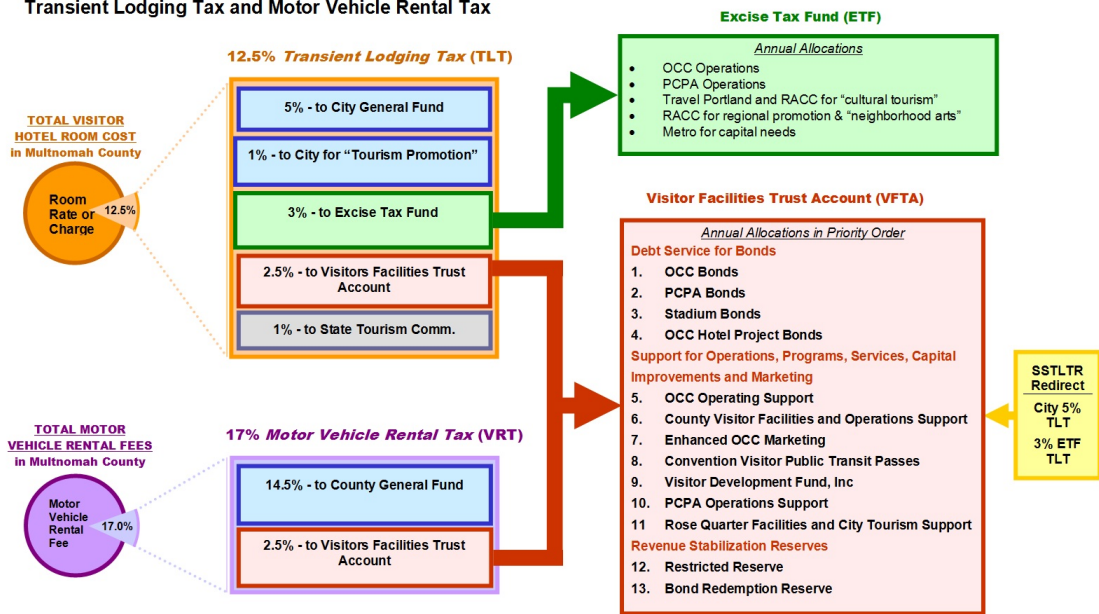


Visitor Facilities IGA Amendment and Consolidation Agreement Amendment

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013
Transient Lodging Tax and Motor Vehicle Rental Tax



OCC Hotel Project Memorandum of Understanding





Visitor Facilities Intergovernmental Agreement (VFIGA)

Originally approved in 2001 by the City of Portland, Multnomah County and Metro

- Authorized a 2.5% Transient Lodging Tax surcharge and a 2.5% Vehicle Rental Tax surcharge
- Established the Visitor Facilities Trust Account (VFTA)
- Provided for distribution of the taxes collected to a variety of uses supporting visitor development and tourism facilities and activities
- Called for the creation of the Visitor Development Fund, Inc. (VDFI) and Board



VFIGA - Negotiations

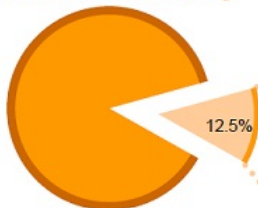
Goals for VFIGA Amendments

- Update existing and recognize new priorities
- Provide way to “redirect” site-specific TLT revenues from OCC Hotel Project
- Allocation to support debt service payments on revenue bonds to support the OCC Hotel Project.
- Provisions to ensure long-term stability of the VFTA system and create processes for ongoing review.
- Revisions to improve document organization and ease of reading.

VFIGA – “Pac-Man Chart”

Regional Visitors Facilities Funding via Transient Lodging Tax and Vehicle Rental Tax

HOTEL ROOM rent in Multnomah County



“12.5% Transient Lodging Tax (TLT)”

(aka “Hotel-Motel Tax”) [per M.C.C. 11.400 & City Charter]

- 5% - to City* general fund (“Base Rate”)**
City Charter tax FY11-12 \$19.2M
- 1% - To City*** to promote tourism, via City Charter [est. by MCO 171, 08/17/78] FY11-12 \$3.8M
- 3% - to Excise Tax Fund** [est. by MCO 501, 02/21/86]
Originally funded only OCC; amended by MCO 870, 01/02/97 to fund PCPA, RACC, etc. FY11-12 \$10.9M **
- 2.5% - to Visitors Facilities Trust Account** [est. by MCO 941, 02/17/00, effective 4/1/00] FY11-12 \$9.114M **
- 1% - to State Tourism Commission** [est. by HB 2267, 2003] FY11-12 \$3.8M

* In incorporated areas, the City collects taxes on behalf of the County; the County then consolidates taxes and redistributes as needed.

