



CITY AND BOROUGH OF WRANGELL

INCORPORATED MAY 30, 2008

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Wrangell, AK 99929 FAX (907)-874-3952

September 9, 2020

Honorable Michael Dunleavy, Governor
State of Alaska
PO Box 11001
Juneau, Alaska 99811-0001

Re: Declaration of Economic Disasters

Dear Governor Dunleavy:

On August 25, 2020 the Wrangell Borough Assembly approved Resolution No. 08-20-1539 declaring an economic disaster in the municipality. The declaration is based on two economic failures – the disintegration of the statewide summer tourism season due to COVID-19, and the collapse of the regional Southeast salmon fisheries due to poor returns of all species.

The impacts to business income and municipal revenues due to the loss of tourism is well understood and documented. Specifically in Wrangell, business overall is down 53% from last year, with visitor industry businesses down more than 80%. Thirty-six percent (36%) of businesses in Wrangell report they are at risk of closing permanently. Fisheries numbers won't be finalized for several weeks, but early numbers suggest the worst salmon season in 44 years. The community has been poised since January for a *bad* year when Trident announced it would not open the Wrangell plant due to poor return projections. Reality has been far worse than pre-season estimates. For these reasons the City & Borough of Wrangell (CBW) respectfully requests your declaration of two economic disasters.

- 1) Statewide Tourism Economic Disaster due to COVID-19; and
- 2) Southeast Regional Salmon Fisheries Disaster due to poor returns of all species.

The CBW requests the Governor declare these two economic disasters under AS 44.33.285 following due diligence and recommendation by the Commissioner of Commerce, Community and Economic Development, and make State resources available to mitigate the effects. The CBW further asks the Governor to elevate these declarations to federal disaster status through the appropriate process. As it relates to the Fisheries Disaster, Wrangell asks that a disaster be declared under Section 312(a) of the Magnuson Stevens Act which is a commercial fishery failure due to a fishery resource disaster due to natural, manmade, or unknown causes – all three of which apply.

Your consideration of this request is of the utmost importance to the regional economy of Southeast and the Wrangell Borough. Wrangell stands ready to assist these efforts in any way. Our heartfelt appreciation for your help in these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Prysunka". The signature is fluid and cursive, with a large, sweeping initial "S" and a long, horizontal tail.

Stephen Prysunka, Mayor

Encl: Resolution 08-20-1539

CC: Senator Bert Stedman
Representative Dan Ortiz
Senator Lisa Murkowski
Senator Dan Sullivan
Congressman Don Young
Wrangell Borough Assembly
Liz Williams, Governor's Office
Carol Rushmore, Wrangell Economic Development Director
Wrangell Economic Development Committee
Wrangell Convention & Visitors Bureau
Wrangell Chamber of Commerce
Ray Matiashowski
Roberston, Monagle & Eastaugh
Nils Andreassen, Alaska Municipal League
Robert Venables, Southeast Conference
Frances Leach/Scott Kelley, United Fisherman of Alaska
Kelly Hansen, Southeast Alaska Fishermen's Alliance
Susan Doherty, Southeast Alaska Seiners Association
Max Worhatch, United Southeast Gillnetters
Amy Daugherty, Alaska Trollers Association
Sarah Leonard, Alaska Travel Industry Association

CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 08-20-1539

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA DECLARING AN ECONOMIC DISASTER IN THE CITY AND BOROUGH OF WRANGELL, ALASKA DUE TO COVID-19 AND POOR REGIONAL RETURNS OF ALL SALMON SPECIES

WHEREAS, Wrangell has two seafood processing plants which operate seasonally each year; and

WHEREAS, in January 2020 the City and Borough of Wrangell was notified by Trident Seafoods they would not be opening the Wrangell plant based on poor salmon return projections; and

WHEREAS, in response to federal and state disaster declarations, the City and Borough of Wrangell passed Ordinance No. 976 on March 17, 2020 declaring a COVID-19 Emergency in Wrangell; and

WHEREAS, on March 21, 2020 the President of the United States issued Disaster Declaration No. 16386, Disaster No. AK-00046, freeing up economic assistance through the Small Business Administration for businesses impacted by COVID-19; and

WHEREAS, numerous federal and state economic programs have been established for business assistance due to impacts from COVID-19; and

WHEREAS, the City and Borough of Wrangell has seven different grant programs for businesses and agencies to help mitigate the economic impacts of COVID-19; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey revealed Wrangell business revenue was down 53% in 2020 through June, compared to the same period in 2019; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey also revealed more than one-third (36%) of respondents said that they are at risk of closing permanently; and

WHEREAS, the June 2020 Wrangell Business Climate and COVID-19 Impacts Survey further revealed responding Wrangell employers have already laid off 28% of their total workforce due to the COVID-19 virus, and cancelled hiring an additional 124 workers. More than two-fifths of businesses (41%) of expect to cut more staff; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report, issued August 21, 2020 confirms Wrangell has a 10.8% unemployment rate as compared to 7.7% in 2019; and

WHEREAS, the 2020 Southeast Jobs COVID Impacts Report also outlines the regional change in Southeast Jobs from April to July 2020 compared to 2019 including a 50% drop in Transportation jobs; a 38% decline in Leisure and Hospitality jobs; and loss of 27% in Seafood Processing jobs; and an 11% reduction in Retail jobs; and

WHEREAS, Southeast Alaska, including Wrangell is enduring the complete cancellation of the summer cruise season, the impact of which to Wrangell is a loss of 21,000 visitors (based on 2019 numbers in the May 2020 Wrangell, Alaska Economic Conditions Report); and

WHEREAS, annual summer visitor spending in Wrangell exceeds \$5.16 million (based on 2018 numbers in the May 2020 Wrangell Alaska Economic Conditions Report) , including visitors arriving by cruise ship, ferry, yacht and air, all of which have seen catastrophic declines due to COVID-19; and

WHEREAS, though the fishing season has not yet concluded, reports from the Commercial Fishing Fleet indicate an abysmal year for salmon returns in the region, along with a significant drop in the prices paid to fishermen by processors; and

WHEREAS, the COVID-19 Pandemic and related economic impacts are expected to continue for the foreseeable future; and

WHEREAS, poor regional salmon returns suggest the fishing season could be worse than 2016 when a Presidential Disaster Declaration for the Pink Salmon fishery was issued.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

SECTION 1. An Economic Disaster is hereby declared in the City and Borough of Wrangell due to COVID-19 and Poor Regional Returns of All Salmon Species.

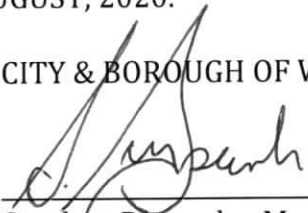
SECTION 2. The Assembly of the City and Borough of Wrangell, Alaska urges the State of Alaska and United States Secretary of Commerce to issue two Economic Disaster Declarations:

- A) 2020 Statewide Tourism Disaster resulting from the COVID-19 Pandemic;
- B) 2020 Southeast Alaska Salmon Fisheries Disaster resulting from poor returns and harvests of all salmon species.

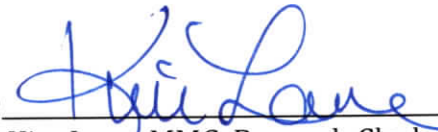
SECTION 3. This resolution and Economic Disaster Declaration take effect immediately upon passage and approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 25th DAY OF AUGUST, 2020.

CITY & BOROUGH OF WRANGELL



Stephen Prysunka, Mayor

ATTEST: 

Kim Lane, MMC, Borough Clerk

