

W.7.5.

AGENDA COVER MEMORANDUM

AGENDA DATE: October 1, 2003

TO: LANE COUNTY BOARD OF COMMISSIONERS

PRESENTED BY: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF APPROVING RURAL TOURISM MARKETING PLAN PROGRAM MANAGEMENT PROCEDURES, ANNUAL DISTRIBUTION PROCESS, AND REPORTING AND ACCOUNTING METHODS

I. MOTION It is moved that the Order be adopted IN THE MATTER OF APPROVING RURAL TOURISM MARKETING PLAN PROGRAM MANAGEMENT PROCEDURES, ANNUAL DISTRIBUTION PROCESS, AND REPORTING AND ACCOUNTING METHODS

II. ISSUE OR PROBLEM Shall Lane County change and streamline the process for distributing, managing, and accounting for the use of Rural Tourism Marketing Plan funds, authorized under Lane Code 4.175 (6) (d)?

III. DISCUSSION

A. Background. In 2002, when the Board of Commissioners last approved RTMP contracts, the request was made for the RTMP review committee to report back on the program procedures. In August 2003, the RTMP process and the Rural Tourism Marketing Plan that has been used for the past four years were reviewed by the two rural commissioners, legal counsel, and C&ED staff. The following describes the recommended changes in the goals and process. Input was also received from CVALCO staff to ensure coordination with general tourism marketing practices in Lane County.

Rural tourism marketing has been in place for the past decade in Lane County. It was established in Lane Code 4.175 (6) (d), which is one of several special purpose activities to promote the visitor industry in Lane County. These funds are directed to be "used for tourism marketing of areas outside the urban growth boundaries of the cities of Eugene and Springfield. These funds shall be used for proposals chosen by the Board according to its own criteria, with the general principle being that the areas which produce the taxes should benefit from their use." In 1999 (by Order 99-8-24-4) the board of commissioners approved recommendations from the Rural Community Improvement Council to follow a Rural Tourism Marketing Plan (RTMP). Included in this action was a distribution formula for returning room tax funds to the zones where they were generated. The Order also adopted a Rural Tourism Marketing Plan that specifically lists goals and objectives for rural tourism marketing.

Current RTMP program process. At the beginning of each fiscal year, funds from the previous fiscal year are distributed after they are collected, accounted for, and allocated by the RTMP formula, indicated in the RTMP distribution chart, Attachment D. This means, for example, receipts collected in fiscal year 2002-03 will be distributed during 2003-2004. The process over the past three years has included the following steps:

Step 1 - Budget determination - In July the end of fiscal year reports are processed by the City of Eugene. A summary of the RTMP receipts is available in August of each year. The RTMP distribution for each city and zone is then calculated by county administration staff.

Step 2 – RFP process - An RFP is then prepared by C&ED staff and is sent to cities (and advertised for the McKenzie zone). The RFP sets a specific deadline, about 3 or 4 weeks out, for the proposals to be submitted. The small cities in Lane County are the respondents to the RFP. The McKenzie River area does not have a city to sign an IGA, so the RFP is formally published in local newspaper(s) for the area.

Step 3 – Review and recommendations to BCC – A review committee comprised of the rural commissioners and a representative of CVALCO then review all proposals from cities and rate and rank proposal(s) to provide McKenzie area services. RTMP Goals and Objectives are used in rating the proposals. When objectives are not clear, C &ED staff will work with the city to clarify their proposal. C&ED staff then prepare a BCC agenda memo and Order for approval of the project proposals by the board and authorization of contracts for the RTMP services.

Step 4 – C&ED staff prepare the contracts and run them through the usual contract process.

Step 5 – When the contracts are in place the cities may begin to draw advance funds. C&ED staff process the pay requests. In most cases, a progress report is sent with the first draw request, or by September. A final report, with documentation of expenses is submitted with the final pay request.

