group sizes for slightly larger meetings may be 30 to 35 people with about ten hotel rooms needed for multi-day events. Sandy will be challenged to serve large groups and conventions and unlikely to sustain regular use of larger, multi-room meeting space facilities needed to accommodate groups.
- As 'downsized' businesses and organizations place increasing importance on time versus price, many group meetings may not include overnight stays. Sandy may be able to succeed with a unique meeting/dining facility without overnight accommodations. Under any circumstance, it would need to provide something very distinct and special to attract the meeting market from Portland and beyond.

Source: Marketek, Inc.

# Conclusions & Recommendations

Marketek’s research and interviews indicate limited demand for a new 80-room hotel in Sandy at present and in the immediate future. The relatively low occupancies at the Best Western and Resort at the Mountain are indicative of area market conditions. The unfamiliarity with Sandy as a destination in the Portland region as expressed by visitor and meeting professionals is also a key limiting factor in the short term. Table 9 that follows illustrates the level of support that would be needed from each market segment to reach a desired 70 percent occupancy, typically the target for profitability. The market segmentation is deemed reasonable for a Sandy location. While demand can be generated by a mix of corporate/business events, group travel activities and leisure travelers, these market opportunities together are unlikely in the short term to support the room demand needed to sustain a boutique 80-room property. Even with *significant* marketing efforts, room sales at desired levels cannot be substantiated for a development of this scale.

**Table 9. Estimated Monthly Room Sales Needed to Support an 80-Room Hotel**

	Leisure Travel	Business Travel	Groups	Total
Share of Demand	70%	5%	25%	100%
Rooms Sold per Month	1,192	85	426	1,703
Groups Booked per Month*			10.6	10.6
Monthly Room Supply (80 rooms x 30.4 days/month)				2,433
Occupancy Rate				70.0%

\* Assuming groups average 25 guests staying 2 nights based on interviews with meeting professionals.

As Sandy’s profile as a destination within the Portland region develops, demand for hotel rooms will also grow. Approaches to support expansion of the local lodging market and future construction of a new hotel are provided below.

- 1. Consider developing a smaller inn/lodge of approximately 30-40 rooms.** Design it with the potential to double in size as demand increases. This would enable Sandy to establish a one-of-kind product and outstanding reputation, achieve key occupancy levels and build a base to increase in size and scale as demand grows. Smaller scale models exist and should be evaluated. Downtown Eugene’s new boutique hotel, Inn at the 5<sup>th</sup>, is 69 rooms and reportedly doing very well. Stephanie Inn in Cannon Beach, a highly successful 41-room boutique hotel, is another example.
- 2. Start with meeting space and a restaurant.** Research indicates that the local market has a strong interest in these facilities, with limited immediate need for additional hotel rooms. The Abernathy Center in Oregon City is an example of very successful stand alone quality meeting space.
- 3. Create a unique culinary destination** co-located with the inn through partnership with Mt. Hood Community College Hospitality Program. The potential exists to create a one-of-a kind training center and culinary dining experience (similar to Oregon Culinary Institute in Portland) that could provide a unique farm-to-table experience emphasizing the Mt. Hood Territory farm fresh experience while serving as a workforce training opportunity for area

students. Such a dining facility has potential to be a destination for east metro Portland diners, Mt. Hood visitors and the local market as well. Demand for restaurant space (unique, higher quality) was noted as a top opportunity in the 2009 Sandy Retail Market Analysis.

4. **Build Sandy's brand.** At present, Sandy is not widely viewed as a unique, authentic destination for leisure travelers or business groups. To build its image within the region, Sandy should identify what truly sets it apart from other metro Portland communities, including others around Mt. Hood. It must then package and clearly communicate its offerings in a way that communicates the Sandy story and entices visitors to experience it. If Sandy is truly the "launching place for outdoor recreation and adventure," this is the image that it needs to sell. Organize a series of FAM (familiarization) tours with travel professionals and meeting planners to show off all that Sandy has going for it and the special mountain bike and river opportunities.
5. **In the short term, redevelop the Sandy Best Western.** To absorb initial growth in hotel room demand as Sandy builds its brand, the Best Western could be significantly updated as a more modern and trendier property. As tourism in the city grows, increased overnight stays could support a second hotel facility.
6. **Position the new hotel for success.** National trends and interviews with local travel industry professionals indicate it is essential to create a unique product set apart from the competition. First steps to designing the new facility should identify what will make it one-of-a-kind, whether it be views, opportunities to experience nature, access to a variety of outdoor activities, being a LEED-certified green facility or other factors.

# Appendix A: Lodging Market Trends

## National Trends

The outlook for the hotel and lodging industry continues to improve with ongoing, small-scale growth in revenues and increasing availability of financing. While 2009 was one of the most challenging years for hotels with large drops in occupancy and room rates, the market has shown consistent signs of recovery since then.

