

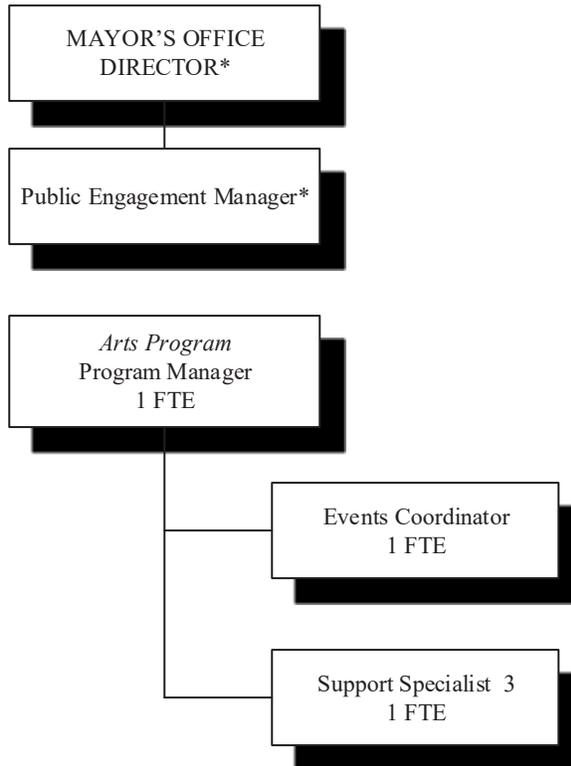


# Lodging Tax Fund

- PRCA Facility Development
- Arts Program

# Lodging Tax (TLT) Fund

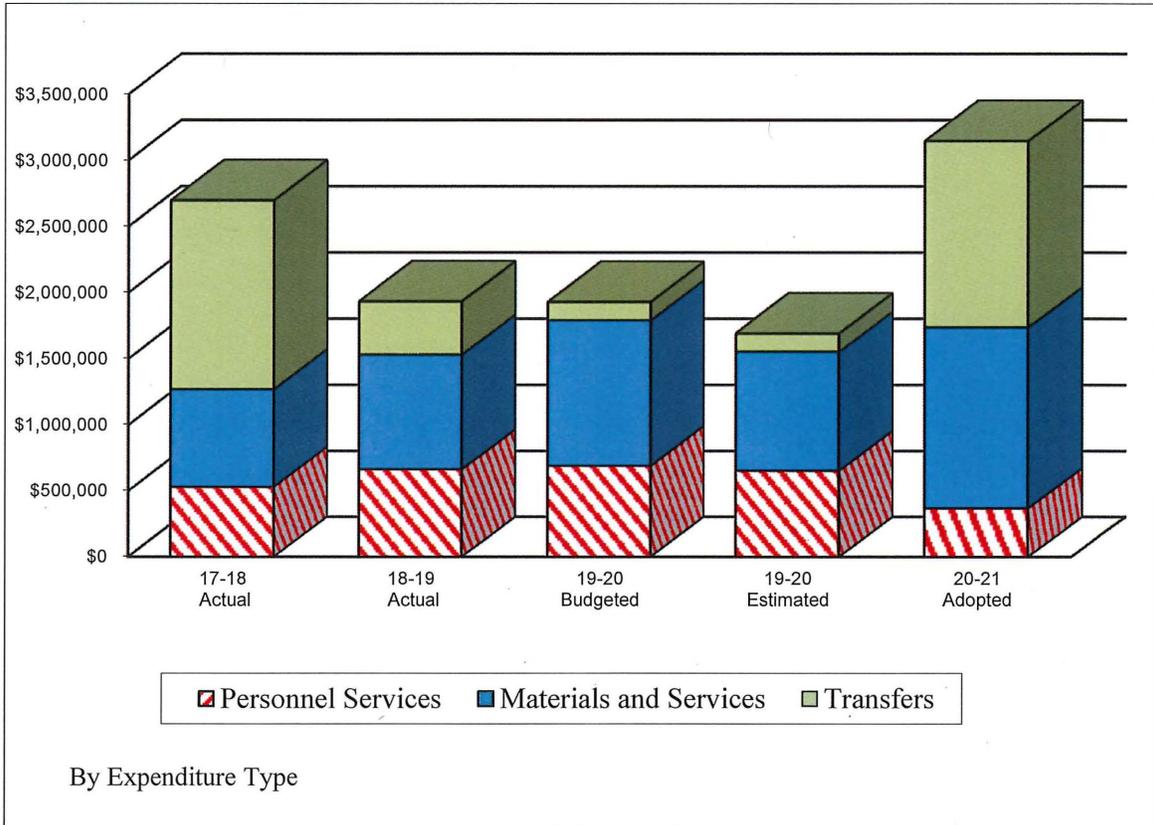
FY 2020-21 BUDGETED POSITIONS



\*Funded in the General Fund

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

**LODGING TAX FUND**  
ADOPTED FY 2020-21



CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

**LODGING TAX (TLT) FUND  
SUMMARY OF REVENUES AND EXPENDITURES  
AND OTHER FINANCING SOURCES & USES**

	<u>FY 2017-18 Actual</u>	<u>FY 2018-19 Actual</u>	<u>FY 2019-20 Budgeted</u>	<u>FY 2019-20 Estimated</u>	<u>FY 2020-21 Adopted</u>
<b>Revenues:</b>					
Taxes	\$1,158,948	\$1,278,325	\$1,450,117	\$993,000	\$974,121
Intergovernmental	717,212	796,587	910,092	618,400	606,901
Interest on investments	18,727	16,156	17,400	34,000	24,000
Miscellaneous	587	326	0	0	0
Sub Total Revenues	<u>\$1,895,474</u>	<u>\$2,091,394</u>	<u>\$2,377,609</u>	<u>\$1,645,400</u>	<u>\$1,605,022</u>
<b>Expenditures:</b>					
Personnel services	\$529,528	\$663,268	\$689,497	\$653,858	\$368,651
Materials & services	740,200	867,881	1,101,932	900,385	1,369,894
Sub Total Expenditures	<u>\$1,269,728</u>	<u>\$1,531,149</u>	<u>\$1,791,429</u>	<u>\$1,554,243</u>	<u>\$1,738,545</u>
Revenues Over/Under Expenditures	\$625,746	\$560,245	\$586,180	\$91,157	(\$133,523)
<b>Other financing sources (uses):</b>					
Transfers in	\$454,258	\$556,127	\$648,626	\$648,626	\$645,192
Transfers out	(1,426,859)	(402,320)	(137,998)	(137,998)	(1,407,169)