Step 6 – C&ED staff work with city staff to receive and process final payments. A couple communities have not been fully expending their funds, in which case funds have been rolled-over to the cities next contract. This complicates the accounting and budget process for RTMP. McKenzie area contractor has not rolled over funds.

B. Analysis. The purpose of this agenda item is to consider how the RTMP can best be streamlined. The following recommendations from the two rural commissioners, staff, and county counsel were developed to simplify and replace the RTMP process described above. The revised process for distributing RTMP funds is listed in Attachment A. The process is based on a streamlined contracting process. Attachment B represents an on-going RTMP mission, and set of program objectives, condensed from the RTMP goals and objectives statement approved in 1999. A draft contract form for RTMP distributions to cities is attached as Attachment E. The standard county services contract conditions will be used

for the McKenzie Valley area services contract. The policies for the RTMP are not changed substantially by this action. The recommended changes specify the proposal process for cities by using Attachment C for accounting, reporting and proposing projects annually.

Approval of projects. Currently the Board approves all projects after they have been submitted in a request for proposal process by each of the cities, and other organizations for the McKenzie Valley. The recommended process will use Attachment C for city project and a quote process for organizations that propose to serve the McKenzie Valley, unless a proposed contract is expected to exceed \$50,000 and a different process is required. This will be done by intergovernmental agreements (draft attached as Attachment E) in the case of the cities. Staff will solicit project descriptions and quotes each year, as described in Attachment A.

Monitoring of project results. The current process for monitoring results is based on usual contracting processes, tied to completion of the project and payment for the work. Under the proposed process, each city will receive the full distribution of funds at the time a contract is signed. The contract will include an attachment that lists the results from the previous year's RTMP distribution and the planned activities for the coming year. Any funds not expended in one year will be rolled to the following year, and be accounted for in this summary report, in a form similar to the draft form in Attachment C. If reporting problems develop, or inconsistencies with RTMP criteria are observed, these issues will be identified in the agenda materials prepared annually for contract award consideration by the Board of Commissioners each year. The Board of Commissioners may decide how to resolve such issues, including whether to fund all, projects, some projects, or none of the projects.

Summary. The premise of the recommended change is that these funds are prescribed by formula and are primarily distributed to governmental entities, so that areas that produce room tax revenues benefit from their use. The RTMP objectives, mission, project criteria, and distribution formula remain substantially unchanged. The McKenzie Valley is served with a service contract quote process and usual contract reporting and payment processes. Review of proposals by the RTMP review committee will not be necessary in most cases. Staff will account for distribution of the funds and certifications of results by the cities and contractors. The Board of Commissioners will be asked each year to approve RTMP project and authorize contracts to distribute RTMP funds. County counsel will review the IGAs and contracts for form and consistency with state law.

Alternative approaches. The Board may determine that less oversight and review of projects by the Board of Commissioners is appropriate. Amendment of Lane Code will be required if the RTMP process eliminated annual contract approval by the Board of Commissioners.

C. Alternatives/Options. The Board may:

1) Approve the Order changing the RTMP processes, or

- 2) Direct additional changes to those recommended, or
- 3) Determine to not change the current practices for managing the RTMP.

D. Recommendations. Number 1 is recommended, to adopt the streamlined Rural Tourism Marketing Program process, criteria, and monitoring procedures, using the current authority described in Lane Code.

E. Timing. The allocation of RTMP funds from room tax receipts will be determined in August of each year. The contract process will be initiated each year when the distribution of funds is calculated for the RTMP zones.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval by the Board, the request for quotes process for the McKenzie zone will be initiated and RTMP project descriptions under the project criteria will be requested from rural cities. After review of project descriptions, an agenda packet will be prepared for Board of Commissioners approval of projects and contracts. Contracts will then be prepared and funds distributed. This process will be followed each year until such time as the Board of Commissioners determines that it should change.

