

IF WE DON'T DO IT, NO ONE WILL: THE ROLE OF ECONOMIC DEVELOPMENT AND BUSINESS LEADERS IN REGIONAL RESILIENCE

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TROPICAL STORM IRENE, SUNDAY, AUGUST 28, 2011

Cavendish, VT



Jamaica, VT



TS IRENE CONTINUED:

Route 100



Townshend Dam



THE MORNING AFTER

- 13 COMMUNITIES WERE COMPLETELY SHUT OFF
- OVER 3,500 HOMES AND BUSINESSES WERE DAMAGED
- 500 MOBILE HOMES AFFECTED
- 200,000 ACRES OF FARMLAND WERE UNDERWATER, CROPS DESTROYED
- 500 MILES OF STATE ROADWAYS AND SOME 200 BRIDGES WERE DAMAGED, STATE AND LOCAL.
- ALMOST 1,000 STATE AND LOCAL CULVERTS WERE DAMAGED
- MOST TRAGICALLY, 6 LIVES WERE LOST.
- THE WORST DISASTER TO HIT VERMONT SINCE THE FLOOD OF 1927

THE MORNING AFTER:

Crop damage, Granville, NY



Chester, VT



THE MORNING AFTER CONTINUED:

- PLACES IN THE STATE EXCEEDED 8" TO 11" OF RAIN IN LESS THAN 24 HOURS.
- STATE EMERGENCY OPERATIONS CENTER WAS FLOODED. NO ACCESS, NO ELECTRICITY.
- STATE OFFICE COMPLEX IN WATERBURY WAS UNDERWATER DISPLACING 1,500 STATE WORKERS AND SEVERAL AGENCIES.
- STATE OFFICES CLOSED MONDAY, AUGUST 29.
- "YOU CAN'T GET THERE FROM HERE" WAS TRUE IN MOST OF SOUTHERN AND CENTRAL VERMONT.
- IT WAS THE WEEKEND BEFORE LABOR DAY WEEKEND, THE START OF FOLIAGE SEASON IN VERMONT, A BIG MONEY MAKER FOR HOSPITALITY AND TRAVEL



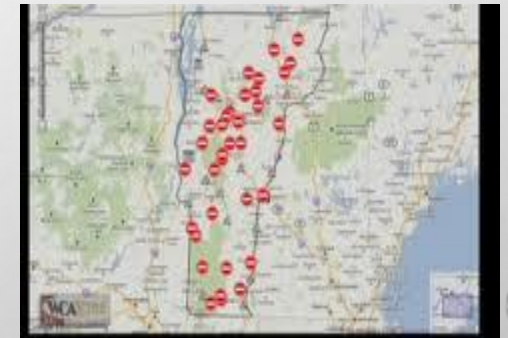
IMMEDIATE RESPONSE: HELP IS ON THE WAY!??

- FEMA WAS ON THE SCENE QUICKLY. THE FIRST PHASE OF RESCUE WAS WELL UNDERWAY.
- ROADS WERE GETTING REBUILT QUICKLY
- REGULATIONS WERE SUSPENDED TO GET ROADS PASSABLE ASAP.
- FOOD AND OTHER RELIEF WAS AIRLIFTED IN TO STRANDED COMMUNITIES.
- PEOPLE WERE IN TEMPORARY HOUSING FAIRLY QUICKLY.
- CONGRESS WAS DEBATING WHETHER OR NOT TO PROVIDE MORE DISASTER ASSISTANCE.
- SYSTEMS WERE SET UP FOR INDIVIDUAL ASSISTANCE AND INFRASTRUCTURE ASSISTANCE.
- NOTHING ON THE BUSINESS SIDE



WHAT ABOUT THE BUSINESSES, FARMERS?

- AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (ACCD): PRIMARY BUSINESS ASSISTANCE ENTITY IN STATE GOVERNMENT.
- OUR STATE EMERGENCY OPERATIONS PLAN HAD ACCD WORKING ON LONG TERM RECOVERY FOR “HISTORIC AND CULTURAL RESOURCES” NO MENTION OF BUSINESS ASSISTANCE.
- FEMA DOES INDIVIDUALS AND INFRASTRUCTURE, NOT BUSINESS.
- SBA PROVIDES LOANS BUT NO OUTREACH.
- WHO KNOWS WHAT HAS HAPPENED TO BUSINESSES? NO ONE!



