



NOTICE OF PUBLIC MEETING

TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Tuesday, September 6, 2016
3:00-5:00 p.m.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
 - July 27, 2016. [Pages 2-5]
Action: _____
 - August 10, 2016. [Pages 6-8]
Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. TLT Ad Hoc Advisory Committee discussion. [Verbal] (Pierson)
Action: _____
 - c. Staff updates and issues. [Verbal] (Porsche)
Action: _____
5. BUSINESS FROM THE COMMITTEE
6. NEXT MEETING DATES: *September 14, 2016; 3:00-5:00 p.m., Santiam Room*
September 28, 2016; 3:00-5:00 p.m., Santiam Room
7. 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, advance notice is requested by notifying the City Manager's Office at 541-917-7508, 541-704-2307, or 541-917-7519.



APPROVED: Draft

CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, July 27, 2016

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 3:05 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Julie Jackson, Mitch Langjahr, Chuck Leland, Mike Martin, Betsy Penson, Steve Reynolds

Committee Members absent: None

APPROVAL OF MINUTES

June 22, 2016

MOTION: Chuck Leland moved to approve the minutes as presented. Steve Reynolds seconded the motion, and it passed 7-0.

SCHEDULED BUSINESS

Business from the Public

None.

Presentation follow-up – TLT Collectors

Pierson thanked TLT recipient representatives for attending these meetings on an ongoing basis. He requested that the committee be provided with each recipient organization's PowerPoint presentation, as well as a full year's budget and accounting of TLT funds. He asked that each recipient organization provide information about the minimum they would be able to operate on and what cuts they would make if there was a significant reduction in TLT revenue. He asked that committee members provide him with a brief write-up including their name, title, organization, and relevant experience to be included with the recommendation to Council.

Julie Jackson initiated discussion about the request that recipients provide information regarding what they would cut if revenue reductions occur in the future. She said that organizations would likely make reductions based on what makes sense at the time and that what they say now may not have relevancy in the future. Mitch Langjahr agreed; he said things change over time and reductions may not happen for several years. Pierson said that if there is a shortfall of funds, choices will be made; this is an opportunity for the recipient organizations to state their priorities and have input into those future choices. Betsy Penson said that the committee's review should include ways to sustain and hopefully increase TLT revenues for the future.

Leigha Thomas, Holiday Inn and Comfort Suites, and Dave Pappas, Phoenix Inn, presented follow-up information from representatives of Albany hoteliers. The hoteliers are concerned about the impact of lodging units that are being added in nearby communities and agree that a primary goal should be to protect and grow TLT revenues.

Thomas reviewed the TLT Generation Report provided in meeting packets. The report includes the percentage of TLT generated from specific categories from 2013 through 2016 YTD. The most current percentages were corporate travel (22%); Linn County Expo Center group events (15%); overflow from Corvallis and surrounding areas (23%); overflow from Salem, Eugene, and other communities (20%); and sports events (15%). Other activities account for less than 1% each and include local Expo Center events like home shows, gun shows, craft shows; the Northwest Art and Air Festival (NWAAF); historic home and bus tours; the Veterans' Day Parade; downtown events like the Wine Walk, Restaurant Week, Movies at Monteith, River Rhythms; Police and Fire events; Monteith House and Trolley events.

In response to questions, Thomas added the following comments:

- The data provided includes 100 percent of the TLT revenue allocated into the various categories.
- As long as Albany continues to welcome new businesses, the corporate travel category is expected to increase. She would have to study how much of the corporate travel is related to AMEDC efforts.
- The hoteliers have heard from groups that the Expo Center is not up to standards. If nothing changes, they would expect the percentage generated from that category to stay the same or go down.
- Overflow from other areas is expected to go down due to increased supply in other communities.
- If nothing changes, the percentage of revenue from sports tournaments is expected to stay the same. Improvements to sports fields would increase that percentage.
- For all other categories, the percentage is expected to stay the same.

Discussion ensued regarding the most value events in terms of TLT generation, the value of other events to the community as a whole, Council's direction and the committee's charge, and how much of the committee's focus should be on increasing the revenue source. Economic Development & Urban Renewal Director Kate Porsche noted discussions by the previous TLT review committee about metrics to measure return during which it was noted that there are hard metrics related to generation of TLT and soft metrics related to overall value to the community.

Thomas said one of the hoteliers' recommendations is that the Albany Visitors Association (AVA) host a direct booking link through A Res Travel. The link would allow guests to make reservations, and it would allow for tracking and reporting on room night consumption which would be helpful in creating successful marketing strategies. She made a conference call to Justin Stratford, A Res Travel, who provided information about his company and the booking engine services they provide. In response to questions from the committee, he provided information about potential tracking and reporting services.

Thomas said another of the hoteliers' recommendations is the production of a short video virtual tour of Albany for clients looking to book groups. John Harris, Horsepower Productions, reviewed his background in videography and the work of his firm in producing videos that attract group sales. He provided statistical information about the value of videos in marketing, and he showed examples of videos his firm has produced for other communities.

