

FISCAL IMPACT STUDY

PROPOSED HOTEL DEVELOPMENT

TOWN OF BRISTOL RI

FOR:

D & M DEVELOPMENT

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INTRODUCTION ~

This Fiscal Impact Study (FIS) has been prepared to supplement an application for a planned 80 room Hotel Development. The Project is located at Gooding Avenue in Bristol RI. The property is currently zoned GB and is an allowable use. The FIS will estimate anticipated public revenues and expenses associated with the proposed development. The FIS will attempt to estimate both future revenues and expenses utilizing past and present statistics and financial data from a variety of sources, to be noted.

SUMMARY ~

The Town of Bristol will realize total estimated Revenues of \$258,274 from Property, Hotel and Tangible Taxes on an annual basis with the development of the proposed 80 room Hotel. By subtracting the total expense estimate of \$63,019 from the total anticipated revenue of \$258,274, the Town of Bristol will actually realize a Net Revenue Gain of \$195,255, with regard to expenses and revenues on an annual basis with the development. That would provide approximately \$195,000 in available revenue to offset other townwide municipal expenses.

Additionally:

- *The hotel use in Bristol will generate an additional 50 full-time equivalent jobs at the hotel location.*
- *There is additional revenue from food and beverage sales in local restaurants, bars and taverns. This report highlighted the tax revenue that will be collected from several local taxes. There are local benefits to businesses in Bristol where the hotel will purchase goods and services as needed on a daily basis to operate the hotel.*
- *Further secondary impacts include the boost to local tourism. With the 80-room hotel in place, Bristol will stand to attract many more tourists, who will spend money in local establishments, museums, etc.*
- *As tourism increases, additional infrastructure and other economic development will occur. A hotel is truly a catalyst in the local economy. This new infrastructure adds temporary construction jobs to the area, a further boost to local businesses.*
- *The importance of the proposed hotel in Bristol cannot be overstated. There is a strong relationship between the hotel availability so close to the campus as a recruitment tool*
- *Both the hotel marketing and the university recruitment efforts will highlight the presence of each other. The presence of Roger Williams University is a main contributor to the hotel chain company choosing Bristol for this major investment.*

TABLE # 1:

TOTAL PROJECT REVENUE PROJECTIONS -
80 ROOM HOTEL DEVELOPMENT -
BASE YEAR OF 2025
TOWN OF BRISTOL

	MARKET VALUE ⁺	ASSESSED VALUE [*]	TAX RATE _*		TOTAL REVENUE
LAND	\$500,000	\$400,000	\$13.82/1000		\$5,528
SITE DEVELOPMENT	\$1,500,000	\$1,200,000	\$13.82/1000		\$16,584
HOTEL - 80 rooms	\$17,000,000	\$13,600,000	\$13.82/1000		\$187,952
TOTALS	\$19,000,000	\$15,200,000	\$13.82/1000		\$210,064

⁺ Per D & M Development, LLC –

* Assessment estimated at 80% of Market Value. Tax Rate: Town of Bristol Tax Assessor's Office –Commercial rate @100%

Total gross Property Tax Revenue from the proposed 80 room Hotel and Conference Center development is: \$210,064

ADDITIONAL REVENUE ~

Also, one-time fee revenue for Building Permits, Water and Sewer connections, and Site Plan Review will accrue to the community for the building and construction of hotel project.

F, F, & E TAX REVENUE ~

There will also be annual tax revenue for Personal Property (F, F & E) assessed once the Hotel complex is complete.

The project estimate for F, F, & E is: \$1,350,000. Based on a tax assessment at 70% of that amount after depreciation, and a Tax Rate of \$13.00/\$1,000, the Town of Bristol could be expected to collect: \$17,550 annually.

HOTEL TAX

The State of Rhode Island will reimburse the Town of Bristol 1.0% of the 6% hotel tax collected at the proposed hotel, which is estimated at 1.0% of a projected annual hotel income of \$3,066,000*.

This equals an additional \$30,660 in annual tax revenue to the Town of Bristol generated by this project.

*** Calculated by: 80 room hotel at average occupancy of 70%. Thus, 56 rooms at an average room rate of \$150 per night equals = \$8,400 per night. At \$8,400 per night times 365 days per year, the annual income subject to the RI State Hotel Tax is \$3,066,000. The portion returned to the host community is 1% of that total or \$30,660 per year.**

Source: Occupancy and Average yearlong Room Rate projected by Spurrier Consulting for D & M Development, LLC in 2022. Also, projections from Choice Hotels.

