



# COMMUNITY ECONOMIC RECOVERY GUIDEBOOK

**SAFEGUARDING YOUR  
ECONOMY FROM DISASTER**

# THIS GUIDE IS DESIGNED FOR:

**ECONOMIC DEVELOPMENT ORGANIZATIONS**

**CIVIC LEADERS AND ELECTED OFFICIALS**

**CHAMBERS OF COMMERCE AND BUSINESS SUPPORT GROUPS**

These core stakeholders are flanked by small business owners who could be affected by disaster and by emergency managers who provide preparedness and response leadership for the community. Coordination between them is essential for stabilizing and preserving of the local economy after a natural disaster.

Without an economic recovery strategy, a disaster incident can cause a micro-recession which could negatively affect your community for years. Steps taken by local leaders in the first critical weeks can make a significant difference in offsetting this detrimental side effect of an already unfortunate situation. Provided here is a framework of discussion for local business and community leaders to develop an economic recovery strategy for their own community. This manual connects disaster management functions with economic principles to identify key issues and suggested actions before and after disaster.

For ease in applying this information to each phase of the disaster timeline, information is divided into four core functions that need to be addressed. These four core functions are:

## **BUILDING RELATIONSHIPS**

Identifies key stakeholders and demonstrates how they work together in each phase.

## **COMMUNICATING**

Provides mechanisms for key stakeholders to communicate and coordinate other efforts in the community before, during and after a disaster.

## **FINANCING**

Identifies sources of funding or innovative financing for disasters.

## **PLANNING AND LOGISTICS**

Describes a plan, identifying resources and anticipating how they will change in each emergency phase.

## **How to use this guide**

The color-coded sections are designed to guide your community to economic stability before, during and after major disaster events such as floods, earthquakes and tornadoes. Each section correlates to a phase in the standard emergency management (EM) disaster cycle. As you move through the timeline, this booklet provides specific economic tips and insights for each phase.



# THE DISASTER CYCLE AND YOUR ECONOMY

The disaster cycle is a tool used by EM professionals and applies to the health, safety and welfare of the general public in response to both natural or man-made disasters. Community recovery after a disaster includes maintaining a healthy economy, and this requires prioritizing elements which are not always as obvious as those aimed at preserving safety and health. Therefore, disaster cycle terminology is used here to frame key business sector recovery strategies and improve economic resilience. Why? The frequency and cost of natural disasters has increased significantly since 2000. The cost of thunderstorms alone has increased three-fold in just ten years. Stabilizing local businesses is an important but often overlooked aspect of preserving and serving human interest needs. When people are able to work, they have a better chance of putting their homes and lives back together after disaster.

In many communities, no plan exists to prepare the private sector (businesses, trade associations, manufacturers and retailers) for disaster. According to the IRS, between 40 percent and 60 percent of businesses affected by disaster may ultimately close. A well-constructed recovery plan will help prevent that from happening in your community.

## RESPONSE

Response encompasses the activities that address the short-term, direct effects of a catastrophic event, including immediate actions to save lives and protect property as well as initiatives aimed at meeting of basic human needs before, during and after an incident. Response also includes the execution of emergency operations plans and mitigation activities designed to limit unfavorable outcomes. Typically, immediate response lasts up to 72 hours.

