



## OFFICE OF THE GOVERNOR

RICK PERRY  
GOVERNOR

July 9, 2013

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Through: Regional Administrator Tony Robinson  
FEMA Region 6  
Denton, Texas

RE: APPEAL OF DENIAL OF PRESIDENTIAL DISASTER DECLARATION

Dear Mr. President:

Under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 and implemented by 44 CFR § 206.35 (PA) and 206.36 (IA), on behalf of the people of West, Texas, and McLennan County, I request that you reconsider your denial of a major disaster declaration for the State of Texas and your denial of Public and Individual Assistance including direct federal assistance for those affected by the April 17 explosion in McLennan County. Preliminary damage assessments show eligible damage exceeding \$35 million, with long-term recovery costs expected to be much higher.

The City of West is a rural farming community that had approximately 2,800 residents at the time of the explosion. The city has been devastated by the damage sustained in the blast and the tragic loss of 14 firefighters, and it continues to face crushing obstacles to community resilience. The community's strength of spirit remains high and continues to guide it in its recovery. However, the local economic impact, including the destruction of the major employers and the resulting unemployment, damage to the education infrastructure and the annihilation of entire neighborhoods cannot be denied. Accordingly, the long-term viability of this small Texas city is dependent on your decision.

The West Independent School District (West ISD) is the city's largest public employer and received the most significant structural damage. Most of its facilities were located within 800

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yards of the blast. Major portions of the district received both concussive and fire damage and are considered a total loss. The West Rest Haven Nursing Home was the next largest employer in West and was destroyed. More than 120 people filed for unemployment as a result of the disaster, most being nursing home employees.

Economic constraints on the community's tax base continue to jeopardize recovery efforts. City and West ISD officials fear that if the students cannot return to permanent classrooms, then parents will relocate to another community, moving their children to neighboring districts. This, along with the destruction of the nursing home, could mean the loss of more than 300 jobs and millions of dollars in economic investment toward the city's fiscal sustainability.

Other major issues facing the West ISD include:

- Of the approximate \$60 million insurance policy that the district holds, payouts are only projected to be around 42 percent of that amount, or \$25 million. Based on the property damage sustained by the district, the cost to rebuild, as adjusted for 2013-14, will be around \$80-100 million. The district continues to work with its insurance provider but anticipates it will not cover enough of the costs required to rebuild.
- The McLennan County Appraisal District estimates a loss of \$40 million for the district and will be reappraising the affected zones. A normal valuation of \$330 million, with modest home prices, undervalues the district's local tax effort in a normal year. The residual decrease in tax effort is shattering. West is rich in human capital but property poor by state funding formula standards. This was also validated by Moody's recent downgrade of the city's and the district's credit rating as affected by the explosion's impact on property values.
- The portion of the city most impacted by the event — Zone 3 — consists of middle class brick homes that contribute substantial revenues to the district. Neither exclusion nor inclusion of Zone 3 in a construction referendum is viable. Therefore, the district's ability to raise cash is extremely limited.
- While West ISD's current administration and trustees have strategically improved the district's reserves over the last four years, these reserves are unable to support the construction needed to rebuild/repair affected school facilities. An imperative to improve reserves for an emergency such as this, combined with economic losses sustained in the recession of 2008-09, has not exempted West ISD from stretching dollars to pay teachers and educate children.

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The city also suffered infrastructure damages to its water pumping and sewer systems, along with the health authority, which oversees the community's EMS and firefighting services. The city's annual budget is roughly \$2 million. The money generated by the health authority was used to run the EMS program. A significant portion of the city's budget revenue is generated by the sale of water services, and the lack of these services in the damaged subdivision has eliminated 60 percent of the city's water sales revenue. Property values in the portion of the city most affected by explosion are estimated to drop by 35 percent, which will result in a significant decrease in property tax revenues. Sadly, without major appliance, furniture or building supply stores in the city limits, there is no expected increase in sales tax revenues that are typically seen after disasters.

Costs for the City of West continue to increase. The federal aid it is scheduled to receive to pay for emergency measures and debris removal will require a 25 percent cost share, which will cost the city more than \$1.4 million. Funding to cover these expenses will have to be diverted from existing infrastructure projects, causing further delay in the city's recovery. The city was already struggling to plan for \$6.2 million in repair/replacement for aging city infrastructure, which will be made more difficult by its additional costs and reduced revenue brought on by the disaster.

The city sought assistance from neighboring partners and the state to help manage response and recovery for this event. The state has extended significant resources for this disaster to augment local recovery efforts that engage the whole community.

