

<b>Department:</b>	Nondepartmental	<b>Program Contact:</b>	Mark Campbell
<b>Program Offer Type:</b>	Existing Operating Program	<b>Program Offer Stage:</b>	As Requested
<b>Related Programs:</b>			
<b>Program Characteristics:</b> In Target			

**Executive Summary**

This program offer budgets the revenue and expenditures associated with the County's commitment to fund the Oregon Convention Center and the Visitors Development Initiative. This program operates under intergovernmental agreements (IGAs) between Multnomah County, the City of Portland, and METRO. The program accounts for proceeds of the Transient Lodging Tax and Motor Vehicle Rental Tax that are passed through to METRO for operation of the Oregon Convention Center and other tourism related entities.

**Program Summary**

This program accounts for a portion of taxes collected from area hotels, motels, and vehicle rental agencies. The Transient Lodging Tax has supported the Oregon Convention Center since 1986. The tax is set at 11.5% on all hotel and motel room rentals in Multnomah County. Cities retain 5% of the tax generated within their boundaries. Another 1% supports regional tourism promotion. The remaining 5.5% supports programs associated with the Oregon Convention Center, the Regional Arts & Culture Council (RACC), and the Visitors Development Board. The Motor Vehicle Rental Tax was increased by the Board of County Commissioners in April, 2000. This 2.5% increment is entirely dedicated to support of the activities noted above.

This program supports the Oregon Convention Center which hosts programs, conferences, and events that bring visitors and business groups to Portland. The tourism and travel industry is among the leading private sector employers in Oregon. Large conventions generate significant activity for local hotels, restaurants, and retail establishments. Travel Portland has estimated that a typical out-of-town convention delegate will spend between \$750-\$850 during a three-day stay in the region. A report prepared in 2015 by Crossroads Consulting Services documents the dollar impact of the visitors facilities managed by METRO. The report estimates the economic impact at just a little more than \$743 million per year.

The Visitors Facilities Intergovernmental Agreement (VDI) was amended in FY 2014 and has established a Multnomah County Fund "County Visitor Facilities and Operations Support". The funding will support operations and capital improvements related to the established purposes of the VDI. The VDI supports regional visitor facilities and visitor industry development in the Portland-Multnomah County area. The VDI agreement is between the City of Portland, Multnomah County, and Metro. The Visitors trust will allocate \$250,000 to Multnomah County in FY 2014, \$500,000 annually FY15-17, \$750,000 annually FY18-21, and \$1,000,000 annually FY 22-forward.

**Performance Measures**

Measure Type	Primary Measure	FY15 Actual	FY16 Purchased	FY16 Estimate	FY17 Offer
Output	\$ (In Millions) Impact of Convention Center Visitors to County Economy	538	525	560	570
Outcome	# of Employees in Travel/Tourism Industry (Est.)	5,240	5,200	5,450	5,600

**Performance Measures Descriptions**

The Oregon Convention Center (OCC) generates significant economic activity to metropolitan Portland and the State. Multnomah County accounts for 2/3rds of tourism related activity. Travel/tourism accounts for approximately 10% of metropolitan area employment. Metro provides data analysis on total annual spending in millions of dollars (output) which is estimated to support the total number of people employed (outcome) in the travel/tourism industry.

## Legal / Contractual Obligation

This program is mandated by IGAs that dictate how the revenues received in the Special Excise Tax Fund are allocated.

There is no discretion in allocating the revenue - all receipts are turned over per County Code and pursuant to terms specified in the IGAs.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2017</b>
Contractual Services	\$0	\$37,146,403	\$0	\$42,177,226
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$37,146,403</b>	<b>\$0</b>	<b>\$42,177,226</b>
<b>Program Total:</b>	<b>\$37,146,403</b>		<b>\$42,177,226</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00

<b>Program Revenues</b>				
Taxes	\$0	\$36,826,533	\$0	\$42,158,789
Interest	\$0	\$4,500	\$0	\$5,000
Beginning Working Capital	\$0	\$315,370	\$0	\$13,437
<b>Total Revenue</b>	<b>\$0</b>	<b>\$37,146,403</b>	<b>\$0</b>	<b>\$42,177,226</b>

## Explanation of Revenues

The transient Lodging Tax was originally established in 1972. A supplemental Countywide tax of 3% was adopted in February 1986 and is dedicated primarily to operations of the Oregon Convention Center. The County adopted an additional tax of 2.5% that is dedicated to the Visitors Development Initiative.

The Motor Vehicle Rental Tax was originally established in 1976. The tax was increased to 12.5% in April 2000, with the additional 2.5% dedicated to the Visitors Development Initiative.

## Significant Program Changes

**Last Year this program was:** FY 2016: 10025-16 Convention Center Fund

Hotel/Motel occupancy continues to see strong growth in FY 16 resulting in continued Transient Lodging Tax (TLT) revenue growth. 10-12% TLT growth is expected in FY 16 and 10% in FY17.