- **Demand:** Demand as measured by occupancy has risen consistently nationwide and has returned to pre-recession levels. According to Smith Travel Research Inc. (STR), 2012 demand is at its highest rate ever historically, having returned to pre-recession levels. STR reports occupancy was at 69.7 percent through July 2012, a 3.2 percent increase from 2011. Demand appears to be stabilizing through 2012-2013 as the current rate of demand is not sustainable in the long-term. Additionally there is some small planned increase in room supply that will impact rates of occupancy.
- **Supply:** According to STR, increases in demand have consistently outpaced increases in supply for 25 consecutive months through August 2012, representing an all-time high. While this indicates increasing market strength for product development, the number of projects has seen an 8.3 percent decrease in number of new products proposed in the active pipeline compared with the same period last year. This stagnation in supply is a reflection of the continued lack of financing for new products and the continued depression of average daily rate (ADR). There is some indication, however, that capital is beginning to flow away from BRIC countries (Brazil, Russia, India, and China) and back toward the U.S. and that investors are showing renewed interest in acquisition of hotel properties.
- **Market Segments:** Trends in demand vary by market segment. The leisure market has shown strong signs of recovery with continued room for expansion. Growth in business travel continues to be somewhat stagnant with an increase in new jobs not translating into more travel. Economic difficulties in Europe, slower growth in China, continued slow job creation forecasts the U.S. and the presidential election all contribute to a sense of uncertainty and translate into a cautious approach by businesses in their travel investments. Transient business travel continues to outpace group travel for meetings and events, reflecting economic uncertainty and businesses' desire to direct resources toward short-term revenue generating activity. The Global Business Travel Association projects growth in transient business travel of 2.9 percent in 2012 with group spending growing only 2.3 percent. They expect group travel to increase as the broader economy recovers, however.
- **Revenue:** Revenue is increasing across market segments due to increasing ADR and revenue per available room (RevPar) with revenue hitting an all-time high in August 2012 of \$78 billion. Likewise Hotels.com's Hotel Price Index found an increase in hotel prices across all global regions for the first time in five years. As a result of the growth in ADR and RevPar, even as demand has dropped in some market segments, revenues have continued to increase. For example, total business volume dropped in 2012 but revenues still increased 4.9 percent. Although revenues are increasing, growth in ADR and RevPar has not kept pace with the growth in demand. For example, the nationwide ADR grew 4.7 percent from 2010 to 2011 to \$127, which remains below the peak ADR of \$135 in 2008.
- **Location:** In addition to varying demand and revenue growth rates across market segments, revenue varies by location as well. Hotels.com compared the Hotel Price Index across ten

major cities on both coasts. They found that West Coast cities saw an average increase of 8.6 percent as compared to 4.4 percent on the East Coast. San Francisco saw the highest RevPar growth of any U.S. City (19.7 percent) with occupancy at 78.9 percent.

- **Shifting Demographic of Travelers:** Travel spending by Millennial (age 20s to mid-30s) rose 20 percent in 2010. While they still lag Baby Boomers in overall spending, they represent the fastest growing age segment. Hotels have begun targeting this key segment of the population, seeking to offer unique settings and amenities and high tech services. These preferences are starkly different from those of Baby Boomers who tend to prioritize comfort, reliability, and exhibit brand loyalty. Baby Boomers remain the largest segment of the market, though hotels continue to try to attract both groups of travelers.

## Hotel and Lodging Industry Trends

The industry continues to adapt to the recession. Research reveals the following trends in hotel development:

- **Boutique Hotels:** Smaller independent hotel chains with a unique product performed well throughout the recession. These hotels offer a distinctive experience that attracts the “change-travel” segment of the market. These hotels are particularly good at attracting the growing Generation X and Millennial segments of the target market. Additionally, boutique hotels offer developers advantages including higher room rates, flexibility in site selection and construction, higher margins than similarly priced luxury hotels, and more flexible pricing in response to market shifts. Boutique hotel trends include the conversion of historic and/or interesting existing buildings to create ambience, smaller hotels where visitors can connect with staff and hotel spaces, and more unique, cozy and shared spaces such as can be found in the Ace Hotel chain.
- **Rise of Brands:** Seeking to address this same “change” segment of the market, larger international hotel chains are branding smaller chains to offer an affordable luxury product that attracts a different segment of the market. These sub-brands include Aloft, Citizen M, Yotel, Standard by Andre Balazs, Qbic, Edition, and Z Hotels. These hotels seek to guarantee a high level of comfort in design-driven, high-tech environments while offering competitive rates.
- **Changes in Business Travel:** While business travelers are typically “no-change” travelers looking for a no-hassle experience, new entrepreneurs, particularly within the tech sector, are looking for more unique meeting facilities. Also, as businesses scale back in a tight economy, they are looking for smaller meeting facilities. Hotels targeting business travelers are seeking to enhance existing amenities and offer unique services such as eco-meetings or wellness meetings to become more competitive in the marketplace.
- **Renovations vs. Construction:** While some debt is now available, financing remains limited. As a result, hotels are tending toward renovations and expansions of existing facilities rather than new construction. This allows them to attract new segments of the market and remain competitive without taking larger risks.
- **New Technology:** The use of new technology continues to impact how hotels offer services, market and book visitors. Hotels are beginning to use social media as a distribution channel, customer service tool, lead generation service and branding platform. While social media can increase exposure of lodging, it remains limited in driving bookings and is responsible for only 3.5 percent of bookings. Conversely, customers are increasingly using mobile apps to

book hotel rooms. Hotels are exploring new apps such as digital concierges, information on weather and news, and airline/flight information.

- **Short Booking/Stays:** While leisure and business travel has shown some signs of recovery, visitors are tending toward decreasing the length of their stays. Booking windows are also becoming shorter, partially as a result of the increase in online bookings, but also in response to changes in business trends and corporate travel.
- **Luxury Camping:** In an effort to attract visitors looking for a unique experience, independent hotels are developing “luxury” camping or “glamping” facilities. These typically are sheltered insulated spaces running the spectrum from very basic yurts and huts to luxury canvas tents. The spaces offer electricity but no running water. Amenities may include luxury beds, designer furnishings, gourmet meals cooked outside and a range of planned activities.
- **Agro-Tourism/Culinary Tourism:** Building off the slow-food movement, there is a growing market for lodging products emphasizing farms and food production. This trend ranges from lodging options such as farm stays where visitors actually participate in agricultural production to culinary related programming such as farm tours or farm loops, foraging expeditions and craft beer tours.
- **Sustainability:** Sustainability continues to be a driving trend in hotel development as facilities look to attract eco-conscious customers and define themselves within the market. While an emphasis on design and LEED ratings continues as a trend, hotels are also looking to address customer use. For example, some hotels allow guests to control their energy use and/or see how much energy they are using. Other services include locally sourced food and materials, electric car networks and bike rentals.
- **Fine Dining:** Some hotels have begun to outsource food and beverage services. While this increases costs, it takes advantage of the increase in consumers' consumption of gourmet food and alcohol. One example is the Willows Inn on Lummi Island in Washington, which has successfully leveraged their food service to attract an international clientele and build their market profile.