**the 3% tax (Excise Tax) and 2.5% to VFTA is net of 5% collection fee deducted by hotels prior remitting the tax. Total collection fee FY11-12 \$1 M. Total 12.5% TLT FY11-12 \$48M.

FY11-12: \$10.9M

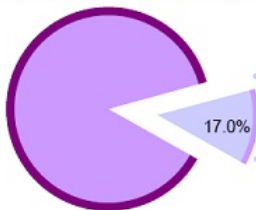
“Excise Tax Fund (ETF)”

[per M.C.C. 11.401(D)] [was “Transient Lodging Tax Fund,” 1997; was “Convention and Trade Show Center Fund,” 1986]

1. Metro for **OCC operations** (\$3.8M + > CPI or Δ in tax revenue over previous year) (FY11-12 \$8.4M)
2. **PCPA Operator** (\$1.2M + < CPI or Δ in tax revenue over previous year) (FY11-12 \$1.2M)
3. **PCPA Operator** for “cultural tourism” via contract w/ Travel Portland & RACC (\$200K + < CPI or Δ in tax revenue over previous year) (FY11-12 \$2M)
4. **RACC** for regional promotion & “neighborhood arts” (balance remaining up to \$200K) (FY 11-12 \$2M)
5. **Metro** for capital needs [used for **MERC Pooled Capital**] (FY11-12 \$.9)

† These items added by MCO 870, 1/2/97.

MOTOR VEHICLE rent in Multnomah County



“17% Motor Vehicle Rental Tax (VRT)”

[per M.C.C. 11.300]

- 14.5% - to County* general fund** [est. by MCO 122, 1976] originally 10% increased 4.5% effective June 15, 2009 [est. by MCO 1132, 2009] FY11-12 \$18.64 M
- 2.5% - to Visitors Facilities Trust Account** [est. by MCO 941, 02/17/00, effective 4/1/00] FY11-12 \$3.213M

* In incorporated areas, the City collects taxes on behalf of the County; the County then consolidates taxes and redistributes as needed.

FY11-12: \$12.3M

“Visitors Facilities Trust Account (VFTA)”

[per M.C.C. 11.401(E)]

Allocations in Priority Order (“Bucket System”)

- Bucket 1. OCC 2011 Bonds** (\$67M) (FY11-12 \$5.454M)
- Bucket 2. PCPA 2011 Bonds** (\$1.315M) (FY11-12 \$.162M)
- Bucket 3. PGE Park 2001 Bonds** (\$35M) (FY11-12 \$1.794M)
- Bucket 4. OCC operations** (\$8.84M to FY05-06) after FY05-06 to be allocated per agreement (FY11-12 \$.960M)
- Bucket 5. OCC marketing** (\$350K + CPI), “VDI Enhanced Marketing” (FY11-12 \$.431M)
- Bucket 6. TriMet Fareless Square** (\$300K + CPI) (FY11-12 \$.370M)
- Bucket 7. Visitor Development Board** (\$500K + CPI) (FY11-12 \$.616M)
- Bucket 8. PCPA** (\$500K + CPI) (FY11-12 \$.616M)
- Bucket 9. OCC op. deficit**
- Bucket 10. Revenue Stabilization Subaccount (RSS)**
- Bucket 11. Set-aside to redeem 2001 OCC Bonds**
- Bucket 12. Visitor Development Board**

