



This summer marked three years in my role as CEO of Hospitality Minnesota and President of the Hospitality Minnesota Education Foundation. I often describe my work as integrating two organizations that combine aspects of turn arounds and start-ups while in the midst of a pandemic. The onset of the pandemic was one scenario we couldn't imagine as we negotiated a merger that would bring the hospitality industry together under a single association with a more unified voice.

The merger was official two weeks following the first COVID-closure, when it was doubtful our resort, campground, outfitter and tourism-based members would be able to open the season. Our plans to build an integrated organization took a back seat to our efforts to fight for your ability to open and the financial relief we knew your businesses would need to weather the uncertainty ahead.

Starting at the first sign of trouble in February 2020 until today, we've worked strenuously to make certain the extreme impact on your businesses and our industry, has been front and center with elected officials and the media at the local, state and federal levels. With all we visibly accomplished there are many actions not visible because we were able to keep them from happening.

While the road to recovery will be long, we've accomplished a great deal, and it's useful to take a moment to reflect on all that has occurred to help the hospitality industry successfully navigate the crisis and move forward. Your membership investment has made this possible and it is crucial to build a strong organization that works for you.

Even through the most difficult days, we stayed future-focused. Through the Hospitality Minnesota Education Foundation, we're building hospitality's future. With 100 Minnesota high schools teaching the ProStart and the Hospitality and Tourism Management Program, and by continuing to award student scholarships, we're working to strengthen the workforce pipeline by promoting hospitality as a great career path.

Members are at the heart of everything we do, and our efforts are driven by your experiences and priorities. As you have felt the impact of the pandemic, so has your association. To ensure our survival, we curtailed expenses immediately. With your support of this organization, you are demonstrating that what we do, together, matters to the future of your business and the hospitality industry in Minnesota.

Working together to advance the common interests during the most challenging period in recent history has served to strengthen our firm belief in our shared future and our resolve to ensure it. We are committed to building an association that fosters relationships that help our businesses grow and thrive. All hospitality industry members have a role to play, and you strengthen our collective impact by being a member and encouraging your peers to do so.

We appreciate your support and look forward to working with you in the year ahead.

I encourage you to review the **key accomplishments** and **actions timeline** that follow to learn about all that has been accomplished by your association since the start of the pandemic. I hope you'll be proud of all we've accomplished together.

A handwritten signature in black ink, appearing to read "Liz Rammer". The signature is fluid and cursive, with a long horizontal stroke at the end.

Liz Rammer | President and CEO

KEY ACCOMPLISHMENTS

Since the beginning of the Pandemic
your association has:

ADVOCATED relentlessly at local, state and federal levels, pushing for your ability to do business and access needed financial relief.

CONNECTED your business to information and resources, including official guidance and training opportunities, to help you continue to operate, stay safe, remain certified, and successfully navigate the ever-shifting regulations.

ENGAGED members to share their stories with the media, public and policy makers to inform the public of very real hardship and influence relief actions through our #savehospitality campaign.

SENT more than 350 communications with actionable information on operating guidance and financial relief programs. Our social media following on Facebook, Instagram and LinkedIn grew nearly 1000%, engaging industry members and informing the public of rapidly changing conditions.

DROVE media coverage strategically and **RESPONDED** to requests to shape the story, resulting in over 500 articles and television/radio pieces highlighting the impact and describing the urgency for relief to viewers and policy makers.

FORGED deeper relationships with more than a dozen organizations working together on common interests which we'll continue to cultivate to strengthen the hospitality industry on your behalf.

PRESENTED more than 40 member-focused programs, from our Operating Now series to our Marketing and Communications Course, and from on-demand webinars to our Allied Network meetings.

CREATED a new dues investment model that aligns with the economic environment impacting your operations, making membership an even smarter business decision.

LAUNCHED the BusinessCenter, a reinvigorated effort to present members-only pricing with discounts on a wide range of products and services.

PUBLISHED the 2021 Law Review, providing a one-of-a-kind, member-only resource summarizing the laws and regulations that impact your business.

TRANSITIONED delivery of ProStart and Hospitality Tourism Management programs from in-person to online in 100 Minnesota high schools, ensuring student access to these nationally recognized skills-based, career exploration programs.

AWARDED scholarships totaling over \$60,000 for over 30 students through the Education Foundation for those interested in pursuing hospitality careers. In addition, \$3,750 in scholarships were awarded to 7 students of resort and campground owners.

ELECTED our first round of board directors, bringing eight new leaders to serve as the first cohort elected to serve the integrated association.

