



NOTICE OF PUBLIC MEETING

TLT AD HOC ADVISORY COMMITTEE
City Hall, Santiam Room
Wednesday, October 19, 2016
3:00-5:00 p.m.

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
 - September 14, 2016. [Pages 2-4]
Action: _____
 - September 28, 2016. [Pages 5-10]
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] (Salinas)
Action: _____
5. BUSINESS FROM THE COMMITTEE
6. NEXT MEETING DATES: *October 26, 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.



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,

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, September 28, 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, Mitch Langjahr, Chuck Leland, Mike Martin, Betsy Penson (arrived 3:10), and Steve Reynolds

Committee Members absent: None

APPROVAL OF MINUTES

September 6, 2016

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

SCHEDULED BUSINESS

Business from the Public

Rebecca Bond, Albany Visitors Association, said that an ongoing challenge in Albany is a lack of clean, safe, accessible public restrooms. City Hall restrooms are open to the public during Farmers' Market; but opening it during other events would come with a security staffing cost. She thought this might be a topic for the Committee.

Peggy Burris, Albany Downtown Association, agreed that there is a need for public restrooms in Downtown Albany. The Committee briefly discussed the issue, and Pierson asked that the comment be forwarded to appropriate staff.

Jimmie Lucht, Albany Visitors Association, referred to a previous comment from Mike Martin regarding AVA staffing. He clarified that there are six employees, but their total hours equal only 4.3 FTE.

TLT Ad Hoc Advisory Committee discussion

Pierson said he would like to present a recommendation to the City Council that is representative of all of the Committee members' opinions. If the group is unable to reach consensus, he thinks it would be appropriate to present the differing opinions along with the justification behind them so they can be considered and weighed by Council.

Discussion followed regarding time frame. Porsche advised that she has accepted a position with the City of Redmond and will be leaving Albany and that her last day will be Monday, October 3. If the

Committee's work continues beyond today, the City Manager or Assistant City Manager will be the staff person for the group.

Jackson shared information from the Oregon Travel Impacts Study showing that Linn County visitor spending for those who stay in hotels or motels was \$33.8 million and visitor spending for those who stay in private homes was \$38.9 million. Mike Martin said the study is interesting; however, hotel dwellers generate TLT and the Committee is tasked with determining how best to increase that. Jackson said she believes the TLT is intended to generate tourism and increase livability in Albany; she doesn't agree that the only purpose of TLT revenue is to generate additional TLT.

Leland would prefer that the Committee come to agreement and make one recommendation to the City Council. In response to his questions, Burris explained that the ADA receives funding for both ADA activities and the Main Street Program, a proven national program to revitalize historic downtowns, that is run through the ADA. The Main Street Program includes the hanging flower basket program, tree lights on First Avenue, holiday lighting, beautification, promoting events, etc. Main Street Program funding is currently distributed on a reimbursement basis, and she asked that be changed so that the ADA can receive the money and spend it wisely. Pierson asked whether it would be acceptable to combine the two funds into one allocation for ADA. Burris said that would increase flexibility and wouldn't be a problem as long as the allocation was large enough to run both programs.

Langjahr noted that downtown retail stores were closed on a recent Saturday evening, and he wondered why those businesses aren't open additional hours. Burris said she has urged downtown retailers to be open more hours, but these are small business owners who make their own decisions. Martin suggested that with so many restaurants now open downtown, it may be time for the retailers to reconsider their hours. Burris said she would continue to encourage retailers to be open more hours, especially during the holiday season.

Porsche displayed a working spreadsheet that included each committee member's previously submitted preferred TLT revenue allocations. Committee members reviewed their preferred allocations and the thoughts behind them, as summarized below.

Langjahr's comments included the following:

- The AVA's website is incomplete and out-of-date, although its Facebook page looks good and appears to be regularly updated. He recommends an allocation for web updates for the recipient organizations, including getting the AVA website up to standards and really promoting Albany.
- In looking at other communities' visitor association websites, many are driven by membership and corporate sponsorship. Things could be done differently with AVA, freeing up money for other expenses. He recommends a reduced allocation for the AVA.
- Parks & Recreation Director Ed Hodney has indicated that the Northwest Art and Air Festival (NWAAF) costs about \$350,000, not including staff time, which has been funded by sponsorships and vendors (\$143,000), TLT revenue (\$152,000) and City Parks & Recreation (\$54,000).
- Festivals in Vancouver, Eugene, and Rickreall charge for admission. Based on 50,000 attendees, a \$5 admission fee would raise \$250,000. On Ticket Master, tickets for Brett Michaels, last year's feature NWAAF act, start at \$125. He recommends no TLT allocation for the NWAAF.
- He recommends an increased allocation for the Linn County Expo Center. The Committee has heard that there are substantial needs at that venue which generates TLT.

