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PROVIDENCE WARWICK CONVENTION & VISITORS BUREAU

July 21, 2020

The Honorable Marvin Abney
Chairman, Committee on Finance
Rhode Island House of Representatives

Dear Chairman Abney and Members of the Finance Committee,

On behalf of the Providence Warwick Convention & Visitors Bureau (PWCVB), I would like to offer my support of the passage of H 7654, which would apply the same funding formula to the distribution of hotel tax revenue generated by the Omni Providence Hotel that is currently implemented for tax distribution from other hotels in Providence.

The tourism business in Providence has been catastrophically damaged by the economic effects associated with the COVID-19 pandemic. Like many American cities, both corporate and leisure travel has dropped dramatically. Yet, what is most notable in Providence is the severe and sustained losses we are experiencing in the meeting, convention and sporting event industry.

The RI Convention Center was transformed into a hospital, should it be needed to treat coronavirus patients. The PWCVB estimates that there will be \$52 million in direct spend losses to the State of Rhode Island as a result of business that our organization booked that has now been cancelled or postponed. These are events that were booked from March through December 2020, as it seems January 2021 is the earliest that the Convention Center could open. Should it be closed longer, those figures will increase exponentially.

These types of large losses have a ripple effect. Hotel occupancy in Providence has not climbed above 22% occupancy since the pandemic hit, and that is with two of its largest hotels currently closed. Many of the things that are integral to the Providence brand are in jeopardy – from the city's vibrant downtown core to the scores of restaurants, artists, cultural attractions and other businesses that rely on lucrative tourism dollars.

Because we are funded largely by hotel tax revenue, the PWCVB has experienced severe budget losses. Furthermore, 501(c)(6) organizations like ours were not eligible for relief under the Payroll Protection Act. The result is that, at a time in which our community needs us most, we do not have the financial resources to promote the destination and its small businesses to the maximum of our ability. Hotel tax income derived from the Omni will help to bolster our sales and marketing efforts, and further support our state's economic recovery.

Thank you for your consideration.

Kristen L. Adamo
President & CEO