Thomas reviewed additional ideas that might bring in TLT revenue, including setting up a local lodging association to be active with the AVA Board; having the AVA deemphasize downtown events and moving those activities to the ADA; hiring a group sales manager; establishing a group maintenance fund; and replacing the I-5 marketing sign. Jackson commented that the AVA has a role to promote all kinds of events, including but not limited to downtown events.

Presentation follow-up – Softball field improvements and potential benefits

Parks & Recreation Director Ed Hodney introduced Sports Coordinator Bruce Edwards. Hodney referred to the staff memo and attached table called Proposed Softball Complex Improvements at Bryant and Timber-Linn Parks with Corresponding Impacts on Tournament Room Nights. The table includes information on current conditions, a full improvement package, a partial improvement package, and the benefits of each for Tournament Types A, B and C. As shown in the table, the larger the tournament, the more likely it is that a significant number of rooms would be rented related to that event.

Hodney said the full improvements package consists of replacing clay infields with synthetic play surface at Timber-Linn (est. \$2 million), new lighting at Bryant and Timber-Linn (est. \$750,000), paved parking lots at Timber-Linn and perimeter fencing at Timber-Linn and Bryant (est. \$1 million). The synthetic play surface would extend the play season, reduce turnover days, and bring a significant number of additional room nights. A partial improvement package would include lighting and fencing at both parks and paved parking lots at Timber-Linn. The partial package would provide dramatically fewer additional room nights than the addition of synthetic infields.

Hodney provided information about another project that is under discussion – a soccer complex on the West Albany High School property – which represents as much or greater impact on the economy and production of room nights as do the softball improvements. Both projects are being vetted through the Parks Master Plan process which begins this fall. The soccer complex is about a \$5 million project excluding work that has been done; the full improvements softball package would be about a \$3.7 to \$4 million project.

In discussion and in response to questions from the committee, Hodney and Edwards provided additional information, including the following:

- Some soccer players support artificial surfaces because that greatly extends their capacity; others prefer natural grass. The concept is to have a mix so there are always fields in play to satisfy customer needs.
- With the full improvements package for softball fields, the closest equivalent fields would be Clackamas to the north and Medford to the south. This idea is being explored because of the unique place Albany might serve in the softball tournaments market.
- In order to maximize the number of softball tournaments and hit the target on the number of room nights, a different organizational approach would be needed. It is thought that the approach would be modeled on other communities' approach and be managed by Parks & Recreation staff along with other stakeholders.
- The debt service on a \$4 million project with a 15-year note at 3.5% is \$347,000 a year. Because no business plan has been done, the amount of additional revenue that would be generated and the break-even point for the capital investment has not been defined.

There was additional discussion regarding project costs, maintenance costs, and potential additional revenue to the City from improved fields. Thomas said the hoteliers believe the numbers presented related to additional room stays that would be generated with improved softball fields are quite conservative and represent about \$30,000 in additional TLT revenue.

Hodney said that if this is included with the committee's communication with Council and Council decides it is worth consideration, staff would put together a business plan that answers questions regarding capital costs, lifespan, replacement costs, and schedule, as well as potential operating cost savings.

Staff updates and issues

Urban Renewal Officer Nathan Reid presented and reviewed a spreadsheet outlining how other communities in Oregon utilize their TLT revenues. The information was pulled from the ECONorthwest report completed in 2010 and updated where possible. He noted that Albany is more specific in the direction of the funds as compared to other communities, that we have planned increases where others don't seem to, and that we have less going to the General Fund than other communities. It was agreed that staff will e-mail the full ECONorthwest study to committee members.

BUSINESS FROM THE COMMITTEE

None.

NEXT MEETING DATE

Wednesday, August 10, 2016, 3:00 p.m., Santiam Room.

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 5:20 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director



APPROVED: Draft

**CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, August 10, 2016
3:00 p.m.**

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 3:00 p.m.

ROLL CALL

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

Committee Members absent: Mitch Langjahr (excused), Chuck Leland (excused), Mike Martin (excused)

APPROVAL OF MINUTES

July 13, 2016

MOTION: Betsy Penson moved to approve the minutes as presented. Steve Reynolds seconded the motion, and it passed 4-0.

SCHEDULED BUSINESS

Business from the Public

Peggy Burris, Executive Director of the Albany Downtown Association (ADA), referred to information presented by Leigha Thomas on behalf of the hoteliers which indicated that less than one percent of room stays are attributable to ADA events. She thought it was worth noting that Thomas said she doesn't live in Albany but still likes to attend these events. Pierson said that he frequently hears great comments from people who come to the community for events.

Presentation – TLT Influencer: Linn County Expo Center

Randy Porter, Linn County Expo Center, said that he has prepared a list of improvement needs at the Expo Center which total \$776,000. The needs include repairs and upgrades, as well as replacement of indoor horse stalls which would cost about \$250,000. He offered to answer questions from the committee.

In discussion and in response to questions, Porter provided additional information, including the following:

- There are 196 indoor horse stalls and 98 outdoor stalls. The indoor stalls are very old and rotting; the outdoor stalls are still in pretty good shape.
- The Expo Center has a 210,000 sq. ft. footprint and includes an indoor area that houses trade shows and the like, a dirt floor open area and three bays of horse stalls, an arena area, and several conference rooms that can be opened up into one large space.
- When the Expo Center first opened, a majority of its business was horse or livestock related; those events now account for about 40 percent of the facility's business.

