



AGENDA COVER MEMO

Memorandum Date: November 16, 2023

Order Date: December 5, 2023

TO: Board of County Commissioners

DEPARTMENT: County Administration/CED

PRESENTED BY: Jenna Cusimano, Community & Economic Development
Management Analyst

AGENDA ITEM TITLE: In the Matter of Approving Allocations Totaling \$542,021 2024 Rural
Tourism Marketing Program Projects in the Cities of Coburg, Cottage
Grove, Creswell, Dunes City, Florence, Junction City, Lowell,
Oakridge, Veneta, and Westfir

I. MOTION

Move to approve the 2024 Rural Tourism Marketing Program allocations totaling \$542,021 for the cities of Coburg, Cottage Grove, Creswell, Dunes City, Florence, Junction City, Lowell, Oakridge, Veneta, and Westfir.

II. AGENDA ITEM SUMMARY

This action authorizes the annual Rural Tourism Marketing Program (RTMP) contracts to distribute transient lodging tax (TLT) receipts to rural cities. The funds are generated from the tax charged on overnight stays at short-term rentals, including but not limited to hotels, homes and/or campgrounds, and are used for programs that will generate more overnight stays. The County's distribution of the funds is recommended in accordance with Lane Code 4.005.175(G).

Annual revenues for the RTMP portion of the County's Transient Lodging Tax are approved for distribution at the beginning of each calendar year and based upon prior year tax receipts. The County authorizes distribution of RTMP funds directly to the 10 incorporated rural cities. The unincorporated McKenzie River area portion is \$57,979 and will be presented to the Board at a later date once the Request for Proposal (RFP) process is complete. An RFP for those funds will be released following Board action on this item.

The Board of Commissioners is being requested to approve the 2024 RTMP allocations totaling \$542,021 for the rural cities.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board of Commissioners has distributed these funds annually to participating rural cities for the duration of the Rural Tourism Marketing Plan. Enacted in 1973 by the County, this tax ordinance has been modified since then to consistently generate more lodging tax revenue.

The Lane Code describes the use of the funding as follows: “the funds shall be used for purposes which the Board determines bears a relationship to producing transient room tax revenues through the visitor industry. Through the annual budget process, unless the Board directs otherwise in accordance with ORS 320.300 et seq., the Board shall appropriate these funds as follows:

(a) Seventy percent (70%) shall be for marketing the visitor industry.

(b) Ten percent (10%) shall be for operation of the Lane County Historical Museum or other museums as determined by the Board through the annual budget process. The Board specifically finds that the Lane County Historical Museum is a significant attraction for the visitor industry.

(c) Ten percent (10%) shall be for Special Projects and administration.

These funds shall be used for select special projects to enhance tourism as chosen by the Board annually under its own criteria, for more long-term funding for cultural or recreational projects or activities which the Board finds have significant impact on tourism, for administering and contract monitoring of expenditures of the LC 4.110(2) tax revenue, and for staffing for the Tourism Council.

(d) Ten percent (10%) shall be used for tourism marketing of the areas outside the urban growth boundaries of the cities of Eugene and Springfield. These funds shall be used for proposals chosen by the Board according to its own criteria, with the general principle being that the areas which produce the taxes should benefit from their use.

The Lane County Rural Tourism Marketing Program (RTMP), described in (d) above, focuses on the business of selling, packaging, and advertising rural Lane County in a unified, well-planned program. RTMP tourism product development in rural areas will focus on the following objectives and criteria to maximize:

1. Attraction of visitors to rural communities,
2. The length of stay by visitors,
3. County-wide visitation,
4. Return visits to rural Lane County communities.

Monies distributed to the jurisdictions must comply with the above mentioned criteria.

B. Policy Issues

Lane Code provides for the purpose of the RTMP monies. The dollars allocated to the cities are to be used to promote and market Lane County. Allocating the 2024 funds will be used for this purpose, and the Board will be aligned with the policies set forth by Lane Code.

C. Board Goals

The Board has emphasized priority on projects with regard to rural economic development. The RTMP Program provides critical funding to rural jurisdictions that assists in rural economic development.

D. Financial and/or Resource Considerations

The transient lodging tax receipts proposed for allocation have already been collected throughout Lane County and are restricted for specific uses by ORS 320.300 and Lane Code 4.005. A \$600,000 total allocation is recommended for RTMP for 2024.

