

Chair Meek, Vice-Chair McLane, and Members of the Committee:

Thank you for the opportunity to testify in support of House Bill 3962.

My name is Tita Montero, representing the city of Seaside. I've served on the Seaside City council for 15 years – as a resident for 23 years after being a tourist in Seaside for some 30 prior years.

Seaside's economy is totally dependent on tourism. Most of our residents would not have jobs if not for our restaurants, hotels, motels, shops and tourist attractions which cater to visitors. Our convention center could not exist without visitors or without our tourism based businesses. Tourism is the core of our town.

We welcome tourists, visitors and conference attendees to our town. Many weekends our population of 7200 is doubled, tripled or quadrupled by the number of visitors attending events or just enjoying our town. Amongst other events, Seaside hosts Hood to Coast's final leg as well as the largest beach volleyball tournament in the country.

We are proud of our town and yet we know that tourism also adds to the burden on our infrastructure. It's a cycle: we need tourism for our economy but we need a healthy infrastructure to continue to attract tourism. That is why we need to be able to access a higher percentage of the transient lodging tax and need to be able to use those dollars on more than the current narrowly defined uses. We're not looking to put any of the dollars into the general fund for routine use – as has been suggested by others. We are looking to maintain the infrastructure – used by tourists as well as residents – at a level that is serviceable and continues Seaside as a preferred destination for tourists from all over the world.

If we cannot maintain Seaside as a preferred destination, our hotels, motels and vacation rentals will lose clients and our restaurants and shops will lose customers which will translate into our residents losing jobs. It is ludicrous to believe that cities with tourism based economies don't want to continue promoting themselves. An example in Seaside is that we funded a \$20M upgrade to our Convention center without burdening our residents.

Currently there are narrow restrictions on how a city can utilize its share of room tax dollars. We must be given the flexibility to use our earned portion of this tax in the ways each city finds most needed. The current restrictions have caused Seaside to have an outstanding balance of TLT dollars because, while we have maximized use for promotion and marketing, we still have a surplus. We even fully fund our own tourism department within the city structure. With greater flexibility, we could utilize the excess we've been forced to maintain

in ways that support tourism better through public safety, infrastructure and those employed in the tourism industry.

We are becoming a victim of our own success in promoting and marketing our town as a tourist destination. Our infrastructure was created in a measured fashion to serve a finite number of residents; but our successful promotion attracts multitudes more who make use of the infrastructure. We staff public safety for a population of 7200 year-round but must make adjustments to accommodate the thousands who visit to recreate in our town. It is unthinkable to expect that the residents of the town – many of whom earn their living via tourism – will have to shoulder added fees or taxes to continue to market to ever increasing numbers of visitors. We risk having the costs of tourism surpass its economic benefits.

Tourism is a boon but also provides a degradation of our infrastructure and ability to provide public safety at proper levels. If we cannot maintain our infrastructure, any amount of money spent on advertising will go for naught as people will not want to stay in a town that has bad roads, poorly working water or sewer systems, attractions that are shabby or not maintained, lack of timely public safety.

One size does not fit all. Flexibility at the city and county level is necessary. Those cities and towns who do not need to use the extra tourism taxes released for infrastructure sustainability would still have the option to utilize the funds for marketing and promotion.

We must use transient lodging tax dollars for BOTH promotion and investment to maintain infrastructure at sustainable levels. We must have local control to create a sustainable investment in our tourism economy. Those in the tourism industry will still have a voice at the table as we collectively ensure long term viability of our state's tourism economy.

The work done in 2003 has set an important base for us to now improve upon with the knowledge based on the experience of the last 20+ years. To further grow tourism without infrastructure investment and flexibility is irresponsible. This adjustment is needed to continue keeping Oregon an attractive destination as well as a progressive tourism employer.

I respectfully ask you support moving HB 3962 to the floor. Thank you.