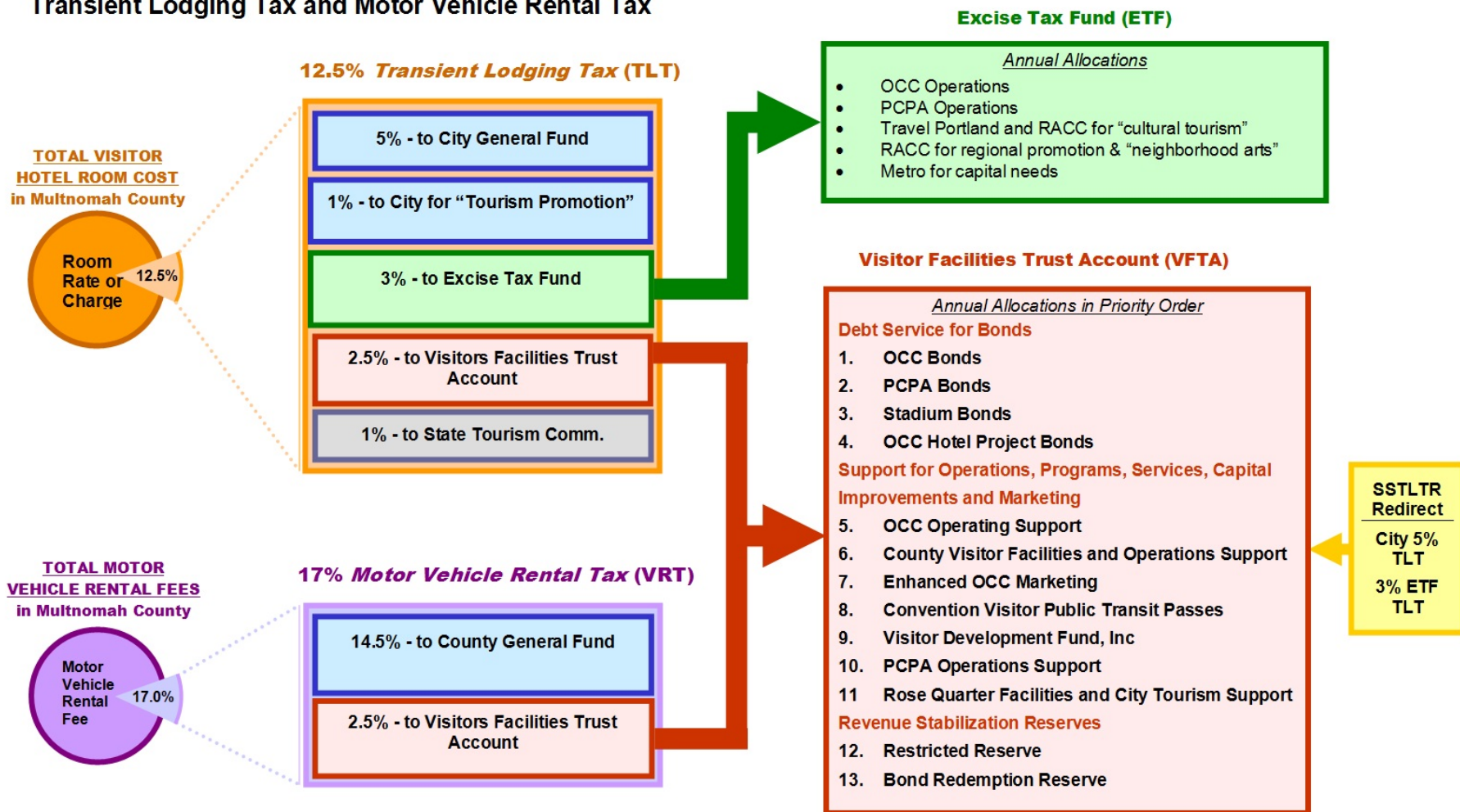
* This item added by MCO 957, 1/25/01.

Administration fee .7% to County FY 11-12= \$86.3K (Multnomah County)

