

# MAINE HOSPITALITY, TOURISM & RETAIL RECOVERY PLAN

## PHASE I—IMMEDIATE & NECESSARY BUSINESS RELIEF: \$725 MM

Phase I of saving Maine's hospitality, retail, and tourism industries must begin immediately. Businesses and sole proprietors cannot currently afford to accrue any more debt.

### A. EMERGENCY ACTION GRANTS (EAG) \$710 MM

Emergency Action Grants (EAG) should allow for fixed cost expenses, including but not limited to:

- Commercial Rent
- Mortgage payments
- Utilities
- Enhanced safety and sanitation equipment
- Personal Protective Equipment (PPE)
- Inventory
- Marketing expenses
- Other essential operating expenses

These EAGs should be designed as a cash payment to operators that is based on prior years' revenue (formula TBD). They should also be available to any Maine-based hospitality, tourism, or retail business established after February 15<sup>th</sup>, as this date excluded entities that had not been established from accessing powerful federal programs, such as the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL). Grant applications should be scored and grants subsequently administered by the Maine Emergency Management Agency (MEMA) with assistance from the Department of Economic & Community Development.

- **\$400 mm** of these Emergency Action Grants should be allocated for businesses with 50 current FTEs or less. These businesses struggled especially with accessing federal programs such as the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL). Their smaller payrolls in general made PPP less beneficial and, although many small businesses would have benefited greatly from the EIDL cash advance that was available during early iterations of the application process, priority was given to businesses with more FTEs. EAGs awarded to these businesses should be capped at \$50,000.
- **\$300 mm** should be allocated for hospitality, retail, and tourism businesses that have over 50 FTEs and an average of less than 500 FTEs in calendar year 2019, or the most current 12-month period. EAGs awarded to these businesses should be capped at \$500,000.
- **\$10 mm** of these Emergency Action Grants should be allocated for 501 c6 organizations that service the hospitality, tourism, and retail sectors, such as trade associations and local chambers of commerce. These organizations play a key role in Maine's economy, but were not permitted to access PPP funds. They have faced significant challenges and will need support as they continue to deliver relevant and digestible content that is essential in helping their member businesses (and non-member businesses) to remain compliant with the many regulatory changes that have come as a result of the COVID-19 pandemic. This support has come in the form of regular updates, webinars, legal counsel, and even training and education for industry workforce(s).

### B. ESSENTIAL TECHNICAL ASSISTANCE: \$15MM

\$15 mm of these Phase I funds should be directed to state and federal resource partners that have provided essential business counseling services at no cost to hundreds of Maine businesses and sole proprietors. Resource partners such as the Small Business Development Centers (SBDC), SCORE, and the Women's Business Center at Coastal Enterprises, Inc. (CEI) have been instrumental in helping hospitality, tourism, and retail businesses pivot their business models, restructure their debt, and market their business more effectively during the COVID-19 pandemic.

## PHASE II—REMARKETING & REINVESTING IN MAINE/EMPLOYEE RELIEF: \$75MM

### A. MAINE OFFICE OF TOURISM (MOT) \$15MM

The Maine Office of Tourism's budget should remain whole for FY20, and \$15mm is allocated from CARES flex funds to the MOT to aggressively market Maine and to ensure that guests continue to visit from within our drive, national, and international markets. Without significant funds devoted to this purpose, the hospitality, retail, and tourism spaces will continue to suffer.

### B. EMPLOYEE RELIEF: \$50MM

\$50 mm should be allocated for hospitality, retail, and tourism employees to help them cover the following:

- Rent
- Healthcare costs
- Food stuffs
- Other essential expenses
- Childcare
- Transportation
- Utilities

Although data on the magnitude of job losses in these affected sectors is still emerging, their inability to operate at full capacity has forced many businesses to function with very lean teams (if they are open at all). Additional data will become available regarding permanent business closures within these industries, and these workers will need considerable assistance. The gravity of the situation has not actually been fully felt yet, as Pandemic Unemployment Assistance (PUA) is still in effect, but that will expire July 25. These funds should be administered by the Department of Health and Human Services or a non-profit with the infrastructure to support the demand that will certainly exist.

### C. REINVESTING IN MAINE AND MAINE'S WORKFORCE: \$10 MM

With a better understanding of the state of the industries following the Summer of 2021, funds should be allocated for hospitality, retail, and tourism-related business start-ups and workforce training costs. Startup costs may be administered as low interest loans:

- 0% interest rate
- Payment deferrals for a minimum of 18 months
- Longer term amortization (20 years)
- Priority given to projects that are located in Maine's economically distressed counties or regions that have historically been dependent on hospitality, tourism, and the retail sector and/or regions that were disproportionately impacted by travel restrictions as a result of COVID-19

Workforce training programs in the form of micro-credentials and digital badging have proven to be very beneficial to business owners and employees during the pandemic. HospitalityMaine's Restaurant Readiness and Lodging Foundations have provided over 1,500 micro-credentials to business owners and employees. Maine is one of the cleanest and safest places to visit. We will need relevant content and subsequent certifications must be developed quickly, "at the speed of business". With more data on Maine's workforce from around the state when the pandemic begins to recede and restrictions are lifted, these funds may also be used for:

- Curriculum development
- Proctoring exams
- ServSafe Certification(s)
- Other related training expenses TBD

