

TILLAMOOK COUNTY RECREATIONAL FISHING IMPACT REPORT



Recreational Fishing Businesses Share Consequences of Shutdown

Prepared by Tillamook Coast Visitors Association

Recreational fishing providers and owners of associated businesses in Tillamook County who were contacted in April for this report - including people in the river and bay guide, dory, charter, marina and processing segments of the local economy - all reported substantial losses in their income from Tillamook County operations, relative to their normal income, due to COVID-19 restrictions. With water access points blocked, boat ramps closed and out-of-state residents barred from fishing, crabbing or clamming, the shutdowns that began taking effect three weeks into March were continuing to prevent normal operations at the time of writing this at the end of April. Of the interviewees who mentioned looking into potential federal stimulus help, none had been successful.

"Basically sitting here
hoping the phone
doesn't ring again and
have somebody that
wants their refund."

- CHARTER OPERATOR

Several interviewees who shared their experiences for this report talked about their intangible but real financial worries in ways that transcend numbers. One river fishing guide said, "If business is not reaping income by summer after a devastating spring, 'there is no more. There is no more money. There is no more savings. Game over. I lose my property that I have saved for my whole life. I lose my company and I lose where I live.'"

A charter operator articulated, "So basically, we're just sitting here in our homes, watching the money fly out of our bank account and hoping that the phone doesn't ring again and have somebody that wants their refund. So that's where we're at. I hate to be a downer here, but we're in a bad situation."

**12 OPERATORS
INTERVIEWED**

ALL REPORT
SUBSTANTIAL
LOSSES, REDUCED
STAFF, AND
UNCERTAINTY ABOUT
THE INDUSTRY'S
FUTURE.

SEAFOOD PROCESSOR SERVING
RECREATIONAL AND
COMMERCIAL CUSTOMERS

REVENUE
↓ **85%**

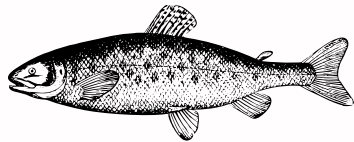
VOICES OF FISHERMEN

Charter Operator

The spring shutdown ceased all operations and left 12 people without income. Gearing up for the 2020 season, substantial investments were already made into the operation infrastructure leaving the charter strapped for cash. The operator reported losing \$60,000 of revenue during March and April. They are receiving requests for refunds months in advance as customers are uncertain of their own financial capacity for recreation in the near and distant future. Forseeing a sharp down in customer numbers throughout the 2020 season, they are cautiously hoping for half of the usual turnout. Realistically the charter reports an overall \$390,000 decrease in revenue for 2020.

\$390K

REVENUE LOSS



Amongst the bay and river guides interviewed, many specifically addressed concerns surrounding the fear that locals will not be welcoming of tourists in the area, which stands to **drastically impact future** revenue, perpetuating their current financial struggles.

Others are uncertain if they will be able to operate small river boats if social distancing rules are in effect and many are considering whether they can cover their costs if boats are under capacity for an indefinite amount of time.

During the first month of shutdown, one fishing guide incurred \$20,000 in trip cancellations and will not be hiring a deckhand for the season. On average, the guides reported lost revenues of \$35,000 of revenue in March and April combined.

**"WE ARE OPERATING ON A
BARE-BONES BUDGET,
ANTICIPATING 2020
REVENUES TO DECLINE UP TO
80% WHICH MEANS NO
SEASONAL HIRING."
-MARINA OPERATOR**

**AT RISK OF LOSING
65%
OF REVENUE STREAM**

The Port of Garibaldi is suffering right along with recreational fishing. They report delinquent property tax collections, unpaid leases, and moorage fees. Moorage income accounts for 26% of the Port's revenue which are normally collected in late May. The state's three-month moratorium on evictions has resulted in some businesses deciding not to pay for that length of time. Generally the Port relies on the bulk moorage payments to carry cash to the next fiscal year.

Port of Garibaldi

"I'm concerned that outspoken animosity toward tourists by many local residents will squelch visitor numbers so badly that the season will essentially be lost."

-DORY FISHERMAN

Doryman

One Doryman reported missing out on profits of up to \$1,250 per day during shutdown. Resumption of fishing with strict social distancing could limit profits to \$250 per day. Allowance of four-member family groups could bring up revenues to \$750 per day, but may not be enough to cover long-term overhead.

