

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE May 17, 2016	AGENDA ITEM NUMBER
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TO: Mayor Shoji and City Councilors

FROM: Rodger Craddock, City Manager

ISSUE: Historical Review of Transient Lodging Tax & Tourism Promotion Activities

Background:

The City of Coos Bay first began talking about instituting a “Transient Lodging Tax” (TLT) (AKA Hotel / Motel Tax) back in 1973. The City Council enacted a Transient Occupancy Tax in 1976, but due to some controversy, the matter was referred to the voters who approved the Transient Occupancy Tax later that year. Attached you will find Ordinance No. 2663 which was enacted by the City Council on January 26, 1976. The purpose of the initiation of the tax was to offset general fund property tax losses related to a declining economy. The ordinance authorizing the tax did provide that 5% of the revenue collected would be paid to the Chamber of Commerce for tourism related promotions.

In 1983, a Joint Tourism Committee was formed with the City of North Bend, and some funds were allocated to the joint committee for area wide tourism promotions. This was in addition to the 5% of funds which were provided to the Chamber of Commerce which appears was used for operating the City’s Visitor Information Center.

In 1986, the cities of Coos Bay and North Bend entered into a “Tourism Promotions Agreement” which created the entity known as the “Community Promotions Committee.” Per the agreement, the cities agreed to combine and distribute fund into one “promotions pot.” While the agreement required the combining of funds from the cities, the cities retained control over the expenditures. Per the agreement, 70% of the funds collected from the transient room tax from each city. The funds diverted to the “promotions pot” were intended to pay for the following:

- The advertising events and attractions of Oregon’s Bay Area which included but not limited to the Bay Area Fun Festival, North Bend Air Show, the Music Festival, the Coos Art Museum, and Shore Acres State Park.
- Funding the visitor’s centers in Coos Bay and North Bend.
- The hiring of the Bay Area Chamber of Commerce to coordinate as necessary with the State Tourism Division, travel writers, and tour bus operations.

The agreement provided the ability for the Committee to do the following:

- Contract with the Bay Area Chamber of Commerce to provide staff assistance.

- The ability to accept donations and/or volunteer room tax collections from motels outside the cities of Coos Bay and North Bend to assist with the Committee's tourism promotions activities.
- The ability to accept funds or donations from public organizations, such as the Port, Coos County, etc. to assist with the Committee's tourism promotions activities. The committee consisted of five members; one council member from each city, one resident or business owner from each city, and one appointee from the Chamber of Commerce (originally proposed to be a representative of the Charleston Community).

In 1989, the cities of Coos Bay and North Bend entered into a successor agreement called the "Tourism Promotions Agreement" for the pooling of the funds from each city into a "promotions fund in Oregon's Bay Area" for the purpose "...dedicated to tourism promotion through the Committee". The 1989 agreement is similar with the 1986 agreement with exception to the following:

- Did not include a requirement of the two cities to turn over 70% of the funds collected from the transient room tax.
- Shore Acres was removed from the list of identified attractions that required advertising and North Bend's July Jubilee was added.
- The ability to create a "Visitors and Convention Bureau to stimulate and develop the convention business in Oregon's Bay Area."

In 1990, the "Community Promotions Committee" became known as the "North Bend-Coos Bay Tourism and Promotions Committee."

In 1993, the 5% Transient Lodging Tax (TLT) was increased in both Coos Bay and North Bend to 7%. Attached you will find Ordinance 195 which was enacted by the Coos Bay City Council increasing the TLT.

Latter in 1993, the Bay Area Motel Association, Bay Area Promotions Committee, and the cities of Coos Bay and North Bend entered into an agreement ("Letter of Intent") a copy of which is attached. The involved entities agreed in part that it was their "... intent and desire is that the 2% increase be allocated and be used to fund the Promotions Committee" and the cities "...further agree that every good faith effort shall be made to maintain the current levels spending of the motel occupancy tax. No reductions in existing spending for tourism promotions shall result, due to the additional 2% motel occupancy tax increase." The agreement identified that the "...funds would then be used to promote tourism in the Bay Area and Coos County." It should be noted that the agreement included language recognizing that "...future City Councils will not be legally bound to this agreement."

In 1997, a new agreement was formed. It appears that up until this point the Chamber of Commerce was contracted to provide the services of tourism promotion. The 1997 agreement not only changed the name to the Coos Bay / North Bend Tourism Promotions Committee (Committee), it also provided capacity for the Committee to hire a contractor or staff to carry out the tourism related promotions. The purpose of the committee was to "engage in activities

designed to promote events and attractions in the Coos Bay/North Bend geographic area...” The committee consisted of five members: two appointed by each city (one was a sitting member of the City Council and the other a resident or business person of that city), and one nominated by the Bay Area Chamber of Commerce. The agreement required the Committee to “...develop criteria to identify which local events and attractions in the Coos Bay/North Bend Area will be eligible for promotional activity by the Committee...”

In 2004, the cities of Coos Bay and North Bend agreed to amend the 1997 agreement which included the following changes:

- Expanding the geographic area from Coos Bay / North Bend to “Coos Bay / North Bend / Charleston”
- Expanding the committee membership to include a non-voting representative of the Charleston Merchants Association.

Later in 2004, the Coos Bay City Council enacted an ordinance to amend the 1997 agreement thereby providing Committee representative of the Charleston Merchants Association voting rights. The North Bend City Council voted against a similar ordinance later that month, thus the agreement provisions remained unchanged.

In 2008, the cities of Coos Bay and North Bend agreed to amend the 1997 agreement to change the name of the Committee (Coos Bay / North Bend Tourism Promotions Committee) to Coos Bay – North Bend Tourism & Promotions Committee.

In 2010, the cities of Coos Bay and North Bend along with the Coquille Tribe entered into an agreement, which serves as the current agreement, to create an intergovernmental entity to be known as the Coos Bay/North Bend Visitor and Convention Bureau (Bureau). The Bureau Board consists of five members: one member from each city and the tribe, along with a representative from the local lodging industry, and a representative from the Bay Area Chamber of Commerce. Per the current agreement, the cities and the tribe agree to fund the Bureau with 2/7th of the gross receipts from the transient occupancy room tax of each entity. The expenditure of those funds is at the discretion of the Bureau Board.

In July 2014, the Coos Bay City Council established a Council Committee known as the Promotions Committee for the purpose of discussing the Councils’ concerns regarding tourism promotions within the committee and its contractual partners as well as exploring options to improve tourism promotions within the Coos Bay Area.

In January 2015, the Coos Bay City Council voted to reopen the current VCB agreement at the recommendation of the of the Council Promotions Committee in an effort to ensure the City’s tourism and promotional monies were being used to benefit the City in the best way.

In February 2015, representatives from Coos Bay, North Bend, the Coquille Tribe, and the Port of Coos Bay (a potential new partner/funder of the VCB) met to discuss concerns and possible changes to the current agreement.

In May 2015, representatives from the cities of Coos Bay, North Bend, the Coquille Tribe, Port

of Coos Bay, and the County had a meeting. At the meeting, the representatives from Coos Bay shared the reasons behind the opening of the IGA which included the following:

- **Organizational Identity:** Many of our elected officials along with staff and other citizens are concerned with the current branding of the VCB, i.e. “Oregon’s Adventure Coast.” While there’s little doubt it’s a catchy phrase, it really lacks regional identity; and as such, the brand should be changed and/or amended to something which is more recognizable in an effort to increase promotional effectiveness.

There has been talk in the past of changing the name to “Travel Coos Bay” or “Travel Coos Bay – North Bend,” but unfortunately, the matter never got past the talking stage within the VCB organization.

- **Organizational Priorities / Expectations:** Much of the advertising priorities in the past have focused on tourism draws from outside of the jurisdiction of the funding partners, and little attention has been focused on the tourism draws within our cities. No one can dispute that some tourists are drawn to the natural attractions of our great area which includes the ocean, dunes, fishing, and crabbing. Limiting our primary advertising focus to those natural attractions and failing to promote the many cultural attractions within our member’s jurisdictional boundaries (festivals, museums, theatres, special events, etc.) limits who we are attracting to visit our great community and ultimately the effectiveness of our promotional efforts.

In essence, the funds used to pay for the advertising is derived from revenue sources collected within the cities and by the tribe. Yet the bulk of the benefit appears to be going to those that do not financially support the efforts of the organization.

- **Partnership Requirements (funding commitments) and Rights (representation):** 2/7th Transit Lodging Tax (TLT) collected to fund the VCB. As Coos Bay receives the lion’s share of TLT collected by the partners, it in turn is the principle financial backer of the VCB. While this year’s budget indicates that the City of Coos Bay will be contributing 58% of the VCB’s revenue, the cities representation on the VCB Board is limited to one of the five positions which represents 20% of the Board.

