

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Terri Williams		2. Telephone No. 5-2469	3. Bureau/Office/Dept. Revenue
4a. To be filed (hearing date): File: 10/19/2011 Council Date: 11/02/2011	4b. Calendar (Check One) Regular Consent 4/5ths <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: 10/5/2011
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Authorize an agreement with Travel Portland for the promotion of convention business and tourism and provide for payment as required by City Charter. (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance authorizes a new, sole source agreement with Travel Portland to provide for the promotion, solicitation, procurement and service of convention business and tourism in the City of Portland, as authorized by City Charter Section 7-113, using the additional 1% transient lodging tax collected by the City of Portland.

This new agreement is being established to separate the City's obligations under City Charter Section 7-113 from the City's investment in the Downtown Marketing Initiative, which includes Travel Portland as one of the partner service providers. The agreement that authorizes payment of transient lodging taxes does not have a specific financial limitation on it because the City must pay out all of the taxes collected (less administrative costs) under the additional 1% tax rate to promote tourism and convention business within the City. The Downtown Marketing Initiative has a set dollar obligation associated with it that is appropriately set forth in a contract. The need for one agreement to not specify a dollar amount and the requirement for the other to be very specific about the dollar expenditure authorized demonstrates why these two agreements need to be separate, even though they are with the same service provider. The current agreement with Travel Portland was amended with a set disbursement amount for the Downtown Marketing Initiative. With this dollar limitation attached to the agreement, the Revenue Bureau cannot pay out the collected taxes during the FY 2011-2012. After consulting with Procurement Services, it was decided to set up a new agreement specific to the transient lodging taxes requirements.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No changes to revenues as a result of this agreement.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

No changes to expenditures as a result of this agreement.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)* NO
- Will positions be created or eliminated in future years as a result of this legislation?
NO

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ **YES:** Please proceed to Question #9.

☒ **NO:** Please, explain why below; and proceed to Question #10.

This contract/agreement is required by City Charter Section 7-113 in order to provide promotion, solicitation, procurement and service of convention business and tourism within the City of Portland to a qualified service provider. A sole source procurement notification was published in September 23, 2011.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. No future public involvement is anticipated in the future.

Thomas W. Lannom

BUREAU DIRECTOR (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Sam Adams, Mayor
Jack D. Graham, Chief Administrative Officer

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FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

DATE: September 20, 2011

TO: Mayor Sam Adams

FROM: Thomas Lannom, Revenue Bureau Director

RE: ORDINANCE TITLE *Authorize an agreement with Travel Portland for the promotion of convention business and tourism and provide for payment as required by City Charter. (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** **October 27, 2011**
2. **REQUESTED COUNCIL AGENDA DATE** **November 2, 2011**
3. **CONTACT NAME & NUMBER:** Terri Williams x52469
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**
ATTACHED: ☒ **X** **Yes** ☐ **No** ☐ **N/A**

7. BACKGROUND/ANALYSIS

This ordinance authorizes a new, sole source agreement with Travel Portland to provide for the promotion, solicitation, procurement and service of convention business and tourism in the City of Portland, as authorized by City Charter Section 7-113, using the additional 1% transient lodging tax collected by the City of Portland.

This new agreement is being established to separate the City's obligations under City Charter Section 7-113 from the City's investment in the Downtown Marketing Initiative, which includes Travel Portland as one of the partner service providers. The agreement that authorizes payment of transient lodging taxes does not have a specific financial limitation on it because the City must pay out all of the taxes collected (less administrative costs) under the additional 1% tax rate to promote tourism and convention business within the City. The Downtown Marketing Initiative has a set dollar obligation associated with it that is appropriately set forth in a contract. The need for one agreement to not specify a dollar amount and the requirement for the other to be very specific about the dollar expenditure authorized demonstrates why these two agreements need to be separate, even though they are with the same service provider. The current agreement with Travel Portland was amended with a set disbursement amount for the Downtown Marketing Initiative. With this dollar limitation attached to the agreement, the Revenue Bureau cannot pay out the collected taxes during the FY 2011-2012. After consulting with Procurement Services, it was decided to set up a new agreement specific to the transient lodging taxes requirements.

8. FINANCIAL IMPACT

There is no financial impact to the General Fund.

9. RECOMMENDATION/ACTION REQUESTED

The Bureau respectfully requests that the ordinance be passed to allow timely remittance of transient lodging taxes as required by City Charter to the qualified service provider to promote and secure convention business and tourism in Portland.