

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON
ORDINANCE NO. 870

An ordinance amending Multnomah County Code Chapter 5.50 (transient lodging tax) to authorize transfers of certain tax revenues to cover operating expenditures of the Oregon Convention Center, Expo, Portland Center for the Performing Arts, Civic Stadium, cultural tourism, and neighborhood arts programs.

(Language in brackets [] or stricken is to be deleted; underlined language is new.)

MULTNOMAH COUNTY ORDAINS AS FOLLOWS:

SECTION I. Findings and Purpose

(A) A consolidation committee appointed by the owners of the regional facilities currently operated by the Metropolitan Exposition-Recreation Commission (MERC) made a series of recommendations for the facilities' management and operation, including but not limited to the recommendation that these regional facilities continue to be operated under unified management so as to maximize economies of scale and other efficiencies. The consolidation committee's work was followed by A a Transition Committee made up of representatives from Multnomah County, City of Portland, Metro, Northwest Business Committee for the Arts, and chaired by Don McClave, Portland Metropolitan Chamber of Commerce has which produced a report specifying the operating and capital needs of the Portland Center for the Performing Arts and the Civic Stadium.

(B) The Metro Regional Arts Funding Task Force noted the critical need for

1 stable, dedicated funding for arts programs to keep them functioning.

2 (C) The transient lodging tax appears to produce sufficient revenue to cover the
3 operational deficits of the Oregon Convention Center and the Portland Center for the
4 Performing Arts and to support ongoing capital maintenance at an acceptable level at those
5 facilities.
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7 (D) The transient lodging tax will be insufficient to fund the backlog of
8 unaddressed capital issues at the Portland Center for the Performing Arts and the Civic
9 Stadium, and will be insufficient to fund major structural changes such as expansion of the
10 Oregon Convention Center.

11 (E) Operations of the Oregon Convention Center, the Exposition Center, the
12 Portland Center for the Performing Arts, and the Civic Stadium can be effectively secured
13 by allowing the proceeds of the transient lodging tax to underwrite their expenses no matter
14 what form of governance directs them providing for a fair allocation of the proceeds of the
15 transient lodging tax as provided in this ordinance, and by maintaining joint operation of
16 these important facilities on a regional basis in order to maximize economies of scale and
17 other management efficiencies.
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19 **SECTION II. Amendment**

20 MCC 5.50.050(B) is amended to read:
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22 (B) Three-eighths of the proceeds [of the eight percent] from the tax imposed by
23 this section of the Multnomah County Code shall be allocated to the
24 Transient Lodging Tax Fund. [convention and trade show center special
25 fund, which is hereby created. The convention center special fund is subject
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to the following limitations:]

(1) As used in this section of the Multnomah County Code:

- (a) ~~[Convention and trade show center]~~ Facilities means The Oregon Convention Center, The Portland Center for the Performing Arts, The Exposition Center, The Civic Stadium, and neighborhood arts programs.
- (b) *Operating expenses* means the total cost of all labor, benefits, overhead, maintenance, materials and services incurred by the operator or operators of the ~~[convention center]~~ facilities in encouraging attendance, [in] administering, and operating events held in the facilities and in obtaining events to be held there or as part of the neighborhood arts programs.
- (c) *Reserved.*
- (d) *Reserved. [Lead agency means Metro.]*
- (e) Cultural tourism means a program or programs to attract visitors to the Portland area for the purpose of attending cultural and recreational events and exhibits;
- (f) Neighborhood arts means arts programs aimed at increased community and educational exposure to arts and involvement in artistic endeavors to enhance the quality of life in the region thus increasing tourism and increasing long term support for cultural programs.