## Trends in Oregon

The Oregon hotel and lodging industry tracks with the key national trends of limited growth in demand and in revenues and stagnation in supply. More specific trends include:

- **Visitor Impact:** Visitation and travel spending increased for a second consecutive year in 2011. According to Dean Runyan, visitors to the greater Portland region (including Multnomah, Washington, and Clackamas Counties) spent \$3.85 billion in 2011, an increase of 3.5 percent over 2010. This spending translated into \$876 million in earnings, 29,200 jobs, and \$62.5 million in local taxes.
- **Demand:** The average hotel occupancy rate in Oregon reached 60.6 percent in 2012 and is growing at a rate comparable to those of similar markets, including Seattle, and higher than that of the U.S. Demand continues to be higher in the Portland market than statewide; average occupancy in 2012 in Portland is 69.3 percent, up 5.4 percent from the previous year.
- **Revenues:** ADR in the Portland market increased 5.2 percent from 2011 to 2012 to reach \$109. While daily rates increased slightly in Oregon from 2010 to 2011, they remain depressed

when compared to the total U.S. (\$98 per room versus \$102) and even lower than similar markets such as Seattle (\$98 versus \$115). RevPar rates followed this same trend, reflecting the growth in ADR.

- **Supply:** Supply remained constant in the Portland market throughout 2011 and 2012. As of July 2012, there is one project under construction with 100 rooms, five projects in final planning with 618 rooms, and six projects in preliminary planning stages with 918 rooms. These additions translate into 1,636 total rooms in the active pipeline. Another 1,748 rooms are in the pre-planning stage.
- **Younger Market:** The bulk of the target market for Portland is middle aged (30s-50s) in keeping with the national trend of the impact of Baby Boomers/Generation X.
- **Lower Incomes:** Visitors to the Portland market tend to have lower income than the average traveler nationwide. They also tend to have fewer children, translating into less of a market for family-oriented, resort-type hotel products.
- **Internal Trips:** The majority of trips (both leisure and business) originate from within Oregon. This reflects the nationwide trend evident since the beginning of the recession of more in-state travel due to lower costs. This is starting to change, however, as people begin to travel more and as Oregon's profile nationwide continues to rise.



## Appendix B: Sandy Area Businesses

**Table B-1. Businesses by Industry in City of Sandy and 15-Minute Drive Time, 2012**

Industry	City of Sandy		15-Minute Drive Time	
	Number	Percent	Number	Percent
Agriculture & Mining	5	1.4%	78	6.4%
Construction	16	4.6%	165	13.5%
Manufacturing	15	4.3%	74	6.1%
Transportation, Communication & Utilities	11	3.2%	51	4.2%
Wholesale Trade	12	3.4%	95	7.8%
Retail Trade	106	30.4%	245	20.0%
Finance, Insurance & Real Estate	32	9.2%	56	4.6%
Services	130	37.2%	413	33.8%
Government	18	5.2%	27	2.2%
Other	4	1.1%	19	1.6%
Total Businesses	349	100.0%	1,223	100.0%

Source: ESRI Business Information Solutions

**Table B-2. Top 20 City of Sandy Employers, 2012**

Employer	Employees	Employer	Employees
1. Fred Meyer	192	11. Avamere at Sandy	41
2. AEC, Inc.	73	12. Suburban Ford	41
3. First Student Management	63	13. Apollo Drain & Rooter Service	40
4. Johnson RV	60	14. Tollgate Inn	38
5. Mt. Hood Cleaners & Laundry	60	15. Clackamas County Bank	36
6. Safeway	56	16. U.S. Metal Works	35
7. Suburban Chevrolet	54	17. McDonald's	30
8. Konell Construction & Demolition	53	18. Legacy Clinics Firwood	29
9. Cascade Acoustics	51	19. Bi-Mart	28
10. Quality Tank & Construction Co.	45	20. Reitmeier Mechanical	28

Source: City of Sandy

**Table B-3. Survey of Lodging Needs Among Top Sandy Employers, 2012**

Business	Avg. Visitors per Month	Avg. Length of Stay	Avg. Room Nights per Month	Current Lodging Source	Notes
AFC	1	2-3	2-3	Sandy Inn	
J Frank Schmidt Nursery	5-10	2	10-20	Sandy Inn, Holiday Inn Gresham	High end restaurant is needed
Iseli Nursery	8-15	1	8-15	Sandy Inn, Other area hotels	May use conference center
Web Steel	0	0	0	No visitors due to economy	High end restaurant is needed
Suburban Auto Group	2-3	1	2-3	Sandy Inn	High end restaurant is needed
Ortiz & Associates	0-3	4	0-12	Sandy Inn	Summer visitors only; Would use conference center
Vanport	8	1	8	Monarch Hotel Clackamas	Would use conference center 4 times/yr
Johnson RV	4-5	3	12-15	Sandy Inn	Would use conf. center 2-3 times/yr for 35-40 attendees
Everfresh Fruit	20+	1	20	Sandy Inn, The Resort in Welches	More dining options are needed
U.S. Metal Works	0	0	0	Very few visitors (1-2 per year)	Sandy Inn is too expensive
Guide Dogs for the Blind	6	1	6	Eight area hotels	Sandy Inn is too expensive; Must allow dogs
Total	68-102 nights/month				

