



NOTICE OF PUBLIC MEETING
CITY OF ALBANY
CITY COUNCIL WORK SESSION
Municipal Court Room
333 Broadalbin Street SW
Monday, June 8, 2015
4:00 p.m.

OUR MISSION IS

*"Providing quality public services
for a better Albany community."*

OUR VISION IS

*"A vital and diversified community
that promotes a high quality of life,
great neighborhoods, balanced
economic growth, and quality public
services."*

AGENDA

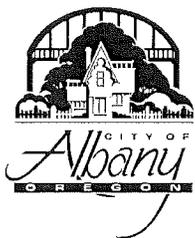
Rules of Conduct for Public Meetings

1. No person shall be disorderly, abusive, or disruptive of the orderly conduct of the meeting.
2. Persons shall not testify without first receiving recognition from the presiding officer and stating their full name and residence address.
3. No person shall present irrelevant, immaterial, or repetitious testimony or evidence.
4. There shall be no audience demonstrations such as applause, cheering, display of signs, or other conduct disruptive of the meeting.

- 4:00 p.m. CALL TO ORDER
- 4:00 p.m. ROLL CALL
- 4:05 p.m. BUSINESS FROM THE PUBLIC
- 4:10 p.m. TRANSIENT LODGING TAX DISCUSSION – Kate Porsche. [Pages 2-21]
Action Requested: Discussion, direction.
- 5:10 p.m. STORMWATER DISCUSSION THREE: REGULATIONS – Mark Yeager. [Pages 22-23]
Action Requested: Information, discussion, direction.
- 5:40 p.m. PUBLIC SAFETY FACILITIES PROJECT UPDATE [verbal]
- 5:50 p.m. COUNCILOR COMMENTS
- 5:55 p.m. CITY MANAGER REPORT
- 6:00 p.m. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, advanced notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



TO: Albany City Council
VIA: Wes Hare, City Manager
FROM: Kate Porsche, Economic Development & Urban Renewal Director
DATE: June 5, 2015, for the June 8, 2015, City Council Work Session
SUBJECT: Transient Lodging Tax (TLT) Discussion Overview
RELATES TO STRATEGIC PLAN THEME: ● A Healthy Economy

Action Requested:

Please review this report. Provide feedback on next steps and questions outlined in the discussion section.

Background:

The topic of TLT, and specifically a report from the TLT Ad Hoc Committee, has been slated for the June 8, 2015, Work Session for some time. Further discussion of the TLT arose at the May 21, 2015, Budget Committee meeting when the Economic Development Fund, which houses the TLT, was presented.

There was discussion on a couple of different topics:

- The policy change proposed by the City Manager wherein the new programs simply receive a three percent increase and that the remaining TLT funds, about \$195,000, go toward the Police and Fire Equipment Replacement Fund.
- The overarching use of the TLT funds.
- The \$100,000 requested by the Albany Visitors Association (AVA) and hoteliers and approved as part of the 2007 budget (I've attached the minutes from that meeting for your reference. – See Attachment A1).
- Work of the TLT Ad Hoc Committee.

While the Budget Committee ultimately adopted the budget, they did so with the strong recommendation that the Council adopt the policy change proposed by the City Manager to have excess TLT go to the Police and Fire Equipment Replacement Fund.

Additionally, there was consensus on the part of the Councilors present that the topic of TLT be discussed in more detail at the June 8, 2015, Work Session.

We anticipate there will be general discussion on the topic of TLT. Also, members of the TLT Ad Hoc Committee will be present to answer questions and share their thoughts as well. Please find attached the memo that outlines the work of this group, their recommendations, and a team report submitted by three of the members (See Attachment A2).

KP:hr
Attachments 2

G:\Economic Development\TLT\Staff Report TLT Discussion Cover.docx

Approved: 5-22-07

CITY OF ALBANY
BUDGET COMMITTEE MEETING
Council Chambers
Monday, May 15, 2007

MINUTES

PRESENT: Mayor Doug Killin and Councilors Jeff Christman, Dan Bedore, Sharon Konopa, Dick Olsen, Bessie Johnson, and Ralph Reid Jr., and Budget Committee Members Wolf Dyner, Susan Folden, Wendy Kirbey, Colleen Keller, Steve Terjeson, Bill Coburn, and Doug Moore.

ABSENT: None.

CALL TO ORDER

Chair Folden called the meeting to order at 7:15 p.m.

BUSINESS FROM THE PUBLIC

Brittany Steward, 1162 SW Morse Lane is the General Manager for the Holiday Inn Express. Tonight she is representing the Albany Lodging Association (ALA) as their Chair. She distributed five documents: "Proposed Budget for Additional Funding", a letter to the Councilors and Budget Committee Members, a graph, "Linn County Travel Impacts, 1991-2005", and "Why put Albany, Oregon on the map? Why not?"

Steward said the ALA is requesting that the Albany Visitors Association (AVA) receive \$100,000 of the transient room tax revenue that exceeded revenue projections for Fiscal Year (FY) 2006-07. The revenue forecast for FY 06-07 was \$560,000 and by the end of March, actual revenues collected were already \$580,000. ALA's forecast is that by the end of June, revenues will be close to \$700,000. They are asking the City to move the excess revenue directly to the AVA. Steward said it would not be taken from any other Department since it has not yet been allocated.

Member Dyner asked, what day was the letter to the Councilors and Budget Committee Members signed? Steward said it was May 11, 2007. Dyner asked, why isn't the AVA bringing this request forward instead of the ALA? Steward said the decision to make this request came after the AVA already submitted their grant request. The ALA met and decided to pursue it on AVA's behalf.

Mayor Killin asked Steward to explain the "Proposed Budget for Additional Funding" document. Steward said the ALA discussed how \$100,000 could be best utilized. They feel Albany is seriously under-marketed and is not getting its potential in advertising, so the first item on their proposed budget is a full-time marketing position in the AVA. Currently an AVA employee only spends one quarter of their time on marketing due to budget constraints.

Secondly, Steward explained, the travel budget needs to be increased so the team can attend association meetings, conferences, and conventions to sell Albany as a destination to these groups on a more personal and direct level. Currently the AVA has no funding to attend the functions or to even put up a booth showcasing Albany. Consequently, meeting professionals and event coordinators do not know Albany has ample space to host large events.

