

## Explore Minnesota DMO Listening Session II 10/22/20

Well, it's 1:00 pretty good afternoon, and when. My name is John Edman, I'm the director of Explore Minnesota. Thanks for joining us for this afternoon to listen in session. We are just going to wait a couple of minutes to let a few more people join us. We will begin at exactly one: 02. Hang in there and we will start in just a few minutes. All right, it is 1:02. Look at him again, everyone. John Edman, Explore Minnesota. Welcome to the fourth virtual listening session we've had at Explore Minnesota in the last few days. We appreciate you spending time with us this afternoon to talk about Minnesota tourism, what's going on with Explore Minnesota and what we need to do together to battle the challenges that we are all facing today. Last time we had a series of listening sessions, we were all throughout the state of Minnesota, different regions of the state. We were focusing on a strategic plan for the next two years, and we got some great input from all of you in the tourism industry. This year we had to do something a little bit different, we had to do it based on people's ability to travel.

So we decided to do virtual sessions, and instead of doing it geographically, we thought we would try it by industry sector, dealing with events and attracts and hotels, and DMO is what we are here to talk about today. If there's others beyond DMO, who would love to have your participation and we welcome you into today's session. What we are going to talk about is I want to provide a little bit of background as to what is going on with the tourism industry, what is going on in terms of basically the foundation for Explore Minnesota, and then have some general discussions about things that may even be on Explore Minnesota later on. A few housekeeping matters, please keep your phones on mute unless you are speaking. If you would like to speak, go into the participants bar in the bottom of the screen and there is a way for you to raise your hand, or you can put a comment in the chat box. Nicole and Lisa and Beth are here to help us with all of this. If I missed some of your comments or your hand-reason, they will be sure to identify you, and we also be sharing some information throughout the call in the chat box in terms of additional information, background regarding the topics that come up. There will also be a recording of this session, if you so care to listen to it again, as well as a transcript, and we will share the comments here from today's session with the commissioner as well as the governor's office. Before we begin, we want to just do almost a little icebreaker to find out a little bit more about who we are talking to today. A poll will pop up on your screen, hopefully. You will be able to indicate what region of the State your organization is located in. Whether it's Northwest, Northeast, Central, Metro, Southern, perhaps you are unsure, or staff. Please take a moment to check off one of the boxes, hit submit, and we will instantaneously be able to see the results of who all is on this call. So... I'm not sure that's enough time, but go ahead, show the results.

We have a nice cross-section of people all throughout Minnesota, from Northwest, Northeast, Central, a lot from the metro area, southern, and some folks aren't sure where they are exactly from. That is quite all right. And various members of Explore Minnesota staff. Thank you very much for participating in that poll, it gives us an idea of who is on this call, nice representation of people all throughout the state. Let's begin, I just want to provide a little background before we begin our discussion. Nicole, if you can throw up a couple of the slides here, we can just move on to the next slide, which is an agenda of what we are going to talk about today, which I already mentioned. Let's just get to the first comment about travel and tourism in Minnesota and what the impact has been of COVID-19. So, the next slide will show you how large our tourism industry basically is. This is something that we have used it to talk to elected officials, to others, to the media, about how big travel and tourism is. It's an industry that contributes almost \$16 billion in terms of sales for our economy every year. A billion dollars in state sales tax, which

can be used for a wide variety of other programs. 273,000 direct jobs, and that doesn't count the secondary jobs on which our industry depends, our economy depends, and 73 million visitors from all throughout the globe all year long. Next slide, please. The next slide here kind of shows -- it is a big figure. I wanted to bold this because it shows what the impact of the pandemic has been to the leisure and hospitality industry in 2020. Basically, we have lost over \$5.4 billion in sales between March and October of this year. That is a huge impact on our economy and a huge impact on the communities, and a huge impact on the state budget. It is a huge challenge from which we are all facing. I want to share next a couple of slides from some surveys that we have done this last year. These are just a couple highlights. You've probably seen these slides before. But we asked this summer, at the end of the summer, how revenue was compared to the year before. As you can see from this slide, there are certain segments, that people have responded they did okay. Really, I will explain that a little bit more later. A lot of that comes from resorts and campgrounds that have done very well in terms of sales this last year. Overall, the majority of people, the vast majority, have seen summer revenues down. A little bit, or significantly. Or even causing businesses to go out of business existence. Next slide, please. One of the things I did want to share, and this kind of gives you a little bit of a glimpse as to the horizon. At least based on what you've told us. When we asked lodging properties all throughout the state when they anticipate the return to pre-COVID business activities, I think this is actually fairly optimistic. The majority, or at least the plurality of people, 33%, said during the second half of 2021. Many events that beyond that, during 2022 or 2023. You hear a lot of the experts, they think it'll take a good deal of time, even beyond this, for us to fully recover to where you are at the beginning of this year. Next slide, please.

