

**Priority:** Thriving Economy

**Lead Agency:** Non-Departmental - All

**Program Offer Type:** Existing Operating

**Program Contact:** Mindy Harris

**Related Programs:**

**Program Characteristics:**

**Executive Summary**

This program offer budgets the revenue and expenditures associated with the County's commitment to funding the Oregon Convention Center. This program operates under intergovernmental agreements (IGAs) with various jurisdictions and the Visitors Development Board. The program accounts for proceeds of the Transient Lodging Tax and Motor Vehicle Rental Tax that are passed through to METRO, the lead agency for the Convention Center.

**Program Description**

This program accounts for a portion of taxes collected from area hotels, motels, and vehicle rental agencies. The Transient Lodging Tax has supported the Oregon Convention Center since 1986. The tax is set at 11.5% on all hotel and motel room rentals in Multnomah County. Cities retain 5% of the tax generated within their boundaries. Another one percent supports regional tourism promotion. The remaining 5.5% supports programs associated with the Oregon Convention Center, the Regional Arts & Culture Council (RACC), and the Visitors Development Board. The Motor Vehicle Rental Tax was increased by the Board of County Commissioners (BCC) in April, 2000. This 2.5% increment is entirely dedicated to support of the activities noted above.

**Program Justification**

This program links to the Thriving Economy priority. It supports the Oregon Convention Center which hosts programs, conferences, and events that bring visitors and business groups to Portland. The tourism and travel industry is among the leading private sector employers in Oregon. Large conventions generate significant activity for local hotels, restaurants, and retail establishments. The Portland Oregon Visitor's Association (POVA) has estimated that a typical out-of-town convention delegate will spend between \$600-\$700 during a three-day stay in the region. A report released by Dean Runyan & Associates documents the dollar impact of all visitors to the Portland metropolitan area. That report indicates that visitors to Portland contribute more than \$1.2 billion to the economy.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Annual convention center visitors	643,700	0	643,700	650,000
Outcome	\$ contributed to Multnomah Co. economy by convention center visitors (millions)	316	0	316	316

**Performance Measure - Description**

Data is from the Oregon Convention Center annual report '04-05. No mid-year estimates are available. Multnomah County economic benefit was 75% of the total Oregon Convention Center benefit - Washington & Clackamas received the other 25%.

## Legal/Contractual Obligation

This program is mandated by IGAs that dictate how the revenues received in the Special Excise Tax Fund are allocated. There is no discretion in allocating the revenue - all receipts are turned over to METRO pursuant to terms specified in the IGAs.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2007	2007	2008	2008
Contracts	\$0	\$17,800,000	\$0	\$19,600,000
Internal Services	\$0	\$62,000	\$0	\$0
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$17,862,000</b>	<b>\$0</b>	<b>\$19,600,000</b>
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$17,862,000</b>	<b>\$0</b>	<b>\$19,600,000</b>
Program Total:	<b>\$17,862,000</b>		<b>\$19,600,000</b>	
Program FTE	0.00	0.00	0.00	0.00
<b>Program Revenues</b>				
Taxes	\$0	\$17,550,000	\$0	\$19,166,000
Other / Miscellaneous	\$0	\$312,000	\$0	\$434,000
Program Revenue for Admin	\$0	\$0	\$0	\$0
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$17,862,000</b>	<b>\$0</b>	<b>\$19,600,000</b>

## Explanation of Revenues

The transient Lodging Tax was originally established in 1972. It was established at a rate of 5% of the room rent collected by hotels/motels in unincorporated Multnomah County. In January 1979, a voter-approved increase of 1% in unincorporated Multnomah County was established to be used exclusively for the promotion of tourism. A supplemental Countywide tax of 3% was adopted in February 1986 and is dedicated to the Oregon Convention Center. Effective April 1, 2000, an additional tax of 2.5% was adopted by the BCC and is dedicated to a Visitor Development Fund. The Motor Vehicle Rental Tax was originally established for a three-year period in 1976 and was extended indefinitely in 1979. a tax rate of 10% is imposed on motor vehicles rented in Multnomah County. The tax was increased by 2.5% in April 2000 and this increment is dedicated to a Visitor Development Fund.

## Significant Program Changes

**Last year this program was: #10028, Convention Center Fund**

This program is not expected to change in FY 2008.