

IMPACT STATEMENT

Legislation title: Amend Portland Tourism Improvement District code to revise the periodic sunset review and administrative cost provisions, provide a new definition, add appeal procedures, and correct references (Ordinance; amend Code Chapter 6.05)

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Purpose of proposed legislation and background information:

This action amends City Code Chapter 6.05 to change the initial sunset review date for the Tourism Improvement District (TID) from 2017 to 2021 and to extend the review period from every five years thereafter to every ten years thereafter. This change is being made at the request of the affected tourism industry businesses to provide longer term stability for this very successful effort. These changes will also allow the term of the City's contract for the TID services to be consistent with the term of the City's contract for the 1% Transient Lodging Tax (TLT) services.

The Chapter's administrative cost provisions are modified to allow cost collection to be controlled through contract provisions. A definition for "Room" is added to clarify that all beds in dormitory or hostel style rooms count when determining if a hotel is within the TID and appeal procedures are added to provide dispute resolution options. The Code language is also corrected for consistency with the 2014 Office of Management and Finance reorganization and to remove unneeded language.

Financial and budgetary impacts:

The Code changes do not require changes to current or future budgets and do not have long term impacts on the City's financial obligations. TID fees, which can be passed on to lodging establishment guests, are collected by the City from lodging establishments and forwarded to an Oregon non-profit organization that is engaged in tourism promotion on a year round basis and represents tourism industry interests, to promote overnight tourism and improve the lodging business environment. In a companion Ordinance to this item, the Council is also requested to approval a new five year agreement with Travel Portland for the TID services and 1% TLT services.

Community impacts and community involvement:

The TID was created by City Council in 2012 to augment the existing 1% Transient Lodging Taxes which are used for similar purposes. At that time, the tourism industry felt that an initial sunset review of the TID after five years was appropriate. However, the results of the TID funded efforts and programs have been very successful, and industry leaders want to be able to incorporate longer term plans into the program to further enhance the results. The TID Board and Travel Portland Board have both endorsed this change.

A post card notice of the proposed changes was sent to all businesses required to pay the TID fee (approximately 150). Recipients were invited to testify at the City Council hearing on the proposal and to provide feedback via email. No feedback or enquires were received in response to these outreach efforts.

Budgetary Impact Worksheet**Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

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