



NOTICE OF PUBLIC MEETING

TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, September 28, 2016
3:00-5:00 p.m.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
 - September 6, 2016. [Pages 2-5]
 - Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. TLT Ad Hoc Advisory Committee discussion. [Pages 6-12] (Pierson)
Action: _____
 - c. Staff updates and issues. [Verbal] (Porsche)
Action: _____
5. BUSINESS FROM THE COMMITTEE
6. NEXT MEETING DATES: *October 12, 2016; 3:00-5:00 p.m., Santiam Room- tentative*
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, September 6, 2016
3:00 p.m.

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, Steve Reynolds

Committee Members absent: Betsy Penson (excused)

APPROVAL OF MINUTES

July 27, 2016, and August 10, 2016

MOTION: Julie Jackson moved to approve the July 27 and August 10 minutes as presented. Chuck Leland seconded the motion, and it passed 6-0.

SCHEDULED BUSINESS

Business from the Public

None.

TLT Ad Hoc Advisory Committee discussion

Pierson said that the committee has received information from TLT collectors and recipient organizations. He asked how committee members would like to proceed in discussing the information and preparing recommendations for the City Council.

Following discussion regarding Council's direction to the committee and potential ways to proceed, there was general agreement to begin by brainstorming broad ideas around what is working well and what could be improved relative to TLT revenue allocations. Economic Development & Urban Renewal Director Kate Porsche documented the discussion using a working draft word document and spreadsheet. These working drafts will be forwarded to committee members to assist with their review and homework prior to the next meeting.

Steve Reynolds said one thing that is working well is the mindset that TLT funds should be used for tourism and recreational activities rather than adding them to the general fund which the committee has heard is common in other communities. Pierson agreed; he said another positive is that we have a supportive Council that is interested in how these funds are being used.

Martin expressed frustration about funds going to organizations where the results are not trackable. Activities at AMEDC, the Expo Center, and sports complexes are trackable; and he would prefer to fund

those at a higher level. Jackson said smaller organizations likely don't have funding to provide in-depth metrics, but metrics are available from the state tourism group and the Main Street program. She thinks it's important to think more broadly than just number of jobs created or number of heads in beds; the livability of a community is also important and has a lot to do with why companies want to locate there. Pierson suggested that the committee could recommend specific metrics that organizations should track and report on an annual basis.

Pierson initiated discussion about the concept of having TLT funds go to City IT staff which could more effectively ensure that the organizations' websites are maintained and functioning well without broken links. AVA Director Jimmie Lucht commented that the previously identified problem with broken links on AVA's website has been repaired and their staff is monitoring to ensure that doesn't happen again. Martin suggested that the organizations could collaborate so that their websites have links to one another and so there is commonality of color, logo, or layout. Brief discussion followed regarding current capabilities and potential ways to have better collaboration and web functionality.

Pierson initiated discussion about a potential allocation to the Expo Center for capital improvements. Leland noted that the Expo Center has a list of capital needs totaling \$700,000. In response to questions, City Manager Hare affirmed that the City Council previously allocated TLT funds for marketing support at the Expo Center; that position was filled for some time, but it is now vacant. He understands that the Linn County Board of Commissioners has committed \$100,000 annually for five years to the Expo Center. He believes that the City Council would be open to participating in funding capital improvements at the Expo Center if there is a good proposal. Brief discussion followed regarding past discussions about the potential of the County assessing its own lodging tax.

Langjahr thought that additional dog shows and the like would allow the Expo Center to take care of their needed improvements and become a self-funding entity. Economic Development & Urban Renewal Director Porsche noted that Expo staff and others have indicated that no similar county facility in Oregon is self-supporting without TLT revenues.

Reynolds referred to testimony from the hotel operators indicating that 15 percent of TLT revenue is directly generated by the Expo Center. Given that the Expo Center uses City infrastructure, he suggested that 15 percent of the total TLT be split 66/33 between the Expo Center and the City. Hare said he isn't sure that 15 percent of TLT revenue is directly attributable to the Expo Center. Pierson suggested that the committee could recommend funding for the Expo Center in the amount of \$100,000 (ten percent) as a partnership match with Linn County with an annual review of funding needs and priority setting. Langjahr questioned what \$100,000 would really accomplish given the \$700,000 in needs. Martin said he would prefer that the City partner with Linn County to fund the Expo Center on a matching basis as opposed to having Linn County add its own lodging tax.

