

North Dakota

Travel Alliance Partnership

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MEMBERS

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Lone Butte Ranch/Log Cabin
Vacations
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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)
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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

Travel Alliance Partnership

In Support of SB 2009

January 6, 2021

Chairman Holmberg and members of the Senate Appropriations

Committee:

My name Terri Thiel, and I am the chair of the Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including CVBs, state attractions, businesses and other interested stakeholders, in this viable and growing sector of North Dakota's economy. On behalf of the tourism industry and its partners, I am asking for your continued investment in the North Dakota State Fair.

The travel/tourism industry in North Dakota has consistently contributed to North Dakota's economy and is one of North Dakota's top industries. Tourism generates revenue in all 53 counties throughout the state and offers excellent opportunities for economic development. Tourism also helps attract workforce. The State Fair is no exception as it has been recognized nationally, regionally and statewide as a great attraction and "Showplace of North Dakota."

The State Fair Association produces multiple events that have become staples of the fair, including horse, cattle, goats, sheep and swine shows, 4-H State Championship competitions, FFA State Championship competitions, several junior stock shows, and much more.

TAP acknowledges the difficult economic climate forcing many state agencies to reduce their budgets. However, with the cancellation of the North Dakota State Fair resulting from the COVID-19 pandemic, the continued success of the North Dakota State Fair will be dependent upon its state funding.

TAP asks that the North Dakota State Fair Association would be funded above and beyond the Governor's recommendation, with appropriations allocated at a base level of \$542,833. As the State Fair seeks to rebound after its unprecedented cancellation, the additional funding will be essentially to ensure the "Showplace of North Dakota" is properly funded.

In addition to our testimony, attached is an article from the Bismarck Tribune that highlights the toll of the pandemic and cancellation of the 2020 North Dakota State Fair on Minot's community and economy.

Thank you for your consideration.

Terri Thiel

A handwritten signature in black ink, appearing to read "Terri Thiel". The signature is fluid and cursive, with the first name being more prominent than the last.

Chair, North Dakota Travel Alliance Partnership

<https://apnews.com/90940cd6908b11ce04b45b8c09342654>

Coronavirus pandemic takes tolls of Minot hotel business

KIM FUNDINGSLAND Minot Daily News
Dec 21, 2020

MINOT — The impact of the coronavirus pandemic couldn't be more evident than it is for Minot's hotels. Business has plummeted. People haven't been traveling. The Canadian border has been closed for months. Social distancing has put an end to hosting events like banquets, wedding receptions and Christmas parties.

While hotels are certainly not the only businesses impacted by COVID-19, their empty parking lots and lobbies are vivid reminders of the ongoing economic effects of the pandemic.

"Before COVID we were meeting all of our goals and revenue was looking good," said Chris Baze, Clarion Hotel and Convention Center of Minot. "Now we're down to about 10% of revenue. It's sad. It really is. In the last four or five months we've solely been looking for grants, relief, anything. Fortunately, ownership has been very good through this and keeps our business going."

The Clarion, located near the State Fairgrounds, boasts the largest convention center of any hotel in the state. But the convention business went away quickly as coronavirus spread, leaving the spacious center dark and quiet.

"Last March we were scheduled to host the Democratic convention for the first time and that was forced to cancel. We put out a lot of resources just to host that thing," said Baze. "A majority of our larger events have canceled too, weddings and such. Normally at this time of year we are booked solid for Christmas parties. This year? Zero."

If business were normal, said Baze, the Clarion would have 150 or so rooms occupied daily. During the pandemic there have been days with no overnight rooms occupied. There's little difference at most other hotels in Minot where rooms that would turn over several times a week are seldom used, the **Minot Daily News reported**.

"There's no doubt occupancy and meetings and convention business has taken a hit in 2020," said Stephanie Schoenrock, Visit Minot.

Many hotels have reduced overnight rates in the hopes of enticing more business but there's very few people to attract. Airline travel has slowed immensely. In addition, with the cancellation of events big and small, there's fewer and fewer incentives to bring people to town. Minot is not alone in that dilemma.