In addition to the direct funding support, the City of Coos Bay provides additional financial support through our contractor Bay Area Chamber of Commerce which is contracted to manage and operate the region’s largest visitor’s information center. The Chamber, through funds provided by the City, provides fulfillment services to the VCB and the region. The VCB has been allowed to use the Coos Bay Visitor Information Center’s (VIC) phone number, and the VIC’s manager and volunteers respond to calls to and generated by the VCB promotional activities. The VIC’s manager has in the past attended trade shows outside our area to assist the VCB manager; and as stated above, the VIC management position is a product of a financial agreement between the City and the Chamber. VIC staff, coordinated by the VIC manager, has assisted the VCB in the past by processing and preparing mailing campaigns. In addition, the Chamber utilizes some of the funds provided through its contract with the City to provide tourism

coordination and training for the entire Bay Area. In addition, the City has been providing accounting, accounts payable services, and auditing assistance to the VCB.

While the City of Coos Bay is the principle investor in the organization, it has little power to effect any change due to the current organizational structure.

In August 2015, the following desires of the Council Promotions Committee were sent to the current and potential partners of the VCB:

1. **Branding and Identity:** The recognizable name of “Coos Bay” should be utilized in the branding and promotion on the VCB website, Facebook page, and twitter account. Coos Bay is the name of the main physical feature of the region (our bay), the City of Coos Bay has been the highest contributor to the VCB since its inception, and the name is the recognizable name of the region.
2. **Promotions Scope & Priorities:** Activities and attractions within the cities need to be advertised and promoted through advertorial print advertising, paid ads, and news releases no matter what time of the year they occur.

We seek to develop a brand for our community during a pleasant season of the year which will pay off for enhanced tourist trade throughout the year. We desire to increase retail trade and restaurant businesses as an element of that brand recognizing that tourism is developed through people spending time in a community as opposed to just spending the night and moving to another location. Examples of some of the activities and places which should be recognized and promoted include the following:

- Oregon Coast Music Festival
- Music on the Bay
- Coos Historical Museum
- Historic Railroad Museum
- Marshfield Sun Museum
- Coos Art Museum
- Tall Ship events
- July Jubilee
- Mill Luck Salmon Celebration
- Fun Festival
- July 3rd Fireworks Celebration at the Mill
- July 4th Activities
- Blackberry Arts Festival
- Clamboree
- Prefontaine Memorial Run
- Egyptian Theatre
- Little Theatre on the Bay
- Coos Bay’s Wine Walk
- North Bend’s Sip and Stroll
- Coos Bay’s Farmer’s Market

Outside attractions should be presented as day trips or tours from Coos Bay and North Bend to build the brand, but promotions of tourist attractions outside the jurisdiction of the partners as stand-alone attractions should be limited to those who help fund those promotions.

3. **Representation:** Votes on the VCB Board should be based upon the amount of investment in the VCB.
4. **Organizational Structure:** Currently, the organizational structure of the VCB Board includes one representative from each investing partner along with a representative from the hoteliers and a representative from the Chamber of Commerce. Consideration should be given to other models which limit board positions for the governmental entities which financially support the VCB.

One possible model would be to have a board which oversees the contracted director and sets the advertising scope and goals for the organization, and an advisory committee made of local tourism partners who helps advise the director on how best to the establish scope and goals.

A critique or review should be conducted annually by each partner and the governing body to gage the effectiveness of the organization's tourism efforts and make changes where necessary. Periodic reviews of a plan or program is necessary to ensure program effectiveness. Coos Bay's decision to open discussions on the current VCB agreement provides us an opportunity for such a review and to discuss areas needing improvement.

5. **Partners and Investors:** Additional partners such as the Port of Coos Bay and the County should be approached to help fund the promotional activities for the areas within their jurisdictions which are outside the cities but within the region. The Port has agreed to charge a fee similar to TLT at their RV Park in Charleston, and they have voiced a desire to join the VCB as a funding contributor. The Council is asking the voters to approve a countywide TLT this fall, and we are hopeful if that is approved that they will be for a funding partner on this side of the County.

The VCB should also seek out investors (private business and non-profits) who can invest / leverage funds to help promote tourism in our collective jurisdictions and for their business and/or organization.

In addition to providing the above listed desires, I advised both the current and potential partners that the City of Coos Bay would continue funding the VCB for the remainder of this budget year (June 30, 2016) at the level prescribed within the IGA. At the direction of the Council Promotions Committee, beginning in FYE2017 (July 1, 2016) Coos Bay would fund an amount up to a sum equal to an amount contributed by our two current partners (North Bend and the Tribe) (dependent upon the approval of the Council and the annual budget process) towards our collective tourism promotional efforts through the VCB. Should this come to fruition, the City would use the remainder of the funds for the promotion and coordination of activities and attractions occurring within Coos Bay

It was suggested that the group wait to meet again until after the November 2015 elections as the County was seeking voter approval for a countywide transient lodging tax of 10% as passage of the tax could result in the formation of a countywide tourism promotions organization.

In January 2016 and during a Council Goal Setting Work-Session, the discussion of the VCB and the scope of work contracted out for the operations and management of the Coos Bay Visitors Center was discussed. The consensus of the Council was to approach the VCB partners and advise that the City was interested in lowering the contribution to the VCB to \$50,000 annual subsequent to the partners investing a similar amount. The City could use the remaining amount normally spent on tourism promotion through the VCB and combine those funds with the City funds used to manage and operate the VIC. With this scenario, the combined funds could be used for both tourism promotion as well tourism fulfillment (operating the VIC) by the City.

In February 2016, Mayor Shoji and I met with Scott West, Strategy Officer for Travel Oregon, the State's tourism agency in an effort to seek out Travel Oregon's assistance in moving forward with maintaining our partnerships with other organizations to collectively promote tourism in our region, and to assist the City with advice on how best to promote tourism for the City of Coos Bay. Travel Oregon graciously agreed to assist the City and our VCB partners by providing a subject matter facilitator and their assistance in helping us through this period of change. Since that time, Travel Oregon has hired Matthew Landkamer from the "coraggiogroup" as the facilitator. Our first meeting is scheduled for May 24th.

In April 2016, representatives of the VCB partners meet at the request of the Coquille Tribe. During the meeting, the Tribe suggested modifying the current agreement to (1) allow for the changing of the branding and identity of the organization, and (2) modify the promotions scope & priorities by setting aside \$50 - \$60K per year for the purpose of undertaking promotional activities of tourism attractions / events occurring within the cities. (It should be noted that VCB has devoted funds for the promotion of local events / attractions in the member jurisdictions over the last year.) Based on the discussions at the meeting, it was mutually agreed that the partners were at an impasse and unable to make all of the changes requested by the city. While that was the case, there was common ground in that everyone agreed that it was important to find a way to pool some of our resources; and hopefully, the resources of other regional partners for the collective promotions of our region. There was discussion around the terminating the current agreement, creating a new agreement / organization, and the need for the VCB to continue to operate in the interim so that tourism promotions could continue while we worked on creating a new tourism organization and/or found other means to support regional tourism.

Our City Attorney has reviewed the current VCB agreement. It is his opinion that termination of the agreement will require a 60-day notice should one of the existing partners wish to end the agreement. He also advised that should we wish to allow the VCB to continue to provide promotional services with the resources they currently have on hand that an interim agreement would be necessary to allow the organization to continue to operate. It is anticipated that the VCB has about \$450K without getting additional revenue in FYE2017 from the VCB partners to operate should the partners agree to an interim agreement.

Visitor Information Center

The Bay Area Chamber of Commerce has been operating the City's Visitor Information Center for more than 20 years. Per the current agreement the scope of work is as follows:

1. Establish operating hours of the Visitor Information Center (VIC) as follows:
 - a. Peak Tourist season, May 1st to October 15th - Monday through Friday 9:00 a.m. to 5:00 p.m., and Saturday & Sunday 11:00 a.m. to 3:00 p.m.;
 - b. Non-peak season, October 16th through April 30th - Monday through Friday 9:00am to 3:00 p.m. and Saturday 11.00 a.m. to 3 p.m. These hours may be modified upon written confirmation by the City.
2. Manage the day to day operations of the VIC which shall include answering telephone, e-mail, and in person inquires at a minimum of 40 hours per week.
3. Chamber will make no distinction between chamber members and non-chamber members when providing information to any inquiry.
4. Chamber will provide quarterly presentations to the City Council regarding tourist inquiries, counts and detail of revenues, and expenditures during the preceding quarter.
5. Provide current copies of all job descriptions for employees and volunteers to the City.
6. Develop policies governing the operation of the VIC in concert with the City and keep approved polices on site as well as providing the City with policy manual. This manual should include such things as the reader board; communication with the City; displays provided by others* such as businesses, non-profits, etc...
7. Provide to the City a monthly cost accounting for City funds used in the following two categories:
 - a. Labor Expenses (Personnel & Oversight and Supervision)
 - b. Non-Labor Expenses (Volunteer Training, Meetings & Travel, Association Memberships, and Office Supplies & Misc.)
8. If, during any contract year, the actual non-labor expenses are less than the estimated non-labor expenses for that year, then Chamber will pay to City a rebate in an amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon non-labor expenses are listed in the annual budget.

The current term of the agreement ends in November and automatically renews on a year-to-year basis unless the City or the Chamber provide notice of their intention to not renew the agreement within 90 days before the date of expiration.

