



To whom it concerns,

I'm writing to you today as a representative of California's Indoor Climbing Coalition, representing nearly 100 climbing centers in the Golden State. We have been particularly affected by the state ordered closures in that we have been misclassified and then put into tiers that force closures when purple and in restrictions that force us to operate at a loss when in red. We are working with California Public Health and Go Biz to remedy that for the long run, but in the meantime, the majority of indoor climbing centers have been allowed to operate for just about five months in total of the last 12 months because we cannot bring our businesses outdoors.

The average climbing center has an indoor facility of about 15,000 square feet and being able to operate at 25% capacity is about close to what we already operate at when not in a pandemic. I'll spare you the details, but the point is, our centers have large tenant improvements of \$500K-millions that cannot be moved. We are paying SBA loans on them, we are paying county taxes on them, and we are ineligible for most aid packages that have come through.

On the Federal level, many of our larger companies were forced out of the EIDL offering thanks to California's AB5 putting yoga contractors on our payroll and essentially doubling our employment numbers for calculations of what "small business" qualifies for. Most climbing centers received little to no support from EIDL due to imposed caps and promises that we would be able to appeal for more without finding success there.

The PPP program was also ineffective as those of us who filed early and spend the money allocated in the 8 weeks were closed for that duration. We kept people off unemployment at that point, but most of the employees we were able to serve, if we received that aid, were then let go at the second closure.

Small Business Debt relief was wonderful for those of us carrying loans - but the choice of deferral or forgiveness didn't help those of us with large SBA loans to pay, and, again, no way to repay them due to the closures. My business was grateful for the 6 month forgiveness, but we are now back to paying 5 figure debt to our bank, and our bank has zero interest in renegotiation, deferral, or even speaking to the SBA about options. I am forced to take out more debt long run to pay on my debt, and my bank won't support me doing that, so I am stuck.

As a Californian that cares very much about my neighbors, I'm grateful for the programs put together to aid us, but I am also obligated at this point to point out that the packages offered do nothing for our industry and those like us: gymnastics centers, indoor family entertainment, etc.



- Tax Relief Program: utterly meaningless as we will not generate a profit, but still leaving us in the lurch at the county level with regard to property taxes. Counties do not have payment plans, forgiveness, etc. For example, I had a \$20,000 tax bill due in June with no way to pay it. They've waived my payment for a year, but next year I will have \$40,000 to pay and again, no income to generate to pay it. Local officials have ignored me when I've asked to discuss it.
- Employment credit program for rehiring employees: the closure has meant that we are unable to rehire. Those of us that did hire after the first closure were then forced to release staff again at the second and third closures - the dates provided help only those who are not severely affected by the closures.
- Capital rebuilding funds: the cap on that is far too small. With indoor spaces averaging 15,000 square feet, that only amounts to a few months of rent and we're looking at being affected for the next year - we'd be unlikely to be able to comfortably repay those loans.
- Grant program for micro/underserved - I'm not 100% sure what underserved means, but most of us are not "micro" though I understand that's 20 employees or under? Again, the timeline of when we count these employees make a difference. I've had to close one location and my remaining location has all of two employees at the moment - but in January we had 34 thanks to yoga instructors and normal operations.

Indoor climbing centers are multimillion dollar businesses in their communities, employing dozens of staff, serving thousands of community members, serving nonprofits, and paying hefty taxes to their local communities. You may not have the power to help us operate safely in the tier system, but you may have the power to ensure we're here at the end of the pandemic.

Many of us have not seen rent or debt forgiveness or deferral. All of us have seen only 40% of what was normal in the five months we've been allowed to open. Consumer confidence is shot between constant open and closed situations and fear of virus exposure. We have a long road ahead of us, vaccine or no. We have hundreds of thousands, if not millions, we have lost at this point.

The packages put together benefit businesses that are successful through the closures, not those that need it. If a company is able to rehire employees, why are they given a bonus for that when our industry cannot because we are not being given the opportunity to recover?

Here are some suggestions that can help our industry, as well as those like us:

- Property tax credits for businesses showing adverse effects from closure - I do not want my community to lose tax money, but at the same time, our community isn't in a position to waive us. Us staying salient = tax dollars at the county and city level.



- Grants, forgivable, or low interest loans for businesses showing less than 25% of income in 2020 compared to years past.
- Grants, forgivable, or low interest loans for business expansion - most of our employees are doing a lot more work due to increased needs for pandemic response as well as diminished workforce, and not being paid commensurate with that - I'd love to hire another full time employee to help us through this and keep them out of unemployment - get rid of the administrative nightmare and let us put people back to work!
- Do not base packages on number of employees due to AB 5, for the same reason that the requirement put some of our members out of eligibility for EIDL.

We would be thrilled to speak further on this, and look forward to seeking opportunities to help our industry and those like us through this pandemic. Our recovery is good for the California economy. The demand is still there, but we just need to make it through to the end.

Thanks very much,

Kristin Horowitz  
CEO AscentVentures/The Pad Climbing and Director, California Indoor Climbing Coalition