FOREST GROVE OREGON

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City Council Work Session Minutes **Monday, April 24, 2017**
Transient Lodging Tax Ad-Hoc Advisory Group **5:30 p.m., Conference Room**

Minutes are unofficial until approved by Council.
Council approved minutes as presented May 8, 2017.

1. **ROLL CALL:**
Mayor Peter Truax called the Work Session to order at 5:32 p.m.

ROLL CALL: COUNCIL PRESENT: Timothy Rippe; Ronald Thompson; Elena Uhing; Matthew Vandehey; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Thomas Johnston, Council President, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Jeff King, Economic Development Manager; and Anna Ruggles, City Recorder.

2. **WORK SESSION: TRANSIENT LODGING TAX (TLT) AD-HOC GROUP PRELIMINARY RECOMMENDATIONS**
King and VanderZanden facilitated the work session, noting the purpose of the work session was to discuss and seek feedback from Council on the preliminary recommendations of the TLT Ad-hoc Advisory Group. King introduced Steve Vuylsteke, Sake One, Advisory Chair, and Carolyn McCormick, Washington County Visitors Association (WCVA) Executive Director, who presented a PowerPoint presentation overview recapping the advisory group's findings and recommendations, noting the group held seven meetings over the course of three months and took a deliberative approach, which included analysis of collateral marketing materials; websites; search engines; existing tourism goals and objectives; Forest Grove Branding Guide; Forest Grove hotel operations, needs and competitor hotel pricing; and alternatives for a potential tourism coordinator. Vuylsteke reported special attention was made to understand the hotelier industry and impacts a potential TLT would have on hotels, noting the advisory group's preliminary recommendation is to establish a two percent (2%) TLT, from which the City would accrue approximately $80,000 per year to fund a Tourism Program, consisting of the following:
    1. Hire a Tourism Coordinator $44,000/year
    2. Promotion/Marketing Materials $15,000/year
    3. Capital Projects $10,000/year
    4. Innovative Projects/Events $9,000/year
    5. Administrative Fee (WCVA) $2,000/year

Council Discussion:
Mayor Truax opened the floor and roundtable discussion ensued pertaining to the advisory group's recommendation for the City to establish a two percent (2%) TLT to fund a Tourism Program as summarized above. Vuylsteke, McCormick, King and VanderZanden

responded to various concerns, inquiries and scenarios Council presented pertaining to the advisory group's recommendations, noting the two percent (2%) TLT would be above the 10.8 percent already charged by the county and state, of which 70 percent of the revenues must be dedicated to tourism-related purposes. Roundtable discussion ensued pertaining to how the TLT is implemented and how the group derived at two percent (2%), to which King explained the Council would adopt an ordinance implementing the TLT and an agreement with the County to collect the TLT on behalf of the City, noting the group, which included three hotels, determined that a two percent (2%) TLT was reasonable and would not adversely affect the hotel occupancy rate in Forest Grove. McCormick provided background information on Washington County's TLT, pointing out Hillsboro is looking at implementing a 2-3 percent TLT and Beaverton currently has a four percent TLT. In addition, McCormick provided insight if WCVA oversees the tourism coordinator position, noting WCVA has the ability and office space to oversee the position but that it would require board approval. Mayor Truax pointed out the importance of transparency, noting he appreciates how the advisory group reached consensus on its own accordance and is making recommendations for consideration. In conclusion of the above-noted discussion, Council collectively voiced consensus to seeking further recommendations from the TLT advisory group regarding who and how the program would be overseeing and managed. VanderZanden advised staff would continue working with the TLT advisory group and schedule a follow-up work session with Council to present the advisory group's recommendations.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 6:28 p.m.

Respectfully submitted,

Anna D. Ruggles

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Anna D. Ruggles, CMC, City Recorder