

IMPACT STATEMENT

Legislation title: Approve a grant of \$150,000 to Travel Portland for a winter/spring advertising campaign (Ordinance)

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Presenter name: Karl Lisle

Purpose of proposed legislation and background information:

Portland's travel and tourism sector, typically a robust economic engine, generated an estimated \$5.6 billion in direct spending in the Portland region while transient lodging taxes contributed \$39.1 million to the City's General Fund in FY 2018-19. The industry, however, has been disproportionately and severely impacted by COVID-19 related closures. Additionally, the City's social unrest and related vandalism has contributed to inhospitable conditions in commercial districts, discouraging visitors.

The survival of Portland's downtown and district retail shops is critical to the future of travel and tourism. Keeping our lodging, hospitality and retail diversity largely intact through the coronavirus impact period will help the travel and tourism sector recover more rapidly.

Travel Portland generates travel demand, which fills hotels and short-term rentals. These visitors, in turn, fill restaurants, shops, attractions and cultural institutions, generating lodging tax receipts, contributing to the regional economy, the Spectator Venues and Visitor Activities Program, and the City's General Fund.

Financial and budgetary impacts:

In August, Portland hotel revenues were down 81.2%, which resulted in a staggering 85.3% reduction in transient lodging taxes and an 85.4% reduction in tourism improvement district dollars. The Spectator Venues and Visitor Activities Program's \$150,000 grant will fund Travel Portland, working in concert with business community and industry partners, in supporting Portland's reopening and recovery efforts as soon as local conditions and public health guidance allows.

This one-time expenditure is within the authority provided in the Spectator Venues and Visitor Activities Fund Statement (Fund #607) and was approved by the City Council in the Fall 2020 BMP Budget Ordinance.

While revenues to the Fund from events and other sources are down significantly as a result of COVID-19 facility closures, the fund has sufficient reserves to accommodate this one-time expenditure and will benefit in future years if the effort is successful at aiding recovery of the local travel and tourism industry.

Community impacts and community involvement:

In 2019, Portland's travel and tourism industry supported 36,930 jobs, generating \$1.6 billion in employment earnings. Many businesses and workers are depending on rapid recovery of the hospitality industry as soon as it is deemed safe to visit downtown Portland.

With this grant Travel Portland will develop destination storytelling content to include promoting BIPOC-owned businesses. Additionally, Travel Portland will seek to engage diverse, minority-owned industry partners, such as Open Signal Labs, to develop content for the campaign.

100% Renewable Goal:

N/A

Budgetary Impact Worksheet

Does this action change appropriations?

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
<i>Spectator Venues & Visitor Activities Fund</i>							