Reynolds said that information from the hotel operators indicated that 15 percent of TLT revenue is directly generated by the Parks & Recreation Department, and he proposed that amount be returned to them. Langjahr said he hasn't seen information to show that the Parks & Recreation Department is spending the funds effectively. Pierson noted that the departmental budget is controlled by the City Manager, Budget Committee, and City Council.

Langjahr questioned whether events like River Rhythms and Northwest Art & Air Festival (NWAAF) result in a net loss to the City. Pierson said he believes that pulling TLT funding from NWAAF would result in that event going under. Langjahr questioned whether it is worth doing these events if they have to be subsidized and they aren't filling hotel rooms. Leland noted that the events affect the economy in other ways. Martin commented that much of what Parks & Recreation does goes to livability which benefits the entire community. Porsche said she would ask Director Hodney to weigh in on the NWAAF budget and whether that event operates at a profit or loss. It was noted that Hodney had proposed specific capital improvements for sports fields that would draw additional tournaments and generate TLT. Pierson said there is an untapped resource related to sports facilities. Discussion followed regarding potential improvements that would attract tournaments.

Pierson suggested that the committee recommend an annual review by a TLT oversight committee, with in-depth presentations from recipients every other year.

Langjhar said the hoteliers who are collecting these funds help to generate them through marketing efforts. He asked what the City is doing to help the hoteliers. Jackson said the hoteliers are marketing rooms, but they aren't necessarily marketing Albany; however, there is opportunity there for a collaborative effort. Brief discussion followed regarding potential coordination and collaboration related to marketing.

Pierson noted that some recipients said it would be helpful if TLT funds were less restrictive in their direction. For example, the Monteith House said they would like to be able to use the funds for insurance and for salary expenses that would allow them to be open additional hours.

Reynolds asked if the committee thinks it would be helpful to have an annual report from the hotel group regarding the percentage of TLT being generated by each recipient. Pierson noted that the hoteliers said the statistics presented represent only three or four hotels and that it was presented in broad terms without disclosure of proprietary information. He doesn't think the data is necessarily completely accurate; it's up to the committee to determine whether the data presented is fair and reasonable. Brief discussion followed regarding whether it would be beneficial and/or possible for the hotel operators to provide additional tracking and reporting related to organizations/events that generate room nights.

Langjahr said he would like to see a profit and loss report from the Parks & Recreation Department for the NWAAF and other events. He said that other cities charge for some of the things Albany does for free and that it may be time to do something different.

Pierson referred to the current policy and two areas that need to be addressed – terminology used to classify programs and the three percent automatic annual increase for some recipients. Jackson said that it's important for the organizations to have continuity and the ability to plan their budgets. Porsche suggested that the committee might recommend a protected index as well as what to do when there is an increase or decrease in revenues.

Martin noted that the United Way has a process where potential recipients make their case and funding decisions are made on an annual basis based on need. Porsche said that the City previously used a similar process; however, the budget process was being stymied by the inordinate amount of time spent on presentations related to these funds. Martin suggested that annual presentations could be made to the TLT review committee. Jackson said that if there is no continuity of funding to community organizations, it would be difficult to keep great people in these positions.

John Pascone, AMEDC, stated that all of the recipient organizations are doing work that cities do and this is a funding mechanism to get that work accomplished. He said the previous process resulted in the organizations having to be competitive rather than collaborative. He noted that recipients provide annual reports to the City.

Discussion followed regarding next steps. It was agreed that each committee member would come to the September 14 meeting prepared to discuss their preferred allocation for each recipient. Committee members were also asked to create a list of the metrics they would like to see from each TLT recipient and generator for discussion at the September 28 meeting.

Staff updates and issues

Urban Renewal Officer Nathan Reid distributed and briefly reviewed a spreadsheet showing how Collaborative Tourism Promotion funds were utilized from 2012 through 2015.

BUSINESS FROM THE COMMITTEE

There was no further business from the committee.

NEXT MEETING DATES

September 14, 2015; 3:00-5:00 p.m., Santiam Room

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

ADJOURNMENT

Chair Pierson adjourned the meeting at 5:04 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director



I. POLICY STATEMENT

The Transient Lodging Tax Ad Hoc Advisory Committee recommends that the City Council, by motion, adopt the Transient Room Tax (TRT) Policy and establish a TRT Advisory Committee.

The TRT Policy, when adopted by the City Council, establishes an initial methodology to allocate transient room tax dollars in compliance with ORS Sections 320.300 to 320.350 and Albany Municipal Code Chapter 3.14 and in consideration of existing and new programs. The allocation of TRT dollars shall be included in the proposed budget and considered by the Budget Committee and City Council through the existing budget approval process.

