

North Dakota

Travel Alliance Partnership

P.O. Box 2599
Bismarck, ND 58502
(701) 355-4458
FAX (701) 223-4645

MEMBERS

America's Best Value
Inn & Suites

Basin Electric
Power Cooperative

Bismarck Airport

Bismarck-Mandan CVB

Bottineau Area Chamber of
Commerce

Destination Marketing
Association of North Dakota

Devils Lake CVB

Dickinson CVB

Eastbay Campground

Fargo Air Museum

Fargo-Moorhead CVB

Friends of Lake Sakakawea

Greater Grand Forks CVB

Hampton Inn & Suites Minot
Airport

Jamestown Tourism

Leistikow Park Campground

Lone Butte Ranch/Log Cabin
Vacations

McKenzie County Tourism

Minot Convention & Visitors
Bureau

Missouri Valley Heritage Alliance/
Fort Abraham Lincoln
Foundation

Municipal Airport Authority
of the City of Fargo

National Hospitality Services

Newman Outdoor Advertising

Norsk Hostfest Association

North Dakota Association of
Rural Electric Cooperatives

North Dakota State Fair

North Dakota Tourism Division
(ex-officio)

Odney

Rocky Mountain International

Roosevelt Park Zoo

State Historical Society of
North Dakota Foundation

Theodore Roosevelt Medora
Foundation

Valley City CVB/Sheyenne RV
Scenic Byway

Vern's Rental

Williston CVB

Testimony of Terri Thiel

Chair, Travel Alliance Partnership

In support of SB 2018

March 3, 2021

Chairman Monson and members of the House Appropriations Education and Environment Committee, my name is Terri Thiel, and I am the chair of the ND Travel Alliance Partnership (ND TAP). ND TAP is a coalition of travel industry stakeholders, including CVB's, state attractions, businesses, and other interested stakeholders, in this number three industry of North Dakota's economy.

The impact of COVID has not only decimated our travel industry, but also caused economic strain throughout North Dakota. Local attractions, venues, hotels, restaurants, and visitor bureaus have all suffered huge losses in revenue resulting in layoffs, and in some communities, business closures. Included in my testimony is a survey, developed to gauge the impact of the pandemic on TAP's membership. Of those surveyed, nearly a quarter (22.2%) indicated the pandemic has resulted in a loss of revenue of \$1 million or more. 61.1% indicated they have had to reduce the size of their staff. Of those, 83.4% were either unable rehire staff or were able to hire some but not all of their pre-existing staff.

Financial assistance made possible through the North Dakota Department of Commerce in the form of grants have helped but are no substitute for sales driven by travelers. Revenue generated from travelers will be critical to the

tourism industry's recovery, necessitating the need for the ND Tourism Division to appeal to travelers through expanded marketing and awareness.

The pandemic and the effects of quarantine and isolation have resulted in pent up interest in travel. North Dakota has already experienced some of the benefits of this demand, resulting in a substantial increase in state park use, up 35% overall in 2020 with a 339% increase in October alone. Increases in Game & Fish licenses and boat and camper sales were also observed as travelers made adjustments to their vacation plans due to the pandemic. ND Tourism Division's website analytics were up 52% over last year, showing that populations in and outside of the state is ready to get out and travel to the wide-open spaces of North Dakota. The ND Tourism Division needs to be ready to capture those additional in and out of state audiences.

Through its state, regional and international marketing campaigns and efforts, North Dakota Tourism plays an important role in supporting the small businesses, restaurants, hotels, and attractions in communities across the state. With many small businesses still hurting from the impacts of the pandemic, the Tourism Division's marketing efforts this year will be critical to supporting communities by helping attract travelers eager to travel once again.

ND TAP asks for your continued support of the ND Tourism Division and its efforts to attract travelers. The one-time use of \$7 million in funding for ND Tourism's destination and marketing efforts will play an important role in attracting travelers by boosting North Dakota's marketing efforts. TAP asks the House Appropriations Education and Environment Committee to also support this critical funding. Additionally, TAP would like to see Tourism's budget funded at \$18 million. While this would be a notable increase in ND Tourism's budget, it would still pale in comparison to neighboring states. This increase would be a critical step to boost tourism awareness for North Dakota and allow for additional marketing campaigns to encourage travel to our state.