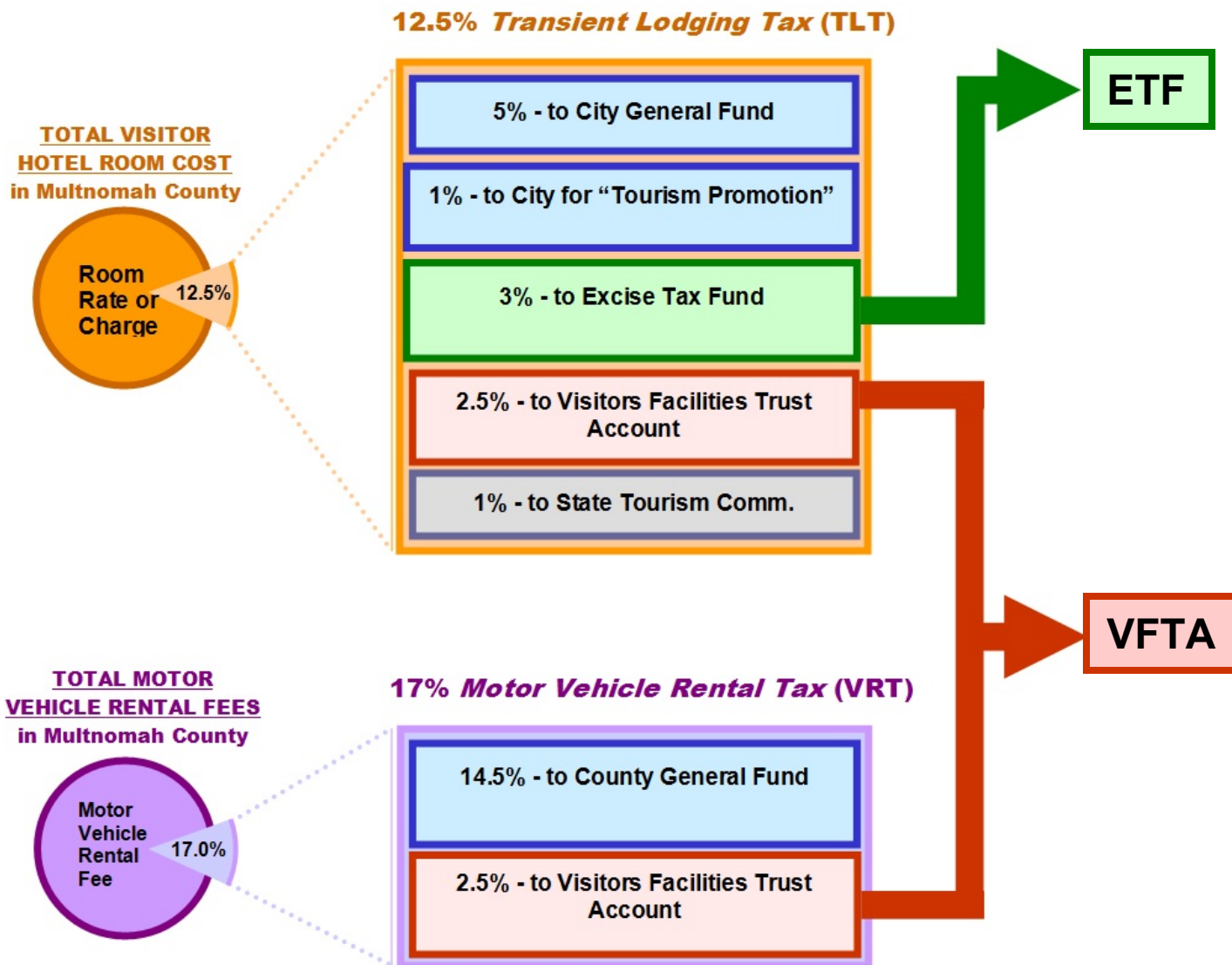
Prepared by Daniel Lerch, Metro, 1/25/06
Updated 1/15/13 by Kathy Rutkowski

