



HOUSE OF REPRESENTATIVES

Friday, March 13, 2020

Dear Governor Brown,

Thank you for your leadership in attacking the spread of the COVID-19 virus. The state of emergency you have declared, along with the President's announcement today of a national emergency, underscores the incredible public health and economic crisis facing our nation, state and local communities.

Today we are writing, not to address the vital public health emergency, but to address the enormous economic hardships this pandemic is already causing Oregon's hospitality and tourism industries. And given the uncertain length of this public health crisis, the economic impacts on Oregonians will only grow more severe. We currently have the ability to change policy and direct resources to keep people employed, preserve their benefits, and hold up our local economies. We urge you to put together a package of support for our hospitality industry to prevent job loss and keep this industry whole.

Oregon's tourism and hospitality businesses and jobs are going to be devastated by the COVID-19 pandemic. We are committed to working with you, the Speaker of the House, the Senate President and our entire Congressional delegation to secure the maximum amount of federal and state financial assistance available under the emergency declarations for our local businesses.

In Oregon we are very fortunate to have a thriving and robust tourism industry. As you know, Restaurants and Lodging represent about 4-5% of the Oregon economy - the largest single sector behind healthcare. This includes around 200,000 jobs at an estimated 12,500 locations across Oregon. 10,000 of these locations are restaurants and 2,500 are lodging - not including short term rentals.

We have been receiving calls from the hospitality industry with grave concerns regarding how to support their staff through the COVID-19 pandemic. We convened calls yesterday with owner-operators throughout Oregon. Their number one concern is keeping their staff employed throughout this crisis. These operators conveyed the changing landscape as this week has progressed.

Over the week, The Riverhouse Resort in Bend had \$600,000 in booked event cancellations. Pig n' Pancake expressed that coastal hotels had over 40% cancellation rates yesterday alone. In Portland, lodging is being hit extremely hard by the international travel bans reporting sales started declining Monday and are getting worse everyday. Restaurants in Eugene are concerned for the University of Oregon's closure and transition to an online platform as the town will lose at least 25,000 residents and customers overnight. These businesses are "mom and pop shops," not large corporations. Their reserves are small, but their concerns for their staff are large and heartfelt.

These operators have watched as Seattle has battled this epidemic roughly two weeks ahead of Oregon. Yesterday, one of the restaurant industry leaders, Tom Douglas, announcing he would close 12 of his 13 locations for the next 8-12 weeks putting 800 employees on unemployment. This bold move of a successful restaurateur to save the business for the long run escalated concerns for our hospitality staff in Oregon.

Both National and State Governments have declared state of emergencies around the COVID19 pandemic.

We asked these operators for solutions that could help them keep their staff members employed though this crisis if it last 4 weeks to 4 months. Here are the solutions that they suggested:

1. Relax predictive scheduling requirements (similar to considerations being made in the childcare realm for ratios). The unprecedented number and impact of cancelations has limited the industry's ability to balance customer concerns with operational realities. They are requesting flexibility through the COVID-19 Crisis or upon the lifting of the state of emergency.
2. Gap loan programs for payroll. It was suggested that a 2-month working capital loan be made available. Having these funds directly dedicated to keeping staff employed, the supply chain healthy, and the long-term health of the enterprise would help keep Oregon's Main Streets' ability continue to work through this crisis.



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3. Front loading of the Paid Family and Medical Leave act, if possible, to keep staff employed through decline in sales.
4. Establishment of a \$2M emergency fund to provide natural gas, electricity, and water utility relief to ensure working capital can be put towards payroll and maintaining staffing levels.
5. Allowing the Work Share Oregon program to be used immediately for the remainder of the COVID-19 pandemic for employees regardless of their tenure with a hospitality company. This would require education on the program for the hospitality industry and making sure there is ample funding to keep people employed.
6. Suspend required payments to retirement accounts.
7. Allow withdrawals from flexible spending accounts to help Oregonians manage their cash reserves.
8. Mandate that banks allow interest-only payments on loans.
9. Place a moratorium on commercial and residential evictions after March 13, 2020.
10. Possible suspension of payroll tax to be diverted to wages for employees.

These owner operators also expressed concerns around the stacking of the new monetary asks from the State as they get their businesses back on solid ground after the crisis, as many will be taking out loans to keep staff employed taking away from future profits.

These are all the possible suggestions from this of hospitality business owners across Oregon compiled for your consideration. Some are more viable than others. The bottom line is that they are grateful for your willingness to help quickly in this time of crisis. This is an unprecedented situation and will require immediate action to help keep people employed, maintain their health benefits, and help working families stay in their homes through the remainder of this pandemic.

Thank you for your consideration.

Sincerely,

Cheri Helt
State Representative
House District 54

Janelle Bynum
State Representative
House District 51

cc: House Speaker Kotek
Senate President Courtney

US Senator Ron Wyden
US Senator Jeff Merkley

US Representative Greg Walden
US Representative Earl Blumenauer

Joint Special Committee on Coronavirus Response:

Senator Arnie Roblan
Representative Paul Holvey
Senator Brian Boquist
Senator Tim Knopp
Senator Elizabeth Steiner Hayward
Senator Kathleen Taylor
Representative Raquel Moore-Green

Representative Greg Barreto
Representative Andrea Salinas
Representative Duane Stark
Representative Janelle Bynum
Representative Paul Evans