BUDGET IMPLICATIONS:

Funding for the VIC and the VCB come from the City's transient tax fund. No budgetary impacts are anticipated should the Council wish to change who and how promotions are done and/or the management of the VIC.

ACTION REQUESTED:

It is the Council Promotion Committee's suggestion to do the following:

1. Provide 60 days' notice of City's intent to terminate VCB agreement
2. Craft and enter an interim agreement allowing the VCB to continue operations using existing funds within their possession.
3. Work with tourism stakeholders in an effort to find a collaborative approach for regional tourism promotions.
4. Provide the Chamber notice of the City's intent to (1) terminate the current VIC management agreement at the end of the current contract term (2) City's intents to add local tourism promotions to the VIC management scope of work for a future contract, and (3) City intends to request proposals for management services of the VIC to commence November 2016.

Staff requests Council's direction.

ORDINANCE NO. 2663

AN ORDINANCE PROVIDING FOR A TRANSIENT OCCUPANCY TAX FOR THE CITY OF COOS BAY AND TO PROVIDE THE ADMINISTRATIVE PROCEDURES FOR COLLECTION OF SAME.

THE CITY OF COOS BAY DOES ORDAIN AS FOLLOWS:

Section 1. TITLE. This ordinance shall be known as the Transient Room Tax Ordinance of the City of Coos Bay.

Section 2. DEFINITIONS. Except where the context otherwise requires, the definitions given in this section govern the construction of this ordinance.

(a) "Motel" means any structure, or any portion of any structure which is occupied or intended or designed for transient occupancy for thirty (30) days or less, for dwelling, lodging, or sleeping purposes, and includes any motel, inn, tourist home or house, hotel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house public or private dormitory, fraternity, sorority, public or private club, space in mobile home or trailer parks, or similar structure or portions thereof so occupied, provided such occupancy is for less than a thirty (30) day period.

(b) "City Council" means the City Council of the City of Coos Bay, Oregon.

(c) "Occupancy" means the use or possession, or the right to the use or possession for lodging or sleeping purposes of any room or rooms in a hotel, or space in a mobile home or trailer park or portion thereof.

(d) "Operator" means the person who is proprietor of the motel in any capacity. Where the operator performs his functions through a managing agent of any type or character other than an employee, the managing agent shall also be deemed an operator for the purposes of this ordinance and shall have the same duties and liabilities as his principal. Compliance with the provisions of this ordinance by either the principal or the managing agent shall be considered to be compliance by both.

(e) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, fraternity, sorority, public or private dormitory, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(f) "Cash Accounting" means the operator does not enter the rent due from a transient on his records until rent is paid.

(g) "Accrual Accounting" means the operator enters the rent due from a transient on his records when the rent is earned whether or not it is paid.

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Enacted
January 26, 1976

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(h) "Rent" means the consideration charged, whether or not received by the operator, for the occupancy of space in a hotel valued in money, goods, labor, credits, property, or other consideration valued in money, without any deduction.

(i) "Rent Package Plan" means the consideration charged for both food and rent where a single rate is made for the total of both. The amount applicable to rent for determination of transient room tax under this ordinance shall be the same charge made for rent when consideration is not a part of a package plan.

(j) "Transient" means any individual who exercises occupancy or is entitled to occupancy in a motel for a period of thirty (30) consecutive calendar days or less, counting portions of calendar days as full days. The day a transient checks out of the hotel shall not be included in determining the thirty-day period if the transient is not charged rent for that day by the operator. Any such individual so occupying space in a motel shall be deemed to be a transient until the period of thirty days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy. In determining whether a person is a transient, uninterrupted periods of time extending both prior and subsequent to the effective date of this ordinance may be considered. A person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient.

(k) "Tax" means either the tax payable by the transient, or the aggregate amount of taxes due from an operator during the period for which he is required to report his collections.

Section 3. TAX IMPOSED. For the privilege of occupancy in any motel, on and after April 1, 1976 each transient shall pay a tax in the amount of five per cent (5%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the motel at the time the rent is paid. The operator shall enter the tax on his records when rent is collected if the operator keeps his records on the cash accounting basis and when earned if the operator keeps his records on the accrual accounting basis. If rent is paid in installments a proportionate share of the tax shall be paid by the transient to the operator with each installment. If for any reason the tax due is not paid to the operator of the motel, the City Recorder may require that such tax shall be paid directly to the City. In all cases, the rent paid or charged for occupancy, shall exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations, and parking space in mobile home parks or trailer parks.

Section 4. COLLECTION OF TAX BY OPERATOR _ RULES FOR COLLECTION.

(a) Every operator renting rooms in this city, the occupancy of which is not exempted under the terms of this ordinance, shall collect a tax from the occupant. The tax collected or accrued by the operator constitutes a debt owing by the operator to the City.

(b) In all cases of credit or deferred payment of rent, the payment of tax to the operator may be deferred until the rent is paid, and the operator shall not be liable for the tax until credits are paid or deferred payments are made.

Section 5. OPERATOR'S DUTIES. Each operator shall collect the tax imposed by this ordinance at the same time as the rent is collected from every transient. The amount of tax shall be separately stated upon the operator's records, and any receipt rendered by the operator. No operator of a motel shall advertise that the tax or any part of the tax will be assumed or absorbed by the operator, or that it will not be added to the rent, or that, when added, any part will be refunded, except in the manner provided by this ordinance.

Section 6. EXEMPTIONS. No tax imposed under this ordinance shall be imposed upon:

(a) Any occupant for more than thirty (30) successive calendar days (a person who pays for lodging on a monthly basis, irrespective of the number of days in such month, shall not be deemed a transient);

(b) Any occupant whose rent is of a value less than \$2.00 per day;

(c) Any person who rents a private home, vacation cabin, or like facility from any owner who rents such facilities incidentally to his own use thereof;

(d) Any occupant whose rent is paid for hospital room or to a medical clinic, convalescent home or home for aged people.

Section 7. REGISTRATION OF OPERATOR; FORM AND CONTENTS; EXECUTION;

Every person engaging or about to engage in business as an operator of a motel in this city shall register with the City Recorder on a business license form provided by him. Operators engaged in business at the time this ordinance is adopted must register not later than thirty (30) calendar days after passage of this ordinance. Operators starting business after this ordinance is adopted must register within fifteen (15) calendar days after commencing business. The privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax regardless of registration. Registration shall set forth the name under which an operator transacts or intends to transact business, the location of his place or places of business and such other information to facilitate the collection of the tax as the City Recorder may require.

Section 8. DUE DATE: RETURNS AND PAYMENTS.

(a) The tax imposed by this ordinance shall be paid by the transient to the operator at the time that rent is paid. All amounts of such taxes collected by any operator are due and payable to the City Recorder on a quarterly basis within 15 days after the close of the following quarters: First quarter - January 1 - March 31; Second quarter - April 1 - June 30; Third quarter - July 1 - September 30; Fourth quarter - October 1 - December 31 and are delinquent within 10 days thereafter. The return shall be filed in such form as the City Recorder may prescribe by every operator liable for payment of tax.

(b) Returns shall show the amount of tax collected or otherwise due for the related period. The City Recorder may require returns to show the total rentals upon which tax was collected or otherwise due.

(c) The person required to file the return shall deliver the return, together with the remittance of the amount of the tax due, to the City Recorder at his office either by personal delivery or by mail. If the return is mailed, the postmark shall be considered the date of delivery for determining delinquencies.

(d) The City Recorder, if he deems it necessary in order to insure payment or facilitate collection by the City of the amount of taxes in any individual case by require returns and payment of the amount of taxes for other than quarterly periods.

Section 9. PENALTIES AND INTEREST.

(a) Original Delinquency. Any operator who has not been granted an extension of time for remittance of tax due and who fails to remit any tax imposed by this ordinance prior to delinquency shall pay a penalty of ten per cent (10%) of the amount of the tax due in addition to the amount of the tax.

(b) Continued Delinquency. Any operator who has not been granted an extension of time for remittance of tax due, and who failed to pay any delinquent remittance on or before a period of thirty days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of fifteen per cent (15%) of the amount of the tax due plus the amount of the tax and the ten per cent (10%) penalty first imposed.

Section 10. DEFICIENCY DETERMINATIONS; FRAUD, EVASION, OPERATOR DELAY.

(a) Deficiency Determination. If the City Recorder determines that the returns are incorrect, he may compute and determine the amount required to be paid upon the basis of the facts contained in the return or returns or upon the basis of any information within his possession or that may come into his possession. One or more deficiency determinations may be made of the amount due for one, or more than one period, and the amount so determined shall be due and payable immediately upon service of notice as herein provided after which the amount determined is delinquent. Penalties on deficiencies shall be applied as set forth in Section 9.

(1) In making a determination the City Recorder may offset overpayments, if any, which may have been previously made for a period or periods, against any underpayment for a subsequent period or periods, or against penalties, and interest, on the underpayments. The interest on underpayments shall be computed in the manner set forth in Section 9.

(2) The City Recorder shall give to the operator or occupant a written notice of his determination. The notice may be served personally or by mail.