One month into shutdown, another Doryman reported that they incurred over \$10,000 in cancellations for upcoming months. Normally the summer season brings in a six-figure gross revenue, which is anticipated to be at least half for the upcoming months. **There's great concern that opening under a 50% capacity for social distancing would not adequately cover fixed costs of the operation.** Additionally, they do not plan to hire additional summer staff due to cash constraints.

A river fishing guide employed by an outfitter company reported loss of income to a tune of \$2,000 per week when not fishing.

He is concerned that customers will not be able to afford guided trips this season.

TILLAMOOK COUNTY RESTAURANT ECONOMIC IMPACT REPORT



Prepared by Tillamook Coast Visitors Association

Restaurants across Tillamook County have been battered by three waves of the COVID-19 storm, starting in mid-March. The first wave was the two-month mandatory shutdown of in-person dining, including the normally bustling spring break period that restaurateurs rely on in a typical year to rejuvenate their finances and pay for investments in their businesses after the long and unprofitable off-season doldrums.

6 BUSINESSES THAT
PROVIDED DOLLAR
FIGURES
REPORT

**\$1.2
MILLION**

LOST REVENUES

133

LOST JOBS

The second wave was the launch of the Oregon reopening in mid-May, with strict requirements including distancing and monitoring. Those *distance-related reductions in restaurant capacity, combined with the fixed costs of operation and elevated cleaning expenses, created an unprofitable scenario for many restaurateurs* who decided to postpone their resumption of in-person patronage even longer.

The third wave is the continuing uncertainty and risk surrounding COVID-19, which has caused some restaurateurs to delay the resumption of on-site dining operations for the safety of guests and staff. Some restaurants stepped up their takeout and curbside service during the mandatory shutdown; some tried that approach and ceased doing so when it proved unprofitable or undesirable; some followed that path and limited themselves to it even after the Phase 1 reopening came with its distancing rules; and others never adopted that model.

Several restaurants shared their experiences stemming from the COVID-19 shutdown with the Tillamook Coast Visitors Association, and all reported substantial declines in revenue from a year earlier and uneasiness about the make-or-break summer months ahead. In addition, more than other segments of the Tillamook County tourism economy, the restaurant sector employs a substantial number of people and buys a large amount of goods from local farmers and fishers, leading to a *notable negative "ripple effect" in the local economy when restaurants cut jobs and purchases.*

12 RESTAURANTS INTERVIEWED

"I'm scared for my
business. We can't
survive the winter if
we don't put money
aside."

- RESTAURANT OWNER

**EVERY RESTAURANT WAS
FORCED TO LAYOFF STAFF**

**LOCAL PRODUCERS AND
SUPPLIERS LOSE
SUBSTANTIAL SALES AS A
RESULT OF RESTAURANT
CLOSURES**

"TIME IS OF THE ESSENCE FOR ALL OF OUR SMALL BUSINESSES, ESPECIALLY ON THE COAST."

"One thing I would just love to add to that is we really feel like our community has rallied around us."

- Restaurant shut down completely in late March for safety of employees and patrons, after experimenting with takeout-only meals. Initial attempt to offer orderly takeout option proved too difficult to enforce because rule violators led to crowding that upset employees and caused health concerns. Planning to reopen at beginning of June, **following losses of about \$375,000 in revenues during shutdown** compared to same period in 2019. **Laid off 30 employees at start of shutdown and did not hire about 20** more who would have been in place by early May. Shutdown has also affected local suppliers who provide nearly 70% of restaurant's food purchases.

- Restaurant shut down in March and is offering delivery of provisions and meals while waiting until reliable indicators show it's safe for staff and patrons to reopen, even if that means staying closed to in-person dining until first week of September. Going forward, if the health indicators delay the resumption of in-person dining, the delivery proceeds would be a small stream compared to the 2019 summer-season revenues of \$423,000. **Laid off 15 employees at start of shutdown**, which has also resulted in loss of business to local suppliers of meat and fish.

