







THIS WEEKEND, JOIN US FOR MONTECITO'S FIRST-EVER VIRTUAL CASH MOB – AN OPPORTUNITY TO SHOW OUR BELOVED MONTECITO BUSINESSES HOW MUCH WE LOVE THEM, AND HOW MUCH WE HAVE THEIR BACKS (SEE ALL THE DETAILS IN THIS WEEK'S EDITORIAL, STARTING ON PAGE 5)



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# A Grand Reopening?

by Mitchell Kriegman

Novelist Being Audrey Hepburn, Things I Can't Explain. Creator Clarissa Explains it All and more. Writer for The New Yorker, LARB, National Lampoon, and Saturday Night Live

Years from now we may look back on the Santa Barbara City Council meeting of April 21 as a time capsule of how prepared or not we were during the economic collapse of the 2020 Coronavirus Pandemic.

In that meeting, City Administrator **Paul Casey** introduced his new hire Economic Development Manager **Jason Harris** to the city at large and Mayor **Cathy Murillo** announced with some hesitation her "Covid 19 Business Advisory Task Force" – which Governor **Gavin Newsom** had asked every county and city to submit two weeks earlier.

Attended virtually, and streamed over the City website, the meeting had a dystopian feel. It was remarkable in that it defined two vastly different realities that were coexisting in the same time-space continuum via Zoom. Two distinctly different worlds on the same screen.

In Reality "A" stood the affable Dr. **Peter Rupert**, a former advisor to the Federal Reserve, and Director of the UCSB Economic Forecast Project, best known in Santa Barbara for its annual book-length report on the economic health of the city. Dr. Rupert presented localized COVID related economic data for the City pointing to a "nuclear fallout" of effects from the coronavirus shutdown.

Rupert's presentation included a mind-blowing potential unemployment rate of 30% up from 3.7% last month, and a staggering drop in tourism, Santa Barbara's mainstay. With lost revenues from hotels which suggests that at least 30% of all retail business will disappear. In another blow to downtown Santa Barbara's long-suffering decline, all three movie theaters are expected to remain closed for the foreseeable future. Which is the retail equivalent of three more empty Macy's buildings.

These numbers are staggering. It's difficult to form a realistic image of how they might manifest in four to six months. On Coast Village Road, on State Street,

on Milpas we could see a third of the restaurants where we eat and stores where we shop go away. Everyone involved in the tourism business – which is the largest sector of the economy – could be severely affected. Due to the commensurate income tax decline there could be a 50% reduction to the city's budget. City Administrator Paul Casey acknowledged an expected \$30 million loss over the next two years. What kind of cuts and reductions that will bring to City services has not been projected or publicly discussed. Homelessness could easily double or more.



City Administrator Paul Casey

After Dr. Rupert had shown his last chart, the councilmembers, with the notable exceptions of **Kristen Sneddon** and **Meagan Harmon**, asked only a few questions and did not seem focused on the triage these massive permutations would necessarily impose on our lives, or the direct reductions in services that would have to occur.

Neither did the two most senior leaders in our city government, the Mayor Cathy Murillo and the City Administrator Paul Casey, make remarks or comments.

Meanwhile in Reality "B" at the very same City Council meeting, following Dr. Rupert's dismal forecast, Jason Harris, the new EDM, introduced himself to the council eagerly explaining that he was planning to begin downtown's revitalization right away along with lots of "activation," the buzz word of the day. His plans included a Downtown Cycle Mania event, a Classic Car Cruise, and buskers. Yes, buskers.

From there sharp words were exchanged challenging Mayor Murillo's COVID Task Force, formed without consultation from her council colleagues nor with the benefit of public comment. Furthermore the Mayor had to be prodded to simply reveal the members' names on her task force out loud. The

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#### 134 Santa Elena Lane, Montecito

New Listing! Offered at \$2,195,000

True style and uncompromising charm in Montecito near Butterfly Beach, Lower Village shops & restaurants and walking distance to Montecito Union School. This single level four bedroom, 3 bath ranch-style home has all of the appeal of a bygone era with thoughtful modern updating. The kitchen offers Viking and Bosch appliances, Carrara marble, butler's pantry and a breakfast nook with a built-in seating area. Spacious living room with fireplace and vaulted ceilings, floor to ceiling windows overlooking the back yard's mature landscaping. The luxurious master bedroom has a spa-feel en-suite with walk in closet and French doors leading to a large private patio; perfect for morning coffee. The grounds are inviting for entertaining and exploring with patios and meandering pathways. A separate unit is a perfect space for home office, yoga getaway or kid's play room.

