WALTON COUNTY, FLORIDA
Board of County Commissioners

WN "Bill" Chapman, District 1, *Chair*
Danny Glidewell, District 2
Melanie Nipper, District 3
Trey Nick, District 4, *Vice-Chair*
Tony Anderson, District 5

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May 11, 2020

Governor Ron DeSantis
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001
GovernorRon.DeSantis@eog.myflorida.com

Dear Governor DeSantis:

On behalf of the Walton County Board of County Commissioners, and upon a unanimous vote of the Board of County Commissioners in regular session, May 12, 2020, I write to urge you to lift the restrictions that ban short term vacation rentals from doing business. Walton County's economic health, and the livelihoods of a large percentage of our total population (less than 80,000 people, where tourism directly supports more than 20,000 jobs) depend on short term vacation rentals and the associated financial impacts to survive.

In our tourism center of South Walton (including neighborhoods such as Seaside, Rosemary Beach, Alys Beach, Sandestin, Miramar Beach, Grayton Beach and many others), short term vacation rentals account for 87percent of our total lodging inventory. Even though current conditions allow hotels and resorts, accounting for a very small percentage of visitor accommodations, to accept visitors, our main economic engine has essentially been idled for two months, of which are among the highest revenue producing months of our economy

We have conducted two consecutive economic surveys of our partners (full report attached), and currently 35 percent of all our tourism-related businesses have laid off 80 percent of their employees, with a majority of these employees residing outside the tourist district, but able to take advantage of it for their livelihood. It is projected that if conditions continue unchanged for another two months, 42 percent of all tourism businesses in Walton County will be forced to shut their doors permanently.

Annually, visitors to Walton County pay more than 67percent of all County taxes generated, account for more than 77 percent of all retail spending in the County and generate a total economic impact of 5.2 billion dollars. As our research shows, by mid-April revenue for Walton County tourism businesses was already down 90 percent. Over 70 percent of our tourism businesses have applied for financial stimulus, but only about 30 percent have received any.

In short, a continued ban on short term vacation rentals in Walton County is tantamount to knocking down the key pillar of our economy, which will cause the rest of our infrastructure to collapse as well. Further it will destroy the livelihood of thousands of County residents leaving them with no options to replace their employment and income. The only solution is to allow our people to return to business and work immediately, yet safely. (The County has 66 active COVID cases, the last 30+ cases have been in a long-term care facility, with the last general population positive case being identified on April 24, 2020.) Walton County relies on short-term vacation rentals to facilitate and support our tourist industry, which is by far the County's economic engine that provides most of the revenue for all private and public functions within the County. Given that we have very little infrastructure of traditional hotels, motels and resorts we pray that you will see the importance and immediacy of this request and respectfully ask that you consider our dire condition when deciding the appropriate time to take the next step in opening the State's economy, giving ours and other Counties a chance to survive this pandemic and to once again, though it will take time, thrive economically.

Sincerely,

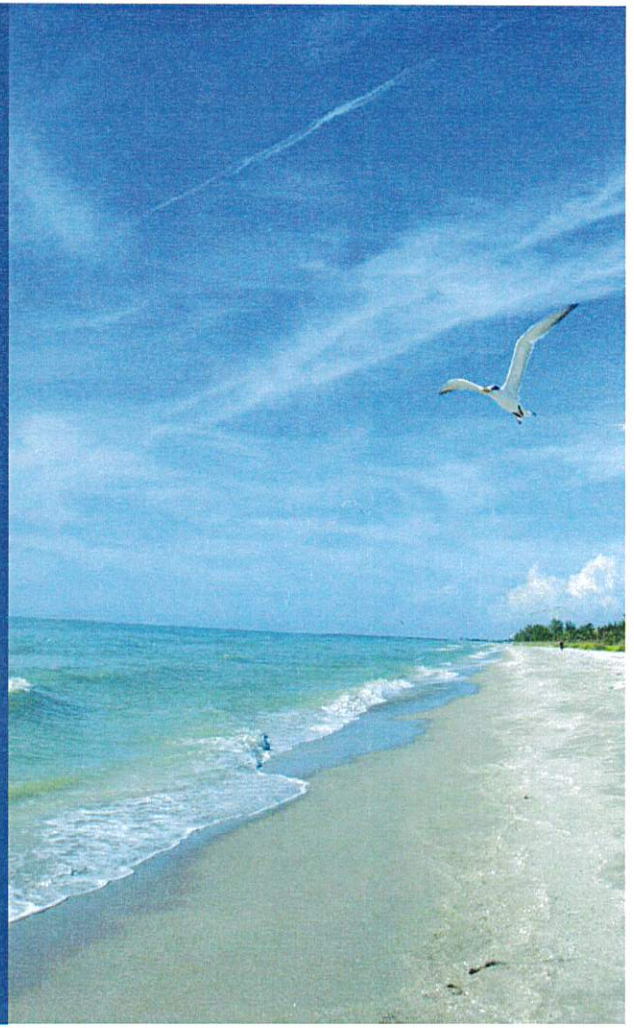
W. N. Bill Chapman, Chairman
Walton County Board of Commissioners

Attachments

COVID-19 Impact on Walton County Tourism

May 1st 2020

Destinations Florida and Downs & St. Germain Research



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Study Purpose & Methodology

- This study is designed to track the impact of COVID-19 on the tourism industry of Florida. This report focuses on Walton County.
- Wave 1 – March 19th
  - 163 tourism businesses responded.
- Wave 2 – April 15th
  - 220 tourism businesses responded.
- This study is a collaboration between Destinations Florida and Downs & St. Germain Research, which donated its time and expertise to this project.

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Value of Tourism in Walton County

Tourism in Walton County & COVID-19: Overview

- Visitors to Walton County spent $3.5 billion in 2019; anticipated spending $3.8 billion in 2020 before COVID-19
- Total economic impact was $5.2 billion in 2019
- 23,700 jobs in Walton County were supported by tourism in 2019
- Tourism accounts for 75% of Walton County's economy

Tourism in Walton County & COVID-19: Economic Impact

Spring season accounts for 25% of South Walton's tourism

- Estimated Spring season losses to Walton County from COVID-19:
  - $575 million in direct spending from visitors will be lost through May under current conditions
  - 10,000 jobs will be lost under current conditions through May

Summer season accounts for 50% of South Walton's tourism

- Estimated Spring & Summer season losses to Walton County from COVID-19:
  - $1.925 billion in direct spending from visitors will be lost from March through August under current conditions
  - 15,000 jobs will be lost from March through August under current conditions

The Tourism Industry & COVID-19 - Overview

The economic pain COVID-19 has caused the tourism industry has increased dramatically:

- Occupancy:
  - -58% points in mid-March vs. -68% points in mid-April
- Average bookings 30-days out:
  - -73% in mid-March vs. -63% in mid-April
- Average bookings 60-days out:
  - -49% in mid-March vs. -52% in mid-April
- Revenue for tourism businesses:
  - -55% points in mid-March vs. -90% in mid-April
- Profit for tourism businesses:
  - -59% in mid-March vs. -90% in mid-April