EXHIBITS

ORDER

- A –Description of Proposed RTMP process, mission, and project criteria
- B – RTMP Mission statement and Project Selection Criteria
- C – Project Reporting Form
- D – 2003 RTMP Distribution chart
- E – Form for city contracts

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) **IN THE MATTER OF APPROVING RURAL TOURISM**
) **MARKETING PLAN PROGRAM MANAGEMENT**
) **PROCEDURES, PROCESS FOR ANNUAL DISTRIBUTION,**
) **AND METHOD OF REPORTNG AND ACCOUNTING FOR**
) **FUNDS**

WHEREAS, Lane County provides in Lane Code, Chapter 4.175 for distribution of room tax receipts for implementation of the Rural Tourism Marketing Plan, and

WHEREAS, the Rural Tourism Marketing Plan was adopted by the Board of County Commissioners by Order 99-8-24-4 and was used as the basis of proposals in 2000, 2001, and 2002, and

WHEREAS, it has been four years since the criteria and process for distributing rural tourism marketing funds was reviewed, and

WHEREAS, the Board of County Commissioners has reviewed the recommendations for streamlining the Lane County Rural Tourism Marketing Program (RTMP) administrative process in preparation for the 2003 tourism marketing process, NOW, THEREFORE, IT IS HEREBY

- 1) ORDERED that the RTMP process, criteria, and monitoring forms are hereby approved for use in distributing RTMP funds to cities, and a private contractor serving the McKenzie River Valley, and
- 2) FURTHER ORDERED that these forms and processes shall be used for the 2003 RTMP process, and each year until such time as the Board of County Commissioners orders a change, and
- 3) FURTHER ORDERED that the formula for allocating RTMP funds remains the same as the past four years.

Signed this 1st day of October, 2003.

Peter Sorenson, Chair
LANE COUNTY BOARD OF COMMISSIONERS

Description of Rural Tourism Marketing Program (RTMP) Process September 2003

The following steps describe the process for distribution of RTMP funds:

Step 1 - Budget determination - In July, end of fiscal year reports are processed by the City of Eugene. A summary of the RTMP receipts is then available in August of each year. From this listing of receipts collected around Lane County the RTMP distribution for each city and zone is then calculated by county administration staff.

Step 2 - Request for descriptions and quotes - Cities are then sent a request to describe their projects for the coming year. The projects must be consistent with the RTMP mission statement and project criteria. Each city RTMP recipient briefly describes their project activities on a project reporting form (Attachment C). For the McKenzie area, a more formal request for quotes is advertised and sent to interested parties, unless a different process is required. The quote will include completing the project reporting form (similar to the cities) and additionally includes submitting a specific project budget and description of activities.

Step 3 - Review and contracting - A staff review committee then reviews quotes and project descriptions received for the McKenzie area. Staff also compares project summaries from cities to the RTMP project criteria. If there are no problems with the quote process and the city summaries are consistent with the RTMP project criteria, then a board agenda packet will be prepared for approval of contracts. If project descriptions appear inconsistent with the RTMP project criteria, or the McKenzie area quote is contested, then the County Administrator may request that a review committee be formed to evaluate the RTMP projects. Upon Board approval, contracts will be prepared for distribution of funds to the cities and the McKenzie contractor.

Step 4 - Distributing funds - When the contracts are in place, checks will be sent to each of the cities for the full amount of the RTMP contract. In the case of the McKenzie contractor, funds will be drawn down in increments, based on completion of the work, and applicable contracting requirements. For the McKenzie contract, a final report, with documentation of expenses, is submitted with the final pay request. Cities send their final report on results in September or October, when submitting project activities for the coming year.

Step 5 - Reporting and Monitoring - C&ED staff review the final reports from the cities for consistency with the RTMP project criteria. If the city did not fully expend the contract amount then this will be reported and the city will show this amount as rolling over to the following year RTMP project description. This provides the project description for reporting by the cities, as described in Step 2, above. In the case of the McKenzie contract, the final report is reviewed before final payment is issued to the contractor.

