

TO: Governor Kate Brown
CC: Jason Lewis-Berry and Jason Miner
FROM: Eagle Creek Fire Recovery Council
DATE: ~~January 19, 2018~~ March 15, 2019
RE: Initial Findings of Needs from Eagle Creek Fire

The Charter of the Eagle Creek Fire Recovery Council directs us to advise Regional Solutions in deploying current state resources and apprise you, Governor, of needs unmet by current resources. The memo below enumerates emerging needs in the areas of business, economic recovery and public safety.

We commend the work of state agencies in their deploying current resources, and thank you for your continued focus on this effort.

Business Impact

Data on business impacts of the fire continue to emerge, but it will be difficult to know the full impact as it is not just a near-term event but also long-term with ongoing public perception, safety and potential transportation issues. Hood River and Wasco Counties lost 190 jobs in September 2017, and while it is not possible to disaggregate data for impacts in Multnomah County, anecdotes from throughout the Gorge including in Troutdale, show widespread impacts. The fishing industry, including tribal fishers also incurred business losses during the Eagle Creek Fire. The 19 Emergency Injury Disaster Loan (EIDL) interest forms received by the US Small Business Administration (SBA) from Hood River and Wasco County further illustrate the need of the business community in the Gorge. Given the barrier to entry, 19 forms represents a significant business response. By comparison, Deschutes County, with a much larger population than Hood River and Wasco combined, submitted 15 total forms.

Damage to business took on three forms: lost revenue from business disruption, increased cost from freight disruption and limited physical damage. This disruption occurred during a critical season for travel/tourism-related industries but also impacted traded-sector firms as well.

Emerging Needs

Resilience Planning

The Gorge has seen three major disruptions in the last year with an oil train derailment, winter ice storms and the Eagle Creek Fire. Given uncertainty around future disruption, planning for economic and business resilience in both Cascade Locks and the Gorge is another emerging area of need. The council is exploring both avenues to complete this work and existing funding sources. The Economic Development Administration (EDA) may have funding available for Gorge-wide work. It would, however, require a one-to-one match for a grant of \$50,000. Resilience planning for Cascade Locks alone is estimated to cost about \$25,000.

- **Cascade Locks Economic Resilience:** The City of Cascade Locks was the only incorporated community under level three evacuation during the Eagle Creek Fire. Because of this evacuation and the nature of Cascade Locks businesses, industry in the community was nearly shut down, and this was the second major disruption in a year. Located less than 50 miles from Portland, Cascade Locks has around a 13 percent unemployment rate and an average median income from private employment of \$26,000. Its economy is heavily tourism-based. Given this, the council recommends helping Cascade Locks develop a strategy for development of critical infrastructure and economic diversification.

Update: The Local Economic Opportunity Fund was seeded with \$500,000. MCEDD is pursuing match for \$50,000 from fund to do Gorge wide resilience work.

Working Capital

The clear and short-term unmet need is for greater working capital for businesses to stabilize their operations headed into a slow season, especially for tourism and travel-related industries. Several actions have already been taken on this front:

- The Oregon Investment Board (OIB), administered by the Mid-Columbia Economic Development District (MCEDD), was able to amend some of its loan products to provide a more favorable rate, mirroring the Emergency Injury Disaster Loan (EIDL) program. However, lending capacity through MCEDD is constrained and vital to ongoing economic development in the Gorge.
- Thanks to your quick action and the work of county emergency managers, the Small Business Administration activated the EIDL program for Multnomah, Hood River, Wasco and contiguous counties. However, the EIDL program is very constrained in who it can serve and many businesses are unlikely to qualify.

The council recommends the following to address continued capital needs:

1) *Direct flexible funds to guarantee or buy down interest rates on regional lending programs.* Regional lenders have the capacity and relationships to deploy these funds in the most timely and efficient manner. The council recommends seeking this funding in the most expedient possible fashion. Most of the businesses impacted were fairly small, but important to the economies of their communities. Tribal fishers are among those businesses who lost revenue and should therefore be eligible for these funds as well. Given this reality, a modest amount of \$500,000 should accomplish the desired stabilization.

2) *Direct Business Oregon, in consultation with regional partners and stakeholders, to prepare a legislative concept for the 2018 Session to create a state emergency disaster relief program that would include a low-interest loan product for businesses impacted by disasters.* This program should focus on stabilizing well-functioning businesses and include a loan forgiveness component for businesses able to maintain a certain level of employment over 18 months.

3) *Support the Council's request for the Oregon and Washington Congressional Delegation to appropriate the remaining \$1.9 million authorized by Congress for the Oregon and Washington Investment Boards (see attached - completed, letter of support sent to Oregon and Washington Congressional Delegation).*

Update: At the final recovery council, it was still unclear the overall need for capital. However, the Oregon Office of Emergency Management, Governor's office, and federal delegations were able to activate the Federal SBA lending systems. Locally lenders provided additional capacity. As of March, only a handful of businesses have taken advantage of the program. Legislative research is researching what if any additional lending programs the state needs.

Unemployment Insurance Ratings

Business members of the committee expressed concerns about the impact of the fire on their unemployment insurance (UI) rating and subsequent increases in the cost associated with UI. Staff investigated this issue and it appears that a federal policy change would be needed to provide relief on this front.

The Council, therefore, recommends that the state look further into this issue with the federal delegation.

Update: The policy issue has been communicate to the delegation.

Public Safety Impact

Many households were evacuated during the Eagle Creek Fire. Unincorporated areas of Multnomah County, including but not limited to, the Dodson and Warrendale areas, appear to be at especially high risk of debris fall and landslides. There are an estimated 111 homes that are at elevated risk due to the Eagle Creek Fire. Most of these homes were originally built on landslide prone areas.

Search and Rescue crews were heroic in their efforts during the Eagle Creek Fire despite being largely understaffed and having minimal, if any, wildfire training. However, technical expertise, staffing and resources should be increased to help future efforts.

U.S. Forest Service Burned Area Emergency Response (BAER) Reports show high levels of soil erosion and loose sediment making rock debris and landslides likely in the Columbia River Gorge as a result of the Eagle Creek Fire. The U.S. Forest Service has determined that high risk trails will remain closed through the winter and will be reevaluated in spring 2018.

Update: The Forest Service, ODOT, and OPRD continue to open up recreational assets as soon as they are safe. Travel Oregon, working with Hood Gorge, continue to market where it safe to recreate in the Gorge.

To help address these public safety concerns, we recommend the following actions:

1) *Offer wildfire training for first responders that will be required to enter fire affected areas.* The Oregon State Fire Marshal's Office has created a two to three hour class for first responders. However, there is still a need for additional training, personal protective gear and two UAVs that would be utilized to scout trails prior to personnel entering fire affected areas. We request \$65,000 to help pay for this specialized equipment that would be used by first responders including the enforcement division of the Columbia River Inter-Tribal Fish Commission.

Update: Local and state agencies have collaborated to implement training. Representative Helfrich succeeded in securing funding through the legislature.

2) *Obtain high resolution trail imagery.* First responders will need as much situational awareness as possible to plan responses both efficiently and safely, which imagery can assist with. There are many private companies that have the capability to capture these images and stitch them into a usable format. While some work with a local private company is underway, additional private sector support is needed to leverage existing high resolution camera technology. There are several companies in the region that have the capability to map areas utilizing fixed wing camera systems. We request \$25,000 to help pay for this.

Update: Representative Helfrich succeeded in securing funding through the legislature.