

Yachats Small Business Relief Effort

4/20/2020

To: Yachats City Council

From: Just Local, Judith's Kitchen Tools, Yachats Cannabis Company, Green Salmon, Beach Street Kitchen, Books & More, Antique Virgin, Ya Tel Motel, Yachats Brewing, KOHO, Toad Hall, Bob Barrett, Tom Lauritzen, Greg Scott

At this time, most of the goals that were set for supporting unemployed workers have been achieved. More than \$62,000 has been received and \$59,500 has been disbursed to 238 unemployed workers who are reporting that some of them are now receiving unemployment benefits.

The next phase in the plan is to begin addressing the financial needs of Yachats businesses that hold a city business license. The one exception is vacation rentals. Businesses interested need to submit a "Statement of Needs" that includes a brief description of what they need and an estimate of the cost for each listed item. An evaluation committee has been appointed to review the requests and grants will be made on a case by case basis.

How can the city help?

The church has committed \$10,000 and another \$40,000 has come in from community donations for a total of \$50,000 already in place for this effort. What is needed is a partner with deeper financial resources. The first requests have been received and were reviewed this evening. Tomorrow we will distribute \$22,227 to 15 local businesses. Given the church has a process, it is staffed and working, it makes sense to for the city to partner with the Presbyterian Church to address current business financial needs. The city outsources many activities to other agencies and independent contractors. A City / Presbyterian Church partnership joins financial resources with a non-profit with the mission to serve those in need and provide the labor to evaluate and service funding request.

Any suggestions on how the City's contribution might be funded?

We believe the logical source for supporting local businesses is the City's Visitor Amenities Fund. While businesses like gift shops, book stores, restaurants, are not generally considered a visitor amenity, their continued presence is important to the people that come to Yachats. If you look at the history of legislation that regulates the use of these funds, it was the hotel industry that fought the initial tax and pushed for much of the legislation that now limits how the tax receipts can be spent. So, it is hard to believe that any business would object to receiving benefit from this fund. Past councils have successfully approved very creative uses of vacation rental taxes and we believe saving existing businesses falls well within the spirit of a visitor amenity. It is important to understand that early city leaders adopted the lodging tax as a city funding vehicle instead of a city property tax.

How would record keeping be handled?

The church uses a full featured double entry fund accounting database. All transactions can be reviewed. The money will be isolated in a restricted fund. Standard accounting reports for both summary and detailed reporting are available. City staff or a designated agent are welcome to review the accounting and banking records. All disbursements will be made by check and will be approved by two people not associated with the accounting system.

How does this effort relate to the restaurant proposal?

We believe they are complementary. Restaurants have already suffered from the loss of perishable foods due to the mandated shutdown. When this event is over, our restaurants will also have a much higher cost to reopen than many of our other businesses as they will need money to purchase inventory and will most likely experience a decline in customers during the slow recovery. Recognizing that restaurants are a unique business category, we feel it is appropriate that they should receive extra community support and would be included in this proposal and that the City should seriously consider implementing the original proposal. There is no downside for the City supporting the restaurant proposal and the Small Business Relief effort.

Closing Thoughts

Many Yachats restaurants and small businesses are on a precipice, and bold and decisive action is necessary to preserve the “heart and soul” of our city.

These owners are our family and friends.

These businesses are the reason tourists come to Yachats; without them, tourists will drive right through our “sleepy little town.”

We respectfully ask for your consideration of both proposals.

Appendix

Criteria for Small Business Relief:

- 1.) Business must be registered in Yachats.
- 2.) Business must be located within Yachats City Limits.
(Green House Market Place Shops may apply)
- 3.) Business must have been ordered closed, or suffered severe financial hardship as a result of the pandemic.
- 4.) Business must not have received a SBA/PPP Loan or Disaster Assistance loan.