

Kyle Kramm

From: Suresh Patel <suresh@itcorpusa.com>
Sent: Thursday, April 23, 2020 8:14 AM
To: josborne@guadalupead.org
Cc: dkeil@seguintxas.gov; Kyle Kramm; Peter Snaddon; bob-patel@hotmail.com; Keyur Shah; Jay Patel; Pradipupa2013@gmail.com; Pete Patel; james.guerro@marriott.com
Subject: Seguin Hotes owner tax Property tax and Other economical help

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As a representative of the hoteliers, I am writing today on behalf of the hospitality industry in the City of Seguin in the wake of the Coronavirus (COVID-19) outbreak. Please see list below for hoteliers that I have been in communications with concerning this letter.

Hoteliers are suffering severe financial distress and face unique challenges for the hospitality business which has in turn affected our ability to pay debts, payroll, accounts payable, and other overhead expenses. Our customer base mainly consists of events, corporate, sports travel, Schlitterbahn Waterpark, and the San Marcos Outlet Center. Since restrictions were imposed, our hotels occupancy has declined by 95% just in the month of March.

Majority of the hotels are in single digit occupancy. We expect a decline of 90% in April 2020 and 90% in May 2020. We are not sure what will happen in the summer, which is generally the busiest season. Also our future is uncertain because if they do not find a vaccine, our hotel industry is not going to be the same. We are afraid for the near future in 2020. According to economics, USA is not going to be back to normal until 2023. This virus is going to change people's lifestyle and future of lots of small businesses. Our business is depended on a month by month income. For example this month's occupancy helps us to pay for the next month's bills.

The City of Buda has taken a proactive approach and has been in communication with the Hotel owners and hospitality industry leaders form the very beginning of Coronavirus (COVID-19) outbreak. Just recently, the City of Buda has enacted a Hotel Occupancy Tax Emergency Payment Deferral + Forgiveness Program.

- The Buda City Council took measures at the March 20, 2020 City Council meeting to defer hotel occupancy tax payments for March 20, 2020 and April 20, 2020 for 60 days with an effort to support all hotels in good-standing with the City of Buda Hotel Occupancy Tax Fund. On April 7, council voted offer up to \$5,000 in forgiveness for deferred hotel occupancy tax payments. This program has an aggregate of \$45,000 available for hotel occupancy tax forgiveness. Read further at: www.ci.buda.tx.us/665/Still-Budafull-Stimulus

We humbly request financial relief on behalf of the City of Seguin hotel owners; summarized in the following 3 items below:

1. Relief in Hotel Occupancy Tax for minimum of 120 days effective this month. Reconsider extension if the situation does not improve after 120 days. HOT revenue has been bringing over hundreds of thousands annually to the city and this is the time we need help or there will be permanent business closures. This will really help on much needed cash flow to stay in operation.

2. City of Seguin to consider decreasing energy per usage rates for 120 days. Maybe there is a short-term solution for a 120 days period to help our Hotel retain staff and stay in operation.

3. Work with Guadalupe County to keep 2020 Property tax rates 80% lower than 2019 on all Hotel and accommodation establishments. We anticipate that the Hotel and accommodation establishments will see a drop in revenue of 70% at a minimum due to the Coronavirus (COVID-19) outbreak. We understand that we will have to reassess the evaluations 6 months after the Covid-19 outbreak is over when we see total damage compared to 2019. This is the largest ticket expense and there is not enough cash flow to cover the tax bill based on previous valuation.

The hospitality industry in the City of Seguin and hotel owners are requesting a meeting with City of Seguin leadership, CVB and City Council to discuss further and find common solutions to support our industry during the Coronavirus (COVID-19) outbreak. We understand that the City of Seguin faces many challenges and is trying to help, but what has been done in the past does not go nearly far enough to support the vast majority of tourism and hospitality businesses who are in the eye of the storm. We are committed to our businesses and our employees and look forward to finding a solution together with the City of Seguin. The industry is no doubt facing a situation that will take a concerted effort by owners and the government to overcome.

Thank You for your leadership during this challenging time. Please contact me with any questions.

Sincerely,
Suresh Patel