E. Health Implications

None

F. Analysis

In January 2023, administration and collection of the County's transient lodging tax moved from the City of Eugene to the Oregon Department of Revenue. The data and monies the County has received from the State has been delayed and far less detailed than what the County previously received from the City of Eugene. As a result, staff had six months of data from the City of Eugene, for the period of July 2022 through December 2022, that did not align with the reporting from the State, making it difficult to calculate the RTMP allocations based on prior practice.

To avoid further delay of RTMP funds to the rural cities, staff determined a total allocation amount based on the current balance of the Rural Tourism funds. As previous allocations to the rural cities were based on a five-year rolling average and other complicated calculations, the County fund has built up more reserve than necessary to manage the program. Moving forward, staff endeavors to transfer the funds received each year directly to rural cities based on a base amount plus their proportional contributions rather than use a five-year rolling average of tax receipts. While this approach can be a little more volatile in amounts paid out each year, it will result in making sure the funds generated are distributed as soon as possible to the rural communities.

The total RTMP distribution recommended by staff this year is \$600,000, based on the prior year funds currently available. This amount is significantly larger than in

recent years, in an effort to distribute the majority of the current higher reserve and allow the rural cities to build up their own reserve if they wish to protect themselves against decreases in annual tax receipts rather than have the County bear that responsibility. For comparison, last year's total RTMP distribution amount was \$354,764.

The formula for distribution of RTMP funds, other than the determination of the total distribution amount, is the same used in past years. Staff will again review the allocation used, along with the data available from the Oregon Department of Revenue, prior to next year's allocation recommendations and report back on any recommended changes at that time. The distribution formula includes a base amount of \$19,091 for each community, and the balance of funds distributed based on receipts in each zone. Attached is a copy of the RTMP collection and allocation spreadsheet (Attachment A).

G. Alternative/Options

1. The Board can allocate funding to the participating cities as outlined in Attachment A.
2. The Board can request more information and allocate funding at a later date.
3. The Board can elect against disbursing these funds at this time.

IV. RECOMMENDATION

Lane County Community & Economic Development staff recommends that the Board distribute funding as outlined in Attachment A.

The transient lodging taxes were collected for the expressed purpose of being cycled into the budgets of the participating RTMP cities that generated them. Approval of this recommendation accomplishes the goal of the RTMP.

V. TIMING/IMPLEMENTATION

This will be implemented upon approval with funds distributed to the rural cities for use in calendar year 2024.

VI. FOLLOW-UP

If this board order is approved, funds will be disbursed as specified in Attachment A.

VII. ATTACHMENTS

A. RTMP Collection and Allocation Spreadsheet

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO: 23-12-05-05

IN THE MATTER OF APPROVING
ALLOCATIONS TOTALING \$542,021 FOR
2024 RURAL TOURISM MARKETING
PROGRAM (RTMP) PROJECTS IN THE
CITIES OF COBURG, COTTAGE GROVE,
CRESWELL, DUNES CITY, FLORENCE,
JUNCTION CITY, LOWELL, OAKRIDGE,
VENETA, AND WESTFIR

WHEREAS, Lane County provides in Lane Code, Chapter 4.175 for distribution of room tax receipts for implementation of Rural Tourism Marketing Program (RTMP); and

WHEREAS, the RTMP was streamlined and updated by Order 03-10-1-3; and

WHEREAS, project eligibility criteria has been clearly defined and distributed to cities utilizing RTMP funds; and