## RECOVERY

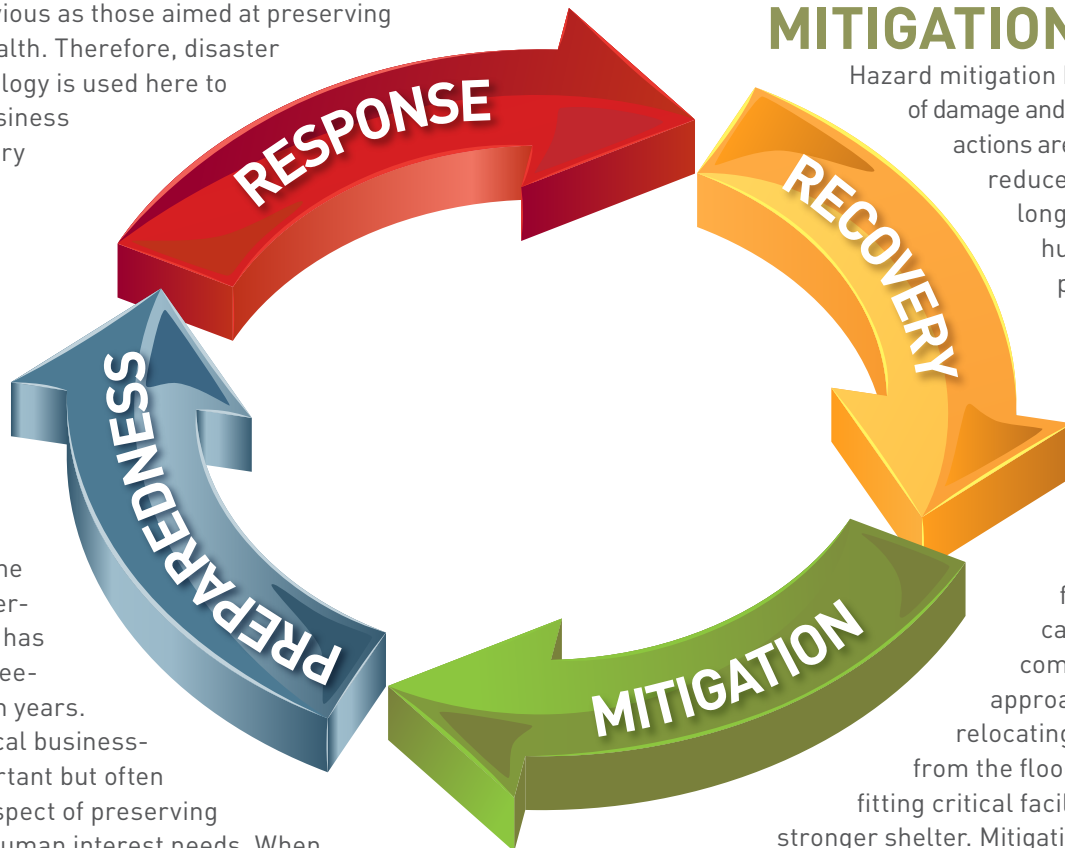
After a disaster incident, it is crucial to restore government, individual/household and economic functions in the community. Recovery involves the development, coordination and implementation of operations, services, infrastructure, facilities and programs. Immediate recovery is typically measured in weeks or months. Long-term recovery is measured in the years following an incident.

## MITIGATION

Hazard mitigation breaks the cycle of damage and repair. Mitigation actions are designed to reduce or eliminate the long-term risk to human life and property from hazards. These preventative actions can be simple, such as elevating a furnace in a basement that sometimes floods. Mitigation can also involve a comprehensive approach that includes relocating buildings away from the floodplain or retrofitting critical facilities to provide stronger shelter. Mitigation involves efforts to reduce risk of damage to the environment during and after a disaster (e.g. planting lines of trees to reduce the impact of dust storms; installing breakwaters to protect a harbor; devising sound land use ordinances and building codes; etc.). These are necessary long-term actions undertaken during periods of calm and stability.

## PREPAREDNESS

Preparedness is a continuous cycle of planning, organizing, training, equipping, exercising, evaluating, and taking corrective action in an effort to ensure effective coordination. Preparedness facilitates immediate response actions to protect life and property with the understanding that some damage will likely need to be absorbed (e.g., Continuity of Operations Plans (COOPs); training exercises; structural fortification; evacuation; etc.).



# ABBREVIATIONS

Acronyms shown here are referred to in this booklet and used by practicing professionals in the field.

