

1 **ORDINANCE BILL NO. 16-19**

2 AN ORDINANCE RELATING TO TOURISM PROMOTION; AMENDING SRC
3 37.190; AND CREATING NEW PROVISIONS SRC 37.200; 38.010; 38.020; 38.030;
4 38.040; 38.050; 38.060; 38.070; 38.090; 38.100; 38.110; 38.120; 38.130; 38.140; and
5 38.150.

6 *The City of Salem ordains as follows:*

7 **Section 1.** SRC 37.190 is hereby amended, and SRC 37.200 and SRC 38.010 to 38.150
8 are hereby created as set forth in Exhibit A, attached hereto and by this reference
9 incorporated herein.

10 **Section 2. Findings.**

11 (a) The travel industry is a major economic driver in the nation and the Salem region.
12 Travel is among the largest traded sector employers in the United States and in Oregon.
13 Visitors to the Salem region spent \$603 million directly in the region in 2018, generating
14 7,100 jobs and \$23.8 million in state and local tax revenue;

15 (b) The City provides critical base-level funding through transient occupancy tax to
16 the City’s Destination Marketing Organization (“DMO”) for marketing and promotion
17 activities necessary to promote the City as a tourist and convention destination;

18 (c) Cities in competition with Salem are increasing their investment in marketing and
19 promotion. To remain competitive and not lose market share, Salem must increase
20 funding available to promote the City as a premiere travel destination;

21 (d) The City Council finds that it is in the public interest and vital to the welfare of
22 the City’s economy to expand funding for tourism promotion by establishing an initiative
funded by the hospitality industry;

(e) At the request of the Salem Area Lodging Association, the City Council has
directed that an ordinance establishing a Tourism Promotion Area (TPA) be presented to
City Council for its consideration;

(f) A TPA provides a stable source of funding for the DMO to marketing and
promotion efforts, with the ultimate goals of increasing occupancy and room rates for
lodging businesses, and increasing Transient Occupancy Tax collections;

1 (g) The DMO will be required to establish an advisory committee, comprised of
2 operators of lodging that are subject to the TPA to approve the DMO's annual work plan
and provide recommendations to the DMO;

3 (h) The TPA fee will be allocated to the DMO and will supplement the Transient
4 Occupancy Tax funds already allocated to the DMO to promote tourism, and help
5 Salem's lodging industry compete with other communities; and

6 (i) Annual TPA fee revenue is estimated to be \$890,000, which, less recovery of the
7 City's administrative costs, will be allocated to the DMO, and is the preliminary estimate
of the probable cost of the projects to be undertaken under this ordinance.

8 **Section 3. Codification.** In preparing this ordinance for publication and distribution, the
9 City Recorder shall not alter the sense, meaning, effect or substance of this ordinance, but
within such limitations, may:

10 (a) Renumber sections and parts of sections of the ordinance;

11 (b) Rearrange sections;

12 (c) Change reference numbers to agree with renumbered chapters, sections or other
parts;

13 (d) Delete references to repealed sections;

14 (e) Substitute the proper subsection, section or chapter, or other division numbers;

15 (f) Change capitalization and spelling for the purpose of uniformity;

16 (g) Add headings for purposes of grouping like sections together for ease of
reference; and

17 (h) Correct manifest clerical, grammatical or typographical errors.

18 **Section 4. Severability.** Each section of this ordinance, and any part thereof, is
severable, and if any part of this ordinance is held invalid by a court of competent
jurisdiction, the remainder of this ordinance shall remain in full force and effect.

19 **Section 5. Effective date.** This ordinance shall be effective on January 1, 2020.

20
21 PASSED by the City Council this _____ day of _____, 2019.

22 ATTEST:

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City Recorder

Approved by City Attorney: _____

Checked by: T.Turley