This next slide really tells the story about what is happening with tourism, specifically in Minnesota. This was provided by DMOs throughout the state of Minnesota. What this shows is that campgrounds and resorts, they have done pretty well. At the beginning of the year, a lot of uncertainty. A lot of cancellations from the people I've talked to. Then, the phone started ringing, people wanted to social distance, people wanted to get away, so many resorts and campgrounds did well. If you want to look at those areas that were significantly impacted, you have to look at the hotels. The restaurants. The retail businesses. Those are the segments of every industry where you see a large bar on the left side of that category. We also saw a significant decrease leisure sales, group travel, as well as meetings and conventions. Next slide, please. And then the next slide, which is partially stuck. There we go. It kind of shows what is happening with the lodging properties all throughout the state. You've seen this, I'm sure, from your community. It shows the changes year to date through September, compared to the year before. What you will see, occupancy is down substantially, 41%. Rates are down, RevPAR, revenue is down, supply, meaning the number of hotels, have actually increased. But demand has been down, as well, because people are lacking that consumer confidence to get out and travel. We have fared fairly significantly bad this last year, particularly even more so in the metro region than in greater Minnesota. But this shows really how hurt our industry has been this last year. next slide. That is kind of the situation as to what we are all dealing with. We want to hear from all of you a little bit more about how it is impacting your region, you are DMO, and your community. As sort of a grounding, Explore Minnesota, you all know Explore Minnesota, you've dealt with Explore Minnesota. We are a marketing organization, the premier travel destination for the state of Minnesota. Our goal is to inspire consumers to facilitate their travel within the state of Minnesota. Lately it has been a lot more within Minnesota than bringing in new travelers, but that essentially is our goal. To do it in a way that honors the value of all individuals throughout the state. Next slide, please.

This next slide, basically, this is, in one slide picture, kind of the result of what we heard last year from the strategic planning sessions we had all throughout the state. The various listening sessions. What you told us is that we need to focus on three main pillars. Brand awareness, the brand of the state of Minnesota, consumer engagement, engaging with consumers all throughout the state, and collaborating with all of you and with partners. We have various numeric goals for each of those pillars. Overall, our goal for the biennial is to generate 75 million visitors, \$18.1 billion in sales, \$1.17 billion in state sales tax, and 281,000 jobs. That's what we set out to do, and the question is whether we will be able to hit those numbers this year. Next slide, please. The last sort of foundational thing I wanted to provide for you is a glimpse as to what our budget has been at Explore Minnesota. Now, these bars represent bienniums. To have in your periods. Our budget right now is about \$14.4 million, and it has been that way for about the past eight years. As we look into the future, it is unlikely that the operational budget is going to increase. It is unlikely because the state is lacking revenue. They are making cuts in agencies all across the board. Agencies are being asked not to come up with new programs, but basically to find out ways they can decrease state spending. We are still asking for funds. Specific activities dealing with events, crisis grants, meetings and conventions, we hope that those will be approved, but right now we are looking at a modest increase of anything but more than likely a decrease. That's the reality of what we have to deal with, trying to fight through this crisis. I wanted to give you an idea of where we are with Explore Minnesota. That is pretty much it in terms of the foundational discussion that I wanted to have. We can go on to the first question in the call. We want to have a discussion with all of you to find out a little more about what is going on within your organization. How are you evolving? How are you dealing with decreased revenue? How are you dealing with marketing? How are you planning for the future? The question is also in the chat box, as well as on the screen. This is where you would like to start hearing from all of you. We want to get your thoughts. We want to get your ideas. We just want to get grounded to make sure we understand it is truly happening in organizations all throughout the state. So, I am not sure who wants to be the first to raise their hand here. If you don't, I know of a few people here that are on the call that I would love to call on and to hear from. Seeing no one right away raising their hand, I think Terry Mattson, who is on the call, very much involved, et cetera. I think you are on the call. Terry, do you have any response to this question, with what is happening with visit St. Paul and how you're playing for the future?

I am here, it is a high.

Yay! With snow in the background.

Yeah, it is still coming down, which is good. I like winter. We are all about the four seasons. Thanks for calling on me. We are in St. Paul, in the Metro. We have all been hit really hard, obviously, with the pandemic. Civil unrest played a role in all of this. It has been particularly hard on the lodging industry, especially the most core urban downtown areas. Still a long ways away from coming back to read when you get into the suburbs things get a little bit better, maybe approaching 40-50% occupancy in some cases. Still, the core downtown, in the teens, 20%, 25% occupancy. What we have done in terms of trying to market St. Paul, there's been a lot of interest in our digital marketing. It is really hard to get people moving again. Urban explorers are one element that has been, I guess, successful for us. Trying to do as much as we can with local restaurants, attractions are opening again slowly. We are making progress. I wouldn't say that there's people that are really overly optimistic, but there is less pessimism right now. Our messaging, a lot of it is focused on health, safety, a ready together pledge we developed in St. Paul which has had a lot of success. There is enthusiasm for meeting planners getting back in the