TOTAL PROJECT EXPENSES PROJECTIONS: HOTEL DEVELOPMENT

Additional expenses for the hotel project are offset by the revenue projected. From a cost of services perspective for a Commercial project, it can be anticipated that for every dollar of tax revenue collected by the Town of Bristol 30% would be spent on providing municipal services. The 30% expenditure is a conservative estimate. Some of the projected expenses will not occur as this site development is to be maintained by a private developer/owner. Also, for example, the existing road network serving the complex is State and Town owned and maintained.

The anticipated Property Tax Revenue from the Hotel is **\$210,064** as calculated in Table 1. Taking into account that 30% of this revenue will be utilized by the Town of Bristol for town services this totals **\$63,019**. That would provide approximately **\$147,000** in available revenue to offset other townwide municipal expenses.

HOTEL ANTICIPATED REVENUE AND EXPENSE COMPARISON~

Based on information and statistics presented above in Table 1, etc., Table 2 presents a comparison of the projected total municipal revenue with total projected expenses for the hotel proposed, as anticipated:

TABLE # 2:
HOTEL REVENUE AND EXPENSE COMPARISON –
BASE YEAR OF 2025 - TOWN OF BRISTOL

	TOTAL MUNICIPAL COSTS	TOTAL ESTIMATED REVENUE	NET RESULTS
TOTAL PROJECT	\$63,019	\$258,274 (Includes: Property, Hotel Tax Reimbursement & Tangible Tax)	\$195,255

SUMMARY ~

The Town of Bristol will realize total estimated Revenues of \$258,274 from Property, Hotel and Tangible Taxes on an annual basis with the development of the proposed 80 room Hotel. By subtracting the total expense estimate of \$63,019 from the total anticipated revenue of \$258,274, the Town of Bristol will actually realize a Net Revenue Gain of \$195,255, with regard to expenses and revenues on an annual basis with the development.

EMPLOYMENT ~

Based on information provided by Choice Hotels, the hotel use in Bristol will generate an additional 50 full-time equivalent jobs at the hotel location. This includes: Front Desk, Housekeeping, Food & Beverage, Guest Services and others. This number can increase if Occupancy Rate increases, Average Stay duration increases, and/or more staff needed on other shifts.

SECONDARY IMPACTS ~

A new 80-room hotel located in Bristol will have direct impact on several portions of the local economy, including job generation which has been estimated at approximately 50 full-time equivalent jobs associated with the hotel. Also, there is additional revenue from food and beverage sales in local restaurants, bars and taverns. This report highlighted the tax revenue that will be collected from several local taxes. There are local benefits to businesses in Bristol where the hotel will purchase goods and services as needed on a daily basis to operate the hotel.

Further secondary impacts include the boost to local tourism. With the 80-room hotel in place, Bristol will stand to attract many more tourists, who will spend money in local establishments, museums, etc. Length of a visit by tourists when including an overnight (s) greatly increase the amount they spend in the community. As tourism increases, additional infrastructure and other economic development will occur. A hotel is truly a catalyst in the local economy. This new infrastructure adds temporary construction jobs to the area, a further boost to local businesses.

ROGER WILLIAMS UNIVERSITY ~

Roger Williams University (RWU) is a private liberal arts university in Bristol. Founded in 1956, RWU was named for theologian and Rhode Island cofounder Roger Williams. The university enrolls about 3,578 students, 489 academic staff, and 165 administration staff. A total of 80% of the enrollment are out-of-state students. The university is located on a 140-acre waterfront campus, has \$79.2 million in endowments, and tuition of \$36,978. RWU offers more than 50 liberal arts majors and professional degrees, such as law, architecture, construction management, and historic preservation. Roger Williams University School of Law on the campus of Roger Williams University is the only law school in Rhode Island, with about 370 students and endowments of \$114 million.

The importance of the proposed hotel in Bristol cannot be overstated. There is a strong relationship between the hotel availability so close to the campus, as a recruitment tool for university administration, and, the number of out of state students, parents, family that will visit the university throughout the year and require lodging is substantial. Both the hotel marketing and the university recruitment efforts will highlight the presence of each other. The presence of Roger Williams University is a main contributor to the hotel chain company choosing Bristol for this major investment. Likely the University strongly supports the addition of this hotel in such close proximity to their campus. A true Win-Win situation.