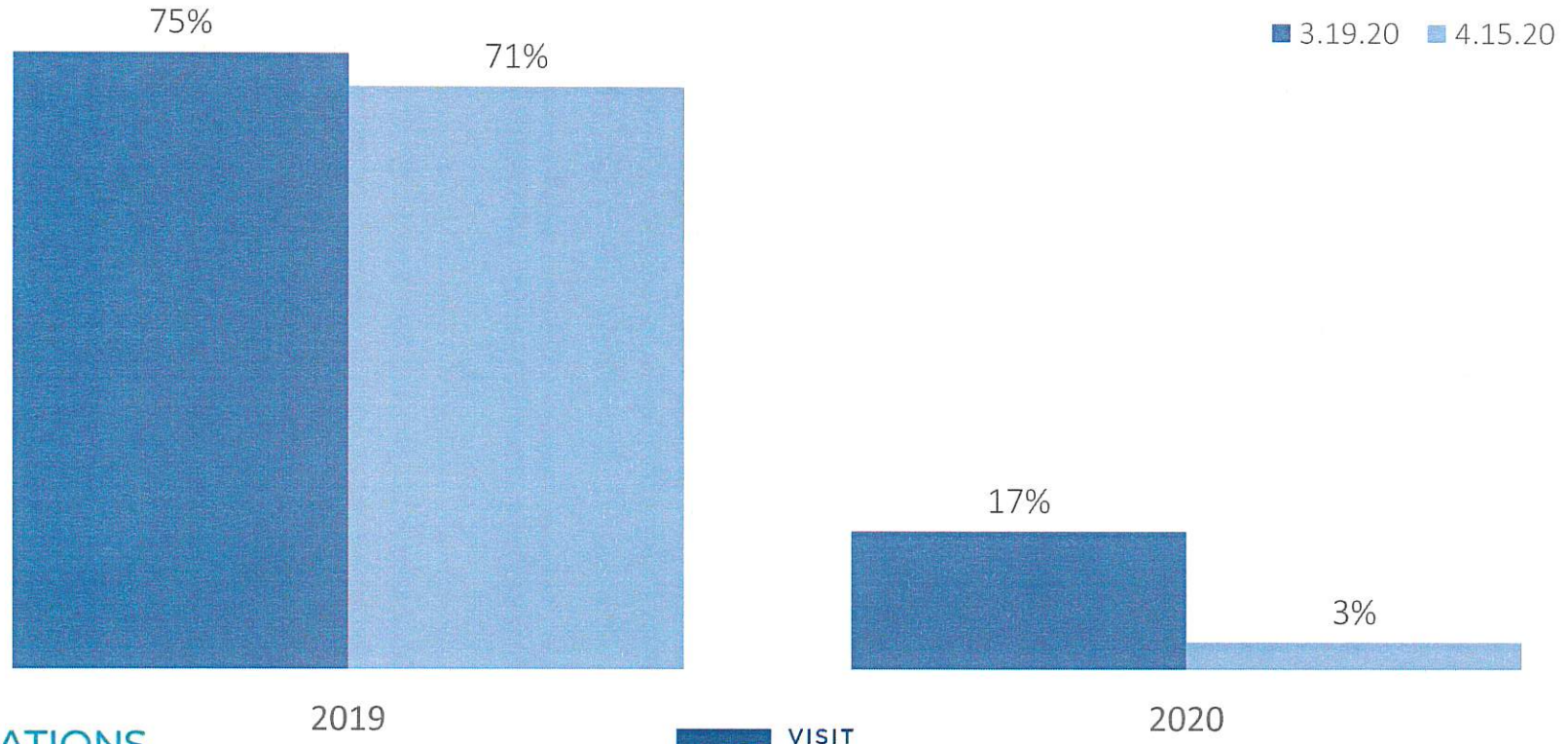
The Tourism Industry & COVID-19 - Overview

Help is not coming

- Only 3% of tourism businesses in Walton County are operating at full capacity
- 71% of tourism businesses have applied for financial stimulus; only 30% have received it
- Continued restrictions on restaurants, retail establishments and short-term rentals negatively affect the tourism industry's ability to recover

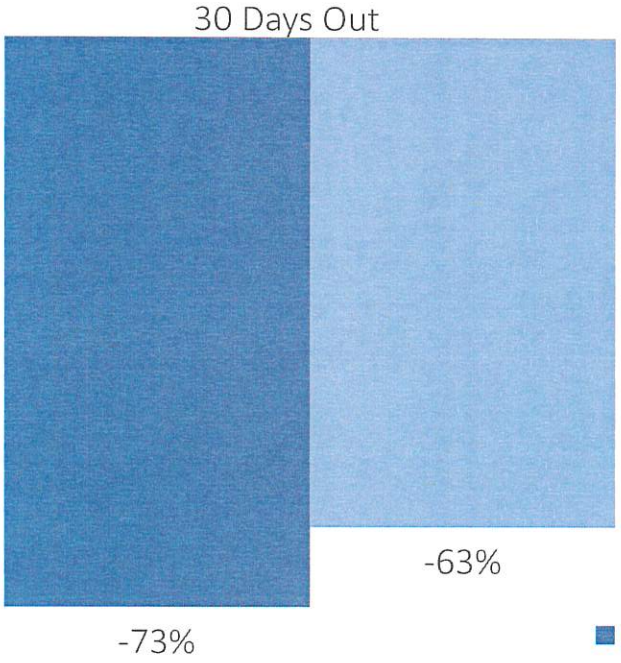
Average Occupancy: 2019 vs. 2020

58% points – Average annual occupancy drop as of March 19
68% points – Average annual occupancy drop as of April 15

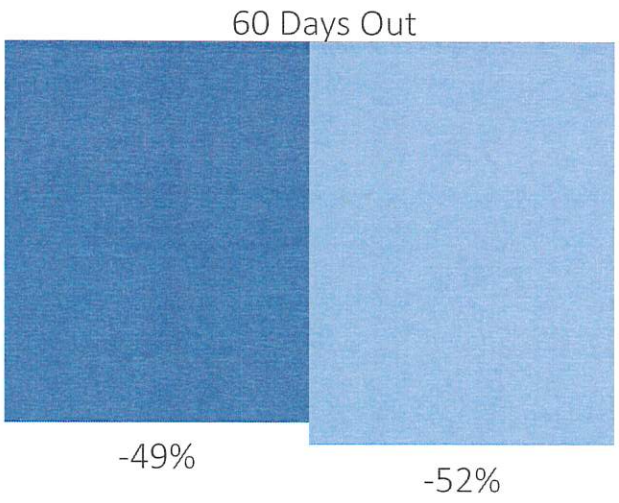


Bookings: 2019 vs 2020

As of March 19, average bookings 30-days out were down 73%; this changed to 63% down by April 15.

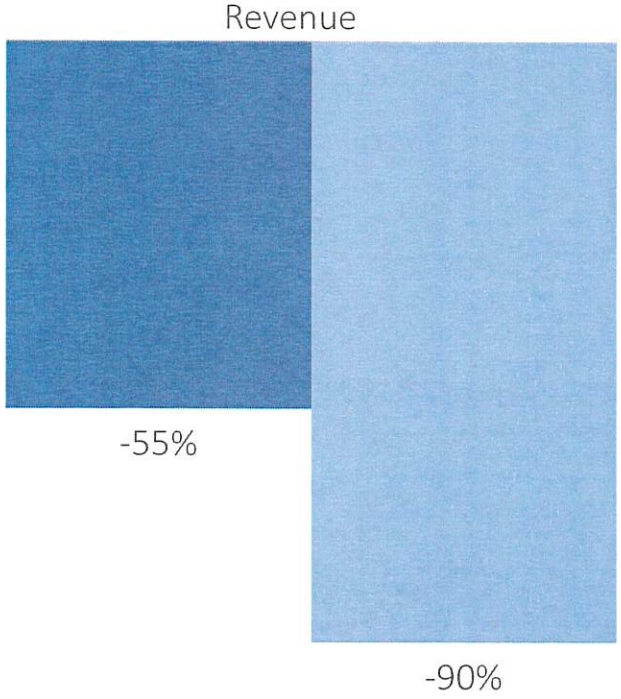


As of March 19, average bookings 60-days out were down 49%; this changed to 52% down by April 15.

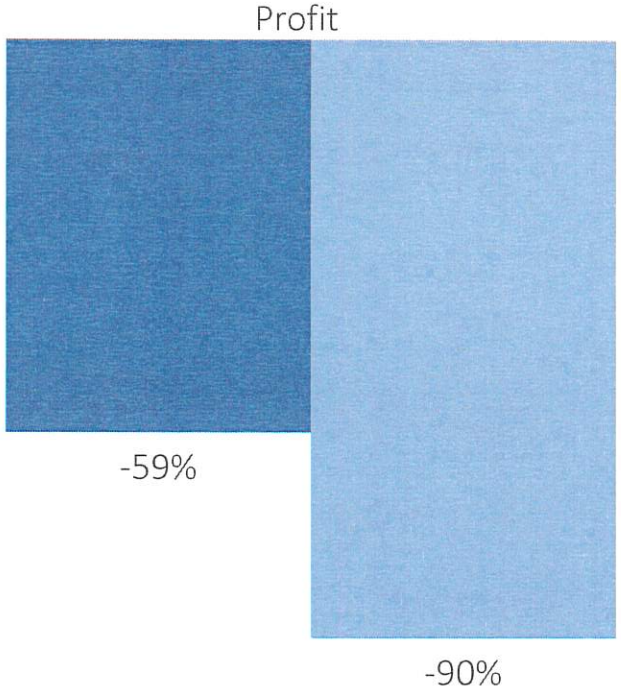


Revenue and Profit: 2019 vs. 2020

As of March 19, revenue was down 55%; this changed to 90% down by April 15



As of March 19, profit was down 59%; this changed to 90% down by April 15.



