



Always Room for More!

Connecticut Lodging Association

CTLodging.org

COVID-19 UPDATE

May 27, 2020

Steve Matiatos, President

WELCOME

WEBINAR PANEL

- ▶ **Steve Matiatos**, CLA President
- ▶ **David Lehman**, Commissioner of DECD, and Governor's Senior Economic Advisor
- ▶ **Ryan O'Donnell**, Siegel, O'Connor, O'Donnell, and Beck P.C.
- ▶ **Armando Paolino III**, Paolino Public Affairs
- ▶ **Ginny Kozlowski**, CLA Executive Director

Statement

▶ The information contained in this presentation has been culled from a wide variety of industry experts, online resources and government agencies and is for general informational purposes only. The information is provided in good faith to support the industry. CLA makes no representation or warranty of any kind, express or implied, regarding the accuracy or completeness of the information contained herein.



Business Roundtable Discussion

Connecticut[®]

We have engaged multiple stakeholders in this process

Lamont Administration (DECD)

Main advisory group

Co-chairs

- Indra Nooyi
- Dr. Albert Ko

Business committee

- Oni Chukwu (Chair)
- Peter Denious
- David Lehman

Health committee

- Alex Karnal
- Dr. Mehmood Khan
- Dr. Harlan Krumholz
- Dr. Charles Lee
- David Scheer

