

TILLAMOOK COUNTY TOURISM INDUSTRY SECTORS ONE YEAR LATER - ECONOMIC IMPACT OF COVID



Prepared by Tillamook Coast Visitors Association THE YEAR THAT WAS - THE YEAR AHEAD

The COVID hammer came down on Tillamook County, Oregon in March 2020, as pandemic restrictions led to closed boat ramps and crimped fishing operations, bans on indoor dining, shuttered lodging, and locked cultural attractions – all of which battered mainstay sectors of the county’s crucial tourism economy.



- RESTAURANTS
- RECREATIONAL FISHING
- LODGING
- MUSEUMS, ARTS & CULTURE

In that unsettling spring of 2020, the Tillamook Coast Visitors Association (TCVA) reached out to local fishers, restaurant owners, lodging providers, and operators of cultural venues to ask them what they needed and what they foresaw for the year ahead.

That year ahead is now the year behind, and the TCVA marked the milestone with follow-up interviews to ask **what worked, what didn't, what occurred in a year of upheaval and uncertainty, and what lessons have been learned for the days to come.**



"It's been a longstanding property in the community for over 60 years, so it's not something that I wanted going down on my watch."
RESTAURANT OWNER

Restaurants

What was done differently in 2020

- An owner with a reputation for quality dining at a higher price point weighed the idea of shifting to takeout-only but sold the business rather than taking the associated risks of using lower-paid workers and potentially changing the restaurant’s image.
- **Another reduced hours, let staff go, and ran on family members plus a friend, aided by a year of free rent offered by the landlord.**
- One took an all-of-the-above approach: dine-in when possible, outdoor dining at other times, reduced hours and days, delivery, and retail sales.
- One restaurateur did hour reductions and layoffs, **and went takeout-only because dine-in distancing and the need for extra cleaning would not have paid off**, then moved to a bigger space with outdoor dining.
- Another cut staff, used the initial shutdown as an opportunity to improve the building, went takeout-only, installed heat for outdoor dining, and resumed dine-in when allowed, in addition to joining forces with a nearby inn and a recreation provider to promote themselves as a getaway package.

"I learned to cook. I learned to prep. I learned to do everything and I'm surviving."

RESTAURANT
OWNER

Financial assistance and how it helped

Restaurant owners — including two who sold their businesses — had mixed experiences with aid programs. One didn't apply for any, viewing the loan options in particular as poor fits for the restaurant industry. Another applied three times and got nothing because demand outstripped available funds. Others got funds from the Paycheck Protection Program, the Economic Injury Disaster Loan program, and a state COVID relief fund, plus the marketing grant program funded by TCVA and Tillamook County Creamery Association. Those who got funds said they helped cover employee retention and seasonal staffing-up, the costs of pivoting to takeout-only, the sunk costs of improvements, and costs associated with heating outdoor dining areas.

What will be done differently in 2021

One restaurateur plans to staff up in a limited fashion and make menu changes, while another plans to add specials and step up social media and promotions while continuing to wait before resuming events. A restaurateur who moved to a bigger location aims to capitalize on the ability to have indoor dining even with distancing, provide outdoor dining areas, **adjust operations as needed, try offering gourmet meal kits for home delivery, and possibly start a line of sauces and similar goods for retail sale.** One owner who sold and retired said to-go food will likely remain big in local dining, and another who sold recommended that restaurants in the area offer outdoor covered or heated dining and pivot as needed with attractions such as specials for families and possible retail sales.

LONG TERM
PLANS
REMAIN
LARGELY
UNCHANGED

Estimated time to return to normal revenues

The restaurateur who relocated said COVID and government restrictions make it impossible to predict when revenues will reach 2019 levels, while another offered those same caveats but cautiously said this summer could see normal revenues. Others were less guarded in expecting a likely quick return.

Recreational Fishing

What was done differently in 2020

COVID shutdowns of water access and fishing in spring, followed by reduced capacity on boats, made 2020 a challenge. With fewer paying customers, there was less hiring and less money going to contract crew. **One fisher described cutting back on advertising and promotion and raising fees, since demand for fishing trips ran higher than available bookings.** Another with a retail outlet started a contactless call-in service in which customers placed orders with credit cards and did curbside seafood pickup. There were online check-ins and reduced admittance of customers to enclosed or limited spaces. There were layoffs, and a provider of multi-day lodge trips was unable to lease the lodge due to travel restrictions.