3.19.20 4.15.20

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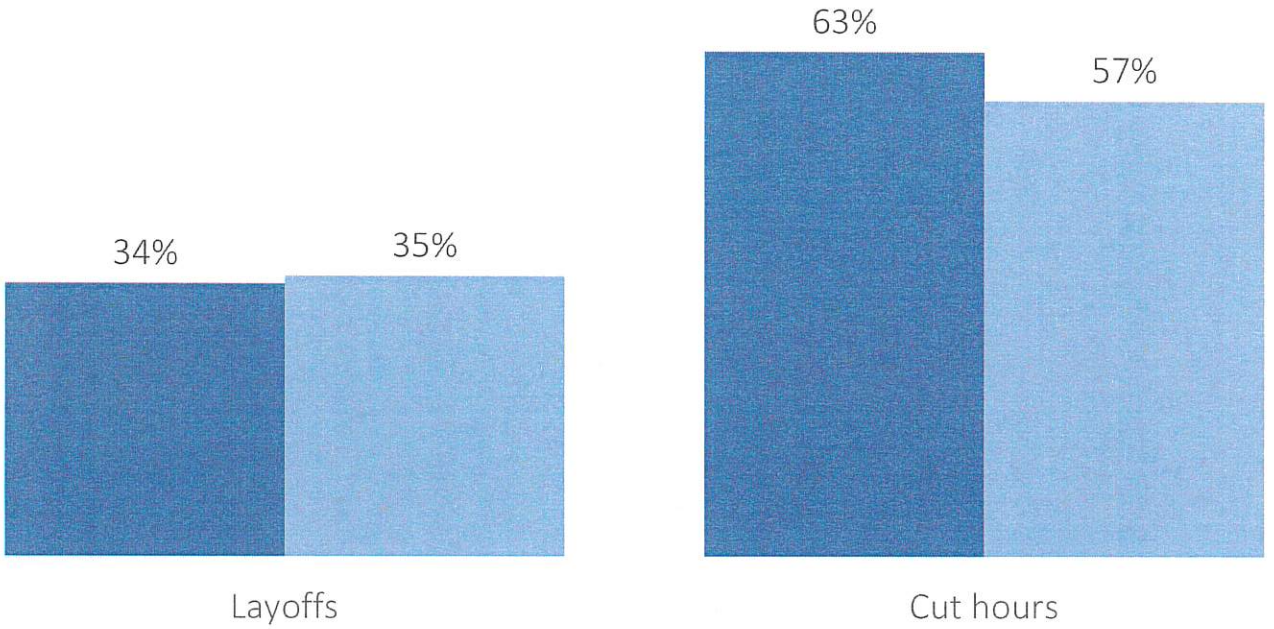
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Layoffs & Hours[1]

35% of firms[2] laid off employees: Those firms laid off, on average, 80% of their employees

Have you laid any employees off or cut employees hours in the last three weeks?

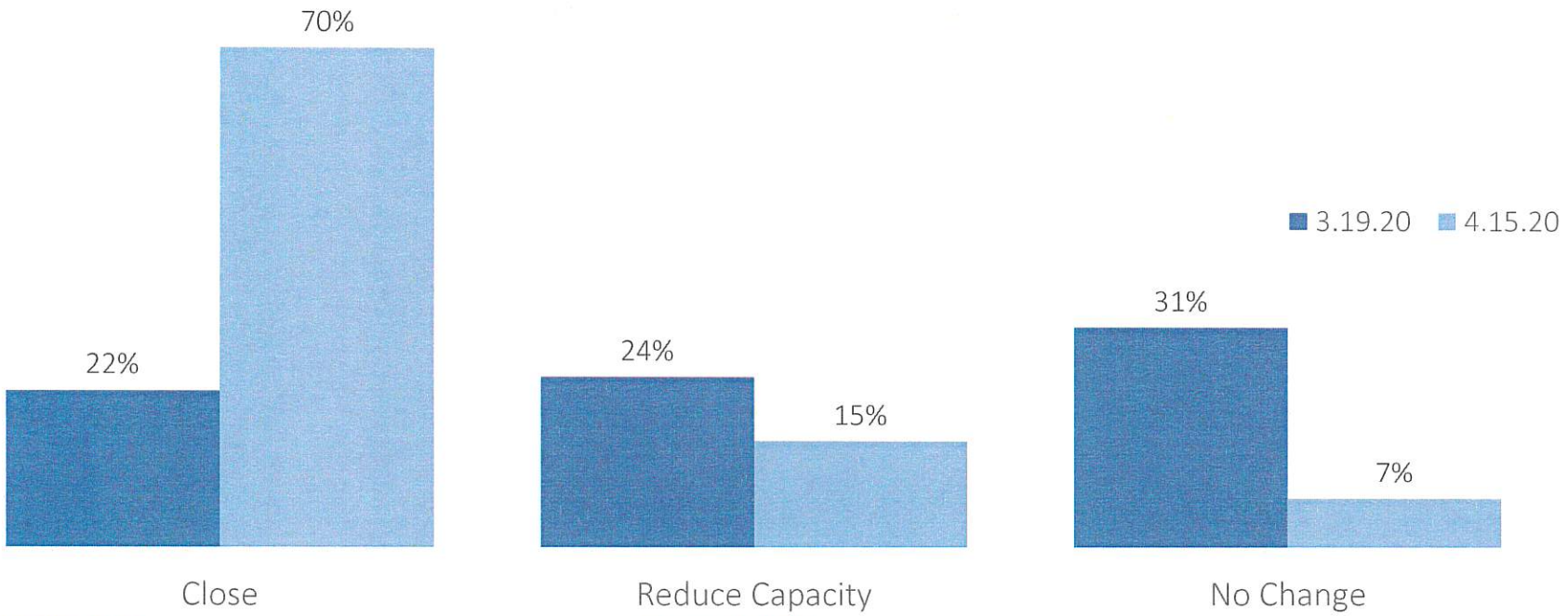


[1] Laid off or cut employees hours in the past three weeks
[2] Firms that have not closed

Government Required Actions

Since March 19, more businesses (70%) have been closed by government than were closed prior to that date (22%). Conversely, fewer businesses (15%) have been forced to reduce capacity during April.

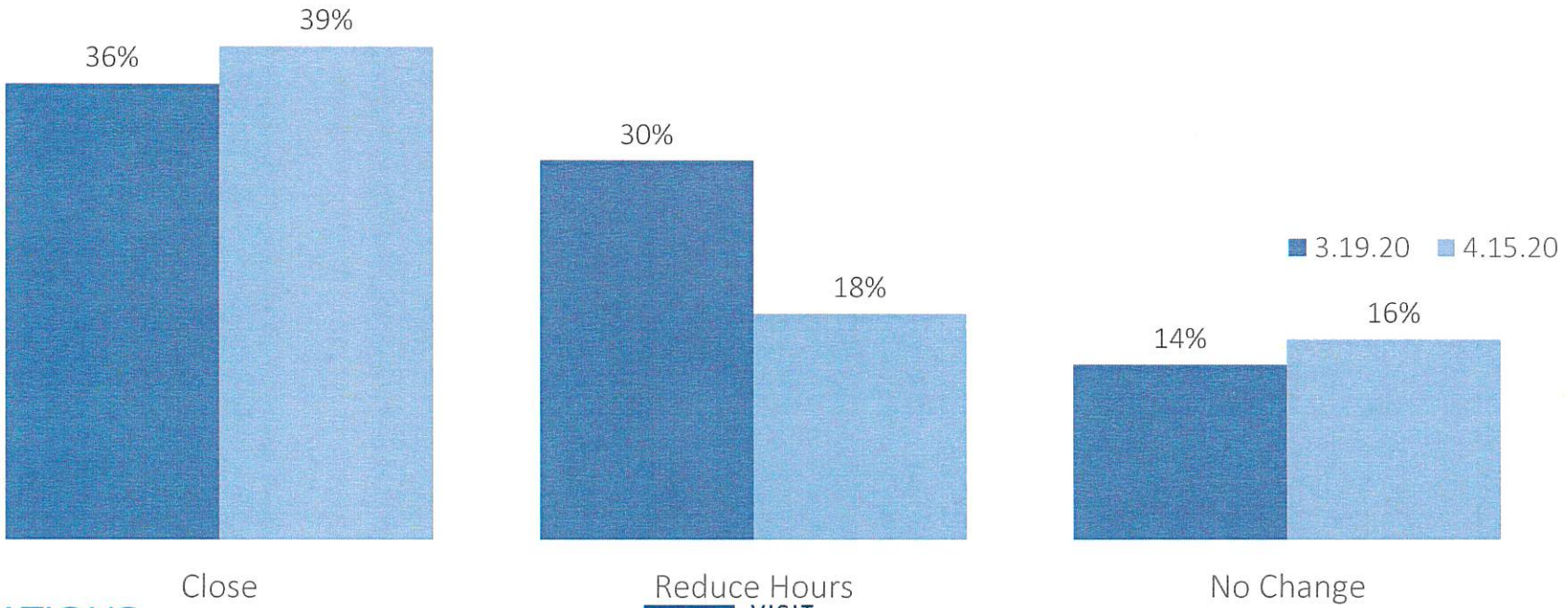
Because of COVID – 19, have you been required by government agencies to:



Voluntary Actions

Since March 19, more businesses (39%) have voluntarily closed than closed prior to that date (36%). Conversely, fewer businesses (18%) have been forced to reduce capacity during April.