Meredith Reuben
EBP Supply Solutions

Jim Smith
WebsterBank

Howard Hill
Howard K Hill Funeral
Services

Pedro Soto
Hygrade Precision
Technologies

Steve Matiatos
CT Lodging Association

Business Advisory Council

Dan Meiser
CT Restaurant Association

Timothy Phelan
CT Retail Merchants Assn

Fran Pastore
Women's Biz Dev Council

Joe Brennan
CBIA

Roberta Hoskie
Outreach Realty Servicing

Garrett Sheehan
New Haven Chamber

John Olson
AFL-CIO

Dave Roche
CT Business Trades

Rodney Butler
Mashantucket Pequot Tribe

Occupational health committee

Carrie Redlich
Yale

Anne Bracker
Connecticut OSHA

Thomas St. Louis
Connecticut DPH

Kenneth Tucker
Connecticut OSHA

Edwin Camp
Yale Unions

Sal Luciano
Connecticut AFL-CIO

We have a plan to reopen our economy safely



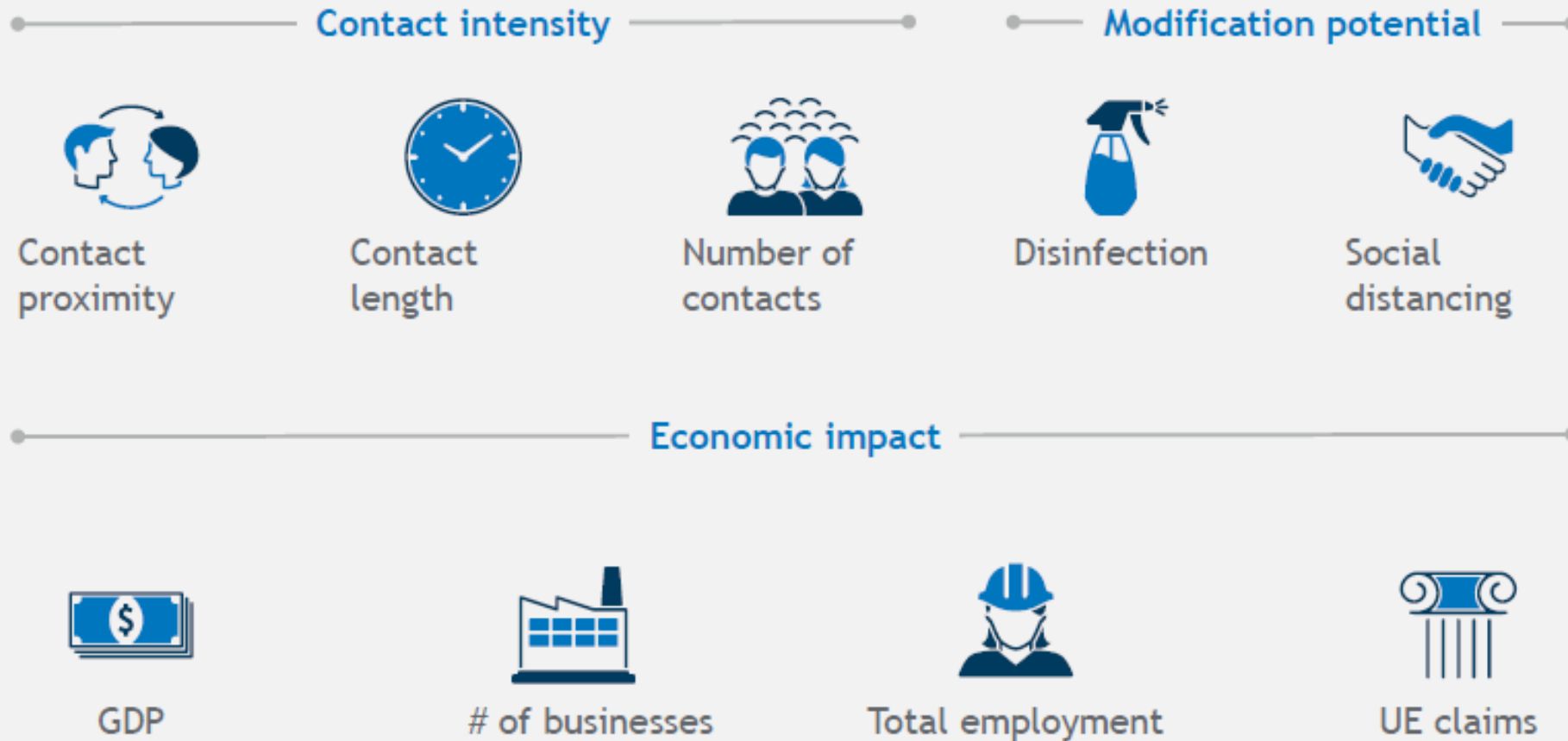
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Phasing by type
of business

Operating rules
to safely reopen

What: 9 public health and economic indicators informed what we will open in each phase



Businesses divided into 3 reopen phases by sector

Example: Restaurants

Recommendation: Open with strict health and safety restrictions in Phase 1

Rationale:

- Public health risk can be managed: social distancing can be enforced with seating; number and length of contacts can be managed as well
- Economic impact is outsized: 12% of all claims across CT from restaurant workers

Connecticut Lodging Association, CTLodging.org, 800-655-5600

Example: Movie theaters

Recommendation: Open in a later Phase

Rationale:

- Potential to become source of community spread: extended contact with large number of people; social distancing less enforceable
- Economic impact so far is limited: ~1,000 UE claims filed across CT

How: We are developing robust rules to allow businesses to reopen safely

5 guiding principles



4 sources



CT rules

- 1 Put public health first
- 2 Remain science driven
- 3 Ensure availability of PPE and hospital beds
- 4 Individual businesses can choose when to open
- 5 Nimble scale up or roll back based on health metrics if needed

- 1 Guidelines from other countries and states
- 2 Guidelines from industry associations
- 3 Federal guidance from CDC and OSHA
- 4 Input from leading occupational & public health experts in CT

Reopen rules adapted to CT specific objectives and circumstances

Examples of key elements in Phase I reopening rules

Social rules



Facemasks or cloth face coverings worn at all times in public



Gathering size limited to maximum of 5 people



Residents 65+ or with high risk factors encouraged to **stay home**

Business operating rules



Maximum 50% capacity



Rearrange physical space to maintain 6 feet distance



Make hand sanitizers and cleaning wipes available



Clean high contact areas and bathrooms frequently



Use signage and ground markings to promote policies

Connecticut Lodging Association, CTLodging.org, 860-635-5600

Note: not an exhaustive list of reopening rules. Please consult DECD website for full list of reopening rules

