

Fitness-related Organizations Presumptive Eligibility

OVERVIEW

NCCC has established an additional presumptively eligible industry class based on local research and needs, following the criteria set by the US Treasury.

For the purposes of this section, Fitness-related Organizations (FRO) are defined by the state of Oregon's Public Health Division as follows: "Fitness-related organizations include but are not limited to gyms, fitness centers, personal training, dance studios, and martial arts centers."

During the initial "Stay Home, Save Lives" period designated by the State of Oregon (March 21, 2020 to May 20, 2020), all FRO's were closed to the public in Oregon. In Clackamas County, following its "Extreme Risk" designation by the State, these businesses were closed again at the beginning of December 2020 through mid-February 2021. Clackamas County FRO's suffered significant losses from these periods of complete closure alone. Unlike many businesses in the Hospitality industry (e.g. restaurants) which could continue to operate with restrictions by using means such as meal-delivery, FRO's remained entirely shuttered.

At the beginning of re-opening in May of 2020 and off and on again throughout the pandemic waves, the Oregon Health Authority (OHA) required the elimination of contact sports (basketball, karate, etc.), restrictions on occupancy overall (to include customers and staff), in specific rooms (lockers, weights, yoga, etc.), and on personal training. These restrictions would be in addition to whatever losses were incurred by the FRO's from customers who were simply too afraid to enter close quarters, such as those typically encountered at FRO facilities, and canceled their membership either because of this or because of the simple unavailability of health facilities.

The "Sector Risk Level Guidance" charts published by OHA—which were updated as frequently as OHA deemed necessary based on pandemic waves (up to weekly)—show the kinds of restrictions placed on FRO's based on the risk level of their county of operations. Three months in the first half of 2021 are demonstrated, below.

Clackamas County was classified by the State of Oregon as in the "High Risk" or "Extreme Risk" categories for a sustained period from December, 2020 to mid-June of 2021.

This means FRO's in Clackamas County, for a 6.5 month period, were either restricted to 6 customers at a time, regardless of facility occupancy maximums (Extreme Risk), or 10% maximum occupancy or 50 people, whichever is larger (High Risk). For a small business with 50 employees (in line with the definitions herein), an FRO facility would need to find a staff-to-customer ratio which would fall in line with these guidelines. Taking a conservative estimate, a four-customers per employee ratio would mean 40 employees of the small business would either be laid off or paid via federal public assistance benefits via their employers, such as PPP. However, PPP only provided for 8 weeks of assistance, leading to likely layoffs for many employees in Clackamas County FRO's. This structural issue would be just as devastating to any size Clackamas County FRO small business according to the definitions herein. It is highly probable that employment losses in the FRO industry in Clackamas County all far beyond the 8% losses the US Treasury has documented for the Travel, Tourism and Hospitality industry nation-wide.

Nationally, approximately 22% of all fitness facilities closed permanently due to the pandemic. Oregon had approximately 500 FRO's registered state-wide prior to the pandemic, but now is down to 450 FRO's registered with the Oregon Secretary of State, a potentially permanent loss of 10%.

These data points lead NCCC to believe presumptive eligibility status for Fitness-related Organizations in NCCC's Service Area is warranted, and NCCC designates this industry as an additional presumptively impacted industry according to the SLFRF Final rule.

All applicants applying under the Fitness-related Organizations Presumptive Eligibility classification must be located in the North Clackamas Chamber's service area: that includes only these Zip Codes: 97015, 97086, 97089, 97222 & 97267.