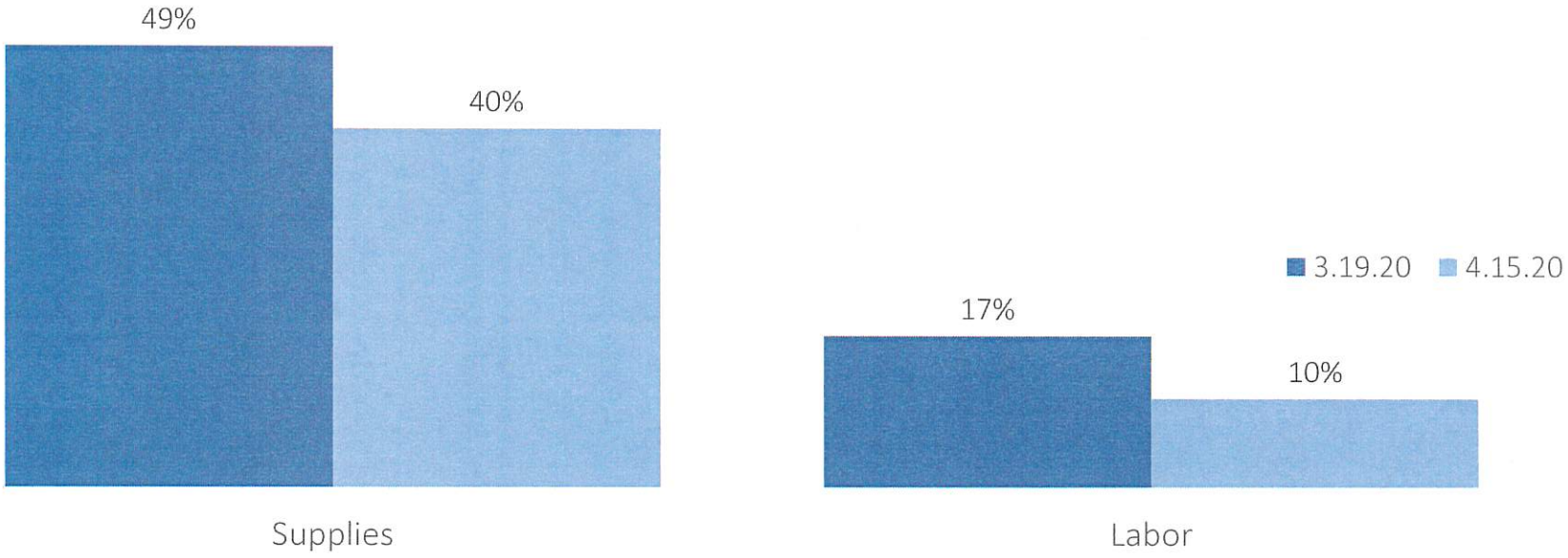
Because of COVID – 19, have you decided on your own to:



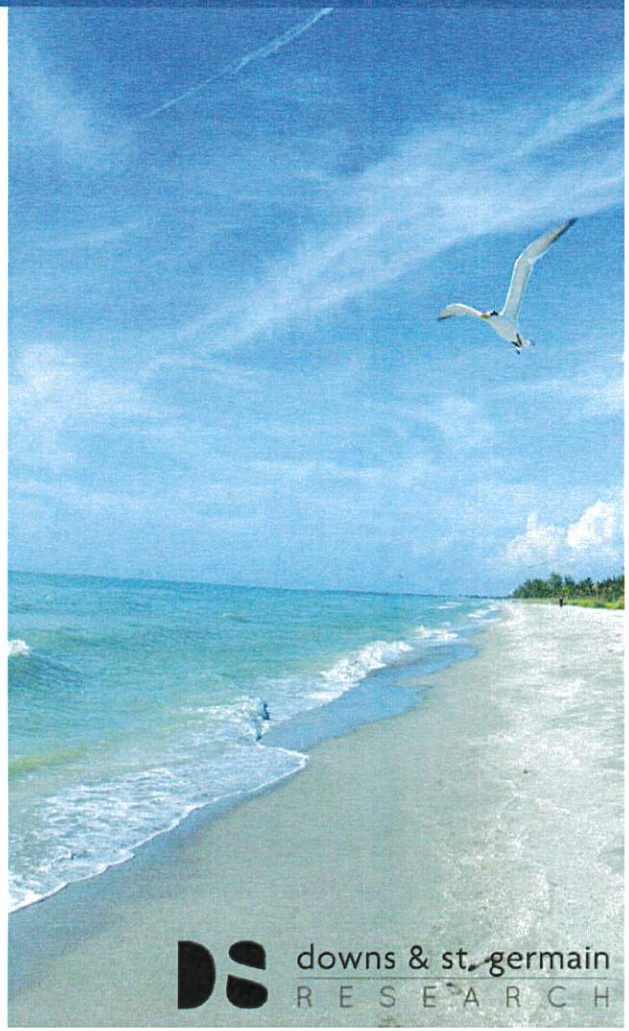
Supplies and Labor

Fewer businesses in mid-April (40%) had difficulty finding supplies than in March (49%).
Labor shortages were also less acute in April.

Have you had difficulty securing critical supplies or have employees report to work in the last three weeks?



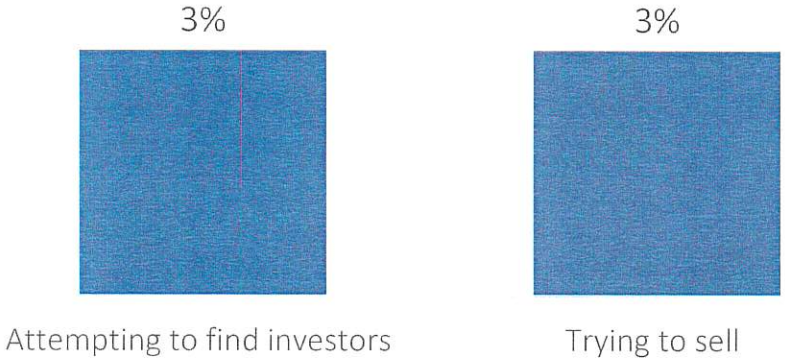
Walton County Tourism Businesses



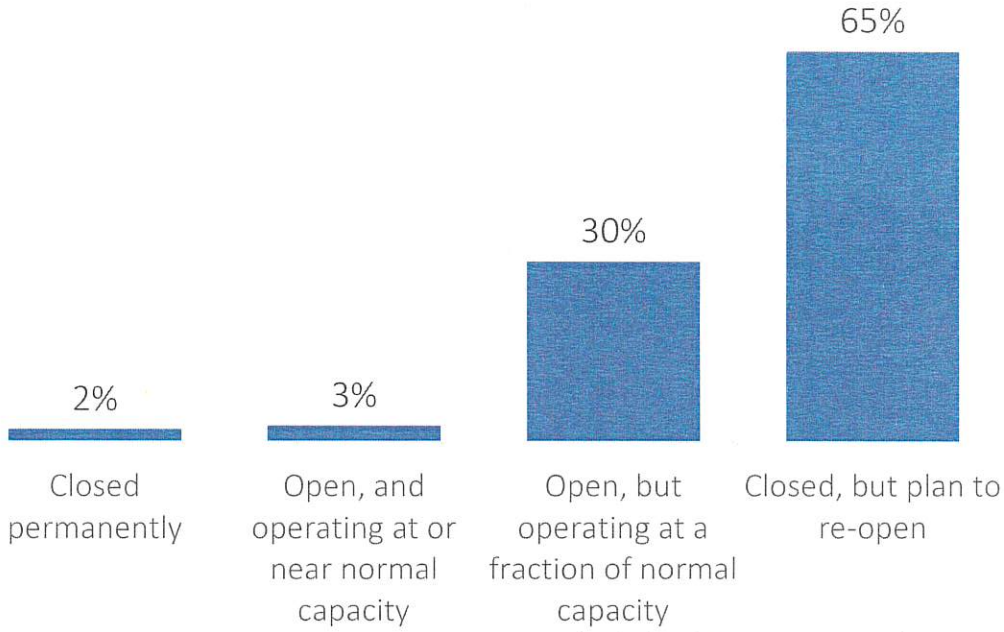
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Business Operations[1]

Are you actively trying to sell your business or find investors or partners?