Below are the figures for the 2019 – 2021 biennium:

- ND - \$9 million
- SD – \$30.2 million
- MT - \$19.5 million
- MN - \$32.2 million

COVID has shed a light on the importance of travel and underscored the economic impact felt in the absence of tourism. Tourism will be a cornerstone to North Dakota's economic recovery. North Dakota's wide-open spaces, diverse experiences and unique communities have the capability to regenerate lost revenue and the ND Tourism Division plays a pivotal role in marketing those experiences. America is ready to travel again and North Dakota is ready for business.

We ask for your support of the \$7 million in one-time funding and \$18 million in ongoing funding for the ND Tourism Division.

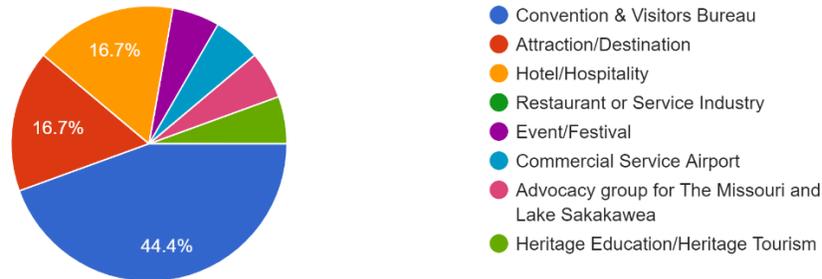
Travel Alliance Partnership Pandemic Survey

The Covid-19 pandemic has had a profound impact on North Dakota's travel and tourism industry, forcing the cancellation or delay of dozens of events statewide.

The North Dakota Travel Alliance Partnership (TAP) developed the following survey to gauge the impact of the COVID-19 pandemic on its members. The results of the survey are available below.

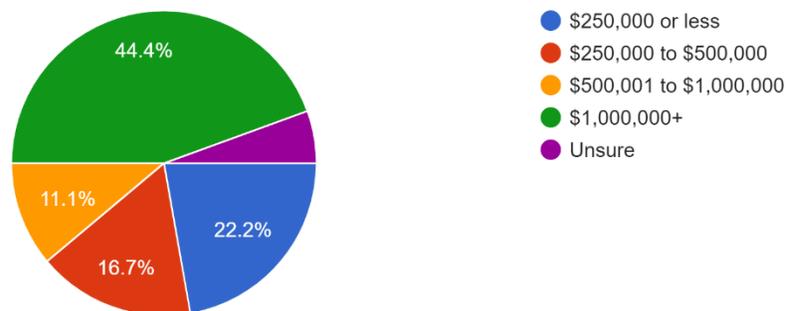
Please indicate the category that best represents your organization:

18 responses



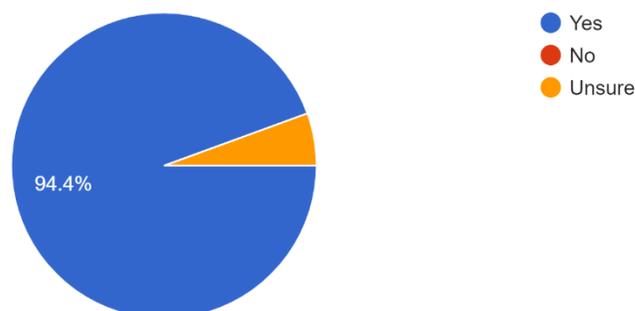
What is your organization's annual budget?

18 responses



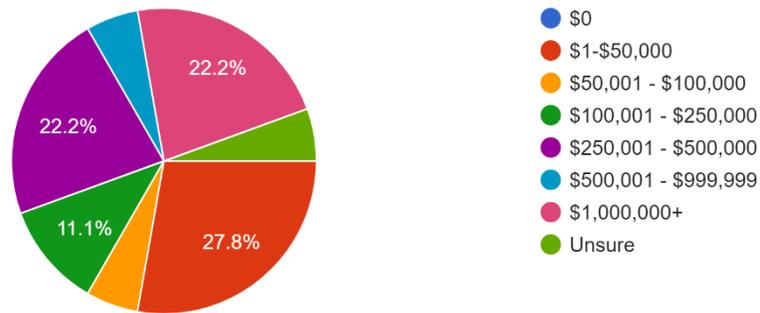
Did the Covid-19 pandemic force the cancellation of events or operations that substantially impacted your donations, revenue or funding?

