

ORDINANCE No. 190407 As Amended

*Authorize an agreement with Travel Portland for the marketing and promotion of convention business, tourism, and overnight lodging using a sole source procurement and provide for payment (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. City Charter Section 7-113 provides that a one percent (1%) Transient Lodgings Tax on the gross rents paid for overnight lodging be collected by the City and used exclusively for promotion, solicitation, procurement, and service of convention and tourism in the city.
2. The Charter also directs the City to implement the purposes of Section 7-113 by negotiating a contract with a non-profit corporation, or with non-profit corporations, whose primary purpose during the term of the contract is the promotion, solicitation, procurement, and service of convention and tourism in the city.
3. Portland City Code Chapter 6.05, Tourism Improvement District, provides that certain lodging providers located within the City are assessed a 2% license fee based upon taxable rents as reported to the Revenue Bureau, which fees are to be used for the promotion of overnight tourism and to improve the lodging business environment.
4. Chapter 6.05 requires that TID funds be managed by a "Management Corporation", which is defined as a nonprofit organization that is responsible for the promotion of Portland on a year-round basis, manages tourism-related economic development plans, programs and projects, and represents tourism-related businesses.
5. Convention business, tourism and overnight lodging are substantial contributors to a healthy economy in the City of Portland. Successful efforts to secure convention and tourism business and overnight lodging result in increased revenues for the City through business license taxes and transient lodging taxes and fees.
6. The City has determined that services to convention business, tourism, and overnight tourism and efforts to improve the lodging business environment are in the public interest and will be for a public purpose for the benefit of the City.
7. The promotion of convention business, tourism, and overnight tourism and improvement of the lodging business environment are highly specialized services requiring expertise and the confidence of participating local businesses. Travel Portland, the recognized destination marketing organization for Portland, has a track record of success in the activities called for by the City Charter and Code as

evidenced by the results achieved under its prior contracts with the City of Portland, which contracts were authorized by Ordinance Nos. 154720, 158721, 162143, 165571, 170317, 173432, 176591, 179383, 181845, 184963, 185635 and 187792.

8. In FY 2018-19, the last full fiscal year prior to the onset of the coronavirus global pandemic, Travel Portland's efforts to market and promote Portland as a travel and tourism destination had resulted in record breaking revenue to the City's General Fund from Transient Lodging Taxes each year for ten years.
9. Consistent with the Charter and Code requirements, Travel Portland is a non-profit corporation organized for the primary purpose of promotion, solicitation, procurement and service of convention business and tourism for the City of Portland and is responsible for the promotion of Portland on a year-round basis, manages tourism-related economic development plans, programs and projects, and represents tourism-related businesses. Travel Portland is, therefore, qualified to contract with the City for the aforesaid purposes.
10. In addition to its track record and qualifications, Travel Portland has been recommended by persons whose businesses are subject to the aforementioned taxes and fees, as the non-profit corporation the City should engage for the aforesaid purposes consistent with the contract attached as Exhibit A.
11. The coronavirus global pandemic has had a devastating impact on travel and tourism across the globe, resulting in the highest levels of revenue and job losses in the hospitality sector ever recorded. Portland hotels, restaurants and small businesses have felt these impacts and anxiously await signs of economic recovery over the next several years. Strategic use of transient lodging tax revenue to support this recovery is essential.
12. On March 10, 2021, in response to the many uncertainties around recovery from this historic event, the City Council passed Ordinance 190318 adding a 1% surcharge to the Tourism Improvement District (TID). This surcharge will provide additional funding to support nimble and proactive travel and tourism marketing and promotion to leisure travelers, business travelers and convention planners.
13. Recognizing the unique role television, film and video productions play in generating interest in Portland as a travel destination as well as the direct impact they have on the local economy, for as long as the 1% TID Surcharge exists, Travel Portland and the Portland Film Office will collaborate on efforts to attract and book television, film and video productions that generate overnight stays at local hotels and Travel Portland will contribute funds to the Portland Film Office to support these efforts.
14. Historically, the Travel Portland contract has included Performance Measures as a means to evaluate and assess the success of the work performed and as a

framework for regular reporting to the City. Exhibit A includes revised Performance Measures that reflect the need to reestablish baseline measurements as the travel and tourism industry recovers from the impacts of the global pandemic over time as well as the stated goals of the 1% TID Surcharge, including the City Council's desire to assure that the benefits accrue to all areas of the City and to Portland's diverse businesses.

15. Considerable additional time and expenditure of funds would be needed if other firms were required to develop the expertise necessary for this work, which Travel Portland already has by virtue of its many years of effort in the promotion of convention, tourism and overnight lodging. Additionally, no other Oregon non-profit meets the Charter and Code requirements.
16. Following the procedures allowed in PCC 5.68, this sole source contract is being acquired as an exception to the competitive selection process identified in PCC 5.68 and the PTE Services Contracting Manual, and the provisions of Chapter 5.68 of the City Code should be waived.

NOW THEREFORE, the Council directs:

- a) The Mayor is hereby authorized to execute an Agreement with Travel Portland substantially in accordance with Exhibit A attached to this Ordinance.
- b) The Mayor and Auditor are authorized to draw and deliver warrants, chargeable to the Convention and Tourism Fund and the Tourism Improvement District sub-fund in the Convention and Tourism Fund, in accordance with the terms of the Agreement.
- c) The provisions of City Code Chapter 5.68 are waived.

Section 2: The Council declares that an emergency exists because of the economic emergency caused by COVID and the importance of allowing Travel Portland to move forward swiftly to address the economic emergency; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: May 19, 2021

Commissioner Mapps & Mayor Wheeler
 Prepared by: Susan Hartnett
 Date Prepared: May 3, 2021

Mary Hull Caballero
 Auditor of the City of Portland
 By *Christina Thomas*
 Deputy

Agenda No.
ORDINANCE NO. 190407 **As Amended**
 Title

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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Mapps & Wheeler</p>	<p>CLERK USE: DATE FILED <u>May 11, 2021</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u>Keelan McClymont</u> Deputy</p> <p>ACTION TAKEN:</p>
<p>Mayor—Finance & Administration - Wheeler <small>Digitally signed by Ted Wheeler Date: 2021.05.09 13:54:31 -0700</small></p>	
<p>Position 1/Utilities - Rubio</p>	
<p>Position 2/Works - Ryan</p>	
<p>Position 3/Affairs - Hardesty</p>	
<p>Position 4/Safety - Mapps <small>Digitally signed by Mingus Mapps Date: 2021.05.06 13:47:34 -0700</small></p>	
<p style="text-align: center;">BUREAU APPROVAL</p>	
<p>Bureau: OMF, Spectator Venues Program Bureau Head: <u>Tom Rinehart</u> <small>Digitally signed by Tom Rinehart Date: 2021.05.06 09:27:32 -0700</small></p>	
<p>Prepared by: <u>Susan Hartnett</u> Date Prepared: <u>5/3/2021</u></p>	
<p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: <u>Ken McGair</u> <small>Digitally signed by Ken McGair Date: 2021.05.03 16:43:32 -0700</small> required for contract, code, easement, franchise, comp plan, charter</p>	
<p>Council Meeting Date <u>May 19, 2021</u></p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>9:45</u> Total amount of time needed: <u>30</u> (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
		YEAS
1. Rubio	✓	
2. Ryan	✓	
3. Hardesty	✓	
4. Mapps	✓	
Wheeler	✓	