VFIGA – New “Pac-Man Chart”

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013 Transient Lodging Tax and Motor Vehicle Rental Tax



VFIGA – New “Pac-Man Chart” – TLT and VRT Revenues

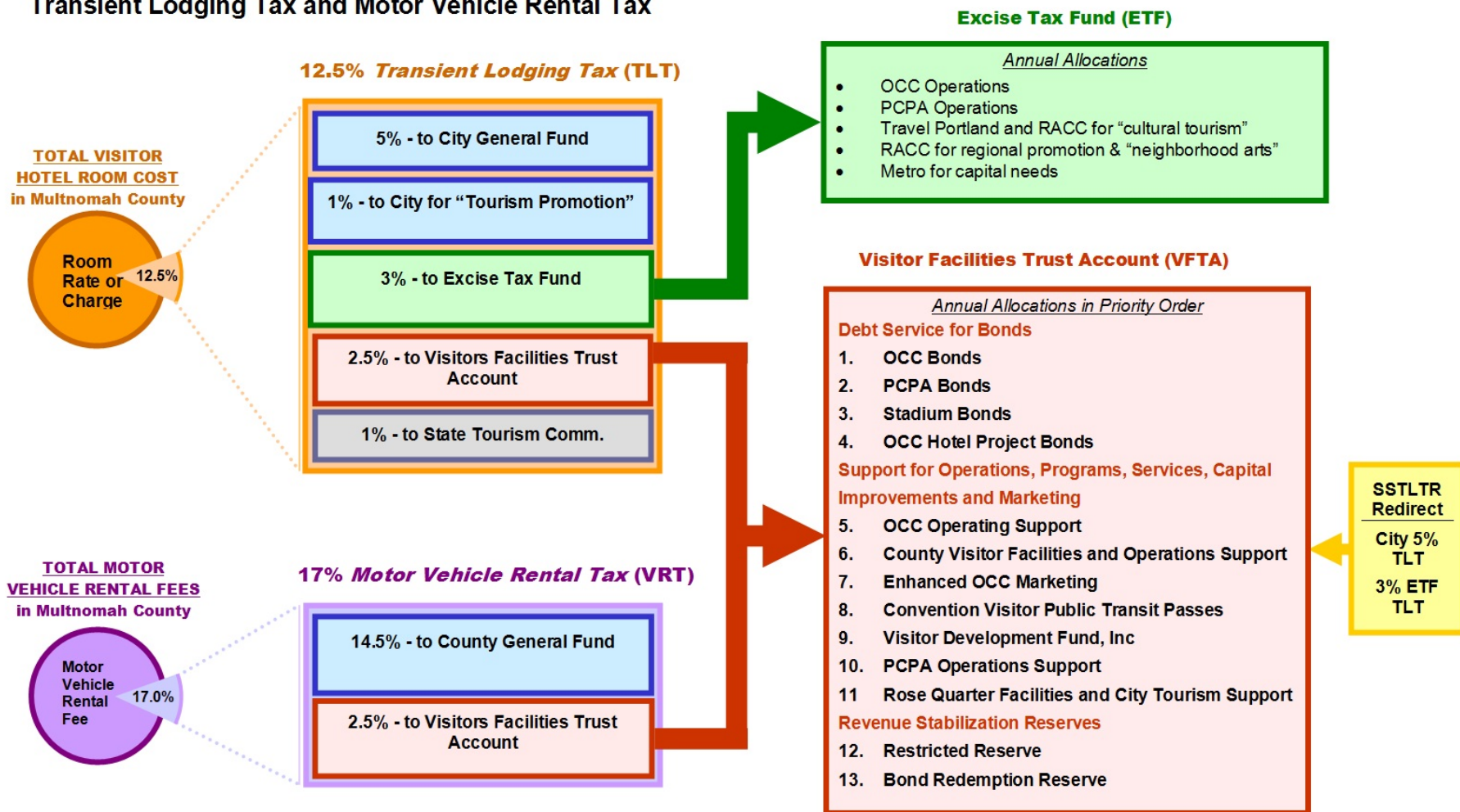


VFIGA – VFTA TLT Surcharge and VFTA VRT Surcharge

- Extends timeframe for 2.5% VFTA TLT Surcharge
 - 2001 Agreement: would have expired with repayment of OCC Bonds ~2030
 - Amended VFIGA: will expire when the OCC Hotel Project Bonds are repaid ~2045
- No change to expiration date of the 2.5% VFTA VRT Surcharge (with repayment of OCC Bonds ~2030)

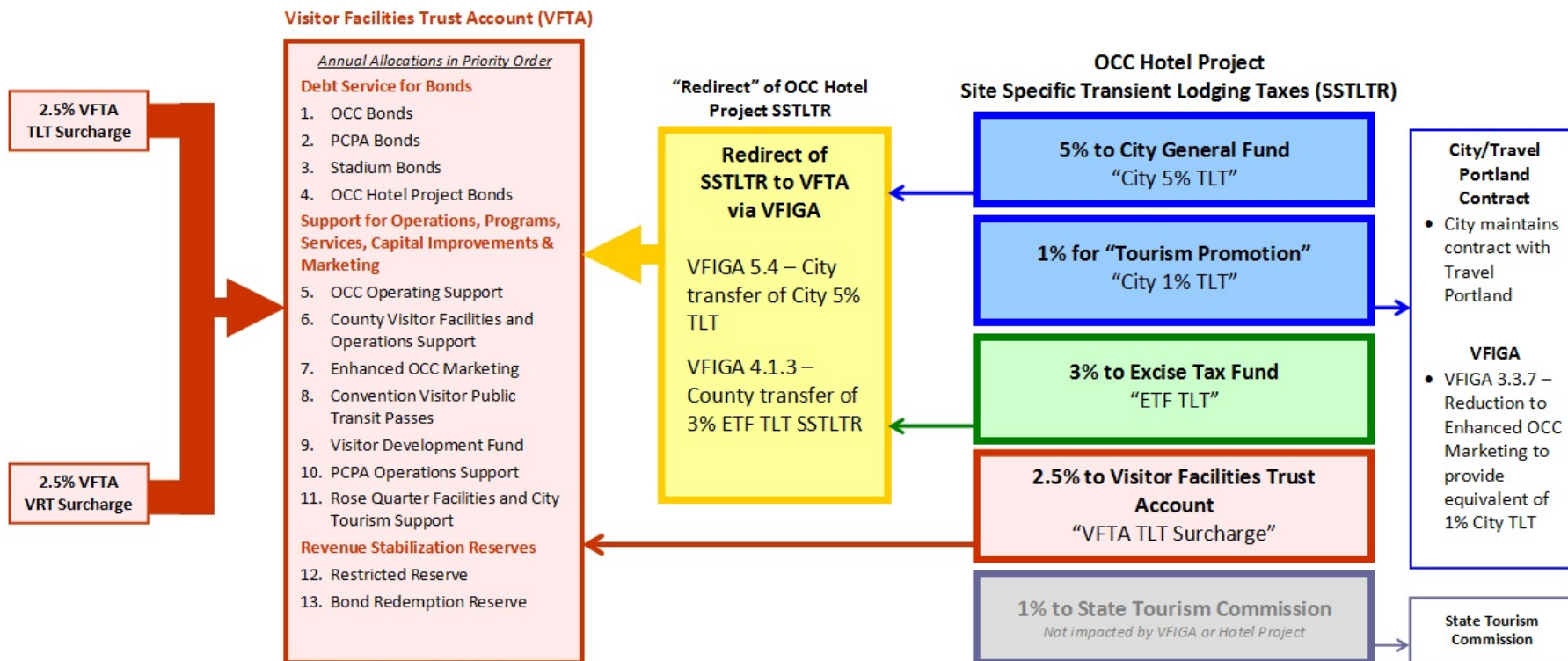
VFIGA – New “Pac-Man Chart”