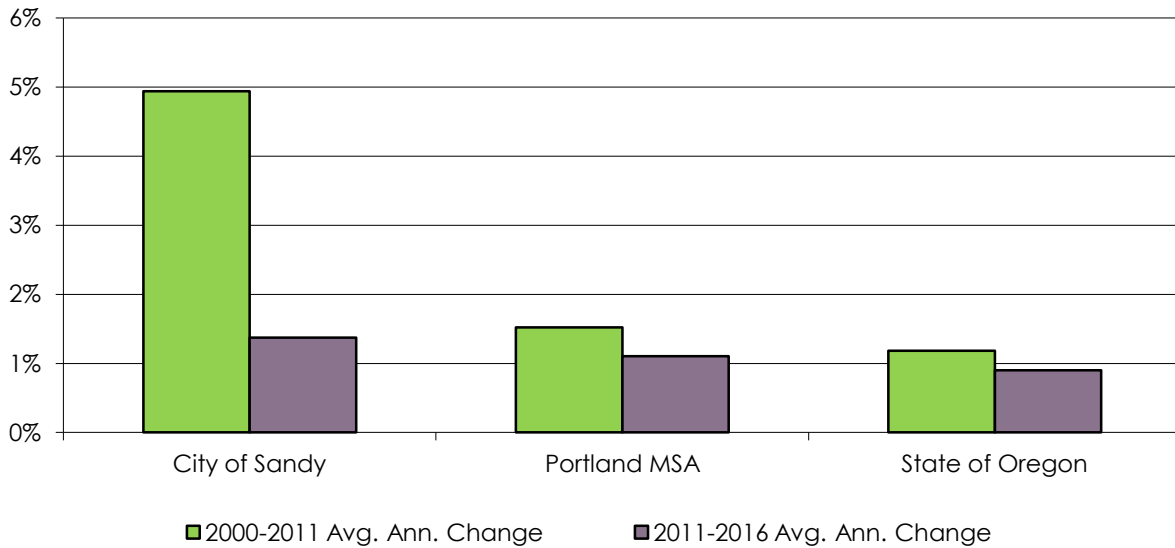
Source: City of Sandy

# Appendix C: Metro Portland Demographic Profile

Table C-1. Population & Household Growth: City of Sandy, Portland MSA and State of Oregon, 2000-2016

Geographic Area	2000	Avg. Ann. Change 2000-2011			Avg. Ann. Change 2011-2016		
		2011	Number	Percent	2016 (Forecast)	Number	Percent
<b>City of Sandy</b>							
Population	6,316	9,747	312	4.94%	10,415	134	1.37%
Households	2,238	3,634	127	5.67%	3,914	56	1.54%
Avg. Household Size	2.74	2.68	-0.005		2.66	-0.004	
<b>Portland MSA</b>							
Population	1,927,881	2,250,337	29,314	1.52%	2,374,493	24,831	1.10%
Households	745,531	877,549	12,002	1.61%	929,170	10,324	1.18%
Avg. Household Size	2.54	2.52	-0.002		2.51	-0.002	
<b>State of Oregon</b>							
Population	3,421,399	3,865,864	40,406	1.18%	4,040,049	34,837	0.90%
Households	1,333,723	1,533,080	18,123	1.36%	1,610,409	15,466	1.01%
Avg. Household Size	2.51	2.47	-0.004		2.45	-0.004	

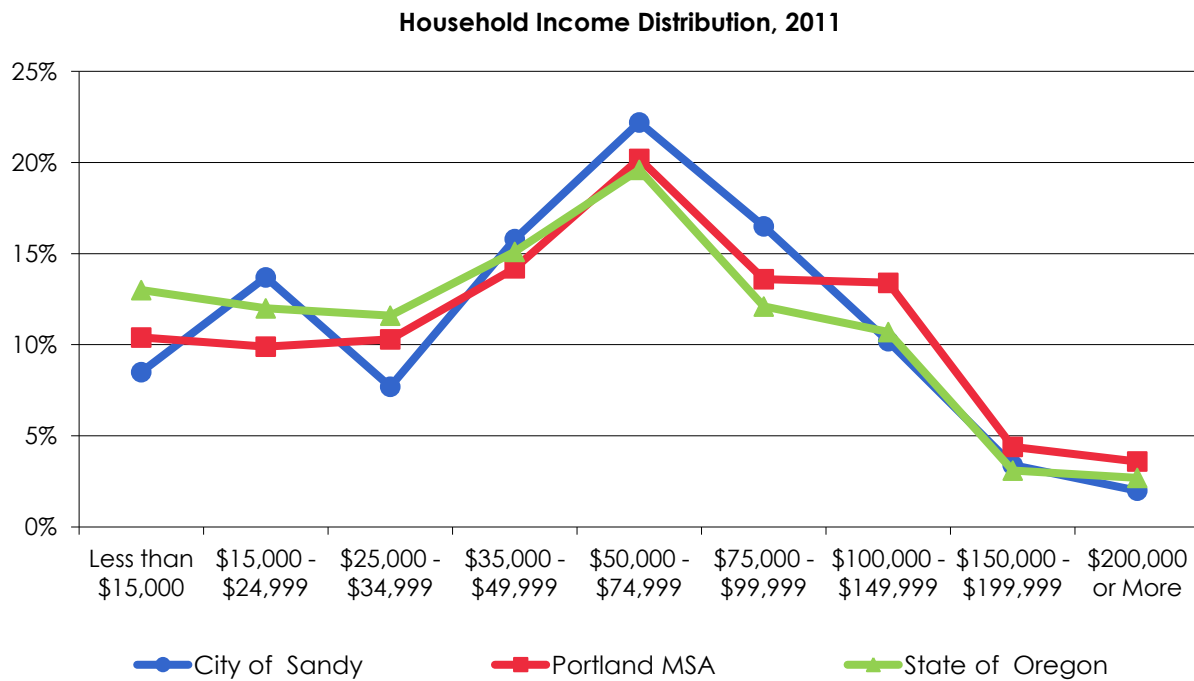
Average Annual Population Growth Rates, 2000-2016



