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MEMORANDUM

Lebanon Public Library

To: Mayor, Council & City Manager
From: Kendra Antila, Library Director
Subject: CDBG grant / matching funds

June 11, 2026

I. INTRODUCTION

The City is preparing an application for Community Development Block Grant (CDBG) funding to support the proposed library children's room expansion project. Recent information from the grant administrator indicates that available funding for this grant cycle may be substantially less than previously anticipated. As a result, providing a local funding match may improve the competitiveness of the City's application.

The estimated cost of the library expansion project is approximately \$1.6 to \$1.7 million. At the June 10, 2026 Council meeting, the City Manager discussed potential sources of local matching funds and requested Council direction prior to submitting the grant application.

II. CURRENT REPORT

The City has identified several potential options for providing local matching funds for the CDBG application. Each option provides different levels of local investment and flexibility for future Council priorities.

Option 1 – Use Santiam Travel Station Sale Proceeds as Match

Under this option, the City would allocate the approximately \$514,000 received from the sale of the Santiam Travel Station property as the City's local match for the CDBG application. This option would demonstrate a significant local investment in the project, may improve the competitiveness of the grant application, and would reduce the amount of additional grant funding needed to complete the project. However, this option would commit all sale proceeds toward the library expansion project if the grant is awarded and would limit the City's flexibility to use those funds for other future Council priorities.

Option 2 – Use a combination of Travel Station Proceeds and Library Funds

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Under this option, the City would allocate \$250,000 of the Santiam Travel Station sale proceeds along with an additional \$250,000 from the Library Trust and project-specific donations received to date as the City's local match for the CDBG application. This option would demonstrate substantial local commitment while preserving a portion of the sale proceeds for other Council priorities. It would also balance the City's investment with community-supported fundraising efforts. The consideration with this option is that it would still commit a portion of the sale proceeds toward the library project if the grant is awarded and would reduce the availability of those funds for other future needs.

Option 3 – Use Library Funds as Match

Under this option, the City would allocate \$250,000 from the Library Trust and project-specific donations received to date as the City's local match for the CDBG application. This approach would utilize funds already designated for library-related purposes, demonstrate local commitment to the project, and preserve the Santiam Travel Station sale proceeds for other future Council priorities. However, a smaller match amount may have less impact on the competitiveness of the grant application and would not demonstrate the same level of municipal financial participation as a larger City contribution.

Option 4 – Submit the Application with No Local Match

Under this option, the City would proceed with the CDBG application without committing local matching funds. This would preserve all available local funds for future Council priorities and avoid committing funds before grant award decisions are finalized. However, submitting an application without a local match may reduce the competitiveness of the application and could place the City at a disadvantage if other applicants include local matching funds as part of their proposals.

III. RECOMMENDATION

Staff recommends that the City Council provide direction regarding whether the City should commit local matching funds in support of the Lebanon Public Library Expansion Project's Community Development Block Grant (CDBG) application.

Staff is not making a recommendation at this time regarding whether local matching funds should be provided. Direction from Council is needed to determine whether the City should identify and commit available local resources as part of the grant application process.