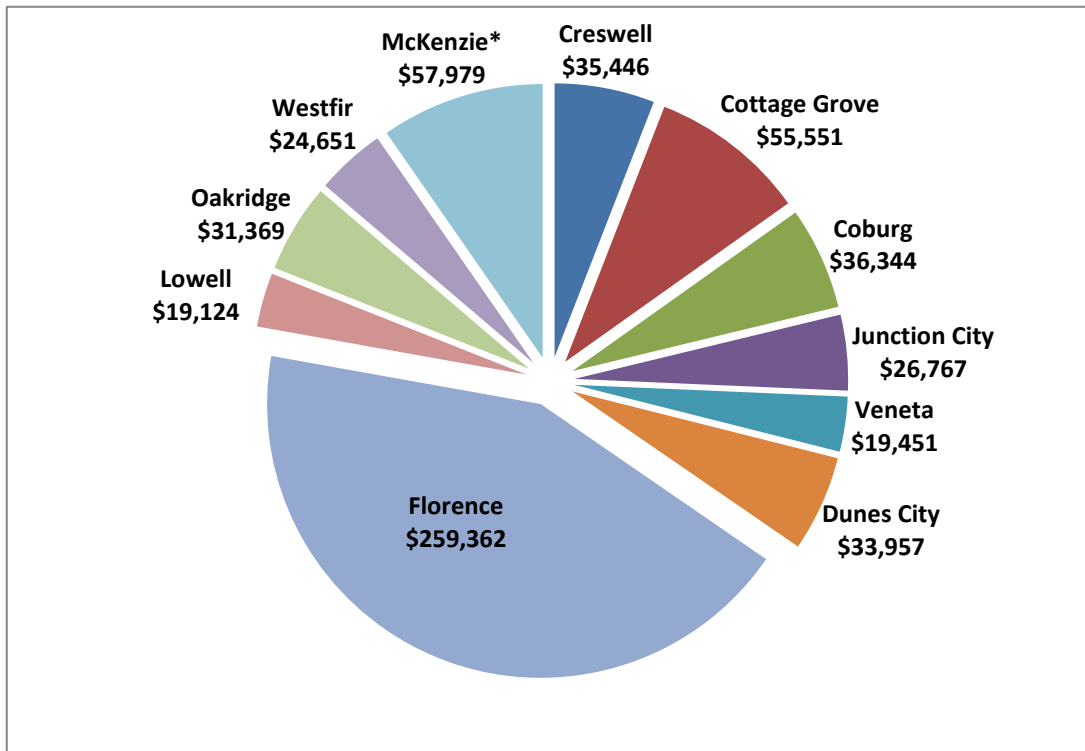
NOW, THEREFORE, the Board of County Commissioners of Lane County **ORDERS** as follows:

1. That RTMP allocations totaling \$542,021 be distributed to the eligible jurisdictions as specified below:

Coburg	\$ 36,344.00
Cottage Grove	\$ 55,551.00
Creswell	\$ 35,446.00
Dunes City	\$ 33,957.00
Florence	\$259,362.00
Junction City	\$ 26,767.00
Lowell	\$ 19,124.00
Oakridge	\$ 31,369.00
Veneta	\$ 19,451.00
Westfir	<u>\$ 24,651.00</u>
Total	\$ 542,021.00

ADOPTED this 5th day of December, 2023.