"MY WIFE GOT LAID OFF. THERE WASN'T ENOUGH WORK FOR THE TWO OF US."

FISHER/RETAILER

Financial assistance and how it helped

Business owners who work on the area's ocean waters, bays, and rivers got help from a variety of funding sources. Marketing funds came from TCVA and Tillamook County Creamery Association. County, state, and federal funds were administered by the local Economic Development Council; Travel Oregon provided help; and the federal government offered the Paycheck Protection Program, Economic Injury Disaster Loan, and CARES Act Fisheries Assistance packages. **The programs helped fishers survive COVID-related hits to their revenues, since their expenses are largely fixed, and their vocational risks mean maintenance cannot be deferred.** Funds went toward insurance, maintenance, mortgages, utilities, income shortfalls, and aid passed to contract workers.



What will be done differently in 2021

Changes for 2021 were mostly marginal or unavoidable, and the overall approach of fishers was to keep pushing forward in the usual way with hopes of coming out the other side. The fisher with a retail outlet plans to continue the contactless option, which has proved popular. Another is continuing to apply for assistance programs. The multi-day trip provider was undecided about whether to sign a lodge lease.

"SURPRISINGLY ENOUGH, THERE WAS WAY MORE DEMAND THAN WE ACTUALLY HAD ROOM FOR."

FISHING CHARTER
OPERATOR

What will be done differently in 2021

Looking at positives and negatives, the fisher who raised fees said **trips are more enjoyable for all with fewer customers paying more,** and may take a middle path in the future by keeping fees higher and not running boats at normal full capacity. Another is braced for a possible inability to continue long-term, especially if declining steelhead runs lead to river closures.

Lodging Providers

What was done differently in 2020

- Two vacation-rental operators noted that their businesses boomed after they were able to resume bookings in May and bring back staff, **with one raising rates and still remaining so busy that it was able to sharply reduce marketing and relax its cancellation policy so people who were sick would not feel pressured to keep their reservations.**
- One vacation-rental operator said the guest pool had shifted to people more accustomed to being catered to, as if they were accustomed to resorts and not the self-service expectations of past guests.
- A small lodging operator called off plans for an event center when banks quit lending to the tourism industry, **was able to call back laid-off staff when lodging resumed, raised rates slightly, went contactless,** and provided seating with a table and chiminea outside each unit so guests could be outdoors without risking exposure to others.
- An inn operator instituted empty days for rooms between guests, brought the cleaning regimen up to exceptional levels, made interactions with guests as contactless as possible, deferred bill payments, and suspended the guest laundry and beach bike amenities.
- Another inn operator **raised rates, hired fewer summer staffers than usual, and changed its cafe menu to focus on takeout food suitable for eating on the beach** at a good price point.

"We used to do some wine tastings and sit out by the fire with our guests and listen to stories, which makes life really great — so that's the hardest part, not being able to connect as much anymore."

SMALL LODGING OPERATOR



Financial assistance and how it helped

Lodging providers, depending on their circumstances and the size of their operations, got a variety of aid packages, including the Paycheck Protection Program, the Economic Injury Disaster Loan program, a Travel Oregon grant, government funds distributed by the local Economic Development Council, and marketing money from the TCVA and Tillamook County Creamery Association. An inn that has continued to hold rooms empty for 24 hours after each booking was able to better absorb the lost income with the aid. A vacation-rental operator applied aid toward employee pay. **One inn operator noted that after reopening in May, the business began to get bookings on short notice, and the aid helped pay workers brought in to accommodate those guests.** The owner of a small lodging operation said the assistance provided a cushion for paying bills without falling behind.

