

MHILA
Maryland Hotel
Lodging Association

November 20, 2020

The Honorable Lawrence J. Hogan, Jr.
Office of the Governor
100 State Circle
Annapolis, MD 21401

The Honorable Kelly M. Schulz
Secretary of Commerce
401 E. Pratt Street
Baltimore, MD 21202

Dear Governor Hogan and Secretary Schulz:

On behalf of Maryland's lodging industry, I am reaching out with a critical request for targeted relief for Maryland hotels. Hotels have qualified for very little of the COVID-19 relief available to small businesses in Maryland, and yet the majority of hotels in the state are run by small business owner/operators who are among the hardest hit by COVID-19 restrictions. Year to date revenue through September 2020 is down 48.3% and occupancy among available rooms is down 33.2% for the same period. 6.4% of the total rooms in Maryland are completely closed and not even factored into year to date occupancy levels. With the CDC urging against Thanksgiving travel and increased restrictions going into the holiday season, hotels are being hit hard by COVID-19.

Absent further governmental relief, massive foreclosures and permanent closures are predicted. According to a study released this week by the American Hotel & Lodging Association, **71% of hotels report they will not last six more months at current projected revenue and occupancy levels¹**. We hope to avoid the detrimental impact this will have on Maryland's economic recovery. It is not just hotels but cities, counties and the state that would suffer greater economic loss with shuttered hotels leading to lower property value/tax assessments, loss of hotel tax, loss of sales tax, loss of jobs, etc. Relief is necessary for hotels to survive the tough winter ahead and be part of the economic recovery anticipated to begin in the second quarter of 2021.

Initially, the COVID-19 layoff aversion fund appeared to be something that would help us get through the next quarter. However, as we have applied and been denied, we've become aware that this program isn't targeted for an essential industry that relies heavily on frontline employees who cannot be transitioned into working remotely. We need employees to keep hotels open, but we also need guests occupying the hotel at a high enough level for doors to stay open.

¹ <https://www.ahla.com/press-release/survey-71-hotels-wont-survive-another-six-months-without-further-government-covid>

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On October 22, 2020, the Governor's press release announcing the \$250 Million "Maryland Strong: Economic Recovery Initiative" included the following:

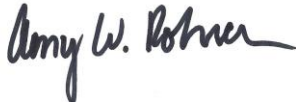
\$100M: Emergency Rapid Response Fund for Small Businesses

The governor's initiative sets aside \$100 million that can be immediately deployed to areas where there is the greatest need as the pandemic continues to affect various sectors and as state and local governments wait for the federal government to take action on additional stimulus relief.

The lodging industry was among the first to be impacted by the pandemic and we will be one of the last to recover. We respectfully urge your consideration of direct relief for hotels, similar to the \$50 Million grant program providing direct relief for restaurants. We are in need of relief that can be used for debt or operating expense, such as mortgage payments, insurance, utilities, property taxes, payroll / payroll taxes, franchise fees, license and permit fees.

Please let me know how we can best move this request forward. I appreciate your time and consideration, and thank you for all that is being done to support Maryland's business community during this difficult time.

Sincerely,



Amy W. Rohrer, CAE
President & CEO