Source: ESRI Business Information Solutions

**Table C-2. Household Income: City of Sandy, Portland MSA and State of Oregon, 2011**

Income	City of Sandy	Portland MSA	State of Oregon
Less than \$15,000	8.5%	10.4%	13.0%
\$15,000 - \$24,999	13.7%	9.9%	12.0%
\$25,000 - \$34,999	7.7%	10.3%	11.6%
\$35,000 - \$49,999	15.8%	14.2%	15.1%
\$50,000 - \$74,999	22.2%	20.2%	19.6%
\$75,000 - \$99,999	16.5%	13.6%	12.1%
\$100,000 - \$149,999	10.2%	13.4%	10.7%
\$150,000 - \$199,999	3.4%	4.4%	3.1%
\$200,000 or More	2.0%	3.6%	2.7%
Total	3,634	877,549	1,533,080
Median Household Income	\$53,272	\$54,672	\$47,814

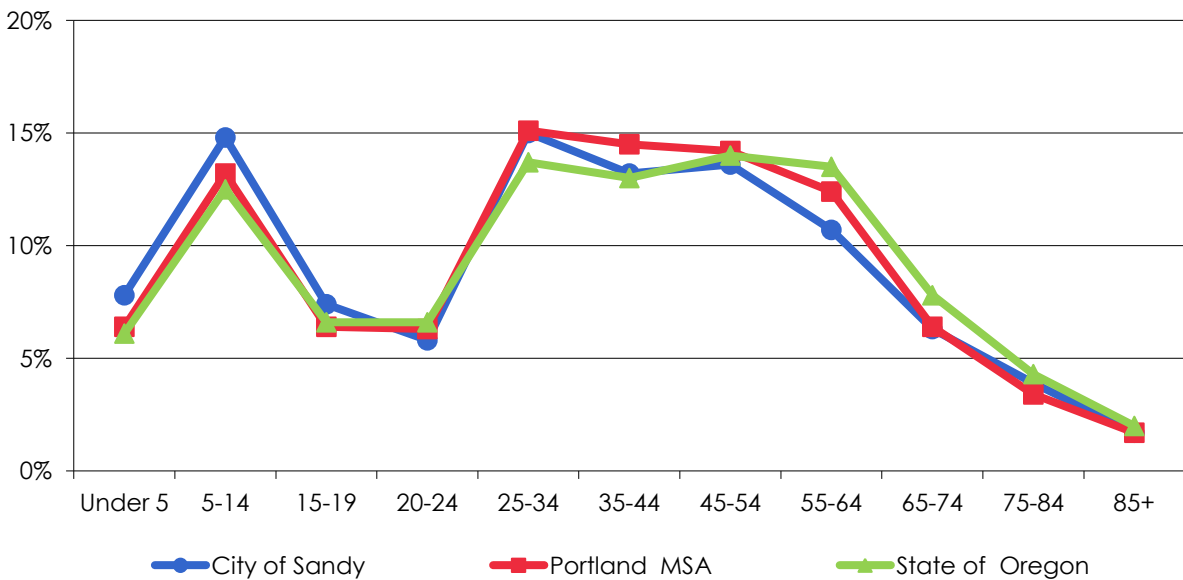


Source: ESRI Business Information Solutions

**Table C-3. Population by Age: City of Sandy, Portland MSA and State of Oregon, 2011**

Age	City of Sandy	Portland MSA	State of Oregon
Under 5	7.8%	6.4%	6.1%
5-14	14.8%	13.2%	12.5%
15-19	7.4%	6.4%	6.6%
20-24	5.8%	6.3%	6.6%
25-34	15.0%	15.1%	13.7%
35-44	13.2%	14.5%	13.0%
45-54	13.6%	14.2%	14.0%
55-64	10.7%	12.4%	13.5%
65-74	6.3%	6.4%	7.8%
75-84	3.9%	3.4%	4.3%
85+	1.7%	1.7%	2.0%
Total	9,747	2,250,337	3,865,864
Median Age	34.6	36.8	38.4

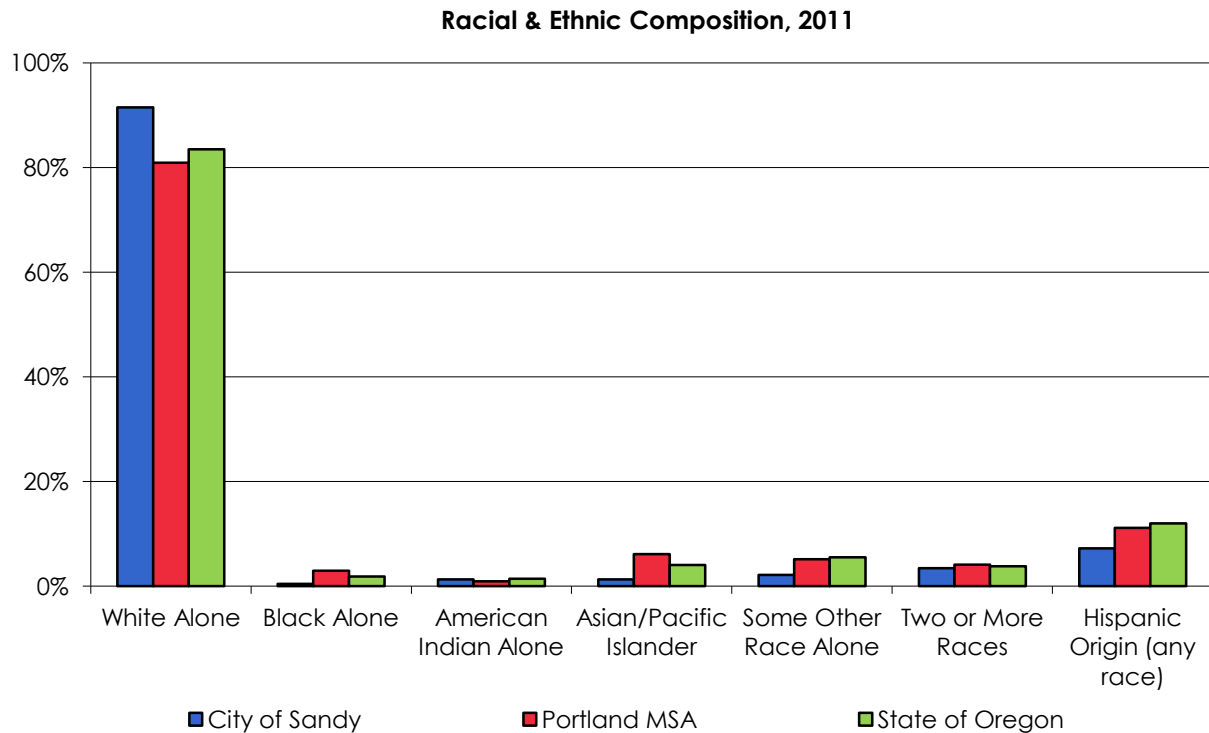
**Age Distribution of the Population, 2011**