Total Other Financing Sources (Uses):	<u>(972,601)</u>	<u>153,807</u>	<u>510,628</u>	<u>510,628</u>	<u>(761,977)</u>
Net Change in Fund Balance	(\$346,855)	\$714,052	\$1,096,808	\$601,785	(\$895,500)
Fund Balance/Working Capital Beginning of Year	<u>1,233,059</u>	<u>886,204</u>	<u>1,600,256</u>	<u>1,600,256</u>	<u>2,202,041</u>
Fund Balance (Reserves)/Working Capital End of Year	<u>\$886,204</u>	<u>\$1,600,256</u>	<u>\$2,697,064</u>	<u>\$2,202,041</u>	<u>\$1,306,541</u>

This fund was created to record all Transient Lodging Taxes and will be used to assist in funding a future 550 seat Center for Performing Arts Facility. The contingency policy is to establish an amount equal to 42% on a budgetary and actual basis. For FY 2020-21, this equals \$1,321,200 (using total expenditures and transfers out). The contingency will accumulate for one more year when the Performing Arts Facility is anticipated to open in FY 2021-22.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

<b>FUND:</b> 107 LODGING TAX (TLT) FUND	<b>DEPARTMENT:</b> FINANCE
<b>DEPARTMENT HEAD:</b> PATRICK O'CLAIRE	

**Program Goal:** Design, construct and operate the Patricia Reser Center for the Arts (PRCA), a center that provides a permanent home for the arts in Beaverton, featuring diverse programming and events that serve community residents and visitors. Function as a key element of Downtown and Beaverton. Operate the on-going Arts program of the city to showcase local and regional artists.

