

House Commerce and Economic Development Committee

Testimony submitted by Steve Wright, President and General Manager Jay Peak Resort

4 June 2020

First of all, thank you for all the work you've all put into reviewing this stimulus package and reviewing the thoughtful comments of my colleagues. For as much as this is all uncharted territory for business owners it is equally so for legislators. I would spend more time thanking you here, but I'm the last to speak before the break and you know how that goes.

I run what is essentially the largest employer in the Northeast Kingdom with roughly 1500 employees at full capacity and more than 500 during our slowest periods. On March 13th we were the 1st ski resort in North America to officially shut down operations for the season and pared our staff down from 1385 to less than 50 in under 96 hours.

This week, I should have 750 people on payroll preparing for a robust wedding, hockey, waterpark, golf and conference summer. In reality, I have 38 people. Most of them security making sure we aren't vandalized.

Throughout this 3 month shutdown, we have survived by cutting back, eliminating, reducing and deleting, not verbs associated with growth and long-term prosperity but of survival and short-term triage. The VT ski industry has lost more than \$100m in 3 months and forthcoming periods look even more dire

To be clear, we do not WANT help; we desperately *need* it.

I'm asking for this both for Jay Peak who supports our region from both visitation, revenue and labor perspectives, AND for the VT ski industry in general. As we learn more about the plans for this stimulus funding, I am concerned that the process will be overly complicated and not drive the results we need.

I am also concerned that access to these funds, for companies the size of ours, will be difficult. Ski Areas in every corner of VT are the drivers and economic engines of those communities. While we seem to be appropriately focused on helping the smaller businesses that operate *within* these communities, we need

to make sure that these resorts, these community drivers, have that same focused support.

And these resorts, regardless of their ownership affiliation, are struggling. Most do not qualify for Federal PPP or Eidel grants because of their elevated employee numbers or topline revenue, but these employee numbers and top line revenue are EXACTLY why they need to be protected. Without them, without the energy we provide to our cities and towns, all the small business support in the world will not save our communities. In Jay and Montgomery 8 businesses have already closed their doors and will not reopen. Another dozen will not make it until August, and two dozen more will not survive until the winter without some measure of direct help but, as important, without the direct energy that comes from a successful, thriving Resort up the road.

In order for this success we need two things. We need access to these grants and to loans that are easily accessible, without encumbrances related to FTE minimums, and are quickly and easily dispensed.

Assuming that, we need the \$5m worth of proposed marketing stimulus to be weighted more heavily toward down country marketing spearheaded by Commissioner Pelham and her team at VDTM.

While I don't deny the possible upside of some measured amount of direct business stimulus through various local marketing programs, there is far, far more upside in a coordinated marketing campaign aimed at down country visitors who are ready to travel. The present suggestion is for these \$5m dollars worth of stimulus funds to weight more heavily locally, and assigning only roughly 25% toward expensive but effective down country marketing. At worst, this ratio needs to be turned on its head so that when the spigot we've heard so much about is finally turned, we all have the ability to drink as much and as fast as possible- because our tourism industry in general, and our ski industry in specific, is dying of thirst and it's time to drink.

Thank you.