



---

ATTACHMENT TO:  
IOOF Sub-lease December 10, 2024 staff report

---

## COBURG CITY COUNCIL ACTION ITEM

---

### Coburg Main Street Agreement for Services

---

Meeting Date	Staff Contact	Email
June 11, 2024	Adam Hanks, City Administrator	<a href="mailto:Adam.Hanks@ci.coburg.or.us">Adam.Hanks@ci.coburg.or.us</a>

#### REQUESTED COUNCIL ACTION

Staff requests Council review and approval of the attached Agreement for Services between the City of Coburg and Coburg Main Street. The annual agreement describes tourism and economic development promotion, community events and community communication and engagement that the City desires Coburg Main Street to conduct on an annual basis utilizing a mixture of tourism restricted and non-tourism lodging tax revenues.

#### Suggested Motion

*I move to approve the Agreement for Services between the City of Coburg and Coburg Main Street as presented and authorize the City Administrator to execute the contract.*

---

#### BACKGROUND

The transition of key economic development services and programs moving from a part time City staff position to a partner non-profit has been in discussion for over a year and was delayed to some degree by the City Administrator transition that occurred in August of 2023 as well as the hiring of the Coburg Main Street Executive Director within that same timeframe.

The attached draft document is the result of a series of discussions and explorations of how best to structure an agreement for services between the City Administrator and the Main St Executive Director with input from the Mayor and members of the Main Street Board of Directors.

The objective is to provide financial support for key services that Main Street is uniquely qualified to carry out on behalf of the City. This agreement is structured similarly to agreements between municipalities and Chambers of Commerce or Visitor and Convention Bureau's throughout Oregon. Coburg Main Street has formally developed into an organization that has

the mission, desire and capacity to carry out key tourism, community event/engagement and general economic development activities that provide greater value to the community than if they were attempted to be done in-house by City staff.

The draft contract ensures that Council has the ability to shape the services provided, the reporting on the performance of the services and the funds allocated. The City Administrator manages the day-to-day interactions and coordination with Main Street as it would for any professional services contract. The combination ensures that public funds are efficiently and effectively utilized to further their express intentions which is to support and expand tourism and its related services within Coburg and partner with the City to spur general economic growth.

The Agreement includes conceptual agreement to and general elements of the creation of a sub-lease between the two parties for Main Street to manage and operate the IOOF Building that is currently leased by the IOOF to the City at a cost of \$12,000 annually.

The primary objective of the City's interest in holding the lease was and is to ensure the availability of the utilization of the facility by the community and to retain local operating control in partnership with the local IOOF Board of Directors.

The creation and ultimate approval of the sub-lease will occur subsequent to the final approval and execution of the Agreement for Services between the City and Main St and requires the City to present a sub-lease proposal first to Main St then to the IOOF Board for final approval and execution.

It is staff's opinion that Main Street is better positioned than the City to maximize utilization of the facility for both the community and for the stability and growth of Main Street as a partner entity. There is potential that direct and indirect costs associated with managing and operating the facility could outweigh revenues generated and the sub-lease will contain financial operations reporting to facilitate discussions annually about the continued viability of operating the facility. Should operating revenues exceed expenses, the sub-lease can contain provisions that ensure that "profit" from the facility operations are set aside for renovations/enhancements to the facility to benefit current and future users of the facility.

### **RECOMMENDATION**

Staff recommends Council approve the Agreement with any desired agreement language modifications or additions and direct the City Administrator to complete and execute the contract..

### **BUDGET / FINANCIAL IMPACT**

Funding for the agreement comes from lodging tax revenues budgeted for this use in the General Fund, some of which are restricted to specific tourism activities detailed in Oregon Revised Statutes. The proposed \$30,000 allocation for this agreement is a reduction from the prior year funds expended of \$37, 200 for City staff conducting similar work. The transition from a City staff funded position to an agreement for services was a purposeful

### **PUBLIC INVOLVEMENT**

The concept of Coburg Main Street providing key tourism, economic development and community event/engagement services has been discussed with Council for over a year in a

number of Council meetings. The draft agreement document has also been presented to the Coburg Main Street Board of Directors for their initial review.

The draft agreement was presented and discussed with Council at the May 14, 2024 meeting and discussion relating to the potential sub-lease and its finances was incorporated into the overall agreement in Section 4 with the inclusion of the rates and reporting elements.

#### **NEXT STEPS**

Staff will incorporate any requested Council revisions/additions and will work with Coburg Main Street to execute the agreement and begin working on the sub-lease agreement for the operation and maintenance of the IOOF building.

#### **ATTACHMENTS**

1. Coburg Main Street – Agreement for Services