

Hospitality In Oregon

A Deeper Look at Restaurants and Lodging

Senate Interim Committee on Labor and Business

June 1, 2020



State of Oregon's Restaurant Industry

- Early 2020 Employment – Approximately 160,000 Oregonians
- Estimated Current Employment – Peak Loss was roughly 127,000 Jobs, Estimated Employment at 60-70,000 as counties reopen dining rooms

Nel Centro, 4 other David Machado restaurants close permanently because of coronavirus damage

Updated May 23, 2020; Posted May 23, 2020



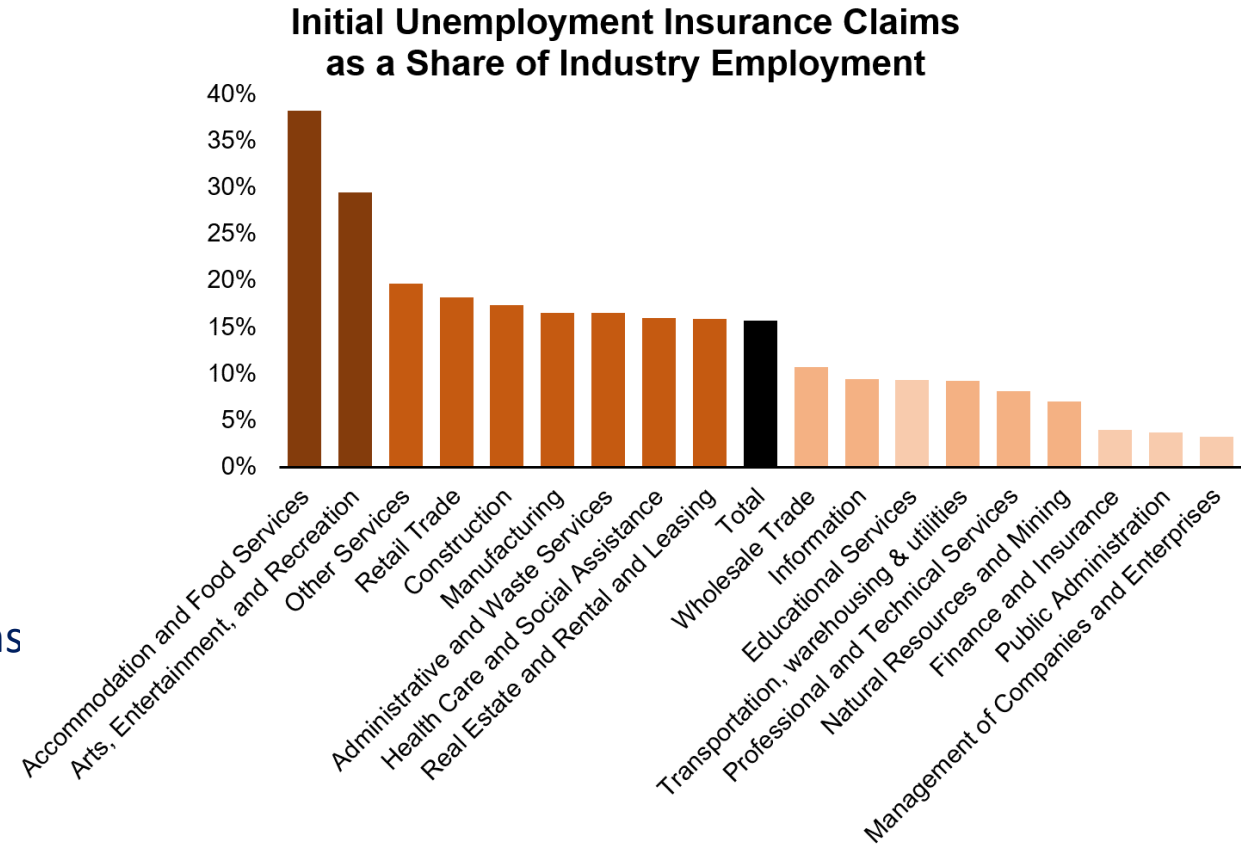
Over 80% of Oregon restaurant workers laid off or furloughed due to coronavirus shutdown, survey finds

Updated Apr 22, 2020; Posted Apr 22, 2020



State of Oregon's Lodging Industry

- 2020 is projected to be the worst year on record for hotel occupancy and the impact has been nine times worse than 9/11. More than 8 in 10 Oregon hoteliers have had to lay off or furlough workers
- As would be expected, accommodation and food services has been the hardest hit industry during the current crisis, with initial claims processed over the past 10 weeks representing 38 percent of statewide employment in the industry. Source: Oregon Employment Department
- Early 2020 Employment – Approximately 26,000 Oregonians
- Estimated Current Employment – Approximately 10,000 Oregonians



Source: Oregon Employment Department, initial Unemployment Insurance claims processed in the 10 weeks ending May 23, 2020.