(b) Fraud, Refusal to Collect, Evasion. If any operator shall fail or refuse to collect said tax or to make, within the time provided in this ordinance, any report and remittance of said tax or any portion thereof required by this ordinance, the City Recorder shall proceed in such manner as he may deem best to obtain facts and information on which to base an estimate of the tax due. As soon as the City Recorder has determined the tax due that is imposed by this ordinance from any operator who has failed or refused to collect the same and to report and remit said tax, he shall proceed to determine and assess against such operator the tax and interest provided for by this ordinance. In case such determination is made, the City Recorder shall give a notice in the manner aforesaid of the amount so assessed. Such determination and notice shall be made and mailed within three years after discovery by the City Recorder of any fraud, intent to evade or failure or refusal to collect said tax, or failure to file return. Any determination shall become due and payable immediately upon receipt of notice and shall become final within ten days after the City Recorder

has given notice thereof.

Section 11. REDETERMINATIONS.

(a) Any person against whom a determination is made under Section 10 or any person directly interested may petition for a redetermination and redemption and refund within the time required in Section 10 hereof. If a petition for redetermination and refund is not filed within the time required in Section 10, the determination becomes final at the expiration of the allowable time.

(b) If a petition for redetermination and refund is filed within the allowable period, the City Manager shall reconsider the determination, and, if the person has so requested in his petition, shall grant the person an oral hearing and shall give advance notice of the time and place of the hearing. The City Manager may continue the hearing from time to time as may be necessary.

(c) The City Manager may decrease or increase the amount of the determination as a result of the hearing and if an increase is determined such increase shall be payable immediately after the hearing.

(d) The order or decision of the City Manager upon a petition for redetermination of redemption and refund becomes final ten (10) days after service upon the petitioner of notice thereof, unless appeal of such order or decision is filed with the Coos Bay City Council within the ten (10) days after service of such notice.

(e) No petition for redetermination of redemption and refund or appeal therefrom shall be effective for any purpose unless the operator has first complied with the payment provisions hereof.

Section 12. LIEN. The tax imposed by this ordinance together with the interest and penalties herein provided and the filing fees paid to the County Clerk of Coos County, Oregon, and advertising costs which may be incurred when same becomes delinquent as set forth in this ordinance shall be and, until paid, remain a lien from the date of its recording with the County Clerk of Coos County, Oregon, and superior to all subsequent recorded liens on all tangible personal property used in the motel of an operator within Coos Bay and may be foreclosed on and sold as may be necessary to discharge said lien, if the lien has been recorded with the County Clerk of Coos County, Oregon. Notice of lien may be issued by the City Recorder or his deputy whenever the operator is in default in the payment of said tax, interest and penalty and shall be recorded with the County Clerk of Coos County, Oregon and a copy sent to the delinquent operator.

Section 13. REFUNDS.

(a) Operators Refunds. Whenever the amount of any tax, penalty, or interest has been paid more than once, or has been erroneously collected or received by the City Recorder, it may be refunded, provided a verified claim in writing therefor, stating the specific reason upon which the claim is founded, is filed the City Recorder within three years from the date of payment. If the claim is approved the excess amount collected or paid may be refunded or may be credited on any amounts then due and payable from the operator from whom it was collected or by whom paid and the balance may be refunded to such operator, his administrators, executors or assignees. All refunds shall be charged to the Transient Occupancy Tax Revenue Account of the City's General Fund.

Section 14. ADMINISTRATION.

(a) Records Required from Operators, Form. Every operator shall keep guest records of room sales and accounting books and records of the room sales. All records shall be retained by the operator for a period of at least three years after they come into being.

(b) Examination of Records - Investigations. The City Recorder may examine during normal business hours, the books, papers, and accounting records relating to room sales of any operator after notification to the operator liable for the tax and may investigate the business of the operator in order to verify the accuracy of any return made, or if no return is made by the operator, to ascertain and determine the amount required to be paid.

(c) Confidential Character of Information Obtained & Disclosure Unlawful. It shall be unlawful for the City Recorder or any person having an administrative or clerical duty under the provisions of this ordinance to make known in any manner whatever the business affairs, operations, or information obtained by an investigation of records and equipment of any person.

(1) The disclosure to, or the examination of records and equipment by another City of Coos Bay official, employee or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this ordinance; or collecting taxes imposed hereunder.

(2) The disclosure after the filing of a written request to that effect, to the taxpayer himself, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, of information as to any paid tax, any unpaid tax or amount of tax required to be collected, or interest, and penalties; further provided, however, that the City Attorney approves each such disclosure and that the City Recorder may refuse to make any disclosure referred to in this paragraph when in his opinion the public interest would suffer thereby.

Section 15. TRANSIENT OCCUPANCY TAX APPEAL BOARD-PROCEDURE. A Transient Occupancy Tax Appeal Board is hereby created to be composed of members of the Coos Bay City Council. Four members of the Board shall constitute a quorum. The Board shall keep a record of its transactions and shall not, at any time, receive any compensation for their services on the Board.

The Board shall have the power to:

(1) Hear and determine appeals of orders or decisions of the City Manager made upon petitions for redetermination of tax. The Board may affirm, modify, or reverse such orders or decisions or dismiss the appeals therefrom, as may be just, and shall prescribe such forms, rules, and regulations relating to appeals as it may deem necessary. In the review of the City Manager decision or order, the Committee may take such evidence and make such investigation as it may deem necessary and give notice of its determinations. Such determination shall become final ten days thereafter and shall thereupon become due and payable, subject to interest and penalties.

(2) Modif, or disapprove all forms, rules, and regulations prescribed by the City Recorder in the administration and enforcement of this ordinance.

(3) Make such investigations as it deems advisable regarding the imposition and administration of the transient occupancy tax.

Section 16. EARMARKED FUNDS. Five per cent (5%) of the net annual proceeds received by the City from this tax shall be paid over to the Coos Bay Chamber of Commerce within thirty (30) days of receipt by the City.

Section 17. SEVERABILITY. If any section, subsection, paragraph, sentence, clause, or phrase of this ordinance, or any part thereof, is for any reason held to be unconstitutional (or otherwise invalid), such decision shall not affect the validity of the remaining portions of this ordinance or any part thereof. The legislative body hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or paragraphs be declared unconstitutional.

Section 18. VIOLATIONS. It is unlawful for any operator or other person so required to fail or refuse to register as required herein, or to furnish any return required to be made, or fail or refuse to furnish a supplemental return or other data required by the City Recorder or to render a false or fraudulent return. No person required to make, render, sign, or verify any report shall make any false or fraudulent report, with intent to defeat or evade the determination of any amount due required by this ordinance.

Section 19. MISDEMEANOR. Any person willfully violating any of the provisions of this ordinance shall be guilty of a misdemeanor and shall be punishable therefor by a fine or not more than Five Hundred Dollars (\$500) or by imprisonment in the City jail for a period of not more than six months or by both such fine and imprisonment.

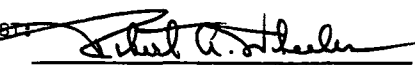
Section 20. EFFECTIVE DATE. This ordinance shall become effective at 12:01 a.m. on the 1st day of April and the first payment of taxes hereunder shall become delinquent unless paid on or prior to the 12th day of July, 1976.

The foregoing ordinance was duly passed by the City Council of the City of Coos Bay, Coos County, Oregon, on the 26th day of January, 1976, by the following vote:

YES: Mayor Hale, Councilman Williams
Councilman Poage, Councilman Guernsey, Councilman Koreiva
NO: None
ABSENT: Councilman Whitty and Councilman Bock



Mayor

ATTEST 

Recorder

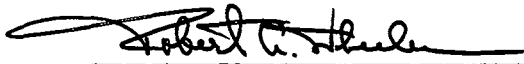
State of Oregon)
) ss
County of Coos)

I, Robert A. Wheeler, do hereby swear that I am the duly appointed, qualified, Recorder of the City of Coos Bay, Coos County, Oregon, and say; that I did place a copy of the foregoing Ordinance No. 2663, in a sealed wrapper with first class United States of America postage fully prepaid thereon and addressed to the following City Council members of the City of Coos Bay:

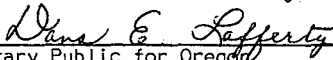
Robert Hale	1683 N. 14th Street, Coos Bay, Oregon
Mary Jo Koreiva.	1272 West Park, Coos Bay, Oregon
Robert Williams	1010 Hemlock, Coos Bay, Oregon
Donald Poage	1120 Juniper, Coos Bay, Oregon
James Whitty	979 S. 5th, Coos Bay, Oregon
Betty Bock	P.O. Box 102, Coos Bay, Oregon
Justin Guernsey	497 N. 3rd Court, Coos Bay, Oregon

and did mail the same so stamped and addressed, in the U.S. Postoffice at Coos Bay, Oregon, all on the 16th day of January, 1976.

I further swear that three (3) copies of the aforesaid ordinance are available for public inspection in the office of the City Recorder as of the above mentioned date.


Robert A. Wheeler

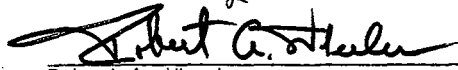
Subscribed and sworn to before me this 16th day of January, 1976.


