

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 Bureau
4a. To be filed (date):  9/13/2012	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: 9/4/2012
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:**

\* Amend agreement with Travel Portland to add the promotion of overnight tourism and improvement of the lodging business environment to the contract and provide for payment from the Tourism Improvement District funds. (Ordinance)

**2) Purpose of the Proposed Legislation:**

City Council passed the Tourism Improvement District (PCC 6.05) on June 20, 2012 (Ordinance # 185443). Beginning October 1, 2012, hotels with 50 or more rooms will be assessed a tourism improvement license fee. This fee equals 2% of the taxable rents reported on their monthly or quarterly Transient Lodging Tax return. The assessment on the hotel will be used to promote overnight tourism and improve the lodging business environment in Portland. These funds, less an administration charge by the Revenue Bureau, needs to be remitted to a nonprofit organization that is responsible for promoting the City of Portland on a year-round basis; managing tourism-related economic development plans, programs and projects; and representing tourism-related businesses. Travel Portland is uniquely positioned as a promoter of convention business and tourism as demonstrated by the number of local businesses that are members of the organization. Additionally, 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 therefore, meets the requirements under PCC 6.05 for the Management Corporation for the TID.

To accomplish Council's intention in creating the TID, it is appropriate to amend the City's agreement with Travel Portland to establish expectations and responsibilities regarding these funds.

**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.

The revenue from the TID assessment is anticipated to generate approximately \$6.6 million annually. This first year will be reduced as a result of the assessment starting on October 1, approximately \$5 million. The Revenue Bureau may assess up to a 1% of the gross assessment to cover administrative costs. Therefore, our interagency admin fees to the Convention & Tourism Fund (TID Sub-fund) will increase to approximately \$50,000 in FY 12-13 and approximately \$66,000 in subsequent fiscal years.

**5) Expense:** What are the costs to the City related to 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**.)

Costs to administer the TID are expected to equal the increased admin fee being charged above.

**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.)

Revenue Bureau's budget will be amended in the Fall BuMP.

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.

All the public involvement was completed as a part of City Council establishing PCC 6.05. Since this action is amending an existing contract to carry out the work required by PCC 6.05, no additional public involvement is required.

**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, since this action authorizes an amendment to an existing contract.

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**

Revenue Bureau  
**Thomas W. Lannom, Director**  
 111 SW Columbia St., Suite 600  
 Portland, OR 97201  
 (503) 823-5154

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison

**DATE:** September 4, 2012  
**TO:** Mayor Sam Adams  
**FROM:** Thomas W. Lannom, Revenue Bureau Director

**RE: ORDINANCE TITLE** \*Amend agreement with Travel Portland to add the promotion of overnight tourism and improvement of the lodging business environment to the contract and provide for payment from the Tourism Improvement District funds. (Ordinance)

1. **INTENDED THURSDAY FILING DATE: September 13, 2012**
2. **REQUESTED COUNCIL AGENDA DATE September 19, 2012**
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:  Yes  No  N/A**

**7. BACKGROUND/ANALYSIS**

City Council passed the Tourism Improvement District (PCC 6.05) on June 20, 2012 (Ordinance # 185443). Beginning October 1, 2012, hotels with 50 or more rooms will be assessed a tourism improvement license fee. This fee equals 2% of the taxable rents reported on their monthly or quarterly Transient Lodging Tax return. The assessment on the hotel will be used to promote overnight tourism and improve the lodging business environment in Portland. These funds, less an administration charge by the Revenue Bureau, needs to be remitted to a nonprofit organization that is responsible for promoting the City of Portland on a year-round basis; managing tourism-related economic development plans, programs and projects; and representing tourism-related businesses. Travel Portland is uniquely positioned as a promoter of convention business and tourism as demonstrated by the number of local businesses that are members of the organization. Additionally, 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 therefore, meets the requirements under PCC 6.05 for the Management Corporation for the TID.

To accomplish Council's intention in creating the TID, it is appropriate to amend the City's agreement with Travel Portland to establish expectations and responsibilities regarding these funds.

**8. FINANCIAL IMPACT**

The revenue from the TID assessment is anticipated to generate approximately \$6.6 million annually for the Tourism Improvement District sub fund of the Convention and Tourism Fund. The first year will be reduced as a result of the assessment starting on October 1, approximately

\$5 million. The Revenue Bureau may assess up to a 1% of the gross assessment to cover administrative costs. Therefore, our interagency admin fees to the Convention & Tourism Fund (TID Sub-fund) will increase to approximately \$50,000 in FY 12-13 and approximately \$66,000 in subsequent fiscal years.

**9. RECOMMENDATION/ACTION REQUESTED**

The Bureau respectfully requests that the proposed amendments to contract #30002424 be passed to allow for the disbursement of funds in accordance with Council's intent established in PCC 6.05.