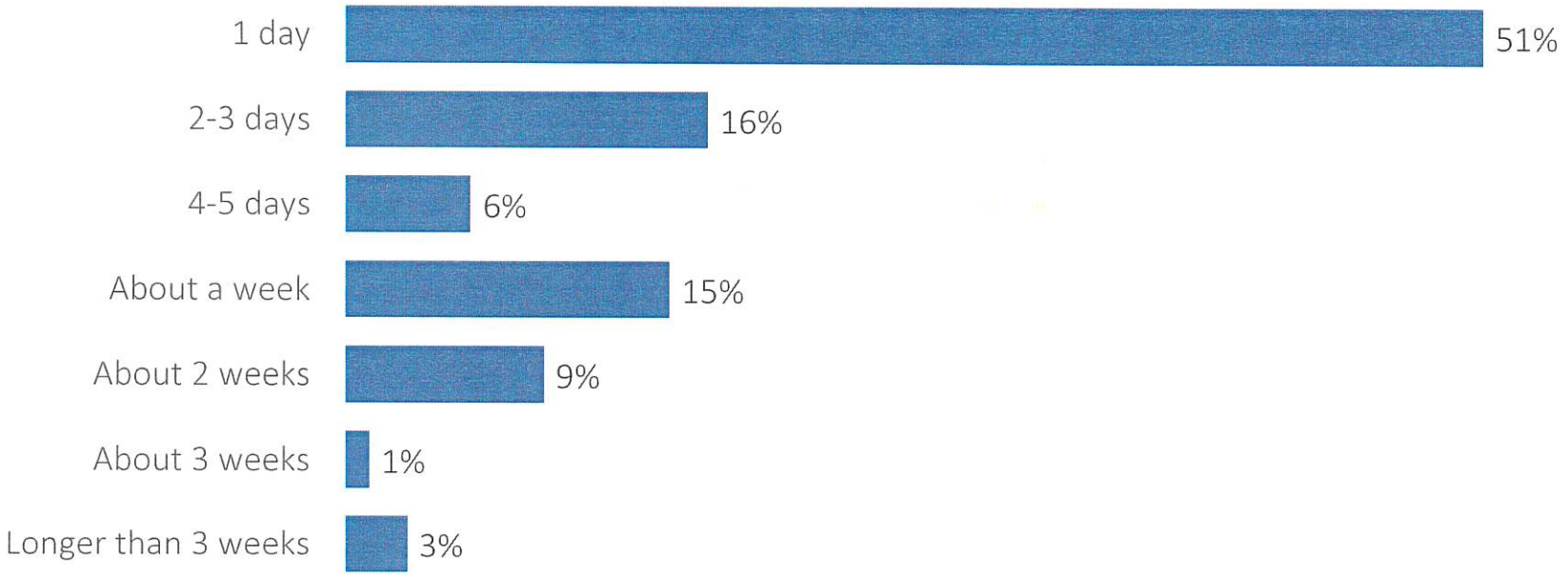
What is the status of your business during the COVID-19 crisis?



[1]Asked only in Wave 2, April 15, 2020

Business Operations[1]

When the order is given to reopen the economy, how much lead time will you need to prepare for re-opening?

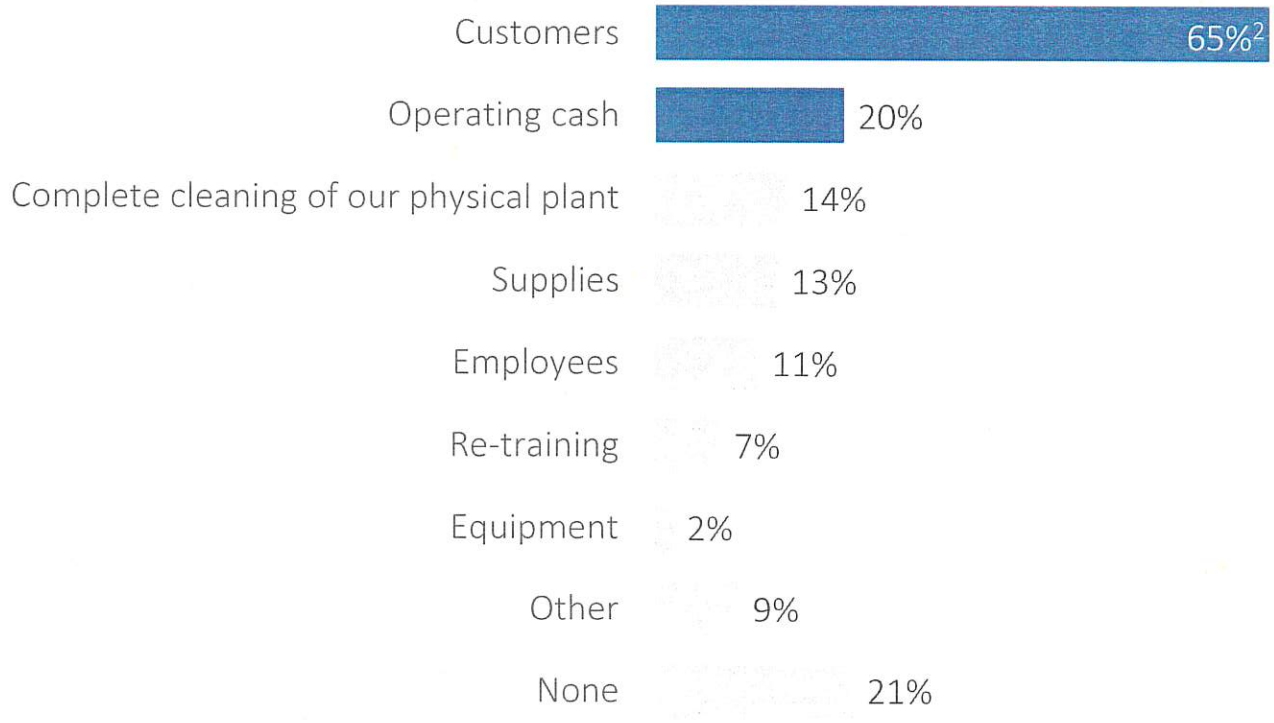


[1]Asked only in Wave 2, April 15, 2020

Business Re-Opening[1]

65% of business say lack of customers would delay re-opening, while another 1 in 5 business say they are not lacking anything that will delay re-opening.

What are you lacking that will delay your re-opening?