Folden asked, how many are there in a year and how many do we attend? Steward said there are thousands; currently none are attended, but if this request is approved AVA staff could attend 20-40 events. They would select the events based on what would best fit Albany's demographics and target audience. They would not want to overshoot by recruiting for events that aren't possible for Albany to host, so they would do research first to see what would be the best possibility and the best fit.

Thirdly, Steward said, the proposed budget would be used to pay for additional memberships with travel industry groups. Being on membership lists increases Albany's visibility.

Budget Committee Meeting
May 15, 2007

The fourth area funds would be used is to enhance advertising campaigns. Advertising costs have risen substantially. We need to put Albany on the map.

Cross-tie promotions with the Coast, Eastern and Southern Oregon, and Portland is the fifth area; Albany is centrally located and we are missing opportunities to partner with others to get tourists to stop in Albany on their way to other events. Albany has good hotel prices.

Steward said the final area is for niche marketing. Albany can become known for its outdoors, culinary experience, cultural, conventions, and sport tournaments.

Member Terjeson asked, if \$100,000 is used to get people to visit Albany, what do you think the return will be? Steward said that according to Travel Oregon, every \$1.31 spent in advertising generates a new trip to Oregon. With these monies, we could bring an additional 29,000 visitors into Albany. The average visitor spends \$159 a day, which totals \$4,611,000 of new money in Albany. Thus, the original \$100,000 would conservatively yield a return of more than \$4.6 million.

Terjeson asked, has the AVA projected what the return will be for Albany specifically or are they using the state's guidelines? Steward said they do not have the funds to study Albany's return on the investment, so they use the Travel Oregon numbers. She pointed out that they could see a return on the investment of City funds with just one large event.

Folden asked, of the \$159 spent per day (according to travel Oregon), is about one third for lodging? Steward said yes. Folden calculated that at the nine percent transient room tax rate, the revenues could reach the levels projected by the state.

Councilor Christman asked, how did you come up with the amount of \$100,000? Steward said she is referring to FY 06-07 revenue projections, not FY 07-08. The ALA is asking for \$100,000 of the \$120,000 excess revenue based on actuals as of March 31 versus the annual projected revenues.

Christman asked, how are we to take \$100,000 from the proposed budget without impacting future budgets? If we deduct \$100,000 from FY 06-07, we must also subtract it from FY 07-08. Steward said Finance Manager John Stahl told her the excess revenue will be allocated to the Economic Development budget by percentage. Discussion followed on options for removing \$100,000 from the proposed budget and still presenting a balanced budget package.

Christman asked, has the ALA worked with the Linn County Fair & Expo Center (Expo)? Steward said no; they have talked to Randy Porter about cooperating on marketing efforts such as sharing the cost of booths, but nothing has been confirmed. She has not talked to the Expo specifically about this \$100,000 request.

Member Coburn asked, is this going to be a one-time request or will you be asking for any additional revenues in the spring of 2008 also? Steward this is a one-time request, but she is also requesting that the AVA budget be increased. The graph she submitted shows that the transient room tax has increased substantially, yet the AVA budget has been flat with no increases. The AVA may request that their grant increase be in ratio with the amount of transient room tax revenue increase. The feeling of the ALA is that the AVA is under funded.

Councilor Johnson said she was appointed to be the Council liaison for the AVA and has learned a lot from them. They have good ideas, but they are strapped for funding. Johnson said the employees get paid little. The AVA wants to market Albany, including our wine country, and has been featured once in *Sunset* magazine. The City is not marketing Albany, so this is a way to get our name out there. She feels the AVA needs a director position to do it right. They have done well with what they have, but it could be done better. She feels that transient room tax revenue should be spent on advertising Albany.

Budget Committee Meeting
May 15, 2007

Member Moore asked, how many funds does the transient room tax revenue feed? How is it allocated? Where does it show in the Budget document? City Manager Wes Hare said the Economic Development Fund supports the AVA, the Albany Downtown Association (ADA), the Albany Millersburg Economic Development Corporation (AMEDC), the debt service payment for the Expo, and City staff salaries. The Economic Development Fund is on page 75 in the Budget document and page 107 in the line-items. The debt service payment shows on page 136 of the Budget document.

Dyner asked Steward, do you think it is fair to assume that the hotel owner signatures listed on the letter you submitted represent people that are paying Albany property taxes? Steward is not sure, but she assumes that would be a fair assumption.

Steward stated that while it is the ALA that is making the request, this action will impact more than just hotel owners when events come to town. They will be spending money not only at hotels but also restaurants, shopping, entertainment, etc. It will have an economic impact on the entire community.

Johnson clarified that even just one large event could recoup the \$100,000.

Olsen asked, do have income other than the transient room tax to support the Economic Development Fund? Finance Director Stewart Taylor said it also receives transfers from other funds.

Gregg Mindt, President and CEO of the Oregon Lodging Association (OLA), wished to speak. The OLA is stationed in Wilsonville and is a statewide organization for the hotel industry. The OLA represents hotels, motels, RV space rentals, and bed & breakfast establishments. He is encouraged by the ALA's participation and said it is great to see local lodging come together and unite. He would like to see the City increase spending for tourism-related purposes. He said that tourism promotion is the purpose of the transient room tax; jurisdictions throughout the state pay transient room tax and the tax originated with hotels that wanted to tax themselves so they could also market themselves. Over the years, the use of the revenues has eroded. The amount being collected is not used for tourism even though the tax is being collected on the backs of the hotel industry.

Mindt said that tourism is one of the leading industries in Oregon. Albany needs to jump on board. The AVA needs to be able to participate nationally, carve out a niche, and figure out a way to market Albany. They are part of the economic fabric of Albany. He thinks the City should consider tourism as an economic engine. It is reasonable to have the AVA be accountable for how they spend, to raise the bar for performance, require measurable results, and review long-term plans. Good marketing looks at the long-term. He asked the Committee to see this as a long-term investment and embrace what the AVA is about.

Councilor Olsen asked, how many towns in Oregon with freeway access also have a railroad with Amtrak service and an Airport as nice as ours? We also have historic districts and a carousel coming soon. He thinks we need to advertise and get folks to Albany. He agrees we need to advertise more.

Mindt is on the Transient Room Tax Task Force with the Governor. They discuss airports; small airports like Albany's provide a good opportunity. He said Olsen's point is well taken.

