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May 25th, 2020
Governor Phil Scott
Vermont Governor's Office
109 State Street, Montpelier, VT 05609

RE: COVID-19 - Vermont Tourism, Wedding Industries Reliant on Survival of Rental Companies Requiring \$12M in State Aid

Dear Governor Scott,

I want to begin by thanking you for your tireless efforts in fighting the COVID-19 pandemic. I am proud to be a Vermonter, living in a state where the strength in the fibers of the Vermont community at large remains abundantly clear. Your cautious and calculated steps in reopening have begun to shine a light that business after COVID-19 is possible. For some, anyway.

Vermont rental companies are facing a demise which will result in a catastrophic ripple effect for Vermont's \$2.8B tourism and \$164M wedding industries. The current \$400M financial relief plan, while a great fit for some businesses, is not weighted correctly for sustaining this segment due to the length of time they've been forced to close and the cap on the dollar amount available, which is far too low to even come close to satisfying the need. It is imperative to identify the rental companies as requiring additional need as funds begin to be allocated for the survival of the tourism and wedding industries and the Vermont economy. They are the very base of a delicate house of cards. In order to survive, the Vermont rental industry needs \$12M to cover the bare-bones fixed costs they are subject to in order for them to survive to see 2021.

Rental companies in Vermont - of which there are less than a dozen - provide infrastructure like tenting, tables, chairs, audio/visual, lighting, generators and so on. They carry some of the largest overhead expenses which provide infrastructure from some of Vermont's largest events, tourist attractions and arts/cultural activities. Some examples: Burlington Wine & Food Fest, Grand Points North Festival, UVM Graduation, Middlebury Graduation, Green Mountain Bluegrass & Roots Festival, Burlington JazzFest, the multiple brew fests across the state whose attendees are in large part out-of-state visitors. These companies are far too leveraged to take on more debt in the way of loans, grant opportunities must be an available option. Moreover, the barriers to entry are far too great for any new business to replace them. These companies have millions of dollars in inventories, warehouses, trucks, insurance policies just to fulfil the business demand. Additional help by financial institutions are limited by FDIC regulations thus, third party lenders are reluctant to help.

Collectively, the twelve companies in Vermont are holding around \$2M in advanced reservation deposits, which due to a lack of forecasting group gathering restrictions by the state, and fear in gathering by the public, are being put into contractual disputes due to cancellation and/or postponement of events up through May 2021.

Rental companies, much like the wedding industry as I have addressed in a previous letter, make the majority of their revenues in a seasonal period. The PPP relief loans, while they were mildly helpful, came at a time where the season had not begun and there was no chance of work with the tidal wave of pandemic. These seasonally oriented companies couldn't employ a full staff, for which the forgiveness rate was based upon. At the present time, rental companies in Vermont are forecasting a 90% decrease in annual gross revenues for 2020, many of these events postponing to 2021 thus limiting any substantial new business until 2022.

Thank you, Governor Scott, for your time and attention to this matter. We appreciate your consideration of this industry segment, the vast foundation they supply to Vermont Tourism and wedding industries, and the cultural necessity of arts and entertainment to the lives of Vermonters and visitors alike.

Sincerely,

Lindsey Leichthammer

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On behalf of the Vermont Association of Wedding Professionals Board of Directors:

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