Source: ESRI Business Information Solutions

**Table C-4. Racial & Ethnic Composition: City of Sandy, Portland MSA and State of Oregon, 2011**

Race/Ethnicity	City of Sandy	Portland MSA	State of Oregon
White Alone	91.5%	80.9%	83.5%
Black Alone	0.4%	2.9%	1.8%
American Indian Alone	1.3%	0.9%	1.4%
Asian/Pacific Islander	1.3%	6.1%	4.0%
Some Other Race Alone	2.1%	5.1%	5.5%
Two or More Races	3.4%	4.1%	3.8%
Hispanic Origin (any race)	7.2%	11.1%	12.0%
Total	9,747	2,250,337	3,865,864



Source: ESRI Business Information Solutions

# Appendix D: Lodging Supply Inventory

## Summary of Selected Hotel Properties in the Sandy Competitive Market Area, Fall 2012

Property	Rooms	Rate Range	Year Built	Meeting Space	Notes
<b>Resort at the Mountain</b> 68010 E Fairway Ave Welches, OR	157	\$\$\$\$		15,000 SF	Amenities include golf and spa
<b>Skamania Lodge</b> 1131 SW Skamania Lodge Way Stevenson, WA		\$\$\$\$		22,000 SF	Amenities include golf and spa
<b>Collins Lake Resort</b> 88149 E Creek Ridge Rd Government Camp, OR	68	\$\$\$\$		Several venues	Chalets & lodge; Minimum 2 night stay
<b>Best Western Pony Soldier Inn</b> 1060 NE Cleveland Ave Gresham, OR	74	\$	1985	450 SF	
<b>Comfort Suites</b> 15929 SE McKinley Ave Clackamas, OR	50	\$	2000	2,000 SF	
<b>Four Points Sheraton</b> 1919 NE 181st Ave Portland, OR	74	\$\$\$	1999	2,100 SF	
<b>Hampton Inn</b> 9040 SE Adams St Clackamas, OR	114	\$\$	1995	300 SF	
<b>Holiday Inn</b> 2752 NE Hogan Dr Gresham, OR	167	\$\$	1998	4,300 SF	
<b>Best Western Sandy</b> 37465 Highway 26 Sandy, OR	45	\$\$	1996	None	Occupancy estimated at 50%

\$ = \$0 - \$100  
 \$\$ = \$101-150  
 \$\$\$ = \$151 - \$200  
 \$\$\$\$ = \$201+

Source: Clackamas County, City of Sandy



## Appendix E: Meeting Space Inventory

Facility	Phone/Web	Guest Room (s)	Meeting Space(s)	Total Square Feet	Theatre Style Seating (1 room)
<b>CLACKAMAS (I-205)</b>					
Best Western Sunnyside Inn 12855 SE 97 <sup>th</sup> Ave, Clackamas, OR 97015	503-652-1500 www.bestwestern.com	141	3	1,500	60
Clackamas Comfort Suites 15929 SE McKinley Ave, Clackamas, OR 97015	503-723-3450 www.choicehotels.com	50	2	1,250	40
Courtyard by Marriott Portland SE 9300 Sunnybrook Blvd, Clackamas, OR 97015	503-353-3564 www.marriott.com/pdxck	136	3	1,800	70
Days Inn – Portland South 9717 SE Sunnyside Rd, Clackamas, OR 97015	503-654-1699 www.daysinn.com	96	1	546	30
Monarch Hotel & Conference Center 12566 SE 93 <sup>rd</sup> Ave, Clackamas, OR 97015	800-492-8700 / 503-652-1515 www.monarchhotel.cc	192	9	20,000	1,000
New Hope Community Church 11731 SE Stevens Rd, Portland, OR 97266	503-659-5683 www.newhopecommunitychurch.org	NA	20	varies	2,500
<b>LAKE OSWEGO (Downtown/Hwy 43)</b>					
Clarke's Restaurant 455 Second St, Lake Oswego, OR 97035	503-636-2667 www.clarkesrestaurant.org	NA	4	2,400	90 banquet
Holy Names Heritage Center 17425 Holy Names Dr, Lake Oswego, OR 97034	503-607-0595 ext 1 www.holynamesheritagecenter.org	NA	2	2,600	125
Lakewood Center for the Arts 368 S State St, Lake Oswego, OR 97034	503-635.6338 www.lakewood-center.org	NA	2	2,700	220
<b>LAKE OSWEGO (I-5)</b>					
Crowne Plaza Hotel 14811 Kruse Oaks Blvd, Lake Oswego, OR 97035	800-227-6963 / 503-624-8400 www.crowneplaza.com/lakeoswegoor	161	6	4,360+	300
Fairfield Inn & Suites (Marriott) 6100 SW Meadows Rd, Lake Oswego, OR 97035	503-670-7557 www.fairfieldinn.com	124	2	1,100	40
Hilton Garden Inn Lake Oswego 14850 Kruse Oaks Dr, Lake Oswego, OR 97035	503-684-8900 www.portlandlakeoswego.gardeninn.com	179	3	1,587	80
Homebuilders Association of Metro Portland 15555 SW Bangy Rd, #301, Lake Oswego, OR 97035	503-603-4516 www.homebuildersportland.org	NA	2	2,800+	225

