

March 19, 2019

SB 595 Testimony in Opposition

Chair Haas, Vice-Chair Bentz and honorable members of the Senate Committee on Finance and Revenue.

I am Jeff Miller, President and CEO of Travel Portland, the Destination Marketing and Management Organization for the city of Portland. I am here today to testify against proposed SB 595. Our job is to not only attract visitors and their dollars to Portland but to ensure that economic impact creates and supports jobs throughout the city. In 2018, visitors spent \$5.3 billion in Portland and tourism was responsible for 36,360 jobs in the city, which was a 36.2% increase over the number of jobs the industry supported in 2010. In addition to promoting Portland, we are committed to moving visitors throughout the entire state in collaboration with Travel Oregon and Oregon's DMOs to further that economic impact.

I received a call from Senator Betsy Johnson on Friday introducing me to her colleague Rick Williams who wants to bring a very large conference by the Marine Technology Society called Oceans 2023 to Portland and Oregon. With well over 1,000 attendees, Oceans 2023 would not only create huge economic impact but also would bring attention to the work Oregon is doing in this critical marine space. Travel Portland will have our convention sales team create a winning bid, which we are able to do because we are funded by transient lodging tax. TLT resources are critical to growing the convention business. You can imagine that the entire coast and all of Oregon will benefit from having this conference.

An analysis of how much lodging tax is actually realized in each of the 36 Oregon counties shows that the path proposed by SB 595 will not create sufficient funding for affordable housing. However, the same amount of funds, when leveraged against the work and budgets of Travel Oregon and other DMOs, become critical to promoting tourism in our smaller regions.

In Portland, we have the Visitors Facilities Intergovernmental Agreement, or VFIGA, between the city of Portland, Multnomah County and Metro in collaboration with lodging and rental car businesses. 2.5% of our Transient Lodging Tax (TLT) and 2.5% Vehicle Rental Tax (VRT) is available to fund financial support of visitor facilities. We have been negotiating for the last 2 years on how we might use these funds differently to help our community thrive. A tentative agreement was struck which would allow the majority of vehicle rental tax to be used by Multnomah County to fund supportive services through the Joint Office for Homelessness

Services, escalating from \$1.775 million in 2019/20 to \$5.25 million in 2022/23 forward increasing by CPI. Portland's visitor facilities are aging, in need of repair and in need of stable funding which, but for the VFIGA agreement, would come from general funds. The lodging and rental car industry agreed these funds should be used to help those struggling with homelessness but also to ensure our visitor facilities remain functional. By passing SB 595, you open the door to redirection of funding for critical infrastructure while not fixing an affordable housing problem in any community.

I would like to thank you for the opportunity to testify here today in opposition of SB 595. In closing, it is important to recognize both the City of Portland and Metro in the work they have done to pass housing bonds valued at more than \$911 million combined (\$652.8 by Metro and \$258.4 by the City). These efforts were done without impacting the current TLT structure, which is definitely working. We saw nearly a 50% increase in visitor spending in Portland from 2010 to 2018 and last year's \$1.5 billion in employee earnings represents more than an 80% increase over the same eight-year period.