

From Crisis to Recovery

Atlantic County's Recommendations to Restart the Regional Economy



Atlantic County is working to strengthen the regional economy and lessen the severe, economic impacts resulting from the current state-mandated business closures. A priority of this effort is to get local businesses, large and small, back up and running as quickly as possible while ensuring the health and safety of their employees.

The current economic situation in Atlantic County is dire. The economic impact of the closures is expected to linger and will not be resolved quickly. This is due to the fact that despite ongoing efforts to develop other industries, the regional economy remains largely dependent on a singular industry – tourism, hospitality and gaming. This industry is dependent on leisure and recreation opportunities, socialization, dining, shopping and entertainment. It is expected to be the last sector that will recover to pre closure levels.

Economic Impacts of COVID-19 Closures: It must be stressed that closure related impacts will not be limited to Atlantic County. They will also be felt at the state level where a significant decline in gaming and tourism tax revenues is expected.

An optimal response will require that state and county interests be aligned. To assist the state in getting business back open and people back to work, we have compiled the recommendations that follow. This summary was based on our ongoing dialog and discussions with all Atlantic County freeholders, mayors and our state senator. We also draw upon the information shared during weekly teleconferences coordinated by the Atlantic County Economic Alliance with all Atlantic County chambers and business associations. We have also worked with the Greater Atlantic City Chamber on an online survey of business community needs and concerns and have been helped by their efforts.

Municipal Survey: In late April, Atlantic County contacted every county mayor to ask them to provide their key COVID-19 related priorities and concerns. The responses were consistent in that municipal officials recognized the need to get businesses open as quickly as possible, especially considering the upcoming tourism season. They also recognized the complexities of getting businesses back in operation while ensuring public and employee safety. In a weekly teleconference with local chambers and business organizations, one community estimated that 30% of their small businesses will not reopen.

Greater Atlantic City Chamber Survey: In mid-April, the Greater Atlantic City Chamber conducted an online survey targeting Atlantic County businesses to identify issues of greatest concern. Approximately 578 businesses responded. Respondents were located throughout the county and the majority, 56.9%, were small businesses with fewer than 10 employees. Eighty-nine percent of respondents reported that they were adversely impacted by the pandemic. Seventy-five percent reported that lost sales and income were a significant threat to their continuing operations. Forty-one percent estimated that they would exhaust their cash resources within a month.

Health and Safety First: We recognize and fully support the understanding that any reopening strategy must accept that the safety and well-being of the public is paramount concern in any reopening strategy. Employees and customers must feel safe in order to resume normal activities. We also recognize that certain behavioral modifications necessary to manage a pandemic must be ongoing. These include social distancing, frequent handwashing and wearing a face mask when appropriate. Personal responsibility and a willing compliance with any necessary restrictions must be practiced by the public. We further recognize state and local governments must lead by example.

Communications: It is critical that all messaging related to closures and reopening be clear, consistent and authoritative. State and local communities must be on the same page. Otherwise, the public becomes confused, angry and non-compliant. State guidelines covering reopening will be essential.

Retail Establishments: Retail establishments that the Governor's Executive Order deemed to be "essential" have been permitted to operate since mid-March with limitations on occupancy and with social distancing and sanitation requirements. It is strongly recommended that permission to open be extended to other retail establishments as quickly as possible. These would include businesses that offer personal services such as hair salons, nail salons, barbershops and medical-related facilities. Many of these are small businesses and their closure has severely impacted the ability of the owner and employees to provide for their families. We recognize reopening presents certain challenges. It will require limitations on the number of customers in the store to facilitate social distancing and protocols for employee safety. We recommend that this be done as soon as possible. Closure restrictions must make sense.

Rules that designated some places of business as essential have greatly benefited large national chain stores at the expense of local small businesses. A small jewelry shop, dress shop, furniture store, shoe store, card shop or other specialty business cannot open and sell the same piece of jewelry, dress, recliner, pair of shoes or Hallmark card that can be sold by the likes of Target, WalMart, Sam's Club, CVS or others that have been deemed essential. This financially devastating inequity must be corrected immediately.

Boardwalks: Currently, with local approval, boardwalks may remain open with certain restrictions as outlined in Executive Order 107. Essential businesses, such as takeout food service may remain open to the public while other businesses and passive recreational activities are restricted. Given the essential relationship of the Boardwalk experience to shore tourism, we believe it is essential that steps are taken to open all boardwalk businesses and lessen restrictions on activities prior to the start of the summer season. This will require strict social distancing and prohibiting large gatherings. It will also require the ability to enforce compliance at the municipal level. Local governments, therefore, should determine when and how businesses may reopen with state guidance.

Beaches: Shore communities have a strong interest in the manner in which beaches may be opened and enjoyed by residents and visitors. We believe that the decision regarding how beaches remain open and used be locally determined provided adequate safeguards are put in place and enforced. Local communities may make this determination in accordance with the level of local resources needed to enforce compliance with social distancing requirements. Our shore communities recognize they may be required to add additional staff or enter into inter-local agreements in order to ensure adequate staffing and resources. The goal would be to have the ability to open beaches for swimming, sunbathing and other recreation prior to the traditional heart of the summer season in July.

Casinos: Casino hotels are a major source of employment for residents as well as vital state and local tax revenues. It is estimated that 25,000 casino employees are currently out of work. Therefore, getting these facilities reopened as quickly as possible has an added sense of urgency. Casinos resorts are multidimensional, complex facilities with unique operational and regulatory requirements. We recognize

that because of their importance to the state, as well as the clout of industry leaders, efforts are underway to determine how they may reopen as quickly as possible with safety and health concerns a primary focus. We believe that when and how casinos reopen is a decision best left to the Division of Gaming Enforcement and property owners, with the understanding that their reopening cannot occur without properly addressing employee and public safety concerns.

Bars, Breweries, and Restaurants: Many restaurants and dining establishments have remained open with service restricted to takeout only in accordance with the Governor's Executive Order. We recognize the complexity of reopening restaurants and believe that this should be done in accordance with best practices and with guidance from the Centers for Disease Control and other appropriate agencies. Limited openings and the creation of opportunities for outside dining are being explored. Municipal cooperation will be essential to any opening plan and opening plans should be locally determined.

Hotels, Motels and Lodging: The availability of these types of facilities are vital to a tourism economy. It is urgent that they be able to offer accommodations in which their guests and employees feel safe and protected. As with restaurants and businesses that serve alcohol, certain requirements regarding occupancy levels, sanitary procedures and employee protection will need to be addressed. This should be done in cooperation with health agency, regulatory and industry guidance.

We recognize the difficult decisions that our federal and state elected officials had to make in order to protect the citizens of New Jersey during a novel and unpredicted public health emergency. We also recognize and appreciate their hard work and efforts. We submit these recommendations with the intention they help hasten and guide their decision-making. We also assure them of our local cooperation in balancing the health and safety of our citizens with their economic needs. We remain committed to helping Atlantic County and New Jersey successfully navigate the road back to recovery.

Respectfully submitted May 8, 2020



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