- He oversees two separate budgets. This year, the Expo Center budget is just over \$1 million and the Linn County Fair budget is about \$455,000.
- Since he began 14 years ago, the goal has been that the Expo Center break-even; but he isn't sure that will ever happen. No similar county venues in Oregon break even unless they count transient lodging tax revenue received. Only a handful of county fairs in Oregon break even.
- Fiscal year 2014-15 was the Expo Center's first year to exceed \$1 million in sales. This year, they did about \$1.2 million in sales. They are currently booking out to 2018 and beyond.
- The most profitable events are probably trade shows because events at the dirt end are more labor intensive.
- There is no extensive marketing for the Expo Center, and they rely heavily on word-of-mouth.
- When booking events, staff is cognizant of heads-in-beds, as well as the facility's bottom dollar.
- There are about 38 weekends booked for the coming year, and those are generally recurring events. About 60 percent of events are community related and about 40 percent bring people from out of the area. It has been tough to book the facility solid, especially midweek.
- In 1998, there were 13 employees doing \$400,000 in sales; and there are now 7 employees doing over \$1 million in sales. It can be difficult for staff to turn over spaces and get them ready to rent, especially if they have to remove/replace stalls.
- The horse business declined after 2008, and it is slowly coming back. A big focus for the Expo Center is getting new stalls and potentially adding an outdoor arena.
- The question of why Linn County isn't implementing a county lodging tax would need to be directed toward the commissioners. He believes there is split decision on the issue and that there was pushback from the hoteliers about adding an additional tax. A hotel representative present in the audience affirmed that the hoteliers don't want the tax in Albany to be higher than in other nearby communities and that their focus has been on revisiting what is already being collected to see whether it is being used effectively.
- Linn County has agreed to budget \$100,000 per year for five years for improvements and repairs to the Expo Center, this being the first year of that funding.
- Regarding information from the hoteliers' that indicated only \$153,000 of TLT revenue was directly generated by the Expo Center and that the percentage dropped from 27 percent in 2013 to 15 percent currently, he doesn't know how that was determined and he doesn't necessarily agree.
- A marketing position is not the most cost-effective way to assist the Expo Center, in his opinion, because staff is already aware of potential events. When the City Council authorized funding for an outside sales position in May 2015, he recommended that money instead be used for upgrades. It is important to keep the facilities nice so people want to use them.
- There are rentable items and services that could add income, but there is no time to manage that with the currently staffing level. It takes a significant amount of labor to maintain the Expo Center's level of service, and existing staff is tapped out. An additional position was added in this year's budget.
- It may be helpful to partner with an entity like the Albany Visitors Association (AVA) to market the 14 unscheduled weekends or midweek events; however, he is not aware that AVA has ever been asked to market the Expo Center.
- Events at the Expo Center affect the local economy including restaurants, fuel, shopping, and lodging.

There was brief discussion about technology needs at the Expo Center. Porter agreed to provide a prioritized list of capital improvement and repair needs. He invited committee members to contact him if they would like to tour the facility or speak with him further.

Reynolds noted that the hoteliers have given feedback on why groups are not coming to the Expo Center and suggested the two groups work together to identify problems and potential solutions. Porter said he doesn't think there are problems that are keeping groups away, other than the horse stalls.

In response to inquiries, Economic Development & Urban Renewal Director Kate Porsche provided information about the City's financing for construction of the Expo Center which totaled \$2.3 million in principal (\$3.3 million in principal plus interest) with payments made from 1996 through 2010.

Porsche shared a report from the League of Oregon Cities showing the transient lodging tax rates in Oregon cities. The committee expressed interest in receiving further information about the amount of tax assessed by the cities and counties in each area.

TLT Ad Hoc Advisory Committee Discussion

Discussion followed regarding the committee's next steps. Pierson suggested that it may be most effective if committee members begin to document their ideas and come prepared for discussions. Porsche asked that, for the sake of transparency, committee members e-mail any written materials to staff for dissemination in meeting packets.

Staff updates and issues

None.

BUSINESS FROM THE COMMITTEE

Pierson said he would not be able to attend the next meeting. There was general agreement to cancel the August 24 meeting with the next meeting date to be determined through e-mail communications.

Pierson summarized the following action items from this meeting and previous meetings:

- Staff will work with the Linn County Expo Center and representatives of the hotel industry to obtain their respective recommended capital improvements/repairs lists for the Expo Center.
- Staff will provide information regarding transient lodging taxes assessed by cities and counties in Oregon.
- Each recipient organization is asked to provide a one-year budget and accounting of TLT revenues.
- Committee members are asked to provide the Chair with a short statement outlining their marketing credentials for inclusion in the recommendation to the City Council.
- Staff will identify issues yet to be determined related to the TLT Policy statement.
- Committee members are asked to begin documenting their thoughts on allocation/use of funds.

NEXT MEETING DATE

To be determined.

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 4:40 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director