

**Tillamook County**  
**Transient Lodging Tax Policy For Tourism-Related Facilities**

**I. Purpose**

1. The purpose of this policy is to establish guidelines and procedures for implementing Tillamook County Ordinances 74 and 75 as they relate to the use of Transient Lodging Tax (TLT) funds for tourism-related facilities.
2. The portion of monies contained in the Transient Lodging Tax Fund that are dedicated by Tillamook County Ordinance #74 for tourism-related facilities, shall be distributed and administered in accordance with this policy.

**II. Definitions**

By state law and County Ordinance #74 the definitions of a “tourism-related facility” and other terms relevant to this policy are as follows:

1. “Board” means the Tillamook County Board of Commissioners.
2. “Conference center” means a facility that:
  - A. Is owned or partially owned by a unit of local government, a governmental agency or a nonprofit organization; and
  - B. Meets the current membership criteria of the International Association of Conference Centers.
3. “Convention center” means a new or improved facility that:
  - A. Is capable of attracting and accommodating conventions and trade shows from international, national and regional markets requiring exhibit space, ballroom space, meeting rooms and any other associated space, including without limitation banquet facilities, loading areas and lobby and registration areas;
  - B. Has a total meeting room and ballroom space between one-third and one-half of the total size of the center’s exhibit space;
  - C. Generates a majority of its business income from tourists;
  - D. Has a room-block relationship with the local lodging industry; and
  - E. Is owned by a unit of local government, a government agency or a nonprofit organization.

4. "Tourism" means economic activity resulting from tourists.
5. "Tourist" means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person's community of residence, and that trip:
  - A. Requires the person to travel more than 50 miles from the community of residence; or
  - B. Includes an overnight stay.
6. "Tourism-related facility" means:
  - A. A conference center, convention center or visitor information center; and
  - B. Other improved real property that has a useful life of ten or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
7. A "tourism-related facility" may also include a master plan, engineering study or architectural work reasonably required to locate, design or construct a tourism-related facility or facilities, or the operation of such a facility.
8. "Visitor information center" means a building, or a portion of a building, the main purpose of which is to distribute or disseminate information to tourists.

### **III. Allocation of TLT Funds for Tourism-Related Facilities**

1. The allocation, use and disbursement of TLT funds shall be consistent with ORS 320.300 to 320.350, Tillamook County Ordinance #74, Tillamook County Ordinance #75, and any amendments thereto.
2. Ordinance #74 provides that seventy percent (70%) of the net TLT funds be used to fund tourism promotion or tourism-related facilities; finance or refinance the debt of tourism-related facilities and pay reasonable administrative costs incurred in financing.
3. There presently exists a 5-year Intergovernmental Agreement (IGA) with the Tillamook County Economic Development Council (EDC) concerning the use of TLT funds for tourism promotion. During the first year of that

agreement, 45% of the net TLT revenue allocated for tourism marketing and promotion is made available for distribution to EDC. Each year thereafter the amount available for distribution to EDC increases by 1% until the 5<sup>th</sup> year of this agreement when 50% is available for distribution to EDC for tourism marketing and promotion.

4. Subject to the above referenced IGA, the balance of the net TLT funds dedicated by law to tourism promotion and tourism-related facilities are hereby allocated for tourism-related facilities as follows:
  - A. The County shall include within its annual budget adequate expenditure authority for the amount of TLT funds anticipated to be received for each fiscal year.
  - B. After the beginning of each fiscal year, the Board shall identify the Strategic Investment Projects (SIPs) (subsection IV(1)) to be funded during that fiscal year. Project selection shall focus on projects defined in the County-wide and Fairgrounds strategic plans described in Sections IV and V of this Policy.
  - C. The Board *may* allocate funding to be distributed in accordance with the Tourism-Related Facility Grant Program pursuant Section VI of this Policy. A range between \$200,000 and \$500,000 may be a reasonable allocation, but the allocation will be at the Board's sole discretion and based on available funding.
  - D. The Board may allocate funding to a reserve fund to support the need to fund contingencies as they may arise.

#### **IV. Tillamook County Strategic Plan**

1. Following the implementation of this Policy, the County will solicit proposals from qualified firms or individuals to perform a County-wide strategic plan for tourism-related facilities. The use of tourism-related facility funds is approved for this project. The firm or individual to whom a contract is awarded will conduct a series of town hall meetings in north, south and central Tillamook County to solicit proposals or information for potential large projects. The selected contractor will also meet with citizen advisory committees in each area of the County where such committees have been formed. The contractor will also merge existing proposals generated by Visit Tillamook Coast (VTC) and other entities that have completed strategic plans. The Board of Commissioners, together with the Tourism Advisory Committee (TAC) described in subsection VII(1) of this Policy, will conduct one or more hearings on the merged list of potential large projects to prioritize the SIPs to receive funding pursuant to subsection III(4)(B) of this Policy.

