

# Appendix A – ARPA Submission Format

## Project

Fairfield Inn System Development Charge Reduction - \$70,000.

## Justification

The City has been working for 6 plus years to attract a new hotel. Advances were being made on the recruitment until the COVID-19 pandemic occurred. At that point all discussions with potential developers ceased as the travel industry was by and large shut down. One developer has come back to the table to discuss construction of a new hotel as Newberg works to climb out of the economic downturn of the tourism industry.

A topic of discussion is the cost of System Development Charges to advance this project forward. Research the city has conducted in the past is a deficiency of upwards of 200 hotel rooms in Newberg to support our tourism economy. The potential project would provide 79 rooms of the deficiency.

As Newberg moves to re-establish its tourism economy it will bring back visitors from more than 50 miles and or create overnights stays. Up until the pandemic with the deficient number of hotel rooms visitors would travel to surrounding communities such as McMinnville, Tualatin, Tigard, and Wilsonville for their lodging.

The cost would be \$70,000 to reduce System Development Charges (SDCs) for transportation, water, wastewater, and stormwater charges for a new 79 room hotel. The estimated overall SDCs for the project are \$763,740.

The timeline to implement would be 1 – 2 years depending on land use review, public improvement permit review and building permit review.

## Project Sustainability

- How will the project bring long lasting economic recovery benefits to Newberg? Development of a 79-room hotel will bring long-term economic stability by creating an estimated Transient Lodge Tax revenue of \$270,265 in its first year and an estimated \$459,939 in its tenth year. The total amount estimated to be collected over a ten-year period is \$3,682,186 with a ten-year annual average of \$368,219. TLT revenue is split with 35.0667% going to tourism related activities and the balance to the city General Fund for general government operations. The tourism related activities portion would assist in tourism marketing and promotion activities and visitor center operations. In addition, property tax revenues will be generated estimated in the first year to be \$12,000 plus.
- Are local or minority vendors involved? Unknown, but local or minority vendors may be involved in construction of the hotel if they compete to be a subcontractor for the project.
- Please describe its sustainability if applicable. A new hotel will have a long-term economic impact for the community for 20+ years. The facility would provide hospitality lodging accommodations for visitors to Newberg for festivals, events, Agri-tourism, outdoor recreation opportunities, and wine touring and tasting.

## ARPA expenditure categories (EC):

2.11 Aid to Tourism, Travel, or Hospitality

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.