



MEMORANDUM

City Manager's Office

TO: Mayor Jackola and City Council
FROM: Ron Whitlatch, Interim City Manager
ITEM TITLE: Chamber of Commerce Funding Request

INTRODUCTION:

In June 2023, the Lebanon Chamber of Commerce & Visitors' Center was damaged after being struck by a vehicle. The structural integrity of the building was compromised and the Chamber has been operating out of a secondary location while the insurance process and renovations are completed. During the February 14, 2024 City Council Meeting, President/CEO of the Lebanon Chamber of Commerce, Rebecca Grizzle and Board Member Angie Kutsch presented to the City Council the plan for an updated building which included ADA access, updates to the façade, an open floor plan more appropriate for the Chamber and visitor center, and a patio area. As a result of the changes, the insurance proceeds are not enough to complete the renovation and the Chamber requested funds from the City's Motel Taxes to complete the structure.

CURRENT REPORT:

During the 2023 fiscal year, the City received \$289,031 in motel tax revenue formally called transient lodging taxes (TLT). The fund also earns some interest annually and added \$156,739 to the fund balance that year. The funds generated from TLT are allocated to the Lebanon Chamber of Commerce for operation of the Visitors' Center (\$42,000 for 2024) and for tourism grants (\$43,000 for 2024) to support events that bring "heads to beds." Additionally, the TLT are also distributed to the Lebanon Downtown Association to support the Association's Main Street Manager (\$30,000 for 2024). The City also uses \$50,000 for the Downtown Building Restoration Program which distributes funds annually to businesses to improve their facades. This leaves approximately \$125,000 in unallocated funds.

The Chamber of Commerce is requesting \$100,000 to be used on the renovation of the Chamber & Visitors' Center building. Per the presentation to the City Council, the Chamber believes these funds will benefit tourism activities as the building will transform into a site that can host events with the covered patio (paid for in part by a T-Mobile grant) and the new facility will be more inviting for visitors passing through during events such as the Strawberry Festival, Fourth of July, and more. Following the presentation, Councilors expressed an interest in support the Chamber in its endeavors.

Options for available of funding include:

1. The Council could authorize the full grant amount request of \$100,000.
2. City Council could match the grant amount committed by Linn County up to but not to exceed \$100,000.

In addition, with the approval of this funding request, additional organizations and businesses may also solicit requests of Council to fund tourism related projects from this fund. At this time, the City does not have a policy or procedure on how to address these requests or maximum distribution of funds. Moving forward, it may be appropriate to consider how Council would like to address these requests in the future and develop a policy or program.

RECOMMENDATION:

Discuss the funding request and provide staff direction for potential future policy or requests.