Pierson noted that Langjahr shows the allocation for equipment replacement continuing. Langjahr said he views that as something that is necessary, and he supports the continued allocation.

Pierson referred to comments from Hodney that some NWAAF sponsors support keeping it a free event and that acts would likely charge more if there was a fee at the gate. Langjahr said that conversations with the booking agent haven't occurred, so we don't know what the differential would be. He thinks a discussion is needed with the sponsors; he believes they would understand if it was explained that the event is losing money and that we either need to increase sponsorship or charge at the gate.

Porsche noted that under statutory requirements, a minimum of 40 percent of the TLT must go toward tourism-related activities; it will be important to check with the City Attorney to ensure that future TLT allocations can make that nexus.

Penson's comments included the following:

- All of the recipients and participants have the best intentions, but there are ways we can work smarter. Many visitor associations have switched to a model that includes member participation. This committee may not have been needed if there had been better stakeholder collaboration.
- She found the presentation on equipment replacement needs to be compelling. Quality of life includes good emergency response times and she would prefer that funds go for new equipment rather than to the general fund for undesignated use.
- She recommends a decreased allocation to the AVA because that work can be done smarter and with less money. A recent event at the mall – Girls Night Out – was accomplished successfully with a fraction of the cost by switching from radio and newspaper advertising to Facebook and digital media. Organizations need to look at new media and new ways to communicate.
- There is overlap between the ADA and AVA. On behalf of a business that contributes significant property taxes, generates jobs, and is a destination for visitors and citizens, it's difficult to see money given to market individual businesses. Theoretically, downtown businesses and property owners should promote downtown; the AVA shouldn't be another marketing arm for downtown.
- ADA is doing an awesome job, and she recommends continuing that funding at its current level.
- The availability of matching funds for projects was her motivation for allocating funds to the Airport.
- AMEDC helps bring businesses to town which expands the employment base; she recommends continuing that allocation.
- She recommends a slight increase for the Veterans' Day Parade because that great event could potentially use additional funds for marketing.
- She recommends no funding for the NWAAF which, although a great event, could be self-supporting.
- Of everything discussed, improving horse stalls at the Expo Center makes the most sense in terms of bringing people to the community.
- Sports fields could be tremendous for people who live here and for bringing commerce to Albany.
- She supports funding for web design. A first class visitors' website and the ability to book lodging on the website is a wonderful resource for travelers.

Leland's comments included the following:

- He supports allocating funds to things that generate TLT. His two major areas of allocation are the AVA because it promotes Albany and the Expo Center because it generates heads in beds.
- He recommends reduced funding for ADA. He was previously a tenant in a major shopping center where a percentage of the tenants' gross revenue was required to go to advertising. He thinks foot traffic could be generated downtown with a similar program.
- He supports a significant allocation to the Expo Center. The County is contributing for operations in excess of what the facility brings in, and there is a list of more than \$700,000 of needed improvements. Funding at a higher level will get those projects done so events will come back.
- He supports a reduced allocation for the NWAAF, and he agrees that event should charge an entrance fee.
- He recommends no allocation for the Trolley.
- He is an advocate for compromise on all of this.

In response to a question from Porsche, Leland affirmed that he supports no allocation for City Economic Development; he thinks that staffing should come from the general fund.

Pierson reviewed conversations at the Budget Committee regarding the City's serious equipment replacement needs. He said that the TLT allocation is a small fraction of the need, that it is not a sustainable solution, and that it will not fix the problem. He noted that Langjahr and Penson support funding for Equipment Replacement and Leland does not. Leland affirmed that he thinks equipment replacement should come from the general fund. Penson clarified that she included funding for equipment replacement because she saw that it was funded for two years; however, she wouldn't want to see that as an ongoing allocation.

Jackson's comments included the following:

- She recommends no allocation for Collaborative Tourism Promotion (CTP). Based on past performance, she feels those funds could be put to better use.
- She recommends no allocation for equipment replacement. New equipment is imperative; but the allocation is a drop in the bucket compared to need, and she thinks the City can do a better job of figuring out how to replace vehicles.
- Web design and social media activities are very important; she recommends a slight increase in the allocation for AVA to assist with those activities.
- She supports a rounded up allocation for the Airport and AMEDC.
- She suggests that the allocations for ADA and the Main Street Program be flipped because it makes sense for them to have more unencumbered money.
- Large stores have national advertising and resources that small stores don't have and organizations such as ADA exist to help those small businesses. Malls and thriving downtowns complement each other.
- She recommends an unchanged allocation for the Veterans' Day Parade because they haven't asked for more.
- She recommends a reduced allocation for NWAAF. She agrees that event could have an entry fee and/or creative thinking about how to make that work.
- She supports a slight increase for Monteith House and recommends that be unencumbered so the organization can use the funds for operations.
- She supports an allocation for the Trolley. This small amount of money provides value with school tours, summer programs, and other uses.
- She recommends that the Expo Center be allocated ten percent of TLT funds.
- She doesn't recommend an allocation for a sports complex due to unknowns around that project and potential partnership with the school district.
- After metrics have been set and reported on, consideration can be given to further adjusting some of the allocations.

