

Department: Nondepartmental **Program Contact:** Mark Campbell
Program Offer Type: Existing Operating Program **Program Offer Stage:** As Adopted
Related Programs:
Program Characteristics:

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 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. A report prepared in 2018 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 \$745 million per year.

The Visitors Facilities Intergovernmental Agreement (VFIGA) was amended in FY 2014 and it established a source of funding for Multnomah County "Visitor Facilities and Operations Support". This funding supports operations and capital improvements related to the established purposes of the agreement. The VFIGA supports regional visitor facilities and visitor industry development in the Portland-Multnomah County area. The agreement is between the City of Portland, Multnomah County, and Metro. The fund allocates \$750,000 annually to Multnomah County and this amount will grow to \$1 million annually beginning in FY 2022.

Performance Measures

| Measure Type | Primary Measure | FY18 Actual | FY19 Purchased | FY19 Estimate | FY20 Offer |
|--------------|-------------------------------------------------------------------------|-------------|----------------|---------------|------------|
| Output | Impact (\$ in millions) of Convention Center Visitors to County Economy | 508 | 770 | 570 | 587 |
| Outcome | Number of Employees in Travel/Tourism Industry (Est.) | 4,740 | 7,700 | 5,200 | 5,355 |

Performance Measures Descriptions

The Oregon Convention Center (OCC) generates significant economic activity to metropolitan Portland and the State. Multnomah County accounts for more than 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 |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses | 2019 | 2019 | 2020 | 2020 |
| Contractual Services | \$0 | \$48,228,593 | \$0 | \$44,094,044 |
| Total GF/non-GF | \$0 | \$48,228,593 | \$0 | \$44,094,044 |
| Program Total: | \$48,228,593 | | \$44,094,044 | |
| Program FTE | 0.00 | 0.00 | 0.00 | 0.00 |

| Program Revenues | | | | |
|---------------------------|------------|---------------------|------------|---------------------|
| Taxes | \$0 | \$48,182,465 | \$0 | \$44,053,663 |
| Interest | \$0 | \$8,000 | \$0 | \$3,000 |
| Beginning Working Capital | \$0 | \$38,128 | \$0 | \$37,381 |
| Total Revenue | \$0 | \$48,228,593 | \$0 | \$44,094,044 |

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 2019: 10025-19 Convention Center Fund