Facility	Phone/Web	Guest Room (s)	Meeting Space(s)	Total Square Feet	Theatre Style Seating (1 room)
<b>MILWAUKIE</b>					
Historic Broetje House 3101 SE Courtney Rd, Milwaukie, OR 97222	503-659-8860 www.thebroetjehouse.com	3	3	2,000+	150
Milwaukie Inn 14015 SE McLoughlin Blvd, Milwaukie, OR 97267	800-255-1553 / 503-659-2125 www.milwaukieinn.com	39	NA	NA	NA
Paradigm Conference Center 3009 SE Chestnut St, Milwaukie, OR 97267	877-500-4729 / 503-654-6426 www.paradigmcenter.com	NA	3	4,275+	290
The Wings of Freedom Showcase / The Bomber 13515 SE McLoughlin Blvd, Milwaukie, OR 97222	503-654-6491 www.thebomber.com	NA	3	2,400+	150
<b>MOLALLA / COLTON / ESTACADA</b>					
Camp Colton 30000 S Camp Colton Dr, Colton, OR 97017	503-824-2267 www.campcolton.com	6	3	*11,913	200
Prairie House Inn 524 E Main St, Molalla, OR 97038	503-829-8245 www.prairiehouseinn.net	6	4	*5,092	300
<b>MT. HOOD AREA</b>					
Cascade Property Management (numerous rentals) Welches, OR 97067	800-635-5417 / 503-622-5688 www.mthoodrentals.com	varies	varies	varies	10
Mt. Hood Inn 87450 E Government Camp Loop, GC, OR 97028	503-272-3205 www.mthoodinn.com	57	1	200	20
Mt. Hood RV Village / Wildwood Café 65000 E Highway 26, Welches, OR 97067	503-622-4011 www.mhcrv.com www.wildwoodcafe.net	31	4	9,300	400
Summit Meadow Cabins (5 rentals) Box 235, Government Camp, OR 97028	503-272-3494 www.summitmeadow.com	14	varies	varies	NA
The Resort at The Mountain 68010 E Fairway Ave, Welches, OR 97067	800-733-0800 / 503-622-2220 www.theresort.com	160	15	17,634	750
Timberline Lodge Timberline, OR 97028	800-547-1406 / 503-622-7979 www.timberlinelodge.com	71	10	13,431	300
<b>OREGON CITY / GLADSTONE (I-205 &amp; 99E)</b>					
Abernethy Center 606 15th St, Oregon City, OR 97045	503-722-9400 www.abernethycenter.com	NA	6	10,148	550
Ainsworth House & Gardens 19130 Lot Whitcomb Dr, Oregon City, OR 97045	800-551-1716 www.ainsworthhouse.net	NA	6	varies	100

Facility	Phone/Web	Guest Room (s)	Meeting Space(s)	Total Square Feet	Theatre Style Seating (1 room)
<b>OREGON CITY / GLADSTONE (I-205 &amp; 99E)</b>					
Best Western Rivershore Hotel 1900 Clackamette Dr, Oregon City, OR 97045	503-655-7141 www.rivershorehotel.com	114	3	1,926	120
The Cedars Retreat Center 17036 S Eaden Rd, Oregon City, OR 97045	503-631-7444 www.cedarsretreatcenter.com	12	4	varies	30
End of the Oregon Trail Interpretive Center 1726 Washington St, Oregon City, OR 97045	800-424-3002 / 503-657-9336 ext 110 www.historicoregoncity.org	NA	6	varies	200
Museum of the Oregon Territory 211 Tumwater, Oregon City, OR 97045	503-655-5574 www.orcity.com/museum	NA	4	6,760+	299 banquet
Oxford Suites Gladstone 75 82nd Dr, Gladstone, OR 97027	877-558-7710 / 503-722-7777 www.oxfordsuitesportlandsoutheast.com	98	1	706	50
<b>MT. HOOD AREA</b>					
Comfort Inn Wilsonville 8855 SW Citizens Dr, Wilsonville, OR 97070	503-682-6874 www.choicehotels.com	64	1	800	50
Langdon Farms Golf Club 23477 NE Airport Rd, Aurora, OR 97002	503-678-4653 www.langdonfarms.com	NA	6	5,400+	300
SnoozInn 30245 SW Parkway Ave, Wilsonville, OR 97070	800-343-1553 / 503-682-2333 www.snoozinn.com	59	NA	NA	NA

Source: Clackamas County

## Appendix F: Key Interview Themes

### Sandy's Location and Perceived Offerings as a Lodging Destination are a Challenge

#### Location

- Location may be a detriment—Sandy is so close to Portland (40 minutes) that business and leisure travelers are likely to go home from a meeting or recreation adventure. *"It is too close to Portland for overnight stays and not enough activity keep attention."* *"Sandy is typically not considered a Destination town, but rather a stop on the way to mountain."*

#### Market

- Sandy and the Portland eastside have too few (large) employers to provide the volume and consistent support needed for lodging and a hotel can't depend on locals and leisure market. Tourism market research indicates that in rural locations of metro Portland, leisure visitors predominately stay with family and friends.
- Corporate market is very hard to capture—clients like predictability and are viewed as a 'no change' market. Resort at the Mountain in Welches reports there is no business market up there; it is group and leisure. The geographic distribution is: 90-92 percent of their market is from greater Portland area; 3-4 percent is Seattle; and about 3 percent eastern Washington. Groups may come from Europe, China and Midwest but represent a modest portion of total market.
- Hoteliers are dependent on the stability of the group market. However, Sandy has stiff competition from venues around the State. While there are 300 members of Oregon Society of Association Management, 100 are hotels. Interviews with Oregon tourism professionals indicate that as the number of offerings has increased in recent years (e.g., the Salem and Bend Convention Centers, boutique hotels in Portland and wine country, e.g., the Allison), established facilities have to wait longer for repeat visits. I.e., groups/associations have many more choices to hold meetings.
- Recreation-oriented packages are key to capturing leisure visitors—from rafting to geocaching.
- To capture the leisure market, Sandy is inextricably linked to Portland. As the Portland travel market expands, the surrounding area benefits. *"When there is compression in Portland, demand filters out."* The strengths of the Portland region are: culinary, recreation, rafting, biking, farms.

