



November 13, 2018

Mayor Bennett and Councilors,

RE: STPA Ordinance Adoption

The Salem Area Lodging Association is requesting inclusion on the 2019 Council Agenda to consider adoption of an ordinance creating the Salem Tourism Promotion Area (STPA). The STPA would establish a benefit assessment of 2% on all gross short-term room rental revenue booked in the City of Salem. The fee would be paid by transient visitors when staying in a Salem lodging property. The STPA revenues would be dedicated to marketing and promotion that is focused on shoulder season business (Oct.-Mar.). An Advisory Council made up of the contributing lodging operators would oversee and advise Travel Salem on where the funds are invested. STPA efforts will grow the Salem TOT collections at a faster rate, which will increase the 75% of TOT funds available for City-based priorities.

The City of Salem would be responsible for collecting the STPA and remitting funds to Travel Salem on a monthly basis. To achieve savings and efficiencies, STPA collections could use the same form, timeline and procedures currently used to collect the TOT. Once a fair cost to execute STPA collections is determined, monthly reimbursement to the City from the collections would be a presumed.

Several other communities in Oregon are considering implementation of Tourism Promotions after successful results in Portland, OR for the last 6 years. After seeing TOT revenues growing due to increased occupancy increasing City wide occupancy by 12% and average daily rates increasing by 29%, their lodging operators just renewed the District for another 10 years.

The TID/TPA model is used in 200+ markets across the country, with proven results and benefits to local economies. Tourism is the front door to economic development and TPA's ultimately result in diversified jobs creation and healthy vibrant communities.

The Lodging Association looks forward to working with City Council and the City of Salem to implement the STPA at the earliest time in the 2019 calendar as possible to provide maximum impact.

Respectfully submitted,

Scott Snyder
Salem Area Lodging Association Chairperson