

July 3, 2014

Travel Portland
Attn: Jeff Miller, President and CEO
1000 SW Broadway, Suite 2300
Portland, OR 97205

RE: Contract No. 53081

Dear Jeff,

Thank you for all the great work Travel Portland does to promote Portland as a place to visit to people and organizations near and far. We value all the contributions your organization has made over the years to the vitality of downtown Portland, including your work under the Downtown Marketing Initiative (DMI).

Nonetheless, the City Council made a difficult policy decision in the FY 2014-15 budget process to eliminate funding for the DMI. I hope you understand that this decision is not in any way due to dissatisfaction with Travel Portland's work on the DMI or other services for the City of Portland. The decision was made based on Council's desire to align transportation revenues and expenditures, which has been a stated goal for Commissioner Novick and me since joining the Council in 2013. Unfortunately, the limited availability of General Fund dollars, and the many demands on those funds, meant transferring the program to the General Fund was not feasible.

As specified in the contract, the City reserves the right to terminate the DMI contract (No. 53081) for the sole convenience of the City upon ninety (90) days written notice. Termination of the contract prior to the expiration date requires payment for activities budgeted through the end of the quarter in which the termination occurred. While Travel Portland did not budget any activities in the first quarter of FY 2014-15 based on the anticipated termination of the DMI contract, you do expect to have approximately \$56,000 in unexpended FY 2013-14 DMI funds. Through this letter, I am authorizing you to use this year-end fund balance in the first half of FY 2014-15 to support activities previously funded through the DMI contract.

Thanks again for Travel Portland's work on the Downtown Marketing Initiative. I am hopeful that an appropriate source of funding can be identified to reactivate the DMI in the future and am committed to working with Travel Portland, the Portland Business Alliance and Downtown Retail Council on this important effort.

Sincerely,

Mayor Charlie Hales