Reynold's comments included the following:

- The TLT is a special revenue source and should be viewed as such. It is money outside of the general fund that should be used for the enjoyment of visitors and inhabitants of the city.
- It wouldn't be prudent to reduce the recipient organizations' allocations prior to having expectations in place. He has ideas for soft and hard metrics that he will want to discuss later.
- He recommends an allocation to AMEDC based on the percentage of revenue the hoteliers indicated was generated by the organization – 22 percent.
- He recommends an allocation to the Parks & Recreation Department based on the percentage of revenue the hoteliers indicated was generated by the department – 15 percent.
- He supports an allocation of 8 percent for City Economic Development to be used for staffing or other expenses at the discretion of the City Council.
- The Expo Center is said to be generating 15 percent of the TLT revenue. Because they are using City infrastructure and public services, he recommends that amount be split 66/33 between the Expo and the City which would result in the Expo Center receiving 10 percent of TLT revenues.
- It would be desirable if the Expo Center used TLT funds for capital improvements; however, he isn't sure that they should be restricted. If the hoteliers bring back information showing that the amount of TLT attributable to the Expo Center has decreased, the allocation can be revisited.

- He supports removing the restriction on Monteith House so the funds can be used for operations.
- The ADA is promoting wonderful events downtown, but they are not TLT-generating. With the opening of downtown restaurants and the Albany Carousel, there may be opportunities to generate overnight stays.
- The AVA is doing good work but their website needs to be updated and improved.
- The Airport is currently unsustainable without TLT funding; he hopes they will look at other funding options long-term.
- He supports folding the Trolley allocation into the Parks & Recreation allocation and letting the Director determine what to do with the Trolley.
- He recommends an allocation of seven percent for the NWAAF. He agrees there should be a gate fee for the entertainment.
- He recommends no allocation for the CTP or for equipment replacement.
- In general, he thinks that organizations should be rewarded for generating TLT with the return of those funds.

Martin's comments included the following:

- He recommends no allocation for the CTP.
- He recommends an allocation for AVA of 4.5 percent.
- He supports the idea that NWAAF should have an entry fee.
- The Expo Center and a sports complex have the largest potential of generating TLT.
- He supports restrictions on the Expo Center allocation so those funds go for needed improvements and not repairs.
- He recommends an allocation of ten percent for web development. It's important to improve, update, and coordinate the web pages of all of the TLT recipients.

Pierson's comments included the following:

- He agrees that TLT revenues are important special funds that should go toward improvement of commerce in the community.
- He does not support using TLT for equipment replacement. Department directors have said they are not funding equipment replacement so they can put limited funds toward employees and keep services going; but he thinks that is short-term thinking.
- Recommendations from this Committee should be continually revisited and performance metrics should be developed so recipients know expectations. He doesn't support cutting funds for recipients at this time; however, that may change once expectations have been communicated.
- He supports allocations to the Expo Center, sports fields, and marketing.
- There should be continuity and collaboration among the recipients, with websites and marketing materials having the same look and feel. He supports an allocation to the City which has the expertise to assist in web updates and marketing.
- He supports an allocation to the Expo Center of \$100,000 per year, directed toward capital improvements, not operations, and he hopes the County will contribute as well.
- He supports releasing some of the restrictions, including allowing Monteith House to use the funds for operations.
- He would like to merge the ADA and Main Street Program allocations and allow the organization to decide how to best use those funds.
- He supports eliminating the allocation for the Trolley based on the Director's comments that it is not well utilized and that it would be a serious expense to rebuild.

Pierson said he sees commonality in the recommendations. The group generally agrees that NWAAF should be self-funding, that funding the Expo Center and sports fields would improve commerce, that some of the funds should be less restricted, and that the current recipients' allocations should not be reduced but that hard and soft metrics will be established to evaluate their use of funds going forward. One area where there is some difference of opinion is the use of TLT for equipment replacement.

Pierson asked that Committee members come to the next meeting prepared to find common ground and to discuss recommended metrics and policy language.

Staff updates and issues

Martin said that he will not be able to attend the October 12 meeting, but he will send information to staff for dissemination to the group.

Pierson thanked Porsche for the great work she has done for the City and for being an important contributor to this group. The Committee expressed appreciation with a round of applause.

BUSINESS FROM THE COMMITTEE

There was no further business.

NEXT MEETING DATE

October 12, 2016; 3:00-5:00 p.m., Santiam Room

ADJOURNMENT

Hearing no further business, Chair Pierson adjourned the meeting at 5:10 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director