■ Indicates potential funding sources

<b>BID</b> .....	Business Improvement District
<b>BRC</b> .....	Business Recovery Center
<b>BRPASW</b> ..	Business Recovery Professionals Association of Southeast Wisconsin
■ <b>CDBG</b> .....	Community Development Block Grant /HUD
■ <b>CDF</b> .....	Community Development Financial Institutions
<b>COOP</b> .....	Continuity of Operations Plan
<b>CRS</b> .....	Community Rating System
<b>CRA</b> .....	Community Reinvestment Act
<b>DNR</b> .....	Department of Natural Resources
<b>DOL</b> .....	Department of Labor
<b>DOT</b> .....	Department of Transportation
<b>DPW</b> .....	Department of Public Works
■ <b>DWD</b> .....	Department of Workforce Development
<b>ED</b> .....	Economic Development
■ <b>EDA</b> .....	US Economic Development Administration
■ <b>EDC</b> .....	Economic Development Corporation
■ <b>EDO</b> .....	Economic Development Organization
<b>EM</b> .....	Emergency Management
<b>EOC</b> .....	Emergency Operations Center
<b>EPA</b> .....	Environmental Protection Agency
<b>FEMA</b> .....	Federal Emergency Management Agency
<b>GIS</b> .....	Geographical Information Systems
<b>HAZUS</b> .....	GIS Based Hazard Loss Model used by FEMA
■ <b>HUD</b> .....	Housing and Urban Development
■ <b>HMGP</b> .....	FEMA Hazard Mitigation Grant Program
<b>IEDC</b> .....	International Economic Development Council
<b>JFO</b> .....	Joint Field Office
<b>LEARN</b> .....	Local Economic Advisory Recovery Network
<b>MOU</b> .....	Memorandum of Understanding
■ <b>NEG</b> .....	National Emergency Grant

<b>NFIP</b> .....	National Flood Insurance Program
<b>PIO</b> .....	Public Information Officer
■ <b>RLF</b> .....	Revolving Loan Fund
<b>RPC</b> .....	Regional Planning Commission
■ <b>SBA</b> .....	Small Business Administration
<b>SBDC</b> .....	Small Business Development Center
<b>SCORE</b> .....	Service Corps of Retired Executives
■ <b>SWCOAD</b> ..	Southeast Wisconsin Citizens and Organizations Active in Disasters
■ <b>USDA</b> .....	United States Department of Agriculture
■ <b>VOAD</b> .....	Volunteer Organizations Active in Disaster
■ <b>WEDC</b> .....	Wisconsin Economic Development Corporation
■ <b>WEM</b> .....	Wisconsin Emergency Management
■ <b>WHEDA</b> .....	Wisconsin Housing and Economic Development Authority
■ <b>WIB</b> .....	Workforce Investment Boards
<b>WisWARN</b>	WI Water Agency Response Network

## More resources online!

This guide provides a framework and introduction to actions that can prepare your local economy for a disaster. It documents just the essentials. There is an accompanying website with useful interactive tools. More details, links to other references, presentations and other downloadable content are at <http://goo.gl/ilmjv>.

When you see a QR Code, snap a picture of it with a smart-phone, and the web browser on your phone will open to a specific page with more info.



