



March 13, 2020

Dear Members of the Washington State Congressional Delegation,

The rapid spread of COVID-19 is having dramatic effects on the citizens and institutions in Washington state, particularly in the Puget Sound region, which has the most confirmed cases of coronavirus in the country. We appreciate your fast action to approve \$8.3 billion to respond to the COVID-19 public health crisis. However, it is already apparent in our region that the economic impacts of COVID-19 are more far-reaching and devastating than anyone had anticipated, and we expect that these impacts will spread across the state.

Our members fully agree that the health and safety of their employees, customers, and communities is paramount. At the same time, the policies and precautions now in place have tremendously affected our whole economic ecosystem.

With large employers heeding social distancing recommendations and encouraging employees to work from home if possible, economic centers like downtown Seattle have cleared out. The decrease in foot traffic, coupled with groups following public health guidance, means restaurants have seen on-site dining, banquets, and catering dwindle. This has forced layoffs as well as temporary and permanent closures throughout the restaurant industry. Hotel occupancy has already dropped below 40%, and Washington state is projected to lose \$20 million in revenue from conferences that have been canceled in March alone.

Governor Jay Inslee's declaration Wednesday, which banned social gatherings of over 250 people in Washington's three most populous counties, is a wise and pragmatic approach to stem the spread of the virus, but is the latest blow to our state's economy, creating a cascade of canceled sporting events, concerts, and plays. Bans on traveling from China and Europe will devastate the already struggling tourism industry, and our next two cruise sailings—each with an estimated \$4 million in economic activity—have already been cancelled.

We are very concerned that these economic impacts will continue to disproportionately fall on the most vulnerable businesses and workers in our region. The smaller businesses bearing the brunt of reduced demand are vital to a diverse and vibrant local economy, and their ability to weather this storm is uncertain. Workers in the most severely affected industries, especially those who are hourly, part-time, and/or low-income, are now in very precarious financial circumstances.

In the face of all these challenges, we urge you to advocate for bipartisan efforts to address the economic crisis we are facing.

**First, we urge you to creatively appropriate existing funding to address current challenges.**

We expect that additional revenues are needed in the coming weeks and months, but in the more immediate term, many businesses only have enough reserves to weather a few weeks without income. If it takes a few weeks for Congress to appropriate new funds and a few more to distribute resources to the hardest-hit areas, more businesses will be forced to close and lay off staff.

- 1) Housing and Urban Development funding or Community Development Block Grants could be used creatively to provide funding now for business recovery grants or job creation and retention grants.
- 2) Give Washington and heavily impacted areas priority access to existing funding, like Economic Development Administration's grants and loans.
- 3) Approve any disaster or emergency declarations necessary to qualify for additional federal funds to address current challenges.

**Significant and immediate direct business stabilization and recovery funding is critical to stem the tide of this economic downturn.**

While we are all working to preserve jobs through creative solutions, inevitably additional federal recovery grants are necessary to stabilize struggling businesses, especially in sectors with thin margins that cannot take on more debt during this crisis.

- 1) Appropriate additional flexible money for the Small Business Administration to provide recovery grants and forgivable loans to struggling businesses. Loosen restrictions on the sizes of business that can qualify to allow more access to desperately needed capital.
- 2) Provide money to states with large COVID-19 outbreaks for the administration of Unemployment Insurance.
- 3) Provide zero interest loans to states to address spiking Unemployment Insurance claims.
- 4) Reimplement Extended Unemployment Compensation and provide federal funds for the program.
- 5) Fully fund the National Dislocated Worker Reserve Fund and give Washington and heavily impacted areas priority access.
- 6) Provide technical assistance grants to local governments to administer assistance to businesses trying to navigate city/state/federal economic support during this crisis.
- 7) Provide additional tax incentives to struggling businesses. In addition, to deferring tax and business payments, consider offering tax relief and forgiving payments.

**Finally, we urge you to pass legislation and appropriate funds to help protect Washington's employees and employers.**

Low-income, hourly employees are being disproportionately impacted by this crisis, and we want to ensure these individuals are able to stay home when they are sick. However, with the current reality of diminishing or no business income, struggling employers cannot afford to pay for additional benefits. Please ensure that employers receive the funding necessary to implement the social distancing programs we all need and avoid unfunded mandates.

- 1) Provide reimbursement grants for small and low-margin employers who are providing new sick and paid leave benefits for individuals and families impacted by COVID-19.
- 2) Create other cost-sharing mechanisms for additional costs that employers will be shouldering.

We also know that sectors like tourism and trade will be especially devastated and will need long-term plans to restore their economic strength after the public health crisis has been addressed.

This significant economic downturn is more abrupt and severe than anything we have seen in a generation. We call on your leadership and stand ready to work with you in the coming days and weeks to stabilize our economy and take care of the citizens of Washington.

Sincerely,

Kris Johnson  
President and CEO  
Association of Washington Business

Joe Fain  
President and CEO  
Bellevue Chamber of Commerce

Jon Scholes  
President and CEO  
Downtown Seattle Association

Taylor Hoang  
Executive Director  
Ethnic Business Coalition

Brian McGowan  
President and CEO  
Greater Seattle Partners

Louise Chernin  
President and CEO  
GSBA: Washington's LGBTQ and Allied Chamber

John Lane  
Director of Local Government Affairs  
Seattle Hotel Association  
Seattle Restaurant Alliance

Markham McIntyre  
Acting President and CEO  
Seattle Metropolitan Chamber of Commerce

Erin Goodman  
Executive Director  
SODO BIA

Julia Gorton  
Director of State Government Affairs  
Washington Hospitality Association

Michael Schutzler  
CEO  
Washington Technology Industry Association

Tom Norwalk  
President and CEO  
Visit Seattle