

Rehoboth Beach-Dewey Beach Chamber of Commerce

"The Nation's Summer Capital"

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The Honorable John Carney
150 Martin Luther King Jr. Blvd. South
Tatnall Building, 2nd Floor
Dover, DE 19901

July 28, 2020

Dear Governor Carney,

On behalf of the Rehoboth Beach - Dewey Beach Chamber of Commerce Board of Directors, I write to you today to raise our concerns regarding the economic effects of the Coronavirus. The Board fully understands, appreciates, and supports the primary goal of keeping our residents and visitors safe. The Board further understands that you are in the difficult position of simultaneously representing the State of Delaware, its residents, visitors, and the business community.

We thank you for your initial efforts in having Delaware removed from the 14-day self-quarantine list required by some of our surrounding states. Unfortunately, we find ourselves back on several states' quarantine lists again which has led to a devastating impact on our local businesses. Our business increased to some extent in the weeks after being taken off the lists, which leads to the importance of once again asking for Delaware to be removed from the lists.

As businesses across the State continue to suffer from the effects of Covid-19, those in Sussex County find themselves even more susceptible to economic hardship given that the road to recovery is running short. For many of our seasonal businesses, the opportunity to generate enough summertime cash flow to make it through the winter months is quickly fading away. For many businesses in the Delaware coastal communities, summer seasonal revenues in June, July, and August count for as much as 80% of their annual revenue. While June was better than expectations, the month's positive sales trend was quickly erased in the first two weeks of July. Revenue in 2019 compared to 2020 revenue reflects hotels have lost 35-50% and retail and restaurants report losses of 75% (see attached). The financial and economic fallout will be like nothing we have ever experienced before if our government officials do not provide some help or relief immediately.

Over the last two months, many of our industry trade organizations have offered solutions and plans directly to you and your staff. We will continue to offer feedback and suggestions to make you aware of potential pitfalls for businesses. We know our businesspeople, our employees, and our customers. We are doing everything we can to protect them all. We are more than willing to share any information that will help in keeping our State safe and healthy while allowing the business community the opportunity to thrive in the midst of this difficult situation.

The overwhelming percentage of businesses in Sussex County are adhering to the required social distancing, sanitizing and PPE standards. As our hospitalization and percent-positive testing numbers have decreased, we need to work with our leaders to get this reassuring message out. We need to encourage both visitation and the following of guidelines. Though the late-June spike in positive Covid cases was unfortunate, the business community reacted quickly and responsibly with forced quarantines, business closures and offering necessary space for new testing sites. This positive and proactive approach was provided on a voluntary basis and should be applauded and recognized. As a result, cases are dropping, and hospitalizations are at their lowest level in Delaware since the pandemic first started.

With the more recent enforcement attempts designed to slow the spread of the virus, it is now obvious that the actual messaging being communicated by the State is a factor in this latest downturn. Many of the recent messages are unwelcoming and confusing to our residents and our visitors. People believe our restaurants and bars are closed and that masks are required at all times, even while on the beach or while seated at tables. We feel that it is necessary for a more clearly stated series of messages touting the success of our plan to keep residents, visitors and staff safe while still providing a healthy, vibrant resort area be released. It is critical that this messaging come from our government leaders immediately.

Please use the tools that we possess to begin sending a positive message out to our residents and visitors. We understand there is an advertisement ready to go at the Delaware Tourism Office. Dissemination of this ad would go a long way in sending a positive message out about Delaware's safety commitment to following the stated virus-reducing guidelines. A clearly communicated marketing message can effectively reach and attract the customers we want and need.

We suggest the time is now to more seriously begin the conversation towards moving to Phase 3 of the recovery process. Let's work together to avoid the missteps in communication as we enter this next phase.

Neglecting to address the current economic disaster at the beaches and surrounding areas will result in dire consequences eventually felt by all. The attached Revenue Loss Comparison provided by a sampling of our 1,200 members indicates hundreds of millions of dollars in lost revenue. These losses will be shared by all when tax revenues are not realized. Our State is small and losses in several sectors of up to 75% are much more than a larger state. How will we pay for the operations of our State? The notion of increases in property taxes, gas taxes or other creative taxes and fees will further hamper economic recovery for businesses and consumers alike. Many small businesses as well as many of our residents will not have the means to pay additional taxes if an increase in jobs and revenue is not realized in the next 6 weeks.

The effects of an economic collapse to the business community in Sussex County will be felt across the entire State. Tourism is one of Delaware's strongest business sectors. Negative revenue trends in the restaurant, retail and lodging industries in particular have far-reaching consequences across the First State. We must do all we can, together, to avoid such an outcome. We ask that you direct key staff members to communicate that our businesses are open, adhering to the standards of responsible social distancing, sanitization and the wearing of masks. We want to be part of a safe and prosperous solution that gives our struggling business community the best chance to survive. We hope you will respond to this letter with the willingness to work with the Chamber. If you would like to further discuss, please don't hesitate to reach out.

Sincerely,

A handwritten signature in black ink that reads "Carol Everhart". The signature is fluid and cursive, with the first name "Carol" written in a larger, more prominent script than the last name "Everhart".

Carol Everhart
Rehoboth Beach – Dewey Beach Chamber of Commerce President/CEO

CC: Rehoboth Beach – Dewey Beach Chamber of Commerce Board of Directors

CC: Sheila Grant

CC: Albert Shields

CC: Damian DeStefano

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