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Pandemic Spending Presentation
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Impact

Hotels were some of the most restricted and impacted businesses throughout the pandemic with meeting and events almost completely forbidden until late 2021. This is a major source of business and one of the largest impacts on the surrounding communities

- Restrictions on meetings and events significantly limited hotels' ability to re-hire critical team members
 - Restrictions were inconsistent even within the same buildings with respect to meetings\events vs. restaurants
 - Inventory, hours of operation and outlet availability continue to be restricted due to a lack of personnel
- Cost increases for team members and lack of front-line personnel limit service offerings, amenities and the ability to re-open outlets
- Many properties are forecasting to end 2022 between 70-90% of 2019 "Top Line" performance but well behind in profitability. This is still far from certain...

State Economic Impact

- Through March 2022, travel spending in MD is down 16% from pre-pandemic levels
- Total travel spending since January 2020 is down \$12.9B resulting in
 - \$1.2B in Federal tax revenue decline
 - \$447M in State tax revenue decline
 - \$288M in Local tax revenue decline
- Hotel properties with tenant spaces – restaurants, gift shops, office tenant spaces, etc. had to provide rent deferments, abatements, absorb CAM costs, etc. in addition to traditional hotel revenue losses
- \$60M in allocated assistance represents 0.4% of revenue loss for this time period

State Travel Spending Impact 2020 - 2022

Summary

Destination (filter impacts entire page)

Maryland

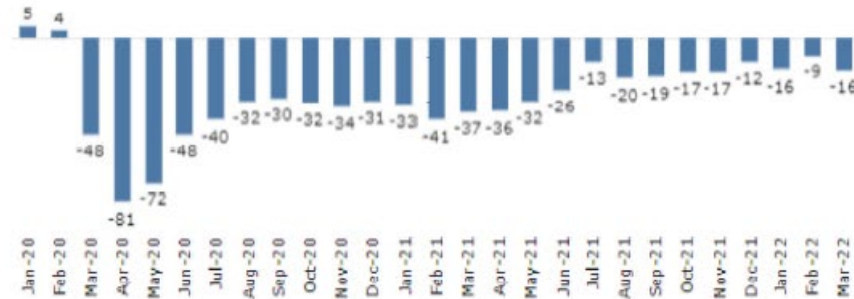
Cumulative Losses Since January 2020
Maryland, through March 2022

	Maryland
Travel Spending (difference)	(\$12.9B)
Federal Taxes	(\$1,240M)
State Taxes	(\$447M)
Local Taxes	(\$288M)

Travel Spending Losses
Maryland

	Travel Spending	Travel Spending (difference)	% Change vs 2019
Jan-21	\$1.0B	(\$0.5B)	-33%
Feb-21	\$0.9B	(\$0.6B)	-41%
Mar-21	\$1.1B	(\$0.6B)	-37%
Apr-21	\$1.0B	(\$0.6B)	-36%
May-21	\$1.2B	(\$0.5B)	-32%
Jun-21	\$1.3B	(\$0.4B)	-26%
Jul-21	\$1.5B	(\$0.2B)	-13%
Aug-21	\$1.4B	(\$0.3B)	-20%
Sep-21	\$1.3B	(\$0.3B)	-19%
Oct-21	\$1.4B	(\$0.3B)	-17%
Nov-21	\$1.3B	(\$0.3B)	-17%
Dec-21	\$1.4B	(\$0.2B)	-12%
Jan-22	\$1.3B	(\$0.2B)	-16%
Feb-22	\$1.3B	(\$0.1B)	-9%
Mar-22	\$1.4B	(\$0.3B)	-16%

