

**From:** [Bill Dixon](#)  
**To:** [CityRecorder](#)  
**Cc:** [Vanessa Nordyke](#)  
**Subject:** Agenda Item 4.a. File # 24-457 Public Hearing to renew the Tourism Promotion Area in Salem for an additional five years – Testimony in Opposition  
**Date:** Friday, December 6, 2024 12:19:24 PM

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I write to oppose the renewal of the Tourism Promotion Area for an additional five years. Instead, I recommend that the City Council reject the five-year renewal and direct staff to prepare a proposal for a one-year renewal, after which time the TPA would be dissolved.

My thinking is as follows:

As a matter of practice, the city should scale back or eliminate programs that provide special tax treatment to specific entities or areas of the city. Such programs automatically disadvantage other entities (including competitors) as well as taxpayers in other areas of the city. Plus, it is unclear what, if any, benefits these special tax programs provide to the city budget.

A one-year renewal of the TPA would allow lodging operators and others in the tourism industry to decide if and how they would want to continue an industry-wide promotional activity without a city tax. Given that local tourism businesses already have a marketing organization, Travel Salem, they would seem to have a strong foundation for a self-funded promotional future.

Winding down the TPA and other tax subsidies for specific entities and areas of the city will allow city government to focus on strong basic services for all: public safety; reliable, efficient infrastructure; fair regulations; and abundant resources for learning and outdoor recreation.

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**Subject:** Tourism Promotion Area renewal  
**Date:** Monday, December 9, 2024 11:07:07 AM

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Dear Mayor and City Council,

As lodging operators affected by and subject to the Tourism Promotion Area tax of 2% on overnight stays at both The Grand Hotel in Salem, and The Hotel Salem (formerly, Phoenix Inn Suites South Salem), we do not support renewal of the TPA for another 5 year term.

The concept of the TPA is not without merit. In fact, we were very active in the efforts to establish and implement the TPA in Salem. However, a cost-benefit analysis of TPA performance over the last five years informs and leads us to our conclusion to not support its renewal.

Lodging operators are facing cost pressures and increases on all sides while continuing to adjust to enduring shifts in travel patterns post-pandemic. While some may argue the 2% tax is paid by the guest, the reality is that it impacts rate, which in turn impacts traveler decision making, leading to fewer guest stays and additional pressure on costs. We will pursue any opportunity to reduce costs where more benefit isn't lost, and believe that is the case with the TPA.

We recognize other lodging operators may not share our opinion on the TPA, and thus will continue to be active participants in the oversight and implementation of TPA funds should it be renewed.

Sincerely,

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