RiverCentre and into the building. But we canceled more events. I'm afraid to say that we have this window of opportunity the past few weeks where there has been less pessimism, and some optimism, and some activity and engagement. But, as we approach the winter months, and people are gearing up to be more indoors, I think about -- I'm afraid to say that might be short-lived, especially with more of the health concerns. I think Minnesota has done a good job in tempering the pandemic as much as possible. When you look at our neighboring states, what's happening in North Dakota, South Dakota, Iowa, Wisconsin, it's not really good right now. I think a lot of people are hunkering down. We are working on our budgets and trying to get those approvals, and what we can from CARES Act funding which has been a slog for organizations. There hasn't been a lot of love. It doesn't make a lot of sense. I'd be the first to broadcast that anywhere, but a lot of it has to do with 501C6s, a lot of them being lobbying organizations and having an impact on public policy. I think Congress gets shunned for that very reason. There is still hope. We keep hoping. We know our lodging tax revenues are going to be, if we're lucky, 50% in 2020 of what they were in 2019. We are budgeting to be maybe 30% off of 2019 when we look at 2021 budgets. It's going to be a slow grind out of this. Maybe by the end of 2021 we can see hotel occupancies back to maybe almost where they were in 2019. Maybe off by 10% or 20% from that, but it's going to take a long time for that kind of demand and the rate to get back to make us up budget wise. I think I speak for everyone in the DMO business, and convention centers, we are looking at ways to do business and how to be successful and just make it into probably mid-2021 before we really start to see the light at the end of the tunnel. I wish I had better news to report. I think if you are healthy and still in business and can maintain, you are doing very, very well in this element. I know some resorts and some of those businesses in greater Minnesota have done a fantastic, and more power to them. That is just great that somebody is doing well. We are just hanging on until mid-2021, probably, is the way to sum it up.

Thanks, Terry.

Happy to answer any questions.

Anna, are you on the phone? I thought I saw your name.

I am here.

What is the perspective from the Northeast? That's a little bit of a different challenge or animal up there, because people are trying to social distance, et cetera. Not to say you don't have your challenges, too. Let's hear a little about that.

Well, we were really fortunate to have gorgeous weather patterns throughout the summer and into early fall. Of course, that all came to a screeching halt this week. [Laughter] Needless to say, I don't know if any of our partners up the shore were from the Iron Range area or on the call, but we collaborated early on, and really came together to encourage safe travel from within Minnesota up to our part of the state. It was Dream North MN, we shared equally, we really kind of said when we need to help our entire region get back on its feet. That kicked off in June. I guess it was May, it maybe made. As June approached, we really weren't sure what to expect. We reached our first 70% occupancy weekend over grandma's marathon weekend, or what would have been the marathon, the makeup in June. We really started to see a strong response with midweek and weekends. We are averaging 60-65% occupancy midweek, through the end of September, into early October, actually as recently as last week, with MEA, and weekends were about 85-90%. ADR actually was up for several weeks consistently over 2019, which

is not sustainable, as we all know. Our attractions have been operating at about 70% capacity, so for them that is much better than expected in nearly every case of the attractions that we've spoken with. We just conducted a survey this week of our membership, and the responses were basically pretty equal across every sector. Whether it was lodging, restaurants, attractions, retail, services. We asked if they had received any type of assistance at this point, and 70% had received some type of relief. It was a mix of federal, state, county, and other. We asked how long they felt they could remain in business without further assistance, and we had 30% respond within either the 0-3 months or 3-6 month window, which was alarming, because it represented about 40 businesses that are clearly teetering on really precarious situations there. Beyond that, it was 6-12 months. We need action now, as Terry mentioned. Visit Duluth has not been funded since April. We are holding on. We had very strong membership dues come in, which was just an absolute shot in the arm that we needed, and advocating heavily at the federal level, tourism tax collections remain down about 30% from 2019 and from 2020 budget. We are hoping with September's strong performance, maybe we will see the city reach their threshold for the bond obligations that are tied to our tourism tax, and maybe we'll get some funding relief toward the end of this year. As of right now, we do not have a contract to continue operating in 2021. We are waiting for word from the city on that status.

So, it sounds like, Anna, that even though people social distance, they try to get away from the Metro and go up to Duluth and the Northeast, that still hasn't translated into additional operating revenue or help for you, because the city has intervened and those hours have been directed elsewhere. Is that essentially correct?

