

AGREEMENT

THIS AGREEMENT, made and entered into by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as "City", and Travel Portland, which was formerly known as the Portland Oregon Visitors Association (POVA) a non-profit Oregon corporation.

WITNESSETH:

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

WHEREAS, the City has determined that such services of Travel Portland are in the Public interest and will be for a public purpose for the benefit of the City and that securing convention and tourism business produces revenue for the City by increasing business license taxes, transient lodging taxes, and revenue for City owned properties such as the Performing Arts Center; and

WHEREAS, convention business and tourism are substantial contributors to a healthy economy in the City; and

WHEREAS, in 1978, residents voted to amend Section 7-113 of the Charter of the City of Portland to add a tax of one percent (1%) to the Hotel/Motel tax for the promotion of convention and tourism in the City; and

WHEREAS, the aforesaid Charter Amendment directs the City to negotiate a contract with a non-profit corporation(s) whose primary purpose during the term of the contract is the promotion, solicitation, procurement, and service of convention and tourism in the City; and

WHEREAS, Travel Portland has been recommended by the persons subject to the tax imposed pursuant to such Charter Amendment as the non-profit corporation to contract with the city for the aforesaid purposes; and

WHEREAS, it has been determined that the City's goals for Travel Portland include opportunities to maximize the return to the local economy of public expenditures for tourism and conventions marketing; ensure the benefits of visitor expenditures and return on investments go to all members of the industry, including non-Travel Portland members, women and minorities; and to continue to improve customer satisfaction with the delivery of government supported programs.

NOW THEREFORE, in consideration of the promises and covenants hereinafter set forth, the parties agree as follows:

CITY AGREES TO:

1. Pay to Travel Portland for exclusive use for the promotion, solicitation, procurement, and service of convention business and tourism in the City, City tax revenue from one percent (1%) tax increase imposed by the Amendment by Ordinance No. 146932 to Section 6.04.020 of the Code of the City of Portland, less cost of administration and any refunds or credits authorized by such Ordinance.
2. Pay funds from such tax increase each City of Portland accounting period, providing Travel Portland is not at the time of any such payment in default of any of its obligations hereunder.
3. Provide Travel Portland with annual revenue projections of one percent (1%) Hotel/Motel Tax.
4. Provide City budget staff liaison and technical advice if requested, to facilitate the preparation and maintenance of program budgeting and reporting by Travel Portland.

TRAVEL PORTLAND AGREES TO:

1. Conduct the performance measures set out in Exhibit A to determine the extent to which the City's goals for Travel Portland are being realized.
2. Continue to provide, within its resources capability, adequate services and personnel to promote, solicit, procure, and service convention business and tourism, and to submit on or before July 1st of each subsequent year of this Agreement for approval by the Mayor or the Mayor's designee, an annual budget and work program for the following fiscal year which includes goals, objectives, and specific program activities. Bi-annually, Travel Portland shall submit a two (2) year Business Plan outlining vision, mission and strategies to achieve the desired program activities and objectives. Submit quarterly reports to City Council members regarding implementation of program activities, and on contracting goals and affirmative action hiring efforts.
3. Keep accurate records and accounts of funds allocated to it by the City; keep such accounts and records separate and identifiable from all other accounts; make such accounts and records available to the City during normal business hours; submit to the City Auditor on or before November 1, of each year of the Agreement an audited financial statement which includes Travel Portland's expenditures of City funds allocated and paid to it during the preceding fiscal year; and on request of the City, submit such other forms as are regularly submitted to its Board of Directors.
4. Maintain certification as an EEO Affirmative Action Employer as provided for in Chapter 3.100 of the Code of the City of Portland for the duration of this

Agreement. Travel Portland further agrees to complete an updated EEO-AA implementation plan if requested by the City.

5. Report to Council in August or September of each contract year at a regular Council Session on contract performance including the areas of budget, work program implementation, Minority contracting (M/W/ESB), and equal employment status.