TAKEOUT
LAYOFFS
SOCIAL
DISTANCING

- Restaurant and retail food operation went to takeout-only model at time of mid-March shutdown. Laid off approximately eight workers and reduced days and hours of operation. Year-over-year revenue declines from 2019 to 2020 were 13.5% for March and 29% for April. **Operation may not reopen for indoor dining this summer because of uncertainty about safety for patrons and staff**, which would bring a reduction of an estimated 30% from 2019 summer revenues.

- Restaurant shifted to takeout-only in mid-March and is opting **not to resume indoor dining yet because of ongoing concerns about the safety** of staff, family members, community residents and customers. Sourcing of food purchases is entirely local, so closure has hit Tillamook County suppliers.
- Restaurant halted operations in mid-March and has not offered takeout or curbside service. **Laid off 15 people and normally would have hired an additional 15 for summer.**
- Restaurant group briefly offered takeout before ceasing all operations in mid-March to avoid drawing unsafe crowds, and has recently begun offering limited curbside pickup. Planning to resume **indoor dining no earlier than June 1**, and anticipates ramping up somewhat slowly with an eye on visitor behavior to avoid unwanted actions and crowding. Nearly all employees were laid off in mid-March, and by mid-May, well more than half remained on layoff.
- Restaurant closed in mid-March and reopened to distanced and mostly outdoor dining in mid-May. Initial attempt to offer takeout only lasted a few days due to lack of profitability. **Much of the fate of the business will hinge on whether distancing requirements continue**, because shape of indoor dining area would dictate that only 25% of the usual tables could be occupied. If full capacity is available by July 1, business can survive until next year. Revenue declines compared to 2019 were \$217,000 for March, April, and May. **Laid off 14 people for duration of shutdown and didn't bring in four additional people who were slated to begin working.**

3 RESTAURANTS
RECEIVED PPP
FUNDING

MOST RESTAURANTS MODIFIED TO
TAKEOUT ONLY, SOME CLOSED
COMPLETELY, MANY SLOW TO
REOPEN FOR SIT-DOWN DINING

- Restaurant went to takeout and curbside operation in mid-March and resumed outdoor dining in mid-May while waiting to open indoor seating. Revenue for all of March was down 30% from a year earlier and April was off by 60%. May was trending like April for the first half and numbers are still shaping up for the second half. **Laid off 18 people in mid-March and were able to bring back six because of Paycheck Protection Program funding.** Restaurant buys a lot of seafood and farm produce locally, so local suppliers are hurt by reduction in restaurant sales.

TILLAMOOK COUNTY MUSEUM, ARTS & CULTURE ECONOMIC IMPACT REPORT



Varying Reports Illustrate Economic Damage from COVID-19 Shutdowns

Prepared by Tillamook Coast Visitors Association

Museums, galleries, performance spaces and other arts/culture institutions in Tillamook County have seen a range of impacts from COVID-19 shutdowns that went into effect in mid-March. While some have been able to cushion initial declines in revenues, other are seeing financial setbacks that could threaten the heart of their operations. Still unknown is the future damage to revenues after reopening if social distancing, fear of disease exposure and job losses reduce visitor numbers.

Dean Runyan Associates, a Portland-based economic and research firm specializing in travel and tourism, recent released its report examining numbers through 2019 for the

"We've been applying
for grants or help.
Nothing has come
through."

-ART FACILITY DIRECTOR

12 ORGANIZATIONS INTERVIEWED

- 4-Museums
- 2-Visual art/galleries
- 1-Tourist attraction
- 1-Dance studio
- 1-Activity/performing arts venue
- 1-Performing arts center
- 1-Volunteer group for historic site
- 1-State-owned outdoor attraction

Oregon Tourism Commission. Its review of preliminary estimates for 2019 shows that visitor spending in Tillamook County totaled \$36.9 million in the arts / entertainment/ recreation category, generating \$10.5 million in industry earnings and \$1.7 million in local tax receipts while supporting 410 jobs.

Twelve interviewees with facilities that fall into the arts / entertainment/ recreation category shared details to illustrate economic damage from the COVID-19 shutdowns.

85%

STAFF LAID OFF



100k

LOST REVENUE

**TOURIST ATTRACTION
24 PAID POSITIONS**

"We have lots of questions. We don't know when people will start to circulate again. They will be reluctant to engage in the kinds of things they were doing before. So we have to figure out how to open in a way that allows for safe distancing." -ART CENTER DIRECTOR

Museums

Forced cancellations of fundraising events are a common financial concern amongst non-profit museums, arts and culture groups.