That is 100% correct. It has been really challenging, but we, I think, have made the most of the resources we've had, and the response has been phenomenal. Fortunately, Sue, our VP of marketing, had prepurchased year-long contracts for some of our advertising mediums, whether it was digital or outdoor or several other options that we had, so we were able to pay for that in January and February, pre-COVID, so we've been able to tap into some of those prepaid contracts and really keep the promotion going and out there. Again, we have seen -- it's been busy, and we are very fortunate. We know that. Again, without meetings and conventions that really sustain us in the shoulder seasons, to Terry's point, we are definitely feeling that now. It became immediate. We saw a significant drop in occupancy this week. I mean, it's here, and it came fast and furious.

The meetings and conventions, is that the piece where you would say it's the biggest challenge right now?

Absolutely. I just got an update this morning from Julie in our sales office, who is a department of one right now, and she has just had another convention cancel for August of 2021. So, it's not just first quarter. Are seeing it stretch into -- much further into 2021 than we were really hoping to see. We've got some of our groups that would maybe hold on until early in 2021 and make that decision as we start to see what happens with vaccines and other health and safety measures and guidelines, but unfortunately they need to plan in advance. So there is too much uncertainty for many of them to continue carrying forward. And they are rebooking for 2022, which is great news to have those bright spots on the horizon. But '21 is now looking to be much softer than expected.

I am sorry to keep asking you follow-up questions, but the question in my mind, when you talk about people canceling -- and Terry, too, for that matter, and folks in Minneapolis -- how do you counter that?

There is so much in terms of consumer psyche, there's protocols, these people not wanting to travel. We still have to market meetings and conventions. How do you overcome that?

Julie has been doing site inspection since May, safely, and that hasn't stopped. That is why it is so important that we do continue with that messaging, especially in meetings, conventions, sporting and team competitions. Even if they don't know exactly when, they know that they are going to be coming. So, it is just really critical that we remain at the forefront, because it's going to be really easy, when things do start to reopen, it'll be easy to forget that we are here if we are not out there now.

Right. Yeah, I totally understand that. You've got to be top of mind so -- there's a lot of states of people can go and they will think, "maybe my next 2022 or '23 meeting, I'll go to South Carolina, or wherever. I don't want to go to Duluth."

It'll be more competitive now than ever, there's no question.

There is a challenge for that, as well, the sales and marketing of meetings, conventions, events, all of that is more critical than ever. I would have to say we are all working harder than ever. We haven't realized much revenues. The RiverCentre is open, they've hosted a number of groups for a couple hundred people, but that's not a sustainable business model in the future. But our clients are super excited, and we've got new clients. We have booked business and rebooked business, and then canceled and rebooked the business that we already canceled and rebooked. About three waves of this now. These meetings, conventions, whether it's concerts at Xcel Energy Center, you can see how it's executed. You don't plan three weeks out. It's much different than leisure travel. You need three months to a year, so they start getting pretty nervous when you see things like headlines today, General Mills not bringing people back into the office until May of 2021. You just keep pushing that back further. But there is kind of pent-up demand across all segments. It is really important to keep our messaging and keep our sales going, doing as much as we can in the meantime. But budgets and efforts, everything, we are just kind of cobbling it together. It won't last forever, but I think we can make it through mid '21 before the wheels really come off. At least in our case.

I want to get to a perspective on southern Minnesota. First, I saw Steve, you are on the phone here. You haven't retired yet, thank goodness. Maybe you can comment a little bit about the outlook for sports.

Yeah, happy to. Obviously, most of the major events, at least in our area, and I think across the state, were canceled. We did see some activity late in the season. We actually booked several softball and baseball tournaments that were unable to -- they were originally scheduled in other communities and were unable to do so because of COVID restrictions. But some of our parks and direct departments did a great job and did whatever they could to get those events in there, so we did good. Several of those tournaments, a couple who had never been to the metro area before, they really liked it, and they have already booked for next year again. Obviously, the major driver for us, as a national sport Center, pretty much wiped out the entire sports event calendar, as have others across the state. They are open and using the facilities for training and practice, both on the ice side with the eight sheets of ice. They didn't just install a gigantic, by some claims, the world's largest, air-supported dome covers two full-sized soccer fields, so they can do football, baseball, soccer, all of those things there. That just opened several weeks ago. A year behind schedule, but open nonetheless. So they are getting practice time for some of the teams. We are cautiously optimistic like everyone else that things will pick up and we will be able to generate some actual hard bookings as we look ahead. But it appears that most of that, if it happens, is

going to be probably not until the middle of the second quarter and into the third quarter. First quarter looks pretty weak. Going to lose a lot of hockey tournaments and other events on our schedule. there's some business out there, and the event organizers are interested, but we are currently seeing some spikes in cases and hospitalizations and everything else. I think it has kind of been one step forward, one step back. We are all looking ahead to the better days to come.

Thanks. I was really kind of curious what's going on with amateur sports like that. Every time I go by the "SportsCenter" I do see some activity, but I didn't know to what level. Thanks for that perspective. What about from southern Minnesota? Who wants to chime in what's going on in their community, whether it is -- Pat Leonard, do I see your name here? Call you out. Anybody else? Pat, somebody?