RETAINED our exceptional staff, who went above and beyond to fight for your businesses while working under significant austerity measures.

KEY ACTIONS TIMELINE

2020

MARCH 2020: At the first closure, we immediately reinforced messages on the safety of our highly regulated industry with health officials and policy makers, and pushed for an emergency declaration, triggering federal relief eligibility. We engaged directly, urging swift relief for businesses and employees through grants, low interest loans, accelerated UI benefits and direct payments, housing protections and tax credits, eventually securing all in some form. We gathered, interpreted, and distributed guidance for operators to quickly implement new health and safety protocols. Our “Operating Now” series helped members modify operations.

APRIL 2020: We joined the Hospitality Roundtable, convened by the Minnesota Department of Employment and Economic Development. Through it, we led development of “best practices” as we assertively advocated for reopening, secured a \$30M no-interest forgivable loan program; and fought to ensure that resort lodging could remain open and that campground “seasonals,” golf courses and marinas could open. When the Paycheck Protection Program passed and it was clear it didn’t work for hospitality businesses, we targeted getting it fixed. Despite initial resistance, we achieved approval for temporary wine and beer to-go.

MAY 2020: We organized a coalition of related industry associations and launched the #savehospitality campaign, which included member testimonial videos and an editorial by our Board of Directors in the Star Tribune. We pushed to get houseboat operators and outfitters open and achieved a delay in property tax remittance deadlines.

JUNE 2020: Through concerted advocacy, campgrounds opened fully just after Memorial Day, and restaurants, events and pools opened with capacity limitations. Seeking to maximize summer revenue, we helped secure municipal approvals expanding outdoor dining on patios, sidewalks and parking lots. Alcohol service on golf courses was allowed. Heeding our counsel on business reluctance to increase debt, the State dedicated \$60M to business grants. Federally, Congressman Phillips introduced legislation to fix the PPP so that it worked better for hospitality businesses and their employees. It passed.

JULY 2020: We continued fielding questions as businesses settled into new reopening routines and we secured member-only pricing on high quality PPE. Federal efforts focused on calling the MN delegation to commit to passing PPP 2.0, Restaurant Revitalization Fund and other programs for hospitality operators and workers. We amplified an “open for business” and safety campaign, with our partners at Explore Minnesota Tourism (EMT), promoting hospitality and tourism. We fielded an economic impact survey, using it to accelerate our media strategy to underscore the devastation and need for help.

AUGUST 2020: As public relations efforts continued, we worked to rebut false narratives around safety by tracking and reporting on the data. Bar seating expanded. When the courts upheld the allowance of service fees, we provided information to the increasing number of operators turning to that model to address issues related to wage equity, benefits and other costs.

SEPTEMBER 2020: We celebrated as resorts and campgrounds reported higher summer revenue than the previous year, doubling their spring projections; the number of operators with “significantly” higher revenue than the previous year was 10x higher than spring projections. As colder weather approached, we continue our strong advocacy for the ability of our operators to welcome guests back indoors safely.

OCTOBER 2020: We achieved table seating increases from six to ten. As the month progressed, increasing COVID transmission fueled speculation about another closure. We continued rebutting the negative narrative about safety and pressed for remaining open. The Minneapolis Federal Reserve cited stronger performance in Greater Minnesota from a separate survey; our quarterly business conditions survey underscored the economic devastation in the restaurant and lodging sectors. Sharing applicant experiences with our national partners led to streamlined PPP loan application and forgiveness processes.

NOVEMBER 2020: The State moved to shutdown hospitality businesses again as cases and hospitalizations rose. Initial indications suggested there wasn't state financial aid capacity. We took immediate action, leading a coalition – Minnesota Licensed Beverage Association, Minnesota Craft Brewers Guild, Minnesota Events Coalition – in publicizing the state of emergency to save our industry through financial relief and reopening. Within hours, Governor Walz announced a relief plan reflecting our suggestions, turning a “no” to a “yes” on financial aid, setting the framework for temporary relief to thousands of businesses.

DECEMBER 2020: The coalition launched #savehospitality 2.0, using the state's own data, member videos, and a campaign to continue pressing for immediate reopening and state relief. A special session resulted in a \$215M state and counties relief package. More than 13,000 Minnesota hospitality businesses received more than \$1.5B through PPP 2.0 and the Employee Retention Tax Credit is estimated to result in hundreds of millions in relief coming to Minnesota. The City of Minneapolis capped third party delivery fees, a move we supported.

