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Sent: Wednesday, June 9, 2021 8:46 AM

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Subject: ORD 21-21

As you hear from the public today, I wanted to offer our support for the ordinance. As an owner/operator of three locations in St. Paul that have experienced losses over \$4M but still has paid property taxes over \$1.2M, we all have been affected by the impact of COVID-19.

We should recognize that while we await the demand drivers to return, such as Minnesota Wild, Ordway Theatre, Saint Paul RiverCentre, Roy Wilkens Auditorium, Corporate Travel, and finally the workforce returning to their offices in our Central Business District, this will be a slow and gradual return most likely sometime in the 3rd quarter of 2022. This is not simply turning on a switch now that the mandates have been lifted and the majority of us have been vaccinated. This will be a gradual process as you cannot book these demand drivers overnight.

As to our employees, we understand their pain and want to get them back to work when “there is work.” Our industry is recovering, however, in the resort and suburban markets. Central Business Districts, not only in St. Paul and Minneapolis but nationwide, will continue to lag as it will take time for people to return.

While many of the positions may exist in the future, they might be consolidated as business practices have changed. COVID-19 has fundamentally changed our industry, and these business practices are the “new normal.” Take something as simple as daily housekeeping. It no longer exists, and our guests are very cautious about having individuals in their rooms. In essence, daily housekeeping will be on-demand, resulting in fewer housekeepers that are required.

I understand the position of our friends at HERE Unite Local 17; however, I do not believe that they have accepted the reality that the way things looked in 2019 may not look like that again until 2024 or 2025. The Great Financial Crisis (GFC) was the last event that hurt our industry, to a much lesser extent than COVID-19, and that recovery wasn't realized fully until 2015.

Again, as an employer in Saint Paul, we want our Central Business District to return to prosperity. Still, we also have to face the reality that we have suffered incredible losses in 2020 and continue to do so even today. Finally, as an employer struggling to staff our properties, why wouldn't we want our

experienced people back? Much cheaper to have to onboard and retain new staff. I believe that we are being painted negatively, and this perception is so far from the reality of where we are economical

Councilmembers, you have our support for the ordinance, but I felt compelled to share with you that the return will be slow and gradual.

Respectfully,



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