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013 Transient Lodging Tax and Motor Vehicle Rental Tax



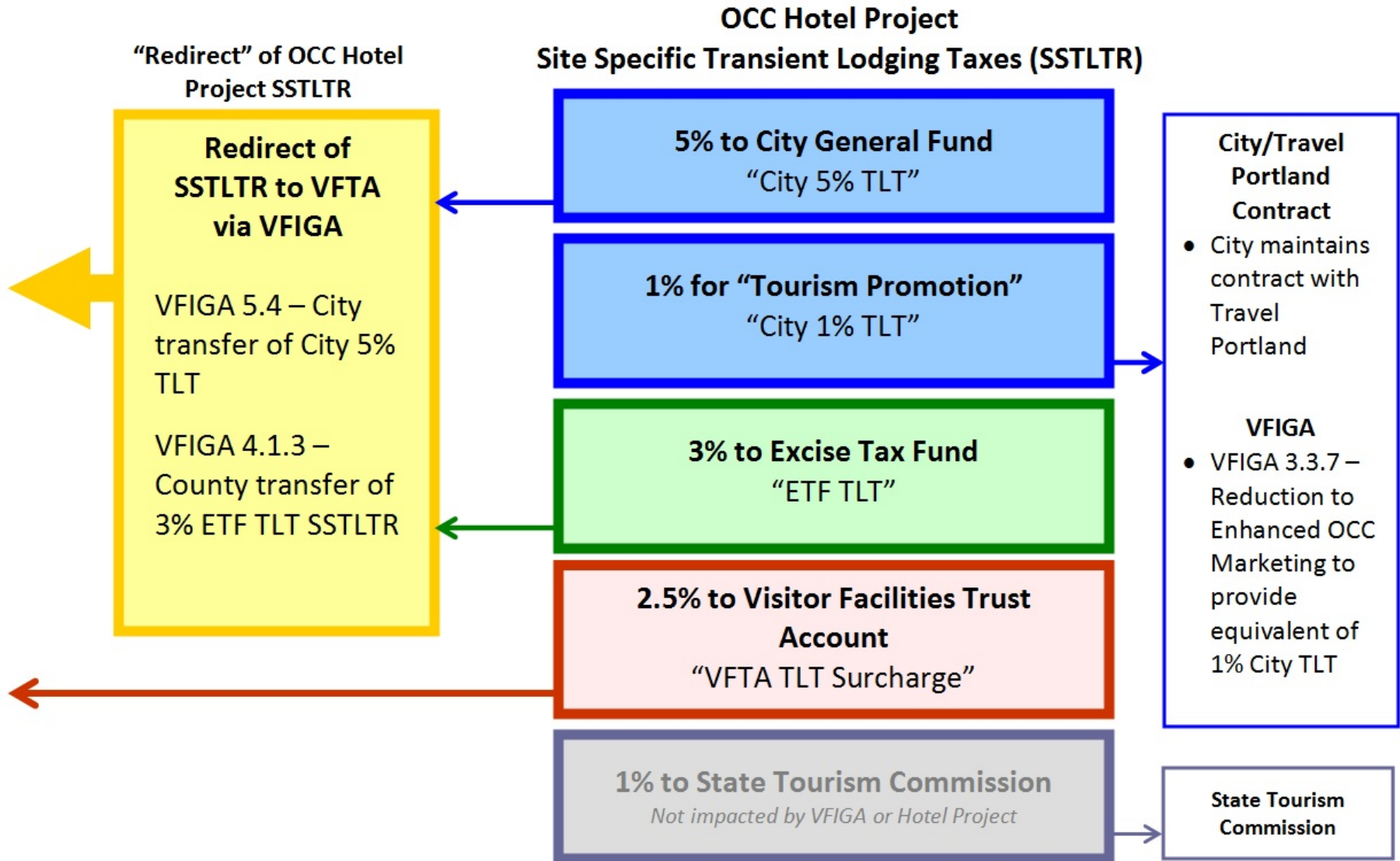
VFIGA – OCC Hotel Site Specific TLT Revenues

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013 OCC Hotel Project Site Specific Transient Lodging Taxes



