



APPROVED: October 19, 2016

**CITY OF ALBANY
TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, September 14, 2016
3:00 p.m.**

MINUTES

CALL TO ORDER

Chair Scott Pierson called the meeting to order at 3:04 p.m.

ROLL CALL

Committee Members present: Scott Pierson, Julie Jackson, Chuck Leland, Mike Martin, Steve Reynolds

Committee Members absent: Mitch Langjahr (excused), Betsy Penson (excused)

SCHEDULED BUSINESS

Business from the Public

None.

TLT Ad Hoc Advisory Committee discussion

Chair Pierson noted that the Committee had previously discussed what is working well and what needs to be improved relative to TLT revenue allocations and that committee members had agreed to come prepared to discuss their preferred expenditure breakdowns.

Parks & Recreation Director Ed Hodney referred to questions at the last meeting from committee member Mitch Langjahr regarding profit and loss for the Northwest Art & Air Festival (NWAAF) and River Rhythms. Although River Rhythms doesn't receive TLT, neither event makes a profit, and there is some degree of loss each year. He reviewed data he previously presented to the Committee regarding NWAAF. For 2016, it was expected that about \$350,000 would be spent on the event. With a TLT allocation of \$152,000 and anticipated sponsorships, donations, and sales of \$143,000, there was an expected operating deficit of about \$55,000. Not included in the budget is overhead such as staffing, administration, and supplies. The deficit can vary widely from year to year depending on earned income, solicitation of donors and sponsors, and the expense of the act. He hopes that this is sufficient information regarding the profit and loss for this public event which does lose money.

In discussion and in response to questions from the Committee, Hodney made the following additional comments:

- Social benefits are extremely hard to quantify. The NWAAF has wide appeal, and there is a lot of community interest in making the event happen each year. There is no direct cost benefit, but any community that doesn't have events that improve the quality of life for residents and make the community attractive to people from outside is hurting itself.
- The question of whether NWAAF generates TLT differs depending on who you ask. The hoteliers have said they don't believe that it does; however, when staff did an exit poll in 2011, it was estimated that a percentage of attendees did spend one or more nights in the local hotels. The number of hotel rooms likely varies depending in part on what act is booked.

- His recommendation to the Budget Committee and City Council will be to continue NWAAF as a service because there seems to be significant community benefit as a result.
- The increase in TLT revenue for NWAAF from \$71,700 in FY 2014-15 to \$152,000 in FY 2015-16 was an application of existing policy. Other recipients were held flat that year as funds were directed to equipment replacement; however, NWAAF had already signed a contract with the act so the decision was made that the event would receive its full allocation.
- Wristbands are used to regulate the number of people who attend the performance; however, the venue is difficult to control and would need to be changed in order to effectively charge at the gate. In its current configuration, people just outside the perimeter would have essentially the same experience as those who paid to attend.
- Some sponsors like the idea of providing the event for the community free of charge. In addition, many acts will negotiate a lower rate for a free public event where they will be exposed to 15,000 to 20,000 people.

In response to a question from Pierson, Hodney said he would recommend \$100,000 in TLT revenues for NWAAF. As the price of the event goes up and revenues go down, he will have to find funds from other sources; however, he is willing to do that if it's helpful to the community. In addition, he doesn't think the Trolley is used enough that we are getting a good return for the dollar, and there could be savings there as well. Brief discussion followed regarding the potential of allocating a certain amount to Parks & Recreation without micromanaging how those funds are spent.

Economic Development & Urban Renewal Director Kate Porsche said that she had a meeting with the business director and superintendent of the Greater Albany Public School District (GAPS) where they discussed a potential partnership with the City for a sports complex located at West Albany High School. GAPS is getting ready to go out for a bond and may be willing to include this project with some long-term commitment from the City. This is very preliminary, and it is uncertain whether the City would be asked to participate in debt obligation or just operations. Hodney reviewed some preliminary ideas and potential funding packages.

Pierson said there may be conflicts with having adult tournaments at high school facilities. He noted that youth events are allowed at the high school facilities based on personal relationships and that a more fair and equal process would be needed if there was City involvement. Hodney said that the envisioned improvements would lend themselves more to youth tournaments and that youth activities also result in more room stays. He wouldn't recommend that the City enter into an agreement unless it had some control over use of the space. Discussion followed regarding other communities where the City and School District partner and share facilities.

Pierson suggested that the Committee attempt to complete its review at the next meeting on September 28 and present a recommendation to the City Council in October. He reviewed his suggested new categories and preferred allocations for each recipient, noting that this is intended as a starting point for discussions. Other committee members provided their preferred allocations; and the group discussed, compared, and revised their individual expenditure breakdowns while staff documented the discussion on a working draft spreadsheet. Potential new categories were Development, Promotions, Events, and Maintenance. In addition to current recipient organizations, potential new recipients included the Expo Center, sports fields/complex, web updates, and a Parks & Recreation allocation for use at their discretion.

The Committee had preliminary discussion about what to do when there is excess or reduced TLT revenues, hard and soft metrics that could be used to determine the effectiveness of the allocations, and potential marketing suggestions that could be included in the recommendation.

Jackson thought it was important to consider cost-of-living increases for current recipients.

Reynolds advocated continuing the existing policy including the three percent annual increase for the majority of recipients. He would like to revisit allocations to the NWAAF, Collaborative Tourism Promotion (CTP), and Equipment Replacement; and potentially look at reallocating those funds to the

Expo Center, Parks & Recreation activities, and the General Fund. There was some support to remove funding for the Trolley and leave that to the discretion of the Parks & Recreation Director.

Leland wanted to promote things that generate TLT such as the Expo Center and sports complexes.

Porsche agreed to email the working draft spreadsheet to committee members with a request that each complete their preferred expenditure breakdown for further review and discussion at the next meeting.

Staff updates and issues

Economic Development Officer Nathan Reid distributed and reviewed updated information regarding TLT in other Oregon communities.

BUSINESS FROM THE COMMITTEE

There was no further business.

NEXT MEETING DATE

September 28, 2016; 3:00-5:00 p.m., Santiam Room

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 5:14 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director