2. The adopted Strategic Plan should thereafter be revised at least once every five (5) years.

**V. Tillamook County Fairgrounds Strategic Plan**

1. Pursuant to subsection III(4)(B) of this Policy, after the beginning of each fiscal year, the Tillamook County Fair Board shall provide to the Tillamook County Board of Commissioners the Fairgrounds project recommendations for funding during that fiscal year.
2. County staff shall procure and administer Fairgrounds projects supported by tourism-related facilities funding.

**VI. Tourism Related Facility Grant Program**

1. There is hereby created a Tourism Related Facilities Grant Program. It may be funded annually pursuant to subsection III(4)(C) of this Policy.
2. On or about September 1 of each year, the County may solicit grant applications for tourism-related facility projects under this program.
3. Any city, county or other local government, including a port, special district, or intergovernmental agency, or federal and state agencies that conduct tourism-related activities or services in Tillamook County, is eligible to apply.
4. Any nongovernmental agency (NGO) is also eligible to directly apply provided the grant amount does not exceed \$50,000.
5. Each governmental applicant may also submit an application on behalf of any NGO where the NGO requested amount exceeds \$50,000. If a grant is awarded to a sponsoring agency on behalf of an NGO, the award is subject to the following conditions:
  - A. The sponsoring eligible applicant would be required to: enter into the grant contract with the County; follow public contracting law in bidding, awarding and administering the project; provide project management; and act as the fiscal agent for all funds required to construct the project.
  - B. The sponsoring public agency would be required to hold legal title to the completed project for at least ten years following project completion, or put in place some other arrangement, satisfactory to the County, which will protect the investment of public funds in this project for a ten-year period.

6. Prospective applicants who are considering sponsorship on behalf of an NGO should first meet with the designated County staff and the NGO to determine whether an arrangement for protecting the public investment can be reached that would be satisfactory to all parties.
7. As part of the application, eligible applicants will be asked to describe how the proposed project complements or contributes holistically to the following tourism priorities of Tillamook County:

Priority #1: Inspire growth in new and traditional industries to support the long-term priorities of VTC.

Priority #2: Develop the tourism industry in ways that are socially, culturally and ecologically responsible, particularly in support of nature-based activities and complementary interests, which differentiate our region for visitors.

Priority #3: Prioritize growth in tourism that improves economic conditions in the shoulder and off-seasons (i.e. October 1 – May 15), and supports the economic stability of the workforce.

Priority #4: Improve communities' abilities to better accommodate tourists and the visitor experience with new, enhanced or better utilization of tourism-related facilities for increased year-round use.

8. Completeness and Eligibility Review. The application is the primary source of applicant-supplied information regarding the proposed project. Upon receipt of an application, County staff will screen the application to ensure that each application is complete, including:
  - Project eligibility
  - Applicant signature
  - Director of NGO Signature
  - Property owner signatures
  - Contact information
  - Itemized Budget
  - Real estate details
  - Complete answers to application questions
  - Three letters of support (required to answer specific information)
  - Detailed, 10-year operation and maintenance plan
  - Completed, County land use information form
  - Statement of how the project meets the four tourism priorities

If time permits prior to the application deadline, County staff will contact the applicant to supply incomplete information or missing items that then

must be supplied by the applicant prior to the application deadline. Incomplete applications will not be forwarded for rating and ranking and will not be considered for project award. Tillamook County will not be responsible for responding to incomplete applications.

9. Ranking Criteria. All applications for eligible projects will be rated and ranked based on the following criteria. While the following criteria has been deemed most important, additional relevant factors beyond the score may be worthy of consideration.
  - A. Degree of Positive Economic Impact (20 points)  
Project must display a positive economic impact for the County and local community. Positive economic impact includes, but is not limited to, increased and sustained jobs, increased non-peak destination spending by visitors, and increased community capacity for tourism. Positive economic impact should align with the stated VTC tourism priorities.
  - B. Degree of Visitor Experience Impact (20 points)  
Project must improve visitor experience, attract new visitors, or encourage a longer stay. Visitor experience or decision to stay overnight may be improved through facilities that enhance current services or provide an identified need. Improved visitor experience should align with addressed VTC tourism priorities.
  - C. Operations & Maintenance Sustainability (10 points)  
Does the application include a detailed operation and maintenance plan which should consist of who, what, when, and how the project will be sustained? Is a detailed operation and maintenance plan provided?
  - D. Extent of Collaboration and Community Support (15 points)  
Does project have multi-agency support and/or match through dollars, labor, donations, or technical assistance from one or more sources?  
Does it list details of these?
  - E. Project Readiness (10 points)  
Is the project shovel ready versus the existing need for further tasks to be completed prior to facility construction? Has applicant specified due diligence regarding bids, zoning, permits, funding, designs, and plans?
10. Applicants must submit 10 copies of a completed application to the County prior to the application deadline. It is recommended that applicants strive to ensure delivery of the completed application at least 72 hours prior to the deadline. If the application is submitted 14 days in advance, every attempt will be made by the tourism staff to review for completeness, and give the applicant time to supply the missing information prior to the