WHAT ABOUT BUSINESSES AND FARMERS:

- LEARNED THAT ANYWHERE FROM 25% TO 60% OF BUSINESS IMPACTED BY A DISASTER WILL NOT RECOVER.
- WE HAD WHOLE DOWNTOWNS IMPACTED WITH 5-11 FEET OF WATER.
- PTSD WAS ALIVE AND WELL. IF NOT IMMEDIATELY, THEN EVENTUALLY.
- IRENE WAS FOLLOWED BY A HORRIBLE 2011-2012 SKI SEASON 2011-2012.
- MANY HOSPITALITY BUSINESSES WHO HUNG ON AFTER THE “GREAT RECESSION” AND THEN THE FLOOD COULD NOT AFTER THIS “TRIFECTA” OF HITS.



STEPPING IN TO FILL THE VOID

- WE HAD TO MAKE IT UP AS WE WENT ALONG, NOT A GOOD STRATEGY!
- SET UP A CALL IN NUMBER FOR BUSINESSES AND MOBILE HOME PARKS. RECEIVED OVER 267 CALLS FROM BUSINESS.
- SBA RECEIVED OVER 1,700 CALLS FROM BUSINESSES.
- ASKED OUR REGIONAL DEVELOPMENT CORPORATIONS AND CHAMBERS OF COMMERCE NETWORKS TO HELP.
- SOME WERE READY TO HELP, OTHERS NOT SO MUCH!
- HEARD: “THIS IS ALL RETAIL THAT WAS IMPACTED, I DON’T DO RETAIL, I DO INDUSTRIAL” OR “WE DON’T HAVE THE CAPACITY”.
- CAPACITY WAS/IS THE NUMBER ONE ISSUE TO PROVIDING THIS TYPE OF ASSISTANCE.



STEPPING IN TO FILL THE VOID CONTINUED:

- VERMONT ECONOMIC DEVELOPMENT AUTHORITY (VEDA) EXPANDED A SMALL EXISTING FLOOD ASSISTANCE LOAN PROGRAM IN FOUR DAYS:
 - STATE GENERAL FUNDS AS LOAN LOSS RESERVE TO LEVERAGE \$16.7 MILLION IN LOANS TO SMALL BUSINESSES AND FARMS.
 - 299 LOANS CLOSED WITHIN A COUPLE OF MONTHS OF THE DISASTER
 - MAX OF \$100,000, NO PAYMENTS YEAR ONE, INTERESTED ONLY YEAR 2, FULL AMORTIZATION IN YEAR THREE
 - FROM APPLICATION TO DECISION, TYPICALLY 4 DAYS.
 - AS COMPARED TO SBA WHICH WAS TWO WEEKS WITH MANY BEING DENIED.
- VT SBDC DID OUTREACH TO AS MANY BUSINESS AS POSSIBLE.
 - ENCOURAGED FOLKS TO REGISTER WITH SBA
- ACCD LEADERSHIP HIT THE ROAD.
 - ASSESS WHAT WAS HAPPENING WITH BUSINESS, HISTORIC AND CULTURAL RESOURCES
 - ENCOURAGE BUSINESSES TO REGISTER WITH SBA

WORKING WITH FEMA AND SBA

- DEPLOYED THEIR DISASTER TEAMS.
- WORKED TO BROADCAST THEIR TEL. #
FOR ASSISTANCE.
- THEY RECEIVED THOUSANDS OF CALLS.
- WOULD NOT SHARE WITH STATE GOVERNMENT ANY OF THE NAMES AND CONTACT INFORMATION.
- SBA WOULD NOT SHARE WITH THE VT SBDC ANY CONTACTS OR NAMES.
- DID NOT HAVE PEOPLE TO DEPLOY TO ASSIST BUSINESSES OR FARMS.
- VERY SYMPATHETIC AND COMPLIMENTARY BUT “SORRY, CONFIDENTIAL”