Fargo recently saw the cancellation of its 2020 Ice Fishing Show, a large event that was expected to draw hundreds of visitors to the city, and that is just one of many examples throughout the state and elsewhere. Among the losses so far in Minot this year were many major events – including the State Fair and Hostfest. Canceled too were popular sporting events, flea markets, craft shows, gun shows, auction sales, wedding receptions and more.

Several Minot hotels boast swimming pools, fitness centers, restaurants and lounges that have all been impacted by coronavirus concerns. As a representative of one Minot hotel told The Minot Daily News, “We've definitely got the ugly going on.”

The drop in hotel business is being felt throughout the community, often in ways that go unnoticed. An example is Visit Minot, the agency that promotes hospitality. They receive funding from a hotel tax. That funding source has taken a big hit. Despite it all though, Schoenrock and others do see some small indications that improvement is on the horizon. How distant the horizon is, is another matter.

“We've been seeing some people from the North Dakota drive market,” explained Schoenrock. “That's what their get-away is. They are still playing it safe, not going on an elaborate vacation but still getting out. It's a fair amount of traffic, everything considered. A really interesting stat is that in July through August people from 46 different states signed in at Minot's Visitor Center.”

Those people, said Schoenrock, wanted to get outdoors in the Upper Midwest. The vast majority, she said, were “road tripping” for a period of one week to 10 days or more. While such visits might seem insignificant during a normal year, 2020 has been anything but normal. Hotels have had to enter survival mode to maintain employees while waiting for the pandemic and resulting lack of business to subside.

“We've had to find other things to maintain the majority of our employees,” said Baze. “We've got bartenders servicing air conditioners and learning how to fold laundry. A lot of our staff is being cross-trained. With COVID-19 there hasn't been very many positives. Those that can change outlooks and business models will survive.”

“There's some variance from hotel to hotel on what their recovery is looking like,” said Schoenrock. “It really varies from property to property. You can't look at one number and tell what the market is doing.”

Visit Minot has taken up the challenge, reaching out and making contact with every group that canceled events in the city this year. The idea? To see what their plans on for 2021.

“We’re seeing a mixed bag. Some say they are not ready to commit and to check with them again in February of next year,” said Schoenrock. “I can say we’ve had some very positive conversations from groups that are able to come back. People are eager to have meetings and conferences and events.”

Minot’s hospitality industry extends well beyond just hotels. It includes restaurants, event centers, community attractions, and any place that caters to guests coming from outside the Minot market.

“Locally we’ve recognized we can’t sit back and wait for COVID to take a turn,” remarked Schoenrock. “We’re working hard on a tourism recovery and resilience project. We’re busy implementing what is necessary to help us recover from this quicker. That is already taking shape.”

Some national projections are that it will take 18 months or more until people are ready to resume travel, perhaps as much as 36 months to return to pre-COVID levels.

“We are projecting this thing to gradually move up but it will be multiple years before we recover,” said Baze. “If you calculate what we’ve lost from the start of COVID restrictions to now, it’ll take a long time to recoup. If you don’t work in the industry you don’t know the impact.”

Visit Minot tracks Canadian visits to Minot very closely. However, with the U.S./Canada border closed for the past several months, those visits have come to a halt and will remain that way until the situation changes. How soon is anybody’s guess but it is not considered at all likely through at least the first quarter of 2021.

While there’s very little good economic news regarding COVID, Schoenrock says her office has identified what they believe to be the first building block on the steps of recovery.

“Logic tells us that youth sports will recover quicker and that we have a better shot at recovery by focusing on team events. That’s a very significant shift we are taking,” said Schoenrock.

In the meantime, said Schoenrock, shopping local is “absolutely critical” to making a difference for Minot businesses trying to stay afloat in the midst of a lengthy pandemic. Any loss of retailers means fewer reasons for people to visit the city in the future.

“On a positive note,” said Baze. “This has forced us to make some changes that were always needed but never done, cut some money from the budget that you really don’t need, and we come out even healthier.”