deadline. A completed application must include all required signatures, budget details, real estate information, land use compatibility form, complete answers to all questions, and all required letters of support.

11. TAC Ranking. Once all applications have been screened by County legal counsel for eligibility and completeness, County staff will forward all completed applications for eligible projects to the TAC members. (See subsection VIII(1) for establishment and operation of the TAC). Each TAC member will then independently review and score each application. Applicants may be asked to present their projects in person to the TAC.
12. Once each TAC member has completed the scoring, the TAC co-chairs will convene the TAC to review and discuss the scoring, rank the projects and render its recommendation. Upon completion of the ratings and ranking by the TAC, the Tillamook County Director of Tourism will forward the TAC recommendations and TAC member independent reviews and scoring to the Tillamook County Board of Commissioners. After considering available funding and TAC rankings, the Board will render a final decision as to which projects will be awarded funding.
13. Each successful applicant to whom a grant is awarded (Grantee) will be required to comply with the following:
  - A. Execute a grant agreement with the County. The County reserves the right to include such additional special conditions or requirements in each contract, as it might deem necessary or desirable to protect the public investment of tax dollars in the project.
  - B. Comply with Federal, State and local public contracting rules and regulations, where applicable.
  - C. Provide all project management and oversight for all phases of the project. County's sole responsibility will be to process draw down requests and ensure Grantee's compliance with the grant contract.
  - D. Provide quarterly progress reports and a project completion report to the County.

## **VII. The Tourism Advisory Committee (TAC)**

1. There is hereby established a nine-member committee, to be known as the Tillamook County Tourism Advisory Committee (TAC), whose membership, terms and authorities shall be as set forth in Tillamook County Ordinance #75 and this Policy.

A. The purpose of the TAC shall be to review, score and rank tourism-related facility grant applications, advise the Board of Commissioners or other contracting entity as described in Ordinance #75, on proposed policies for the use of Tillamook County TLT funds; the Strategic Plan for tourism-related facilities in Tillamook County; and such other matters involving tourism or tourism-related facilities as might be requested by EDC or the Board of Commissioners.

(1) Membership on the TAC shall consist of the following representatives:

- i. One city mayor from an incorporated city within Tillamook County to be designated by the Tillamook County Mayor's Consortium.
- ii. Three transient lodging providers consisting of one from south Tillamook County (Hemlock to Neskowin); one from north Tillamook County (Rockaway Beach to Falcon Cove); and one from central Tillamook County; all three to be appointed by the Board.
- iii. Four members, who may or may not be members of the tourism industry, and who may or may not be from Tillamook County, to be appointed by the Board.
- iv. One citizen-at-large, unconnected with the lodging or hospitality industry, to be appointed by the Board from an unincorporated area of Tillamook County.

(2) All nine members serve at the pleasure of the Board of Commissioners.

(3) All members shall serve three-year terms.

(4) The Tillamook County TAC is a public body within the meaning of the Oregon Public Meetings law and the Oregon Public Records law. All of its meetings are public meetings and the County shall ensure that public notice of the Committee's meetings is provided as required by law. Minutes of all Committee meetings shall also be taken and retained by County as required by law.

(5) The TAC may be convened on the call of the County. At its first meeting each calendar year, the Committee shall elect a chair from among its members. The Tourism Director shall serve as liaison between the TAC and Tourism Promotion Advisory Committee.

- (6) The Board hereby appoints Rachel Hagerty, Tillamook County General Services Administrator, to act as staff to the TAC.
- (7) The TAC as existing on the effective date of this Policy will continue as constituted with its members to continue serving their existing terms.

#### **VIII. County Administrative Costs**

1. All costs and expenses incurred by the County in the administration of tourism-related funds and the tourism-related facilities grant program may be reimbursed from the tourism-related facilities funds.