The TRT Policy also establishes a TRT Advisory Committee that will meet on an annual basis and may, from time to time, recommend changes in the allocation methodology or other provisions of the policy to the City Council. The goal of this policy is to focus expenditures on those activities that promote tourism, recreational activities, and investments in programs that beautify our community for residents and visitors alike.

II. ADVISORY COMMITTEE

1. A seven-member TRT Advisory Committee is hereby formed. Representation on the committee will include one appointee for each councilor and the Mayor. Appointees must live or work in the city limits and may not be a recipient or a board member of a recipient or collector organization. Appointees shall serve three-year terms outlined as follows: Three of the initially appointed members shall serve a three-year term, two of the initially appointed members shall serve a two-year term, and two of the initially appointed members shall serve for a one-year term. Initial terms of appointment will be staggered according to the alphabetical order of the appointee's surname, beginning with three-year terms for those closest to the beginning of the alphabet. Thereafter, as the terms expire, the Mayor and each Councilor shall appoint replacement members for three-year terms. Members shall serve without compensation. All members of the TRT Advisory Committee will serve at the pleasure of the Council and may be removed from their position by the Council at any time without cause. Any vacancies in the Committee shall be filled through appointment by the appropriate Council member and ratification by the City Council. Vacant positions will be filled for the remainder of the unexpired term of the previous appointee.
2. The TRT Advisory Committee will meet annually prior to the City's budget meetings to review actual transient room tax revenues and any implications to the allocation methodology described in this policy and may recommend changes to the allocation methodology or this policy to the City Council.
 - a. Every other year, this review shall be an in-depth review of budgets, income, expenditures, results, and metrics.
 - b. Off-years, the meeting will be an expedited process to review information, make budget recommendation, and recommend any other changes as needed.
 - c. Ad hoc meetings shall be held when needed to review Collaborative Tourism & Promotion fund requests (outlined below).

3. All meetings of the TRT Advisory Committee shall be public meetings with proper notice, agendas, and minutes as required by ORS Sections 192.610-192.710.

III. PROGRAM TYPES

1. Outside Agencies: Albany Downtown Association (ADA), ADA Main Street program, Albany Visitors Association (AVA), Linn County Expo Center (Expo)
2. City Services: Public Works Streets, Public Safety [Albany Policy Department (APD) and Albany Fire Department (AFD)], Equipment Replacement, City Trolley, Albany Airport, Monteith House Museum, City Administrative Expenses
3. Events: Northwest Art and Air Festival (NWAAF) and Veterans' Day Parade
4. Economic Development: Albany-Millersburg Economic Development Corporation (AMEDC), City of Albany Economic Development
5. Collaborative Tourism & Promotion

The initial methodology of allocating TRT revenues provides that funding for existing programs may increase up to three (3) percent per year but only if TRT revenues are sufficient to provide for the increase. A reduction in TRT revenues may be offset from the reserve account but shall not be offset from any other City resource.

IV. METHODOLOGY FOR ALLOCATION

Annual budget shall be constructed in the following manner:

1. Funds will first be attributed to the City of Albany to cover administrative costs related to the fund.
2. Second, the following pass-through funds shall be funded at the same levels as the previous year, plus three percent (3%) increase, should funds allow:
 - a. Outside Agencies: Albany Downtown Association (ADA) (including the Main Street program), Albany Visitors Association (AVA), Linn County Expo Center (Expo) shall all receive three percent (3%) annual increases, only if the TRT revenues have increased enough to fund all programs outlined in this document.
 - i. ADA
 - ii. Albany Main Street Program Development: Funds are used for the Albany Downtown Association's Main Street Program in the areas of design, promotions, economic development, and organization as defined by the National Main Street Program — a downtown marketing program, targeted business recruitment, interpretive historic signage, technical improvements for the website, computers and software, event development, a downtown maintenance program, seminars, speakers, and educational opportunities for downtown business owners.
 - iii. AVA
 - iv. Expo: Any funds transferred to the County for projects at the Expo shall be on a matching, reimbursement basis. The City will match hundred percent (100%) of the County's contributions for the specific purposes of capital improvement projects up to \$_____ per year.
 - b. Economic Development: Albany-Millersburg Economic Development Corporation (AMEDC), City of Albany Economic Development