## WHERE IN THE DISASTER TIMELINE ARE YOU?

### RESPONSE

72 Hours during the disaster

### MITIGATION

Ongoing

### RECOVERY

Weeks, Months and Years after

### PREPAREDNESS

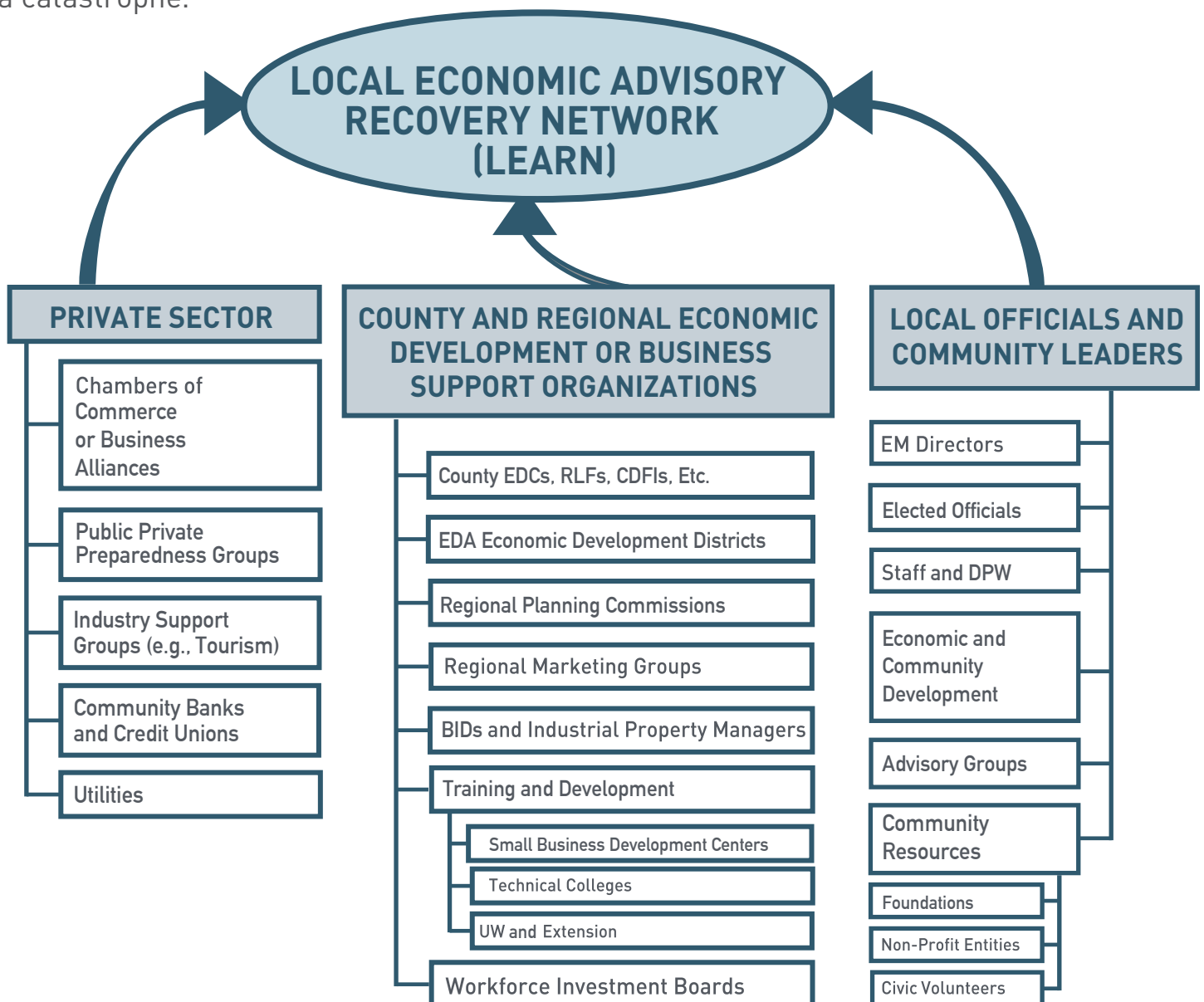
Pre-disaster



# ECONOMIC CONTINUITY AND COMMUNITY RESILIENCE

It is essential for the local groups that will deal with disaster to know each other before the chaos starts. A Local Economic Advisory Recovery Network (LEARN) group is a no-cost way to ensure that lines of communication among the key players are established before the added stress of a catastrophe.

