

April 5, 2021

OFFICERS

CHAIR

Christine R. Pooler, CCM, ECM
Oakland Hill Country Club
Bloomfield Hills, Michigan

VICE CHAIR

Michael Bruni
Olympia Fields Country Club
Olympia Fields, Illinois

SECRETARY

Nick Sidorakis, CCM
Southern Hills Country Club
Tulsa, Oklahoma

TREASURER

Malcolm MacColl
The Windsor Club
Vero Beach, Florida

IMMEDIATE PAST CHAIR

Terra S. H. Waldron, CCM, CCE, ECM
Greensboro Country Club
Greensboro, North Carolina

DIRECTORS

Ted M. Benn, JD
Thompson & Knight LLP
Dallas, Texas

Tom Bennisom
ClubCorp
Dallas, Texas

Ken Donovan
Fiddlers Elbow Country Club
Bedminster Township, New Jersey

Thomas A. Lenz, JD
Atkinson, Andelson, Loya, Ruud & Romo
Pasadena, California

Joel Livingood, CCM
Interlachen Country Club
Edina, Minnesota

Michael McCarthy
Addison Reserve Country Club
Delray Beach, Florida

Tim Muessle, CCM, CCE
The Olympic Club
San Francisco, California

Luke O'Boyle, CCM, CCE
Chevy Chase Club
Chevy Chase, Maryland

Keith Pabian, JD
Pabian Law
Framingham, Massachusetts

Robert L. Smith, II
The Country Club of Oxford
Oxford, Mississippi

Michelle F. Tanzer, JD
Nelson Mullins
Boca Raton, Florida

Thomas Wallace III, CCM, CCE, ECM
KOPPLIN KUEBLER & WALLACE
Cleveland, Ohio

PRESIDENT & CEO

Henry Wallmeyer

Senator Ben Cardin, Chair
Senate Committee on Small Business
428-A Russell Senate Office Building
Washington, D.C. 20510

Rep. Nydia Velazquez, Chair
House Small Business Committee
2361 Rayburn House Office Building
Washington, D.C. 20515

Senator Rand Paul, Ranking Member
Senate Committee on Small Business
428-A Russell Senate Office Building
Washington, D.C. 20510

Rep. Blain Luetkemeyer, Ranking Member
House Small Business Committee
2069 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair and Ranking Members,

The National Club Association and the undersigned city clubs would like to thank you for the efforts you have undertaken since March of 2019 to address the health and economic impact of the coronavirus pandemic. Early and swift action by Congress and the Federal Reserve to provide economic support has been critical for our economy. Unfortunately, city clubs around the country continue to face a serious confluence of issues as the pandemic and its aftermath have worn on and we are requesting your support in urging the Small Business Administration to include them in the Restaurant Revitalization Fund (RRF).

City clubs are typically organized as 501(c)(7) entities under the Internal Revenue Code and as such are not likely to be eligible for paycheck protection loans through the Small Business Administration due to regulations pre-dating the pandemic. By their very nature, city clubs rely on a robust and vibrant metropolitan economy with members utilizing their facilities during or after work hours. The dramatic shift that has taken place in terms of remote working has severely impacted revenues for most, if not all, city clubs around the country. Most city clubs were forced to furlough significant portions of their workforce to adjust to the extended lack of access members have to facilities and downturn in demand over the last 12 months. Despite significant gains in vaccinations, this situation is likely to continue for the remainder of 2021. In addition to lack of access to the PPP, because clubs are operating with limited staff and minimal demand, there is little benefit derived from participating in the employee retention tax credit (ERTC).

City clubs saw a near complete cancellation of business and social events in 2020 and limited dining revenue throughout the year. This has led to a cash drain that could force many historic buildings to close entirely and the staff will be irreparably harmed. Many of the clubs signing this letter have been cornerstones of their communities for decades and losing them would create a hole in our cities that may never be filled. Most clubs have seen their revenues plummet by 50-75 percent or more in 2020 and they are running out of operating capital to pay the remaining staff, maintenance of historic structures, and prepare to recover—precisely what the RRF was designed to protect.

Clubs typically operate and budget on a break-even basis with some level of monthly dues required of members and revenue from goods and services provided. With minimal revenues from food and beverage, events and other services for much of the year, the financial wherewithal to continue with no relief is nearly impossible for many clubs.

The unprecedented nature of the pandemic and concurrent economic pressures are leading to a potential catastrophe for clubs as well as the local economies and workers that depend on them to continue operations in order to earn a living.

Again, thank you for all you have done to date. Unfortunately, city clubs have not been eligible for much if any, relief as currently designed. We respectfully request you contact the SBA and urge them to provide clarity with respect to 501(c)(7) club eligibility for the RRF as a matter of fairness. Our employees deserve the same protections their colleagues receive who happen to work for a business with a different IRC classification.

Capitol Hill Club, Washington, D.C.
Centre Hills Country Club, State College, Pennsylvania
Cherokee Town and Country Club, Atlanta, Georgia
The Cosmos Club, Washington, D.C.
The Cornell Club, New York, New York
Duquesne Club, Pittsburgh, Pennsylvania
Fort Orange Club, Albany, New York
Harvard Club of Boston, Boston, Massachusetts
Missouri Athletic Club, St. Louis, Missouri
National Democratic Club, Washington, D.C.
New York Athletic Club, New York, New York
The Pacific-Union Club, San Francisco, California
Sulgrave Club, Washington, D.C.
The Summit Club, Tulsa, Oklahoma
The Sutter Club, Sacramento, California
Union League Club of Chicago, Chicago, Illinois
Union League of Philadelphia, Philadelphia, Pennsylvania
The University Club, New York, New York
The University Club of Washington, D.C., Washington, D.C.
Washington Athletic Club, Seattle, Washington
Wenatchee Racquet and Athletic Club, Wenatchee, Washington
The Westmoreland Club, Wilkes-Barre, Pennsylvania