Short Term Future for Restaurants – Summer '20

- Thousands utilizing Paycheck Protection Program funds
- Unemployment Benefits / July 30 \$600 weekly boost deadline
- Post-PPP – An Ongoing Game of Margins
- Comprehensive Outdoor Seating Expansions
- Pivots to Takeout, Delivery, Grocery, Alcohol
- Offering meals to homeless / healthcare workers / unemployed
- Commitment to Safety Checklist



BECAUSE WE VALUE YOU

Nationally, an average of **95¢** of every dollar restaurant customers spend goes into the food, employees, and place.

Come Again!
ORRestaurantFacts.com



DUE TO COVID-19 OUR INCREASED SAFETY MEASURES INCLUDE:

EMPLOYEE FACE COVERINGS

INCREASED FREQUENCY OF CLEANING AND SANITIZATION

PHYSICAL DISTANCING

OREGON RESTAURANT & LODGING ASSOCIATION MEMBER



Short Term Future for Lodging – Summer '20

- Increased occupancy demand over Summer Months but at Seasonal Historic Lows
- Ongoing partnerships for medical and non-medical shelter needs
- Occupancy ranges from 10% - 55% depending on locality.
(Portland lower end, Coast/Central Oregon higher end)
- Limited Capacity Operations
(Traditional Summer = 80%+ occupancy in Oregon)
- In normal times, a lodging establishment with 100 occupied rooms per night supports nearly 250 jobs in the community and generates \$18.4 million in guest spending
(Source: American Hotel & Lodging Association)
- Commitment to Safety Checklist



 **DUE TO COVID-19 OUR INCREASED SAFETY MEASURES INCLUDE:**

 **LIMITED GUEST AND EMPLOYEE CONTACT**

 **INCREASED FREQUENCY OF CLEANING AND SANITIZATION**

 **PHYSICAL DISTANCING**

OREGON RESTAURANT & LODGING ASSOCIATION MEMBER



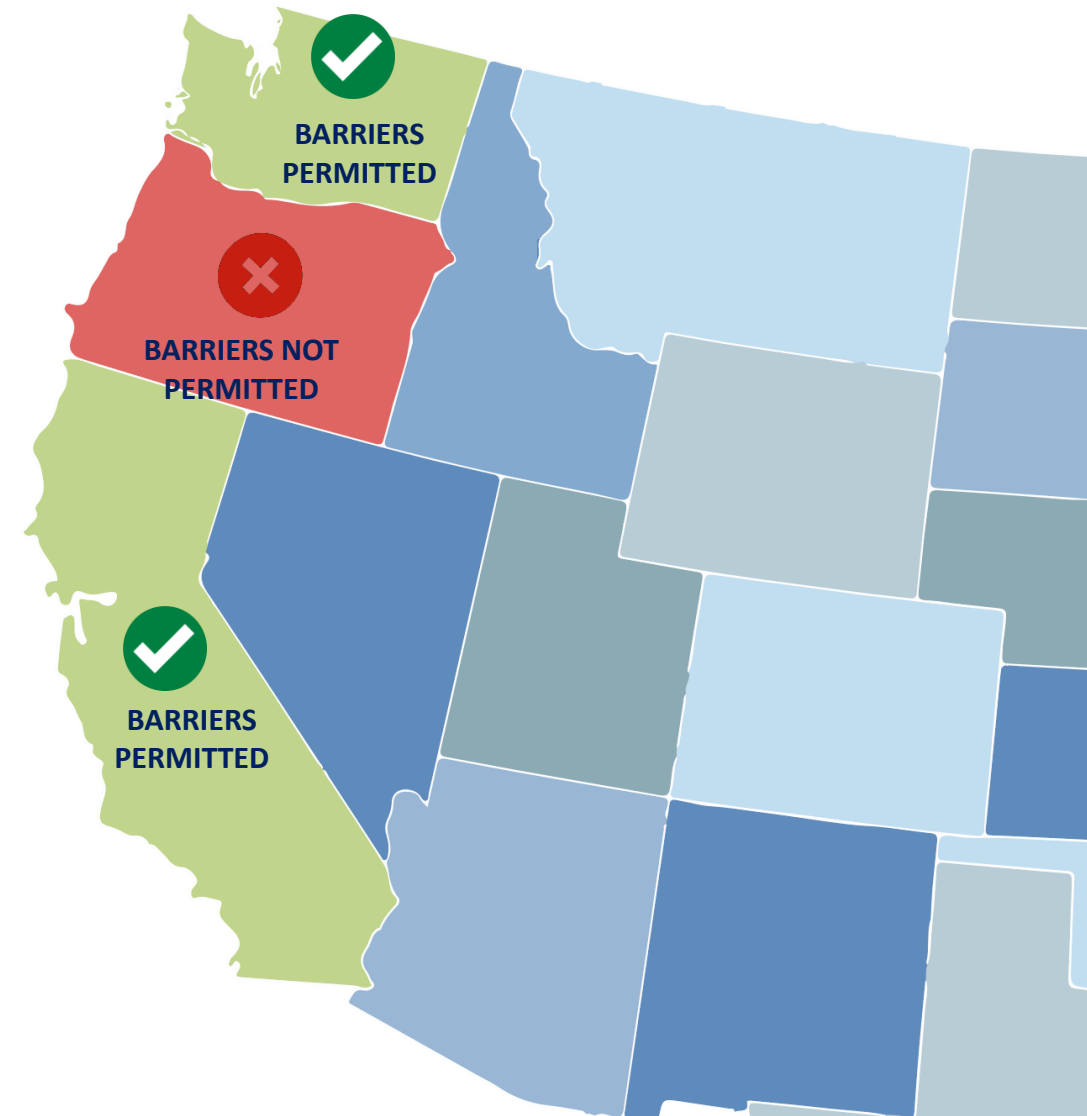
Short/Medium Term Hospitality Challenges - Summer/Fall/Winter '20/21

