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Period: May 17, 2020 to May 23, 2020

The Governor continued to provide additional guidance this week on the four phase “Safe Start” plan for re-opening. Additional guidance was provided for Phase 1 and Phase 2 religious and faith-based services and outdoor recreation. A total of 24 counties are now in Phase 2 and three more are eligible to apply. Infection criteria for moving to portions of Phase 2 were also provided indicating that counties with an infection rate of less than 10 new infections per 100,000 residents over a 14 day span can apply for the variance if they meet certain eligibility criteria. King County is currently well above that criteria and this suggests Phase 2 is still a ways out though recent infection rates have slowed (31 new cases on 5/26/20). The Governor’s state-wide risk assessment dashboard update yesterday showed all measures either steady or slightly improved.

Phase 1 continues in King County but we are still at low levels and the stay at home order remains in place, which continues to mean significant economic impacts and additional impact in coming months tied to the virus path, how fast consumer demand returns and how social distancing measures impact the economy. The state coronavirus response website indicates a minimum of three weeks is required to pass before moving to the next phase and the health metrics will have to be satisfactory before we will see statewide movement to Phase 2.

**Significant King Co9unty Covid-19 Economic Events**

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| Week | Item | Notes |
| 3/22/20 | Governor announces stay home order-people to stay home, non-essential businesses to close | Essential workers: healthcare, emergency services, public works, food/ag, energy, transport/logistics, communications/IT, others (hotels, construction, rental cars), critical manufacturing, financial services, chemical |
| 4/19/20 | Governor allows re-start of low-risk construction on existing facilities | Must have a plan, social distance and monitor employees |
| 4/26/20 | Governor eases outdoor recreation and elective surgery requirements | State parks/lands open for day use, golf open, Some surgeries get the go ahead |
| 5/5/20 | Phase 1 of Re-opening Starts:Essential businesses openState parks openFollowing activities allowed:landscaping and lawn care vehicle/vessel salespet walkingretail (curb-side)car washes | Phase 1 started 5/5/20 and will last at least three weeks. Only essential travel allowed. |
| 5/18/20 | Ban on non-critical medical and dental procedures expires | Some providers re-opened |
| ? | Phase 2-activities allowed:Everything in phase 1 plus;Restaurants to 50% capacity table size no larger than 5All manufacturing openNew constructionIn home/domestic servicesRetail (w/restrictions)Real estateOffice based businessesSalons/barbers | Earliest date for Phase 2 is listed as 6/1/20 and it will last for at least three weeks. Limited non-essential travel near home allowed and socializing with up to 5 people.-All goods production (resources, construction and manufacturing) in operation (~180K jobs)-Majority of services operatingCurrently 10 counties in Phase 2 and 12 more eligible this week |
| ? | Phase 3-activities allowed:Everything in phase 2 plus;Restaurants to 75% capacity table size no larger than 10Bars <25% capacityIndoor gyms (<50% capacity) Movie theatres(<50% capacity)Government (telework encouraged)Libraries/museumsAll other business activities except nightclubs and events with more than 50 people | Earliest possible date for Phase 3 is 6/21/20 and it will last for at least three weeks. Non-essential travel allowed and socializing with up to 50 people. |
| ? | Phase 4-activities allowed:Everything in phase 3 plus;Nightclubs/concert venuesLarge sporting events, Unrestricted staffing but continue social distancing and good hygiene | Earliest possible date for Phase 4 is 7/12/20. All non-essential travel allowed. |

Boeing announced layoffs of nearly 6,800 along with 5,520 voluntary departures. The total for Washington employees is 9,840 or just under 14% of all Boeing employees in Washington. They also indicated there will be more in the following months to get to their overall 10% global reduction target. They also announced they had begun to initiate the Max assembly line in Renton again to get it ready for production albeit at much slower production rates.