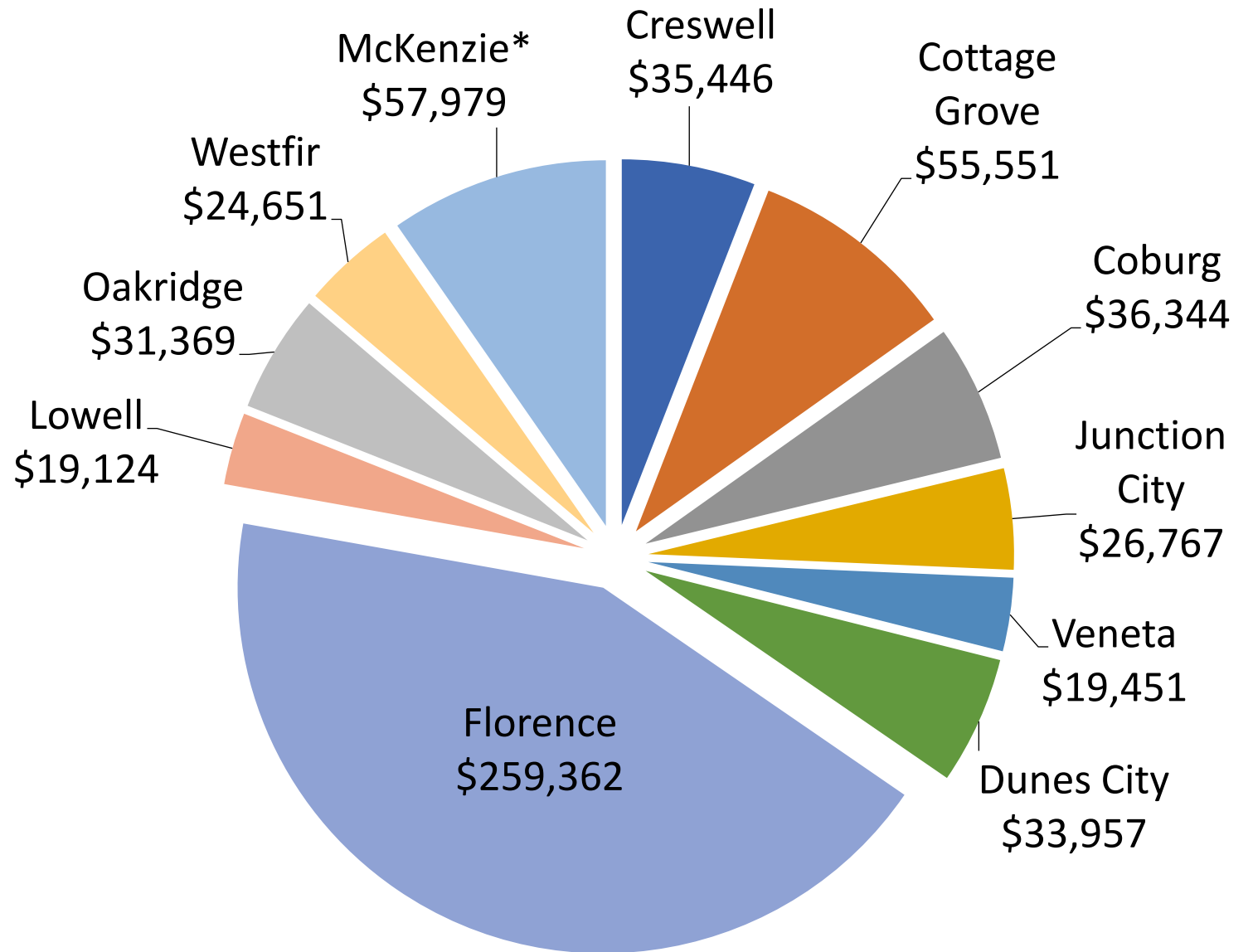
Pat Farr, Chair
Lane County Board of Commissioners



Creswell	\$35,446
Cottage Grove	\$55,551
Coburg	\$36,344
Junction City	\$26,767
Veneta	\$19,451
Dunes City	\$33,957
Florence	\$259,362
Lowell	\$19,124
Oakridge	\$31,369
Westfir	\$24,651
McKenzie*	\$57,979
TOTAL	\$600,000

* McKenzie funds to be awarded in a bid process at a later date.

2024 Proposed Rural Tourism Marketing Program Allocations



Historical RTMP Allocations

Cities	2019	2020	2021	2022	2023	2024 Proposed Allocations
Coburg	\$ 12,951	\$ 14,787	\$ 15,700	\$ 17,964	\$ 20,965	\$ 36,344
Cottage Grove	\$ 32,217	\$ 33,900	\$ 33,935	\$ 33,184	\$ 34,587	\$ 55,551
Creswell	\$ 23,259	\$ 23,954	\$ 23,014	\$ 21,807	\$ 22,022	\$ 35,446
Dunes City	\$ 15,123	\$ 16,381	\$ 16,803	\$ 17,651	\$ 19,252	\$ 33,957
Florence	\$ 118,078	\$ 127,233	\$ 130,112	\$ 137,333	\$ 149,745	\$ 259,362
Junction City	\$ 12,626	\$ 13,724	\$ 14,235	\$ 14,739	\$ 15,977	\$ 26,767
Lowell	\$ 9,489	\$ 10,137	\$ 10,274	\$ 10,586	\$ 11,318	\$ 19,124
McKenzie	\$ 33,886	\$ 35,438	\$ 35,580	\$ 35,622	\$ 36,238	\$ 57,979
Oakridge	\$ 18,112	\$ 18,850	\$ 18,775	\$ 18,743	\$ 19,207	\$ 31,369
Veneta	\$ 9,470	\$ 10,149	\$ 10,328	\$ 10,697	\$ 11,494	\$ 19,451
Westfir	\$ 9,729	\$ 10,872	\$ 11,605	\$ 12,581	\$ 13,959	\$ 24,651
Total Distributed	\$ 294,940	\$ 315,425	\$ 320,361	\$ 330,908	\$ 354,765	\$ 600,000