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Shelter-in-Place Order was given March 15 and yet it had taken more than six weeks to form a task force. What kind of emergency comes to mind, where you can start six weeks into the disaster, and only meet once a week?

The meeting was wrapped up by councilmember **Eric Friedman** announcing his weekly social distancing playlist with Georgia Satellites' "Keep Your Hands to Yourself."

#### Why is this Important?

The surreal nature of City Council's nonchalance to our imminent troubles may be just another example of human frailty in the face of adversity. Similar scenes may be happening all over the country as cities, counties, and states grapple with the unfathomable. But this time the underwhelming response from the City will be as deadly to businesses as the disease is to its inadvertent hosts with underlying conditions.

The coronavirus itself has only existed for about 200 days on earth. If it's staying at least until its birthday in November, how will we cohabitate with it? How do we share Santa Barbara with this uninvited stranger?

According to Dr. **Henning Ansorg**, the Health Officer for Santa Barbara, the underlying condition of our local economy is this: "I think we will see people walking around with face coverings for a long time. Like six months. And in some instances, even longer. We will not have mass gatherings like football stadiums and concerts and things like that for a long time," he explained. "We will probably be able to eventually open restaurants, with half the tables inside, keeping distancing. We will never shake hands again." Never? "I wouldn't recommend it, ever again."

#### A Scalpel Not a Sledgehammer

Dr. Peter Rupert, the econ expert from the Forecast Project, has suggested that there is no one-size-fits-all reopening.

"When the issue of hospitals and people dying was overwhelming the health-care system, it made sense to flatten the curve statewide all at once by using a sledgehammer. Now I think we need a scalpel to open up and flatten the economic curve."

Each city and county is going to have to carve out its own path to reopening. Customizing their approaches while satisfying the broad orders from the State. This is very much the situation here in California where Governor Newsom has laid out a Six Point Plan for Reopening, which includes expanding testing, protecting the most vulnerable, providing needed PPE and other resources to hospitals, continuing to work closely with academics and research institutions, and redrawing floor plans while still maintaining the capacity to "reinstate more vigorous controls."



Dr. Peter Rupert, director of the UCSB Economic Forecast Project

Every city and county must come up with a plan that covers these six points and submit them to the State.

## The Risk, Burden, and Responsibility

Regardless of the plan our Mayor's task force comes up with, it's important to examine where the actual burden of responsibility lies in the process of reopening. Governments can close businesses, but they can't open them without businesses figuring out how they can do so profitably. "Hotels in Santa Barbara were open. They were never required to close," Dr. Rupert illustrates. "But no one was going to them so they closed."

**Misty** and **Brandon Ristaino**, the owners of the Good Lion, Test Pilot, and other bars have thought long and hard about their business pre-COVID and now again.

"Some venues if you have half capacity feel cavernous and weird," Brandon offered. "Our projects were built to feel good, even if there's only ten people in the bar."

The Ristainos have been working seven days a week, more than ever. They've

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taken out the overly complicated SBA loans and are hoping to navigate the process. But the entire burden is on

They didn't choose to shut their bar down. If they reopen it has to work. Their reputation and livelihoods depend on it. Pandemic or not, if the doors open and customers don't return, or they get frustrated because of limits, or don't feel safe, Brandon and Misty won't make their rent and loan payments and will have to shut down.

The question becomes how the City will attune itself to work with business owners like the Ristainos. Will the city relax regulations or create new ones allowing the bar to spill out on to State Street?



Mayor Cathy Murillo

"Look at all the pictures of the bars in Sweden," Brandon offers. "Everyone's sprawled outside far enough away from each other. But they're out there drinking, and it looks awesome. The vibe looks cool. As cool as it can be during a pandemic." In Portugal the government is helping businesses by giving them ratings for how well they are adhering to the safety rules.

#### The City Doesn't See it that Way

The two most powerful figures in Santa Barbara City leadership are the Mayor Cathy Murillo and Paul Casey, the City Administrator. In fact, at the top of the City Administrator's job functions are "strategic planning and policy development." But when asked whether it was time to re-imagine city government to address our current economic and medical nightmare, as a challenge and opportunity for reinvention, Mr. Casey responded, "We are a council manager form of government, meaning I have seven elected officials as my boss," Mr. Casey explained. "They appoint a City Administrator, me, to run the dayto-day operations of the City organization. They are the policy makers. They are the ones who vote and adopt law. I'm here to execute."