LONG TERM RECOVERY BEGINS:

- FEMA'S NSF-14 PROCESS STARTS IN TWO COMMUNITIES.
 - WATERBURY, WILMINGTON/DOVER
 - COMMUNITY VISIONING PROCESS
- HAZARD MITIGATION GRANT PROGRAM (HMGP).
 - STARTED A FULL YEAR AFTER THE EVENT.
 - FEMA FOR BUY OUTS AND MITIGATION FOR THE NEXT.
 - BUSINESS ELIGIBLE TO APPLY IN THE LATER ROUNDS OF FUNDING
- COMMUNITY DEVELOPMENT BLOCK GRANTS: DISASTER RECOVERY (CDBG-DR)
 - CONGRESS PROVIDED TO STATES IMPACTED BY IRENE.
 - A FULL YEAR AFTER THE EVENT.
 - FOR HOMES, BUSINESSES, MUNICIPAL INFRASTRUCTURE AND MORE.
 - STATE DEVELOPED A PLAN WITH BROAD INPUT.
 - MEET UNMET NEEDS ONLY.



LONG TERM RECOVERY CONTINUED:

- SBDC WERE THE “BOOTS ON THE GROUND” FOR SMALL BUSINESSES.
- DEVELOPED A “DISASTER RECOVERY GUIDE” FOR BUSINESS.
[HTTP://WWW.VTSBDC.ORG/PROGRAMS/IRENE-BUSINESS-RECOVERY-PARTNER](http://www.vtsbdc.org/programs/irene-business-recovery-partner)
- VTSBDC DISASTER RECOVERY GUIDE FOR BUSINESS:
 - STEP BY STEP ASSESSMENT AND INSTRUCTIONS ON WHAT TO DO DAY 1, 2, 3 ETC.
 - DEVELOPED WITH LOUISIANA SBDC.
 - FIRST OF ITS KIND THAT WE ARE AWARE OF.
 - AVAILABLE ON LINE CALLING AND VISITING BUSINESSES WITH EXISTING STAFF.
 - VERY LITTLE ASSISTANCE FROM OTHER STATES OR SCORE



FUND RAISING BEGINS:



- LICENSE PLATES SOLD TO RAISE \$1 MILLION.
- PRIVATE DONATIONS STARTING COMING IN TO MULTIPLE SOURCES. \$10 MILLION.
- ESTABLISHED THE IRENE RECOVERY OFFICE TO COORDINATE ACROSS STATE GOVERNMENT AND WITH THE PRIVATE FUND RAISING.
- SECOND HOME OWNERS LARGE CONTRIBUTORS TO LOCAL AND STATE FUNDS.
- SEVERAL \$1 MILLION DOLLAR DONORS FROM BUSINESS COMMUNITY.
- SEVERAL FOUNDATIONS STEPPED UP TO ADMINISTER OR PROVIDE DIRECT ASSISTANCE.
- ONLY ONE FUND TARGETED AT BUSINESS, MAX. GRANT TYPICALLY \$5,000.

THE REGIONAL RESPONSE:

- FOUR OF VERMONT'S 12 REGIONAL DEVELOPMENT CORPORATIONS IN THE HARDEST HIT AREAS ASSESS BUSINESS NEEDS. WITHIN WEEKS.
- BDCC HIRED TWO CONSULTANTS TO GO DOOR TO DOOR. WITHIN ONE MONTH.
- WINDHAM COUNTY ALONE OVER \$6 MILLION OF UNMET NEEDS. SIMILAR IN OTHER THREE REGIONS.
- BDCC APPLIES FOR EDA DISASTER FUNDING FOR A TWO COUNTY EFFORT IN RESPONSE: WITHIN 6 MONTHS.
 - 2 FULL TIME FLOOD RECOVERY OFFICERS TO GO DOOR TO DOOR.
 - FOCUS ON SMALL BUSINESS AND DOWNTOWN ASSISTANCE.
 - SOUTHERN VERMONT SUSTAINABLE MARKETING PLAN: BRAND FOR TWO COUNTIES.
 - MARKETING AND MEDIA PLAN TO ATTRACT TOURISTS AND TALENT TO THE REGION.