THE PARTIES AGREE:

1. That funds paid pursuant to the Agreement shall be used exclusively for the promotion, solicitation, procurement, and service of convention business and tourism. Pursuant to Section 7-113 of the Portland City Charter, the Council directs and Travel Portland agrees that such activities shall achieve a reasonable balance in allocation of City revenues among visitor services, tourism, and convention business.
2. The term of the Agreement shall be from November 1, 2011, to June 30, 2016. The City of Portland, in accordance with this Agreement, may give written notice of default of one or more items numbered 1-5 as specified in sub-section "Travel Portland Agrees To". Travel Portland shall have sixty (60) days to cure the default. If the default is not cured within sixty (60) days, the City of Portland may terminate the Agreement on ninety (90) days written notice to Travel Portland. In the event this agreement is terminated prior to the expiration date, payment will be made for activities budgeted through the end of the quarterly accounting period in which the Agreement is terminated.
3. Travel Portland is engaged as an independent contractor and shall be responsible for any federal, state and local taxes applicable to payments hereunder. Travel Portland, its employees and subcontractors, if any, are not employees of the City and are not eligible for any benefits through the City, including without limitation, federal social security, health benefits, workers' compensation, unemployment compensation and retirement benefits.
4. Travel Portland shall hold harmless, defend and indemnify the City and the City's officers, agents, and employees against all claims, demands, actions, and suits brought against any of them arising from Travel Portland's work or any subcontractor's work under this Agreement.
5. Travel Portland, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017 which requires them to provide workers' compensation coverage for all their subject workers. A certificate of insurance, or copy thereof, shall be attached to this Agreement as Exhibit B, if applicable and shall be incorporated herein and made a term and part of the Agreement. Travel

Portland further agrees to maintain workers' compensation insurance coverage for the duration of this Agreement.

In the event Travel Portland's workers' compensation insurance coverage is due to expire during the term of the Agreement, Travel Portland agrees to timely renew its insurance, either as a carrier-insured employer or a self insured employer, as provided by Chapter 656 of the Oregon Revised statutes, before its expiration and Travel Portland agrees to provide the City of Portland such further certification of workers' compensation insurance as renewals of said insurance occur.

6. The City of Portland is committed to taking affirmative action to encourage and facilitate the participation of M/W/ESB contractors on City projects. If Travel Portland utilizes subcontractors for any portion of this contract, Travel Portland agrees to solicit certified M/W/ESB subcontractors, as provided for under standard City of Portland contracting requirements and if requested, supply City Council with an outreach plan for increasing minority contracting opportunities with Travel Portland.
7. Travel Portland may subcontract its work under this Agreement, in whole or in part, with the prior written approval of the City. Travel Portland shall require any subcontractor to agree, as to the portion subcontracted, to fulfill all obligations of Travel Portland as specified in this Agreement. In the event of subcontracting, Travel Portland shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligation to Travel Portland hereunder. Travel Portland agrees that if subcontractors are employed in the performance of this Agreement, Travel Portland and its subcontractors are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.
8. Travel Portland shall not assign the Agreement, in whole or in part, or any right or obligation hereunder, without the written approval of the City.
9. Responsibility for supervision and oversight of this Agreement shall rest with the Office of the Mayor, while responsibility for policy matters and final contract approval shall rest with the Mayor and City Council. Fiscal duties under this Agreement shall be assigned to the Revenue Bureau.
10. Subsections 1, 2, 3 and 4 under the "City Agrees to" section of Contract number 53081, amended by Ordinances 182859 and 183894, which previously provided for the payment to Travel Portland for exclusive use for the promotion, solicitation, procurement and service of convention business and tourism in Portland from City revenue from the one percent transient lodging tax, are hereby superseded and are replaced by the provisions of this new agreement.

11. If any provision of this Agreement is found to be illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect, and the provision shall be stricken.

IN WITNESS WHEREOF, Travel Portland has caused this Agreement to be executed in triplicate by its officer, duly authorized by its Board of Directors and the City of Portland has caused this Agreement to be executed by its Mayor and Auditor, all on the day and year first written pursuant to the authority of Ordinance NO. _____.

TRAVEL PORTLAND

CITY OF PORTLAND

Jeff Miller
Executive Director

Sam Adams
Mayor, City of Portland

LaVonne Griffin-Valade
Auditor, City of Portland

APPROVED AS TO FORM

Benjamin Walters

Deputy City Attorney

TRAVEL PORTLAND
EXHIBIT A: PERFORMANCE MEASURES

OBJECTIVE #1: MAINTAIN HIGH LEVEL OF RETURN ON INVESTMENT AS OUTLINED BELOW:

To aid in assessing Travel Portland's overall return on investment, Travel Portland shall produce a quarterly report to the Mayor that includes the following information:

- A) Calculate the return on investment for Travel Portland convention sales and marketing programs utilizing the following equation:

$$\frac{\text{Average Daily Rate (ADR) + Daily Visitor Spending} \times \text{Total Rooms Booked}}{\text{Total Expenditures for Convention Sales \& Marketing}}$$

Travel Portland Goal for 2011- 2012: \$ \$25.00 to \$1.00

- B) Calculate the return on investment based on specific leisure marketing programs such as the Portland Perks utilizing the following equation.

$$\frac{(\text{Number of Perks Reservations}) \times \$865 (\text{Avg. Travel Party Spending Per Trip})}{\text{City/County Expenditures in Program}}$$

Travel Portland Goals for 2011-2012: \$17.00 to \$1.00

OBJECTIVE #2: MEASURE PERFORMANCE OF SALES ACTIVITY.

