



ABCD Statement on COVID-19 Pandemic: March 18, 2020

Good morning. I am Stephen McKnight, President and CEO of the Altoona Blair County Development Corporation. I am joined here today with Joe Hurd, Executive Director of the Blair County Chamber of Commerce. I am going to start things off and then turn it over to Joe for a few comments and any questions from the media.

On behalf of the Altoona Blair County Development Corporation Board of Directors and staff, I wanted to take time here today, to share some important information related to our operational planning, financial resource development, and various policy responses that have been taking place this week, in response to the COVID-19 pandemic.

First, I want to thank Congressman John Joyce, State Senator Judy Ward, State Representatives Lou Schmidt and Jim Gregory, Altoona Mayor Matt Pacifico, Governor Wolf and his team at the Department of Community and Economic Development and the Blair County Chamber of Commerce for their continued and ongoing dialogue this week.

Everyone has been sharing important information and are working very hard both with ABCD and through their own respective policy channels to help lessen the already severe impacts this pandemic is having on our small businesses throughout Blair County. Each of their offices and staff are available to answer questions, assist area residents and businesses as needed.

We want to start off by saying that our highest priority and concern, is for the health and safety of our community members, family and friends. Please continue to be diligent, abide by all CDC recommendations, employ social distancing, wash your hand and abide by the various protocols that have been conveyed by the Governor and federal government. Stay safe and we will get through this.

Given the mission of ABCD Corporation and the Chamber, the health of our local economy and small businesses is also a primary concern.

It is very important to remind everyone, that the economic challenges we are facing, are the result of a public health response - not a fundamental flaw in our economic structure. The steps being taken to limit commerce are intended to keep people healthy, out of the hospitals, and offset the potential pandemic curve that we have heard so much about this week.

These measures have also obviously slowed, and in some cases stopped, the demand side of our economy altogether. Consumer's desire to purchase goods and services across all sectors remains high, so we should be encouraged that once we pass through this immediate threat response, sales for those goods and services will return, possibly stronger than before. So, we must look forward that happening.

Until then, there are many steps being taken to off-set the major income shortfalls, both to our small businesses and individual families who have been temporarily displaced. The last few days have been a highly active and challenging learning experience at all levels. We are designing and building policies needed to fit this new reality in real time. Both ABCD Corporation and the Chamber are working to ensure that our small businesses, restaurants, main street service providers, manufacturing and others, get through this crisis.

So, let me highlight 5 key steps being taken:

- 1) First, ABCD and the Chamber remain open for business. While we have adopted common sense protocols to include remote work options and social distancing, all staff remain available through phone and email to answer questions, direct you to appropriate resources and provide technical assistance with your business operations as needed. Just visit our website at www.abcdcorp.org or www.blairchamber.com to find staff members' email and phone numbers listed there.
- 2) Over the past few days, ABCD has been contacting all-of-our business clients to determine what specifically is needed at this critical time. In many cases we have offered and executed on ABCD loan deferments until such time as we determine things are on a more stable footing. These and other cost savings steps can make a big difference in the shorter term.
- 3) We understand through our clients and others, that the local banking community is also responding in a similar manner, working with clients to either defer or restructure loans in order to give business owners the time they need to get through this market pause. Again, this pandemic is causing a demand side challenge. We encourage all small businesses to discuss options with their banks to determine what steps can be taken. Things will get better and we are appreciative to all-of our local banks who are adopting flexible loan approaches.
- 4) We are following closely and will expect major policy and funding responses from both the state and federal government to include provisions for broadening or making more flexible unemployment compensation, creating the federal stimulus package directed toward individual families, and providing additional assistance to small and medium sized businesses, all of which is captured as part of an omnibus stimulus bill which we understand may exceed a 1 Trillion dollars. Big numbers but needed given the scale of the economic impact.

5) And finally, the most immediate resource we want to talk about this morning.

We have been informed that Governor Wolf will be making an official Economic Injury Declaration due to the Corona-Virus Pandemic, which will allow for emergency loan program funding for Pennsylvania small businesses through the U.S. Small Business Administration (SBA).

SBA's Economic Injury Disaster Loans offer up to \$2 million for each business impacted which can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing.

These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.

SBA's Economic Injury Disaster Loans are just one piece of the expanded focus of the federal government's coordinated response, and the SBA is strongly committed to providing the most effective and customer-focused response possible.

We expect the option for Pennsylvania Businesses to apply will on the SBA website at disasterloan.sba.gov by the end of this week. The Altoona Blair County Development Corporation staff can provide technical assistance for businesses interested in applying. You can email us at rapidresponse@abcdcorp.org with questions about that application process.

Several additional resources will be posted on both the ABCD's and the Chamber's website to include information on the Blair County Career Link where you can find information on unemployment services and other workforce related support.

Again, these are truly unprecedeted times for all of us. But we are all confident that this community and our local economy will navigate and come out of this stronger than ever.

Thank you.