

Visitor Facilities IGA

*Overview of Existing Agreement and
Proposed Changes*

September, 2013





Outline

- History of the Visitor Facilities IGA
- Programs Supported by the IGA - Current
 - The “Bucket” System
 - Historical Performance of Visitors Trust Fund
- Why Are Changes Needed Now?
 - Reflection of Updated Priorities
 - Mechanism to Support OCC Hotel Project Bonds
- Other Considerations
- Questions/Comments



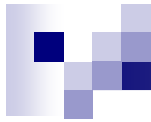
Creation of the Visitor Facilities IGA

- Established in 2001
 - Innovative and Unique Public/Private Collaboration
 - Agreement Between Multnomah County, City of Portland, and Metro
 - Significant Input and Support of Local Travel and Tourism Industry
- Designed to Support Convention Center Expansion, Other Visitor Facilities, and Promote Tourism
 - Created the Visitors Development Fund, Inc.
- County Imposed Tax Surcharges
 - Transient Lodging Tax (2.5%)
 - Motor Vehicle Rental Tax (2.5%)
 - Taxes to Remain in Place Until Bonds Paid Off



IGA Currently Funds

- Debt Service on Bonds Issued For:
 - ☐ OCC Expansion
 - ☐ PCPA Renovations
 - ☐ Civic Stadium Renovations/Improvements
- Operating Support For:
 - ☐ OCC Operations
 - ☐ PCPA Operations
 - ☐ Tri-Met Fareless Square
- Tourism Support:
 - ☐ Enhanced OCC Marketing
 - ☐ Visitors Development Fund
- County Serves as Fund Trustee and Receives Administrative Fee



Visitor Facilities Trust Account - Income and Expenses

FY 2001 thru FY 2013 Actual

Fiscal Year	Total Net Revenues	Trustee Fee	Total Debt Service	OCC Operations	Marketing	Fareless Square	Visitor Development Fund	PCPA Operations
2001	10,154,912	(75,383)	(1,397,937)	(5,740,000)	(250,000)	-	(250,000)	(250,000)
2002	7,884,390	(54,618)	(6,355,856)	(600,000)	(350,000)	(300,000)	(500,000)	(500,000)
2003	8,280,405	(57,702)	(6,558,028)	(950,000)	(352,450)	(302,100)	(503,500)	(503,500)
2004	8,212,754	(57,391)	(6,825,305)	(1,000,000)	(357,384)	(306,329)	(134,978)	-
2005	8,805,855	(61,481)	(7,266,021)	(250,000)	(366,676)	(314,294)	(523,823)	(23,560)
2006	9,734,528	(67,716)	(7,386,266)	(300,000)	(376,210)	(322,466)	(537,442)	(537,442)
2007	10,834,886	(75,107)	(7,544,947)	(300,000)	(385,615)	(330,527)	(554,103)	(554,103)
2008	11,904,255	(82,413)	(7,728,947)	(400,000)	(396,403)	(339,775)	(563,066)	(563,066)
2009	10,619,376	(73,770)	(7,905,197)	(1,060,000)	(417,728)	(358,052)	(596,753)	(596,753)
2010	10,009,515	(69,826)	(8,097,591)	(660,000)	(413,896)	(354,768)	(591,279)	(591,279)
2011	11,364,977	(79,391)	(8,084,960)	(960,000)	(419,276)	(359,380)	(598,966)	(598,966)
2012	12,354,839	(86,297)	(7,410,481)	(960,000)	(431,435)	(369,802)	(616,336)	(616,336)
2013	13,426,974	(93,777)	(7,716,076)	(1,206,444)	(441,358)	(378,807)	(1,505,961)	(630,511)



Why Revise IGA Now?

- **Modify to Conform to Current Conditions**
 - Fareless Square
 - Provide City w/ Ability to Refinance Stadium Bonds
 - Clean-Up Document Structure and Language
- **Reflect Updated and New Priorities**
- **Provide a Mechanism to Direct Site-Specific TL Taxes to Support Construction of OCC Hotel Project**
- **Provide a Mechanism to Support Debt Service Payments Related to OCC Hotel Project**
- **Provide for Long Term Financial Stability of the Visitor Facilities Trust Account (VFTA) System**



Changes From Current IGA

- County Bucket Authorized
 - \$250K in FY 2014, Escalates to \$1 Million Over Time
 - Provide for County Support of Tourism Activities
- City Bucket Authorized
 - \$250K in FY 2014, Escalates to \$500K in FY 2015
 - Provide Support for Rose Quarter Capital Needs
- Convert Fareless Square Bucket to Convention Transportation Pass Bucket
- Creates an OCC Hotel Debt Service Bucket
- Financial Stability Ensured Through:
 - Financial Review Team
 - Creation of Two Dedicated Reserves



Other Considerations

- Bonds to Support Hotel Project Not Issued Until Metro Has an Executed Development Agreement
 - Establishes Deadline of 12/31/2018
- County to Amend Transient Lodging Tax Code w/in 90 Days of IGA Ratification by All Parties
- Memorializes Savings Generated From City Refinance of Convention Center/PCPA Bonds
 - Creation of “VDF 2”
- Provision for Development of a Strategic Plan
 - Parties to Convene Not Later Than January, 2020



Summary

- Current IGA Has Been In Place For 13 Years
 - But, Changes Necessary For Various Reasons
- VFTA Has Been Amazingly Resilient
 - Region Has Experienced Two Significant Economic Downturns Since 2001
- Changes to VFIGA Provide For New Opportunities
 - OCC Hotel Project
 - Funding for City and County Priorities
 - Continued Support for OCC Operations and Additional Funding Allocated to VDFI Board
- Financial Review Team Provides for Greater Oversight and Stewardship