

APRIL 30, 2020

Dear Members,

Yesterday, Governor Ducey announced an extension of the "Stay Home, Stay Healthy, Stay Connected" order until May 15th with slight modifications. Beginning May 4th, non-essential retail stores can provide curbside pickup and on May 8th retail stores can begin in-store purchases with strict social distancing guidelines.

The Governor indicated his intention to begin restaurant dine-in services sometime in May. We anticipate further guidance next week.

While the Governor is taking a phased in approach to reopening segments of Arizona's economy, AzLTA continues to advocate for immediate relief to allow our industry to recover from the catastrophic impacts of the COVID-19 pandemic. On Monday, we sent a letter to Governor Ducey outlining strategies to assist with recovery.

During a call this afternoon with members of the business community, Governor Ducey provided additional insight into future decisions that will impact the hospitality industry. He and his team are assessing best practices for reopening resort and community pools and hope to provide guidance in the coming weeks. In addition, the Governor plans to work with the Legislature to provide employers liability protection from frivolous lawsuits.

We will continue to work with Governor Ducey, ACA President and CEO Sandra Watson and AOT Director Debbie Johnson as they develop further guidance for our industry.

Please do not hesitate to contact our team with questions.

Sincerely,

Kim Grace Sabow President & CEO

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FEDERAL UPDATE

A new <u>report</u> from AHLA shows that without increased loan limits in the Paycheck Protection Program (PPP), small business hotels won't be able to keep doors open and rehire employees.

AzLTA joined this <u>letter</u> to Congress, signed by 13,000+ hoteliers from all 50 states requesting additional SBA Loan funding and updates to CARES Act (and attached). The letter urges relief for 501(c)(6) organizations in the next round of coronavirus relief, which remains an AHLA priority.

The IRS issued guidance on the Employee Retention Credit (ERC) in the form of 94 Frequently Asked Questions (FAQs). Of particular note are FAQ 15 which stipulates that an employer cannot get a PPP loan and use the ERC and FAQ 83 which states that employers cannot claim the ERC and the Work Opportunity Tax Credit (WOTC). We also want flag FAQ 65 which says that employers with more than 100 employees cannot utilize the ERC for health benefits unless the employers also pay monetary wages. FAQ 65 is clearly problematic for many hoteliers who have continued to cover their furloughed employees health benefits. A number of Congressional offices do not agree with the IRS interpretation and we expect these concerns to be raised with the Administration.

ARIZONA UPDATE

The Maricopa County Treasurer's Office is offering relief from certain property tax payments to reflect the economic disruption of COVID-19. Businesses, such as restaurants and hotels, that pay business personal property taxes on supplies and equipment may apply to the Maricopa County Treasurer's Office to delay payments due May 1st to August 1st without paying interest or penalties.

There are two ways to apply:

- Go to https://treasurer.maricopa.gov/ResearchRequest/Index/. Fill out your business information. Indicate "Business Payment Agreement" as the reason.
- Or look for a letter soon from the Treasurer's Office that explains your business is eligible
 for the program. Sign the letter, make a copy for your records and mail the original
 to: Maricopa County Treasurer, 301 W. Jefferson St. Suite 140, Phoenix, AZ 85003

For more information, visit: https://treasurer.maricopa.gov

Lastly, the Arizona Legislature will not reconvene tomorrow. House and Senate leadership are still deciding if and when they will return to the State Capitol. We will provide more information as it becomes available.

CARES ACT RESOURCES FOR 501(C)6

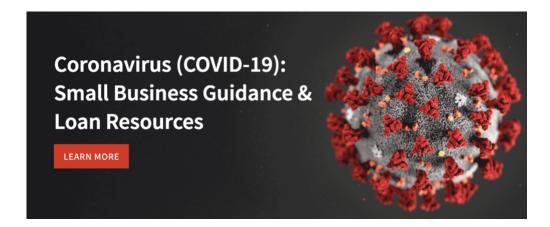


U.S. Travel created an overview and guide for all the emergency relief programs 501(c)(6) nonprofits and other tax- exempt organizations are eligible for under the CARES Act.

Learn more here:

• https://www.ustravel.org/sites/default/files/media_root/document/501c6_Resources.pdf

PAYCHECK PROTECTION PROGRAM



Congress passed emergency funding this week to replenish the Paycheck Protection Program with \$320 billion. You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating in the program.