Executive Orders

- ▶ **3/12/20 Takes several emergency actions in response to the COVID-19** - restricts gatherings to 250 people. Exec. Order # 7
- ▶ **3/16/20 Social Activity Restrictions** - Fitness centers, pools, restaurants close- takeout and room service allowed. Exec. Order # 7D
- ▶ **3/20/20 "Stay Safe, Stay at Home" Policy** - Lodging is essential a business and allowed to remain open. Executive Order # 7H
- ▶ **3/26/20 Further reduction of social and recreational gatherings** - to 5 people. Exec. Order #7N
- ▶ **4/2/20 Hotels, Short-term Rentals For Essential Workers Only** - Prohibition on non-essential lodging. Exec. Order #7T
- ▶ **4/7/20 Safe workplaces in essential businesses** - outlines guidance for open essential businesses. Exec. Order #7V

COVID-19 Economic Impact on Hotel Industry

▶ As of May 20, nearly **7 out of 10 hotel rooms were empty** across the country per STR. This is in addition to the thousands of hotels shuttered completely. 10% are closed entirely.

▶ Since the public health issue began escalating in mid-February in the U.S., hotels have **already lost more than \$25 billion in room revenue**

- o This figure is rapidly accelerating with hotels currently on pace to lose more than **\$400 million in room revenue per day** based on current and future reported occupancy rates.

- o This pace means a loss of **\$2.8 billion every week** and will only further escalate as the situation worsens.

- o CBRE is projecting revenue losses of **80%** for the second quarter. Last week, revenues were **24%** of what they were last year per STR.

Why was lodging not included in Phase 1?

- ▶ We are a high touch/high impact industry.
- ▶ Infectious trends require further evaluations.
- ▶ Travel from neighboring states into Connecticut does not meet our health objectives.
- ▶ Required safety preparations of our teams and availability of PPE.

Lodging in Connecticut Ready to Reopen?

- ▶ Travel Restrictions will be influenced and coordinated with the Governors of neighboring States.
- ▶ Survey results showed businesses were still seeking safety protocol guidance within recent weeks.
- ▶ Establish Associate Confidence first to build guest confidence.
- ▶ Always remember the health risk upon an associate or guest of your establishment that your actions will impact.
- ▶ We are as strong as our weakest link.

How will the reopening of our industry vary amongst us?

- ▶ Overall, it will be a soft reopening, a gradual process over many unforeseeable months.
- ▶ Demand will strike us different. Some locations and businesses have a very short date range to carry a business.
- ▶ Lodging Segment will impact results - Full Service/Meeting Space, Airport Hotel, University Hotel, Shoreline/Attraction Hotel, Bed & Breakfast, Time Shares, Etc.
- ▶ Groups and Meeting business will not return to us in the short term, and the timeline will remain unknown.
- ▶ Perception is reality. Do the right things for long term health and business success, or risk failure out of the gate.

