

#### May 22, 2020

Dear Members,

It has been one week since the Governor lifted restrictions on a number of entities including restaurants, fitness centers, spas and pools. Businesses across the state continue to reopen including a number of high profile tourist destinations such as the Grand Canyon. We've heard reports from a number of our members about an increase in reservations.

As we continue with Phase 1 of the Governor's Return Stronger plan, our team will work with Governor Ducey and the Arizona Legislature to ensure our industry has the tools and resources necessary to recover.

One critical element of our industry's recovery effort is Senate Bill 1335, Tourism Marketing Authorities. As you may know, the Arizona House of Representatives reconvened this week to hear numerous bills. While we were initially optimistic that SB. 1335 would progress after it passed the House Rules Committee yesterday, the Arizona House made the decision to adjourn Sine Die without bringing the bill to a full vote.

Although this bill did not come to fruition during the regular legislative session, we remain optimistic that there will be an opportunity to advance Tourism Marketing Authority Legislation along with additional COVID-19 industry relief items during a special session.

Our most sincere gratitude to Jaime Molera, Laura Magnus and Barry Aarons for their extraordinary efforts in advocating for this industry critical legislation.

We will continue to keep our members apprised of the latest updates from the Governor's Office and the Arizona Legislature.

Please do not hesitate to contact our team with questions.

Have a safe Memorial Day weekend.

Sincerely,

Kim Crace Sabow
President & CEO

#### TRAVEL UPDATE



Effective June 1, Phoenix Sky Harbor International Airport will require all employees and members of the public entering public airport facilities to wear a face covering. This includes the terminals, the Rental Car Center, the PHX Sky Train®, and Airport buses.

In concert with major airlines, the TSA, airports across the country including Denver, Seattle, LAX, New York's JFK, Boston Logan, Miami, and even companies such as Uber, everyone in public airport facilities will be required to cover their noses and mouths. Travelers, employees, and those visiting the airport should bring their own mask to wear throughout the airport.

More information is available here: <a href="https://www.skyharbor.com/beforetraveling/health-information">https://www.skyharbor.com/beforetraveling/health-information</a>

#### FEDERAL UPDATE

Our national partner AHLA has <u>submitted a letter</u> to Congress outlining a Roadmap to Recovery cosigned by AAHOA, the Latino Hotel Association and the National Association of Black Hotel Owners, Operators and Developers. Full press release below. The letter focuses on four immediate needs from Congress:

- Help hotels retain and rehire employees by extending the Paycheck Protection
   Program, offering employees direct tuition assistance or tax credits, and expanding the
   Employee Retention Credit
- **Protect employees and guests** through tax credits for cleaning equipment and personal protective equipment (PPE)
- Keep hotel doors open by providing relief for hotel commercial mortgages and increasing the size and flexibility of PPP loans
- Incentivize Americans to travel again when it's safe with a new, temporary travel tax
   credit and restoring the entertainment business expense deduction.

#### ARIZONA UPDATE

The Arizona House of Representatives reconvened this week to take action on a handful of bills prior to their decision to adjourn Sine Die yesterday.

A number of bills have been introduced to provide liability protections for employers as businesses begin to reopen in the wake of the COVID-19 pandemic. AzLTA continues to work with our partners in the business community to make sure any legislation is drafted in a way to maximize chances of withstanding any potential legal challenge.

It is still unclear how the Arizona Legislature will proceed with addressing liability protections given that the Arizona Senate made a motion to adjourn Sine Die a few weeks ago. The Arizona Senate could return next week to take action or adjourn and resolve the liability issue in a special session.

#### **TELL US YOUR STORY**

As businesses throughout our industry begin to reopen and provide additional services and experiences, we would love to hear from you about the measures you are taking to keep your staff and guests safe.

The AzLTA team would like to highlight all of the great work being done so we can help boost consumer confidence.

Please share your story with us!

