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Snowstorms' blow to economy put at \$1.3B

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Snowstorms that socked the region could deliver a \$1.3 billion blow to the economy, one-third of which retailers never will recoup, says a Pittsburgh economist.

That estimate doesn't include the potentially staggering cleanup bill for communities, many of them cash-strapped. With help from the state and the congressional delegation, some communities plan to press the federal government to reimburse at least some costs.

But it remains unclear whether any will qualify for emergency funding. And municipal leaders aren't sure how the region's response to the snowstorm might shape future responses.

"We are still in a state of emergency," said Pittsburgh Mayor Luke Ravenstahl. The city was one of at least 80 municipalities across Allegheny County that issued local emergency declarations after more than 20 inches of snow fell last weekend.

"We'll either be declared by the president, or we won't be. We'll do everything in our power to make the argument and provide the financial documentation on why we think we are financially harmed and have been in disaster."

Lester Lave, an economics professor at Carnegie Mellon University, estimated the storm will cost the region's economy \$1.3 billion. To come up with the number, he divided the nation's gross domestic product by the days in the year, then multiplied that number by the Pittsburgh metro population --and multiplied that by the duration of the storm.

He predicted two-thirds of the money would be made over the next couple of months, because the storm would postpone much of consumer buying, but one-third would "be lost forever."

"It's a gumball estimate," Lave said. "But it's clearly going to be a big hit to the area."

Rep. Tim Murphy, R-Upper St. Clair, said it is not clear whether Western Pennsylvania municipalities will be eligible for money from the Federal Emergency Management Agency.

"The rules are so convoluted," he said. "It's taking some time to work through it."

FEMA rules mandate making emergency funds available only to areas stricken with record-breaking or near-record snowfall. This snow occurred in two storms, neither of which has broken records, he said, and Murphy wants the two storms to be considered as one, record-breaking storm.

"In my mind, this was one storm. We hadn't dug out from one before the next one hit," he said. "The good news is that, because it hurt so many states, a lot of members of Congress will be working hard to make sure people get the funds they need."

The snow isn't going anywhere soon, forecasters said. Temperatures will remain below freezing for at least 10 days.

"It's pretty safe to say there will be below-normal temperatures and a fair amount of snow shower chances," including a chance for accumulating snow Monday night, said National Weather Service meteorologist Pat Herald. He said predicting snowfall totals is tricky, "but we're getting better at it, believe it or not."

With last weekend's storm, meteorologists got it right when they predicted that the axis of heavy snow would occur in Pittsburgh and areas south, he said. But they underestimated the amount of moisture that would feed into the storm. As late as 3:25 p.m. Friday, the National Weather Service issued a warning that called for 10 to 14 inches of snow, he said.

Ravenstahl was heavily criticized for being out of the city when the storm struck, celebrating his 30th birthday at Seven Springs Mountain Resort with family and friends, including city Public Safety Director Mike Huss. Ravenstahl said predictions before he left called for 4 to 8 inches of snow and he didn't start receiving higher predictions "well into Friday evening."

That didn't hamper initial cleanup efforts, Ravenstahl said, because he was communicating with officials back in the city.

"Nobody expected it, including our own meteorologists here," Ravenstahl said of the 21 inches that fell. "It was an act of God, and something that snuck up on us and got us."

Yet, area utilities and mass-transit agencies said they started receiving warnings from weather forecasters as early as the previous Tuesday.

"It definitely wasn't a case of, 'Wow, we only thought there was going to be 6 inches,' " said Todd Meyers, spokesman for Allegheny Power, which struggled to restore electricity to nearly 280,000 customers across Southwestern Pennsylvania. Before the snow fell Friday, Meyers said the utility's weather forecaster, WSI Corp., predicted the region would get 16 to 24 inches. up early based on recommendations from AccuWeather, but its weather forecaster came up several inches short in its pre-storm prediction, said spokesman Joseph Vallarian. More problematic, it said heavy, wet snow capable of bringing down wires and poles would turn to light, fluffy snow as the storm progressed. That didn't happen.

"You've got to be realistic," Vallarian said. "No one's perfect."

Community leaders say it's too early to put an official estimate on the storm's total costs.

But Robert Dye, a senior economist with PNC Financial Services Group, said he expects to "see a visible impact on February sales," erasing the rebound retailers and restaurant owners experienced in January to make up for a dismal performance in December.

The Commerce Department said Friday that retail sales rose 0.5 percent in January, more than analysts predicted prior to the data's release. But December sales were 0.1 percent below those in November.

"It's been totally devastating for business," said Patrick Joyce, owner of 17th Street Cafe in the South Side, as he watched snowplows roll by his restaurant. He said plows should have been out in force days earlier; they weren't, and he blamed Ravenstahl.

Heavy snowfall and poor road conditions discouraged many people from heading out, Joyce said. Worse, he said, mountains of unremoved snow prevented drivers from finding parking spaces near his business.

The timing couldn't be worse. "This is always one of the busiest weekends of the year," Joyce said, referring to Valentine's Day.

"We're sold out for Sunday, but if people come down and can't park anywhere, or have to walk through 12 inches of slush, that's not good for business," Joyce said.

Dye predicted employment numbers will take a dive because the storm hampered or prevented much outdoor work, and said he expects "a noticeable impact on local government budgets that are already incredibly strained."

Officials said they would conduct extensive reviews of the response in coming weeks and months, but it's too early to say how procedures might change.

"Is there a better way to deal with this? I'm sure the answer is yes," Ravenstahl said. "We can always do better."