Notary Public for Oregon
My Commission expires Dec. 7, 1976

State of Oregon)
) ss
County of Coos)

I, Robert A. Wheeler, do hereby certify that I am the duly appointed qualified Recorder of the City of Coos Bay, Coos County, Oregon, say; that pursuant to Section 505 of the Charter of the City of Coos Bay, Oregon, that there have been no written objections filed with me on the foregoing ordinance.

Signed this 23rd day of February A.D., 1976.


Robert A. Wheeler

ORDINANCE NO. 195

AN ORDINANCE AMENDING ORDINANCE NO. 2663, ENACTED JANUARY 26, 1976, AS AMENDED, AN ORDINANCE PROVIDING FOR A TRANSIENT OCCUPANCY TAX FOR THE CITY OF COOS BAY AND TO PROVIDE THE ADMINISTRATIVE PROCEDURES FOR COLLECTION OF SAME.

The City of Coos Bay ordains as follows:

Section 1. Section 3 shall be amended to read as follows:


Section 3. Tax Imposed. For the privilege of occupancy in any motel, on and after July 1, 1993, each transient shall pay a tax in the amount of seven percent (7%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city which is extinguished only by payment to the operator or to the city. The transient shall pay the tax to the operator of the motel at the time the rent is paid. The operator shall enter the tax on his records when rent is collected if the operator keeps his records on the cash accounting basis and when earned if the operator keeps his records on the accrual accounting basis. If rent is paid in installments a proportionate share of the tax shall be paid by the transient to the operator with each installment. If for any reason the tax is not paid to the operator of the motel, the City Recorder may require that such tax shall be paid directly to the city. In all cases, the rent paid or charged for occupancy shall exclude the sale of any goods, services and commodities, other than the furnishing of rooms, accommodations, and parking space in mobile home parks or trailer parks.

The foregoing ordinance was enacted by the City Council of the City of Coos Bay this 4th day of May, 1993, by the following vote:

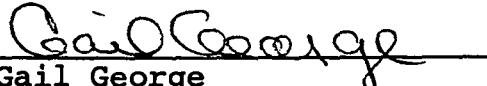
YES: Mayor Verger, Councilors Benetti, Combs, Grile, Melton, Miller, and Williams.

NO: None.

ABSENT: None.



Joanne Verger
Mayor of the City of Coos Bay
Coos County, Oregon

ATTEST: 

Gail George
Recorder of the City of Coos Bay
Coos County, Oregon

LETTER OF INTENT

ENTERED into on the 14th day of ~~April~~, 1993.

May

PARTIES:

Bay Area Motel Association

Bay Area Promotions Committee

City of North Bend

City of Coos Bay

RECITALS:

- A. The parties as listed above have been engaged in discussions relative to an increase in the motel occupancy tax.
- B. The parties have agreed to a 2% increase in the motel occupancy tax subject to certain good faith conditions as hereinafter stated.
- C. The parties desire to set forth their understanding in writing.

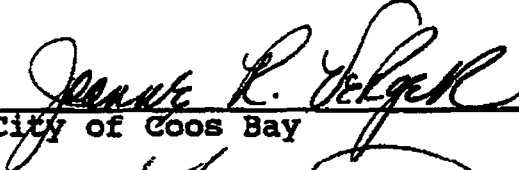
WHEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. The parties to the letter of intent agree that the motel occupancy tax be increased from 5% to 7% effective on the 1st day of July, 1993.
- 2. The parties' intent and desire is that the 2% increase be allocated and be used to fund the Promotions Committee. The funds would then be used to promote tourism in the Bay Area and Coos County.
- 3. The parties further intend and agree that every good faith effort be made to insure that no further increase in the motel occupancy tax occur for a period of 5 years. The existing City Councils agree to make every good faith effort to maintain the moratorium for a period of at least 5 years.
- 4. The North Bend and Coos Bay City Councils agree that every good faith effort will be made to fill the next vacancy on the Promotions Committee by a member of the Bay Area Motel Association.

5. The North Bend and Coos Bay City Councils further agree that every good faith effort shall be made to maintain the current levels spending of the motel occupancy tax. No reductions in existing spending for tourism promotions shall result, due to the additional 2% motel occupancy tax increase.
6. The now existing North Bend and Coos Bay City Councils, Promotions Committee and Bay Area Motel Association, accept this agreement. All parties to this agreement recognize however, future City Councils will not be legally bound to this agreement.



City of North Bend



City of Coos Bay



Bay Area Promotions Committee



Bay Area Motel Association

ORIGINAL

**THE COOS BAY/NORTH BEND VISITOR AND CONVENTION BUREAU
AGREEMENT**

(An Intergovernmental Agreement between the City of Coos Bay, the City of North Bend
and the Coquille Indian Tribe.)

Section 1. Creation of Visitor and Convention Bureau

Pursuant to ORS 190.003 -190.250, the City of Coos Bay, the City of North Bend and
the Coquille Indian Tribe hereby create an intergovernmental entity to be known as the
Coos Bay/North Bend Visitor and Convention Bureau (the Bureau).

Section 2. Purpose of the Bureau

The Bureau shall engage in activities designed to promote events and attractions in the
Coos Bay/North Bend geographic area, so as to attract tourists and thereby foster an
important component of the local economy, and, when possible, work to coordinate its
efforts with other efforts in the area to achieve maximum return on monies expended on
tourism promotion from all sources.

Section 3. Constitution of the Bureau

The Bureau shall be governed by a board of five persons. One member each shall be
appointed by the Councils of each City and the Tribe. One member each shall be
appointed by the Bay Area Chamber of Commerce and the local Hotel Industry, subject
to approval by the Councils of the two Cities and the Tribe. The members appointed by
the Chamber of Commerce and the Hotel Industry shall not be employees or
representatives of any of the three government entities.

The appointees of each City and the Tribe serve at the pleasure of the Council of that
particular City and Tribe; the appointees nominated by the Bay Area Chamber of
Commerce and the Hotel Industry shall serve at the pleasure of each of the three
Councils and may be removed upon majority vote by the sitting Council members of any
party to this agreement. If an appointee of the Bureau misses two consecutive
meetings, notice of such shall be provided by the Bureau to the three Councils. Any
appointee who has three consecutive absences from regularly scheduled meetings shall
be removed by the Bureau, unless the appointee demonstrates to the satisfaction of the
Bureau good cause for such absences. If no such cause is demonstrated, the Bureau
shall immediately notify the appointing body that the Bureau member has been removed
and request appointment of a new Bureau member. In making the new appointment, in
no case shall the removed member be reappointed.

The term of office for each Bureau member shall be two years, with the sitting Council
members appointed in the even-numbered year, and the Chamber of Commerce and
Hotel Industry members appointed in the odd-numbered year. An appointment to fill a

vacancy on the Bureau shall be for the duration of the vacant term. Bureau members may be reappointed for additional terms of two years each.

Section 4. Meetings and Quorum

The activities of the Bureau shall be deemed to be activities of a "governing body" of a "public body" as those terms are defined in ORS 192.410 and ORS 192.610; all activities of the Bureau shall conform to Oregon public meetings and public records law.

The Bureau shall hold regular public meetings at least once a month at a time and place designated by the Bureau and shall maintain minutes of each meeting. The Bureau shall utilize Robert's Rules of Order as the rules of procedure for the conduct of its meetings, and shall liberally construe the rules so as to ensure all Bureau members and members of the general public are accorded a fair opportunity to present their views.

A quorum shall be necessary to do business, which shall require three members of the Bureau present.

Section 5. Funding for Bureau Activities

The City of Coos Bay, the City of North Bend and the Coquille Indian Tribe shall each appropriate a minimum of 2/7 of the gross receipts from the transient occupancy room tax of each City and the Tribe to fund the activities of the Bureau. The funds so appropriated shall be deposited by each government entity in a fund to be held by the City of Coos Bay and designated as "The Visitors and Convention Bureau Fund" (the VCB Fund.) Each party's payment of a portion of that party's transient occupancy room tax shall only apply to the first 7 percent tax imposed by such party, unless otherwise agreed to in writing by all of the parties to this agreement. Payments to the VCB fund by the parties to this Agreement shall be due 45 days after the end of each calendar quarter.

Except as otherwise provided herein, the fund so created shall be entirely under the control of the Bureau and shall be disbursed according to policies and procedures adopted by the Bureau in open meetings where there has been an opportunity for public comment. The Policies and procedures shall be set forth in a resolution adopted by the Bureau.

The Bureau shall develop criteria to identify which local events and attractions in the Coos Bay/North Bend Area will be eligible for promotional activity by the Bureau and shall establish an application process whereby representatives of local events and attractions may seek, in writing, to have the Bureau engage in such activity.

Section 6. Compliance with Public Contracting Rules

The Bureau shall adopt rules and procedures to ensure compliance with the provisions of ORS Chapters 279A, 279B and 279C.

Section 7. Duration

Unless earlier terminated as provided herein, this agreement shall be perpetual.

Section 8. Title to the Possession of Property; Insurance

Title to all real or personal property shall be held by the City of Coos Bay. Upon termination of the Bureau, all assets shall be sold, and the proceeds from such sale shall be disbursed upon a pro rata basis, determined by the average contribution of each government entity to the VCB Fund during the preceding five years. Nothing in this section shall prevent any of the governmental entities from purchasing the assets from one of the other governmental entities at a mutually agreed upon price.