To assist in assessing effectiveness of marketing and sales activity Travel Portland will take the following actions, which have been recommended by Destination Marketing Association International.

- A) Monitor and track lost opportunities, including reasons for lost opportunity, estimate of lost room nights, estimate of lost attendance and estimate of lost economic impact.
- B) Monitor and track cancellations including number of cancellations, reason for cancellations, estimate of room nights cancelled, estimate of cancelled attendance, and estimate of cancelled economic impact.

OBJECTIVE #3: MEASURE TOURISM PROMOTION & SALES ACTIVITY:

Much of the work done by the tourism department is intended to increase international and domestic travel to Portland. Since most travelers are independent, it is difficult to measure the direct impact of promotional and sales activities. But a large part of our effort is spent increasing Portland's presence in tour operator packages (for both group and individual travelers) or destination information. The number of published itineraries that include Portland is one way to measure success. As well, the National Tourism Association establishes an economic impact factor (EEI) of \$214 in expenditures per person/per day. Consequently we can establish the EEI from tour operators' bookings as reported to us. Therefore the following goals are proposed:

1. Published Itineraries:

2011-2012 Achieve placements in 300 domestic and international published itineraries.

2. Economic Impact:

2011-2012 Achieve estimated economic impact of \$2.25 million from tour operator bookings.

OBJECTIVE #4: MEASURE INDUSTRY AWARENESS OF AND PARTICIPATION IN TRAVEL PORTLAND PROGRAMS.

In order to gauge industry awareness of and participation in Travel Portland programs, Travel Portland will:

- A) Conduct a biennial survey (in even numbered fiscal years) of visitor industry businesses and leaders to gauge knowledge and enthusiasm for Travel Portland programs. Survey results will be included in Travel Portland's quarterly report to the Mayor, immediately following completion of the survey.
- B) Travel Portland will continue its programs to ensure broad representation from Multnomah, Clackamas, and Washington Counties in each of the following categories: accommodations, dining, transportation, attractions/activities, retail and services.
- C) Travel Portland will continue its programs to ensure broad ethnic diversity within its membership.
- D) Travel Portland will continue to work with the State and Multnomah, Washington, Clackamas and Columbia counties to develop cooperative marketing strategies and programs that increase cooperative marketing.

OBJECTIVE #5: POSITIVE MEDIA PLACEMENT

Travel Portland will work to secure positive editorial placement in both national and international media. The media placement will be valued based upon equal advertising rates with a return-on-investment calculated based upon the Media Placement Value divided by the Direct Cost.

Travel Portland Goal for 2011-2012: \$7.00 to \$1.00

Travel Portland Goal for 2012-2013-Benchmark Overall PR Circulation:

Continued growth in online media, coupled with the realities of social media, has resulted in the PR Industry shifting away from traditional ad value reporting over the past several years. As a result, Travel Portland will track and benchmark overall circulation for all earned coverage in 2011-12. In addition, the PR team will research and track other accepted and emerging industry metrics that reflect the new realities of the shifting online and print media landscapes. A new PR reporting structure, complete with updated ROI formulas, will be implemented for the 2012-13 year.

OBJECTIVE #6: MEASURE CUSTOMER SATISFACTION

- A) Conduct a minimum of 6 surveys per year of meeting planners, local chapters of convention-going organizations, and/or conventioners to gauge customer satisfaction with regards to Travel Portland's performance in assisting these groups in soliciting, planning and servicing their conventions. Survey results shall be included in Travel Portland's quarterly report to the Mayor.

- B) Travel Portland will maintain a current business plan that will include performance measurements and return on investment information in all program areas.

OBJECTIVE #7: ETHNIC MINORITY TOURISM AND CONVENTIONS

- A) Travel Portland will continue to maintain its level of minority partners that ensure that Portland's ethnic minority industries and organizations are tapped into the local tourism and convention industry.
- B) Support educational and training activities that help in promoting ethnic minorities within the hospitality industry.
- C) Travel Portland will work with local minority entities to maximize Portland's marketing and servicing of ethnic minority conventions and tourism.