18 responses



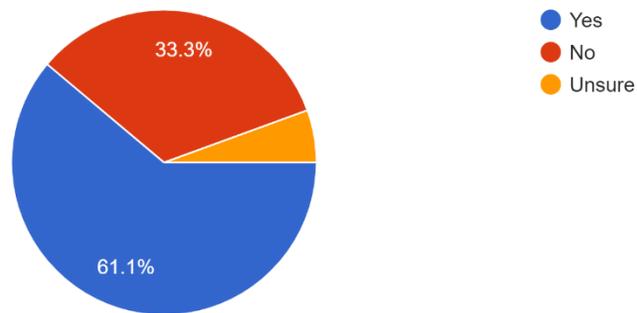
How much do you estimate your organization lost in earned revenue or funding due to the pandemic?

18 responses



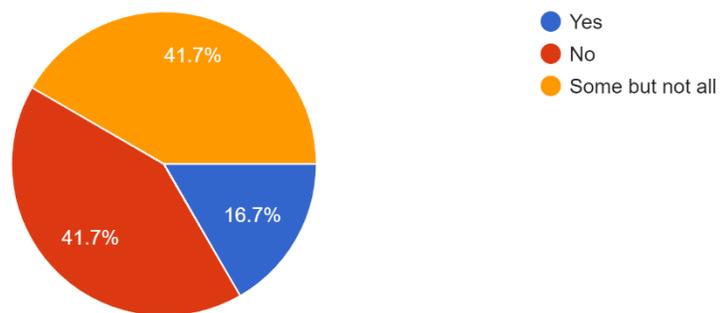
Has the Covid-19 pandemic forced you to reduce the size of your staff?

18 responses



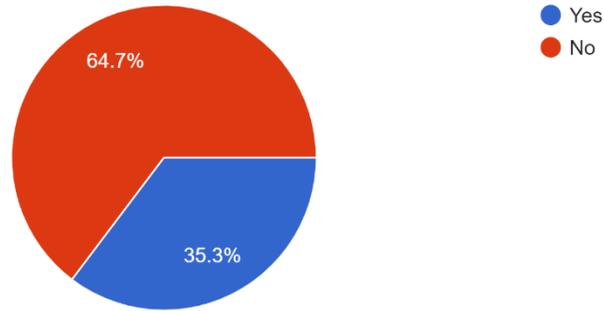
If you were forced to reduce the size of your staff, have you been able to rehire them since?

12 responses



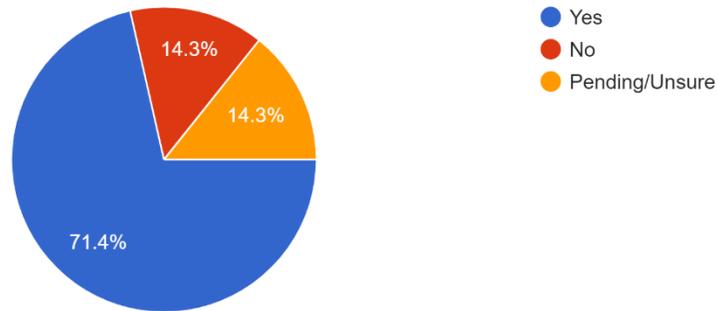
Did your organization apply for the Paycheck Protection Program (PPP)?

17 responses



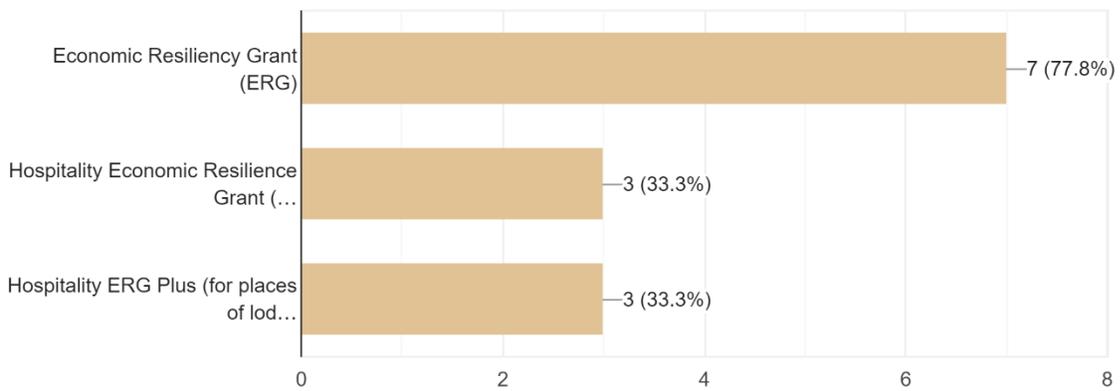
If you answered yes to the previous question, was your application approved?