- One museum with an all-volunteer staff is hoping for the ability to reopen during July and August. Closure during spring break meant that the normal surge in visitors didn't happen. Lack of visitors equates to less admission donations. Upon reopening, they are considering the need to hire a paid staff member in order to adhere to proper sanitation under COVID-19 guidelines. One of the three annual fundraisers have already been canceled due to the shutdown and they are uncertain if the other fundraisers will experience the same.
- A high-profile museum was forced to lay off four employees beginning mid-March. Being closed April through June will result in **lost revenues of an estimated \$110,000.**
- A small museum with paid staff ceased admission and gift shop revenue, but has been able to remain stable, mostly due to vacant positions that have not been filled.
- A museum with paid staff and some volunteers is concerned for their ability to juggle finances as one of their two main fundraisers were cancelled. The second fundraiser is usually held late spring and continued closures could force cancellation of that event as well. Along with a sharp decline in fundraising, they have also **lost an estimated \$5,600 in admission fees and gift-shop revenues.** Two of their part-time staff have been furloughed and the other two staff members are worked half of their regular hours.



**AT RISK OF LOSING
\$110K
OF REVENUE**

Performing Arts & Galleries

- An activity and performing arts venues relies on rental fees as a main source of income. For every month the rooms are unable to rent, they estimate **\$7,500 in lost rental fees.** Several of the instructors are self-employed and are unable to work.
- An all-volunteer performing arts venue is relying on their savings account to pay their mortgage and utilities. Once ticket sales resume, they are concerned that social distancing guidelines could cause a financial squeeze for continued operations.
- At another arts center and gallery, five contractors have been drastically reduced. **In the prior year, the organization recirculated nearly \$163,000 back in to the community** through pay to contractors, art commissions, and fees paid to instructors.

A state-owned outdoor attraction with a visitor center experienced an estimated **loss of \$2,800 in admission donations, \$13,500 in gift shop sales, and \$3,300 in education and youth group fees.**

**LOST
VOLUNTEER HOURS
VALUED AT
\$26,000**

**State-Owned
Outdoor Attraction**

Historic Property

An all-volunteer group that raises funds to maintain a historic property says that the closure of the property has ended the normal flow of revenue from donations, cutting the group's ability to fund needed repairs of the deteriorating site. Projections of missing revenue aren't firm due to the unpredictability of donations, but the continuing deterioration of the site means the need is increasing and revenue is falling.

**A DANCE SCHOOL &
PERFORMING ARTS VENUE
IS NOT BRINGING IN CLASS
FEES, BUT IS STILL PAYING
STAFF WHILE THE OWNER IS
GOING WITHOUT PAY.**

TILLAMOOK COUNTY LODGING ECONOMIC IMPACT REPORT



Prepared by Tillamook Coast Visitors Association

In 2020, lodging providers along the ocean and bay coastlines of Tillamook County were either entirely or largely shut down for a 10-week stretch starting in mid-March and ending in late May due to COVID-19 emergency order. This extended the unprofitable wintertime doldrums through spring and past Memorial Day. Several lodging providers shared details of the financial setbacks of 2020 with the Tillamook Coast Visitors Association as the clock ticked down toward a general reopening that will require 24-hour turnarounds between guests, stepped-up cleaning and sanitation routines, and the

previously unseen practice of social distancing for visitors. While some expressed the optimism that has long been a signature of the lodging industry, most providers who were interviewed are planning for reduced revenues during **the 2020 summer season that they emphasized—repeatedly — is their brief window to survive until 2021.** Lodging providers also noted that they play a crucial role in the health of the Tillamook County economy not only by employing workers and hosting visitors who spend money at other businesses, but by consistently serving as the **on-scene experts guiding those visitors to other businesses.**

**NINE
LODGING
BUSINESSES
INTERVIEWED**

"The biggest problem that I think is going to happen real soon- Locals' [attitudes] about visitors coming here. I have 35 peoples' lives on my hands. I am responsible for their livelihoods. **People need to be kind to each other and understand that we can all lose everything we've ever worked for.**"

- LODGING OWNER

7 BUSINESSES THAT PROVIDED
DOLLAR FIGURES REPORT

\$1.1 MILLION
LOST REVENUES

90 LOST JOBS

"If we're shut down, it has a big impact. We've got to squirrel money away for the winter. If we're not doing that, it's pushing a huge wave ahead of us."

