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# MEMORANDUM

*Engineering Services*

To: Mayor Jackola and City Council

Date: June 3, 2024

From: Ron Whitlatch, Engineering Services Director

Subject: **Build Lebanon Trails Request for Transient Lodging Tax Funds**  
Georgia Pacific Mill Race Trail Construction

## I. INTRODUCTION

On April 10<sup>th</sup>, during the City Council Meeting Public Comment period, Build Lebanon Trails requested \$25,000 of Transient Lodging Tax Funds (TLT) to go towards the Georgia Pacific Mill Race Trail. At the time of the request, Staff conveyed to the City Council that Oregon Revised Statutes would need to be reviewed to confirm that using TLT Funds for a trail segment would be acceptable. City Council requested that a Staff Report be completed and brought to a future City Council Meeting for discussion and possible action on the request.

## II. CURRENT REPORT

City Staff has completed research of the Oregon Revised Statute and an opinion from the Oregon Attorney General that pertains to use of Tourism Dollars (TLT Funds). Below is excerpts from Oregon Revised Statute 320:

- ORS 320.350 generally requires that 70% of transient tax revenue be spent on "tourism-related facilities".
- ORS 320.300(9) provides that "tourism-related facility":
  - (a) Means a conference center, convention center or visitor information center; and
  - (b) Means **other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.**

This research has yielded somewhat vague results in that it is up to the user of the funds to explain how using TLT funds has a substantial purpose of supporting tourism or accommodating tourist activities. Build Lebanon Trails has submitted the attached letter indicating how they believe that the use of TLT Funds for the purposes of recreational trails relates to tourism per ORS 320 and a funding request of \$23,500. The reduction from the original request at the April 10<sup>th</sup> City Council Meeting is due to BLT receiving \$1,500 grant from the Lebanon Tourism Committee. Ultimately, the City Council (along with guidance from the City Attorney and City Staff) will need to decide if the request qualifies for use of TLT funds.

### III. RECOMMENDATION

City Council (along with Staff and City Attorney input) needs to determine the validity of the request based on ORS 320. If the request is found to be compliant with ORS 320, one of the following options could be done by a motion:

1. Award the requested amount of \$23,500 to BLT for the construction costs related to the Georgia Pacific Mill Race Trail.
2. Award a smaller amount (to be determined by the City Council) of TLT funds to BLT for the construction costs associated with the Georgia Pacific Mill Race Trail, or
3. Award no funds to the project.