The City of Coos Bay shall name the Bureau as an additional named insured on its general liability insurance policy.

Section 9. Powers of the Bureau

The Bureau may enter into contracts for employment or personal services, including the services of an advertising or marketing agency, to assist in program development and orderly purchase of advertising to further the purposes of this agreement.

The Bureau may purchase or lease real or personal property, provided that any lease entered into by the Bureau does not exceed twenty years in duration.

The Bureau may accept donations, grants, or other funds from any source whatsoever, which shall be deposited into the VCB Fund and disbursed as according to the policies and procedures applicable to the monies appropriated by each governmental entity from the transient occupancy room tax.

The Bureau may enter into contracts with other local governmental agencies to provide for those agencies promotional activities similar or identical to those provided under this agreement.

The Bureau may create committees to investigate and make recommendations to the Bureau and carry out any business delegated to it by the Bureau.

The Bureau has no authority to enter into any agreement which purports to create any obligation or duty on the part of the City of Coos Bay, the City of North Bend, or the Coquille Indian Tribe, without prior written consent from each such party, and may not obligate, pledge the credit or encumber the property of any party to this Agreement.

Section 10. Budget

The Bureau shall provide each Council with a proposed budget on or before July 1 of each fiscal year. The Bureau shall provide each Council with an accounting of all

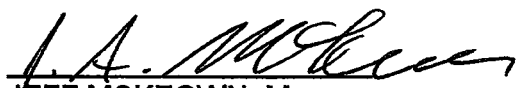
monies spent by the Bureau, on July 1 and January 1 of each year. Any of the Councils may, at any time, order an audit of the records of the Bureau.

Section 11. Quarterly Reports

The Bureau shall provide quarterly reports to each Council detailing the activities of the Bureau, the events and attractions which have been promoted by the Bureau, and the funds spent to date. The quarterly report shall be made available to each Council for the first regularly scheduled council meeting of each quarter. The Councils may request, and the Bureau shall provide, a representative to answer any questions that Council may have regarding such report.

Section 12. Termination

This agreement may be terminated by resolution, adopted by majority vote of the sitting members of any of the three governmental Councils, stating that such government entity desires to terminate this intergovernmental agreement, and provide not less than sixty (60) day notice prior to termination. At the time of termination, all appropriated but unexpended funds shall be first applied to pay all existing indebtedness of the Bureau and shall then be disbursed to the government entities pro rata, based on the percentage of money contributed by each government entity to the VCB Fund for that fiscal year.


JEFF MCKEOWN, Mayor
City of Coos Bay

6-29-10
DATE


RICK WETHERELL, Mayor
City of North Bend

6/29/10
DATE


EDWARD L. METCALF, Chairperson
Coquille Indian Tribe

8/2/10
DATE

TOURISM MANAGEMENT AGREEMENT

Date: November 5, 2009

Between: City of Coos Bay, an Oregon municipal corporation ("City")
500 Central Avenue
Coos Bay, OR 97420

And: Bay Area Chamber of Commerce, an Oregon non-profit corporation ("Chamber")

The Chamber agrees to operate and manage the "Coos Bay Tourism Information Center" and related pedestrian area, located at 50 East Central Avenue, Coos Bay, Oregon, (Premises) for the City on the terms and conditions stated below:

Section 1. Term. The term of this agreement shall commence November 1, 2009, and will automatically renew on a year-to-year basis, if neither party provides notice of their intention not to renew this agreement within 90 days of the date of expiration of the agreement. The anniversary date of this agreement shall be November 1st of each year.

Section 2. Consideration; Funding for Tourism Services.

2.1 Chamber shall, in consideration for the funding provided for herein, manage and operate the "Coos Bay Tourism Information Center," including providing tourism information services, to the public for not less than forty (40) hours per week, at 50 East Central Avenue, Coos Bay, Oregon. These services are outlined in Attachment A.

2.2 The City shall pay to the Chamber for the latter's use in providing the services outlined in Attachment A, a monthly payment of Five Thousand Two Hundred Fifty dollars (\$5,250) for a total yearly payment of \$63,077. The annual budget for services rendered to the City is listed in Attachment B. Such monthly payments shall be made on or about the last day of each month the payment is due. The City's obligation to make such payments is subject to the City's yearly appropriation during the budget process. Should this agreement terminate prior to the end of any given month, the funding provided pursuant to this section shall be apportioned on a pro rata basis, and any unexpended portion shall be retained by the City. If, during any contract year, the actual non-labor expenses are less than the estimated non-labor expenses for that year, then Chamber will pay to City a rebate in an amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon non-labor expenses are listed in the annual budget in Attachment B.

2.3 The City reasonably believes at the time of entering into this agreement that sufficient funds will be available and authorized for expenditure to finance the costs of this agreement.

2.4 The Chamber shall provide to the City, a monthly report detailing the number of inquiries, relocation requests, number of visitors and where they are from, and other information requested by the City.

Section 3. Use of the Premises

3.1 Permitted Use. The premises located at 50 East Central Avenue, Coos Bay, Oregon, shall be used as a visitor information center.

3.2 No Partnership; Independent Contractor Status. The City is not by virtue of this agreement a partner or joint venturer with the Chamber in connection with activities carried on under this agreement, and shall have no obligation with respect to any of the Chamber's debts or liabilities. In providing tourism information services pursuant to this agreement, the Chamber is acting as an independent contractor. Although the City reserves the right to evaluate the quality of the Chamber's work, it cannot and will not control the means or manner of the Chamber's performance. The Chamber is responsible for determining the appropriate means and manner of performing the work. The Chamber represents and warrants that it is not an officer, employee, or agent of the City, and meets the specific independent contractor standards set forth under ORS 670.600.

3.3 Restrictions on Use. In connection with the use of the premises, Chamber shall:

(1) Conform to all applicable laws and regulations of any public authority affecting the premises and the use, and correct at Chamber's own expense any failure of compliance created through Chamber's fault or by reason of Chamber's use, but Chamber shall not be required to make any structural changes to effect such compliance unless such changes are required because of Chamber's specific use.

(2) Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent City from taking advantage of any ruling of the Oregon Insurance Rating Bureau, or its successor, allowing City to obtain reduced premium rates for long-term fire insurance policies, unless Chamber pays the additional cost of the insurance.

(3) Refrain from any use that would be reasonably offensive to other owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the premises.

(4) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by City.

(5) Refrain from making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the consent of City, which consent shall not be unreasonably withheld.

(6) Refrain from conducting Chamber related business on the premises.

Section 4. Repairs and Maintenance

4.1 City's Obligations. The following shall be the responsibility of City:

(1) Structural repairs to roof and gutters, exterior walls, bearing walls, structural members, floor slabs, and foundation.

(2) Repair and maintenance of sidewalks, driveways, curbs, parking areas, grounds and areas used by Chamber and the general public, including the repair and maintenance of the outside underground sprinkler system.

(3) Repair and maintenance of exterior water, sewage, gas, and electrical services up to the point of entry to the leased Premises.

(4) Repair of the heating and air conditioning system other than ordinary maintenance.

(5) Repair and maintain mall lights and fixtures in Mall Block 0.

(6) Ordinary repair and maintenance of roof and gutters, exterior walls (including painting), bearing walls, structural members, floor slabs, and foundation.

(7) Ordinary maintenance of the heating and air conditioning system and any repairs necessary as the result of improper maintenance.

(8) Any repairs or alterations required to comply with laws and regulations.

(9) Ordinary repair of interior walls, ceilings, doors, windows, and related hardware, light fixtures, switches, and wiring and plumbing from the point of entry to the premises.

4.2 Chamber's Obligations. The following shall be the responsibility of Chamber:

(1) Any repairs necessitated by the negligence of Chamber, its agents, employees, and invitees.

4.3 City's Interference with Chamber. In performing any repairs, replacements, alterations, or other work performed on or around the Premises, City shall not cause unreasonable interference with the use of the premises by the Chamber.

4.4 Reimbursement for Repairs Assumed. If either party fails or refuses to make repairs that are required by this Section 4, the other party may make the repairs and charge the actual costs of repairs to the first party. Such expenditures shall be reimbursed on demand together with interest at the rate of 9 percent per annum from the date of expenditure. Except in an emergency creating an immediate risk of personal injury or property damage, neither party may perform repairs which are the obligation of the other party, and charge the other party for the resulting expense, unless at least 45 days before work is commenced the defaulting party is given notice in writing outlining with reasonable particularity the repairs required, and such party fails within that time to initiate such repairs in good faith.

Section 5. Alterations

5.1 Alterations Prohibited. Chamber shall make no improvements or alterations on the premises of any kind without first obtaining City's written consent. All alterations shall be made in a good and workmanlike manner, and in compliance with applicable laws and building codes. As used herein, "alterations" includes the installation of computer and telecommunications wiring, cables, and conduit.