"I REALLY THINK WE'RE GOING TO BE SCRAMBLING, WORKING REALLY HARD FOR EVERY DOLLAR."

"It's critical to make sure that people who come here have a great experience."

- Small establishment with an emphasis on guiding guests to unique experiences in the area: It hosted no guests during the 10-week shutdown. Owner expects that the expense and down time of new rules upon reopening — such as the 24-hour turnaround between guests and heightened sanitation — will require changes such as **ending one-night stays** and requiring a minimum of two-night bookings, or possibly **charging higher one-night rates to justify blocking out the next day**, and likely will mandate adding an employee for the extra cleaning, which will drive up costs of operation. The owner doesn't expect a shortage of guests in summer, and in fact is bracing for an influx of visitors lacking awareness of how they can overwhelm the area.
- Established vacation-rental operator with a range of properties: It had no guests in the 10-week shutdown equating to revenue **decline of more than \$500,000 from a year earlier**. Out of 35 employees, there were nearly **30 layoffs**, plus major cuts in hours for some other employees. The expectation heading into summer is uncertain, since the operator is getting mixed signals about whether potential visitors will be aching to stay at the coast or too scared and economically uncertain to take the plunge.
- Small lodge that ceased normal operations in mid-March provided rooms for a few visiting essential workers and contractors has mitigated some of the decline in revenue, which has still been substantial: down more than \$30,000. The owner fears for the future of the business because **a full-bore high-occupancy summer would be needed to regain lost ground before winter**, and the restrictions of **the reopening plan will reduce occupancy numbers from normal summers**.

**SOCIAL
DISTANCING**

**MINIMUM
24-HOUR
TURNAROUND**

**PROVIDE
GUEST PPE**

- Operator of several dozen vacation rentals: The company shut down all hosting except for two long-term guests. Year-over-year revenue declines have been stark: **down \$275,000. Around 15 housekeepers, maintenance, and office workers were laid off. The boost in state unemployment payments is a hindrance for a return to operation, since calling in part-time workers could put employees between a "rock and a hard place [choosing between work] and the extra \$600 per week from unemployment."** Forecasting for summer is banking on a **40% decline** from normal revenues, based on signs that visitors from the Willamette Valley will **make plans on short notice, on short budgets, for shorter stays, at smaller rentals, in smaller numbers**.
- Small lodging establishment: **Four employees were laid off.** The owner is hoping for a near-normal summer, while adjusting for increased turnaround time between guests and an anticipated evaporation of visitor numbers from overseas.
- Smaller lodging provider: Stopped hosting visitors in mid-March as cancellations were increasing despite the large numbers of tourists on the coast, and had no income during the shutdown, estimating losses of **\$144,000. Five employees were laid off.** *The operator was the only interviewee to forecast that numbers this summer might exceed last year after reopening, based on the perception that residents of the Willamette Valley will want to get away from home but won't want to fly or travel far.*
- Lodging provider with range of accommodations: Stopped accepting guests a couple days before the official shutdown because of health concerns as massive crowds along the beach violated distancing protocols. The shutdown period resulted in loss of about **30% of anticipated yearly revenue**, and the operator plans to reopen gradually through the first two weeks of June to gauge visitor

"Research indicates that Americans want to travel to outdoor spaces they can reach by driving."

- LODGING OPERATOR

Government officials need to realize that lodgers need to reach maximum capacity soon so that the short summer season can carry them through the long money-losing winter:

"They think, 'Oh, well, open it up later.'

We don't have a later."

behavior with an eye toward safety, and eventually reach whatever level of capacity is achievable under phased-in state standards. **A few dozen employees were laid off**, with plans for rehiring as lodging resumes. The 'ripple effect' from guests has notable benefits for surrounding businesses and tourist attractions. The interviewee expects demand to be solid this summer because of research indicating that Americans want to travel this year to outdoor spaces they can reach by driving.