

GIFT CARD MULTIPLIER PROGRAM

APRIL 20, 2020

ISSUE

The recent pandemic (COVID-19) has created a number of challenges for our nation's economy. As individuals and state and regional officials begin instituting CDC (Center for Disease Control) guidelines, i.e. shelter in place and social distancing, the impact is taking a toll on local businesses. This is a very fluid situation, so new ideas are being shared daily across the state. Phelps County Economic Development (PCED) recently created a gift card multiplier program; and after discussion, Fairbury city staff suggested presenting a similar program to the LB840 Committee.

BACKGROUND

COVID-19 has put a tremendous strain on communities and commerce. Local, state and federal agencies are working diligently to find solutions to assist struggling businesses. The PCED took steps to provide a local solution in the form of expanding eligible LB840 activities.

The City of Fairbury is proposing to expand its existing LB840 plan to mirror PCED's gift card multiplier program. Please see attached Gift Card Multiplier Information, which includes a sample flyer, FAQ sheet, Operation Gift Card Tracking (for businesses), gift card plan, and an email from PCED staff sharing their experience with the program.

This project was featured on a Nebraska Public Power District webinar. There are a number of reasons this approach may benefit Fairbury; it supports actual storefront businesses that had mandatory shut downs or reduced hours (restaurants, hair salons, services), and a **portion of the funds are returned to the city through sales tax**. This information is better documented in the referenced PCED staff email.

This would be an easier program to administer and replace the previously suggested COVID-19 Emergency Grant proposal that was discussed April 6, 2020.

According to the City's existing LB840 plan, the proposed changes fall within current guidelines; and does not need city council approval to be enacted. However, considering the renewal of the LB840 tax is being voted on in May 2020 there is value in sharing this information with your constituents.

SYNOPSIS

The COVID-19 had severely damaged the state and national economy. Local, state and federal officials are taking steps to limit the impacts. The Fairbury LB840 Committee might consider temporarily instituting a gift card multiplier program.

OPTION

- 1- Institute a gift card multiplier program.
- 2- Do not institute a gift card multiplier program.
- 3- Other action as determined by the LB840 Committee.

BUDGET IMPACT

To be determined. City staff recommend capping this at gift card multiplier at \$30,000, 1,000 per business and reviewing the program in 3 months or sooner if required.