AGENDA COVER MEMO

Memorandum Date: January 17, 2025

Agenda Date: February 4, 2025

TO:	Board of County Commissioners
DEPARTMENT:	County Administration/CED
PRESENTED BY:	Jason Harris, Community & Economic Development Manager
AGENDA ITEM TITLE:	In the Matter of Approving Funding Allocations Totaling $470,488 for the 2025 Rural Tourism Marketing Program (RTMP) for the Cities of Coburg, Cottage Grove, Creswell, Dunes City, Florence, Junction City, Lowell, Oakridge, Veneta, Westfir and Authorize Issuance of a Request For Proposal for a Five-Year RTMP Services Agreement for the McKenzie River Area

I. MOTION

Move to approve the 2025 Rural Tourism Marketing Program funding allocations totaling $470,488 for the rural cities of Coburg, Cottage Grove, Creswell, Dunes City, Florence, Junction City, Lowell, Oakridge, Veneta, and Westfir and authorize issuance of an RFP for a five-year RTMP services agreement for the McKenzie River Area.

II. AGENDA ITEM SUMMARY

This action authorizes the annual Rural Tourism Marketing Program (RTMP) funding to distribute transient lodging tax (TLT) funds to the ten rural cities in Lane County and authorize the issuance of an RFP seeking proposals for the McKenzie River area for a five-year funding commitment. The RTMP funds are generated from the TLT 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)4.

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 are based upon prior year tax receipts. The County provides RTMP funds directly to the 10 incorporated rural cities and the McKenzie River area. The unincorporated McKenzie River area allocation for 2025 is $51,162 and will be issued following completion of a Request for Proposal (RFP) process. An RFP to select the recipient for the McKenzie River area funds will be released following Board action on this item. Staff is recommending the Board authorize an issuance of an RFP

for a five-year RTMP services agreement for the McKenzie River area in order to provide a longer-term commitment to aid in the long-term recovery and tourism promotion of the area. Past practice has been to issue an RFP for an annual allocation of RTMP funding.

The Board of Commissioners is being requested to approve the 2025 RTMP allocations totaling $470,488 for the ten rural cities.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

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

The Lane Code 4.005.175(G)4 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 the Board discretion on distributing TLT revenues for the RTMP. The RTMP funds are to be used to promote and market tourism in Lane County's rural cities and the McKenzie River area. Allocating the 2025 funds to the ten rural cities 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 transient lodging revenue funding to rural jurisdictions to assist in tourism promotion.

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. $470,488 total funding allocation is recommended for RTMP for 2025 to the ten rural cities.

E. Health Implications

None

F. Analysis

The total 2025 RTMP distribution recommended by staff this year is $521,649, based on the prior year funds currently available. For comparison, last year's total 2024 RTMP distribution amount was $600,000. The 2024 amount was significantly larger than in recent years, to distribute the majority of reserve funds that had accumulated that was more than necessary to manage the program 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.

The formula for distribution of RTMP funds, other than the determination of the total distribution amount, follow the same percentage allocation as used last year. The distribution formula includes a base amount of $16,598 for each community with the balance of funds distributed based on a percentage basis. Attached to this report is the 2025 proposed RTMP allocations to the ten rural cities and the McKenzie River

Area as well as allocations for the past five years (Exhibit A).

Since the McKenzie River area does not have an incorporated city to which Lane County can allocate funds a Request for Proposal process has been used to solicit proposals to utilize the funds consistent to the Board's direction as outlined in this report. Staff is recommending the Board authorize an issuance of an RFP for a five-year RTMP service agreement commitment for the McKenzie River area in order to provide a stable funding partnership to aid in the long-term recovery and tourism promotion of the area. Past practice has been to issue an RFP for an annual allocation of RTMP funding. The County will maintain the right to exercise the annual options to the service agreement and the Board will continue to approve the annual funding allocation to the McKenzie River area.

Upon completion of the RFP solicitation process, staff will return to the Board with the selected organization and request to issue the 2025 RTMP funding of $51,162.

G. Alternative/Options

1. The Board can allocate funding to the participating cities as outlined in Exhibit 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.
4. The Board can revise the RFP RTMP service agreement term for the McKenzie River area.

IV. RECOMMENDATION

Lane County Community & Economic Development staff recommends that the Board distribute funding as outlined in Attachment A and authorize issuance of a RFP for a five-year RTMP service agreement for the McKenzie River area.

The transient lodging taxes are being disbursed based on the Lane Code and criteria set by the Board. Approval of this recommendation implements the policy set forth by the Board and accomplishes the goal of the RTMP.

V. TIMING/IMPLEMENTATION

This will be implemented upon approval with funds distributed to the ten rural cities as specified in Attachment A and issuance of the RFP for RTMP services agreement for the McKenzie River area.

VI. FOLLOW-UP

Staff will return to the Board for authorization to enter into the RTMP services agreement with the selected to administer the RTMP for the McKenzie River area and distribute the 2025 allocation.

