



APPROVED: August 10, 2016

**CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, July 13, 2016
3:00 p.m.**

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 3:03 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Julie Jackson, Chuck Leland, Betsy Penson, Steve Reynolds

Committee Members absent: Mitch Langjahr, Mike Martin

APPROVAL OF MINUTES

June 8, 2016

MOTION: Chuck Leland moved to approve the minutes as presented. Steve Reynolds seconded the motion, and it passed 5-0.

SCHEDULED BUSINESS

Business from the Public

City Councilor Rich Kellum said that this committee was formed at his request and that there has been an accusation that he stacked the committee; he only did so in the sense that he asked that the appointed members be non-TLT recipients with business acumen and experience in marketing or related areas. He said that one of the concerns has been accountability; the committee has an absolute right to receive information from recipients regarding their use of TLT funds, including the amount received, how it was spent and outcomes, and he asked that the committee advise Council if the information is not forthcoming.

Pierson said that the committee has heard from the TLT recipients and asked questions; he doesn't believe information has been held back or less than forthcoming. He briefly discussed some of the committee's next steps and information he has prepared to facilitate discussion.

Kellum left the meeting after Business from the Public.

TLT Committee Discussion

Pierson distributed and reviewed spreadsheets he had prepared for the committee's information and consideration. The spreadsheets included information about each TLT recipient's existing classification and budget allocations for the last three years, as well as potential new classifications.

Discussion ensued regarding the use of TLT revenues for the City's equipment replacement needs. Julie Jackson said that she doesn't believe TLT revenue is sustainable funding for equipment replacement and she suggested that the committee look carefully at that going forward. Pierson agreed; he noted that similar comments were made during the budget process and that there was a lengthy discussion by the Budget Committee on this issue.

Chuck Leland requested information regarding the amount of TLT revenue generated by the Linn County Expo Center and the amount allocated to the Expo Center from the City. Economic Development & Urban Renewal Director Kate Porsche said the City had agreed to a pass-through amount of \$49,400 per year for two years to help fund marketing of the Expo Center, which is shown in the budget under Collaborative Tourism Promotion (CTP). Leigha Thomas, Director of Sales at Comfort Suites – Holiday Inn Express, said the hotel operators estimate that between 30 and 40 percent of hotel business is generated from Expo Center groups. Porsche noted that a representative from the Expo Center is scheduled to present to the committee in August.

Pierson asked how the committee would like to proceed with the goal of providing a recommendation to the City Council that includes updates to the current policy and a summary of what is working, what is not working, and proposed measurements for evaluation.

Steve Reynolds said he would like to discuss whether Albany is, or whether there is a desire that it be, a destination city. Albany Visitors Association (AVA) Executive Director Jimmie Lucht said Albany does have attractions that bring people to the community including restaurants like Novak's, covered bridges, and historic attractions. Pierson suggested that the discussion might include elements that could be marketed or created to make the City more of a destination, such as sports fields.

Reynolds referred to information he had prepared and e-mailed to the Chair, including information on how McMinnville, Lincoln County, and Tillamook handle their TLT revenues and reports about some of the TLT recipients' websites noting a number of broken links.

In response to questions from the committee, Porsche said that, in addition to the Expo Center, the committee is scheduled to receive additional information from Leigha Thomas on behalf of the hotel operators and Parks & Recreation Director Hodney related to potential sports fields. It was generally agreed that the committee would proceed with its review based on the seven committee objectives assigned by the City Council, tabling any issues that might be impacted by information from those who have not yet presented.

Objective 1: Review the existing policy and state law and current expenditures.

It was noted that the committee was presented with the existing policy, state law, and current expenditures at its first meeting on March 9. The committee began a review of the Transient Lodging Tax Policy. Proposed changes included the following:

- Change Transient Room Tax to Transient Lodging Tax.
- Recommend that a TLT Advisory Committee be formed using the same criteria that was used to form this ad hoc committee (must live or work in the City limits and not be a recipient of TLT revenue), and that they should meet annually to coincide with a presentation to the Budget Committee.
- Delete the "Existing" and "New" program categories and replace them with classifications preliminarily identified as follows: Outside Agencies (Albany Downtown Association, Albany Visitors Association, Albany Main Street); City Services (Public Works Streets, Public Safety – Police, Public Safety – Fire, Equipment Replacement, City Trolley, Albany Airport, Monteith House Museum); Events (Northwest Art and Air Festival, Veterans' Day Parade); and Economic Development (AMEDC, City Economic Development).

