

Rockford Register Star

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Is this the hospitality comeback Rockford's been waiting for since the 2020 shutdown?



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Published 5:07 a.m. CT March 13, 2023 | Updated 8:30 a.m. CT March 13, 2023

Hotels in the Rockford region have bounced back since 2020 when demand for rooms fell nearly 25%, revenue plummeted \$20 million and occupancy rates decreased to 47%, according to data from the Rockford Area Convention & Visitors Bureau.

Hotels last year performed better than they did even before the global pandemic as sports tourism, meetings and banquet business returned. And with Rockford's newest hotel, Embassy Suites by Hilton Rockford Riverfront, sold out for a second consecutive week, general manager Vinny Bucci says 2023 is shaping up to be another strong year.

"Local businesses are doing business again," Bucci said. "They aren't closed down. COVID isn't a factor and people are travelling again. That's great for us."

Demand for hotel rooms in Winnebago County including Rockford were up 4% in 2022 over 2019, the year before the global pandemic. Visitors paid for 624,211 overnight stays compared with 598,541 in 2019.

Area hotels raked in \$61.3 million in revenue in 2022, 11% more than the \$55 million in revenue before the pandemic and 14.5% more than the \$53.5 million in revenue they collected in 2021.

On average, they had a 61% occupancy rate in 2022, still below the 65% rate of 2019 after the 2020 opening of the Embassy Suites which added 160 rooms and Home 2 Suites in Loves Park added 91 rooms to the region's inventory.

Reduced business travel is another factor keeping occupancy rates down, especially on weekdays.

Bucci said the Embassy Suites boasts a 69% average daily occupancy rate and there are events, meetings, banquets or weddings held there almost every Friday and Saturday. About 130 people work at the downtown hotel on Main Street and revenues were up 17% in 2022 over the previous year.

Rockford Area Convention & Visitors Bureau CEO John Groh said the data overall shows the local hospitality industry is picking up steam.

Visitor spending overall in 2021 increased to \$436.4 million. It was a 21.7% increase over 2020, supporting 3,798 hospitality and travel jobs in Winnebago County that paid workers \$130 million, according to a new report from the Illinois Department of Commerce & Economic Opportunity.

Groh said 2021 tourism spending was still 9.7% below what visitors spent in 2019 after the pandemic led to record losses.

Tourism spending from 2022 hasn't been released, but increased demand and room sales indicates it will be strong.

"Demand is what you look at because that is the total volume of business," Groh said.

In the city of Rockford, hotel and motel stays produced \$2.4 million in hotel taxes last year, topping the \$2.2 million collected in 2019 before the pandemic. The 5% tax on stays is split with 70% funding the Visitors Bureau and 30% paying for the Rockford Area Venues and Entertainment Authority which operates the BMO Harris Bank Center and the Coronado Performing Arts Center, Rockford Finance Director Carrie Hagerty said.

Although the performance of the hospitality industry in 2022 is encouraging, it doesn't make up for the losses it suffered in 2020, Hagerty said.

"We have seen a healthy recovery since COVID," Hagerty said. "We lost some opportunities in that time period, for sure, but I think this shows the area when it comes to tourism generally is in a good place."

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