RURAL TOURISM MARKETING PROGRAM

Mission Statement and Project Criteria

MISSION STATEMENT

The Lane County Rural Tourism Marketing Program (RTMP) focuses on the business of selling, packaging, and advertising rural Lane County in a unified, well-planned program. RTMP tourism product development in rural areas will focus on the following objectives and criteria to maximize:

1. Attraction of visitors to rural communities,
2. The length of stay by visitors,
3. County-wide visitation,
4. Return visits to rural Lane County communities.

RTMP projects will define specific and varied activities and products that are widely distributed throughout the county and that will provide incentives and encouragement for visitors to choose Lane County as a leisure travel destination.

CRITERIA FOR RTMP PROJECTS

RTMP projects will:

1. Increase transient room tax revenues countywide, as measured by increasing overall revenues from room tax from visitor stays, and by increasing room tax revenues during the tourism 'shoulder season', in the fall/early spring months.
2. Increase the number of visits and the amount of time spent by visitors in *rural* Lane County by improving the attractiveness of rural communities. The variety of such activities may include: expanded attractions, beautification, and property enhancement projects on public property.
3. Focus general marketing on visitors from surrounding states and "peak season" marketing to attract visitors from Oregon.
4. Continue the development of regional marketing with local, state and private agencies. This includes increased involvement of rural tourism organization in the existing network.
5. Monitor potential targets in western Canada and other international markets, maintaining flexibility for action.
6. Develop, advertise, and package rural Lane County attractions and group tour business that encourage overnight stays and extended visits by:
 - a. Developing group travel opportunities; i.e. recreational vehicle, bicycle, parks, and campground activities, and
 - b. Fostering coordination between the Convention and Visitors Association of Lane County and rural tourism organizations to develop and package group travel tours, particularly as an extension of metro convention gatherings.
 - c. Providing incentives for return visits; i.e. discount on room rate for next year, mail schedule of activities for next year, mail post card with thank you and welcome note.
7. Assist with rural area tourism staffing needs, and provide training on hospitality and service excellence. The objective is to maintain a reputation for excellence in hospitality and service.

Lane County Rural Tourism Marketing Program (RTMP)
 Summary of Results, Budget, and Work Plan

Past Year's Results – Reporting Period: November to October Contract Amount \$ _____

RTMP Project Criteria*	Activities	Expenses#	Brief summary of project results
1.			
2.			
3.			
Carry over to the next year			
TOTAL budget **			

Coming Year's Work Plan and Budget (\$ _____ allocation, plus \$ _____ carryover)

RTMP Project Criteria*	Activities	Budget - Including Carry over	Brief summary of project objectives
1.			
2.			
3.			
TOTAL budget			

*Select RTMP project criteria from RTMP Mission Statement and Project Criteria (Attachment B)

** Project and Carry over (if any) must add up to the total contract amount.

When reporting results, actual expenses will be listed.

-Add project description lines to the form as necessary.

The above activities are consistent with Lane Code 4.175 (6) (d), and the RTMP mission and project criteria adopted by the Lane County Board of Commissioners.

Report Submitted by _____ Title _____

City _____ Date _____

-Send completed report by October 1st to Peter Thurston, Community and Economic Development Coordinator, County Administration Office, 125 E. 8th Avenue, Eugene, OR 97401.

