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Irene could cost state more than \$1B

By Lisa Rathke

MONTPELIER -- Tropical Storm Irene could cost tiny Vermont more than \$1 billion, Gov. Peter Shumlin said Tuesday, pleading with the federal government for help while announcing efforts to get cash to communities struggling to pay for repairs.

Officials are still calculating the damage from the Aug. 28 storm that turned rivers into torrents, tearing out bridges, carrying away roads and cutting off communities.

"We're on our knees," Shumlin said. "We didn't ask for Irene ... We need your help right now," he said of Washington.

To get money to cash-strapped towns, Vermont has accelerated \$24 million in state payments, including \$6.2 million in town highway funds released this week rather than next month. An additional \$5.8 million in payment in lieu of taxes will be released soon, before Oct. 31, Shumlin said.

"We recognize that whatever the local share might be that this is going put a strain on our local governments, a financial strain at a time when they need it the least," he said.

Community banks also are stepping in to provide short-term low and no collateral loans, and the Vermont Municipal Bond Band will provide low interest loans to the banks as needed and may provide direct loans in the future. Some banks also are forming a loan pool to get cash to communities in need. The state also has requested the Federal Emergency Management Agency help towns by providing low interest loans through its community disaster loan program.

"What we're trying to do is to ... provide a series of options for communities; they opt for all, none or part of those options beginning with short-term financing and all the way through long-term bonding," said state Treasurer Beth Pearce.

Shumlin said a top priority would be to get as much of a federal match as possible for repairs once the state knows the extent of the damage. He would not rule out raising the gasoline tax to cover some of the costs, but said his focus would be on tapping the federal government. "Vermont needs you right now," he said of Congress.

The latest estimates show the storm washed away more than 1,950 segments of local roads, damaged more than 917 culverts and wrecked more than 200 local bridges, in addition to the destruction of state roads.

As of Tuesday, 184 local roads and 94 local bridges remain closed.