



Ohio Travel
ASSOCIATION



October 28, 2020

The Honorable Mike DeWine
Governor's Office
Vern Riffe Center for Government and the Arts
77 South High Street, 30th Floor
Columbus, OH 43215-6117

RE: Assistance for pandemic-impacted travel economy

Dear Governor DeWine,

Our thanks and appreciation go to you, members of your administration and Ohio's legislative leaders for the recently-announced steps to direct funding into Ohio businesses and organizations to assist them during a time of economic impacts brought about by COVID-19.

While these steps will direct some much-needed financial support across the spectrum, we write to call attention to the very real and acute impact that the pandemic and the response to it have had on Ohio's travel economy. Businesses in our sector continue to be the most impacted, with devastating results, permanent job losses, and lasting damage to our economic infrastructure on the horizon.

As additional steps are considered for emergency economic relief, and in anticipation of the potential for additional federal support that could be directed to the states at some point in the future, it is our hope that the state will recognize some critical realities:

- Ohio has lost \$10.8 billion in travel and hospitality economic activity since March
- As leisure travel wanes in fall and winter, the inability to secure meetings and conferences is dramatically impacting this loss of revenue. Meeting venues are unable to secure business (and consequently deposits) for 2021-22 given existing limits of 300 persons per venue
- The 2020 tax shortfall from travel-related business will be catastrophic for state and local governments. To date, a loss of \$316 million in state sales tax receipts is caused by this traveler spending loss, as is \$187 million in lost local sales tax receipts
- If losses continue, projections for lost state tax receipts could be as high as \$400 million and \$235 million in lost local sales tax receipts
- The impact is not limited to just one segment – bars and restaurants. Others severely impacted include hotel & lodging, museums, campgrounds, attractions, sightseeing services, airports, convention centers, ferryboats, retail shops, performing arts, tour operator companies and others
- 67% of hotels won't make it another 6 months given current and projected travel demand without emergency financial assistance
- 74% of hotels will be forced to lay off more workers and eliminate more jobs. Four out of ten hotel employees are not working
- 68% of hotels are operating at less than half of pre-pandemic staffing levels. In Ohio, more than 29,000 of Ohio's 42,000 hotel & lodging business employees were displaced at the height of the closures. At least 16,000 of those direct jobs are lost, and that number is projected to increase soon to more than 29,000 direct hotel jobs lost permanently. 86,000 jobs supported by hotels – including contractors, suppliers, etc. – are at risk, with 44,000 already lost by September

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- A wave of hotel foreclosures and permanent closures is coming. Lending analysis showed that by July of this year, more than a quarter of hotels with a specific type of loan were 30 days delinquent, and facing foreclosure
- Two-thirds of hotels remain at or below 50% occupancy, which is below the threshold to break even. In urban areas – hotels with highest employment --- the number is even lower due to continuing limits on meetings and group business
- Ohio’s total hotel occupancy in August should have been above 70%. It was in the high 30s to low 40s. (Note that officials sometimes see inflated occupancy number reports which do not count closed hotels with zero occupancy)
- One-third of museum directors surveyed confirmed there was a “significant risk” of closing permanently by next fall, or they “didn’t know” if they would survive
- 87% of museums have only 12 months or less of financial operating reserves remaining, with 56% having less than six months left to cover operations
- During the pandemic, 75% of museums stepped into their pivotal role as educators providing virtual educational programs, experiences, and curricula to students, parents, and teachers
- 64% of museum directors predict cuts in education, programming, or other public services due to significant budget cuts

Many not-for-profit organizations essential to the travel economy were denied access to the federal Payroll Protection Program, including convention and visitors bureaus throughout Ohio and associations who are key to restoring meetings and conferences to help rebuild our economy. Ohio’s convention and visitors bureaus (also known as Destination Management Organizations) market local and regional assets to drive demand; activate sales efforts to ensure Ohio gets its share of corporate, meeting and convention business; and support local businesses. During the pandemic, most have pivoted to develop safety messaging for visitors and operating businesses. Most associations throughout the state have become the trusted resource for understanding changes in markets and compliance with restrictions. These organizations are also key to driving future meetings and conferences for Ohio businesses. Both of these business types operate as 501(c)(6) organizations and were excluded from federal assistance and the funding announced by the state of Ohio last week. Yet, both are essential for economic recovery and mitigation of ongoing COVID-19 related impacts.

Ohio’s travel economy infrastructure risks irreparable damage, or even collapse. If we plan on these businesses and employers helping to lead the way to economic recovery – which the travel economy regularly does after economic downturns – we must ensure they receive support commensurate with the damage caused by the pandemic and the continuing restrictions, limits and orders issued in response to it.

We encourage the State of Ohio to consider suggestions and recommendations forwarded by our organizations, and examples from programs in other states, to direct support to this sector. Future programs to deliver relief should include a needs-based approach which considers the measurements outlined above. Unspent pandemic relief funding sent to local governments should also be considered in the form of matching assistance.

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Throughout the pandemic, our organizations have remained a partner in working with the state on efforts to save lives. We hope to be able to be a partner in helping the state's economic recovery.

Thank you for your consideration,


Melinda Huntley
Executive Director
Ohio Travel Association


Joseph Savarise
Executive Director
Ohio Hotel & Lodging Association

Cc: The Honorable Jon Husted, Lt. Governor
Director Lydia L. Mihalik, Ohio Development Services Agency
Acting Director Lance Himes, Ohio Department of Health