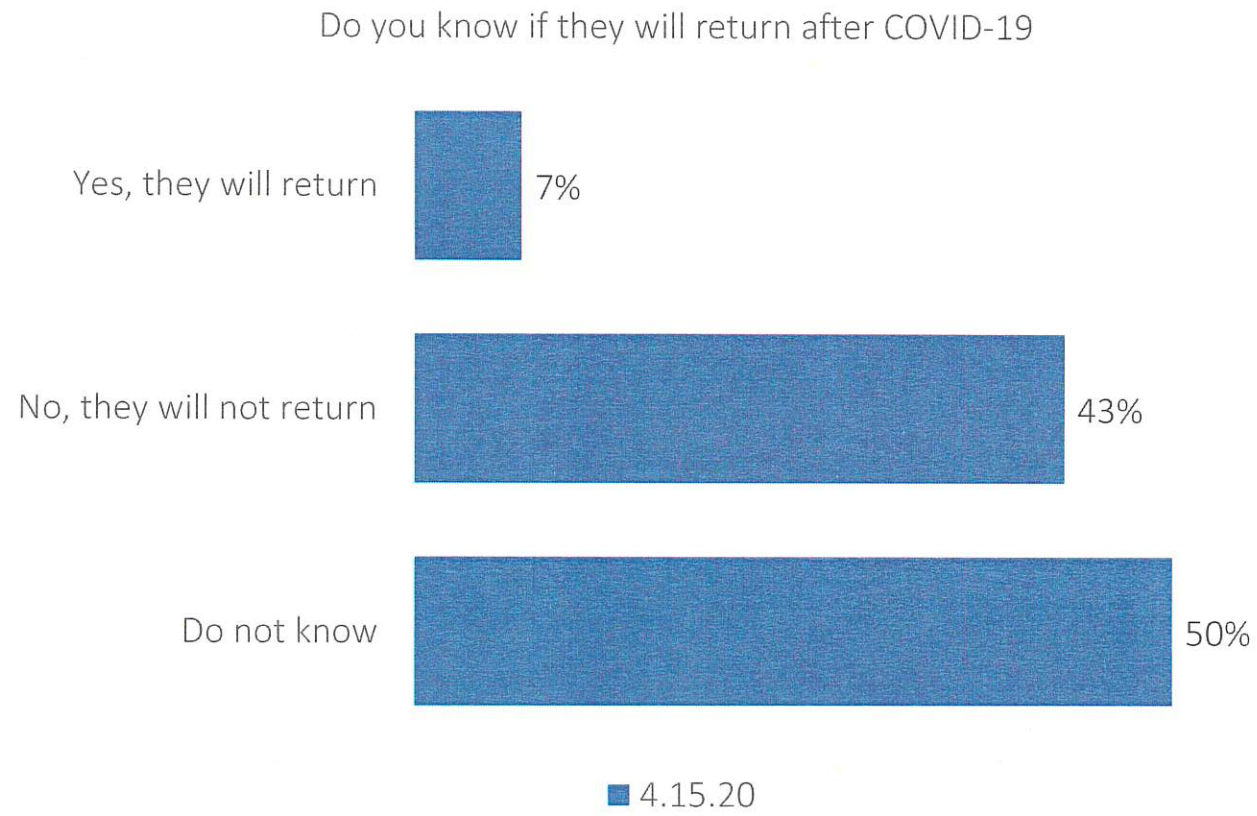


[1]Asked only in Wave 2, April 15, 2020
[2]Multiple responses permitted

Employees Leaving the Area[1]

7% of business say laid off employees have left the area due to COVID-19.

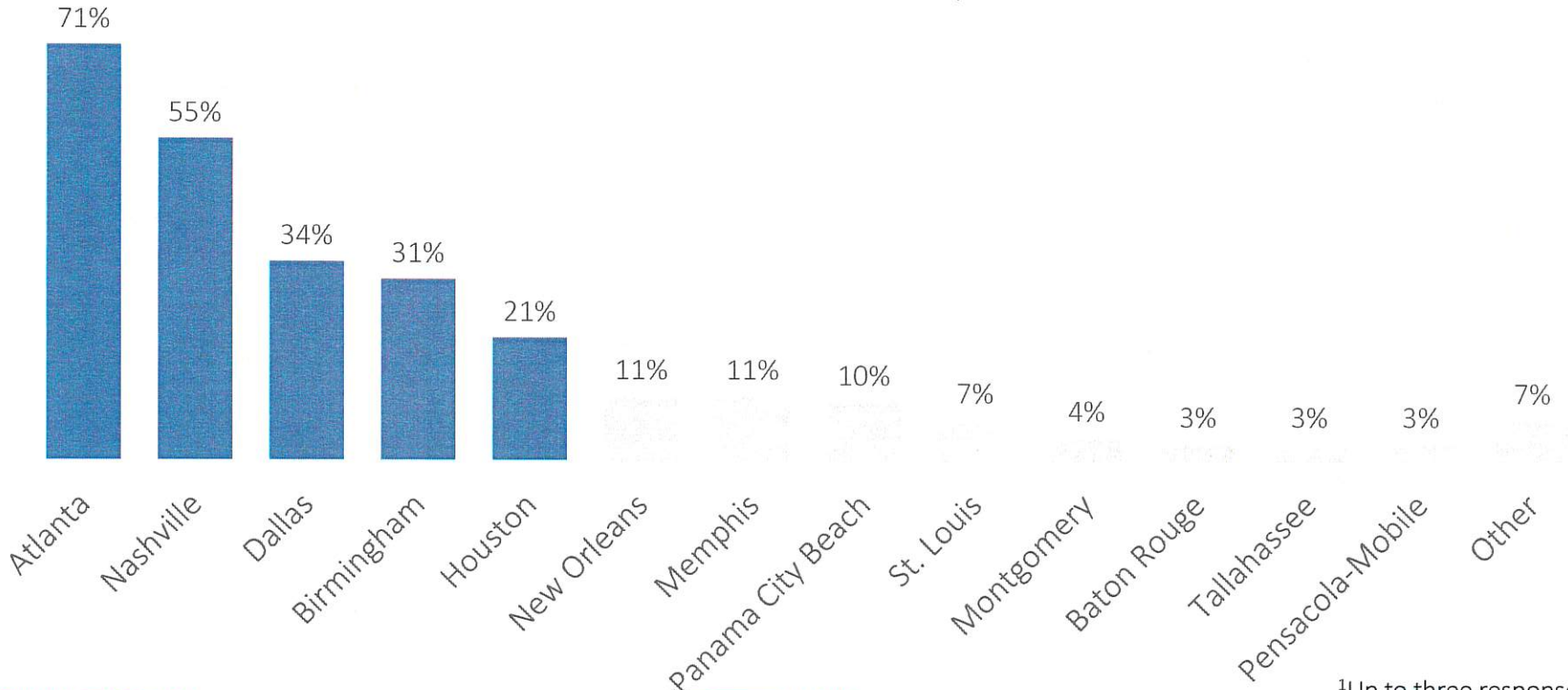
Almost half of businesses say laid off employees who left the area will not return.



[1]Asked only in Wave 2, April 15, 2020

Marketing focus by Visit South Walton[1]

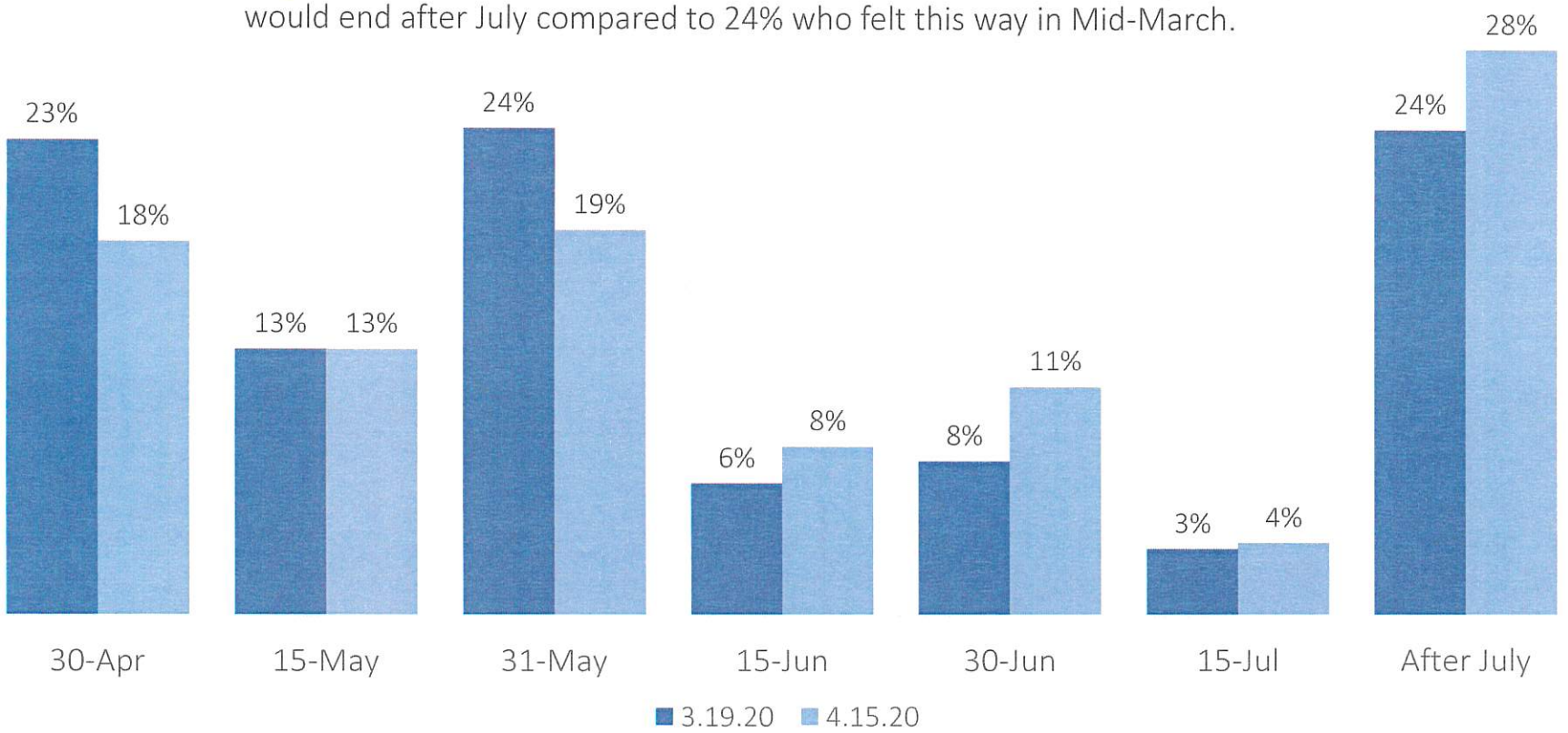
Which markets should Visit South Walton focus its marketing on that will lead to the fastest recovery?