RURAL TOURISM MARKETING 2003/04
LANE COUNTY

COUNTY WIDE Location	5 YEAR AVERAGE TOTAL										LOCATION	A % Room Tax \$3,133,341	B SELECTED BASE \$64,817	C % * \$87,183 Allocation	D Non City Allocation	E Non City Amount	B+D+E TOTAL \$162,000	
	C	D	E	F	G	H	I	J	K	L								M
	89/94	94/95	95/96	96/97	97/98	98/99	99/00	2000/01	01/02	02/03	5 Year Total (\$100,411)	% Room Tax (F+G+H+I+J+K+L)						
Creswell	29,801	32,228	41,539	44,911	41,005	41,964	38,169	33,613	32,001	46,746	192,493	3.77%	Creswell	5,892	3,286	20,48%	77	9,258
Cottage Grove	183,194	177,254	183,451	183,786	188,018	172,192	168,028	147,564	132,525	127,278	747,684	14.65%	Col Grove	5,892	12,771	78.52%	296	18,962
South Non City	844	1,429	3,792	3,824	3,728	3,811	4,156	4,592	4,951	4,444	21,953	0.43%	South Non City		375			
South Zone Total	213,629	210,910	228,782	242,620	232,762	217,957	210,351	185,768	169,476	178,468	962,030							
Growth rate	24.1%	-1.3%	8.5%	6.0%	-4.0%	-10.1%	-13.3%	-23.4%	-11.9%	-23.3%								
Five year growth rate																		
Coburg	8,547	14,943	27,000	26,212	24,893	23,858	23,608	19,627	18,244	17,986	103,732	2.03%	Coburg	5,892	1,772	50.38%	272	7,837
Junction City	17,525	17,464	18,567	17,042	22,048	18,248	17,787	21,271	22,388	21,337	101,037	1.98%	Junct. City	5,892	1,726	49.07%	265	7,884
Veneta	410	667	587	804	650	726	398	0	0	0	1,422	0.02%	Veneta	5,892	19	0.55%	3	6,915
Central Non City	445	1,947	4,615	5,039	4,590	5,187	6,946	8,560	8,133	6,822	31,648	0.62%	Central Non City		541			
Central Zone Total	26,927	34,721	60,770	49,087	52,180	48,019	48,734	47,486	47,786	46,666	237,639							
Growth rate	26.6%	28.9%	46.2%	-3.3%	6.3%	-2.5%	40.4%	36.7%	37.6%	-10.3%								
Five year growth rate																		
Dunes City	5,786	6,509	7,451	6,654	6,965	7,215	7,295	11,764	18,734	20,681	66,668	1.31%	Dunes City	5,892	1,139	5.51%	1,721	8,762
Florence	147,575	165,336	195,189	203,462	204,125	209,938	234,974	234,540	238,414	227,884	1,143,761	22.41%	Florence	5,892	19,539	94.49%	29,524	54,966
Coastal Non City	202,175	232,857	317,386	322,485	330,403	344,186	362,027	374,515	361,207	367,040	1,828,986	35.84%	Coastal Non City		31,245			
Coastal Zone Total	385,546	404,702	520,026	532,601	541,494	561,349	604,296	620,819	617,365	636,685	3,039,404							
Growth rate	11.7%	13.8%	28.5%	2.4%	1.7%	6.4%	13.5%	16.6%	15.9%	17.4%								
Five year growth rate																		
Lowell	0	0	0	0	0	0	0	0	0	0	0	0.00%	Lowell	5,892	0	0.00%	0	5,892
Oakridge	31,809	33,085	33,885	34,589	31,024	34,983	39,875	35,599	33,326	42,330	186,802	3.64%	Oakridge	5,892	3,176	92.86%	1,389	10,458
Westfir	631	929	945	1,392	1,080	1,181	1,990	2,939	2,673	5,301	14,083	0.28%	Westfir	5,892	241	7.04%	105	6,238
Williamette Non City	1,917	4,214	11,322	13,784	13,017	15,500	16,738	17,092	19,729	18,424	87,484	1.71%	Williamette Non City		1,495			
Williamette Zone Total	34,357	38,228	46,152	49,765	45,121	51,664	58,403	55,820	55,727	66,055	287,469							
Growth rate	18.5%	11.3%	20.7%	7.8%	-9.3%	3.8%	17.4%	11.8%	12.0%	46.4%								
Five year growth rate																		
McKenzie	60,062	67,263	77,792	87,786	84,895	100,052	110,340	118,351	121,266	126,818	676,968	11.31%	McKenzie	5,892	8,857	18.41%	15,749	16,749
Growth rate	37.9%	12.0%	15.7%	12.8%	8.1%	14.0%	25.7%	34.8%	38.1%	33.7%								
Five year growth rate																		
RURAL TOTALS	690,521	755,824	923,521	961,771	968,442	979,092	1,032,125	1,028,024	1,011,590	1,052,581	5,103,411	100.00%	TOTAL	64,817	87,183	100.00%	152,000	152,000
Growth rate	18.2%	9.6%	22.2%	4.1%	0.6%	1.8%	7.3%	36.0%	6.9%	8.9%								
Five year growth rate																		