Joray Perkins is a long time Board Member for the AVA and also owns a business in town. Her husband is also a business owner. She said that when the bond for the Expo was approved in 1995, the transient room tax revenues were \$320,000. The City stepped up and helped Linn County get the ballot measure passed by taking money from the AVA. It worked, and we saw hotels and tourism grow in Albany; but now the AVA funding has flat lined. The AVA comes to the Budget Committee each year begging for more money. This is an opportunity to have a huge impact and free up resources and help the AVA do an even better job. They cannot stretch anymore with their current budget. They are doing all they can, yet expenses are increasing. She asked the Committee to please consider this request; this is extra money that is earmarked for nothing. She noted that a lot of small businesses would also be positively impacted by increased tourism.

Budget Committee Meeting
May 15, 2007

ADOPTION OF MINUTES (May 8, 2007, Budget Committee Meeting)

MOTION: Terjeson moved to adopt the May 8, 2007, Budget Committee Meeting minutes. Dyner seconded the motion and it passed 14-0.

CONTINUE BUDGET REVIEW

City Manager Wes Hare Christman asked if the Committee can review the Economic Development Fund first.

Hare thanked the ALA for the presentation. Hare believes in rewarding success. There has been success with this revenue stream overtime. It is also critical to consider all the factors to what makes up that increase. Credit goes to the ALA and AVA for increased tourism, but it also goes to the City for providing things to do (Northwest Art & Air, River Rhythms, historic districts, etc) as well as the City's commitment to creating a good economy. Also, transient revenues are used by the City to support more than one area, not just tourism.

Taylor said this issue should be put into the context of the role of the Budget Committee. The first step would be to look at what revenues have been received and what the trends show, and secondly the Committee should look to their policies for revenues that exceed projections. This should provide the framework for discussions.

Taylor said that revenue forecasts are made about 18 months prior. Last year's projections were low, as it is the policy of the City to underestimate revenues. In the previous FY 2004-05, the actual revenues were down. There has been rapid revenue growth, but only for the last two years. The current policy of the Committee is for extra revenue to carryover in the Beginning Balance for the new FY. If the Committee grants this request, the Beginning Balance would be increased by \$100,000 in the proposed budget. Proposed budgets are a "best guess" from several months ago.

Taylor said the policy framework staff works under is to underestimate revenues and overestimate expenditures. It is much better to have revenues exceed projections than to start cutting back services in order to stay within the budget. This is a sound budget policy that has been adopted by the Council. Taylor pointed out that these are one-time dollars; once these are spent, they will not be available next year unless revenues exceed projections again. Usually the City uses funds in a case like this for a one-time capital expense, rather than to support new personnel or other types of ongoing costs.

Taylor noted that the Expo debt service will be paid off in 2010-11. The City has one years' payment in reserve, so actually the last year we will need to draw from tax revenue will be 2009-10. Taylor suggested the Committee discuss allocating the monies when they would be available on an ongoing basis, as opposed to the one-time dollars that are available now.

Terjeson asked, what is the difference in the projected versus the actual as of March 31? Taylor said it is \$97,000. Discussion followed.

Councilor Konopa asked what other programs the revenues support in the Economic Development Fund. Hare said 86 percent of it supports the ADA, AVA, and AMEDC (\$561,000). The remaining balance, \$117,000, pays for other items such as personnel.

Hare said it is the policy of the Council to maintain a positive balance at year end in the General Fund of 5-20 percent of the total budget. Currently the City has about 20 percent, which is wise given the volatility and unpredictability of government revenue sources. There is not a formal policy for excess revenues for the Economic Development Fund, although they should maintain some reserves. There have been declines in transient room tax revenues in the past, particularly when the price of gas increases because people travel less.

Budget Committee Meeting
May 15, 2007

Moore recalled that a few years ago the Budget Committee formed a subcommittee to devise a process for grants requests from non-profit groups. The process is now in place and the AVA used it to request funds already for FY 2007-08. He suggested that the AVA use that same process to make this request. They could do projections and gather more information and return to the Committee next week. He said since we have a process in place, let's use it. Hare said that Economic Development Director Dick Ebbert acted on the application received from AVA based on their request and his projections. For FY 2007-08 the AVA requested \$263,000 and the City granted \$250,000. For FY 2006-07 and FY 2005-06 they requested \$235,000 and were granted that for both years.

Folden asked, was the AVA the agency that asked for an additional \$10,000 for a part-time marketing position to pursue the German Shepard Dog Show event? Hare said yes, and that request was granted.

Johnson asked, when the transient room taxing began in 1992, was there a percentage that was to be given to the AVA? Perkins said it was 100 percent. Folden said that a change in property tax caused a shift. Hare confirmed that when Measure 50, the tax limitation legislature, passed in 1996-97 the gap between transient revenues and AVA support widened. Reid noted that 1996 is also when the City started to make payments on the Expo debt service.

Taylor explained that state law directs that at least 70 percent of transient room tax revenue be used for the promotion of tourism and the other 30 percent for any government activity. This can include public safety services such as police and fire, which promote a safe city and healthy economy.

Dyner would like to see a graph that shows who the other recipients of the transient room tax are.

Councilor Reid said that each year we guess at revenues, and at year end it is different. He wants to know what the difference is between what was actually received versus what was budgeted. Taylor said the budget number is a best guess, so we should rely on the actual numbers. Reid wants to make sure that those monies actually went to the balance forward.

Stahl said that page 75 of the line-item budget shows the 2004-05 Beginning Balance at \$248,605 and 2005-06 at \$89,682. The drop is because the Airport was separated from Economic Development after a fund analysis was done. The balance shift shows in the Beginning Balance on page 77.

Christman asked, why wouldn't we adjust the next year transient room tax revenues to show an increase similar to this year? Taylor is not comfortable estimating higher based only on two years history rather than long-term historical information. But staff can do what the Committee directs. Taylor suggested the Committee could also use the Supplemental Budget process to incorporate changes during the budget year.

Christman asked if the Expo debt service payment comes from the 70 percent of revenues used for tourism. Taylor said yes. Hare noted that the 70 percent can be used for other areas that attract tourists, not just strictly for "tourism".

Johnson wonders if there was an agreement that AVA support would be in ratio with revenue growth. Perhaps there should be.

