

TO: Elected leaders & policy officials of Greater Portland & Southwest Washington

FROM: Regional coalition of economic & business leaders

DATE: March 20, 2020

RE: Economic impacts of COVID-19 outbreak

We are one economic region. We represent hundreds of businesses and coalitions that bridge across two states and seven counties.

Over the last several days, the governors of Oregon and Washington have taken bold actions to reduce the spread of the COVID-19 outbreak across our states. Local leaders have taken equally decisive actions to further contain the spread of this disease within our region. Thank you.

The top economic priority of the business community is an effective public health response. The faster the virus is contained, the faster our economy can resume.

While public health officials are working to address the crisis, we encourage you to hear the voice of businesses in your region and our recommendations for solutions that will help mitigate the impacts on our economy. Your actions now will help avert an economic catastrophe in the near and long term as we move towards recovery and long-term resiliency.

As you know, many businesses and industries are better positioned and have already stepped up and are doing remarkable acts for their community, even helping other businesses deeply affected in this slowdown. But now it's time we must all work together, across public and private sectors.

"PRIMUM NON NOCERE" / DO NO HARM

Our thanks to elected officials who are asking, "how can we help?" We are grateful that you consider the needs of all sizes of business in our region. We ask that when formulating actions that impact our economy that you do not unintentionally harm the future of jobs. Well thought policies and solutions must consider the impact to the business community and include these voices at the table.

ONE REGION, TOGETHER

The magnitude of this pandemic requires federal resources. We ask our local officials to support the efforts of Congress and the Administration to deliver needed economic relief.

Each state is doing their part. We support the efforts of our governors to form economic advisory councils and the solutions presented by the business community to state leaders. We encourage these councils to consider our small business community and how to further include those voices.

We encourage the development of regional solutions networks to include diverse business voices, as Oregon Governor Brown has proposed.

Action by local elected officials should not be duplicative, detract or run counter to these proposals. Local action should be additive.

Because we are one region, any business support should be approached through a regional lens. No city, county or district can undertake support alone. We encourage municipal and county governments to work together so that relief is uniform and consistent.

By helping businesses most impacted you are helping everyone. Any effort to sustain our region's economy are effectively efforts to ensure continued investment in public resources.

STATE & FEDERAL CONSIDERATIONS:

On the state and federal level, we ask you to consider additional factors and join us in advocating for these:

Shelter in place: Before considering actions that will impact commerce in our region, such as shelter in place orders, we ask you to establish clear inputs from the business community. A shelter in place order should be a state consideration first. Should a regional order be necessary it must be consistent with state definitions of essential businesses. No one city should enact this policy. It should be coordinated to be effective and not done in isolation.

Unemployment Support: Staffing at statewide unemployment offices should be increased. We have heard concerns over the ability to access services due to the unanticipated increase in demand. Washington has shortened the waiting period to one week. We recommend a commensurate match in Oregon. For those who were receiving benefits prior to the outbreak, we recommend local leaders encourage congressional members to extend unemployment benefits.

Small Business Administration: Encourage the shortening of Small Business Administration loan programs to accelerate the flow of capital to small businesses immediately.

Executive Orders: Encourage and provide better clarity on how businesses can comply with actions like 20-07, would help to mitigate uncertainty among employers.

Transportation Infrastructure: While all regional public-private construction projects should be expedited and designated as essential, we encourage prioritizing transportation. This will take advantage of decreased traffic conditions and accelerate funding for jobs.

Manufacturing Industry: Keep our region working by recognizing manufacturing and their suppliers as essential services. This industry occupies a special place in our economy. Best practices should be provided, so that these employers can better comply with social distancing, while maintaining operations and sustaining jobs in our region.

Internet Infrastructure: Access to the internet is no longer a luxury for businesses, it is the only lifeline to operate right now. Businesses that develop or manufacture components for products that enable essential, global, national, and local infrastructure for computing services, business infrastructure, communications and web-based services need to be supported and enabled to operate in any policy directives at this time.

Distinction of Industrial Business: We ask regional leaders to recognize that industrial businesses are unique and major contributors to our traded sector, bringing in money that fuels our state and region. Industrial workers are highly trained and operate on non-portable, specialized equipment, using site specific facilities, many of which are contained to just a few people, in large areas, which makes distancing protocols easy to enforce. These businesses are especially vulnerable if the supply chain is further disrupted. All measures to keep our industrial jobs in place must be considered.

LOCAL AND REGIONAL TAX RELIEF

As you consider ways to help support employers and further stabilize our regional economy so that we may stabilize the loss of jobs, we ask you to strongly consider the following.

Portland Clean Energy Surcharge: Consistent with the statewide business communities' recommendations to suspend the Corporate Activities Tax, we recommend a second quarter (Q2) opt-in application for suspension of collections of the Portland Clean Energy Surcharge. This type of tax does not recognize whether a business is profitable or not. Because of this, businesses that are at risk for closure, are still expected this quarter to pay the surcharge. The collection of these taxes could be put on hold specifically so that employers can focus on retaining or supporting their employees most at risk. Many of the people working in these jobs represent front-line communities that the Portland Clean Energy Fund intended to serve. By alleviating this economic pressure, businesses will have the capacity to regroup and recover. Once the crisis has alleviated, the strategy has been developed to fully repopulate the fund, following the removal of any disaster declaration within a pre-determined timeframe. We recommend the city consider the creation of a process to provide intake of the companies that require relief, and that follow up be implemented pending the removal of the declaration to calculate the number of jobs saved among diverse communities.