When a disaster is unfolding, it is critically important to have an accurate roster of key entities that need to communicate on economic impacts. Use the structure below to identify potential stakeholders in your community. The collective resources of these entities can then be an efficient part of economically managed outcomes. All “Action” boxes in the following pages identify suggestions the LEARN group should consider and undertake.



The listed structure represents a roster of potential participants.

Communities should customize rosters to establish a balance between committee size and efficiency.



# RESPONSE

## BUILDING RELATIONSHIPS

EMs focus first on health and safety, followed by critical infrastructure and services. When the Emergency Operations Center (EOC) is activated, a single point of contact from the LEARN group relays status updates and other information needed by EMs. The LEARN group is also responsible for providing economic considerations to discussions as response and immediate recovery decisions are made.

### WHAT TO CONSIDER:

When a flood hit Cedar Rapids, Iowa, in 2008, an economic recovery team was formed within 48 hours to be the focal point for information sharing between EM personnel, corporate leaders and small business owners. By acting quickly, such teams are able to provide a central point of contact for damage assessment data and recovery strategy development.

If the EOC needs business or economic information, leadership staff from the local county Economic Development Corporation (EDC) or chamber organizations are reasonable candidates to consider. They will have the useful resource of an existing communication network and access to current information or status updates within key sectors.

### FAQs

**What do Emergency Managers do?** EMs coordinate disaster response and recovery efforts in support of local governments to minimize the loss of lives and property. The Wisconsin Emergency Management (WEM) website is [www.emergencymanagement.wi.gov](http://www.emergencymanagement.wi.gov).

**What do businesses need?** Education about disaster vulnerabilities, continuity planning, special insurance, and preparedness information are needed for small businesses. Connect with county EM directors who may know local firms willing to provide equipment, personnel or other assistance.

### ✓ ACTIONS FOR LEARN GROUP

Convene or create a LEARN group (page 4) to be a resource for economic recovery strategy development. Include tourism and rural development contacts where appropriate. Addressing this pre-disaster in the 'preparedness' stage enhances successful deployment of this group.

- ☐ The LEARN group should provide up-to-date communication channels when needed by EMs.
- ☐ Determine what damage assessment functions and tools are best suited to anticipated recovery situations. Consider, discuss and confirm how implementation will work.
- ☐ Plan on frequent meetings immediately following the disaster to update stakeholders. Demonstrate willingness to listen and integrate new information into emerging strategies.
- ☐ Make decisions collaboratively to avoid rumors, misunderstandings or mistrust.
- ☐ Make certain that EMs are aware of compelling business distress. The LEARN group can provide additional useful information on physical damage and projected impacts.
- ☐ Access free templates for business continuity planning from [preparemybusiness.org](http://preparemybusiness.org) or [ready.gov](http://ready.gov).



When the immediate danger has passed and safety is secured, EMs begins preliminary damage assessments. Data collection is limited to the information needed in determining whether or not a formal disaster declaration is warranted. The business community is responsible for communicating a comprehensive assessment of economic damages for future potential recovery assistance.

## WHAT TO CONSIDER:

Using communication channels already in place can accelerate response activities. One chamber of commerce used its member email list to send out a request to conserve water. Responding members helped minimize the added burden of stormwater on the local wastewater treatment plant.

Until approved by appropriate authorities, business owners or employees should not attempt to return to their facilities. Dangerous conditions can persist and must be addressed before access is granted. Examples include downed power lines, water traps, weakened walls, hazardous material spills and the occasional snake.

## FAQs

**Who should we be communicating with now?** Local and individual internal continuity plans should be implemented during the response phase. This means that clear communications with staff and partners ahead of time are vital so that the organization is a ready resource when needed.

**What do businesses need?** Businesses need to implement their own continuity plans. Their top priorities should be protecting employees, securing facilities and disseminating necessary information.

**What is the difference between an EOC and a disaster recovery center?** An EOC is where EMs coordinate response activities. Disaster Recovery Centers are set up by FEMA as a resource for disaster victims (i.e., area residents affected by disaster can walk in and register).