#### SAFETY GUIDELINES

Last week, Governor Ducey allowed our industry to reopen important amenities for summer guests and visitors. Below is the guidance provided by the Governor to ensure the safety of staff and guests:

- Reopening guidance for Dine in Restaurants
- Reopening guidance for Pools
- Reopening guidance for Gyms and Fitness Centers
- Reopening guidance for Spas

The Governor recommends businesses develop and implement appropriate policies, in accordance with federal, state and local guidance, and informed by industry best practices, regarding:

Social distancing and protective equipment

- Testing, isolating and contact tracing
- Sanitation
- · Use and disinfection of common and high-traffic areas
- Business travel
- Do not allow symptomatic people to physically return to work until cleared by a medical provider

#### **HOTELS TOGETHER**



Hotels Together is an online coalition put together for hotel owners, by hotel owners. The objective is to help hotels owners strive to obtain meaningful relief from lenders & legislators.

Join the effort today: <a href="https://www.hotelstogether.org">https://www.hotelstogether.org</a>

#### **UPDATED INDUSTRY DATA**

U.S. Travel and Tourism Economics has analyzed the effect of this pandemic on our industry, with latest estimates suggesting direct travel industry losses of \$519 billion by year's end, a decline of \$1.2 trillion in total economic output and the loss of 8 million travel-related jobs as of May 1—a total impact that is nine times greater than that of 9/11.

The most recent data has made clear just how devastating the impact on our industry is:

- While the economy is headed for a recession, the travel industry is already in a depression
- During the worst year of the Great Depression (1933), unemployment was 25%.
- Overall travel industry unemployment now stands at 51%—twice the rate of the worst year
  of the Great Depression.

The Arizona Office of Tourism has released the following reports:

- Airport Passenger Volume March 2020
- Gross Sales & Estimated Tourism Taxes March 2020
- National Parks Visitation February 2020 (Preliminary)

For the latest and historical tourism indicator reports, please visit the **Data and Trends page** on

#### PAYCHECK PROTECTION PROGRAM



The SBA, in consultation with Treasury, <u>has released the PPP Loan Forgiveness Application</u>. The SBA will also issue further regulations and guidance for borrowers, as well as for lender responsibility. The application and instructions can be <u>found here</u>.

## Key provisions to reduce compliance burdens and simplify the process for borrowers include:

- Options for borrowers to calculate payroll costs using an "alternative payroll covered period" that aligns with borrowers' regular payroll cycles
- Flexibility to include eligible payroll and non-payroll expenses paid or incurred during the eight-week period after receiving a PPP loan
- Step-by-step instructions to confirm eligibility for loan forgiveness
- Borrower-friendly implementation of statutory exemptions from loan forgiveness reduction based on rehiring by June 30
- Addition of a new exemption from the loan forgiveness reduction for borrowers who have made a good-faith, written offer to rehire workers that was declined

#### SAFE STAY INITIATIVE



#### **AHLA "Safe Stay" Initiative**

<u>"Safe Stay"</u> is 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 standards of Safe Stay were developed under the guidance of an Advisory Council, comprised of industry leaders representing all segments of the hotel industry, and in conjunction with public health experts to advance best practices for protecting against the coronavirus.

VIEW ENHANCED SAFE STAY GUIDELINES

#### TRAVEL IN THE NEW NORMAL



#### U.S. Travel: Travel in the New Normal

U.S. Travel developed industry-wide health and safety guidance to ensure a consistent approach to safety that travelers can expect through all touchpoints in their journey, in the era of this new normal. This document follows an intense, collaborative effort between U.S. Travel, member organizations, other industry associations and medical experts to derive the guidance that all sectors of the travel industry can apply and each vertical segment can expand upon as necessary.

VIEW U.S. TRAVEL GUIDANCE

#### 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

#### HOSPITALITY FOR HOPE



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.

#### #THANKFULTHURSDAY



This #ThankfulThursday, we are paying tribute to our Strategic Diamond Partner and in house A/V provider PSAV who works tirelessly to make our events sound phenomenal! Thank you for your continued support of the lodging industry, we are so grateful for your partnership.

#### IN THE NEWS

TOP STORY

# Tourism CEO: Arizona has lost nearly \$2 billion in visitor spending

By Kimberly James | The Center Square May 19, 2020

**Tourism CEO: Arizona Has Lost Nearly \$2 Billion in Visitor Spending** 

STRATEGIC PARTNERS

#### **MEMBER RESOURCES**

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.

Arizona Reopening

**CARES Act** 

COVID-19 Resources

Hotel Safe Stay Guidance

U.S. Travel Guidance

Arizona Together

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