

	<p><b>City of Albany</b>  Finance Policy  Policy #: F-12-11-002  Title: Transient Lodging Tax Policy</p>	
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**I. POLICY STATEMENT**

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

The TLT Policy, when adopted by the City Council, establishes an initial methodology to allocate transient lodging 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 TLT dollars shall be included in the proposed budget and considered by the Budget Committee and City Council through the existing budget approval process.

The TLT Policy also establishes a TLT 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, economic development, recreational activities, and investments in programs that beautify the community for residents and visitors and that increase the number of overnight stays.

**II. ADVISORY COMMITTEE**

1. A seven-member TLT Advisory Committee is hereby formed. Representation on the committee is defined by City Council resolution.
2. The TLT Advisory Committee will meet every six months annually starting the first week in September to review actual transient lodging 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 a 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 TLT 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 Development, and Albany Visitors Association (AVA)
2. Economic Development: Albany-Millersburg Economic Development Corporation (AMEDC) and City of Albany Economic Development

3. City Services: Public Works Streets, Public Safety [Albany Policy Department (APD) and Albany Fire Department (AFD)], City Trolley, Albany Airport, Monteith House Museum, and City Administrative Expenses
4. Events: City of Albany Parks & Recreation and Veterans' Day Parade
5. Sports Facilities: Funds are used for the support to the Albany Parks & Recreation Department for development and maintenance.
6. Linn County Expo Center (Expo)
7. Collaborative Tourism & Promotion

#### 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. In order to comply with ORS Sections 320.300 to 320.350, the activities of the following organizations meet the criteria as tourism related (40 percent is required to be contributed towards tourism-related programs):
  - a. ADA's Albany Main Street Program Development
  - b. Albany Visitors Association
  - c. City Trolley
  - d. Monteith House Museum
  - e. Northwest Art & Air Festival
  - f. Veterans' Day Parade
  - g. Collaborative Tourism Promotion
3. Second, the following programs shall be funded at the same levels as the previous year, plus a three percent (3%) increase, should funds allow:
  - a. Outside Agencies: Albany Downtown Association (ADA), ADA's Main Street Program, and Albany Visitors Association (AVA)
    - i. ADA
    - ii. ADA's 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
  - b. Economic Development: Albany-Millersburg Economic Development Corporation (AMEDC) and City of Albany Economic Development

- c. City Services:
    - i. Public Works Streets: Funds are used for support to Albany Public Works Department for costs associated with the parade and other events.
    - ii. Public Safety: Funds are used for support to the Albany Police and Fire Departments for personnel-associated costs for community events.
    - iii. City Trolley
    - iv. Albany Airport
    - v. Monteith House Museum: The Monteith Historical Society will use funds for either capital improvements or operating expenses for the Monteith House Museum. This includes developing new events, operations, building maintenance, exhibit development, ADA improvements, preservation materials, and artifact acquisition.
  
  - d. Events: City of Albany Parks & Recreation and Veterans' Day Parade
    - i. NWAAF: Funds are used for support 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 support.
  
  - e. Sports Facilities: Funds are used for support to the City of Albany Parks & Recreation Department for development and maintenance.
4. Linn County Expo Center: Any funds transferred to the County for projects at the Expo shall be for capital projects.
  5. If funds are available after the items above in Section IV, #1 and #3a through #3e, have been funded, then Collaborative Tourism & Promotion shall receive a portion of the balance, with a minimum of \$45,000 annually. This fund is managed by the TLT 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 TLT Advisory Committee.
  6. Additional funds could be allocated to each organization for marketing expansion.
  7. If there is still an excess of funds, remainder of funds shall be distributed by the TLT Advisory Committee recommendations.
  8. In the case of decreased revenues:
    - a. 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.
    - b. 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 TLT 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 TLT recipients to report on. It is understood that there are some activities funded by TLT 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.

A breakdown of the metrics for each program type and recipient is shown in Attachment A. Metrics shall be reviewed annually by the TLT Advisory Committee. New or different metrics may be considered as time goes on.

**VI. GUIDELINES FOR RESERVE ACCOUNT**

The reserve account is intended to smooth the impacts of unanticipated swings in TLT 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 TLT 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 TLT 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: April 27, 2011	Created/Amended by/date: April 26, 2017	Effective Date: April 26, 2017
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## METRICS

### Organization

Monthly meetings with the core stakeholders (some organizations may attend depending on their events/schedule)

- AVA
- ADA
- AMEDC
- Fairgrounds
- Hotels
- Chamber
- Parks & Recreation
- Carousel
- Heritage Mall

### ADA

- Reduce vacancy rate (downtown)
- Membership growth/retention/attraction
- Mailing address campaigns
- Maintain highest level of Oregon Main Street Certification
- Events and attendance

### AVA

- TLT Revenue (gross revenue)
- City lodging occupancy
- Website/social media information (Google Analytics/Google Business)
- Referral traffic (AVA to outside stakeholders)
- Visitor Center traffic (number of people coming through the door)
- Group visits or activities (new groups, retain, number of pitches)
- Engagement and participation with stakeholders

### AMEDC

- Job creation/retention
- New investment
- Property tax increase due to effort
- Prospects/proposals

### Monteith House

- Number of visitors
- Number of tours

### Parks & Recreation/Northwest Art & Air Festival

- Number of nights associated directly related to festivals and sporting events
- Media inclusions created for events, sponsors
- Break-even on Northwest Art & Air Festival  
[In order to break-even, this would require a change in the funding process, i.e., generating additional revenue by charging admission to the Saturday concert.]