

MMH&LA - the source for information and education, and the advocacy voice for the hotel and lodging industry in the metropolitan Memphis area.

# WHERE DO WE STAND?

# A Current Industry Update with Chuck Pinkowski

The following information is based on national data available from str for the week ending 4/4/2020.

- Occupancy was 21.6%, a change of -68.5% compared to the same week last year
- ADR was \$76.51, a change of -41.5 compared to the same week last year
- RevPAR was \$16.50, a change of 81.6% compared to the same week last year

| PERFORMANCE FOR THE WEEK ENDING 4/4/20 AND 4/5/2019 |       |       |           |             |             |           |
|-----------------------------------------------------|-------|-------|-----------|-------------|-------------|-----------|
| OCCUPANCY                                           |       |       |           |             |             |           |
|                                                     | %     |       | ADR (\$)  |             | RevPAR (\$) |           |
| <u>CLASS</u>                                        | 2020  | 2019  | 2020      | <u>2019</u> | 2020        | 2019      |
| Luxury                                              | 9.2%  | 73.4% | \$ 159.19 | \$ 301.15   | \$ 14.54    | \$ 221.18 |
| Upper Upscale                                       | 9.2%  | 76.2% | \$ 115.29 | \$ 191.32   | \$ 10.58    | \$ 145.70 |
| Upscale                                             | 15.8% | 74.1% | \$ 104.87 | \$ 145.26   | \$ 16.58    | \$ 107.58 |
| Upper Midscale                                      | 18.8% | 69.6% | \$ 87.23  | \$ 115.62   | \$ 16.44    | \$ 80.52  |
| Midscale                                            | 24.5% | 61.2% | \$ 71.25  | \$ 92.98    | \$ 17.44    | \$ 56.93  |
| Economy                                             | 34.8% | 62.0% | \$ 55.90  | \$ 73.17    | \$ 19.45    | \$ 45.38  |

As you can see, the occupancy for the luxury properties is the lowest at 9.2%, increasing as you move down the quality level to economy where the occupancy is 34.8%. This category includes extended stay hotels like Intown Suites and Extended Stay America. These hotels seem to be running substantially higher occupancies than the typical transient hotels like Hampton Inns, Courtyards, Hyatt Place and Holiday Inns. The preliminary data for the month of March for the RevPAR percent change for the U. S. Lodging Industry is -53% to -51%. While only 2 hotels in Memphis - the Doubletree downtown and the Hu Hotel - have reported closing, 12% (645,000 rooms) of the 5.4 million national hotel rooms have closed as of 4/9/20.

1 in 3 cases of COVID-19 in the world is in the US. We have seen 16.8 million unemployment claims in the last 3 weeks. That is 1 in 10 jobs in the US. This will have an impact on the rebound of leisure travel demand going forward. While Leisure travel is likely to be the first segment of demand to return to hotels, it is difficult to forecast when that will happen. Maya Angelou said "hope and fear cannot occupy the same space. Invite one to stay." Invite hope!

# - Chuck Pinkowski

# Unemployed Hospitality Worker Care Packages

he University of Memphis Kemmons Wilson School of Hospitality and Resort Management is putting together care packages for unemployed hospitality workers. Dean Radesh Palakurthi of the Kemmons Wilson School of Hospitality and Resort Management said, "We've been hearing all these terrible stories from students and everyone else in the industry, so we thought we'd do something to help out." Thanks to a generous donation from the Kemmons Wilson Family Foundation, Radesh and his team at the Kemmons Wilson School will be partnering with US Foods and the Holiday Inn at The University of Memphis to provide canned goods and prepared meals exclusively for hospitality workers. "We are planning to do 200 care packages a day on a first come first serve basis", continued Dr. Palakurthi, "If 10% of hoteliers give a case of something, it should carry us through for about a month." Donations are encouraged, especially shampoo, soap, toilet paper, and other non perishable household goods and food. More detailed plans for this will be out sometime this week, including a website to donate at and an official press release, so monitor your email to be informed. If you have a hotel and you are interested in becoming a pickup point or donating, contact Radesh at <a href="mailto:rplkrthi@memphis.edu">rplkrthi@memphis.edu</a>.







# SMALL BUSINESS PAYCHECK PROTECTION PROGRAM

This information is brought to us by our friends at Evans Petree. For more information, please contact Brian Yoakum at (901) 508-8829.

The Paycheck Protection Program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities.

### **Fully Forgiven**

Funds are provided in the form of loans that will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 75% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for six months. No collateral or personal guarantees are required. Neither the government nor lenders will charge small businesses any fees.

## Must Keep Employees on the Payroll—or Rehire Quickly

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease.

# **All Small Businesses Eligible**

Small businesses with 500 or fewer employees—including nonprofits, veterans organizations, tribal concerns, self-employed individuals, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.

### When to Apply

Starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. We encourage you to apply as quickly as you can because there is a funding cap.

### How to Apply CLICK HERE FOR APPLICATION FORM

You can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. All loans will have the same terms regardless of lender or borrower. A list of participating lenders as well as additional information and full terms can be found at <a href="https://www.sba.gov">www.sba.gov</a>. The Paycheck Protection Program is implemented by the Small Business Adminis-

The Paycheck Protection Program is implemented by the Small Business Administration with support from the Department of the Treasury. Lenders should also visit <a href="https://www.sba.gov">www.coronavirus.gov</a> for more information.