- For a top-line overview of the program <u>CLICK HERE</u>
- If you're a borrower, more information can be found HERE
- The application for borrowers can be found <u>HERE</u>

SAFE STAY INITIATIVE



AHLA launched "<u>Safe Stay</u>," an initiative focused on enhanced hotel cleaning practices, social interactions and workplace protocols to meet the new health and safety challenges and expectations presented by COVID-19. The Safe Stay Advisory Council, comprised of leading hotel companies, will develop **enhanced cleaning and safety standards**.

For more information, visit our website: www.ahla.com/SafeStay.

UPCOMING WEBINAR



Collaboration in Crisis – Coalescing Around Needs for Hotel CMBS Relief

Friday, May 1 | 10:30 AM

The severity of the COVID19 crisis has necessitated broad based collaboration among a diverse group of hotel owners and state and national trade associations. Join NewGen for a webinar discussing

the efforts to integrate diverse viewpoints into a concise and timely request for relief from state and federal government.

Distinguished panel includes:

- Monty Bennett Founder, Chairman, & Chief Executive Officer of Ashford, Inc
- Joe Savarise Executive Director. Ohio Hotel & Lodging Association
- · Vinay Patel President, Fairbrook Hotels
- · Chris Burgoyne Vice President of Government and Political Affairs AHLA

NATIONAL TRAVEL & TOURISM WEEK



National Travel and Tourism Week is less than two weeks away (May 3-9). This year, the industry will come together to celebrate the #SpiritOfTravel. <u>U.S. Travel's toolkit</u> includes several ways to get involved. New this year: a Virtual Road Trip that will highlight destinations, small, medium and large businesses and attractions that embody the Spirit of Travel. The event will take place on May 5th on Twitter. <u>Sign up here</u> to join and learn more details.

CARES ACT READINESS PROGRAM



The Arizona Commerce Authority, Arizona Small Business Association and Arizona Chamber of Commerce & Industry have created the CARES Act Readiness Program for Small Businesses. This training program – which is offered at no cost– helps both novice and experienced borrowers successfully access relief funds.

Learn more at: http://caresactaz.com



The <u>Hospitality for Hope</u> initiative is gaining statewide and national attention. We have been able to connect health care facilities and hotels across the state.

The outpouring of support from Arizona hotels and resorts has been incredible and our team is communicating with state leaders and health care organizations about the options available.

Arizona Hotels interested in joining Hospitality for Hope can volunteer HERE.

IN THE NEWS



AZ tourism officials lay out reopening plan to Ducey

The state's largest hotel and tourism industry advocacy group has laid out a series of steps for Arizona Gov. Doug Ducey to help reopen and... & bizjournals.com

Arizona Tourism Officials Lay Out Reopening Plan to Gov. Ducey



Arizona tourism industry has lost \$1.5 billion due to the coronavirus The tourism industry was the first to feel the effects of the pandemic right at the busiest time of the year.

Ø azfamily.com

Arizona Tourism Industry Has Lost \$1.5 Billion Due to the Coronavirus



Embracing the 'new' normal: Valley leaders talk Covid-19 challenges Arizona businesses have been through a lot in the past six weeks. We asked some Valley business and nonprofit leaders about the ... \mathscr{S} bizjournals.com

Embracing the 'New' Normal: Valley leaders talk about challenges as managers amid Covid-19



Retail gets partial reopening as Ducey extends Arizona shutdown
The governor's Covid-19 shutdown order was set to expire at the end
of April. At a lengthy press conference on Wednesday, Gov. Ducey ...

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<u>Ducey Makes Room For Partial Retail Reopening as He Extends Arizona</u> <u>Shutdown</u>



Arizona hoping for MLB 'lifeline' while crossing fingers on CFB
As our flight touched down in Phoenix for a spring training trip the passenger next to me immediately checked his phone for what had ...

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Arizona Hoping for MLB 'Lifeline' While Crossing Fingers on CFB

AzLTA is committed to providing our members with up-to-date resources, webinars, information and recommendations from our state and national partners. Daily updates will be shared our website so please reference it often and share it with your network.

AzLTA Website

Arizona Business Resources

Arizona Help For Hospitality Workforce

Arizona Together

SBA Economic Injury Disaster Loan

SBA COVID-19 Resources

YOUR INDUSTRY. YOUR VOICE.

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