- State agencies have staffed a Disaster Recovery Center alongside FEMA, SBA and various voluntary organizations active in disaster (VOADs) for a full month following the disaster.
- The state continues to coordinate the provision of resources to the city for recovery planning technical assistance and to support recovery capacity and surge needs in a variety of functional areas such as city management, financial management, debris management planning and damage assessments.
- The Bastrop Long-Term Recovery Committee (LTRC) has become a mentor for the West LTRC and has helped it understand the ins and outs of leading the rebuilding of the community, enabling disaster recovery management to operate in a unified and collaborative manner.

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- The Texas Legislature has set aside funding to assist the city and West ISD with local match for any federal funding they do receive.

The Stafford Act and FEMA disaster regulations set up a structure that requires larger and more populous states to shoulder heavier cost burdens of catastrophes by factoring in the population size of both the state and the county into declaration considerations. Over the last month, officials from the City of West, the district and the state's emergency management team have regularly met with your representatives from FEMA to reassess damage estimates and costs associated with the April 17 explosion and, as a result of those meetings, the state is confident that the community has successfully proven uninsured damage greater than the normal threshold. The attached enclosure reflects the updated figures, as agreed to by local, state and FEMA officials on the ground. Federal assistance will enable the community of West to shorten the timeline for recovery and efficiently restore the infrastructure to support a sustainable community, as well as improve resilience to and protection from future hazards.

I encourage you to reconsider your denial and approve a major disaster declaration for the people of McLennan County so that they may receive the public and individual assistance for which they qualify.

Sincerely,

A handwritten signature in black ink that reads "RICK PERRY". The letters are written in a cursive, slightly slanted style.

Rick Perry  
Governor

RP:jhp

Enclosure

| County | Debris<br>Category A | Emergency<br>Protective<br>Measures<br>Category B | Roads & Bridges<br>Category C | Water Control<br>Facilities<br>Category D | Buildings &<br>Equipment<br>Category E | Utilities<br>Category F | Parks, Rec.<br>Facilities & Other<br>Category G | Cat. A-G Total | \$/Population |
|--------|----------------------|---|-------------------------------|---|--|-------------------------|---|----------------|---------------|
|--------|----------------------|---|-------------------------------|---|--|-------------------------|---|----------------|---------------|

**McLennan**

|                        |                 |                 |      |      |                  |                 |               |                  |           |
|------------------------|-----------------|-----------------|------|------|------------------|-----------------|---------------|------------------|-----------|
| <b>Category Totals</b> | \$ 5,622,041.00 | \$ 6,280,309.97 | \$ - | \$ - | \$ 15,938,823.28 | \$ 2,406,900.00 | \$ 136,400.00 | \$ 30,384,474.25 | \$ 129.35 |
|------------------------|-----------------|-----------------|------|------|------------------|-----------------|---------------|------------------|-----------|

**State Agencies**

|                        |      |                 |      |      |      |      |      |                 |  |
|------------------------|------|-----------------|------|------|------|------|------|-----------------|--|
| <b>Category Totals</b> | \$ - | \$ 4,708,072.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,708,072.00 |  |
|------------------------|------|-----------------|------|------|------|------|------|-----------------|--|

|               |                 |                 |      |      |                  |                 |               |                  |  |
|---------------|-----------------|-----------------|------|------|------------------|-----------------|---------------|------------------|--|
| <b>TOTALS</b> | \$ 5,622,041.00 | \$ 6,280,309.97 | \$ - | \$ - | \$ 15,938,823.28 | \$ 2,406,900.00 | \$ 136,400.00 | \$ 35,092,546.25 |  |
|---------------|-----------------|-----------------|------|------|------------------|-----------------|---------------|------------------|--|

|   |        |        |       |       |        |       |       |  |  |
|---|--------|--------|-------|-------|--------|-------|-------|--|--|
| <b>Percentage of<br/>damage by<br/>category</b> | 16.02% | 17.90% | 0.00% | 0.00% | 45.42% | 6.86% | 0.39% |  |  |
|---|--------|--------|-------|-------|--------|-------|-------|--|--|

|                         |            |  |  |  |                  |                                  |  |         |
|-------------------------|------------|--|--|--|------------------|----------------------------------|--|---------|
| <b>State Population</b> | 25,145,561 | <i>Total damages<br/>needed for<br/>declaration: \$1.37<br/>x Pop.</i> |  |  | \$ 34,449,418.57 | <b>State Cost per<br/>Capita</b> |  | \$ 1.40 |
|-------------------------|------------|--|--|--|------------------|----------------------------------|--|---------|

|  |   |
|--|---|
|  | <i>Indicates Sub-Division of County</i> |
|  | <i>Indicates exceeds Threshold</i>      |