

disasters and their impacts

peter rupert
professor

department of economics, ucsb
director, ucsb economic forecast project

Lobero Theater
March, 2018

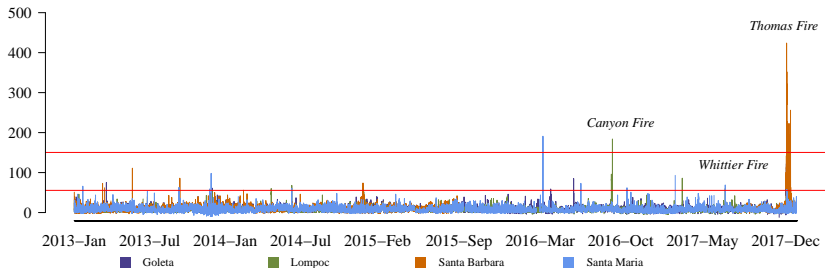
Thomas fire

- burned 281,893 acres
- largest California fire on record
- estimated costs
 - insurance claims: \$1.8 billion
 - fire-fighting cost: \$177 million
- produced hazardous air quality in Santa Barbara



Particulate Data, 2.5 Micrometers and Smaller

Santa Barbara County



Source: Santa Barbara County Air Pollution Control District

after a fire

- Tea Fire (Nov., 2008)
 - 262 assessor parcel numbers
 - 202 with improvements, 53 no improvements, 7 not valid
- Jesusita Fire (May, 2009)
 - 174 assessor parcel numbers
 - 144 with improvements, 28 with minimal or none, 2 not valid

...after a fire

- Sonoma County (Oct. 2017)
- 5% of all homes destroyed
- housing prices: supply and demand
 - many decided not to rebuild
 - lower supply increased home prices
- Montecito: what will happen to demand?

debris flow

- Public Works Department
 - responsible for roughly 15% of land area in Montecito
 - removed 500,000 cubic yards of mud and debris
 - one truck holds 10 cubic yards
 - ...50,000 truck loads (poor roads!)
 - Spent \$24 million on cleaning and removal
- Army Corps of Engineers
 - \$80 million on cleanup and \$30 million on removal

survey to the business community

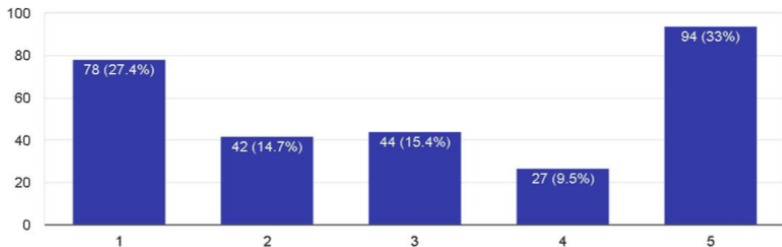
- distributed digitally to the business community
- objective: assess damage from the disasters
 - amount of time closed
 - estimated revenue lost
 - employee layoffs
 - actual and potential business closures
- 293 responses...93% from the South Coast

data

- top two industries
 - retail trade, accommodation/food services

How important is tourism to your business? (1 being not important at all and 5 being very important)

285 responses



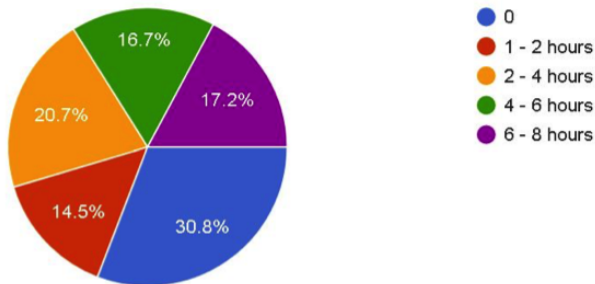
closures

- over 60% of responders had to close their business
- on average, businesses were closed for 13 days
- longest closure was 72 days

hours

About how many hours per day were hours reduced?

227 responses



employment

- 50% laid off at least one employee
- total reported layoffs: 213 employees
- 13 businesses do not plan to rehire

revenues

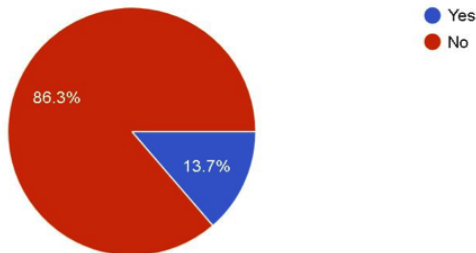
- 40% of responses reported their revenues
- \$4.9 million less between Dec. 2016 and 2017
- \$2.5 million less between Jan. 2016 and 2017

insurance

- total reported property damage: \$301,350
- 50% of business had insurance for disasters
- fewer than 10% lost inventory

Have you received or do you anticipate receiving any money from insurance claims?

256 responses

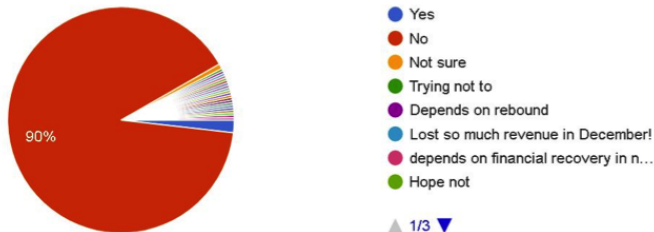


lasting impacts

- 15% feel they need financial assistance to continue operating
- new business strategies
 - focus more on online sales
 - possible relocation

Do you foresee permanently closing your business in the next 6 months from financial impacts due to the disaster?

279 responses



measuring the impact

- difficult measurement problem
 - businesses lost revenue, employees
 - yet, Goleta TOT up 59% over last year
 - up 25% if remove the new hotels
 - contractors and builders needed

next steps

- provide a safe environment
 - a “once in 200 year event” does not mean it will happen once every 200 years!
- if it is not a safe environment...demand for housing will fall, then who knows what will happen to prices if supply is also lower
- businesses will suffer
- to do list:
 - analyze riparian corridors
 - roads and congestion
 - across agency partnership and planning

thank you