2021

JANUARY 2021: The Legislative Session opened January 5, and we had our full legislative agenda ready, encompassing both pandemic-related and broader member concerns. Restaurants and bars reopened at 50% capacity on January 11, and events and bowling alleys opened at 25%. The #savehospitality campaign saw direct results when thousands of hospitality businesses received checks providing limited “bridge” relief from the Department of Revenue. The program wasn't perfect, leaving out many eligible businesses, and we continued pushing for them. Saint Paul and Edina capped third party delivery fees.

FEBRUARY 2021: Employing strong bi-partisan legislative and media engagement, we urged state government to develop an organized plan for full reopening. We worked at the Capitol developing the Roadmap to Recovery, a plan garnering bipartisan support, for reopening by May 1. Within the week, Governor Walz raised certain limits, as we continued to push for the bipartisan Roadmap. Compelled by data and advocacy, Minneapolis reopened bar seating. The BusinessCenter launched, offering members-only pricing on products and services.

MARCH 2021: Events and pools expanded to 50% capacity, and restaurants and bars expanded to 75% capacity in limited situations. Federally, \$28.6B was approved for the Restaurant Revitalization Fund (RRF) in the American Rescue Plan (ARP), with an additional \$8B coming to state and local governments to meet other pandemic-related needs. We urged direction of ARP funds to hotels, events, etc. The quarterly business conditions survey indicated that three-quarters of resorts and campgrounds had further stabilized, and that solvency was no longer a concern.

APRIL 2021: We continued to advance our top legislative priorities, including making PPP funds tax free, funding for the ProStart and Hospitality and Tourism Management Programs focused on workforce development, property tax and economic relief provisions. Meanwhile, with an eye toward the future of the industry, 22 students engaged in the hospitality industry through current work or career aspiration were awarded \$38,750 in scholarships to support their post-secondary studies.

MAY 2021: A Hospitality Minnesota Opinion piece calling for additional state financial relief for hospitality businesses was published in the Star Tribune. Soon after, on May 28, all restrictions on hospitality businesses were lifted, a direct result of months of direct bipartisan advocacy work by Hospitality Minnesota had paid off. 86% of resorts and campgrounds reported that they were experiencing positive or growing financial health.

JUNE 2021: Minnesota's final budget made PPP funds tax free; funded ProStart and Hospitality and Tourism Management Program expansion; increased property tax exemptions for commercial payers; provided \$70M in grants for businesses hit hard by COVID and \$5M in forgivable loans for NW Angle businesses. We blocked numerous untimely, costly new mandates and regulations, protected the lodging tax and helped secure statewide broadband and invasive species prevention investments. Federally, we continued calling on the congressional delegation to support full RRF funding aimed at thousands of foodservice operators in Minnesota.

JULY 2021: Overnight accommodations in every MN market posted the best occupancy rates in 15 months through June-July. With summer in full swing, labor challenges and supply chain issues became more evident. We called on Governor Walz, again to use a portion of the \$500M in ARP funds allocated to his administration for hospitality relief; we activated a grassroots campaign and members followed through on our call to action. The majority of our congressional delegation became co-authors of bills fully funding RRF.

AUGUST 2021: Many businesses reported strong summer revenues – 60% of hotels/motels and 74% of foodservice operators reported growing/positive financial health, up 30-points from March. 96% of resorts/campgrounds report growing/positive financial health, with 82% indicating solvency is not an issue. We continued to press in the media and with policymakers to fully fund the RRF and help the 2,500 foodservice businesses left behind by this underfunded program, including a roundtable with the U.S. SBA and congresspersons Phillips and Craig, who have led on this issue.

So, where do we go from here?

The pandemic revealed an unexpected vulnerability AND amplified the dynamics of this industry that make it what it is. We have met this crisis with incredible resiliency, innovation, tenacity, and commitment. Minnesota's hospitality industry has dug deep to find new ways to serve and welcome guests, and the same can be said of your association's staff and board.

Many of our post-merger plans were slowed down or put on hold while we worked to provide support and guidance to member businesses. Even so, the confusion caused by the constant changes in the public health landscape and its impact on your businesses could not diminish one thing we about which we are absolutely clear – we are stronger together.

We'll build on that. Navigating the vagaries of the pandemic and rebuilding businesses will remain a priority for the foreseeable future, and we'll be moving forward to develop new programs and services to strengthen the value of your membership.

We are grateful for all the ways you have continued to show up – for your employees, for your communities, for your association and for your industry. Your membership investment, intelligence from “the field,” participation in our surveys and calls to action, and your notes of support and encouragement are greatly appreciated and serve as the fuel for what comes next.

For more information, or to join, visit our web site at www.hospitalityminnesota.com

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