Killin said that transient room tax revenue in Oregon is spent many ways. For example, on the weekends Lincoln City swells to 40,000 people so some of their revenues are spent on police service. There is a wide variety of uses for this tax. He thinks the money is available to grant the ALA's request, but his hesitation is that if we do it this year, then next year or the year after if there is not extra revenue, the AVA would perceive that their budget was slashed by \$100,000. We have the money now, but there is absolutely no guarantee for any year after this year. Johnson feels strongly that we need to market Albany.

Budget Committee Meeting
May 15, 2007

Folden is hesitant to make a decision since Ebbert is not at the meeting to explain what he considered and evaluated in response to the AVA grant application. There may have been other grants that he did not approve but would have, if he knew there would be extra money. Hare said in addition to the AVA, Ebbert authorized grants to the ADA (\$25,000 requested and granted) and AMEDC (\$45,000 requested and granted).

MOTION: Terjeson moved to have staff budget \$97,000, in the Beginning Balance of the Economic Development proposed budget; to have staff suggest its best utilization; to reevaluate monies budgeted for the Albany Visitors Association for FY 2007-08; and encourage the Albany Visitors Association to follow the grant process established by the Budget Committee in the future. Bedore seconded the motion and it passed 13-1, with Killin voting no.

Answers to Previous Questions

Hare said the number of parking spaces at the Park & Ride cannot be definitively determined yet because all that has been done so far is a preliminary sketch of the concept by Transportation Systems Analyst Ron Irish. The sketch shows 25 parking places, but we will not know what the requirements will be that come out of the environmental work that is being done.

Dyner said that in the January 18, 2007, minutes, the following discussion took place: "Coburn noted that sewer and water revenues received are both above 50 percent. Does this mean we are making more than anticipated since this only represents five months? Finance Director John Stahl said that water revenue is dependent on the season. He is not sure why sewer is over 50 percent but speculated that it could be from a beginning balance. He can find out." Dyner is frustrated that the Committee did not get an answer yet.

Dyner said that another unanswered question is about what happened to the Police Officer patrolling the skate park.

Start with General Fund

Library (page 24-Budget, page 16-Line items)

Library Director Ed Gallagher said a major initiative is to begin construction on the new Library building and get as much done during the next fiscal year as possible. The goal is to have Library construction begin in late September. The operational costs are not in this proposed budget. Another goal is to decide what to do with the Linn Library League proposal. There are minor budget increases throughout the rest of the budget. A Materials & Services increase is for facilities maintenance costs for the new Library. There is also a part-time Library aide going to full-time.

Johnson asked, what is the \$25,000 increase in Contractual Services for? Gallagher said it is for fundraising and increased custodial costs.

Konopa noted that page 16 is missing a Total.

Johnson said that 100-45-1701-60030, Building Maintenance Charges, shows no funds. How will the new Library be maintained? Gallagher said that in an effort to accurately charge the different facilities the true cost to maintain them, those charges show in Central Services for all three libraries. The charge is based on square footage and includes overhead, staff cost, contract work, and management. That budget is managed by Parks & Facilities Maintenance Manager Craig Carnagey.

Folden noticed that page 25 shows a drop in attendance of children's programs. She asked why. Gallagher said that number does ebb and flow. There are fewer programs due to budget constraints and the availability of finding people to come in.

PROPOSED BUDGET FOR ADDITIONAL FUNDING

\$38,500.00 ~ Marketing Team Salary

\$19,750.00 ~ Increased Travel Budget so the Marketing Team can attend Association Meetings, Conferences and Conventions to sell Albany as a destination to these groups on a more personalized and direct level.

\$3,250.00 ~ Additional Memberships with related Associations to increase visibility

- Bravo Meetings
- Oregon Society of Association Management
- Travel Industry of America
- Meeting Professionals International
- Society of Government Meeting Planners
- International Society of Meeting Planners
- Greater Oregon Society of Government Meeting Professionals
- International Culinary Tourism Association
- Oregon Festivals & Events Association
- Oregon Tour & Travel Alliance

\$18,500.00 ~ Enhanced Advertising Campaigns

\$7,500.00 ~ Cross Tie Promotions with the Coast, Eastern Oregon, Southern Oregon, and Portland

\$12,500.00 ~ Niche Marketing

- Outdoor Recreation: Hiking, Biking, Birding, Walking, Running, Fishing, Boating, Backpacking and Golfing.
- Culinary: Unique dining experiences, wineries, breweries, specialty food stores, farmers markets, organic produce, etc.
- Cultural: Historic Homes, Museums, Landmarks, Art, Theater, Music, and Historical Heritage.
- Conventions, Groups and Meetings: Dog Shows, Horse Shows, Regional Meetings, Association Meetings, Corporate Seminars, etc.
- Sports and Tournaments : Baseball, Basketball, Football, Volleyball, Soccer, Track, Cross Country, Tennis, Swimming, Softball, Rugby, etc.

\$100,000.00

TOTAL

Dear Councilors and Budget Committee Members,

We, as the Albany Lodging Association, are writing to express our dissatisfaction with the current funding structure for the Albany Visitors Association. We feel the present funding levels do not allow for adequate marketing exposure for the city of Albany. Additionally, we are frustrated with the budget having little to no increase year after year whereas the transient room tax is substantially rising. As a group that is directly impacted by marketing efforts it is imperative we make improvements to ensure our future success. Currently, the limited marketing efforts are affecting not only the success of the lodging community but more importantly the economic vitality of the community. Therefore we feel it is necessary to put in place a renewed and stronger marketing effort using the following suggestions:

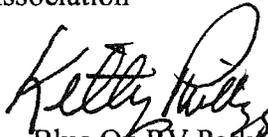
- Full Time Marketing Director
- Increased Travel Budget for Conventions, Conferences and Association Meetings
- Enhanced Advertising Campaigns
- Increased Grant Funds for smaller local tourism events
- Cross Tie Promotions with the Coast, Eastern Oregon, Southern Oregon and Portland.
- Niche Marketing: Outdoor Recreation, Culinary, Agricultural, Cultural, Conventions, Groups, Meetings, Sports and Tournaments.

With the current funding structure the Albany Visitors Association cannot carry out any of the above suggestions in their entirety due to budget constraints. Therefore, the Albany Lodging Association has unanimously decided to request that the City of Albany give an additional \$100,000 to the Albany Visitors Association to implement the above marketing efforts to better attract visitors to Albany.