Yes, Pat, Visit Winona. We have been doing quite well over the last few weeks.

Can you speak a little closer to the microphone? Were having a hard time hearing you.

We have started to do better in the last few weeks, and I think a lot of that was because of fall colors. I know all the hotels sold out about two weekends ago, pretty close to sold out last weekend. We had two hotels that were closed for about three months, and then we have another hotel now that will be closed for a bit for renovation, upgrades. We are actually doing better than planned, but that is because we furloughed staff and refocused spending on fixed expenses. We have recently received funding from our county for \$50,000 Paley applied for the CARES Act, but they did not work with us on that because they had their own -- I think we are just going to continue on the road of the very conservative, so we have assets that we can work on. Hopefully for the spring. We have decided not to reprint a visitor guide for now, for next year, and just do an addendum. And not up our partnership program that usually would be on sale now. And do that -- [unclear audio] Who told us that early in the spring and summer, or next year. But I think, with things being up, we haven't really heard at this point. It has hurt us as a town that does a lot of festivals, and we haven't been able to hold that. I think even for our winter, something like the frozen River film Festival will continue online, and things like Shakespeare Festival and others are actually holding off right now talking about what they are going to do. I think they would like to plan and they might put tentative plans and dates, but not confirmed. We just talked to Trinona, and they might want to postpone from June to the fall instead. Everybody's looking to us for the calendar of events, and right now we don't have enough that we can share with other people about what dates at this point. We are doing better than expected, but we are going to continue -- we are still below, I think we are about 50%, 40% below. It was really too bad, we were getting going because of the Winona Ryder Super Bowl ad, we had so much good news earlier in the year. We are going to just continue with keeping our visitor center closed for next spring. We are still on part-time hours. I'm just working 30 hours a week. My staff has come back, and they are working 30 hours, too. That's how we've been saving, by very conservative -- [unclear audio]

Thank you, Pat. It's clear to me that every part of the state is certainly a challenge, but challenged in many different ways. I heard a lot of you talk about CARES Act funding. I want to do a really quick poll using the yes or no buttons on the participant list. Have you received any CARES funding? If you have, if you could just click on the "yes." If you have not, click on "no." Nicole, you can let me know what kind of results we get from that. Or just put in the chat, that's another possibility, as well. Meanwhile, as you do that, I see a lot of chats, some yes, Steve Markuson no. Anna Tanski, no. Megan, yes. Eric, yes. Sue, yes. I think the chat box is working a lot better, here. Casey no, Tim Zunker, no. It's kind of hit and miss as who has receded and who has not. I know we as a state, as a tourism agency, we have not received it. We

have tried, but the money has pretty much, at least from a state perspective, go on to the Department of Health for some of the messaging there. I know we are in line for any new CARES funding. I've talked with Steve about that. If Congress does approve something. Stay tuned on that. All right, unless there is any sort of comment about how you're all doing, let's hop to the next question. Nicole, can we show the next question up on the screen? The next question is more about what we at Explore Minnesota can do. We've heard a lot about what the challenges are with the industry, what our mission is and the challenges you are facing. We've heard a little bit of comments about some of the stuff we are doing now and what we could do. I would like to just kind of open this up to any comments or thoughts that people have. What should we, as Explore Minnesota, be doing? Grants, marketing, partnerships? Where can we be of the most help to all of you? Terry, I'm going to have to start with you again if nobody speaks up. You can blame everybody else, Terry.

Okay, not a problem. I know the grant that was provided for marketing for Explore Minnesota was a big help for us. It kind of got us off the fence of doing a pretty conference of digital program that we've been running for the last couple months. Into this week, kind of coinciding with all of the static and noise with election advertising. Just kind of keep doing what you're doing. And the CARES Act thing is so complicated. Visit St. Paul is also tied to the RiverCentre convention Center, and we have submitted several hundreds of thousands of dollars of expenses to the city of St. Paul, which could be covered under the CARES Act, along with some marketing activities. But there's no guarantees that will come through. I think a big thing for all of us with CARES Act money is the payroll protection. That is offered to everybody except 501C6 for less. We've made some here and there, but in the big scheme of things, not to say that isn't important, every dollar is very important. Because we know it's going to be a long time before they come back in. The level of support that we have seen, especially from the liberal government, just hasn't been there. I think for Explore Minnesota to continue with the messages and the support it's been doing statewide, we know some kinds of businesses and some of the niches are more successful than others, and some others, it isn't that marketable. I don't know that there's a lot that Explore Minnesota can help with can changing the capacity levels at this point in time. The meetings every other week we have with DEED and Commissioner Grove, increasing our capacity, I think that's going to be helpful in the future. I know it is so hard because it is science-based, and safety is of the utmost concern. We all understand that. But there's different ways that individual venues can do their own things to be safe and still be generating at least a little more business than we are now. Because it is really hard. The expenses and overhead, in the case of these buildings and the infrastructure, it is still there whether we are doing business or not. We are digging such a deep hole, it is going to be a landscape that takes years to recover from. We know it's going to get better. I keep saying that. But it's going to be a while before we have concerts in the NHL and people in stadiums. A place like St. Paul and Minneapolis, those events in those conventions are so much of what makes us hole. Without that, we are all struggling to figure out what we can do in the meantime. It will get better, is just going to take -- now it seems like it's such a long way away.