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Designate a LEARN group member to attend briefing sessions if possible.
- ☐ Find out who is the assigned PIO and coordinate with him or her on business sector messaging.
- ☐ Use existing member lists of organizations and businesses to promote information sharing.
- ☐ Clarify the anticipated needs and make staff assignments within the EDO or chamber, so that the organization is ready to start recovery assistance actions as soon as possible.
- ☐ Prepare media messages so business sector information can be distributed and collected through identified channels. Confirm information sharing protocols.
- ☐ Detail damage assessment functions (e.g. NEG grants) and how to implement them.
- ☐ Develop a disaster specific FAQ list and update information to be posted on the central business information resource.
- ☐ Check websites of national resources with disaster recovery expertise. Groups such as the International Economic Development Council (IEDC) or the U.S. Chamber Business and Civic Leadership Center report on recent incidents and emerging best practices.





# RESPONSE FINANCING

Businesses should have reserves (e.g., food, water, first aid supplies) to last for up to 72 hours without outside assistance. Recognize that many small businesses lack adequate preparedness and do not have significant operating reserves. The ways in which the community responds to this collective need can significantly impact the cost and duration of recovery.

## WHAT TO CONSIDER:

Emergency microloan programs are a recognized best practice. Small amounts, low interest, simple collateral requirements, and quick lending decisions are key. Fond du Lac, Wisconsin, used EDC-developed local solutions for immediate financial assistance in the business community by repurposing unrestricted reserve funds. The result was a rapid recovery microloan program providing \$5,000 low-interest loans to 17 businesses within a matter of weeks. Even the business that eventually closed repaid the loan.

The Wisconsin Department of Commerce offered a similar program, the Flood Recovery Small Business (FRSB) Fund, that was used by six counties by partnering with local revolving loan fund (RLF) officials.

## FAQs

**Who is involved in setting up emergency loans for businesses?** Local or regional economic development groups likely have the most experience with RLFs for your community and potentially have unrestricted reserves that could be repurposed. The loan committee involves additional partners. In some cases, administering the loans will bring in additional partners as well.

**What do businesses need?** Disaster recovery is something with which most small business owners have little or no experience. Reaching out to them with resources quickly is crucial to making informed decisions.

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Assess the impact to the business community and tailor response to their needs based on the disaster type, damage and severity.
- ☐ Gather and update information that will be needed if an emergency microloan program is needed. For example, locate the appropriate application materials and appoint review committee members who are familiar with the local economy.
- ☐ Identify funds which could be reallocated to emergency microloans or a revolving loan fund.
- ☐ If possible, utilize unallocated money from local funds for fast dispersal.
- ☐ Choose a local agency to administer the emergency microloan program and complete an MOU with that agency.
- ☐ Ensure that the “financial dashboard” of information (recovery funds available, businesses impacted, cost of damages) is included in outbound communications.
- ☐ Take pictures and save receipts. SBA loans have strict requirements about duplication of benefits, so keep good records of recovery expenditures.
- ☐ Coordinate distribution of free clean-up kits (available through the Red Cross or health departments) to businesses.



# RESPONSE

## PLANNING AND LOGISTICS

FEMA and SBA damage assessments are designed to collect qualifying data for the federal declaration process. A separate business damage assessment tool must be deployed quickly to ensure economic considerations are included in the decision-making process. This requires local coordination and effort by the LEARN group.

### WHAT TO CONSIDER:

Following a disaster event, reach out to area businesses and community members as quickly as possible. Conduct a damage assessment survey to determine the extent of impact on local businesses. Frustration is more likely to occur when citizens and businesses perceive a lack of action and preparedness on the part of municipal, economic, and emergency management professionals.

In one community, Rotary Club members brainstormed how to facilitate business-to-business assistance. As part of the solution, one member with a trucking company sent unused trucks to rescue hundreds of thousands of dollars in inventory from encroaching flood waters. Twenty-six businesses in an incubator and the warehouse owner were helped through the creative deployment of a local service member resource.