Sincerely,

The Albany Lodging Association

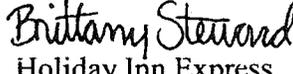

Best Western
Representative


Blue Ox RV Park
Representative


Budget Inn
Representative

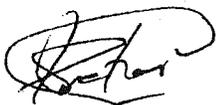

Comfort Suites
Representative


Econo Lodge
Representative

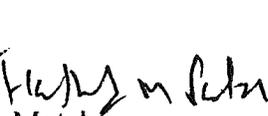

Holiday Inn Express
Representative

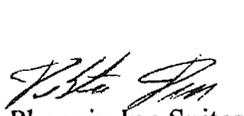

Knox Butte RV Park
Representative


KOA Campgrounds
Representative

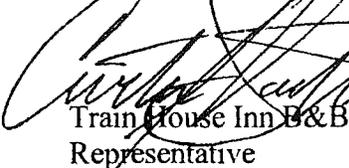

LaQunita Inn & Suites
Representative


Marco Polo
Representative


Hampton Inn
Representative

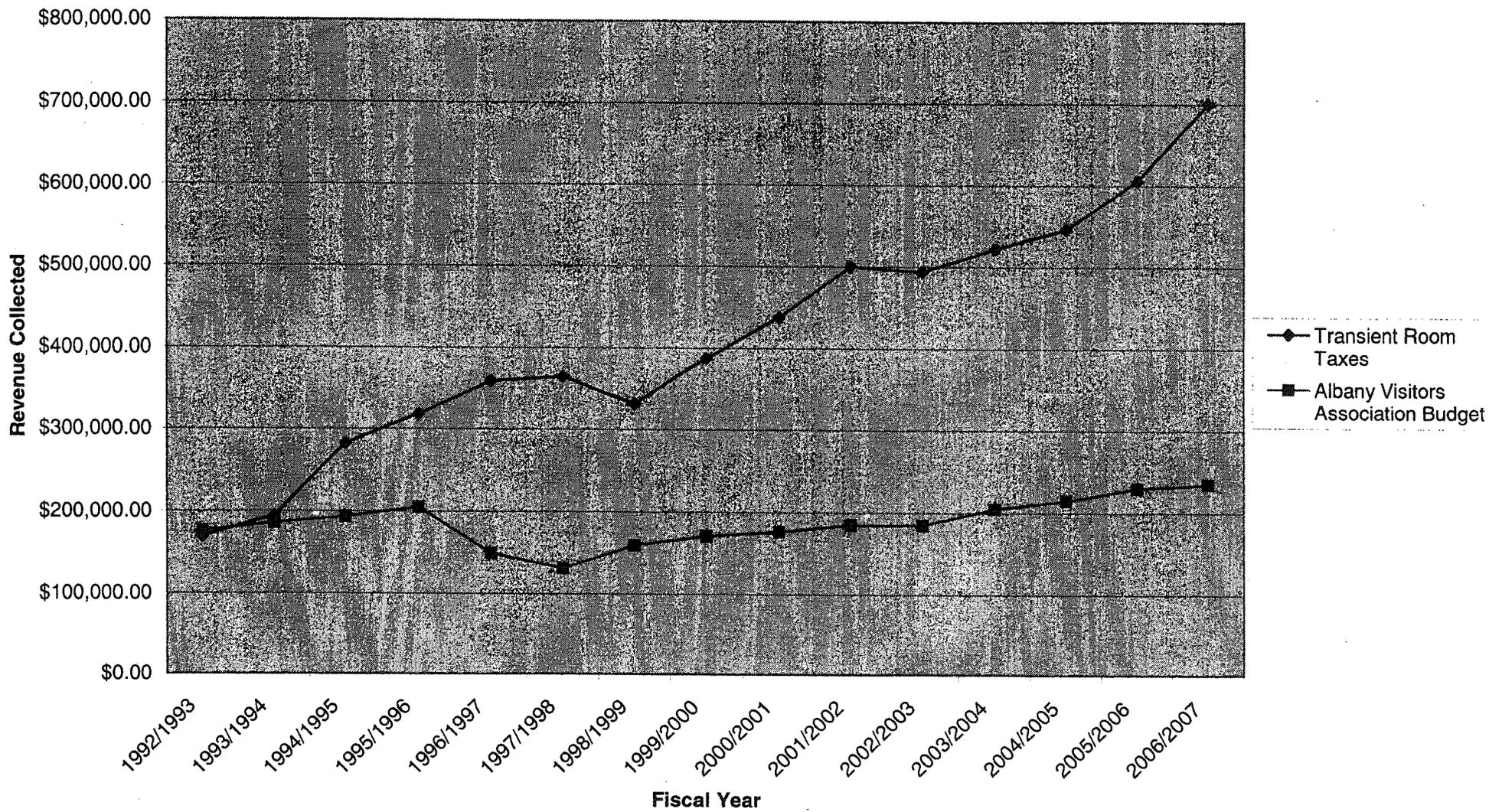

Phoenix Inn Suites
Representative


Quality Inn
Representative


Train House Inn B&B
Representative


Valu Inn
Representative

Albany Transient Room Tax vs. Albany Visitors Association Budget



WHY PUT ALBANY, OREGON ON THE MAP? WHY NOT? Here are the Facts

WHO and WHAT

The Albany Lodging Association is requesting that the City provide the Albany Visitors Association with an additional \$100,000 in funding, on top of the proposed annual budget of \$250,000.

WHERE

The additional funding will come directly from the Transient Room Tax collected this fiscal year 2006/2007. Currently, the total collected through the month of March is \$581,284.56. The forecast by the city was for \$586,600.00. Since the months of April and May have not been collected the estimated total for 2006/2007 is \$701,284.56.

Therefore, looking at the projections we feel there is at least an additional \$100,000 in Income that is not allocated. It is our recommendation that the Transient Room Tax Income line be increased to reflect this as well as to increase the budget for the Albany Visitors Association.

