

October 19, 2021

The Honorable Marvin Abney
Chairman, House Committee on Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

Re: Supplemental Request to Amend FY2022 Appropriations Act
#11 Tourism, Hospitality and Events Industry Support

Mr. Chairman & Members of the House Finance Committee,

On behalf of the Providence Warwick Convention & Visitors Bureau (PWCVB), I would like to express our support for Governor McKee's request for \$13 million in federal funds from the state's allocation of the State Fiscal Recovery Fund for the purpose of supporting the recovery to the travel, tourism, and events industries.

For the past 19 months, the hospitality and tourism industry has been economically devastated by the Covid-19 pandemic. Providence has been at the epicenter of that devastation and is recovering more slowly than other parts of Rhode Island. Quite simply, we fell the farthest and have the toughest climb back.

The PWCVB books meetings, conventions and sporting events in Providence, Warwick and throughout Rhode Island. In FY19, we booked 284 events resulting in \$87 million in direct spending for Rhode Island.

Since March 2020, our team has cancelled or postponed events that have resulted in \$80 million in direct spend losses for the state. Of that \$55 million was business attached to the state-owned Rhode Island Convention Center.

To be sure, we are seeing signs of recovery but they are small gains. We are grateful to have the RI Convention Center open and welcoming guests but most meetings and conventions are returning at 40-50% of their normal attendance, which mean less hotel tax revenue. Occupancy has increased, with both August and September at 66.4%. However, that is far less than 2019, which saw occupancy at 82.7% in August and 80% in September.

Behind these numbers are small businesses and real people. Every 13 hotel rooms that we book employ one housekeeper. There is an entire ecosystem of workers in hotels, restaurants, event planning companies, venues and other tourism businesses that have not been able to make up economic shortfalls. Our industry is now faced with new challenges, such as staffing and supply shortages.

We spoke with one small business owner, Sharon Sullivan of Sullivan Custom Planning, a boutique event planning firm in Rhode Island and this is what she said:

After 25 years in business, I had a beautiful Providence office with a wonderful team of people working for me. Then, in March 2020, the lights went off and stayed off due to COVID 19. I had to lay off my staff, get rid of my office, return all refunds for events and programs to all of my clients and go on unemployment. My business was truly decimated to say the least. I did not work for a solid 19 months. Corporate business is still not back to its full capacity.

We hear stories like that every day and I can sympathize. At one point, our organization was cut to seven staff members from a pre-Covid level of 25. We are slowly but surely building our team back but, like those we represent, we are struggling. The majority of our funding is derived from hotel tax revenue and, from April 2020 to April 2021, Providence lost 76% of that revenue. Our job has never been more important and we have never had less resources with which to do it.

We are grateful to Governor McKee and to the members of the legislature for all of the assistance that you have given us during this difficult time but there is still more to do. We support Governor McKee's initiative, specifically those parts that provide immediate funding to tourism businesses and organizations. New ideas and initiatives are important but what is needed right now is financial support that will help us all do our jobs.

From times like these come opportunities. I look forward to working with all of you to fully restore our thriving tourism economy that employs many Rhode Islanders and infuses vitality into our state.

Sincerely,



Kristen L. Adamo
President and CEO