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	5.00	5.00	5.00	4.00	3.00
PERSONNEL SERVICES	\$529,528	\$663,268	\$689,497	\$497,203	\$368,651
MATERIALS & SERVICES	740,200	867,881	1,101,932	1,239,749	1,369,894
CAPITAL OUTLAY	0	0	0	0	0
TRANSFERS	1,426,859	402,320	137,998	1,407,169	1,407,169
CONTINGENCY	0	0	2,697,064	1,308,134	1,306,541
<b>TOTAL</b>	<b>\$2,696,587</b>	<b>\$1,933,469</b>	<b>\$4,626,491</b>	<b>\$4,452,255</b>	<b>\$4,452,255</b>

Funding Sources:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-21
Beginning Working Capital	\$1,233,059	\$886,204	\$1,600,256	\$2,202,041	\$2,202,041
City Lodging Tax - 4%	1,158,948	1,278,325	1,450,117	974,121	974,121
County Lodging Tax - 2.5%	717,212	796,587	910,092	606,901	606,901
Investment Interest Earnings	18,727	16,156	17,400	24,000	24,000
Transfers from General Fund	454,258	556,127	648,626	645,192	645,192
Miscellaneous Revenues	587	327	0	0	0

See also Fund 301 – Capital Development Fund – Patricia Reser Center for the Arts (program #3521): for the design and construction of the facility. Debt Service payments on the Transient Lodging Tax Revenue Bonds appear in the Special Revenue Debt Service Fund (#202)

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

<b>FUND:</b> 107 LODGING TAX (TLT) FUND	<b>DEPARTMENT:</b> FINANCE
<b>PROGRAM:</b> 0802 PRCA FACILITY DEVELOPMENT PROGRAM	<b>PROGRAM MANAGER:</b> CHRIS AYZOUKIAN

**Program Goal:** Design, construct and operate the Patricia Reser Center for the Arts, a center that provides a permanent home for the arts in Beaverton, featuring diverse programming and events that serve community and visitors. Function as a key element of Downtown and Beaverton.

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	2.00	2.00	2.00	1.00	0.00
PERSONNEL SERVICES	\$303,020	\$325,439	\$345,686	\$159,119	\$30,567
MATERIALS & SERVICES	528,155	672,626	823,385	975,000	1,105,145
CAPITAL OUTLAY					
TRANSFERS	1,409,108	379,304	100,550	1,364,256	1,364,256
<b>TOTAL</b>	<b>\$2,240,283</b>	<b>\$1,377,369</b>	<b>\$1,269,621</b>	<b>\$2,498,375</b>	<b>\$2,499,968</b>

**Revenue:**

City Lodging Tax - 4%	\$1,158,948	\$1,278,325	\$1,450,117	\$974,121	\$974,121
County Lodging Tax - 2.5%	717,212	796,587	910,092	606,901	606,901

\* Effective October 1, 2016

\*\* County Lodging Tax was a revenue source for the General Fund prior to July 1, 2016

**Program Objective:**

The program includes operation of a capital fundraising campaign as well as operational planning for facility management and programming for the start-up phase. For FY 2019-20 the objective is to continue the momentum for the center; the program will continue making progress towards raising the goal of \$11.1million, with over \$5 million already secured. Pending a vote by City Council, it is anticipated that the project will break ground in September 2019.

This program is charged with implementing the following Beaverton Community Vision action item:

**Vision Action Item #71:** Develop an arts and culture center. Develop a destination arts and culture center through a private-public partnership

**Patricia Reser Center for the Arts Project Development:** The inter-departmental project team is led by the Development Division of the Community Development Department, PRCA staff, and other staff to support the community vision idea of a permanent home for arts in Beaverton. The project envisions use of the Main Library's auditorium as an integrated resource for performances, lectures, and educational offerings complementing the PRCA. The planned plaza alongside Beaverton Creek can be used with the adjacent existing plazas at The Round and streets for large-scale outdoor events and activities.

The Center will feature:

- 43,000 sf
- Mainstage: 550 seats
- Space for rehearsals, workshop, events, and educational initiatives
- Lobby
- Art Gallery
- Box office
- Meeting / Conference Room
- Outdoor Plaza
- State of the art technical capabilities

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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The PRCA is a catalyst to redevelopment of Central Beaverton which features projects such as:

- Beaverton Central Parking Garage and parking management strategy
- Completion of new hotel and apartment/retail complex
- Serve as a regional tourism attractor

The center's eventual debt service and much of its operating expenses will be funded by a combined city and county lodging tax. The city increased its lodging tax effective October 1, 2016.

The practical expression of Patricia Reser Center for the Arts is a collection of programs and services that called "The Four Pillars," each of which is important in its own right, but which together create a solid structure for PRCA's service to the people of the City of Beaverton and its surrounding communities.