1 (2) Before paying the tax imposed by this chapter, as required by MCC 5.50. 75,
2 the operator may deduct an amount equal to five percent of that portion of the
3 tax that is allocated to the ~~[convention and trade show center special fund]~~
4 Transient Lodging Tax Fund. This five percent ~~[of the amount attributable to~~
5 ~~the convention and trade show center special fund]~~ may be retained by the
6 operator as reimbursement for the operator's expenses in collecting the tax
7 imposed by this chapter.
8

9 (3) *Reserved.*

10 (4) *Reserved.*

11 ~~[(5) After voters have approved issuance of general obligation bonds to finance~~
12 ~~or partially finance construction of the convention and trade show center or~~
13 ~~financing for construction has been obtained by some other means, funds~~
14 ~~deposited in the convention and trade show center special fund shall be used~~
15 ~~to assist Metro for the following purposes:]~~
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17 [(a) First, to pay any expenses incurred on activities identified
18 under MCC 5.50.050(B)(4).]

19 [(b) Second, if all expenses identified in subsection (a) above have
20 been satisfied, to pay any unfunded annual operating
21 expenses that may have been incurred by the convention and
22 trade show center;]

23 [(c) Third, if all expenses identified in subsection (a) above have
24 been satisfied and if no otherwise unfunded annual operating
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1 ~~expenses exist or if funds remain after the otherwise unfunded~~
2 ~~annual operating expenses have been paid, to provide for the~~
3 ~~promotion, solicitation, procurement, and service of convention~~
4 ~~business at the convention and trade show center to the extent~~
5 ~~necessary to fully implement the annual marketing program~~
6 ~~adopted by Metro;]~~

7
8 [(d) ~~Fourth, if the needs identified in the foregoing subsections (a)~~
9 ~~through (c) have been fully satisfied, to pay ancillary costs~~
10 ~~associated with the development, construction and operation of~~
11 ~~the convention and trade show center, including but not limited~~
12 ~~to site acquisition costs and construction costs including~~
13 ~~financing of those costs;]~~

14
15 [(e) ~~Notwithstanding the limitations on spending in subparagraphs~~
16 ~~(a) through (d), Metro may use an amount not to exceed~~
17 ~~4600,000.00 per year, for three years beginning with Metro's~~
18 ~~fiscal year 1994-1995, for operation of the Portland Center for~~
19 ~~the Performing Arts.]~~

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21 [(f) ~~Notwithstanding the limitations on spending in subparagraphs~~
22 ~~(a) through (e), Multnomah County may transfer an amount not~~
23 ~~to exceed \$100,000.00 per year, for three years beginning with~~
24 ~~fiscal year 1994-1995, as a special appropriation to the~~
25 ~~Regional Arts and Culture Council.]~~
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1 ~~[(g) The transfer of funds for operation of the Portland Center for~~
2 ~~the Performing arts and for the Regional arts and Culture~~
3 ~~Council pursuant to subparagraphs (f) and (g) shall not be~~
4 ~~made if, prior to June 1 of any year, the Metro Council declares~~
5 ~~that an emergency requires the funds to be used for the~~
6 ~~Oregon Convention Center. Any such declaration shall be in~~
7 ~~writing and shall be transmitted from Metro to the Chair of~~
8 ~~Multnomah County. The circumstances pertaining to the~~
9 ~~Oregon Convention Center warranting a declaration of an~~
10 ~~emergency shall include, but not be limited to:]~~

11
12 ~~[(i) Current resources except beginning fund balance do~~
13 ~~not meet current expenditures less renewal and~~
14 ~~replacement fund transfer and unappropriated balance;]~~

15
16 ~~[(ii) Revenues from the tax drop by more than 25 percent in~~
17 ~~any year when measured against the prior year;]~~

18 ~~[(iii) A major structural failure at the center (not otherwise~~
19 ~~insured) such that total reserves are insufficient to repair~~
20 ~~the damage without the use of all or part of the three-~~
21 ~~year \$2,100,000.00 commitment.]~~

22
23 ~~[(iv) Or any other situation that threatens the normal~~
24 ~~operation of the convention center.]~~

1 ~~[(h) Notwithstanding the limitations on spending in subparagraphs~~
2 ~~(a) through (g), Metro may use an amount not to exceed~~
3 ~~\$9,000.00 total for the construction of a new exhibit hall at the~~
4 ~~Portland Exposition center.]~~