### WHEN-

June 17, 2020 11 :30 AM -2:00 PM

### WHERE:

Peabody Hotel Skyway 118 S 2nd St

Rules and applications will be available on this webpage NOTE: All nominations must be received by May 22 Join us on June 17, 2020 at the Peabody Hotel Skyway Room and celebrate these deserving employees at one of our favorite events!



Photo above is the DoubleTree Memphis Downtown giving away their food inventory before closing the hotel for renovations with two staff members from the Mid-South Food Bank on the right and on the left, DoubleTree F&B Director Glenn Brown. The Mid-South Food Bank will pick-up food that is still wholesome and use it to help at-risk families in our communities. To schedule a pick-up folks can call Robert at (206) 790-1768 or call (901) 527-0841.



# SOUTHERN LODGING SUMMIT

MEMPHIS

AUGUST 25-26, 2020

# **SAVE THE DATE**

AT THE PEABODY HOTEL

\*\*Date subject to change due to COVID-19\*\*

# PRESIDENT'S APRIL 2020 LETTER



Wayne Tabor President MMHLA

newsletter for the next couple of months to an electronic version and are not mailing a printed copy because of COVID-19. There will be no membership meetings in April, May. We have moved the Stars of the Industry Awards event to June 17, 2020 and it will be at the Peabody Hotel Skyway Room. Our annual MMHLA Golf Tournament and PAC Fundraiser will be moved to September 23, 2020 at the Plantation Golf Club. The Southern

Lodging Summit is still scheduled for August 25th and 26th.

These are definitely different times we are living in today. Most of my letter last month dealt with the start of the coronavirus. I don't think any of us thought it would have the devastating effect it has had in the hospitality industry. It has all happened so quickly. I've been in this industry for over 50 years and I have never seen anything affect the hospitality industry as fast as this has.

What I have seen from this is a quick and immediate coming together of our community and industry. All of our local associations are pulling together to help in the response. Memphis Tourism, under the direction of Kevin Kane, has led the way in pulling us all together along with the Memphis City and Shelby County governments, the MMHLA, the Memphis Restaurant Association, the Beale Street Merchants Association, the Memphis Chamber of Commerce, the Downtown Commission, Hospitality Tennessee, the State of Tennessee's Department of Tourist Development and

many other businesses and governmental agencies. Thanks to everyone for their efforts and response in this time of hardship.

It may not look like much has been accomplished yet, but I will tell you that we have had an effect on the response to this epidemic on three major fronts. Nationally, we have had an effect on the federal CARES stimulus act by dealing with our US Representatives and US Senators. Statewide, we have had input with Tennessee's stimulus act whereby all cities in Tennessee will receive stimulus money. Locally, we have dealt with the city and county governments on many of the orders dealing with closings, stayin-place and social distancing mandates, and health department regulations. We were able to avoid the shutdown of our restaurants and food and beverage operations until the virus began to spread. We helped with getting to go beverage orders approved and also helped with freeing up parking spaces for to go food and beverage pickups. There are several relief programs out there for employees in the hospitality industry. We have listed them in this letter.

As I stated in my March 19th email blast to our membership, we will get through this. We are a tough and resilient group; we stick together in hard times! I remember the gas shortage and rationing back in the early '70s and the recessions that followed in the late '70s and early '80s. Then there was the Gulf War in the '90s, 9/11 in 2001 and finally the recession in 2008 and '09. We came back from all of those tragic events. When we make it back this time, we will be stronger than ever before.

Everyone stay safe out there and I will see you around town.

Wayne D. Tabor, CHA President and CEO, Metropolitan Memphis Hotel & Lodging Association





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# 2020 GALENDAR

If you would like to volunteer a venue or present a luncheon program please contact Wayne Tabor at <a href="wayne@mmhla.com">wayne@mmhla.com</a> or (901) 581-5618.

ATTENTION: All MMHLA Membership luncheons and mixers are canceled through June 2020. MMHLA Board Meetings will be conducted by conference call

# **Apr. 14 - MMHLA BOD Meeting**

8:00 AM - 10:00 AM - Conference Call

# Apr. 17 - Southern Lodging Summit Planning Conference Call

8:30 AM - Conference Call

# May 6 - MMHLA BOD Meeting

8:00 AM - 10:00 AM - Conference Call

# June 17 - Stars of the Industry

The Peabody Hotel Skyway Room

# Aug. 25 & 26 - 2020 Southern Lodging Summit

The Peabody Hotel

# Sept. 23 - Annual MMHLA Golf Tournament

11:30 AM - Timber Truss Golf Course

# Sept. 30 - Oct. 3 - Memphis In May World Championship Barbecue Cooking Contest

Tom Lee Park

# Oct. 16 - Oct. 18 - Memphis In May Beale Street Music Festival

Tom Lee Park

# **MMHLA OFFICERS & BOARD**

### **MMHLA Office:**

901-581-5618 47 Union Avenue Memphis, TN 38103 wtabor@mmhla.com www.mmhla.com

### **MMHLA Officers:**

| Doug Browne        | Chairman           |
|--------------------|--------------------|
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| Wayne Tabor        | President          |
| Craig Marshall     | Chairman Elect     |
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