- I. Professional Performing Arts Presenting
- II. Arts Education Programs
- III. Rentals - both commercial and as a service to local/regional arts groups
- IV. Community Outreach & Engagement

**Progress on FY 2019-20 Action Plan:**

- Increase visibility of the Center, capital campaign and the importance of the arts in the community. During FY 19-20 the focus will be shifting from Major Donors to launching the public phase of the campaign in order to bring greater community awareness and develop opportunities for deeper cultivation of prospective donors for capital and operations funding.
  - Update: Increased visibility of the Center, capital campaign and the importance of the arts in the community.
- Implement the first phase of the public/community public relations and fundraising campaigns, including implementation of marketing strategy developed in FY 2018-19.
  - Update: Officially launched the Community Phase (Public Phase) of the fundraising campaign that coincided with Groundbreaking in November 2019. Began implementing strategies designed to make the invitation to participate more accessible to the general public, including Fill the Seats Campaign and Campaign in a box (Volunteer house parties).
- Develop strategy for transitioning capital donors to ongoing operational support for the PRCA.
  - Update: Targeted strategy under development donors and will continue as a goal in 20-21.
- Pending the sale of special revenue bonds for construction backed by city's Lodging Tax, create appropriate accounting measures to manage the sale proceeds, and cash flow needs for construction.
  - Update: In collaboration with the Finance Director, created cash flow projections for construction and operations including sale of special revenue bonds anticipated for summer 2020.
- Pending city council authorization of special revenue bonds for construction, host community-wide celebration of project approval in order to connect more residents with the PRCA.
  - Update: After council authorization of the special revenue bands and construction GMP and contract, presented groundbreaking ceremonies and donor event attended by over 400 people and featured in multiple media outlets.
- Continue awareness and targeted outreach efforts to the public and potential users to inform programming and policy.
  - Update: Presented to all Neighborhood Association Committees, Boards and Commissions, and numerous potential users.
- Continue outreach efforts to metro-wide arts organizations to recruit and prepare potential users for the PRCA.
  - Update: Held numerous personal meetings with organizations in the metro area

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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- Develop brand identity for PRCA ready for brand launch in FY20-21.
  - Update: This goal has been delayed to Summer/Fall of 2020 in preparation for Q2 of 2021 prior to opening.
- Study, recommend and implement management and operating structure.
  - Update: Held two city council work session to provide staff recommendation on the topic and obtain council input. These resulted in the preferred non-profit management structure (under contract with the City), and the naming of the Beaverton Arts Foundation as the preferred operating partner subject to an operating agreement.
- Prepare operational policies and staffing plan for implementation in FY20-21.
  - Update: Staffing plan has been completed and operational policies are in development, for implementation in late 2020, early 2021.
- Update operating pro forma in preparation for first budget cycle of a partial year of operations in FY20-21.
  - Update: Many updates have been completed for FY20-21 and beyond, including a recently-revised version due to the impact of COVID-19.

**FY 2020-21 Action Plan:**

**Capital Fundraising Campaign via agreement with Beaverton Arts Foundation:**

- A. Complete the goal of raising \$11.2M private funds towards the construction costs. As of April 19, 2020, over \$10M has been raised by Beaverton Arts Foundation under a grant agreement with the City of Beaverton.
- B. Continue working with Major Donors and the Local Community to secure gifts towards the \$11.2M private fundraising goal and with the Local Community through the Community Campaign.
- C. Collect pledges in full in a timely manner as per each pledge agreement.
- D. Begin fundraising towards the \$2.5M endowment/reserve fund.
- E. As the opening of the PRCA nears, develop opportunities for capital donors to continue their investment towards ongoing operational/programming support for the PRCA.

**Preparations for Opening via separate agreement with Beaverton Arts Foundation:**

There are ten areas of pre-opening work necessary to ready PRCA for its anticipated opening in Fall 2021. As construction continues, an equally vigorous, parallel effort to prepare for the management of the arts center and its activities has already started. This work must be completed in order to activate the arts center when construction is complete. The scope of activities is broad. The agreement with the Beaverton Arts Foundation includes goals related to each of the below areas.

