



Staff Report

File #: 24-251

Version: 1

Date: 7/8/2024

Item #: 3.3a.

TO: Urban Renewal Agency Board

THROUGH: Keith Stahley, Executive Director

FROM: Kristin Retherford, Director, Community Planning and Development

SUBJECT:

Salem Convention Center Marketing Addendum for Fiscal Year 2025 (FY25).

Ward(s): Ward 1

Councilor(s): Stapleton

Neighborhood(s): CANDO

Result Area(s): Strong and Diverse Economy; Welcoming and Livable Community

SUMMARY:

The proposed FY25 budget allocation of Transit Occupancy Tax (TOT) for Convention Center marketing purposes is \$524,590. The Convention Center also has available \$79,757 from unused funds through FY23. It received \$477,000 for FY24, with final payment to be reconciled by September 30 once final TOT revenue is known. The Convention Center Manager is required to submit a marketing plan (Attachment 1) for Agency Board approval annually.

ISSUE:

Shall the Urban Renewal Agency authorize the Executive Director to execute the attached Amendment and Addendum for marketing the Salem Convention Center that provides Transient Occupancy Tax revenues of \$524,590 for Salem Convention Center Marketing in FY25 (Attachment 2)?

RECOMMENDATION:

Authorize the Executive Director to execute the attached Amendment and Addendum for Marketing the Salem Convention Center that provides Transient Occupancy Tax revenues of \$524,590 for Salem Convention Center marketing in FY25.

BACKGROUND:

In July 2003, the Agency Board adopted Resolution No. 03-9 URA, exempting the Salem Convention Center management and marketing functions from competitive bidding requirements. The management agreement with The Salem Group, LLC (Manager), whose principal is Steven V. Johnson, was renewed in November 2020, for fifteen years. An intergovernmental agreement between the City and the Agency provides TOT revenue to pay for Convention Center marketing tasks. The overall Management Agreement requires the Agency to pay 10% of TOT revenue annually (minimum of \$300,000) to the Manager for this purpose. Each fiscal year, the Urban Renewal Agency and Manager execute a Marketing Addendum to the Management Agreement, outlining budget line items for marketing and the Agency's expected payment.

Michael Brown
Financial Services Manager

Attachments:

1. FY25 Marketing Plan and Budget
2. FY25 Marketing Agreement and Addendum