

## **Appendix A – ARPA Submission Format**

### **Project**

Berg Bucks (Newberg Downtown Gift Card)  
Presented by NDC, TN and CVCC

### **Justification**

*List your justifications here and address the following points where relevant. Try to explain what the issue is. Naturally it must be related to attempts to “respond to the economic and public health impacts of COVID19”.*

With the pandemic came lockdowns and unpredictable restrictions on businesses and individuals. Spending shifted dramatically to online and out of our local community. A Newberg downtown gift card ensures spending will stay in Newberg can help foster a return to shop local spending habits. In a 2018 study by American Express and the Shop Small project, researchers found that 67cents out of every \$1 spent locally, stays local. Let’s keep our money circulating in our community.

### **How it addresses one of these issues specifically**

1. *It keeps dollars local.* A closed-loop system that allows for people to shop a variety of stores, exercising choice, while still spending money locally. Excellent gift giving opportunity for local businesses for their employees and/or clients and tourism.
2. *Why it needs to be done:* Pandemic changed spending habits -- forcing dollars to go out of the community and to online sources rather than local, face-to-face. This is a chance to reverse that habit and a return to more shopping staying local.
3. *What is included in the cost?* Total cost to administer the program for two years and program costs including new cards and online card sales AND data showing money spent in the community, where it is spent, and how much is spent in addition to the gift-card, when a gift card is used.
4. *An estimate (if known) of how long it might take to implement:* Background work has already been completed, all we need is printing and launching. Looking at 2 weeks to 1 month once approved.

### **Project Sustainability**

*List your explanations here around these issues.*

1. *How will the project bring long lasting economic recovery benefits to Newberg?* A two year investment in harnessing local spending.
2. *Are local or minority vendors involved?* Yes -- Newberg businesses with a 97132 zip code are the only allowed. Will work with the City of Newberg to translate materials into Spanish. Already have restaurants from minority populations signed-up to participate in the Berg Bucks program.
3. *Please describe its sustainability if applicable:* After two years, the NDC will take over the administration costs.

### **ARPA expenditure categories (EC):**

Code the correct EC from the ARPA list, p.30 – p.31 of the compliance and reporting guidelines. The EC table is found in this document as Appendix C.

- 2.9 - Small Business Economic Assistance
- 2.10 - Aid to Nonprofit Organizations
- 2.11 - Aid to Tourism, Travel, Hospitality

**AN ARPA PROJECT MEMORANDUM OF UNDERSTANDING  
BETWEEN CITY OF NEWBERG &  
THE NEWBERG DOWNTOWN COALITION  
REGARDING “THE BERG BUCKS” PROGRAM**

**PROJECT CODE:**

Newberg Downtown Coalition is receiving Coronavirus Local Fiscal Recovery Funds allocated to the City under the American Rescue Plan Act (the "Federal ARPA Funding").

The City of Newberg (the City) and the Newberg Downtown Coalition (NDC) have resolved to enter into a Memorandum of Understanding for the creation of “The Berg Bucks” program to help local businesses recover from the impacts of the Covid 19 pandemic.

The Berg Bucks program will facilitate a closed-loop, local gift card program, provided by a third-party company, Micronex, that will keep money circulating in our local economy to the benefit of the local economy. Gift cards can be purchased through NDC and the Chehalem Valley Chamber of Commerce and expended only at local Newberg businesses.

Members of NDC will automatically be eligible to enroll in the program, while any other businesses whose headquarters are within the Newberg zip code (97132) will also be eligible to join the program.

Franchised businesses may participate in the program so long as the businesses exist and operate within Newberg.

NDC will operate the program and be responsible for the following operational elements:

- NDC will ensure that they understand the reporting requirements for any Federal ARPA funding.
- NDC will ensure that Federal ARPA Funding requirements are met for any ARPA funds received, including all requirements regarding eligible uses for funds. NDC must include the City of Newberg's ARPA Reporting Officer on all communications regarding Federal ARPA Funding reporting and compliance.
- All records relating to this project must be retained for a minimum of three years consistent with the state of Oregon's record retention schedule.
- Semi-annual reports including participation and spending data, actual budget amounts, and equitable outreach activities will be submitted to the Economic Health Manager by March 31<sup>st</sup> and September 30<sup>th</sup> of each program year.
- NDC will verify that all firms participating in the program are based within the Newberg zip code (97132) and will allow participation by all Newberg businesses without fee or membership requirement.
- NDC will help promote the program through its partner organizations the Chehalem Valley Chamber of Commerce and Taste Newberg, as well as direct outreach to businesses and consumers.
- NDC will conduct intentional outreach to underrepresented business owners, including businesses owned by those who speak English as a second language.
- While no formal audit is required for an organization of NDC's size, NDC will commit to conducting a financial review of this program annually and will provide the City of Newberg with a copy of the relevant ledger records and bank balances. This report can coincide with the September 30<sup>th</sup> reports.

The City of Newberg (via its Economic Development and Community Engagement teams) will be responsible for the following elements:

- The City will supplement existing marketing materials by distributing digital materials and promoting The Berg Bucks program through its existing social media outlets and to local businesses, with particular emphasis on minority-owned businesses and those businesses owned by those who speak English as a

second language.

- In the event that the program does not materialize through December 31, 2023, the City will not request a refund of the \$9,975.00 initiation costs paid from the General Fund.
- The City of Newberg will provide the Spanish-language translation work needed to support equitable outreach and participation.
- If approved by the City's Budget Committee, the operational balance costs through December 31, 2023, of up to \$28,050 total and including a program initiation payment to Micronex of \$9,975.00 from the General Fund and \$18,075.00 in applied ARPA funds, will be covered by the City in direct payment to Micronex or NDC.

---Signature Lines---

**Financial breakdown**

		<b>Oct. 2021</b>	<b>Dec. 2021</b>	Jan-Dec. 2022	Jan-Dec. 2023
Program Start-up*	(already paid)	(\$9,975.00)			
Program - Downtown Gift Card	Micronex Management Fee		\$425.00	\$5,100.00	\$5,100.00
Program - DGC	Monthly participant fee \$1 per 100 businesses years 2021-2; 200 business year 2023		\$100.00	\$1,200.00	\$2,400.00
Program - DGC - card load fee	Paid by customer		\$0	\$0	\$0
5000 additional cards				\$3,750.00	
External Audit			\$0	\$0	\$0
Subtotal		(\$9,975.00)	\$525.00	\$10,050.00	\$7,500.00
Subtotal			\$28,050.00		
Less amount already invested			(\$9,975.00)		
<b>Ask</b>			<b>\$18,075.00</b>		

\* From the City of Newberg General Fund

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