Washington Employment Security released the April employment numbers for King County this week. Unemployment in King County reached 14.9% with 186,000 residents listed as unemployed. Employment contracted 220,000 jobs in King County. Looking at the employment numbers by industry, leisure and hospitality went from 131,000 employees in March to 48,000 in April. Construction fell by 35,000 and manufacturing by 10,000 for the same months. The education and health services sector was down nearly 30,000 jobs.

We also received countywide taxable sales data for March, the first month of extensive impact due to Covid-19. As expected, the reduction was significant and varied by industry. The construction industry saw a reduction of less than 7%, but taxable sales associated with accommodation and food service were down 73.8% (YOY).

**King County Taxable Sales (March, 2019 and March 2020)**



King County had 14,371 initial claims this week which was a 70% decrease over last week. Claims were down in all categories with the most claims in Healthcare & Social Assistance and retail. The state continues to analyze the impact of fraud on the numbers.

Fewer anecdotes are coming in now as most activity is shuttered and the impacts have been highlighted previously. Those listed continue to show the drastic reduction in demand and the consequent layoffs and furloughs locally. Re-opening anecdotes are highlighting the impact of social distancing measures.





**Anecdotal by Industry**

Manufacturing

•N/A

Construction

• The Port of Seattle will advertise and award a contract for up to $6.2 million for architecture and engineering design services work for a four-story expansion of Sea-Tac Airport's C1 Building. (PSBJ, 5-27-20)

Retail

• Earnest national spending data week ending 5/13/20; online grocers +134% (yoy), Delivery aggregators +136% (yoy) (Earnest, 5-21-20)

Hotels

•N/A

Restaurants

•N/A

Tourism

•Passenger volumes growing at Sea-Tac airport, with an average of 6,300 passengers per day (normally 60,000 daily passengers this time of year). An improvement over the 2,500 daily passengers seen a few weeks ago. (Visit Seattle, 5-21-20)

•A total of 29 future citywide conventions previously booked at the Washington State Convention Center have now cancelled, representing 208,847 contracted hotel room nights and $214 million in lost economic impact. Full overview on page 4. (Visit Seattle 5-21-20)

**Total Lost Convention Business (Visit Seattle, 5-21-20)**

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| **Summary of 2020 Cancellations**  |
|   | **# of Conventions**  | **Attendance**  | **Room Nights**  | **Economic Impact**  |
| **Q1**  | 3  | 8,400  | 17,574  | $20.3 M |
| **Q2**  | 14  | 70,950  | 80,957  | $97.7 M |
| **Q3**  | 7  | 19,700  | 43,529  | $48.9 M |
| **Q4**  | 3  | 7,850  | 14,605  | $14.2 M |
| **2020 Total**  | **27**  | **106,900**  | **156,665**  | **$181.1 M** |

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| **Summary of 2021 Cancellations**  |
|   | **# of Conventions**  | **Attendance**  | **Room Nights**  | **Economic Impact**  |
| **Q1**  | 1  | 7,500  | 35,454  | $20.9 M  |
| **Q2**  | 1  | 9,000  | 16,728  | $12.0 M  |
| **2021 Total**  | **2**  | **16,500**  | **52,182**  | **$32.9 M**  |

•Seattle hotel occupancy remains at historic lows; 10.5% for the week of May 3-9. Occupancy across King County rose to 25.6%, the highest since the week of March 8-14 (Visit Seattle, 5-21-20).

Airlines/Trade

•N/A

Real Estate

•N/A

Employment

•UW Medicine furloughs 4,000 more workers, citing coronavirus budget hit. These reductions, along with furloughs announced for 1,500 nonunion staffers last week, mean that more than 15% of the workforce will go without pay for one to eight weeks. The workers will keep health insurance and other benefits, according to a UW Medicine news release. (ST, 5-26-20)

•Boeing announced to employees Wednesday a first batch of almost 7,000 involuntary layoffs in the U.S. Added to more than 5,500 voluntary layoffs, this means it will cut almost 12,300 jobs company-wide (ST, 5-27-20)

State/Municipal Governments

•N/A

Other

•N/A