[1]Up to three responses permitted

When Will COVID-19 End

Tourism business executives were less optimistic in mid-April as 28% thought COVID-19 would end after July compared to 24% who felt this way in Mid-March.

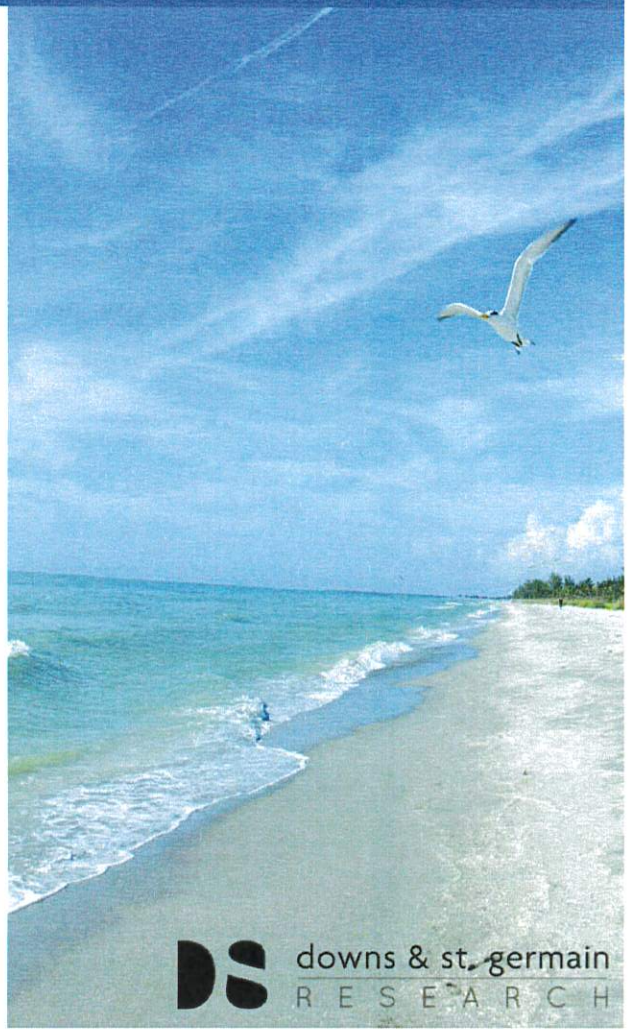


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Financial Stimulus



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COVID-19 Financial Stimulus[1]

71% of businesses applied for financial stimulus.



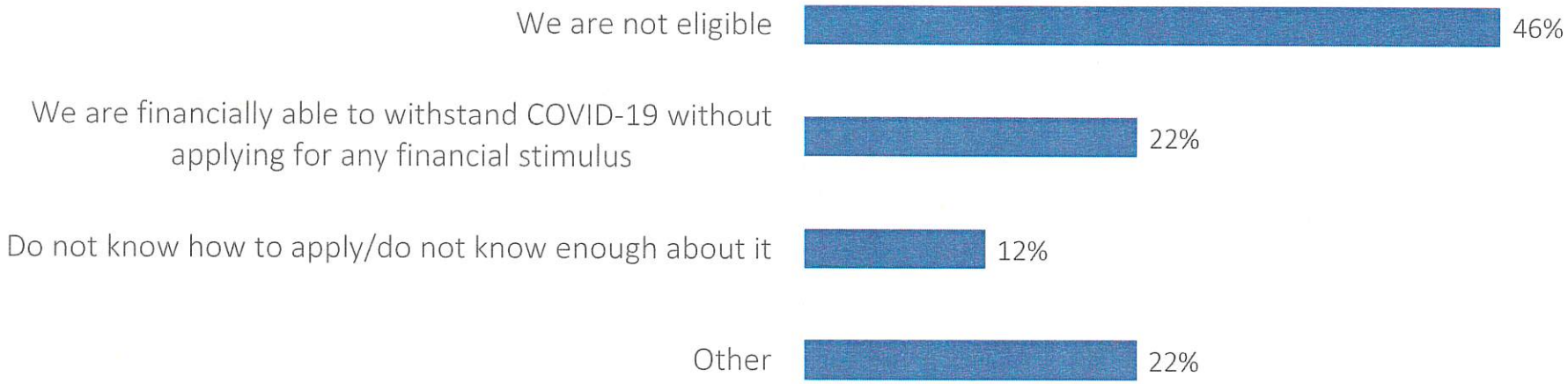
30% of those who applied have received funds.



[1]Asked only in Wave 2, April 15, 2020

COVID-19 Financial Stimulus[1]

Why have you not applied for financial stimulus?



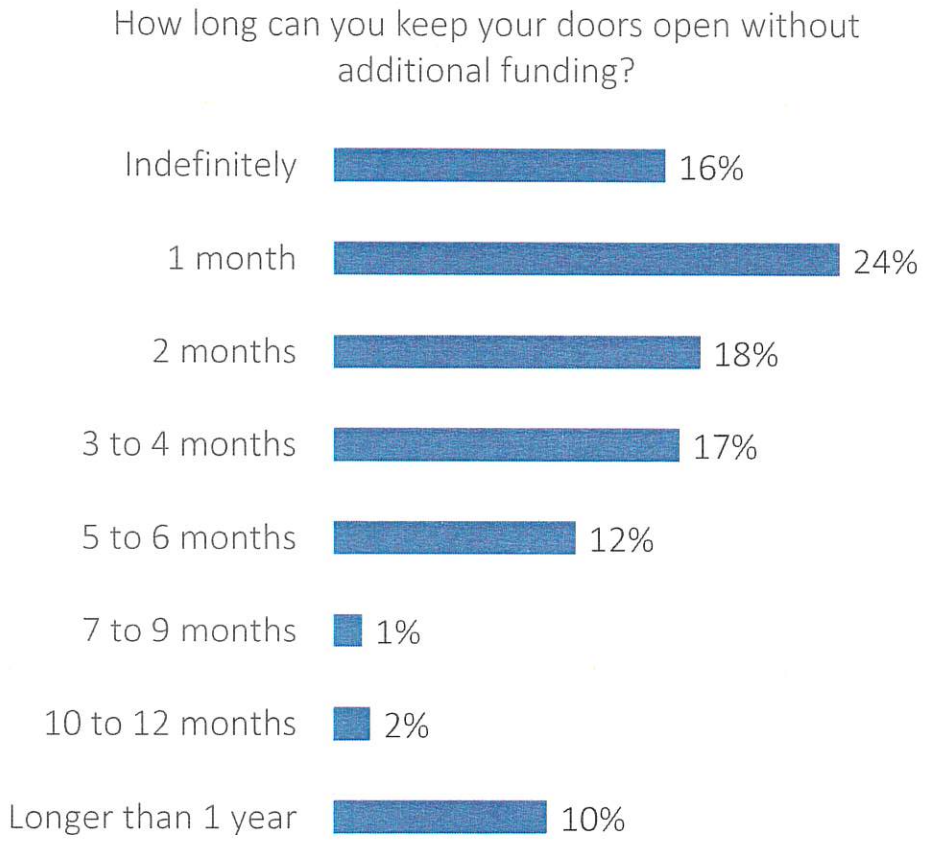
58% of businesses have a clear understanding of what percentage of COVID-19 stimulus dollars will be forgiven

[1]Asked only in Wave 2, April 15, 2020

COVID-19 Financial Stimulus[1]