Restaurants

- Onboarding Staff in Conjunction with Demand
- Removal of the 10pm curfew in Phase Two (only Colorado / Oregon have a curfew)
- Embracing CDC guidelines for partitions (Barriers permitted between tables / booths in California and Washington)
- Authorizing To-Go Cocktails

Lodging

- Flexibility / Forbearance for Commercial Mortgage Loans
- Onboarding Staff in Conjunction with Demand
- Reliance on Local Travel / Scheduling Flexibility Needed
- Promoting Safe Stays and Cleanliness/Contactless Procedures



Medium Term Future for Hospitality – Fall/Winter '20/21

- Industry Viability Assisted by Hospitality Promotional Campaign (Travel Oregon/RDMO/DMO Collaboration in Partnership with Local Chambers of Commerce)
- Contingent on Venue/Gathering Size Guidance – public gatherings of uncontrolled groups vs. private gatherings with supervising personnel
- Ongoing Food Supply Chain Issues
- Transitional:
 - Status of Dining Room Capacity Constraints Crucial
 - Status of Statewide/Domestic Travel Guidance Crucial

Education vs. Enforcement

- Publicly stated intent and guidance from the Governor's office and the Legislature to educate first, rather than responding with fines
- With rapid change, understanding and interpreting policy is arduous, even inspectors are not guaranteed 100% accuracy
- Step back and focus on getting it right, not jumping to punishment



Saving Oregon Hospitality

Harnessing the Power of Coronavirus Relief Fund (CRF) Grants in Oregon

Oregon's hardest hit sector needs CRF Support

Treasury Department stated in guidance issued April 22 that the CRF funds may cover “[e]xpenditures related to the provision of grants to small business to reimburse the costs of business interruption caused by required closures.”

The Treasury's Frequently Asked Questions (FAQs) issued May 4 clarified that “required closures” should be interpreted loosely; the funds may benefit businesses that closed “voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID19 public health emergency.”

Source: National Restaurant Association Restaurant Law Center

Identify \$75 million in CRF grant funds beyond Rapid Response Team efforts to assist as many as 7,500 hospitality business locations at an average grant award of \$10,000 per location.



Other Hospitality Priorities for Special Session

Liability Protections for Hospitality

Lodging Operations are Partnering with County Health Departments
Many Full-Service Restaurants were Forced to Close

Pause Minimum Wage Rates at 2019 Levels = More Jobs Back Online

Holding Employers Harmless

Support Pre-COVID-19 Unemployment Insurance Rates

Protect Local and State Lodging Tax Resources for Ongoing Industry Use

Crucial Promotional Funds for Broad Based Industry Recovery

Authorizing To-Go Cocktails

Expand the Tools available to Restaurant Operators to Survive in the Current Climate



Questions

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