

MEMORANDUM

TO: Mayor and City Council

FROM: Richard Meyers, City Manager

SUBJECT: CHAMBER OF COMMERCE REPORT

DATE: March 23, 2022

Background

The Cottage Grove Chamber of Commerce Chief Executive Officer Shauna Neigh will be present to provide the annual report to the City Council about the operations of the Chamber of Commerce.

This past year the City and Chamber of Commerce continued a strong partnership on a number of projects to support and promote local businesses that had been dramatically impacted by the COVID-19 closures and restrictions. Through the use of COVID Relief Funds and America Rescue Plan Act funds we have dramatically increased the visibility of Cottage Grove and our businesses within the region and within our community.

Typically the Chamber of Commerce partners with the City of Cottage Grove to promote tourism and economic development in the community through proceeds from the Transient Room Tax (TRT). The Chamber receives the proceeds from a 1% Transient Room Tax (or 25% of the total collected from the 4% Transient Room Tax) and some additional funds from Rural Tourism money received from Lane County Transient Room tax proceeds. The portion of the Cottage Grove room tax they receive is based on the agreement between the City and Chamber which originated when the room tax was originally adopted. The Rural Tourism funds are specifically provided to help cover specific projects such as publishing brochures or advertising that promotes the community and to help with operation of the Visitors Center.

The Transient Room Tax revenues have been impacted by the COVID pandemic. The collections in Fiscal Year 2019-20 dropped \$20,216 from the previous year. The Transient Room Tax in Fiscal Year 2020-21 dropped an additional \$16,605. The positive news however is that so far in the 2021-22 Fiscal Year the Transient Room Tax revenues have significantly rebounded. The year-to-date collection (July – February) is \$3,879 more than the 2019-20 total collections. Compared to the 2018-2019 collections we are ahead \$22,742 for the same July – February time frame. At this rate, TRT collections for this fiscal year should exceed the total collections in 2018-19 which was the highest TRT collection.

Additionally, Transient Room Taxes in Lane County have been collected by the City of Eugene. In January we received notice that the City of Eugene will transition to the Oregon Department of Revenue to collect and administer the Eugene Transient Room Tax beginning July 1, 2022.


Lane County and the other cities in Lane County have been pursuing either entering into an agreement with the Department of Revenue to collect their jurisdiction's Transient Room Tax or doing the collection themselves. Latest information is that Lane County and the other cities are working toward collection of their Transient Room Tax by the Department of Revenue. We are currently preparing information to consider collection of Cottage Grove Transient Room Tax by the Department of Revenue. We are currently not sure how collections costs will change and the impact it will also have on the County Rural Tourism funds but it appears to be insignificant.

Recommendation

That the Council receive the Information item only, no action from Council.

Cost

No Cost


Richard Meyers, City Manager