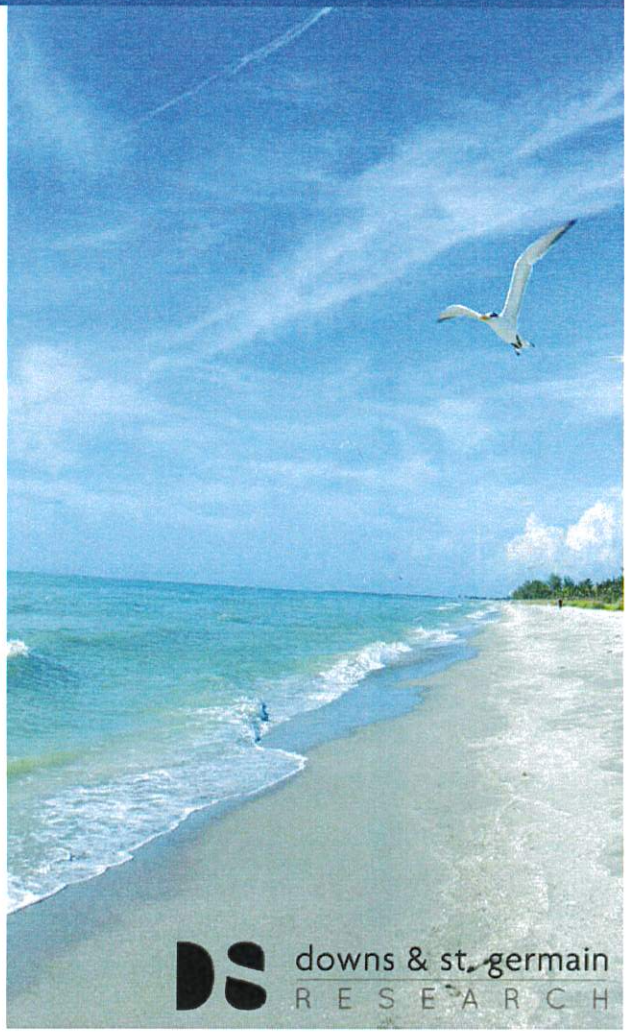
16% of businesses say they can keep their doors open indefinitely

42% of businesses can only last a month or two without additional funding or a return to normalcy.



[1]Asked only in Wave 2, April 15, 2020

Tourism Business Profile



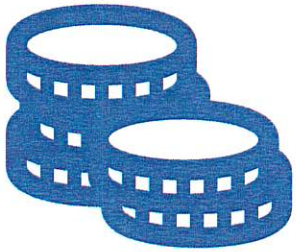
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Tourism Business Size and Revenue

Typical firms in Waves 1 & 2 are small businesses
(fewer than 10 employees and less than $1 million in annual revenue)

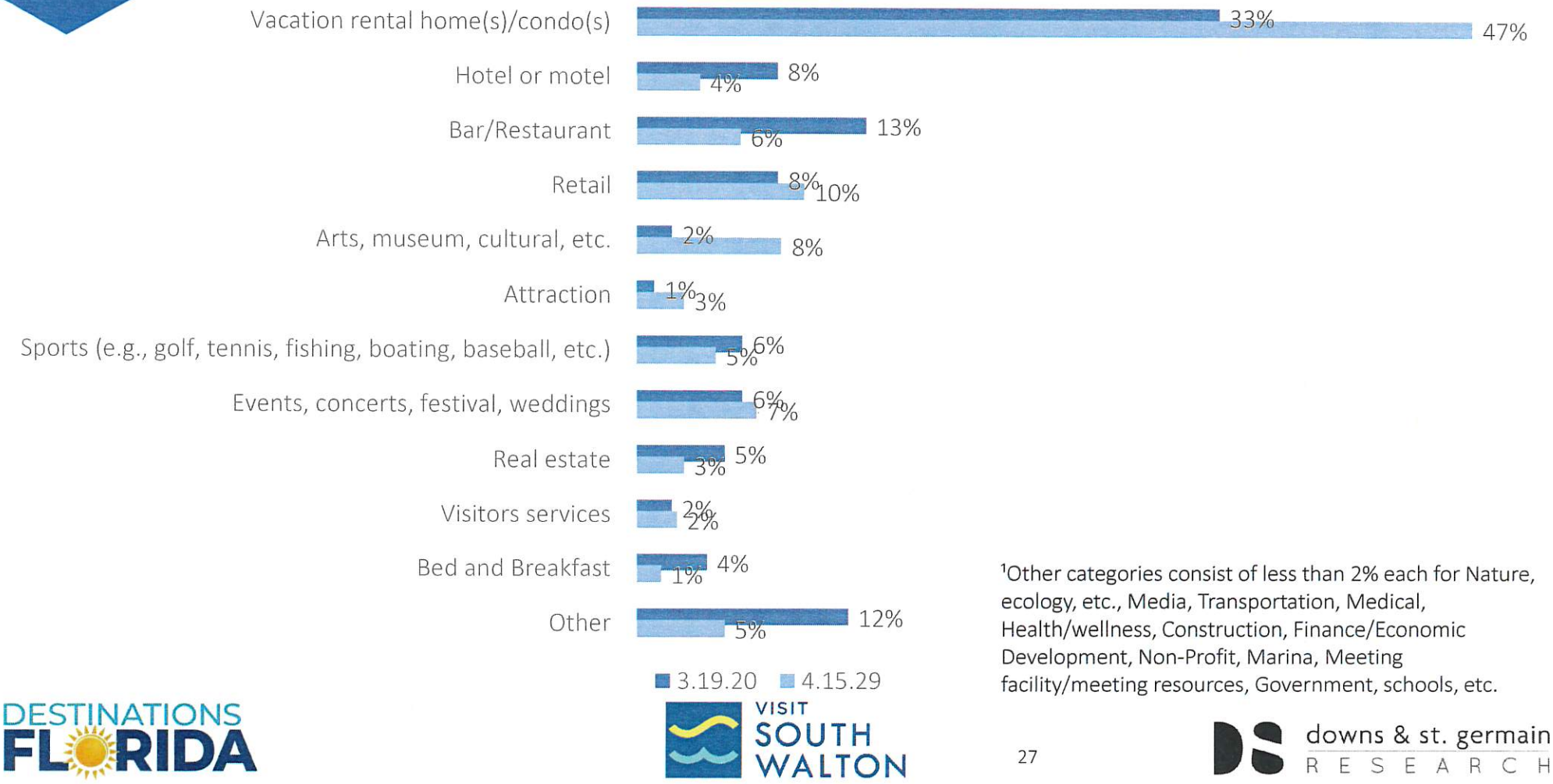


Average number of employees:
<10



Average annual revenue:
< $1 million

Types of Tourism Businesses[1]



[1]Other categories consist of less than 2% each for Nature, ecology, etc., Media, Transportation, Medical, Health/wellness, Construction, Finance/Economic Development, Non-Profit, Marina, Meeting facility/meeting resources, Government, schools, etc.

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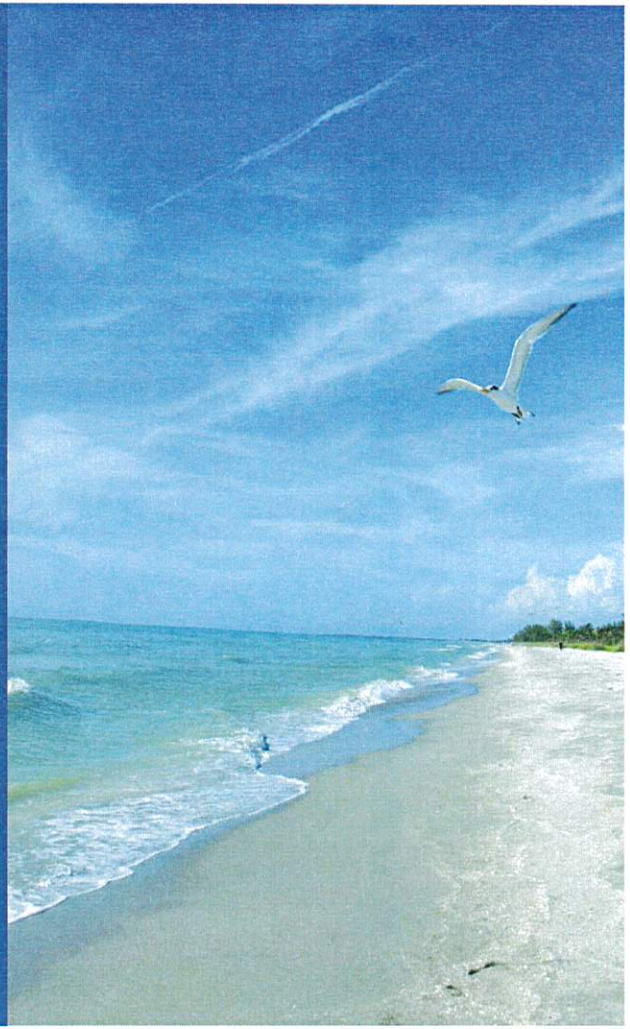
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