HOW

The Albany Visitors Association could use the funds for a multitude of projects. Some suggestions would be:

- Marketing Team Salary so that a dedicated Marketing Director and Albany Visitors Staff can better sell Albany as a destination to visitors and groups alike.
- Increased Travel Budget for Conventions, Conferences and Association Meetings so that Albany can be represented and marketed one on one to key meeting planners and event coordinators.
- Enhanced Advertising Campaigns
- Increased Grant Funds
- Cross Tie Promotions with the Coast, Eastern Oregon, Southern Oregon and Portland.
- Niche Marketing: Outdoor Recreation, Culinary, Agricultural, Cultural, Conventions, Groups, Meetings, Sports and Tournaments.

The main focus would be to put forward a renewed and stronger marketing effort that can put Albany on the map and bring more visitors to our City.

The success of this effort can be tracked by the International Association Convention and Visitors Bureau tracking format which the Albany Visitors Association has adapted. With this system in place we can track the number of leads that have come in as well as what percentages of those leads are pending, converted, or lost.

THE OUTCOME

Research from Travel Oregon states that every \$1.31 spent in advertising generates a new trip to Oregon. With that said we could bring an additional 29,000 visitors into Albany. Travel Oregon's research shows that the average visitor spends \$159 per day. That would equate to an additional \$4,611,000.00 of NEW money into our community. Therefore, it goes without reason that the initial investment of \$100,000 would conservatively yield a return of more than \$4.6 million dollars into our community, and this is only the direct impact.



TO: Albany City Council

VIA: Wes Hare, City Manager

FROM: Kate Porsche, Economic Development & Urban Renewal Director
Ed Hodney, Parks & Recreation Director
Transient Lodging Tax (TLT) Ad Hoc Committee Members

DATE: June 5, 2015, for the June 8, 2015, City Council Work Session

SUBJECT: Report from TLT Ad Hoc Committee

RELATES TO STRATEGIC PLAN THEME: • A Healthy Economy

Action Requested:

Please review this report and the most up-to-date TLT revenue report (see Attachment B1). Provide feedback on next steps and questions outlined in the discussion section.

Background:

At the direction of the City Council, staff brought together an ad-hoc group to review the current status, challenges, and opportunities related to transit lodging tax in Albany. This group consists of the following members:

- Jimmie Lucht, Executive Director, Albany Visitors Association
- Rod Porsche, Executive Director, Albany Downtown Association
- Ed Hodney, City of Albany Parks and Recreation Director
- Kate Porsche, City of Albany Economic Development Director
- Leigha Thomas, Holiday Inn and Comfort Suites
- Dave Pappas, Phoenix Inn Suites
- Randy Porter, Linn County Expo Center
- Christy Luehring, Best Western Plus

This group met a handful of times beginning last summer. Then in October 2014, they weighed in supporting the proposal for the funding of the new outside sales position for the Linn County Expo Center.

After the October 6, 2014, Work Session, the meetings of our group continued. It was decided that we would hold four meetings with a focus on strategic planning: defining success for the use of the TLT Funds, Metrics/Return On Investment (ROI), and accountability. For these four strategic planning sessions, the group unanimously agreed that we would bring in a small number of lay people—community leaders with a fresh, outside perspective—who would participate in the discussion. A list of possible names was compiled, and the group voted on participants. We are grateful to Bill Draper from the *Albany Democrat-Herald*, Tracy Bertalotto from the Growler Garage, and Betsy Penson from the Heritage Mall for taking time out of their busy schedules to assist with this work.

The meetings were held from mid-March through the end of April 2015. There was discussion and acknowledgement that parts of the fund simply do not directly relate to tourism including operating costs/supplies and economic development work. The remainder of the discussion focused on the roughly 82 percent of the fund that goes to the “Existing” and “New” TLT programs per the policy adopted in April 2011.

Based on the 2011 policy, the programs receiving TLT funds are structured as follows:

Existing Programs – The policy outlines a three percent increase to these programs annually if there are sufficient TLT revenues.

- Albany Downtown Association (ADA)
- Albany Visitor's Association (AVA)
- AMEDC
- Albany Airport Capital Reserves

New Programs – The policy currently outlines that these programs receive any balance of TLT funds, divided proportionately amongst the programs.

- Collaborative Tourism Promotion (a fund for tourism-related activities)
- Albany Main Street Program Development
- Northwest Art & Air Festival
- Public Safety Reimbursement to Albany Police and Fire
- Veterans' Day Parade (Flat \$3,000)
- Public Works Streets Reimbursement
- Monteith House Museum Capital Reserve
- City Trolley Maintenance and Operations

Topics Explored – With the focus on new and existing programs funded with TLT, here are key points from our four meetings:

Metrics – Over the course of the meetings, there was consensus on the idea of the need for metrics and much discussion about what we could/should measure. Ultimately, the group agreed on two categories of activities or metrics: “Hard,” those activities that can be tied to the creation of more overnight stays in hotels, and thus, an ROI on the TLT. “Soft” metrics are those that the group deemed to be difficult to measure, may help with community visibility, perception, etc., but cannot be directly tied to an effect on overnight stays in hotels.

The hoteliers present at the meetings indicated they understand the need for some expenditures related to soft metrics and that these expenditures can bring benefit to the community (the flower baskets downtown were cited as an example). The group began a draft grid to outline the possible metrics that could be used; please see attachment B2, *Possible Metrics for TLT*.

Expo Center – In addition to the support for the idea of the new sales position at the Expo, there was discussion about the need for maintenance and capital improvements at the Expo Center and how this work might be accomplished.

ADA/Main Street – There was specific review and discussion related to funds used by the ADA and Main Street Program Development. There was consensus that the work done by ADA falls in the soft metrics category.

AVA – There was also specific review and discussion related to funds used by the AVA. There was consensus that lead generation and sales for group travel, which would create overnight stays and an ROI, should be a priority for the TLT funds. In response to inquiries, Jimmie Lucht outlined the specifics related to the group and niche marketing position, which was established in 2007 through the additional allocation of \$97,000 in TLT. Jimmie indicated the following are components of the role:

- Increase travel budget so the marketing team can attend association meetings, conferences, and conventions to sell Albany as a destination to these groups on a more personal and direct level.
- Additional memberships with related associations to increase visibility.