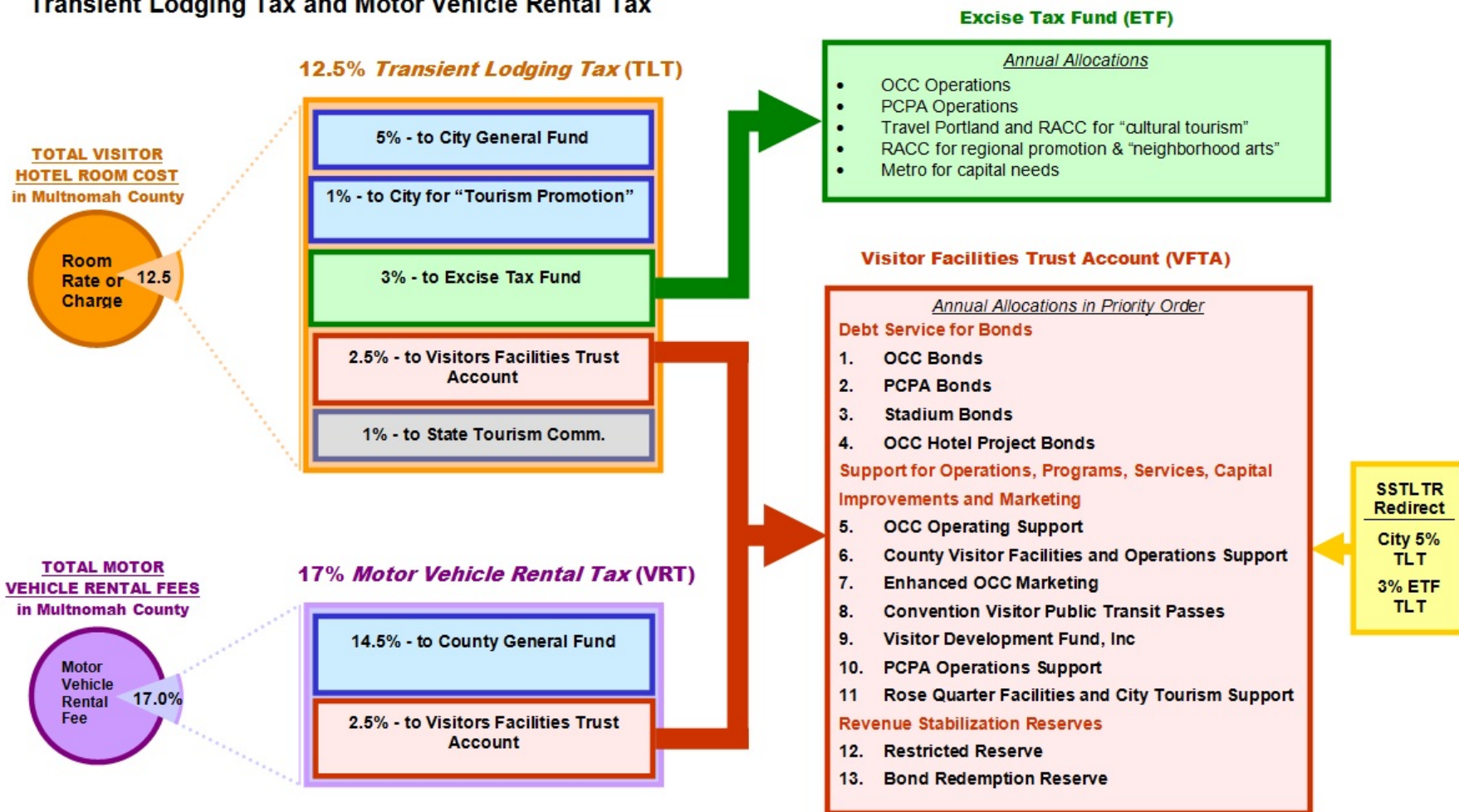


VFIGA – OCC Hotel Site Specific TLT Revenues



VFIGA – New “Pac-Man Chart” – VFTA Allocations

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013 Transient Lodging Tax and Motor Vehicle Rental Tax





VFIGA – Amendments to Allocations

Debt Service for Bonds

1. OCC Bonds (City; \$67M total)

➤ *FY12-13 \$5.8M; final payment FY29-30 \$9.2M*

2. PCPA Bonds (City; \$1.315M total)

➤ *FY12-13 \$168K; final payment FY20-21 \$164K*

3. Stadium Bonds (City; \$35M total)

➤ *FY12-13 \$1.74M, final payment FY22-23 \$306K (to be refunded in FY13-14)*

4. OCC Hotel Project Bonds (Metro; ~\$60M; for 30 yrs)

➤ *TBD**



VFIGA – Amendments to Allocations

Support for Operations, Programs, Services, Capital Improvements and Marketing

5. **OCC Operating Support** (*FY13-14, \$1.4M; up to \$1.25M+CPI base, additional operating support via VDFI Board approval*)
6. **County Visitor Facilities and Operations Support** (*FY13-14, \$250K; FY14-17, \$500K+CPI; FY18-FY21, reset to \$750K+CPI/year; FY22 forward, reset to \$1M+CPI; increases subject to Financial Review Team review*)
7. **Enhanced OCC Marketing** (*\$450K+CPI; starting in third year of OCC Hotel operation and forward, \$175K+CPI*)



