

Program # 10022 - Convention Center Fund

Version 2/22/2011 s

Lead Agency: Non-Departmental - All

Program Contact: Mark Campbell

Program Offer Type: Existing Operating

Related Programs:

Program Characteristics:

Executive Summary

This program offer budgets the revenue and expenditures associated with the County's commitment to fund the Oregon Convention Center and the Visitor's Development Initiative. This program operates under intergovernmental agreements (IGAs) between Multnomah County, the City of Portland, and METRO. The program accounts for proceeds of the Transient Lodging Tax and Motor Vehicle Rental Tax that are passed through to METRO, for operation of the Oregon Convention Center, and other tourism related entities.

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.

This program 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. Travel Portland (formerly 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 prepared in early 2011 by Crossroads Consulting Services documents the dollar impact of the visitors facilities managed by METRO. The report estimates the economic impact at just less than \$682 million per year.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY09-10)	Current Year Purchased (FY10-11)	Current Year Estimate (FY10-11)	Next Year Offer (FY11-12)
Output	\$ (in Millions) Impact of Convention Center Visitors to Multnomah County	350	380	403	425
Outcome	# of Employees in Travel/Tourism Industry	0	4,300	4,410	4,760

Performance Measure - Description

New measure added in last year's budget provides an estimate of the number of people employed in the travel/tourism industry. Multnomah County accounts for 2/3rds of tourism related activity. Travel/tourism accounts for approximately 10% of metropolitan area employment.

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 per County Code and pursuant to terms specified in the IGAs.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2011	2011	2012	2012
Contracts	\$0	\$19,014,000	\$0	\$20,055,250
Total GF/non-GF:	\$0	\$19,014,000	\$0	\$20,055,250
Program Total:	\$19,014,000		\$20,055,250	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Taxes	\$0	\$18,800,000	\$0	\$19,700,000
Other / Miscellaneous	\$0	\$214,000	\$0	\$355,250
Total Revenue:	\$0	\$19,014,000	\$0	\$20,055,250

Explanation of Revenues

The transient Lodging Tax was originally established in 1972. A supplemental Countywide tax of 3% was adopted in February 1986 and is dedicated primarily to operations of the Oregon Convention Center. Effective April 1, 2000, an additional tax of 2.5% was adopted by the BCC and is dedicated to the Visitor's Development Initiative.

The Motor Vehicle Rental Tax was originally established in 1976. The tax was increased to 12.5% in April 2000, with the additional 2.5% dedicated to the Visitor's Development Initiative.

Significant Program Changes

Last year this program was: #10022, Convention Center Fund