Portland Gas Tax Renewal: The renewal of this tax should be delayed. The dependence on deliveries are now a mandate of the government. Every increased cost to the delivery community will be passed on to hard-hit customers. While the need for the gas tax is clear, at this time the renewal of the tax should be delayed to mitigate further economic pressure.

Portland Business License Fee: Fees for Portland business licenses should be delayed for second and third quarters (Q2 & Q3) of this year. Further alleviating pressures for many businesses not currently able to operate during this outbreak.

Suspend All New Regulations (specifically those that increase the cost of housing): We know there are many pending bills and actions by governments across our region that are worthy of consideration and important. However, the time to make additions to the regulatory framework is not now. We ask you to delay additional regulations that are not considered critical to the current public health and economic crisis, especially those that may increase the cost of housing. As we rebound from this unprecedented pandemic, we must ensure that there is abundant housing for the entire region. As such, all new regulations that increase the cost of housing should be suspended so that they do not exacerbate our housing crisis.

Property Taxes:

No new property tax proposals: Any property tax proposal under consideration should be postponed to future elections.

Commercial property tax abatements: We ask you to consider tax abatements for property owners who are providing rent abatements for retailers and commercial tenants hit hard during this crisis. Property owners are already stepping up to help closed businesses such as bars and restaurants. They too will need relief from payment of that share of property taxes, derived from tenants who are unable to pay.

Residential property tax abatements: In place of moratoriums on residential evictions, landlords who are willing to abate rent for residential tenants who are at a risk, should be provided relief from that share of property tax.

Hotel Closures: With select properties already closed temporarily and likely throughout the remainder of this uncertain time in the travel industry, we ask that Oregon Restaurant and Lodging Association (ORLA) and tourism entities be part of the conversations around potentially using these facilities for alternate purposes such as housing or medical staff lodging.

Small Business Support: Our region's small businesses are severely impacted by this public health crisis. Many are faced with immediate closure. This will have disproportionate impact on minority and family owned businesses. Public, private, and foundation partnerships to provide emergency grant funds to save these businesses from collapse must be established.

Regional Small Business Centers: We encourage you to establish regional centers for clearing information and providing technical assistance to small businesses. Using the already established Small Business Development Centers in our region and other culturally specific organizations such as those included as signers here, consider investing in mobile services so that resources can be delivered directly to our small businesses, many now trying to work from home.

Funding for Virtual Office Space: Funding for transitions to virtual offices for small businesses will be money well spent both now and in the long term. Small firms may not have the access to capital now to make the necessary transition, but whether the current crisis or a future one, it is necessary for a more resilient economy.

Keep Development Moving: We need leaders to prioritize the re-opening of permit offices, especially the Portland Bureau of Development Services so that all new permit applications may be processed, not just critical industries such as health care. While we understand the need to prioritize those applications that will serve our communities now in a time of crisis, the capacity of the bureau should be adequate to allow for consideration of all applications. Importantly, many cities around the region are implementing best practices and transitioning to accepting digital plans, conducting remote inspections, and taking payment via phone and computer. These tools effectuate social distancing best practices while saving valuable staff time and resources. Permits should be fast-tracked, and as many requirements as possible should be waived to accelerate projects that want to move forward. The generation of jobs and economic activity will help us stabilize and keep our economy moving in a more resilient direction. Several cities stated this a goal for decades. Now is the time to put it into action.

Contractor support: Provide special contracting and workforce support for minority-owned, women-owned, and emerging small businesses (MWESB). And encourage prompt payments for current contracts.

Retention rates should be released during this economic slowdown. Small construction contractors should be released from requirements of 5% retention rates from past projects. This will help with cashflow. Any new projects should have suspension of 5% retention requirements.

Certain industries and companies will be hiring workers during this time. We ask that you immediately work directly with those employers to establish clear operating protocols to protect the public health, while growing their operations.

Insurance support: Local businesses are working to adjust and better understand their insurance coverage. We recommend a local clearing house of information in collaboration with private providers for businesses to go to for the following but not limited to:

- Changes to health care offerings depending on staffing changes and how employers and employees can interact with the marketplace.
- Information on business disruption and other materially consequential policy questions.
- Technical assistance in filling out appropriate paperwork

We also ask regional public officials to work together to establish and provide seed money for a small business relief fund in partnership with the private sector on insurance needs.

Expedite Housing Investment: Over the last decade, our region vastly underbuilt housing. Both Portland and Metro region officials have received voter support to provide resources to construct affordable housing. Every effort should be made to expedite the expenditures of these resources, and conversely, every effort should be taken to reduce the barriers to the construction of market-rate housing.

Support Storage Facilities: Businesses must maintain access to storage, especially cold storage for providers of food. This is necessary for the needs of our economy transitioning to on-time delivery and facing a prolonged shut-down of our hospitality, food and beverage industry. Prioritizing the construction or conversion of facilities to handle this transition is an important economic resiliency measure.

LET'S ACT TODAY, TOGETHER

Your action today is crucial to helping our economy recover as one region, together. Thank you for your leadership and prompt attention to these concerns.

Sincerely,



