

IMPACT STATEMENT

Legislation title: 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)

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Purpose of proposed legislation and background information:

This Ordinance approves a five year agreement with Travel Portland for services provided for under City Charter Section 7-113 (1% TLT) and City Code Chapter 6.05 (TID), namely for the marketing and promotion of convention business, tourism, and overnight lodging. The agreement also requires Council approval of a sole source procurement request, which has been reviewed and approved by the CAO and CPO. The current agreement terminates on June 30, 2021.

Financial and budgetary impacts:

City Charter and Code cited above authorize collection of taxes and fees related to payments collected on hotel stays and short term rentals listed on booking platforms. General Fund revenue from the Transient Lodging Taxes (TLT) in FY 2019-20 was more than \$30.8 million.

The Charter and Code provisions also require the City to use a portion of these funds by contracting with an Oregon non-profit for specified services. City Charter Section 7-113 calls for “the promotion, solicitation, procurement and service of convention business and tourism” and City Code Chapter 6.05 calls for promoting “overnight tourism” and improving “the lodging and hospitality business environment in Portland”. The contract must also be with a comprehensive destination marketing organization operating in Portland that is engaged full time in the promotion, solicitation, procurement and service of convention business and tourism in the City.

Because Travel Portland is the only Oregon non-profit meeting the Charter and Code requirements, the contract is being procured using the sole sources exception in Chapter 5.68 and the PTE Services Contracting Manual, which included public posting of the request for a period of seven days during which no challenges or objections were received.

Council’s approval in March 2021 of a 1% TID Surcharge under Ordinance 190318 will provide additional funds to support the travel and tourism industry in its recovery from the impacts of the COVID-19 pandemic. As part of the approval of this surcharge, Council members wanted to assure that the benefits would accrue to businesses in all areas of the City as well as Portland’s minority owned and operated. The contract and its Performance Measures reflect both the need to reestablish baseline metrics during the COVID recovery period as well as new measurements of citywide and minority impact.

The contract also adds funding for the Portland Film Office to support collaboration between Travel Portland and the Film Office on efforts to improve Portland’s desirability and competitiveness as a location for television, film and video productions. It is expected that this funding and collaboration will generate overnight stays, thereby generating TLT revenue, as well as contributing positively to other aspects of the local economy impacted by television, film and video productions.

The Charter and Code provisions also allow the City to retain administrative costs associated with the collection, remittance and management of these funds. The contract has been adjusted to better align with those provisions and to include ITS Cost Recovery in the administrative costs retained by the Revenue Division.

Community impacts and community involvement:

Both the TLT and TID are passed through to hotel patrons and are therefore principally paid by individuals and business from outside the City of Portland. The Travel Portland Board and TID Board are principally composed of individuals who represent hotels and travel related businesses. Both of these groups have endorsed Travel Portland as the organization to perform the services provided for in the City Charter and Code.

Travel Portland’s CEO, Jeff Miller will testify on this item.

100% Renewable Goal:

This action does not contribute to the City’s goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

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