5.2 Ownership and Removal of Alterations. All improvements and alterations

performed on the Premises by either City or Chamber shall be the property of City when installed unless the applicable City's consent specifically provides otherwise. Improvements and alterations installed by Chamber shall, at City's option, be removed by Chamber and the premises restored, unless the City's consent specifically provides otherwise.

Section 6. Insurance

6.1 Liability Insurance. Chamber shall, at Chamber's expense and at all times during the term of this lease, maintain in force a comprehensive general liability insurance policy. Minimum liability coverage shall be \$500,000.00 per claim and \$1,000,000 per occurrence. If the limits of liability for tort claims against public bodies under the laws of the state of Oregon are increased beyond the amounts stated in this section during the term of this lease, Chamber shall increase its coverage accordingly. City shall be added as a named insured to the policy regarding claims under this lease.

6.2 Property Insurance. While this agreement is in effect, City shall maintain a policy or policies of fire insurance for the full value of the Premises. If the premises are damaged or destroyed by fire or any other risks enumerated in the insurance policy required by this section, unless otherwise agreed by the parties in writing, the proceeds from such policy shall be applied to repair, restore, or replace the premises.

6.3 Personal Property Insurance. Chamber, at its option, may insure Chamber's personal property against loss or damage from fire or other casualty. If Chamber does not insure its personal property, Chamber shall bear the risk of loss of its personal property on the Premises, and waives any claim against the City for damage to such personal property which would be covered by fire insurance with extended coverage endorsement.

6.4 Worker's Compensation Insurance. The Chamber shall obtain and maintain worker's compensation insurance to cover all subject workers, as provided by Oregon law.

6.5 General Requirements for Insurance. All insurance policies that Chamber is required to obtain and maintain under this agreement shall provide that the insurer waives the right of subrogation against the City, its officers, employees, and agents, and that any loss shall be payable, notwithstanding any negligence of City, its officers, employees, or agents; and be issued by a responsible insurance company which is licensed to do business in the state of Oregon. Chamber shall provide to City a current certificate for each insurance policy. Each certificate shall provide that coverage under the policy cannot be canceled and restrictive modifications cannot be made until at least 30 days prior written notice has been given to City.

Section 7. Taxes and Liens

7.1 Property Taxes. Chamber shall pay as due all taxes on its personal property located on the Premises.

7.2 Liens. Chamber shall not cause or allow any liens or encumbrances, including but not limited to construction or material man's liens, to be imposed upon the Premises without the express written consent of the City. Except as provided in Section 8.3, if any lien or other encumbrance or assessment is imposed upon the premises, Chamber shall proceed immediately to remove it.

Section 8. Utilities

8.1 Payment of Utilities Charges. City shall pay when due all charges for the following services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises: charges for fuel, gas, electricity (including charges for street lights installed on "Mall Block 0" as of the date of the execution of this agreement), water (except as provided herein), sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services. The City shall pay when due all charges for water available to the public on the outside of the Tourism Information Center.

Section 9. Hazardous Substances.

9.1 Definitions. As used in this section, "environmental law" means any and all federal, state, and local statutes, rules, regulations, and ordinances pertaining to hazardous substances, health, industrial hygiene, or environmental conditions. As used in this section, "hazardous substance" includes, without limitation, hazardous substances, hazardous wastes, toxic chemicals, and other substances, materials and wastes which are regulated by any environmental laws or are subject to remediation under any environmental laws.

9.2 Compliance with Environmental Laws. Chamber shall cause the premises and all activities conducted on the premises to comply with environmental laws. If any hazardous substances are brought upon, used, kept or stored on the Premises by the Chamber, the Chamber shall undertake any and all preventive and remedial actions (including emergency response, removal, containment and other remedial actions) that are either required by an applicable environmental law, necessary to prevent or minimize any property damage, personal injury, or damage to the environment, by releases of or exposure to hazardous substances in connection with the Premises or activities of Chamber on the premises.

9.3 Notice. Chamber shall immediately notify the City if Chamber has actual notice of any spill, release, or disposal of any hazardous substance on the Premises; or any complaint, citation, administrative action, order, notice of violation, or similar action relating to hazardous substances on the premises or violations of environmental laws arising out of any condition existing on the premises or activities on the premises.

9.4 Indemnification. Chamber shall defend, indemnify, and hold harmless City, its officers, agents, and employees from any and all claims, actions, costs, damages, judgments, penalties, fines, and other expenses which arise during or after the term of this agreement and which are imposed on, or asserted against one or more of the indemnities as a result of Chamber's generation, manufacture, use, transportation, treatment, storage, disposal or release of hazardous substances on the premises during the term of the lease. Chamber's obligations to the indemnities shall apply to the acts and omissions of Chamber's employees, agents, contractors, and invitees.

9.5 Survival of Duties. The requirements of this Section shall survive this agreement, whether through expiration of the agreement or whether the agreement is earlier terminated by default or otherwise.

Section 10. Damage and Destruction

10.1 Partial Damage. If the premises are partly damaged and Section 10.2 does not apply, the Premises shall be repaired by City at City's expense. Repairs shall be accomplished with all reasonable dispatch subject to interruptions and delays from labor disputes and matters beyond the control of City.

10.2 Destruction. If the premises are destroyed or damaged such that the cost of repair exceeds 50 percent of the value of the structure before the damage, either party may elect to terminate this agreement as of the date of the damage or destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination. If neither party elects to terminate, City shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced as soon as reasonably possible and thereafter shall proceed without interruption except for work stoppages on account of labor disputes and matters beyond City's reasonable control.

10.3 Abatement. Chamber's duties to provide tourism information services under Section 2 shall be abated during the repair of any damage to the extent that the premises can not reasonably be used as a visitor information center. The Cities obligations under paragraph 2.2 of this agreement shall abate during the time that the Chamber is unable to provide tourism information services at the premises. The parties may agree to continue providing such services from a different location during the repair of the premises.

Section 11. Eminent Domain

11.1 Partial Taking. If a portion of the Premises is condemned and Section 11.2 does not apply, the agreement shall continue on the following terms:

(1) City shall be entitled to all of the proceeds of condemnation, and Chamber shall have no claim against City as a result of the condemnation.

(2) City shall proceed as soon as reasonably possible to make such repairs and alterations to the premises as are necessary to restore the remaining premises to a condition as comparable as reasonably practicable to that existing at the time of the condemnation.

11.2 Total Taking. If a condemning authority takes all of the Premises or a portion sufficient to render the remaining premises reasonably unsuitable for the use that Chamber was then making of the premises, this agreement shall terminate as of the date the title vests in the condemning authorities. Such termination shall be treated as a termination under Section 15.2.3. City shall be entitled to all of the proceeds of condemnation, and Chamber shall have no claim against City as a result of the condemnation. The City shall have no claim on the personal property of the Chamber located in or about the premises.

11.3 Sale in Lieu of Condemnation. Sale of all or part of the premises to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated for the purposes of this Section 11 as a taking by condemnation.

11.4 Continuation of Agreement. The parties may agree to continue providing the services and payments as outlined in this Agreement from a different location following any

such condemnation, taking or sale.

Section 12. Indemnification. Chamber shall indemnify, defend and hold harmless City, its officers, agents, and employees from any and all claims, actions, costs, damages, judgments, and other expenses resulting from any and all injuries to any person or damage to any property arising out of or incident to the use of the Premises, including, but not limited to, the acts or omissions of Chamber's employees, agents, visitors or invitees, or any hazardous condition existing on the premises resulting from the acts or omissions of the Chamber's employees, agents, visitors, or invitees. Chamber shall not be responsible for claims, actions, costs, damages, judgments, and other expenses resulting from injury to persons or property that is directly, solely and proximately caused by the negligence or other tortious acts of the City, or the City's officers, agents, or employees.

Section 13. Default. Any of the following shall constitute of default:

13.1 Defaults in Covenants. The failure of the Chamber to comply with any term or condition of this Agreement within 20 days after written notice is received from the City specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, this provision shall be complied with if Chamber begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

Section 14. Remedies on Default

14.1 Termination. In the event of a default, the agreement may be terminated at the option of City by written notice to Chamber. Whether or not the agreement is terminated by the election of City, the City shall be entitled to take possession of the premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

14.2 Damages. In the event of termination of the agreement as a result of Chamber's default, City shall be entitled to recover immediately, without waiting until the date fixed for expiration of the agreement, the reasonable costs of reentry, including without limitation the cost of any cleanup, refurbishing, removal of Chamber's property and fixtures, or any other expense occasioned by Chamber's default.

14.3 City's Right to Cure Defaults. If Chamber fails to perform any obligation under this lease, City shall have the right, but not the obligation, to do so after 30 days' written notice to Chamber. All of City's expenditures to correct the default shall be reimbursed by Chamber on demand with interest at the rate of 9 percent per annum from the date of expenditure by City. Such action by City shall not waive any other remedies available to City because of the default.

14.4 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to City under applicable law.

Section 15. Termination

15.1 Mutual Options to Terminate and Requirement of Notice of Termination. This agreement may be terminated by either party on giving written notice of the intent to terminate to the other party not less than three months prior to the date of the intended

termination, by sending the required notice to the other party. The giving of notice shall not release either City or Chamber from full and faithful performance of all terms and conditions of this agreement after the notice of termination but before the Chamber actually halts operations at the premises, and removes the Chambers personal property from the premises.