When reminded that he is a key leader and someone the council looks to for advice to deal with the litany of terrible statistics cited by UCSB economist Dr. Peter Rupert, he calmly offers a counter narrative by the economist Christopher Thornberg with Beacon Economics, who is noted for saying that he believes the pain of the coronavirus-induced shutdown will be short lived. "I see a good bounce back, and obviously that is not the same opinion held by others in the

Whether one agrees with Thornberg or not, it seems even in that more rosey scenario that difficulties lie ahead and leadership is required. When asked after the city council meeting what drives his decisions, what is his overriding concept and where does he see the city going, Mr. Casey once again demurs.

"I think it's unrealistic and unfair to expect me to already have that answer to something unprecedented, unforeseen. I don't think you can predict exactly how it's going to happen. I think the question is a little unfair to say come on Paul, where's your vision." However when asked about the importance of his leadership in this moment, Mr. Casey has a ready answer.

"I am providing internal leadership to the 1,500 employees of this organization," he says. "It's a large organization. I am providing leadership to my staff and providing leadership to the council and support them in their decision making. But I think it's unfair to expect me to be the sole component."

#### **Meanwhile, Mayor Murillo Patrols the Beaches**

Catching up with the mayor we found her making a tour of the city in her car driving along Cabrillo Boulevard. "I'm busy eyeballing the beaches to make sure they're not overcrowded," she offered from her Bluetooth headset. "I went up to Shoreline Park, that looked good. Leadbetter looked good, West Beach. Now I'm on East Beach and we have firefighters down here with their trucks and stuff, keeping an eye out to make sure there's no big social gatherings. I made a little video and put it on Facebook. All of my Facebook is open to the public," she added.

When asked for a comment on her silence in the face of Dr. Rupert's presentation at the April 21 City Council meeting, she took a moment to respond.

"It was a little doom and gloom, but I have to stay positive," she said. "We've known for a long time that it's urgent to diversify our economy in terms of

I asked the mayor if Mr. Casey and the Council are willing to unify to change things significantly in terms of supporting local business, especially when businesses like Brandon Ristaino's have such challenges of reinvention ahead?

"Well, if you remember the experimental weekend and the popups, that was Nina Johnson's work along with me," the Mayor recounted, "I have to give her credit. If this is your question about unifying, I convened some meetings with people who had ideas about popups. We were going to do business popups. But Nina is a risk taker. I mean, we closed the street. People loved playing basketball in the middle of the street. So those kinds of risks, yeah, we're willing

#### So, What's the Larger Plan?

Many in Montecito remember a similar amorphous official response to the debris flow in 2018. Historically Montecito has had seven or eight debris flows in the last 104 years. But the response was squarely placed on homeowners to shoulder the risk. Providing ambivalent caution about what was coming, County experts suggested that people could evacuate at their option. The result was that most did not evacuate, and twenty-three of our friends and neighbors

The surreal nature of City Council's nonchalance to our imminent troubles may be just another example of human frailty in the face of adversity. Similar scenes may be happening all over the country as cities, counties, and states grapple with the unfathomable. But (an) underwhelming response from the City will be as deadly to businesses and our well-being as the disease itself.

#### The Moment is Escaping Us

As usual it's beautiful and quiet in Santa Barbara which can make it difficult to understand that we're in a liminal moment between sheltering in place and venturing out, where testing is inadequate and a whole range of rules and new ideas have yet been put into place for our safety. Depending on how this moment is handled, we are either at the precipice of an extended economic disaster or, perhaps, an economic rebirth.

#### A Fork in the Road

Unlike many cities and counties around the world, Montecito and Santa Barbara's greatest assets are our human resources. We live in the midst of some of the best minds in the financial, entrepreneurial, and creative worlds. These are people who have volunteered before and would likely volunteer their time and brain power to help innovate, reinvent, and design the new normal. Now is the time for foundations to create the public private partnerships and immediately engage in the challenge of re-envisioning Santa Barbara's future.

#### **Opportunities Await**

We need to put ourselves on the forefront of testing and raise a local fund to fully test with County oversight. In Santa Clara, a city twice the size of Santa Barbara, the county spent \$200,000 to test everybody in order to have a clear path toward treating the disease and reopening.

Working with local architectural talent we need to develop a cohesive vision plan for a post-COVID world. We need to open commerce, and develop a plan to extend restaurants and bars, so they have extensive outdoor space to compensate for distancing restrictions and to create a sense of joy. We need to focus on the redevelopment of the empty structures already downtown. We need to prepare for homeless increases by taking over empty hotels or pay for those hotels at reduced rates. We need to create public works projects for labor and

We must create weekly City Hall forums so local businesses can be heard and articulate their needs.

But in order for all this to happen, our public officials need to put aside past patterns of behavior and mobilize to design our own custom recovery that creates a clean slate and a new future for Santa Barbara. It's great that the city's leaders seem to be optimistic, hoping for the best. But as we all know, hope is