

# City Council Agenda Memo

**From:** Paul M. Briseno, City Manager

**Council Meeting:** November 10, 2020

**Subject:** Small Business Gift Card Program Request

**Person(s) Responsible:** Paul Briseno, City Manager

## **Summary:**

The Chamber is requesting the reallocation of 2020 Downtown at Sundown funding for a small business gift card program "Gift Card Give Back". This is a COVID19 small business response program. The \$23,294 in funds originate from the three (3) B. It is assumed the promotion of small businesses and the local economy would benefit from the programs implementation.

## **Background:**

The City of Brookings provides funding for Downtown at Sundown annually. This year the Chamber canceled the event due to COVID 19. Approximately \$23,294 was returned to the City. The funding for this program originates from the three (3) B which is a bed, board and booze tax.

The governance and ends policy requires any unencumbered funds be returned to the City's three (3) B fund. Staff originally recommended the redistribution of these funds to the three (3) B supported agencies. In April these agencies made necessary fiduciary augmentations to consume expected revenue reductions from the bed, board and booze tax as a result of COVID 19. These agencies include the Swiftel Center, The Brookings Area Chamber of Commerce, the Brookings Economic Development Corporation, Downtown and Visit Brookings.

## **Discussion:**

The Chamber requested the Downtown at Sundown funds be re-purposed for a small business gift card program. The Chamber desires to raise \$50,000 which will be used to match 50,000 in gift card purchases made by area residents. The programs intention is to assist local businesses and stimulate the economy. The program will commence November 19<sup>th</sup>, and close once all funds are exhausted.

The three (3) B agencies are in full support of the program and recommended redistribution.

## **Legal Consideration:**

There are no legal considerations at this time.

**Financial Consideration:**

There is no impact to the budget. State law requires that Monies will be appropriated from the three (3) B Fund to economic development and promotional endeavors with the capacity to progress and advertise the city, its facilities, attractions, and activities. It's assumed the Chambers program will meet this intention. However, even though three (3) B Fund revenues have outperformed original expectations, the Fund may need to use reserves this year to meet its budget commitments depending on fourth quarter revenue performance.

**Strategic Plan Consideration:**

All three (3) B entities have agreed to the program. These entities have reduced their operating budget in 2020 and requested 2021 funds to meet the declining revenues. The utilization of these funds have been considered when anticipating a sustainable budget for these entities.

**Options and Recommendation:**

City Council has the following options:

1. Approve as recommended
2. Amend
3. Deny
4. Refer to a Work Session for further discussion
5. Do nothing

Staff recommends approval of the re-purposing of the downtown at sundown funds for a small business endeavor.

**Supporting Documentation:**

Resolution

Chamber "Gift Card Give Back" Information