### FAQs

**Are there sample surveys for review?** Several downloadable damage assessment surveys are available through the companion website. Modify one to reflect the particular disaster and needs of your community, keeping in mind that in disasters which hit larger regions the same data collection methods should be used.

**What do businesses need?** Having an accurate picture of operating capital needs is critical for the recovery period. Business owners need cash flow to cover uninsured damages and lost production, sales or other revenue sources. Saving or accessing financial records will be important.

**What should businesses do first?** Home and family safety must be addressed first. Clean up should start right away and, in both the home and business locations, owners should take a lot of pictures and save receipts. Small businesses can potentially qualify for VOAD personal emergency needs assistance, thereby creating time to address immediate business needs. Remember that business owners may also be suffering personal home damage, so providing support services is important.

### ✓ ACTIONS FOR LEARN GROUP

- ☐ Implement the business sector recovery plan and look ahead to economic recovery strategies.
- ☐ Use a damage assessment survey to gauge business impact as soon as possible. Data will help in developing recovery programs and can simplify later grant-writing.
- ☐ Keep track of recovery assistance amounts and efforts. Plan for transparency in reporting.
- ☐ Adapt existing organizations to meet needs instead of starting from scratch (e.g., SBDC, technical colleges, etc).
- ☐ Encourage business owners to relocate capital business equipment to temporary locations and ensure that critical production line equipment is protected.
- ☐ Establish safe and stable facilities where response actions can be coordinated.
- ☐ Connect small business owners and residents with the After Disaster Family Financial Toolkit available from the University of Minnesota Extension at <http://goo.gl/akWZ6>.



<http://goo.gl/T30pV>



# RECOVERY

## BUILDING RELATIONSHIPS

Response and short-term recovery can overlap to some degree. Streets may be cleaned up and everything may look fine on the surface, but in reality, small businesses may still be extremely fragile. Elected officials and economic stakeholders should encourage dialogue in the business sector to proactively identify and address economic challenges.

### WHAT TO CONSIDER:

Use a case management system and put “boots on the ground,” if possible. Businesses need to adjust their strategies on finance, marketing, human resources and operations, so a variety of expertise is needed. After the 2010 flooding in Nashville, Tennessee, the chamber organized volunteer teams to assist businesses in identifying needs.

Local community leaders need perseverance when seeking assistance from county, state or federal resources.

Become knowledgeable about economic issues—the impact to jobs and wages can be a compelling argument when requesting aid.

### FAQs

**How long does recovery take?** Short-term recovery is usually six to 12 months and long-term recovery is generally tracked for three years. Rebuilding can take even longer.

**What do businesses need?** When disaster occurs, it’s important for businesses to adjust their strategies and think through alternatives for rebuilding. Invest time to engage businesses in community rebuilding discussions to develop a common vision.

**Where can I find more information?** Work with local stakeholders to adapt and implement suggestions from state or national resources such as:

[www.restoreyoureconomy.org](http://www.restoreyoureconomy.org).

### ✓ ACTIONS FOR LEARN GROUP

- ❑ Within the first 72 hours of a disaster, the economic advisory/recovery team should agree on or plan the damage assessment process and evaluate the need for a Business Recovery Center (BRC) and emergency microloans.
- ❑ Bring in additional people to provide staff for those activities.
- ❑ Tap into resources like the IEDC which have current information and can access expertise from across the country.
- ❑ Connect with state and federal partners. Collaborate locally to tap into new funding sources.
- ❑ Adapt local ED plans and strategies to reflect new realities and opportunities available during recovery. Be bold!
- ❑ Reach out to nonprofits that are helping in recovery efforts— coordinate with them wherever possible in order to minimize duplication of effort.
- ❑ Accept new members in the LEARN group and continue to meet regularly as long as needed.
- ❑ Help area businesses and owners feel less isolated by hosting outreach sessions led by the LEARN group.



