

SUPPORT THE PARKING INDUSTRY'S AMENDMENTS TO THE PAYCHECK PROTECTION PROGRAM

PROBLEM: Parking demand has collapsed by around 80 percent due to the COVID-19 pandemic, leading to hundreds of thousands of furloughed employees in the past five weeks, but the Paycheck Protection Program (PPP) inadvertently restricts many commercial parking companies from applying for loans. Specifically, the PPP statute fails to account for some unique needs and corporate structures of the parking industry. Aid is desperately needed for companies to stay afloat and retain workers. Without a legislative solution, many parking companies will permanently cease or drastically reduce operations, creating a major obstacle to the nation's economic recovery and permanent losses of many of the 580,000 direct jobs in this industry.

SOLUTION: Congress should amend the PPP statute by: (1) adding the parking industry's NAICS Code (812930) to the restaurant/lodging industry exceptions for more than one physical location and for the SBA "affiliate rule"; and (2) ensuring that each parking location can have its own loan calculated. These amendments effectively waive limitations on gross revenue and the total number of employees, consistent with the relief provided to the hotel and hospitality industries. By allowing parking companies of all sizes to participate in the PPP via these two exceptions, you will increase the likelihood that when normalcy returns, hotels and restaurants will be able to depend on commercial parking nearby.

RATIONALE:

- Many parking companies can't access the PPP loans because they have multiple locations of 5-10 employees (each operating like a small business) but aggregate them under one Employer Identification Number. Decades of using this corporate structure has worked but now, it is an insurmountable hurdle to receive the SBA loans Congress authorized.
- The parking industry provides an essential service supporting workers in healthcare, transportation, hotel, and restaurant industries, among others and an empty parking space is no different than an empty airplane seat or empty hotel room. Those sectors have been able to access substantial federal financing under the CARES Act while the parking sector is far more restricted.
- The collapse of parking demand has resulted in unfortunate cuts to our employee base and puts the survivability of businesses in question. We expect an immediate loss of 50% of the employees (290,000) and other 175,000 jobs are at risk, mainly hourly workers living paycheck to paycheck. Almost overnight, a \$131 billion industry is receding to a \$65 billion industry or even a \$26 billion industry in our worst-case scenario.
- Parking employees are on the front lines today in the COVID-19 fight, facilitating transportation for doctors, nurses, first responders, and other essential workers. If parking companies go out of business, it will be much harder for our nation to respond to this pandemic and to emerge and reinvigorate the economy.