- Enhance advertising campaigns.
- Cross-tie promotions with the coast, Eastern Oregon, Southern Oregon, and Portland.
- Niche Marketing:
 - Outdoor recreation
 - Culinary
 - Cultural
 - Conventions, groups and meetings (Individual Group Activity Log Spreadsheet was attached with details)
 - Sports and tournaments
 - Transportation (added category from original list)
 - Social media marketing (added)

There was a fair amount of discussion on this topic and a new awareness that only a small part of the position is currently focused on group sales that create new, multiple overnight stays in local hotels.

General Questions about TLT – Other general questions arose regarding the general use of TLT funds, such as, “Should TLT be used for the Airport or Trolley? Are we generating a return on investment for our investment here?”

Recommendations

Reserve (211-11-1101-69020) – There was discussion around possibly changing the policy and limiting the reserve amount, as \$100,000 seemed excessive. Additionally, with Linn County hiring the position for marketing the Expo Center, this group stands by their original recommendation that \$50,000 for the first year of the position be taken from this line item.

Focus on Creating an ROI – There was consensus that lead generation and sales for group travel, which would create overnight stays and an ROI, is a priority for the TLT funds. However, specifics around this idea generated much discussion and more questions, including:

- Should this be a new/additional position, or could it be combined with the work to be done with the new Expo position?
- Could the work be done with personnel already on staff at AVA, City, or other organization?
- Should it be funded with additional monies or a reallocation of existing funds?

Discussion:

We are seeking direction from Council as to how you would like us to proceed. Questions we have for you include:

- Does the Council support a stronger focus on lead generation and group travel sales?
- If so, what would this look like? A new position? Additional funding? Reallocation of existing funding?

The policy called for an annual review, and while our group has done some of this work, staff would appreciate some guidance as to how to proceed with an in-depth review of the policy. If you are interested, this work could include firming up the draft metrics proposed by our group.

Members of the TLT Ad Hoc Committee will be on-hand for the discussion. Additionally, three members of the team including Dave Pappas, Betsy Penson, and Leigha Thomas submitted a response for you. I am attaching their team response in full for your review (Attachment B3).

KP:hr
Attachments 3

Possible Metrics for TLT

Category	Metric	Current	Goal	Notes
HARD METRIC	Aggregate occupancy rate for single night stays Aggregate occupancy for multiple night stays			
HARD METRIC	TLT Values?			CC looks at the flat numbers, they may want to include this...?
HARD METRIC: Group Travel (defined as two or more nights 10 or more rooms, which can be at various properties, with a signed contract, or part of a group that receives a discount rate, for group travel at the hotel.)	Increase the number contracted group (first year, then actual) multi-night stays (>2 nights)	Quantify from aggregate of all Albany Hotels – need to get this data.	10% over base year of 2014 Quantify from aggregate of all Albany Hotels – measurement will be in room nights rather than room rate. May need to have City aggregate the data, to make hotels feel more comfortable.	Leigha will give form to AVA.
Average Night Stay	Increase the average night stay	Leigha 1.8	2.0	Working to increase shoulder nights and the overall average night stay is beneficial to hotels and businesses.
Group Travel for Expo	Increase the number of room nights sold in connection with expo events (>2 nights)		At least 10% 2014.	24% of Dave's group sales used to be via expo, now closer to 8%. Randy notes there's 9 strong weekends available on the concrete, and 10 on the dirt. Mid-week is tougher, as M & F are take down/set up days, leaving only T-Th avail.

Sports/festivals	Number of room nights directly related to sporting events or festivals.		Minimum 5% of total lodging sales is attributable to sporting or festival events during the summer months.	Ed's report shows 3% from previous years' NWAAF
Event/group Retention	Number of events/groups that are retained year to year.			Example of square dancers group.
Visitors to friends and family				
Events	<p>Who is the demographic? People that attended? What marketing was done for the event? Frequency of the ads/marketing? Reach of the Ads?</p> <p>These may be inputs and outputs (Ed H.) Here's the number of touches/contacts, and the cost to make each contacts</p> <p>Exit polls?</p>			
Soft metric	Shopping, money spent at restaurants?			

6/3/15

To: Kate Porsche
From: Leigha Thomas, Dave Pappas and Betsy Penson
RE: TLT Advisory Committee

According to the last 4 TLT Discussions we have contributed recommendations to be made to City Council. The following is a recap of concerns, recommendations and ideas that we feel should be included in a report on the activity of the TLT advisory committee.

- Increasing Group travel should be a priority for TLT funding and budget. We know that Albany as a whole city benefits by bringing in groups and group travel particularly benefits the hotel properties in our cities, in turn increasing TLT revenue. Concern was expressed during our meetings that group travel and sales has not been a main focus of the AVA, where the majority of TLT dollars are allocated. When asked for information regarding efforts made to attract groups, a list of groups visiting Albany was provided. While AVA contributes to retention of these groups, a strategic plan does not seem to be in place to attract new business. When asked who our most productive targets are, the response was very broad and general, not something that has been put into play.
- Concern was also expressed by the group over the deferred maintenance and condition of the expo center. If the maintenance of the property is not addressed and resolved we will continue to lose group business to other facilities.
- Since the 2007 budget increase of \$90,000 yearly for AVA marketing, results have not been documented in terms of travel (whether group or not) booked as a results of marketing efforts by AVA, it appears there has not been an effort made to reach out to lodging to determine why and where the travelers are coming from . Did they respond to an ad, did they follow a lodging link on the web-site? It is our recommendation that better tracking of marketing results be reported upon:
 - What is the monthly web-site traffic, how does it compare to the previous year same month.
 - What are the most visited pages?
 - What links are clicked through on? This could be good information for future advertising sales on the site.
 - Where are web-site visitors originating from? (web stats can tell you if people from outside the area visiting the website and where they are from.
 - When print advertising runs how many responses are generated either by phone, visits to the web-site or Facebook page.

- What reach and frequency are generated by advertising vehicles used? This could be growth in likes on Facebook, monthly total reach of the page, number of comments generated, number of followers engaged in a particular month.
- Engagement with the stakeholders in the community is a vital component to measuring success. Businesses may be benefitting from AVA efforts but have no idea because they aren't aware of the groups being attracted to the area. A quarterly newsletter distributed to interested participants could inform them who is coming, they could then respond to AVA via online surveys or phone surveys regarding any increases in business experienced as a result. This would also make businesses more aware of marketing efforts being made on their behalf.
- AVA plays a roll in retention/maintenance for groups and events already booked (coming to Albany) such as staffing the Expo Center info booth, sending out brochures etc. They could report on what they do for which groups, how many contacts are made and what the results are - did they rebook, did they refer another group, were other responses generated that could be measured?
- There is new competition in the area (Best Western Premier Lebanon is here and represents 84 guestrooms and space that can seat up to 600, Marriot in Corvallis with 174 guestrooms and meeting space as well as a 9th street hotel coming to Corvallis 2016). We are aware that new competition creates lower rates, and a possibility for lost business, which in turn will have a negative impact on TLT funding.