Base: 87,183 distributed by % of total non metro city revenue
 Balance: 152,000
 Total: 250,183

Revised revenue from city of Eugene for FY Non Metro City-McKenzie
 * Tax rate = 5% from 1974 through Jan. 1988 Non Metro Non City
 ** RV Parks & Campgrounds added in 1985 Combined Total



RURAL TOURISM MARKETING AGREEMENT

BETWEEN: CITY OF _____, a municipal corporation
of the State of Oregon (City)

AND: LANE COUNTY, a political subdivision of the State of
Oregon (County)

RECITALS

Whereas, ORS 190.010 and the Lane County Home Rule Charter provide that units of local government may enter into agreements for the performance of any or all functions and activities that a party to the agreements, its officers, or agents, have authority to perform, and

Whereas, County has dedicated room tax revenues for projects that implement rural tourism marketing program (RTMP) activities outside the urban growth boundaries of the cities of Eugene and Springfield, and

Whereas, City intends to complete activities that accomplish the goals described in Lane Code Chapter 4.175 and the RTMP Mission Statement and Project Criteria, and

Whereas, the Board of County Commissioners has approved the process for receiving and approving the City's RTMP activities, NOW, THEREFORE, in consideration of the mutual covenants and commitments herein,

CITY AGREES: City shall receive and expend RTMP funds as provided for in Attachment A, and in accordance with the RTMP mission statement and project criteria listed in Attachment B, attached and incorporated by reference. City shall report results, budgets, and work plans for RTMP activities on a summary form (Attachment C), or a similar form provided by County, and within the time frame set by the County.

COUNTY AGREES: County shall provide \$ _____ of funds from transient room tax receipts to City to be used for Rural Tourism Marketing Program activities, as described in Attachment A, attached hereto and incorporated by reference.

PARTIES AGREE:

- 1) Each party working under this contract is a subject employer under the Oregon Workers' Compensation coverage for all of its subject workers. City and each party working for City under this contract is also an independent contractor and subject employer for purposes of the Oregon Workers' Compensation Law (ORS Chapter 676), each is solely liable for any Workers' Compensation coverage under this contract, and each must agree to comply with ORS 656.017 or be exempt under ORS 656.126.

- 2) The applicable provisions of the Lane Manual setting forth standard provisions for public contracts (LM21.130) are attached (Attachment D) and incorporated by reference as though fully set forth herein.

INDEMNITY

- 3) Subject to the limitations of the Oregon Tort Claims Act, City agrees to indemnify and save County, its officers, agents, and employees harmless from any claim, liability, or damage resulting from any error, omission, or act of negligence on the part of City, its officers, agents, or employees in performance of responsibilities under this agreement.

TERM AND TERMINATION

- 4) This agreement shall be effective on November 1, 2003 and shall continue until October 31, 2004.
- 5) This agreement may be terminated by either party provided written notice is given to the other party at least thirty (30) days prior to the termination date. Upon the receipt of notice of termination, the parties shall commence negotiations as to the equitable disposition of any funds owed or to be reimbursed.

AMENDMENTS AND EXHIBITS

- 6) No amendment to this agreement shall be effective unless made in writing and signed by other parties.
- 7) Exhibits to this agreement include: A) Description of RTMP Process, B) Rural Tourism Marketing Program Mission Statement and Project Criteria, and C) Summary of Results, Budget, and Work Plan, D) Lane Manual 21.130.

LANE COUNTY

CITY OF _____

By: _____

By: _____

Date: _____

Date: _____

APPROVED AS TO FORM

Date _____
Lane County

OFFICE OF LEGAL COUNSEL