

THE BLADE

One of America's Great Newspapers

Recovery group discusses how to reopen Ohio businesses

4/15/2020

BY JON CHAVEZ / THE BLADE

In the Toledo area there's been very few loan delinquencies in the wake of a state shutdown because of the coronavirus threat, but there is fear and trepidation over what lies ahead, a local credit union executive said.

"I can tell you, just from our experience, that ... we're not seeing a lot of delinquency or missed payments just yet. But we are seeing a lot of financial stress, we are seeing a lot of concern on the part of our members, both consumers and businesses," Barry Shaner, CEO of Directions Credit Union, said Wednesday during a teleconference meeting of the Ohio House 2020 Economic Recovery Task Force.

"And I can tell you," Mr. Shaner added, "that the calls started shortly after the announcement of [Gov. Mike DeWine's] stay-at-home orders ... and have not let up."

The meeting Wednesday was the second one for the bipartisan committee that has been tasked with forming a plan to get Ohio's economy restarted. The group's chairman, Paul Zeltwanger (R., Mason), said last week he hoped that by Friday a plan would be ready for jump-starting the economy whenever Mr. DeWine feels it is time.

On Wednesday, the group heard from Mr. Shaner, who is also a board director of the Ohio Credit Union League; from a restaurateur from the Cincinnati area; a downtown developer in Bellefontaine, representatives from the Ohio Bankers League, officials of a Carpenter's union, the Ohio Insurance Institute, and the former chairman of the Ohio Society of CPAs.

Mr. Shaner said Directions has been working with borrowers to modify their loans and skip fees.

“We are continuing to hear from members constantly that they are concerned. They have lost their paychecks. They have concerns about the survival of their businesses, and they are looking for whatever help we can provide,” he said.

Many are seeking help through the new Small Business Administration’s \$349 billion Paycheck Protection Program, that provides loans to help businesses meet their payrolls.

“The bad news is the funds are limited and the process is a bit clunky, it’s a bit slow and there’s some challenge with getting those [loans] done in a timely manner,” he said.

And, Mr. Shaner said, it is disheartening to hear that larger national institutions are eating up the bulk of that \$349 billion.

“You hear about Wells Fargo, for example, that originated \$10 billion worth of these PPP loans in a couple of days. With that kind of volume happening with these national lenders, it’s not surprising that there are some current concerns that those funds may not be available for all of the small businesses in Ohio that may need those loans,” he added.

In his daily briefing, Mr. DeWine said Wednesday he knows some are eager to reopen every Ohio business as soon as possible.

“But the monster is still out there loose and is going to be out there probably until we get a vaccine. And what that means is that we’re going to have to live with this and explain to the people of Ohio that when we open back up, it’s not going to look like it looked before,” the governor said.

Nonetheless, Dale Hipsley, owner of two Half Day Cafe restaurants in southern Ohio, said he’d like to see all Ohio business re-opened by May 1.

“This is so frustrating. My revenue is down 90 percent. Imagine going home and telling your wife that we’ve got to live on 10 percent of our income,” Mr. Hipsley said, adding that business owner need an end date for the stay-at-home orders.

“We can social distance but we can’t do it in perpetuity. Governor DeWine and Dr. Amy Acton have done a masterful job of scaring the dickens out of people,” he said.

Jason Duff, whose Small Nation development firm has helped revive Bellefontaine’s downtown business district, also pleaded for a May 1 opening, although he would not

be against a phased opening, which would give people a chance to adjust to living with the virus threat.

“How do we bring inventory up and employees back? You create a timeline by the government. Businesses can plan along a timeline,” he said.

But task force vice chairman Rep. Terrence Upchurch (D., Cleveland) asked what happens if on May 1 a customer visits a restaurant and contracts coronavirus there? Is that business liable?

“These are risks that I think with doing business now we are going to have to face. But I can tell you the risk of not opening things back up is far worse for our towns and communities and I believe for our public health,” Mr. Duff said.

John Venturella, past executive board chair of the Ohio Society of CPAs, said it’s one thing to open things back up but another to convince consumers that it is safe.

“Customers have to have a road map on how to interact with businesses,” he said. “Because without that, they’re not going to leave their homes.”

Mr. Venturella said he currently has a garden center as a client and it is sitting on \$1 million worth of inventory.

“It’s an essential business and it’s open. But people are not going out and buying their flowers. They’re sitting at home,” he said.