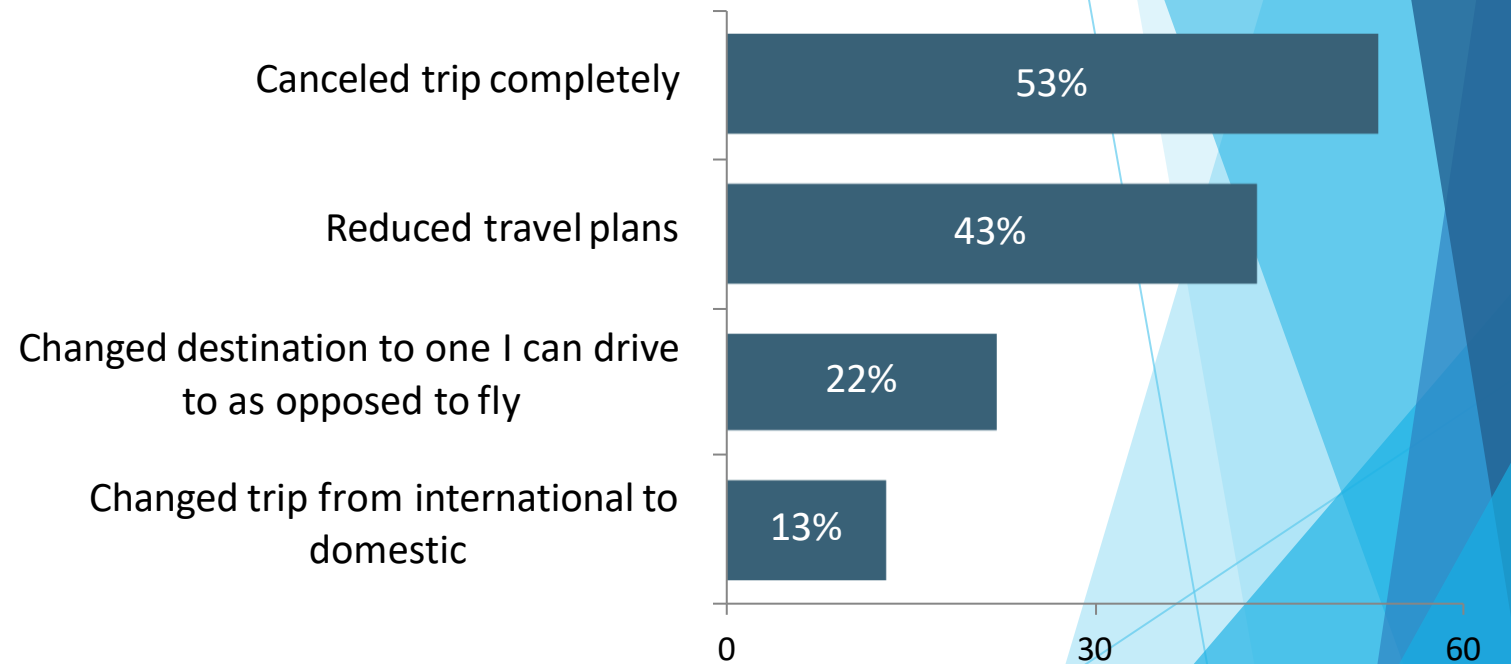
Is the consumer ready to travel?

- ▶ Reopening Lodging is determined by the consumer.
- ▶ Doing it right out of the gate, playing the long game.
- ▶ First Impressions - We will all form our opinions of restaurants and salons, Your experience will determine your consideration to frequent.

IMPACT ON TRAVEL PLANS



of travelers planning to travel in the next six months will change their travel plans due to coronavirus



Base: Coronavirus Changed Travel Plans



Employment Update

Ryan O'Donnell, Siegel, O'Connor,
O'Donnell & Beck, P.C. - Labor and
Employment Law Firm

When will we see recovery?

- ▶ **Recovery will be gradual**
- ▶ Will be determined on how well and effective we are at social distancing at slowing community spread of Covid-19 now
- ▶ Lifting of Governor's Executive Orders:
 - ▶ Remove travel restrictions in coordination with the governors New York and New Jersey
 - ▶ Revise hotel use restrictions to permit non-essential/leisure guests
 - ▶ Increased numbers of groups permitted to assemble
 - ▶ Reopening of dining options
 - ▶ Implementation of worker safety standards
 - ▶ The list will continue to grow

Preparing for Recovery

 Stay in touch with employees

 Stay in touch with customers

 Stay in touch with suppliers

 Be empathetic

 Take a course

 Remember we are all in this together!

Closing Mentions

- ▶ We Welcome New Memberships.
- ▶ Look out for the CLA Updates!
- ▶ Utilize your available resources
- ▶ Any additional questions or concerns contact us:
 - ▶ CLA: info@ctlodging.org, 860-635-5600
 - ▶ Ginny Kozlowski: ginnyk@ctlodging.org
 - ▶ Ryan O'Donnell: rodonnell@siegeloconnor.com
 - ▶ Armando Paolino: armando@paolinopublicaffairs.com
- ▶ Do the Right Thing.
- ▶ Stay Safe.

Thank you for your time today. Thanks to AHLA, STR, Longwoods International for the data shared in today's presentation. Be safe.