Reynolds referred to the state legislation requiring that 70 percent of TLT taxes established after 2003 be used for tourism-related purposes; he asked if the committee was interested in using that percentage as a road map. Pierson said he believes that the City Council and City management have taken a strong position that some of the City's public safety costs should be covered with TLT revenues, and he doesn't believe they would agree

with a recommendation establishing that 70 percent of the revenues should be used for tourism. Betsy Person said the committee can make whatever recommendations it chooses; she stressed that money spent on tourism to get people to stay overnight at hotels is what will generate additional TLT income.

Porsche noted that for TLT taxes established before 2003, the legislation requires the same percentage continue to be spent on tourism-related activities that was spent at the time the legislation passed. For Albany, that means that 40 percent of TLT revenues must be used for tourism-related activities. Arguably, the time that Fire and Police spend related to events could be considered tourism-related expenses.

Thomas commented that visitors to the covered bridges bring in day trips but not necessarily overnight stays, and that many of the events sponsored by AVA, ADA, etc., are expected to attract local citizens as opposed to people from out of town. Jackson said the hotel operators who collect this tax may have some feeling of ownership, and she would like to get that discussion on the table; she said the tax is a cost of doing business in Albany; and she wondered whether the purpose is to provide return on investment to the hotels or to fund tourism and commerce. Thomas said she doesn't believe it is up to the City to ensure the hotels are successful, but she does hope that there would be consideration of how to grow those TLT revenues.

Pierson said that, in his view, commerce includes people coming to the community, whether for day visits or overnight stays. In discussion, several committee members agreed that tourism is a subset of commerce as is retail, food and beverage, and hotel stays and that business visits are not tourism, yet they often result in overnight stays. It was noted that the hoteliers have indicated that about 60 percent of stays are business related and about 30 to 40 percent of stays are related to events including the Expo Center.

Reynolds said he would like to know how much of the TLT is used in a way that generates additional overnight stays. Thomas agreed to provide additional information about the number of stays in various categories, although she doesn't have quantifiable data related to return on investment of TLT dollars.

Pierson said that although it wasn't part of Council's direction, he thinks the committee could evaluate and make recommendations to the recipient organizations about things they could do better and perhaps ways they could be helped from a central resource, with web development, for example. Brief discussion followed.

Leland requested additional information about the CTP. Porsche said the CTP was originally set up for matching grants for event start-up costs to outside agencies, new marketing campaigns, or expanded advertising for a new element of an existing event. The fund was jointly managed by the AVA, ADA, Expo Center, and City Parks & Recreation Department. A later revision by the City Council targeted those funds for a marketing position at the Expo Center, and that is how it is still budgeted. Brief discussion followed regarding previous and potential future uses of CTP funds.

It was agreed that staff will revise the policy based on the discussion for further consideration.

Staff updates and issues

None.

BUSINESS FROM THE COMMITTEE

The committee discussed upcoming agenda items, including a follow-up presentation from Leigha Thomas on behalf of the hotel operators, information from Parks & Recreation Director Hodney regarding sports fields, and a presentation from a representative of the Linn County Expo Center. Additionally, the committee will continue its review based on the Council-assigned committee objectives, including understanding how other communities use their TLT, reviewing what recipient organizations are currently achieving with the funds, and consideration of metrics to measure the effectiveness of expenditures.

Following brief discussion, committee members present agreed to change the regular meeting time to 3:00 p.m. on both the second and fourth Wednesday of each month.

NEXT MEETING DATE

Wednesday, July 27, 2016, 3:00 p.m., City Hall Santiam Room.

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 5:00 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director