#### Sandy's Offerings

- Sandy does not have its own tourist attractions—the Mountain, the Ocean, downtown Portland, a cluster of wineries, a hot springs, etc.—making it more challenging to attract overnight visitors. Most lodging models say that there has to be a reason to go to a place or area first and the lodging will follow. In and of itself, Sandy is not a destination. *"Sandy has to ask itself 'What else is there to do over a long weekend for groups or leisure outside of the hotel?'"*

- As an overnight destination for meeting travelers, there has to be something *rare and unique* about the property and the experience—a golf course, etc. One exception noted by a meeting planner is: *“if I can plan a meeting that includes family, I might be enticed to stay overnight.”* For kids, that might be a water park; for spouses, it is shopping, gambling, entertainment.
- There is limited understanding and perception of Sandy's uniqueness. The question repeatedly asked by interviewees was: *What's there? Why would you need or want to spend the night in Sandy?* The perception is that there is nothing special in Sandy as a destination. One travel professional noted: *“If Sandy truly is the base to experience ‘tons of recreation and adventure’ those packages and products need to already created, widely recognized and with a sales track record.”* With this foundation, a boutique hotel would do well.

### **Competition**

- Lodging in Sandy will compete on price and convenience with locations in Gresham or even the I-205 corridor. A boutique hotel in Sandy will compete with Resort at the Mountain, Skamania Lodge and Collins Lake. The Resort at the Mountain completed a \$15 million renovation in 2010 and is aggressively increasing occupancies. Still, Sandy needs to convey a niche, a specialty to attract the market. *“The challenge is there simply isn't a large enough market.”*
- Sandy is competing with Portland as a destination spot. To compete it needs to make a huge splash, similar to the Allison Inn in Oregon wine country. They have distinguished themselves as a top green hotel in America and very high end. Otherwise, groups will go to Portland or the mountain. The uniqueness must include being exceptionally beautiful, retreat-like, outstanding food, relaxing.

### **Factors Critical to Sandy's Potential Success**

- Regarding the potential success of a boutique hotel in Sandy, the key message from interviewees was that it is essential to create a one-of-a-kind quality product and destination. Successful unique properties work first and foremost because of a 'unique location.' If the hotel would serve a luxury segment, it needs to be built with the consumer experience as the top priority. *“Location, rates, amenities are all part of the package, but what sets the place apart from other properties and makes it a memorable experience?”*
- Be very clear on the target market(s). A Sandy hotel would need to serve multiple markets well—group and leisure will likely balance each other. E.g., Seventh Mountain Resort in Bend reports their success is built on leisure traveler with many packages for families; they are clear on their customer.
- Full time marketing manager is essential, with extensive packages, etc. Join every large association and develop interpersonal relationships. *“It would need a lengthy build up period for break even and a ‘war chest’ for marketing.”*
- Sandy would have to create a market for the Meeting/Group segment; there is no awareness of Sandy in the market at present.
- A boutique hotel in Sandy would need to be good at a lot of different things—meetings, leisure, etc.

- A successful hotel *must* celebrate the site and what is there—nature.

### Sandy May Have Potential as a Destination Meeting Location

- Travel planners commented that the meeting world changed with the recent recession. Companies/organizations don't want to spend on overnight travel and business representatives don't want to spend the time. Time has almost superseded price as a decision factor. Technology allows remote meetings more readily than in the past which may also influence the frequency of face-to-face gatherings.
- One meeting planner noted that for the corporate/association day meeting market away from metro Portland but in the vicinity, Sandy will compete with Persimmon Country Club and The Resort at the Mountain. Throughout Portland the competition for meetings is significant. Typical locations used by Oregon Society of CPAs include: Sheraton Airport, Benson, Hilton, Hotel Monaco, Salishan, Skamania Lodge.
- As a destination for the group meeting market, Sandy may be able to compete for small and medium-size gatherings (business, association, other group) especially considering there are not many choices in the area. It is a given that the meeting space/setting will need to be unique. The group sizes would be 30-35 people and possibly 10 hotel rooms needed, if it were an overnight event.
- Sandy will need to depend on its local meeting market—5 mile radius or more, but those event/meeting goers won't spend the night. See Table 2, 'Survey of Local Meeting Space Needs.'

### Meeting Criteria

Meeting planners shared the following essentials for successful meeting location/space:

- State of the art technology at a reasonable price
- Wi fi completely accessible throughout the property
- Great food
- Windows and day light
- Tables with plug ins and speaker phone capability
- Counter space built in for coffee, etc.
- Foyer area
- Separate room for meals is nice or a large room that divides
- Break out rooms are not important

*"Look at Seventh Mountain Resort, Mt. Bachelor Village and Riverhouse as examples of very good meeting spaces." "See International Association of Conference Centers Standards for Certification."*

## **Appendix G: Interviews Conducted by Marketek**

Mitch Speck and Karey Milne, Sandy Chamber of Commerce

Chris Otto, Inn at the Seventh Mountain

Lori Little, Oregon Restaurant and Lodging Association

Jeff Miller, Travel Portland

Mike Fisher, Oregon Society of Association Management

Barbara Mulligan, HelmsBriscoe, National Meeting Planners

Gary Hammond, Oregon Society of CPAs

Barbara Steinfeld, Travel Portland

JoAnne Ghelfi, League of Oregon Cities

Frank Casarez, Resort at the Mountain

Mike Smith, Travel Portland

John Hope-Johnstone, Travel Oregon