

Grim economic news: City, businesses big losers during COVID-19 crisis

April 10, 2020



The Crescent City City Council received some grim economic news on Monday. The County's Economic Resiliency Task Force estimates the Del Norte community has lost \$1 million in revenue as businesses struggle during COVID-19 social distancing guidelines.

Holly Wendt, Crescent City's Recreation and Events director and member of the task force along with City Manager Eric Wier, outlined the results of Del Norte Office of Emergency Services' business injury survey. She said of the 111 businesses that participated, about 70% need help, another 58% have temporarily stopped operations and two have permanently closed their doors due to the crisis.

Wendt added that most business owners who took the survey said they need help with cash flow, unemployment issues and applying for loans.

“Through conversations, I’m having with business owners, there are so many moving parts and so many things that are uncertain, whether it’s knowing how to navigate it and what paperwork they need. It’s overwhelming,” Wendt said.

She added that although the economic survey closed Monday night, support will continue, with consultants Rob Holmlund and Chuck Wolfe helping businesses work through state, federal and local programs designed to get them through the emergency.

While the council approved more funds to pay for the consultants, Wier explained revenues have been severely curtailed coming into the city during the shutdowns.

“The city right now is facing a revenue shortfall in the hundreds of thousands of dollars. We don’t know how it’s all going to play out. We don’t know if it’s going to be given back to us in the form of state or federal funds,” Wier said. “We’re looking at expenditures closely. When we make asks for even computers to help our employees stay safe and create social distancing, these asks are not taken lightly.”

The council initially approved at a special meeting March 27 to spend from its Community Development Block Grant-funded programs \$25,000 for the consultants — \$15,000 with Holmlund and \$10,000 with Wolfe. With Councilmember Alex Fallman absent, they approved another \$20,000 on Monday, which will come from the city’s general fund’s reserve, Wier said.

Mayor Blake Inscore shared his unease of needing to authorize additional expenditures.

“To say that I feel comfortable spending another \$25,000 right here, tonight, no,” he said. “Do I feel the necessity to support our business community? I do. We’re playing with a teeter-totter here trying to find the balance.”

Wier said local businesses are not the only ones struggling to weather the COVID-19 economic storm, so is the city.

“The city’s general fund is comprised of two main sources. That’s TOT (transient occupancy tax) and sales tax. We’re not getting TOT at this point. We’ve had to shut that down because of the health emergency. The other one is the sales tax. As part of trying to help small businesses out, the governor’s orders are that small businesses can actually defer their sales tax for up to 12 months, which means it’s not going to come to the city,” he explained.

Another victim of the closures is the city’s Endert Municipal Pool. Because plans are to keep it closed for the foreseeable upcoming months, Wier and Wendt are looking at options for members. That includes refunds for annual pass holders and punch cards for the pool that would be valid for a two-month period in 2021.

Wier then shifted to receiving suggestions from citizens urging the closing of city parking lots to enforce social distancing. Wier said Police Chief Richard Griffin and Inscore have monitored activity at Howe Drive and near Battery Point Lighthouse.

“From our side, at least in this past week, the weather hasn’t been nicest. We’re not seeing large groups gathering,” Wier said. “What we’re seeing is people sitting in cars, maybe eating their lunch, but still in compliance with social distancing recommendations.”

Inscore said he did notice there are still RVs and other vehicles parked in the area but were moving to other locations to avoid the city’s no parking ordinance.

“I think that it’s something we’ve got to monitor,” Inscore said. “I think it’s important we follow the leadership of our public health officer in making those kinds of decisions as opposed to just taking it upon ourselves to close this or that or whatever.”