- c. City Services: Public Works Streets, Public Safety [Albany Policy Department (APD) and Albany Fire Department (AFD)], Equipment Replacement, City Trolley, Albany Airport, Monteith House Museum
 - i. Public Works Streets: Reimbursement to Albany Public Works Department for costs associated with the parade and other events.
 - ii. Public Safety: Funds are used for reimbursement to the Albany Police and Fire Departments for personnel costs associated with support for community events.
 - iii. Equipment Replacement
 - iv. City Trolley
 - v. Albany Airport
 - vi. Monteith House Museum: The Monteith Historical Society will use funds to for either capital improvements or operating expenses for the Monteith House Museum. This includes operations, building maintenance, exhibit development, ADA improvements, preservation materials, and artifact acquisition.
 - d. Events: Northwest Art and Air Festival (NWAAF) and Veterans' Day Parade
 - i. NWAAF: Funds are used for reimbursement to the Albany Parks & Recreation Department for expenditures not recovered from event sponsors.
 - ii. Veterans' Day Parade: Funds are used for continued funding for the parade and future reimbursement.
3. If funds are available after the previous items have been funded, then Collaborative Tourism & Promotion shall receive a portion of the balance, up to \$50,000 annually. This fund is managed by the TRT Advisory Committee. Funding requests may come from or through any recipient organization, or outside organization. Approval of funding requests must be supported by a majority of the TRT Advisory Committee. Funds are used for matching grants up to \$_____ for event start-up costs to outside agencies, new marketing campaigns, or expanded advertising for a new element of an existing event; travel expenses to submit proposals to host events, conferences, and trade shows. The funds shall not be used for wages or benefits.
 4. If there is still an excess of funds, remainder of funds shall go to _____.
 5. In the case of decreased revenues:
 - a. CTP shall not be funded that year.
 - b. Funds shall first be attributed to the City of Albany to cover administrative costs related to the fund and shall be held flat to previous year.
 - c. Outside Agencies, Economic Development, City Services, and Events shall be funded as fully as possible, up to a three percent (3%) increase. If decrease in overall revenues cannot maintain a flat budget, reserve account may be used to make agencies whole at a flat (no increase) rate for that year. If use of reserve funds does not make allocations whole, then all recipients listed in this section shall receive a proportionate decrease in funds. See Section VI for details on use of reserve account.

V. METRICS

Understanding the impact of the TRT dollars is important to the City Council and our citizens. The goal of this section is to outline the types of metrics and reporting that will be required of TRT recipients to report on. It is understood that there are some activities funded by TRT that create a direct return on investment in terms of increased nights at local hotels, it is also recognized that some activities, such as beautification of our community do not have a direct, quantifiable metric that can be associated with the activity.

Following is a breakdown of the metrics for each program type and recipient. Metrics shall be reviewed annually by the TRT Advisory Committee. New or different metrics may be considered as time goes on. Metrics are categorized as "Hard" metrics, those with specific,

quantifiable results, and “Soft” metrics, those with more general, or amorphous measurements.

PROGRAM TYPE	RECIPIENT	HARD METRICS	SOFT METRICS
Outside Agencies	ADA	<ul style="list-style-type: none"> • Events held • 	<ul style="list-style-type: none"> • Investment in Downtown beautification, public safety, local businesses
	AVA	<ul style="list-style-type: none"> • # of hotel nights from Expo events for specific events • Retention of events year-to-year 	
	Linn County Expo	<ul style="list-style-type: none"> • # of hotel nights from Expo events • Retention of events year-to-year 	
City Services	Streets		
	APD		
	AFD		
	Equipment Replacement		
	Trolley		
	Airport		
	Monteith House Museum		
Events	NWAAF	<ul style="list-style-type: none"> • Room nights related to event 	
	Veterans' Day Parade	<ul style="list-style-type: none"> • Room nights related to event 	
Overall Metrics	ALL	<ul style="list-style-type: none"> • Occupancy Rate • Total overnight stays • Average Daily Rate • 	

VI. GUIDELINES FOR RESERVE ACCOUNT

The reserve account is intended to smooth the impacts of unanticipated swings in TRT revenues upon existing programs and, thereby, enable the existing programs to better develop strategies for promoting tourism and tourism-related activities. The reserve account shall be maintained according to the following guidelines:

1. A reserve account will be established and maintained at a target balance of \$100,000. The reserve account will only be used to offset actual fluctuations in TRT revenues and is not a contingency account for unforeseen changes in individual activities.

2. Decreased revenues for more than one year will be reviewed by the TRT Advisory Committee before the next budget cycle in order to establish a plan to replenish the reserve account.
3. Increased revenues will be directed first to existing programs, secondly to the reserve account, and thirdly to new programs on a proportionate basis.

Supersedes: 4/27/11	Created/Amended by/date:	Effective Date:
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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?			