

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

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

1. Name of Initiator Matthew Grumm		2. Telephone No. 503-823-3027	3. Bureau/Office/Dept. Revenue
4a. To be filed (date): June 13 th , 2012	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: June 7, 2012
6a. Financial Impact Section: X Financial impact section completed		6b. Public Involvement Section: X Public involvement section completed	

1) Legislation Title: Establish the Portland Tourism Improvement District to enhance promotion of Portland as a preferred destination for meetings, conventions and leisure travel. (Ordinance; add Code Chapter 6.05)

2) Purpose of the Proposed Legislation: To provide a stable source of funding for destination marketing organizations to support sales, marketing and promotion efforts, with the ultimate goal of increasing occupancy and room rates for lodging businesses.

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)?

- City-wide/Regional Northeast Northwest North
 Central Northeast Southeast Southwest East
 Central City
 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.

This legislation would bring in revenue of approximately \$6.6 million per year. This estimate is based on 2% of the approximately \$330 million in taxable rents reported for the 2011 tax year by hotels in Portland with 50 or more rooms.

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**.)

Expenses should not exceed 1% of the amount received. 1% of 6.6 million would be an annual expense of \$66,000.

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.

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

a) What impacts are anticipated in the community from this proposed Council item? Increased hotel room night usage throughout the city of Portland along with additional spending in all ancillary hospitality businesses, retail, restaurants, taxis, etc. Advertising outside of market to influence travel decisions also increase value of Portland as a business relocation destination.

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?

5 hotel rate payer outreach sessions held between March 5th, 2012 and March 16th, 2012. Sessions were held in 4 geographically diverse locations in the city, Jantzen Beach, Airport, East Side and Downtown. For hotels with 200 or more rooms, 86.9% by revenue attended a session. For hotels with rooms between 50 and 199, 46.1% by revenue attended a session. Additional outreach was made to the Asian American Hotel Owners Association (AAHOA). Mr. Jatin Patel, a member of that organization, will join the board which will oversee the expenditures of these funds.

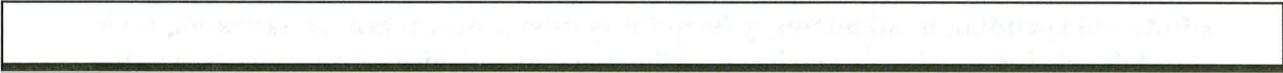
c) How did public involvement shape the outcome of this Council item?

The original proposal was for a 10 year life of the district and included hotel's 20 rooms and over. Based on feedback from the hotel community and the AAHOA, the new district will need to be reviewed in 5 years and hotels with more than 50 rooms are the beginning point.

d) Who designed and implemented the public involvement related to this Council item? Travel Portland Board of Directors and Staff

e) Primary contact for more information on this public involvement process (name, title, phone, email): Jeff Miller, President, Travel Portland, 503-275-9797, jmiller@travelportland.com

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. Hotels paying the fee will be invited to sessions as the marketing plan is created and twice yearly updates from Travel Portland on the programs, successes and challenges will be communicated. A section will be created on the Travel Portland website, www.travelportland.com, where all documents and minutes of meetings will be kept for public review.


BUREAU DIRECTOR (Typed name and signature)