THE REGIONAL RESPONSE CONTINUED:

- SBDC UTILIZED ADDITIONAL FUNDING TO MAINTAIN 2 POSITIONS.
- FOUR RDC'S APPLY FOR CBDG-DR FUNDING. ONE YEAR AFTER THE FLOOD.
- APPROXIMATELY \$6 MILLION FOR THREE COUNTIES:
 - ADMINISTERED THROUGH THE RDC.
 - SMALL GRANTS FOR SMALL BUSINESSES WITH REMAINING UNMET NEEDS.
 - COVERS TA, ASSET RECOVERY AND WORKING CAPITAL.
 - CANNOT REFINANCE EXISTING LOANS.
 - ONGOING TODAY, ALMOST THREE YEARS AFTER THE FLOOD.
 - EMPHASIS ON MITIGATION IN THE LATEST ROUNDS OF FUNDING.



REGIONAL RECOVERY CONTINUED:

- THIS FORCED US TO EXAMINE OUR MISSION AND PURPOSE.
 - BOARDS AND STAFF
- HAD STARTED A REGIONAL ECONOMIC DEVELOPMENT STRATEGY PROCESS. THIS HELPED TO FORM THE NETWORK NEEDED FOR RECOVERY.
- CAPACITY ISSUES WERE ACUTE.
- PARTNERED IN A WAY WE HAD NOT BEFORE:
 - COMMUNITY ACTION AGENCIES, UNITED WAY, PRESERVATION TRUST, MORE.



LESSONS LEARNED:

- RECOVERY IS TRULY A MARATHON NOT A SPRINT.
- NEEDED AN ORGANIZED STATEWIDE RESPONSE TO INVENTORY BUSINESS DAMAGE AND IMPACTS. STATEWIDE SYSTEM BUT ALSO RESPONSIVE TO IMPACTS TO A SINGLE REGION.
- NEED STATE HELP TO BE POINT PEOPLE ON REGULATORY RELIEF, INSURANCE ASSISTANCE, CONGRESSIONAL LIAISON AND FED AGENCIES.
- OUR ECONOMIC DEVELOPMENT SYSTEM NEEDS TO RESPOND TO DISASTERS, REGARDLESS OF THE TYPES OF BUSINESSES IMPACTED.
- WE NEED A VERMONT FEMA: "VEMA". TO FUND IMMEDIATE NEEDS LIKE BOOTS ON THE GROUND AND OTHER CAPACITY NEEDS.



LESSONS LEARNED CONTINUED:

- YOU CANNOT OVER PREPARE.
- PREPARE FOR ALL TYPES OF DISASTERS.
- NEED YOUR CONGRESSIONAL DELEGATION.
 - FIND RESOURCES.
 - TROUBLE SHOOT WITH RESOURCES.
- DO NOT IGNORE THE PRIVATE SECTOR TO RAISE FUNDS.
- YOU NEED TO HELP BUSINESSES ASK TOUGH QUESTIONS.
- NON GOVERNMENTAL ORGANIZATIONS ARE HELPFUL.
- IF YOU DON'T DO IT, NO ONE WILL. IT IS YOUR JOB!



IF WE DON'T DO IT NO ONE WILL!

- WHO IS THEY?
 - WHO IS THEY?...WHY THEY IS WE!
- WE ARE THE ONES WHO CAN BUILD OUR TOWN,
- OR WE ARE THE ONES WHO CAN LET IT DOWN.
- WE ARE THE ONES WHO CAN MAKE IT GROW,
 - OR WE ARE THE ONES WHO CAN LET IT GO.
- IT IS UP TO US IF OUR TOWN IS GOING TO BOOM,
 - OR WE CAN SIT BACK AND SEAL ITS DOOM.
 - WHO IS THEY? WELL I'LL TELL YOU...
 - WE IS THEY AND THEY IS YOU!!!

-AL MOULTON, 1954



THANK YOU VERY MUCH!

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