

Rural Business and Cooperative Service • Business & Industry CARES Act Loan Guarantee Program

Rural Hotel Provides Lodging for Essential Workers, Continued Employment for Staff Amid Pandemic

As the coronavirus pandemic took hold in Oregon, the hospitality industry became one of many sectors suddenly struggling to survive. The Best Western Astoria Bayfront Hotel on the Oregon coast lost 95 percent of its business in April and May, with \$200,000 in cancellations, as the state's stay-at-home order and then the mayor's shutdown order went into effect. It was a devastating blow for a seasonal business that only earns a profit during the summer.

Unlike many hotels in the area, the Best Western made the decision to remain open. "Our employees are our greatest asset," said Torre Morgal, President and CEO of Lincoln Asset Management, "and they need to pay their bills."

The hotel offered lodging to essential workers, including nurses who arrived in anticipation of additional needs at the local hospital, Life Flight pilots, and construction workers. However, those guests accounted for only a small percentage of the hotel's usual business.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed into law in March, included financial assistance for rural businesses impacted by COVID-19. The Best Western Astoria applied and received a working capital loan from Live Oak Bank that was guaranteed by USDA's [Business & Industry CARES Act Program](#).

"USDA's loan guarantee allows lenders like Live Oak to offer reasonable rates in a time when capital is very much in need," said Holly Walker, Associate - Underwriting with Live Oak Bank. "We are proud to support the small businesses that are vital to our country's success and we recognize the incredible work the USDA is doing to finance business owners in these unprecedented times."

The loan will bridge the gap until next summer, when the hotel can again earn a profit. "It's a huge relief for the partners that own the business and for our employees who can continue to support their families," said Torre.

By remaining open despite significantly reduced business, the hotel continues to provide fully paid positions for all 25 of its employees, an invaluable asset in this rural town amid the economic crisis caused by the pandemic.



The Best Western Astoria Bayfront Hotel remained open amid the coronavirus pandemic, providing lodging for essential employees and continued employment for its staff.

Obligation Amount:	\$990,000 loan guarantee
Date of Obligation:	June 2020
Congressional District:	Representative Bonamici, District 1; Senators Wyden and Merkley
Partners:	Live Oak Bank, Small Business Administration (\$111,100 Payroll Protection Program funding)
Demographics:	Astoria, Oregon; population 9,976
Impact:	A rural hotel was able to remain in operation during the pandemic with help from CARES Act relief funds, providing lodging for essential workers and employment for 25 people.
