



Good morning, Chairman Hutchinson, Chairman Fontana, and the other distinguished members of the Senate Finance Committee:

My name is Trey Matheu. I am the Managing Director at Nemacolin Resort located in Farmington, Pennsylvania. Nemacolin Resort is the only AAA Five Diamond/Forbes Five Star awarded resort in the state of Pennsylvania. The property employs approximately nine hundred year-round associates and an additional three hundred seasonal associates. The property consists of 306 separate guest accommodations on a twenty-three-hundred-acre campus. In addition, the resort also operates fourteen food and beverage outlets; a thirty-two thousand square foot spa; thirty-six holes of championship golf courses; a field club encompassing sporting clays, fishing, and archery; and a myriad of other activities and amenities for our guests.

In March of 2020, the resort closed its doors to the public as a precautionary response to the beginning of the COVID Pandemic. The resort started to open again to the public, in a limited fashion, through the month of May. During this time, we lost approximately 750 associates due to the extended closure of the resort. According to the American Hotel and Lodging Association, approximately 21,666 hotel jobs were lost in the state or approximately 33% of the entire hotel workforce was lost during 2020 compared to the prior year. Additionally, according to the Pennsylvania Restaurant and Lodging Association, on April 20, 2020, it was reported that 332,000 jobs were either lost or furloughed in Pennsylvania alone which represented approximately 81% of all restaurant-related jobs at that time.

It was facing these conditions, that the resort received a call mid-July of 2020 from the producers of The Bachelor. California COVID restrictions had made it impossible to continue production of their program format in the greater Los Angeles area. They were experimenting with a destination resort in the Palm Springs area for the filming of the Bachelorette and inquired if we were interested in closing the resort for two months for them to come to Southwestern Pennsylvania to shoot an entire season of the 25th Anniversary of The Bachelor at the property. The production team had previously worked with the resort in 2016, filming one of their off-site segments for a season of the Bachelorette.

Facing the uncertainty in consumer travel patterns, the potential for increased COVID cases as cooler weather approached, and people were forced inside, the complete lack of group demand (our typical source of business during the Fall and Winter months) and knowing that we had hired back approximately 600 associates who needed job stability, Nemacolin entered into an agreement to host The Bachelor at the resort from September 23 to November 22, 2020. During this time, we closed the resort to the public, retained all associates at pre-pandemic rates (inclusive of augmenting tipped associates to pre-COVID rates), and

implemented daily COVID testing for the associates at the resort to host the entire cast and production crew for the 25th Season of the Bachelor.

For sixty-three days, the resort was transformed into a live sound stage. The first episode of the show premiered on January fifth and continued for a thirteen-week programming run. The impact for the resort was immediate and impactful. We experienced a tremendous surge of both leisure and group interested on various channels throughout the program run. In comparison to our best year recorded at the hotel, we saw a 542% increase in contracted reservations. This was primarily driven by an increase of our telephone/direct-web reservations volume (up 19.7% over comparable timeframe from the previous year) and we also experienced a significant website traffic increase (up 235% over our previous high-water mark in 2019). The most prominent statistically impact was our "click through rate", skyrocketing to a 66% average during the final 8 weeks of the programming run. This increased demand, that consequently, led to an increase of 80% ADR growth on our future bookings reservations which enabled the successful achievement of our highest room revenue year in 2021 ever recorded at Nemaocolin and an increase of over 18% in net revenues over our previous record, realized in 2019.

The Bachelor not only created a unique platform to increase our overall national awareness, but it also created a significant brand improvement within our social media outlets. During the programming run, the hotel created 14.25 million overall impressions to our direct pages. Our fan base grew to staggering numbers, including but not limited to 8,091 user growth on Instagram and 2,859 user growth on Facebook within the first 2-week initial run. The exposure of being displayed on the show also allowed us at the hotel to create synergies with a wide variety of publications. During the program run, we were able to secure media placements in the following outlets: Cosmopolitan, Variety, People, Daily Mail, US Weekly, Conde Nast Traveler, Elite Daily, Page Six and Marie Claire. This exposure led us to an unprecedented 348 articles during the 2021 calendar year and has brought attention not only to the resort, but to Southwestern Pennsylvania as a whole.

The net affect on Nemaocolin was an almost instantaneous increase in exposure nationally. Our sphere of influence increased to a seven-hour drive radius, adding Chicago and Manhattan to our top ten markets for the first time in the history of the resort. More importantly, the increase in interest and exposure to the resort allowed us to support a payroll of over \$35 million dollars and employee approximately 900 associates on an annual basis. These positions come with benefits, profit sharing in the form of a 401k program, and in many cases, housing. The Bachelor has been a boon to the resort, whose effects we continue to feel as we head into our peak season. We are certainly appreciative of both The Bachelor in choosing the property to highlight their program, and fully support future use of the commonwealth's Film Tax Credit to attract and retain such high-profile events to bring exposure to tourism and introduce new revenue sources to the region.



Trey Matheu
Managing Director