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.


• 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

• 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!!!
THANK YOU VERY MUCH!

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