- A. Plan and execute grand opening of PRCA, and continuously reevaluate the scope of activities that may be impacted by the lingering effects of COVID-19 and its lingering impacts.
- B. Transition Beaverton Arts Foundation to PRCA Governing Board
- C. Develop enduring PRCA (Beaverton Arts Foundation)/City Operating Agreement
- D. Facility & Infrastructure
- E. Policy and Procedures Development
- F. Program Development
- G. External Communications

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET

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H. Contracts, Vendors, Licenses, Permits

I. Staffing: Hiring & Training

Note: The completion of the Capital Campaign is covered under a separate grant agreement but coordinated closely with the development of PRCA as an operating nonprofit arts organization.

Performance Measures:	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Budgeted/Revised	FY 2020-21 Adopted
Fulfillment of pledges receivable	N/A		100% / 100%	100%
Funds raised from public campaign	N/A		\$1,000,000 / \$2,805,000	\$1,015,000
Total donors to capital campaign	N/A	90	500 / 300	1,000
Grants submitted for PRCA programming and operational support	N/A		5 / 3	3
All grants submitted for PRCA	N/A		New / 9	10
Total users/programming partners reached (cumulative)	N/A	30+	60+ / 60+	60+

The current set of milestones for the project are:

Major gift and foundation fundraising:	2017 – 2021
Public awareness and support:	2018 - 2021
Lodging Tax Revenue Bond Sale	Summer 2020
Design, engineering, permits:	2017 – Summer 2019
Construction and commissioning	Fall 2019 – Summer 2021
Goal: Grand Opening Celebration:	Fall 2021

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 107 LODGING TAX (TLT) FUND	<b>DEPARTMENT:</b> MAYOR'S OFFICE
<b>DIVISION:</b> 0528 ARTS PROGRAM	<b>PROGRAM MANAGER:</b> BETH TOBEY

**Mission Statement:**

The Arts Program's mission is to enhance, unite, and celebrate our diverse community through art.

REQUIREMENTS	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGETED	FY 2020-21 PROPOSED	FY 2020-21 ADOPTED
POSITION	3.00	3.00	3.00	3.00	3.00
PERSONNEL SERVICES	\$226,508	\$337,829	\$343,811	\$338,084	\$338,084
MATERIALS & SERVICES	212,045	195,255	278,547	264,749	264,749
CAPITAL OUTLAY					
TRANSFERS	17,751	23,016	37,448	42,913	42,913
CONTINGENCY	0	0	2,697,064	1,308,134	1,306,541
<b>TOTAL</b>	<b>\$456,304</b>	<b>\$556,100</b>	<b>\$3,356,870</b>	<b>\$1,953,880</b>	<b>\$1,952,287</b>

**Program Objectives (services provided):**

The Arts Program accomplishes its mission by carrying out the following five goals:

- Bring diverse people together by providing opportunities for all people to experience and explore art;
- Create ways for people to celebrate cultural diversity through art;
- Help local artists to have a voice and to thrive artistically;
- Spur resource and partnership development and stewardship;
- Educate the community on the intrinsic and economic value of art.
- Work with the Beaverton Arts Commission (BAC) to realize our mission and goals.

**Program Objectives link to the Community Vision:**

The arts are a strong component of both the Beaverton Community Vision Action Plan; the city's adopted Marketing Plan, and the city's Diversity, Equity and Inclusion Plan. The Arts Program is a partner and has the responsibility to implement the following Beaverton Community Vision action items:

- **Vision Action Item #1:** Expand neighborhood and district branding
- **Vision Action Item #13:** Use art, murals and landscaping to beautify Beaverton
- **Vision Action Item #71:** Develop an arts and culture center
- **Vision Action Item #72:** Create spaces for local music and artistic performances
- **Vision Action Item #73:** Expand public art and promote murals and sidewalk art
- **Vision Action Item #74:** Develop an arts, events, branding and marketing strategy

**Program Objectives link to Diversity, Equity and Inclusion Plan:**

- **Community Building #2:** Cultural Celebration: Promote the celebration and sharing of culture through programming and events open to the public.
- **Community Building #3:** The city supports inclusion by recognizing the contributions of communities of color and our shared history in public spaces.