VII. ATTACHMENTS

A. 2025 RTMP Allocation Spreadsheet

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO:

IN THE MATTER OF APPROVING FUNDING ALLOCATIONS TOTALING $470,488 FOR THE 2025 RURAL TOURISM MARKETING PROGRAM (RTMP) FOR THE CITIES OF COBURG, COTTAGE GROVE, CRESWELL, DUNES CITY, FLORENCE, JUNCTION CITY, LOWELL, OAKRIDGE, VENETA, WESTFIR AND AUTHORIZE ISSUANCE OF A REQUEST FOR PROPOSAL FOR A FIVE-YEAR RTMP SERVICES AGREEMENT FOR THE MCKENZIE RIVER AREA

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

WHEREAS, the McKenzie River area receives an allocation of RTMP funds per Lane Code but the area does not have an incorporated city to which the County can allocate funds an annual Request for Proposal process has been used to solicit proposals to utilize the funds consistent to the Board's direction; and

WHEREAS, in order to provide a longer term partnership to aid in the long-term recovery and tourism promotion of the area a proposal process to enter into a five-year services agreement for the McKenzie River area is recommended; and

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

1. That RTMP allocations totaling $470,488 be distributed to the eligible jurisdictions as specified below:

Coburg	$ 31,625.00
Cottage Grove	$ 49,095.00
Creswell	$ 30,837.00
Dunes City	$ 29,156.00
Florence	$224,056.00
Junction City	$ 23,486.00
Lowell	$ 16,604.00
Oakridge	$ 27,402.00
Veneta	$ 16,908.00
Westfir	$ 21,319.00
Total	$ 470,488.00

2. Staff to issue a Request for Proposal for a five-year RTMP services agreement for the McKenzie River Area.

ADOPTED this ___ day of_____, 2025.

_____
David Loveall, Chair
Lane County Board of Commissioners

EXHIBIT A

2025 PROPOSED RURAL TOURISM MARKETING PROGRAM ALLOCATIONS
AND APPROVED ALLOCATIONS FOR FIVE YEARS

Total Allocations	2020	2021	2022	2023	2024	2025 Proposed Allocations
Coburg	$ 14,787	$ 15,700	$ 17,964	$ 20,965	$ 36,344	$ 31,625
Cottage Grove	$ 33,900	$ 33,935	$ 33,184	$ 34,587	$ 55,551	$ 49,095
Creswell	$ 23,954	$ 23,014	$ 21,807	$ 22,022	$ 35,446	$ 30,837
Dunes City	$ 16,381	$ 16,803	$ 17,651	$ 19,252	$ 33,957	$ 29,156
Florence	$ 127,233	$ 130,112	$ 137,333	$ 149,745	$ 259,362	$ 224,056
Junction City	$ 13,724	$ 14,235	$ 14,739	$ 15,977	$ 26,767	$ 23,486
Lowell	$ 10,137	$ 10,274	$ 10,586	$ 11,318	$ 19,124	$ 16,604
McKenzie*	$ 35,438	$ 35,580	$ 35,622	$ 36,238	$ 57,979	$ 51,162
Oakridge	$ 18,850	$ 18,775	$ 18,743	$ 19,207	$ 31,369	$ 27,402
Veneta	$ 10,149	$ 10,328	$ 10,697	$ 11,494	$ 19,451	$ 16,908
Westfir	$ 10,872	$ 11,605	$ 12,581	$ 13,959	$ 24,651	$ 21,319
Total	**$ 315,425**	**$ 320,361**	**$ 330,908**	**$ 354,765**	**$ 600,000**	**$ 521,649**

LANE COUNTY'S RURAL TOURISM MARKETING PROGRAM

Board of County Commissioners – Feb. 4, 2025

Jason Harris, Community & Economic Development Manager

Rural Tourism Marketing Program (RTMP)

- Lane Code and Board Discretion
- Allocates 10% of Transient Lodging Tax Revenues
  - 10 rural cities and the McKenzie River Area

RTMP objectives/criteria

- Attraction of visitors to rural communities
- The length of stay by visitors
- County-wide visitation
- Return visits to rural Lane County communities

DOWNTOWN COTTAGE GROVE

Examples of Programs Funded

- Main Steet events and traffic devices – Coburg
- Scandinavian Festival assistance – Junction City
- Sasquatch Festival and visitors guide - Oakridge
- McKenzie events support, advertising & wayfinding – McKenize River Area
- Bridge Lighting Festival / Welcome Banners – Westfir

JUNCTION CITY

RTMP ALLOCATIONS

Total Allocations	2020	2021	2022	2023	2024	2025 Proposed Allocations
Coburg	$ 14,787	$ 15,700	$ 17,964	$ 20,965	$ 36,344	$ 31,625
Cottage Grove	$ 33,900	$ 33,935	$ 33,184	$ 34,587	$ 55,551	$ 49,095
Creswell	$ 23,954	$ 23,014	$ 21,807	$ 22,022	$ 35,446	$ 30,837
Dunes City	$ 16,381	$ 16,803	$ 17,651	$ 19,252	$ 33,957	$ 29,156
Florence	$ 127,233	$ 130,112	$ 137,333	$ 149,745	$ 259,362	$ 224,056
Junction City	$ 13,724	$ 14,235	$ 14,739	$ 15,977	$ 26,767	$ 23,486
Lowell	$ 10,137	$ 10,274	$ 10,586	$ 11,318	$ 19,124	$ 16,604
McKenzie*	$ 35,438	$ 35,580	$ 35,622	$ 36,238	$ 57,979	$ 51,162
Oakridge	$ 18,850	$ 18,775	$ 18,743	$ 19,207	$ 31,369	$ 27,402
Veneta	$ 10,149	$ 10,328	$ 10,697	$ 11,494	$ 19,451	$ 16,908
Westfir	$ 10,872	$ 11,605	$ 12,581	$ 13,959	$ 24,651	$ 21,319
Total	**$ 315,425**	**$ 320,361**	**$ 330,908**	**$ 354,765**	**$ 600,000**	**$ 521,649**

McKenzie River Area RFP

- McKenzie River Area an important tourism destination
- RFP process used to select RTMP service provider & allocate funds
- To support long term recovery efforts staff recommends a RFP to enter into a 5-year service agreement
- Funding still to be approved annually
- Staff will return with the selected proposer & 2025 funding allocation

RAFTING THE MCKENZIE

QUESTIONS

Jason Harris, Community & Economic Development Manager