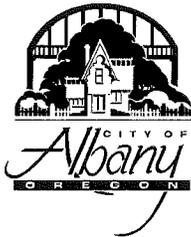
Recommendations to City Council

- We ask for a non-receiving/ non-contributing party/committee thoroughly review and reallocate funds based on production and what is deemed appropriate.
- We recommend holding off on the equipment replacement fund spent out of the TLT budget until review council takes a look at budget.
- We suggest that the review council use metrics as a way to reward funding of TLT. We also would ask, an application process be considered, which funds are rewarded based on production of dollars spent in Albany.
- We ask that AVA provide house 1 group sales manager to market and sell Albany group as a whole package including all facilities, shops, sports, hotels etc. and create a community group/event calendar for all restaurants, shops etc to benefit from. Also that the review council give the AVA a review for effectiveness. We would like to see AVA present strategy, goals and metrics with expected outcomes to stakeholders, engaging the business community and partnering to improve communication, interaction and support.

We ask for the access remaining funds to be allocated to new line item "group capital improvement fund". This fund would be available for application to anyone wanting to bring a group/tournament/ sporting event etc. that needs to improve something in order to get that done. Ex: sports field turf, paint, landscape etc. this would effectively continue to bring more groups to Albany.

Info about Albany Hotels Situation

- Transient guests represent 80 - 85% of our business and have an average length of stay of 1.9 nights. This is compared to groups who stay an average of 2- 3.9 nights (or more).
- Expo Center in the past has represents 30% - 40% of business. This has been declining drastically. Group represents multi-night stays in Albany which creates compression, spending dollars at restaurants, shopping, gas etc.
- The travel industry is volatile. The economy plays a huge role in the amount of travel and money spent on tourism. Travel can drop off drastically depending on the economy. Group travel, sports tournaments etc. can be captured and booked years out and for many years in a row. Allowing us to put business on the books for the future for us to have in the bank in case of economic downturn.
- Guests are visiting Albany for parks, sporting events, tournaments and groups. These markets can be expanded by increasing marketing efforts . sport's fields and maintenance of buildings etc. Without sales efforts, surrounding cities such as Salem, Lebanon, Corvallis etc will benefit from dollars spent instead of Albany. We can do better and we must do better! Our companies are investing, 1 million dollars in renovation for HIE coming soon and Phoenix Inn planning renovations, Heritage Mall investing in improvements and attracting new business. We cannot just sit back and cross our fingers guests will drive through town and hopefully stop in. Shops opening in the mall, restaurants opening their doors daily... all of these businesses in Albany count on a strategic business plan to bring group business in, which we have all agreed represents the best kind of guest for Albany.



TO: Albany City Council

VIA: Wes Hare, City Manager
Jeff Blaine, P.E., Interim Public Works and Community Development Director *JB*

FROM: Mark A. Yeager, P.E., Utility Services Manager *@*

DATE: May 28, 2015, for the June 8, 2015, City Council Work Session

SUBJECT: Stormwater Discussion Part 3 – Regulatory Framework

RELATES TO STRATEGIC PLAN THEME:

- Great Neighborhoods
- A Safe City
- An Effective Government

Action Requested:

No action is requested at this time. This memorandum provides information as part of a series of stormwater discussions.

Discussion:

At the January 12, 2015, work session, staff introduced a program to provide Council with a series of stormwater discussions that would take place over the course of the year. On March 9, 2015, Council received the second presentation in that series. That presentation focused on why stormwater management is important and what planning/design efforts were underway.

In response to Council's request, this memorandum and presentation focus on the regulatory framework for stormwater management. The goal of the presentation is to identify and briefly review the regulations that require communities to develop and implement programs to control stormwater discharges.

There are currently two pathways to regulated stormwater discharges:

- Communities that discharge stormwater into water bodies that have been designated as "water quality limited" for certain pollutants are required to implement stormwater controls.
- For larger communities and urbanized areas (generally populations greater than 50,000) that discharge stormwater, permits are required that stipulate certain activities and programs to manage stormwater discharges.

Albany is now subject to stormwater regulations under both pathways.

On the water quality path, Albany first began implementing stormwater program elements in 2008 following the development and adoption of the 2006 Willamette River Total Maximum Daily Load (TMDL) by Oregon Department of Environmental Quality (DEQ). As part of the Willamette TMDL, Albany was required to develop and submit a water quality management plan, including stormwater controls, to DEQ for approval. Council has previously received reports regarding the Willamette TMDL and Albany's water quality management plan. Albany developed public outreach programs, the Erosion Prevention and Sediment Control (EPSC) program, and the Post-Construction Stormwater Quality program, in part, to meet the Willamette TMDL requirements.

On the population path, Albany crossed the 50,000 person population threshold in the 2010 US Census, and as a result, Albany will be receiving a stormwater discharge permit from DEQ that will require development and implementation of additional stormwater control measures in the community.

The presentation at the June 8, 2015, work session will go into more detail about the specific laws that govern stormwater discharges in the United States and in Oregon. The presentation attempts to walk the fine line between providing too much detailed information and being specific enough to answer Council questions about regulatory requirements.

While there are plenty of regulations that already require Albany to develop and implement stormwater management programs, there are new pressures both nationally and regionally to implement additional or more stringent stormwater controls on communities. Staff is working both nationally and regionally to ensure that stormwater program requirements are reasonable, implementable, and within the scope of the regulators' legal authority.

As Albany continues to grow, Albany will need to continue to identify ways to proactively manage stormwater quantity and quality. By making informed decisions now, Albany can both promote economic development and protect our local natural resources for future generations.

Budget Impact:

There is no budget impact at this time.

JJB:kw

c: Chris Bailey, Interim Public Works Operations Director
Jeni Richardson, P.E., Civil Engineer III
Jeff Babbitt, Senior Accountant