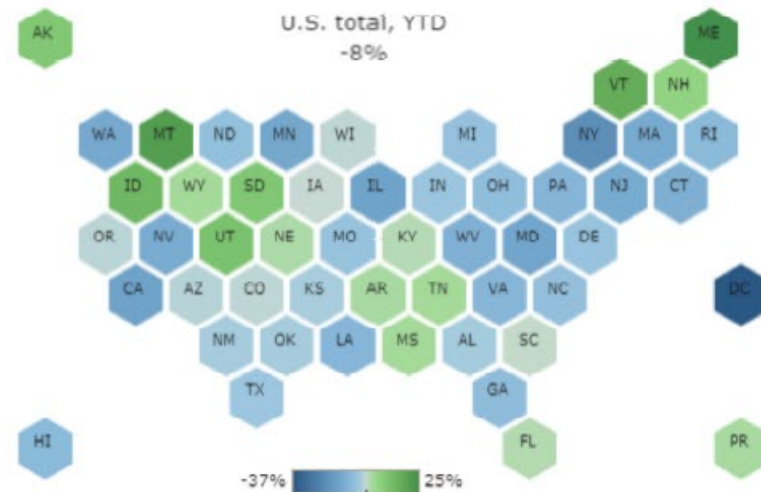
Travel Spending (% change vs. 2019)
Maryland



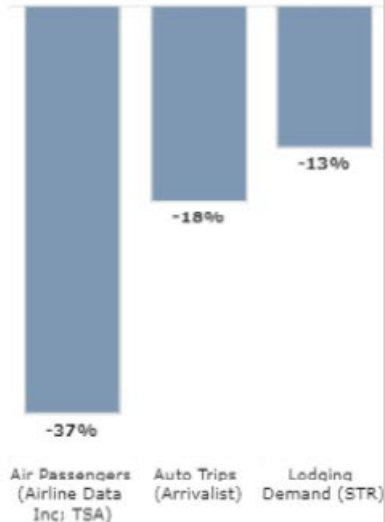
Travel Spending
Maryland
March 2022, % change vs. 2019



U.S. Travel Spending Year-to-Date by State
YTD through March 2022, % change vs. 2019



Travel & Tourism Recovery
Maryland
March 2022, % change vs. 2019





Forecasted Revenues 2022

Hotel Business Travel Revenue By State				
STATE	2019 Business Travel Revenue	2022 Projected Business Travel Revenue	\$ Difference vs. 2019	% Difference vs. 2019
NATIONWIDE	\$89,675,972,260	\$69,002,695,801	\$(20,673,276,459)	-23.1%
ALABAMA	\$879,767,065	\$827,849,878	\$(51,917,187)	-5.9%
ALASKA	\$482,696,430	\$417,567,721	\$(65,128,709)	-13.5%
ARIZONA	\$2,053,473,976	\$1,755,958,104	\$(297,515,872)	-14.5%
ARKANSAS	\$480,090,573	\$444,427,056	\$(35,663,517)	-7.4%
CALIFORNIA	\$13,129,796,983	\$8,641,014,692	\$(4,488,782,291)	-34.2%
COLORADO	\$2,337,905,040	\$1,834,191,485	\$(503,713,555)	-21.5%
CONNECTICUT	\$566,387,670	\$410,343,182	\$(156,044,488)	-27.6%
DELAWARE	\$179,707,646	\$151,214,421	\$(28,493,226)	-15.9%
D.C.	\$1,408,634,295	\$565,950,200	\$(842,684,095)	-59.8%
FLORIDA	\$8,718,609,227	\$7,750,677,167	\$(967,932,060)	-11.1%
GEORGIA	\$2,615,533,740	\$2,184,120,016	\$(431,413,724)	-16.5%
HAWAII	\$1,534,743,517	\$1,143,312,668	\$(391,430,848)	-25.5%
IDAHO	\$330,460,571	\$327,057,218	\$(3,403,353)	-1.0%
ILLINOIS	\$2,989,485,071	\$1,759,959,656	\$(1,229,525,415)	-41.1%
INDIANA	\$1,142,447,059	\$1,012,217,046	\$(130,230,013)	-11.4%
IOWA	\$573,811,722	\$508,718,075	\$(65,093,646)	-11.3%
KANSAS	\$460,289,259	\$416,627,337	\$(43,661,922)	-9.5%
KENTUCKY	\$772,758,897	\$701,027,006	\$(71,731,890)	-9.3%
LOUISIANA	\$1,347,565,480	\$1,145,328,968	\$(202,236,511)	-15.0%
MAINE	\$381,770,802	\$394,086,587	\$12,315,785	3.2%
MARYLAND	\$1,273,289,388	\$860,666,796	\$(412,622,592)	-32.4%
MASSACHUSETTS	\$2,268,831,599	\$1,270,376,099	\$(998,455,500)	-44.0%
MICHIGAN	\$1,453,643,000	\$1,221,419,987	\$(232,223,013)	-16.0%
MINNESOTA	\$1,184,299,560	\$826,629,793	\$(357,669,767)	-30.2%