CITY OF BEAVERTON, OREGON  
 FISCAL YEAR 2020-21 BUDGET  
 CURRENT LEVEL OF SERVICES

<b>FUND:</b> 107 LODGING TAX (TLT) FUND	<b>DEPARTMENT:</b> MAYOR'S OFFICE
<b>DIVISION:</b> 0528 ARTS PROGRAM	<b>PROGRAM MANAGER:</b> BETH TOBEY

**Progress on FY 2019-20 Action Plan:**

- **Marketing Plan** – Launched a coordinated arts-focused marketing campaign, including *Your Art Moment*, a daily (365 days) feature of local and regional artists via social media intended to increase awareness of the arts in Beaverton and provide exposure to emerging artists within our community.
- **Public Art Master Plan – 1% for Art planning** Managed the 1% for art process and assembly of the Art Selection Committee for three large capital projects:
  - Public Safety Center Update: Selected final artwork for the new Public Safety Center plaza.
  - Patricia Reser Center for the Arts Update:
    - Selected the Lead Artists who delivered the Art Framework to guide PRCA public art.
    - Selected Lead Artists for lobby art.
  - Central District Garage:
    - Selected Lead Artist for North Wall art work.
    - Selected Final Design for 100% Corner mural on mental mesh.
- **Public Art** – Installed and celebrated Coyote sculpture on the Crescent Connection Trail.
- **Downtown Placemaking** –Implemented placemaking projects, including temporary fence panel murals on the vacant Central District/Milikan St. property and a mural on the ground plane at the Union Vintage Triangle at Beaverdam St.
- **Grant-Making**:
  - Awarded \$35,000 in grants to over 20 artists/organizations/community groups.
    - Introduced the *Art Lives Here* grant program with 3 grant awards of \$5,000 each.
  - Provided seed funding for the La Strada dei Pastelli Chalk Art Festival at \$20,000.
- **Art Events**: Produced **four Arts Program signature** arts events:
  - The 10<sup>th</sup> annual Ten Tiny Dances;
  - Arts-feature at Flicks by the Fountain;
  - Two Concerts in the Round.
- **Artist Workshops**: Engaged in a partnership with Tualatin Valley Creates and City of Hillsboro to offer 6 artist workshops/trainings that served 75+ artists and arts organization representatives.

**FY 2020-21 Action Plan**

- **Arts Marketing** –Develop marketing materials that highlight the city’s support and investment in the arts and encourages arts tourism. Continue branding with Beaverton *Art Lives Here* campaign.
- **Public Art and 1% for Art - Planning and Administration** –Public Safety Center: Coordinate installation of final artwork in the plaza – summer 2020. PRCA: Continue coordination of fabrication and installation of the PRCA and Central Garage public art works – 2 large-scale murals and two large-scale sculptures. Ordinance review/revision: Develop Arts Program Administrative Guidelines for adoption by BAC. Begin review and update of the 1% for Art Ordinance. Mural Matching Grant Pilot program: Start a mural matching grant pilot program and fund 1-3 public murals.
- **Placemaking**: Work to realize 1-2 placemaking projects within Central Beaverton and/or Old Town.

CITY OF BEAVERTON, OREGON  
FISCAL YEAR 2020-21 BUDGET  
CURRENT LEVEL OF SERVICES

<b>FUND:</b> 107 LODGING TAX (TLT) FUND	<b>DEPARTMENT:</b> MAYOR'S OFFICE
<b>DIVISION:</b> 0528 ARTS PROGRAM	<b>PROGRAM MANAGER:</b> BETH TOBEY

- **Grant-Making:** Continue supporting individual artists, arts organizations and community groups with our three grant programs.
- **Artist Support and Arts Economy:** Continue to partner on professional development and capacity-building workshops. Work with the BAC "Arts Economy" subcommittee to do an inventory of resources and strategize how best to support the arts economy and artists.
- **Arts Events:**
  - Continue Ten Tiny Dances and the Beaverton Arts Mix! (BAM!)

Performance Measures	FY17-18 Actual	FY18-19 Actual	FY 2019-20 Budgeted/Revised	FY 2020-21 Adopted
Number of public art projects that support or represent emerging artists; artists of color & indigenous artists; and/or artists from historically marginalized communities.	Not tracked	Not tracked	Not tracked	2
Number of BAC and sub-committee meetings held	12	12	24	20
Number of new placemaking and place-based art installed	New Measure	17	5	2
Number of artists participating in artist workshop series	30	120	150	N/A*
Number of active public art projects	New Measure	New Measure	6	6**
Number of attendees at city Arts Program signature arts events	New Measure	New Measure	3,200	3,000
Art sales at BAM!	New Measure	New Measure	\$16,000+	\$15,000

\*Evaluating program objectives this year and quality/depth of impact vs. quantity/shallow impact.

\*\* Continuation of prior year's projects – PSB and PRCA related.