

MEMORANDUM 3/16/2020

COVID-19 Corona Virus Retail Impact

Since our Governor's announcement and implementation of *Executive Order No. 20-05* on March 12, 2020, we have seen a **40% reduction in traffic** (customers through our doors). This is not on trend as we were experiencing a 3% growth in traffic. This will have a direct effect on our written business as we are tracking to do less than \$400,000 in retail sales. This compared to business of \$585,000 for March 2019. **Our business stands to lose, at minimum, \$25,000 and upwards to \$100,000 as a direct result of the COVID-19 corona virus outbreak.**

The only prospect in this economic climate is that pent-up demand will bring people back into the market as soon as the virus runs its course.

Now, taking my business hat off, I have to say I am a little at odds. I completely agree with efforts to increase social distancing; that it is an effective means of flattening the curve of infections. I am trying to do my part as a public citizen and enact policies in my business to aide in this effort. We have reduced deliveries, bolstered cleaning policies, and shifted efforts to help customers shop from home. But I have a fiscal responsibility to make sound business decisions to keep our company growing and our employees prosperous. So, I am in limbo by keeping our doors open and continuing deliveries, when the rest of the world's commentary makes me think we need to send everyone home.

This leads me to two suggestions:

1. Order all non-essential businesses close their public storefronts.
2. Postpone the 2020 Corporate Excise tax (.5% of revenues over one million dollars) until 2021

The first, levels the playing field for local businesses. The pressures of competition are eliminated (other than online retail), and business can resume at a prescribed time. Continuing to increase demand for when it is safe to resume normal, public life. The second, would relieve our company of \$25,000 in new tax expense this year. This is obviously a huge help to our bottom line and gives us a chance to recover from reduced sales.

I am not an economist or politician, but I know what works for our business, and we will make the best of any situation. We will all need help to recover from this and I feel that with this outbreak, half-measure public policies only increase anxiety and poor decision-making. Whatever decisions are made, I hope they keep the health of our communities in mind with a optimistic outlook on life post-outbreak; that is, please consider programs and decisions to help us all jumpstart our local economies once the health of our citizens is secured.

Thank you,

Nick Gates