VFIGA – Amendments to Allocations

Support for Operations, Programs, Services, Capital Improvements and Marketing

- 8. Convention Visitor Public Transit Passes** (*up to \$390K+CPI based on actual costs*)
- 9. Visitor Development Fund, Inc** for VDF1 (*\$645K+CPI*) and VDF2 (*\$875K*)
- 10.PCPA Operations Support** to Metro (*\$645K+CPI*)
- 11.Rose Quarter Facilities and City Tourism Support** (*FY13-14, \$250K; FY15 onward, \$500K+CPI*)

VFIGA – Amendments to Allocations

Revenue Stabilization Reserves

12. Restricted Reserve

For making disbursements if VFTA revenues are insufficient to cover all allocations. Minimum target amount for the RR to be established by Financial Review Team.

13. Bond Redemption Reserve

Excess revenues fall to the Bond Redemption Reserve to redeem Bonds prior to their stated maturity date.



VFIGA – Additional Amendments and Analysis

- Recitals provide more history and clarity regarding purpose and intent of the Agreement
- Creation of a Financial Review Team
- Facilitate refinancing of Stadium Bonds
- Removed obsolete provisions and references
- Analyzed against various forecast scenarios, including significant shock and recessionary events



Consolidation Agreement

Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities

Minor amendments to

- Bring the Consolidation Agreement into conformance with the VFIGA
- Update language regarding CPI adjustments to be consistent with methodology used by the City Economist
- Allow the City and PCPA to agree to a different distribution of the City's contribution to the PCPA between capital and operating expenses



OCC Hotel Project Memorandum of Understanding



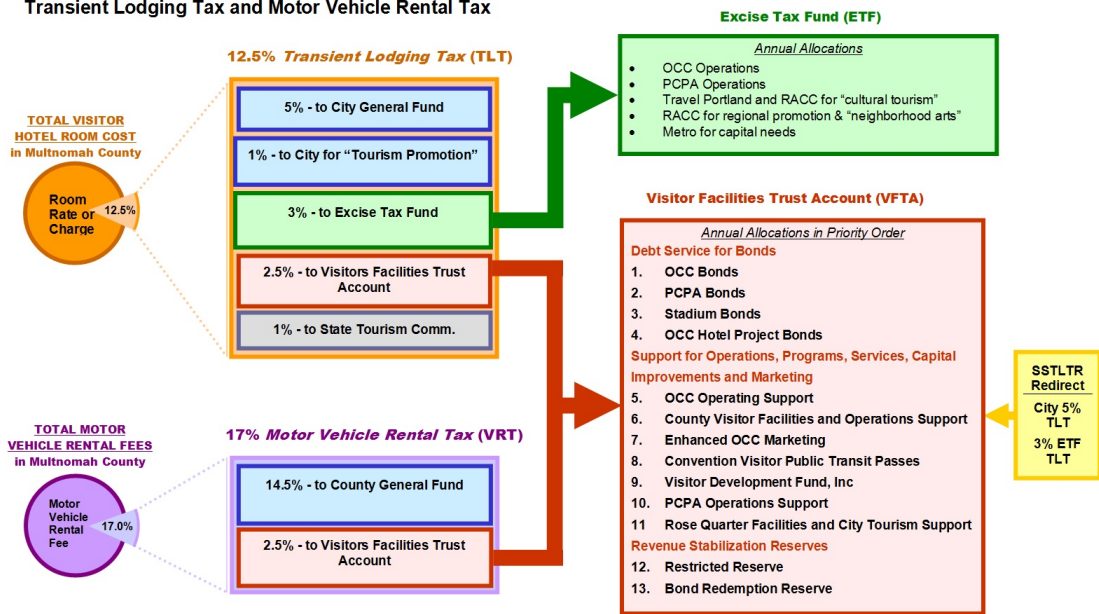


OCC Hotel Project Memorandum of Understanding

- Memorandum of understanding between Metro, the City and the County to provide clear direction to Metro staff negotiating the OCC Hotel Project Development Agreement
- Includes provisions related to MWESB goals, union contracting for construction, and a Labor Peace Agreement for OCC Hotel operations
- Includes expectations for the financing plan, developer fee, and limitations on use of public resources.
- Calls for the operator to be a rate leader in Portland and work with Metro and Travel Portland to coordinate marketing plans and rate promotions with other hotels

Visitor Facilities IGA Amendment and Consolidation Agreement Amendment

Proposed Amended Visitor Facilities Intergovernmental Agreement 2013
Transient Lodging Tax and Motor Vehicle Rental Tax



OCC Hotel Project Memorandum of Understanding