I would love to hear from some of the smaller communities and the smaller DMOs about how Explore Minnesota can help, whether it is Mary from Granite Falls or Tim from Shakopee for Eric from Inver Grove Heights. Anything you can chime in on, about how we can best help you?

I know we benefited a lot from that branch that we received, that didn't have any restrictions for in-state or out-state. We've planned some ads promoting our river recreation in the summer. We've just kind of given up on the wintertime, but we are just a small basically volunteer CBP. The chamber is kind



of all volunteer now, too. I used to be the director of both, not just involved in helping with that. We don't really have any expenses as far as the building and all of that. One problem in Granite Falls, too, a big thing that used to be open, the museum and also the Bolstead house are both close because of COVID. Mainly we are promoting outdoor activities and planning for next summer.

Great. Thanks, Mary.

This is Eric, Inver Grove Heights. I know you guys do this pretty well anyway, but just promoting local travel, staycations, that's kind of what we've been doing. Pushing to support our small businesses and local businesses, especially -- I think there's a lot of anxiety these next six months, just going into winter. I know you kind of do that anyway, but I was just going to mention that as well as, of course, health and safety. I know we've all been doing that, as well.

Well, thanks, I appreciate hearing that. One of the things that we are planning to do after the election is sort of a gratitude campaign. It's very similar to what a lot of you are doing. Basically to thank Minnesotans for supporting hospitality businesses. If it wasn't for Minnesotans supporting the shops in the restaurants and the bars in the hotels, attractions, our industry would really be in terrible shape. We want to instill that confidence but do it in a respectful way and show people enjoying it with masks, in events, that you can do it safely. We want to continue that. It's a different kind of marketing than we have ever done before, you could probably see a bit more of that. We will share that with you, right now it's in the process of development. But that will be coming around the 19th or something like that, of November.

Hi, everyone. This is Tim. Quickly, I like what Eric said, too, playing on the local act or activities, events, different things like that. You guys did a good job with the fall Festival, that was happening in our area, everything like that. We are hurting as a CBB, of course. Metro area. I'm not full-time yet, so Explore Minnesota tourism being an asset for us to help promote these things and taking a bit of that bandwidth off of us is fantastic. Also, the co-op and crisis grant program have been great for us. We will piecemeal our marketing for 2021. We are not contracting out for the 2021 marketing. What we are doing is utilizing what's available in the grant program to kind of piecemeal our marketing together for 2021, taking advantage of that. And the crisis grant has been very beneficial for us in terms of setting up our marketing, campaigns and different things.

Great. Thanks, Tim. By the way, you mentioned the co-op grant program. Is there anything you'd like to say different? That's a very organic program. We try and do things that make the most sense for all of you. We also try to really significantly buy down the cost. I know Derek is on the line here, I see that someone just sent a link to the program. Derek, do you want to explain a little bit about the next program coming soon, for input we want from everybody here?

Yeah, so, phase one, like it says in the chat, is available. That's the link there. I appreciate you guys posting that. Like I said, phase two is coming soon. We are hoping to launch that in January. Look out in the next week or so for an industry survey. We want to know what type of programs you guys want to see. What tactics, what activities you are looking to promote, things like that. A short, maybe a dozen question survey. Check out the program right now, this plenty of packages available across a lot of different tactics. What we are planning to do is look at what programs were successful here in phase one and buy into those more, reinvest in those, and offer more packages. Some of the ones that aren't necessarily selling, to move that money elsewhere. To places that you guys, areas that you prefer. And

ways that you can better utilize those funds. That's exactly what it's for, it's for you, the industry come to take advantage of and really help you during this time. Like John said, we are putting more money into industry programs like this than we ever have. Please take advantage of it and let us know any feedback or suggestion you have. Thank you.

Thanks, Derek. Any further comments? I have one sort of more specific tactical -- sort of granular, I guess, is a way to put it. A question that, since I have you all here on the phone, I want to ask you. This is a challenging year, of course, that we are all facing. We annually put together, and we have for many years, put together -- remember the cereal box that we provide for you and elected officials? It's very advantageous. It's really gratifying to go into an elected official's office, with their it's the or city council or Congress come and see a cereal box about how big our industry is. It's different than just a brochure that gets thrown in the file, or video to look at once, et cetera. When we talk about doing it this year, it seems very awkward. It seems awkward because we are talking about whatever the size of our industry is. It's a \$17 billion industry, because its data from a couple years ago. But it's not. The question that I have for you, should we continue some kind of a piece like that? It's basically for all of you. Should it be the same piece? What is the messaging? Or do we just skip a year? What are your thoughts about that specific project? Is that something we should continue?

