



Dear Governor,

On behalf of the Asian American Hotel Owners Association, I am asking for your dedicated efforts to support America's hoteliers during this health and financial crisis caused by the outbreak of the COVID-19 virus. AAHOA represents nearly 20,000 small business owners who own nearly 50% of all hotel properties in the United States. Our members are predominantly franchisees who own and operate their own small businesses and license the names and standards of well-recognized hotel brands. Moreover, AAHOA members, who also include some independent hoteliers, employ more than 600,000 American workers and contribute to the national economy through job creation, real estate development, and community investment.

For hotel owners across your state, the primary objective during this outbreak has been to ensure the health and safety of guests and employees at our properties. Since the first cases of the coronavirus were reported, hoteliers have implemented increased sanitation protocols, provided specialized training to staff, and doubled down on the monitoring of our facilities. As hospitality professionals and service industry employers, hoteliers are wholly committed to caring for both the guests that stay with us and the dedicated employee partners who serve those guests.

Over the past month, it has become clear that maintaining clean and safe hotels is not enough to ensure continued travel throughout the country. As the virus has spread and governments, businesses, and communities have limited travel out of caution and care, hotels have seen a precipitous decline in occupancy. As conventions, festivals, shows, concerts, sporting events, weddings, and gatherings of all kinds have cancelled, the effects have been devastating to your local community businesses that depend on tourists and travelers to survive.

The hotel business is small business. Employers and employees are very close and often spend years and careers working together. In our business, occupancy rates are the key metric for hotel owners and their employees. As occupancy falls, it becomes increasingly difficult to pay the mortgage from month to month. There are also fewer guests to serve, rooms to clean, passengers to shuttle, and meals to prepare.

Consequently, hoteliers and their employees are suffering at levels that have not been seen in recent memory, and in some cases, ever. This is not simply a storm that the industry will eventually weather. It is a shockwave that will have consequences and repercussions for years to come. The virus has and will continue to devastate our industry. I have already heard from our members who do not know how they will keep their doors open in the next two months, who have been forced to lay off employees who have been with them for over a decade, and who are extremely fearful of the uncertainty surrounding this truly existential crisis.

We appreciate the importance of the deliberate nature of your work on the pandemic response statewide. We recognize the importance of first working to address the immediate health risks for all Americans and to ensure the scientific community has the tools necessary to safeguard public safety.

As a next step, I urge you to champion the cause of small businesses and the travel and tourism industry. Small businesses need economic relief so we can pay our employees and meet expenses. In addition to economic stimuli driven by Congress, **we strongly urge you to temporarily suspend property taxes and any penalties or fees associated therewith.** I assure that you as soon as hoteliers get back on their feet, they will resume their business activities and continue doing their part to power your state's economic engine. But without capital and cash flow, regular property tax payments simply can't be sustained without state assistance.

Once the recovery has begun and the worst of this pandemic is behind us, our industry would also greatly benefit from **temporary postponement of the various taxes hotels are subject to**, such as occupancy taxes, bed taxes, lodging taxes, tourist development taxes, franchise taxes, gross receipt taxes, and taxes related to unemployment. Delaying payment on these taxes will allow our hoteliers to get back up to full operating and hiring capacity as quickly as possible, furthering the state's overall recovery.

Additionally, **hotels and motels must be recognized as essential businesses and allowed to remain open throughout this crisis**. Shelter is a critical need that cannot be taken from the public during a time of need. Hotels are here to help, and many within your state have offered to serve as quarantine locations and even hospitals during this pandemic.

Lastly, I urge you to **consider enacting a bridge loan program** intended to "bridge the gap" between the time a major catastrophe hits and when a business has secured longer term recovery resources, such as sufficient profits from a revived business, receipt of payments on insurance claims or federal disaster assistance. These loans could be interest free for one or two years but would eventually need to be repaid in full.

Please know that we are speaking with emergency management officials in your state to offer our hotels as spaces for use as quarantine and patient housing. Hotels are here to help. We will get through this crisis together.

We truly appreciate the efforts your office has made thusfar in helping our industry survive this crisis. Please continue to support the small businesses that make your state's economic engines run. I appreciate your consideration and look forward to working with you and your teams on additional ideas that will help our nation recover. Please don't hesitate to reach out to me with any questions you may have or if you feel I can be of assistance in any way.

Sincerely,

Cecil P. Staton
President and CEO
AAHOA