5
6 (5) Provided that the owners of the Metro and City of Portland facilities continue
7 to maximize economies of scale and other management efficiencies by
8 operating these facilities under a unified regional management organization,
9 Multnomah County will pay from the proceeds of the tax that is allocated to
10 the Transient Lodging Tax Fund:

11 (a) For the operation of the Oregon Convention Center,
12 \$3,800,000 in fiscal year 1997-98 and, in each fiscal year
13 thereafter, that amount plus annual percentage increases
14 equal to the greater of the change in the Portland SMSA CPI or
15 the overall change in the proceeds of the tax; provided,
16 however, that in the event that the overall increase in the
17 proceeds of the tax in any given year exceed 7%, any
18 additional funds beyond the 7% increase shall be allocated as
19 specified in subsection (e) of this part, below.

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21
22 (b) For the operation of the Portland Center for the Performing
23 Arts, \$1,200,000 in fiscal year 1997-98 and, in each fiscal year
24 thereafter, that amount plus annual percentage increases
25 equal to the lesser of the change in the Portland SMSA CPI or
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the overall change in the proceeds of the tax;

(c) For a program or program(s) for cultural tourism, to be administered by the unified management organization operating the Portland Center for the Performing Arts through a contract with the Portland Oregon Visitor's Association, and in collaboration with the Regional Arts and Culture Council, \$200,000 in fiscal year 1997-98 and, in each fiscal year thereafter, that amount plus annual percentage increases equal to the lesser of the change in the Portland SMSA CPI or the overall change in the proceeds of the tax;

(d) To the Regional Arts and Culture Council, any remaining balance up to \$200,000 of the proceeds of the tax after the payments in sections (a) through (c) are made, to be allocated as follows:

(i) \$100,000 for neighborhood arts;

(ii) \$100,000 to broaden participation in and visitorship to the region's cultural and artistic assets by residents of outlying areas of the greater Portland metropolitan region.

(e) Any remaining balance of the proceeds from the tax after the payments in sections (a) through (e) are made shall be allocated towards replacement, renewal, expansion, and other

capital needs of the facilities managed jointly under the regional management organization, on an as-needed basis to be determined by the regional management organization.

(f) To the operator of the Oregon Convention Center any remaining balance of the proceeds from the tax after the payments in sections (a) through (e) are made.

(6) Earnings on proceeds allocated to the Transient Lodging Tax Fund ~~[convention and trade show center special fund]~~ shall be credited to the Transient Lodging Tax Fund.

(7) The amounts specified in subsection 5, above, shall be subject to review by the Board of County Commissioners five years from December 19, 1996 and every five years thereafter.

(8) The tax imposed by MCC 5.50.050 is separate and independent of the tax imposed by MCC 5.50.055. Nothing in MCC 5.50.050 is intended or should be construed as modifying the one percent tax provided for by MCC 5.50.055.

(9) Notwithstanding MCC 5.50.575, no person subject to the tax imposed under MCC 5.50.050 shall be entitled to a credit against the payment of that portion of the tax allocated to the ~~[convention center and trade show special fund]~~ Transient Lodging Tax Fund. The three-eighths of the eight percent tax imposed by MCC 5.50.050 that is allocated to the Transient Lodging Tax Fund ~~[convention center and trade show center special fund]~~ shall be due

and payable in accordance with this chapter regardless of the amount due any incorporated city or town within Multnomah County for a transient lodgings tax for the same occupancy made taxable under this chapter.


[(C) ~~The provision to increase the rate from five percent to eight percent under subsections (A) and (B) of this section shall take effect on April 1, 1986.]~~

Section III. Adoption

Adopted this 2nd day of January, 1997, being the date of its second reading before the Board of County Commissioners of Multnomah County, Oregon.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON


Beverly Stein, Chair

REVIEWED:

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By 

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(as amended 12/19/96)