7 responses



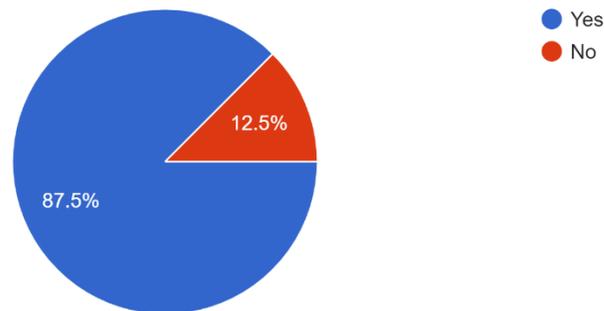
Did your organization apply for any of the following ND Department of Commerce grants?

9 responses



Were your ND Department of Commerce grants approved?

8 responses



What has been the biggest challenge to your organization throughout the Covid-19 pandemic?

- Funding. We have had to eliminate our paid marketing efforts and rely on our internal, organic efforts along with the ND Tourism Division's marketing to attract visitors to ND.
- The cancellation of all our events.
- Closing of the Canadian Border, major event cancellations which caused reduction in lodging. Cutbacks on corporate travel, impacts from the oil industry. We have been fortunate in that we were able to secure government/military groups participating with the MAFB and FEMA. We have also had to reduce some of our amenities which impacts the guest's stay.
- Maintaining a safe environment for customers and employees.
- Event cancellations, economic impact, and budget impacts.
- Simply the lack of financial support for hotels. We were denied for all of the first round of grants and while the second round was helpful with a loss of millions it was not enough as much support as needed especially as we go into the difficult winter season.
- Everchanging COVID restrictions/mandates.
- Finding ways to help our stakeholder industries: hotels, attractions, bars & restaurants.
- Visitors. When the border closed, we lost 40 percent of our annual visitors that come from Canada. In total, our revenue was 28 percent of 2019's revenue in gate fees and camping fees. We did not open a cafe because of COVID-19. Our gift shop also suffered.
- Our only income is the occupancy tax. Lack of travelers to our city has dropped our income. Trying to maintain our marketing presence has been a challenge.
- The reduction in funding has negatively impacted what we've been able to do to support the hospitality businesses in our community.
- In-person meetings
- The uncertainty of it all. Which is the trouble for all business and government.
- Like all agencies, the constant shifting from one scenario to another in an effort to reinvent during a time of uncertainty.
- Cancellations of events — please let people get back to what they want.

Do you have any additional feedback you would like to provide regarding the impacts of the pandemic on your organization?

- More than ever we need additional funding for ND Tourism Division. The interest to travel is documented with the ND Tourism web analytics up 52% in 2020. The surrounding states fund their State Tourism entities almost double of our ND Tourism Division, we need to be able to compete for the attention of those travelers who will put money into our local businesses, attractions and tax revenue.
- Tourism is such an important part of our city and state and I believe we should continue to do whatever we can to keep tourism strong and to promote this wonderful state.
- We estimate that our community has already lost \$14.9 million in direct visitors expenditures just from the loss of multi-day meetings, conventions, sports and events. This number isn't done growing. 1st quarter is still showing very bleak indicators and we anticipate 2nd quarter being down significantly, too.
- The airline industry is suffering significant financial impacts which is impacting airports around the country.
- Now, more than ever, ND needs to invest in promoting the state. Things will begin to open around the country and world by mid-summer into fall, and there will be pent up demand for travel. ND Tourism needs to have the funds necessary to take advantage and let people know that this is a great place to visit.
- We are grateful for all of the relief funding we've received. Unfortunately, we need more support to continue recovering from all the lost revenue at the gate, campground, cafe, gift shop, canceled weddings and other rental events. The Peace Garden is a staple of the Peace Garden State. We are in an exciting phase of capital growth and hope to maintain our operating funds to help us recover from the tough year.