This is Eric again with Inver Grove Heights. I like the idea, but it would be cool if we showed how we are all in this together. It would be cool to show kind of a collective marketing piece, whether it is our cities or regions or whatever. It would just be cool to show that to people. We are not really selling right now, we are more kind of reporting each other and supporting the economy. Does that make sense?

Yeah, it does. How much do you think we should be emphasizing the hurt that our industry? On this piece?

I don't think we necessarily -- I think people know about everything that's going on. If we can show kind of we are one as a team, I know that something I try to do with our board and chamber and local entities. To just show people that we are in this together. If we can somehow put that together, I think that would be effective for this year.

Okay. Great.

I would love to tag onto Eric's comments, because I do agree. I think this year is a great opportunity to carry forward a little different message. To your point, Eric, maybe it can tie in with the governor's "one Minnesota" theme. We know, and maybe the message we can share to help the rest of our electeds understand, just in general, create a greater awareness that it is going to be tourism and the visitor economy that helps the recovery of our entire overall economy. That we are going to be phase one of the long-term health of our overall economy. I think there is a way to frame that in a new way that really, instead of highlighting the hurt, highlights the tremendous impact and the driving force that we are going to be, and the critical role we will play. We all know now what it looks like without our industry being healthy, and I think focusing on the recovery aspect, because it is going to be several years that we are in this recovery mode, it's not just going to flip a switch and go away, unfortunately, like we all hoped. Maybe there is a way that we can convey that message in a new format.

We are kind of hearing a theme about that. It's something we should think about doing, but doing in a different way. Becky, I think I see your phone was unmuted, if you want to make comment?

I wanted to add to that, I think it's a really important opportunity to seize. If we were to just put the piece out kind of as is, it might just feel less authentic than if we do exactly what Eric just talked about. I think it is interesting for me, because I feel like now more than ever we are part of an industry that people seem to recognize with the value that it has. Now that so much of this part of our lives has been taken away or impacted, I think people really kind of value that opportunity to travel, explore, go to restaurants, do things, so the value or the feelings they have toward that are so much stronger maybe than ever before. I think maybe taking advantage of this opportunity to maybe not dwell on the hurt or the impact to the industry as much as kind of the power of this industry and the importance of this industry, I think that could be really meaningful. To Anna's point, it's probably not going away. We're not going to wake up even in 2022 with it all better. It's something we can build on a little bit for the next couple of years.

Great. Great comment, very helpful. Any further thoughts on that, or any other topic about --

Terry has his hand raised if you want to call on him again.

Well, I guess so... Let's not go ahead, Terry.

One more time, I like all of those ideas brought forth. I think this industry is going to be appreciated more than ever now that people have missed so much. There is no question that we can focus on a lot of positives from a lot of different angles. Travel and tourism is going to be very important to jump-starting the economy as we move forward. We can focus on things like how the advancements in cleanliness and safety, for example, in our industry, have so much improved. We are going to come out a better place on the other side of this. It's taking a while to get there, but those steps of making things cleaner and safer, with some specific examples, will be a big part of this. Even how we are working together. This group, collectively, through Explore Minnesota. In the Metro we announced the formalization of our efforts with Minnesota sports and events between St. Paul and Minneapolis in Bloomington. How we come together looking further down the road. We are not talking about events that will be happening in '20 or '21 or '20 to come even come of the looking at '23, '25, '28 come even further. Working together. Some of this was in process already, but I think we went to a lot of very positive specific examples where all of Minnesota has taken the state to a whole new level. A safer, clear place with more essences in the future.

Well said, Terry. In the interest of time, let's hop to the third and final question we wanted to ask, which gets a little bit beyond Explore Minnesota. And, really, as I mentioned earlier, I want to hear from the industry. What are your issues, what are your concerns? We are going to pass these concerns on to the governor as well as to the Commissioner of Economic Development. What are some of the other things, concerns, issues, advice, if you will, that you would like us, from the industry, to convey to others within the administration? Maybe beyond what Explore Minnesota is doing. I've heard a lot about CARES funding, one issue that will certainly fit into this bucket later on in terms of the eligibility of communities. But what other issues come to mind but you would really like a louder voice on, that you'd like some people to hear? Anything? A lot of us, it's a big question. On the one hand, some of you have participated in these roundtables, and I know, whether it's events or attractions or restaurants, we'd like to say we need to change the protocols to allow for X, Y, and Z but there's also this tug against community health and safety. You don't want to push that too far. How do we find the right balance? Mary, you made a comment about uncertainty with restaurants and bars. Want to elaborate a little bit about that?