Other Impacts

- Hotels were deemed “essential” however travel was restricted so severely for the majority of 2020 that this largely resulted in significantly higher costs for many properties vs. closing
- Delays in correcting PPP and other sources of payroll aid, largely based on hotel payroll structures, caused significant financial harm
 - Ownership groups were forced to make substantial cash calls to fund operations on top of significant financing and tax obligations
- Movement of displaced workers out of the industry, many with State assistance, have decimated the available workforce despite 10-20% increases in compensation vs. 2019. Hotels have all tried to re-hire previous staff throughout the pandemic and recovery period and continue to struggle.
- Hotels bore significant costs in upgrading HVAC and other systems based on CDC and other recommendations – filters, equipment, etc. cost thousands to each property with these costs continuing



MD Programmatic Assistance

Per this workgroup's release, \$62B has been spent by Maryland on overall pandemic relief with 0.09% designated for hotels

December 2020 - \$50M for Hotel and Hospitality Businesses

Relief Act of 2021 - \$10M to hotel with local ownership (SB 496)

To date, no reports are available on how much of allocations have been awarded, if there are monies left or any other assistance available



State Allocation to Counties

No detail on
additional
\$10M

County	FY2019 Sales Tax Revenue (111 & 901)	Percentage of Total Sales Tax Generate (111 & 901)	Allocation to Counties
Allegany	\$1,504,184	0.99%	\$495,591
Anne Arundel	\$15,402,013	10.15%	\$5,074,575
Baltimore County	\$10,713,700	7.06%	\$3,529,894
Baltimore City	\$24,320,849	16.03%	\$8,013,107
Calvert County	\$893,799	0.59%	\$294,484
Caroline County	\$57,283	0.04%	\$18,873
Carroll County	\$773,383	0.51%	\$254,810
Cecil County	\$810,631	0.53%	\$267,083
Charles County	\$1,215,777	0.80%	\$400,568
Dorchester County	\$2,123,963	1.40%	\$699,792
Frederick	\$2,528,880	1.67%	\$833,202
Garrett	\$2,825,519	1.86%	\$930,937
Harford County	\$3,053,236	2.01%	\$1,005,964
Howard County	\$4,934,796	3.25%	\$1,625,891
Kent County	\$329,734	0.22%	\$108,639
Montgomery County	\$18,916,972	12.47%	\$6,232,666
Prince George's County	\$34,694,206	22.86%	\$11,430,867
Queen Anne's County	\$582,264	0.38%	\$191,841
Somerset County	\$103,152	0.07%	\$33,986
St. Mary's County	\$1,125,586	0.74%	\$370,852
Talbot County	\$1,622,219	1.07%	\$534,480
Washington County	\$1,764,811	1.16%	\$581,461
Wicomico County	\$1,723,354	1.14%	\$567,802
Worcester County	\$19,736,358	13.01%	\$6,502,633
Total	\$151,756,669		\$50,000,000

Access to Assistance

- Aid was distributed to counties and municipalities with limited direction, and many don't have the resources to determine how to allocate
- With access varied by municipality the process in identifying available assistance was\remains extremely time consuming and difficult
- Lack of updates from the State and others on actual allocations add to the confusion of where hotels should focus their limited resources on researching
- With different qualifications by municipality, back-up for submissions needed to be constantly customized for each application which was\is extremely time consuming and difficult
- There remains no single source of information for aid available to hotels

What Else Can Be Done?

There are things that the State can and should do to further aid hotels and hospitality in general. Maryland is home to some of the largest hospitality companies in the world, LEAD by making it easier to do business, travel to and host business in the State.

Incentivize meetings and events along with business travel to make Maryland the most business travel friendly state in the US

Earmark funds from hotel taxes for properties to access for property-specific marketing campaigns

Support citywide programs in Baltimore City by providing complimentary rental (State supported) for the Convention Center for programs generating in excess of 5,000 room nights or shows with 10,000 plus visitors

Provide additional grant dollars to hotels to help offset the cost of temporary labor services which are typically 15-20% more than standard labor



Thank You!

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