Section 16. Surrender at Expiration

16.1 Condition of Premises. Upon expiration of the term of this agreement, or earlier termination on account of default, Chamber shall deliver all keys to City and surrender the Premises in first-class condition and broom clean, ordinary wear and tear excepted. Alterations constructed by Chamber with permission from City shall not be removed or restored to the original condition unless the terms of permission for the alteration so require.

16.2 Fixtures

(1) All fixtures placed upon the Premises during the term, other than Chamber's trade fixtures, shall, at City's option, become the property of City. If City so elects, Chamber shall remove any or all fixtures that would otherwise remain the property of City, and shall repair any physical damage resulting from the removal. If Chamber fails to remove such fixtures, City may do so and charge the cost to Chamber with interest at the legal rate from the date of expenditure.

(2) Prior to expiration or other termination of this agreement Chamber shall remove all of Chamber's furnishings, furniture, and trade fixtures that remain its property. If Chamber fails to do so, this shall be an abandonment of Chamber's property, and City may retain the property and all rights of Chamber with respect to it shall cease or, by notice in writing given to Chamber within 20 days after removal was required, City may elect to hold Chamber to its obligation of removal. If City elects to require Chamber to remove, City may effect a removal and place the property in public storage for Chamber's account. Chamber shall be liable to City for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by City.

Section 17. Miscellaneous

7.1 Assignment and Subletting. No part of the Premises may be assigned, mortgaged, or leased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of City. This provision shall apply to all transfers by operation of law. City may withhold or condition such consent in its sole and arbitrary discretion. Chamber shall allow City, without charge, reasonable use of the Premises' meeting room(s), upon not less than two weeks written notice. Should Chamber have the meeting room scheduled for the time requested by City, City shall have no right of preemption; however, Chamber shall make reasonable efforts to accommodate City's request by scheduling City's use at other available times.

17.2 Nonwaiver. Waiver by either party of strict performance of any provision of this agreement shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

17.3 Compliance with the Law. Chamber shall observe and comply with all statutes, regulations, rules, ordinances, and other requirements of federal, state, and local governments with respect to the use, care and control of the premises.

17.4 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

17.5 Notices. Any notice required or permitted under this agreement shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this agreement or to such other address as may be specified from time to time by either of the parties in writing.

17.6 Succession. Subject to the above-stated limitations on transfer of Chamber's interest, this agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.


17.7 Entry for Inspection. City shall have the right to enter upon the premises at any time to determine Chamber's compliance with this agreement and to make necessary repairs to the premises.

17.8 Severability. If any provision of this agreement is held to be invalid by a court, such holding shall not affect any other provision of this agreement.

17.9 Entire Agreement. This agreement constitutes the final and complete agreement between the parties concerning the operation and management of the premises and supersedes all prior and existing written or oral understandings.

17.10 Amendments. This agreement may only be changed or modified by mutual agreement of the parties, in writing, and signed by both parties. Any attempted oral modification shall be invalid.

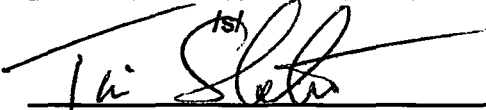
City of Coos Bay



Rodger Craddock, Acting City Manager

11/5/09
Date

BAY AREA CHAMBER OF COMMERCE



Timm Slater, President

11/5/09
Date

ATTACHMENT A

Scope of Services

The Bay Area Chamber of Commerce will provide the following services as agreed upon by the City of Coos Bay

1. Establish operating hours of the Visitor Information Center (VIC) as follows:
 - a. Peak Tourist season, May 1st to October 15th - Monday through Friday 9:00 a.m. to 5:00 p.m., and Saturday & Sunday 11:00 a.m. to 3:00 p.m.;
 - b. Non peak season, October 16th through April 30th - Monday through Friday 9:00am to 3:00 p.m. and Saturday 11.00 a.m. to 3 p.m. These hours may be modified upon written confirmation by the City.
2. Manage the day to day operations of the VIC which shall include answering telephone, e-mail and in person inquires at a minimum of 40 hours per week.
3. Chamber will make no distinction between chamber members and non chamber members when providing information to any inquiry.
4. Chamber will provide quarterly presentations to the City Council regarding tourist inquiries, counts and detail of revenues and expenditures during the preceding quarter.
5. Provide current copies of all job descriptions for employees and volunteers to the City.
6. Develop policies governing the operation of the VIC in concert with the City and keep approved polices on site as well as providing the City with policy manual. This manual should include such things as the reader board; communication with the City; displays provided by others' such as businesses, non-profits, etc...
7. Provide to the City a monthly cost accounting for City funds used in the following two categories:
 - a. Labor Expenses (Personnel & Oversight and Supervision)
 - b. Non-Labor Expenses (Volunteer Training, Meetings & Travel, Association Memberships, and Office Supplies & Misc.)
8. If, during any contract year, the actual non-labor expenses are less than the estimated non-labor expenses for that year, then Chamber will pay to City a rebate in an amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon non-labor expenses are listed in the annual budget in Attachment B.

REC 11/5/09

ATTACHMENT B

Detailed Annual Budget

The Chamber agrees to provide the services as listed in Attachment A. The Chamber's detailed annual budget for providing those services to the City is as follows:

		Expenses
Labor Expenses	Personnel	\$43,010
	Overhead & Supervision	\$8,797
Non-Labor Expenses	Volunteer Training	\$3,450
	Meetings & Travel	\$3,450
	Association Memberships	\$460
	Office Supplies & Misc.	3,910
		Total \$63,077

REC 11/5/09



Memorandum

To: Timm Slater, Executive Director
Bay Area Chamber of Commerce

From: Rodger Craddock, Acting City Manager *REC*

Date: November 5, 2009

Re: Worked Performed By Volunteers

This memo is to confirm our conversation on November 2nd regarding the clarification of Tourism Management Agreement, section 3.3 (5) which states "Refrain from conducting Chamber related business on the premises." As we discussed, this part of the agreement is designed to restrict the use of the facility (VIC) by the Chamber employee that the City is contracting with the Chamber to provide to the City for the sole purpose of performing work for the City. As I mentioned, using a facility by a person, both of which are paid for through public funds, to conduct work for a non-governmental entity (Chamber) could jeopardize the City's non-tax bond that is being used to pay for building the facility.

As we discussed, the City will allow the volunteers to conduct limited work, such as stuffing envelopes from time to time, for the Chamber at the VIC. This of course is subject to change should their work for the Chamber interfere with their work for the VIC or in some manner jeopardizes our non-tax bond.

AMENDMENT TO TOURISM MANAGEMENT AGREEMENT

Date: November , 2010
Between: City of Coos Bay, an Oregon municipal corporation ("City")
500 Central Avenue
Coos Bay, OR 97420
And: Bay Area Chamber of Commerce, an Oregon non-profit Corporation ("Chamber")

Pursuant to the provisions of Section 17.10 of the "Tourism Management Agreement," entered into by the parties on November 5, 2009, the parties hereby amend such agreement, effective November 1, 2010, as follows:

1. Section 2.2 of the agreement is amended to read as follows:

"2.2 The City shall pay to the Chamber for the latter's use in providing the services outlined in Attachment A, a monthly payment of Four Thousand Nine Hundred Seventy Six dollars and 42/100 (\$4,976.42) for a total yearly payment of \$59,717. The annual budget for services rendered to the City is listed in Attachment B. Such monthly payments shall be made on or about the last day of each month the payment is due. The City's obligation to make such payments is subject to the City's yearly appropriation during the budget process. Should this agreement terminate prior to the end of any given month, the funding provided pursuant to this section shall be apportioned on a pro rata basis, and any unexpended portion shall be retained by the City. If, during any contract year, the actual non-labor expenses are less than the estimated non-labor expenses for that year, then Chamber will pay to City a rebate in an amount equal to seventy-five percent (75%) of the difference no later than sixty (60) days after the expiration of that contract year. The agreed upon non-labor expenses are listed in the annual budget in Attachment B."

2. Attachment "B" to the original Agreement is hereby revoked, and is replaced by "Attachment B," attached hereto and incorporated into this document as if fully set forth herein.

3. All other provisions of the Tourism Management Agreement entered into by the parties on November 5, 2009, remain in full force and effect.

City of Coos Bay



Rodger Craddock, City Manager

11/2/10

Date

BAY AREA CHAMBER OF COMMERCE



Timm Slater, President

11/1/10

Date

ATTACHMENT B

Detailed Annual Budget

The Chamber agrees to provide the services as listed in Attachment A to the Tourism Management Agreement dated November 5, 2009. The Chamber's detailed annual budget for providing those services to the City is as follows:

		Expenses
Labor Expenses	Personnel	\$43,010
	Overhead & Supervision	\$8,797
Non-Labor Expenses	Volunteer Training	\$2,000
	Meetings & Travel	\$3,450
	Association Memberships	\$460
	Office Supplies & Misc.	\$2,000
		Total \$59,717