I'm also involved with the older public house, it's a cooperative bar in Granite Falls based on history and stuff. I just see what's happening with the other bars and restaurants. It's really difficult for them to plan. One week it is outdoor only, then we didn't even open until we could open inside, too. And we did get an area in the back, which was great, but now it's covered in snow, so that's not open anymore. For one of the few places, I'm not sure about the other restaurants in town, but I think some of them didn't follow the protocols as much as we try to do in our place. So, we took out half the tables, took the barstools away, and I we are just what's going happen when it gets colder out in the winter time. Is it going to shut down again? We are a cooperative, so it's not like we are trying to even -- and we have to make money, but we are not even like an owner business where it's our livelihood. We even have less -- we are stressed, so I can't imagine what it's like for somebody who owns a restaurant trying to make a living here. It would be nice, but I know that they are going by how many cases there are. So they can plan ahead.

Unfortunately all the indicators are not seemingly going the right direction right now.

Mm-hmm.

Any other thoughts on that question? Bill Aho, you are unmuted. Do you want to make a comment? Nice to see you, Bill.

Can you hear me?

Yes. You'll have to speak up a little, you are bit faint.

Is that better? Can you hear me?

Yes. Well... Some yes, some no.

Let me see...

Hello?

Can you hear me better?

Anybody? A few of you. If you are shaking their heads. Go ahead, Bill.

All right. Well, I have to go back to this question, as well. And that is, talking about cereal box, for me, what I hear, at least up here, is that the lodging or the hospitality business, even the local populace doesn't think highly of it. Or they don't see the benefit totally that we project. What is important to me, and what you had on the cereal box, was the pie. A dollar comes into a community, how is it distributed? They think lodging gets the whole dollar, or a significant portion thereof. But it's really spread out evenly. Retail, restaurants, et cetera. And I would like to bring that out further, to show the value. Up here we have taconite, timber, and tourism. Were an important ingredient of that economic mix. I would like to put that forward as to our value. Even our legislator, I remember years ago, they didn't realize this, but every year I would get from you folks a little pamphlet, or the cereal box, and I would give it to them, et cetera, or I would go to a Council meeting and give it to the councillors, et cetera, to show what we contribute to the economic mix. I think that is important. Also, as far as the COVID, this past year, in January, the first quarter, I started out gangbusters. But that was due to blue-collar, CN Railroad. And then the COVID came along, and we held our ground. And I was very happy about that. But we had -- I had a barbecue grill, a very small one. I went and doubled the size of it. Picnic

tables, et cetera. Last year we did some landscaping, and this year we finished up, we installed a pergola, and you would see that pergola was used quite extensively. Why? Because it's outside. People can sit down and converse, et cetera. Or they would bring over the barbecue and sit down on the benches I bought, et cetera, so that was a good move. It's just like the North Shore. It was gangbusters this year. Okay? People could get outside, and they weren't cooped in. They really benefited from this. So, but also, to continue through the year for us up here, I did see, oh, maybe in the summertime, the curve going down. I would get a spike, June, July, and August, but this year I got -- but people, especially seniors and leisure up here, we did not feel that effect as largely as the North Shore, for example. Okay? And it is continuing to go down. But, do I think, in talking with my guests, is that due to the lack of confidence? Lack of confidence totally with the seniors and families. When you've got the China virus, we need a vaccine. Once we get that vaccine, I think you'll see a spike the other way. Or a trend the other way, because they have some resource to protect them. Okay? So, basically, those are my comments.

Well, thank you so much, Bill. I think your comment about what we really need to show and spread out what the impact is of the loss of our revenue and leisure and hospitality industry is not just hotels. It's restaurants, its retail shops, it is communities, it is all throughout the state of Minnesota, it's having a huge impact, and that is the story that we definitely need to tell.

I believe we can show that on the cereal box. Not too heavy, but we can show the benefits, largely.

Right. Well, thanks. Thanks, Bill. I'm not sure if there are any other comments or people that would like to chime in, but we are going to give you an opportunity to say more after this call. These calls are extremely helpful for everyone at Explore Minnesota, to hear about the things you're dealing with, and to hear how we can get better as an organization. We are in this for the long-term. That is something that has become incredibly clear as we had four of these listening sessions, and thinking about the challenges all throughout the state. It's going to be with us for some time. It's evidently not business as usual. We really appreciate everybody's input, time on this call here today. I want to thank all my staff for their assistance in making everything work well. Unless there is anything else, I think we are just going to close it here. A little final note from Lisa, be sure you and your businesses are signed up for EMT express, the best way to get information and news about what's going on with Explore Minnesota. But don't wait for that. If you have any questions, feel free to give any one of us a call. With that said, thank you very much, everyone, for being part of this conversation. Hang in there, and I hope to see you in person sometime very, very soon. Take care, everybody. Bye-bye.