What will be done differently in 2021

One vacation-rental operator plans to remain nimble to accommodate the trend of last-minute bookings, and **another in the vacation-rental industry plans to raise rates and stash away cash while business remains good.** A small lodging operator is launching an app that will be used for guests to check in, order beer and wine, and ask questions. An inn operator who has been blocking empty days after guests leave might end that policy over summer and bring back the guest laundry and beach bikes, while proceeding with website improvements, beefing up social media, and avoiding third-party booking sites. Another inn operator sold the on-site cafe to focus on the core lodging business, and **will not do campaigns on third-party booking sites because of the prevalence of last-minute booking.**

RISING DEMAND AND LAST-MINUTE BOOKINGS LEAD TO INCREASED RATES AND THE ABILITY TO DROP COSTLY THIRD-PARTY BOOKING SERVICES



Change in long-term plans

One vacation-rental operator foresees no change in long-term plans, while another will **do more preventive maintenance to avoid sending workers when guests are present** and predicts that a new practice of having managers check each home for cleanliness will continue. A small lodging operator plans to increase outdoor activities, possibly including movies shown after dark. **One inn operator says little is likely to change except that the days of an open cookie jar and coffee in the office may not return due to guests' caution.** Another inn operator is crafting a social-media campaign to market the venue in stories depicting it as good-old-days place to drive for a rewarding experience after being cooped up.

Change in long-term plans

One inn operator thinks this year is too soon, but that revenues will be back shortly after. **Two vacation-rental operators said their businesses have already reached or exceeded 2019 revenues.** An inn operator and the owner of a small lodging business expect numbers to be back to normal this summer.



Cultural Attractions

"Stores are packed, people are not wearing masks. There is a level of frustration for me that I'd been forced to close so many times."

ART BUSINESS
OPERATOR

What was done differently in 2020

- One facility cut expenses by using equipment less costly to operate. **A business offering instruction held more summer classes than usual, with lower capacity, and ended discounts.**
- A museum furloughed full-time employees while continuing to offer benefits but laid off seasonal staff.
- A state-funded facility closed its doors but put **staff to work creating online virtual experiences.**
- Another museum saw a reduction in staff that led it to cut days from five to two per week and not bring on seasonal workers.

Financial assistance and how it helped

Arts and culture operations, except for one state-funded facility, got help from assistance programs including the Paycheck Protection Program, Economic Injury Disaster Loan program, government funds administered by the local Economic Development Council, marketing money from TCVA and Tillamook County Creamery Association, Oregon Historical Society aid, and grant money for specific museum projects. The aid helped recipients cover payroll, mortgage payments, utilities, other bills, and benefits for furloughed workers.

What will be done differently in 2021

A facility with challenging spaces to maintain social distancing is urging visitors to make reservations and continuing to run on minimal staffing. A business that provides instruction is considering offering extra classes and might add a series of short classes to its autumn schedule in an attempt to rebuild enrollment numbers.

A museum is rolling out an app to attract visitors and improve their experience, and another museum is going back to five-day weeks after dropping to two. A state-funded facility long closed by COVID restrictions will continue to share online virtual experiences and provide educational materials.

"[FINANCIAL ASSISTANCE]
HELPED SO WE DIDN'T HAVE TO
ROB PAUL TO FEED PETER."

MUSEUM DIRECTOR



Change in long-term plans

One facility will remain heavily reliant on volunteers, with a plan to **bolster their education and training** and to make sure they know they're valued. A museum saw that events had been crucial to its business in earlier years and is stepping up its focus on maintaining its space for events in years to come. **Another museum's board is likely to craft a strategic plan for dealing with possible future pandemics or natural disasters and the resultant lower attendance.** A business that makes its revenue from classes is keeping its same long-term plans while focusing on regaining its usual attendance. A state-funded facility is waiting out the pandemic and plans to return to its operations when possible.

Estimated time to return to normal revenues

One facility foresees typical revenues as early as one season after COVID restrictions end. **A business offering instruction expects a quick resumption of normal income once social distancing and controversy over face masks have passed.** A museum predicts a bounce back to regular admissions when people feel safe traveling, perhaps as soon as the upcoming fiscal year. Others hedged, as a state-funded facility said a timetable is unknowable until the venue reopens and potential visitors' comfort levels are up, and a museum expects a wait of two or three years, depending on vaccine effectiveness.

Local Organizations Acknowledged for Contribution to Recovery Funding Efforts

Thank You!

