

January 22, 2021

Senator Ray Holmberg and members of the Senate Appropriations Committee.

Mr. Chairman, my name is Dave Achtenberg and I am employed by Regency Hotel Management. We manage two properties in Bismarck, the Ramkota & Radisson Hotels as well as a property in Fargo. With 35 years in the hospitality business we have never experienced the challenges we have faced in the past ten months. In March when the Pandemic began we furloughed roughly 95% of our workforce company wide and have been slowly ramping back up as demand increases. Hotel occupancy in the Bismarck market has declined from 60.9% in 2019 to 42% in 2020. Total lodging revenue has declined from \$67,182,623.00 in 2019 to \$41,297,867.00 in 2020 in the Bismarck market. Almost all meeting and convention business in 2020 was cancelled and the first half of 2021 will be more of the same. The leisure market has begun a small rebound. Industry experts are predicting the rebound in groups and conventions may take 2 to 3 years.

We feel that there has never been a bigger need for increased tourism dollars and fully support the increases in the Governor's proposed budget for the Tourism Division. As lodging revenue has declined we have also seen a sharp decline in lodging tax revenues that fund many of our local Convention and Visitor Bureaus. The competition to attract and retain groups will be intense as many of our neighboring states already out spend us by large margins in Tourism Marketing. Our neighbors to the south doubled down early in the pandemic and enjoyed a fairly good tourist season. I believe the additional funding will benefit our state and local economies and help put people back to work.

Thank you for your time and I would be available to answer any questions you may have.

Sincerely,

Dave Achtenberg.