# RECOVERY

## COMMUNICATING

The bigger the disaster, the more important it is for a community to have a common vision of what successful recovery will look like. Future economic strength will depend on how well the vision and opportunities for recovery assistance are communicated and pursued. Maintain communications over the entire course of recovery, however long it may last.

### WHAT TO CONSIDER:

In Jefferson County, Wisconsin, the EDC developed a business damages survey and accessed NEG staff assistance from their WIB. The provided staff conducted door-to-door assessments after the flood waters receded. The information helped identify needs and shape county and regional recovery strategies and was successfully used in applying for additional state and federal assistance.

Be open to other organizations that may emerge to provide needed resources. Often, new communication channels can be used to push out messages from the LEARN group.

### FAQs

#### What marketing messages are needed now?

Two priorities need to be addressed: communicating directly with businesses and letting community citizens and visitors know that businesses are still open. This is especially true for tourism-dependent areas or when general access to businesses is affected.

**What do businesses need?** It's important for businesses to manage the message with their own employees, customers, suppliers and other partners. Regular updates should be relayed to these groups about recovery efforts, support opportunities and progress.

### ✓ ACTIONS FOR LEARN GROUP

- ❑ For Business Recovery Centers (BRC), use a "one-stop shop" approach to link to all agencies and organizations providing resources for business recovery.
- ❑ For BRCs, establish a hotline and web presence, and post hours for walk-in assistance, etc. Use all available channels of communication to get the word out.
- ❑ Use relationships with other businesses, EDOs or member networks to find out and share how businesses are dealing with recovery.
- ❑ Promote the availability of business counseling and recovery financing options through all community information channels.
- ❑ Continue to communicate regularly, even as media attention wanes and the community seemingly returns to normal.
- ❑ When businesses repay their microfinancing loans, update the community. These successes help keep progress visible.
- ❑ Schedule interviews with local journalists and media contacts three, six, nine and twelve months after the disaster.
- ❑ Document techniques that are successful for future reference.





Leaders need to maintain an understanding of the economic conditions of community businesses and advocate for programs that might offer solutions. Encourage all businesses, regardless of size, to have continuity plans. Evaluate how the professional community can support those efforts.

## WHAT TO CONSIDER:

FEMA does not offer business assistance. Look for local resources to fill the gap before SBA arrives or to provide additional flexibility to federal programs.

In the Fond du Lac, Wisconsin, program referenced earlier, the funds were available and announced to the business community within a week, and the first loan was made within eight days. As more needs were identified, access to larger amounts were orchestrated through the Department of Commerce and USDA Rural Development.

In Gays Mills, Wisconsin, the Lion's Club purchased gift cards from locally owned businesses and gave them to the residents of the community. This helped drive traffic and purchases back into the businesses once the disaster passed.

## FAQs

**Are business recovery grants available?** No. Federal or state disaster recovery assistance is provided through loans. Emergency microloans that may be available locally are for smaller amounts at low interest rates. Larger, long-term loans for direct or indirect damage may be available through the SBA Disaster Division.

**What are indirect losses?** A gas station had a booming business until traffic was diverted because of a nearby flood. For weeks, no one could go to the station, even though it was not directly affected by the disaster. This affected sales and ultimately slowed the business. It's important to calculate these losses to help prioritize how recovery funds are allocated, and to clearly communicate that they exist.

## ✓ ACTIONS FOR LEARN GROUP

- ❑ Continue publicizing the availability of recovery loan resources.
- ❑ Enlist SBDC offices, technical colleges and other business support organizations in providing disaster recovery finance counseling for affected businesses.
- ❑ Engage the EDA, USDA Rural Development and the SBA in discussion about the longer-term financial recovery plan.
- ❑ Encourage businesses to reevaluate their business plans and redefine themselves and their markets. Recovery steps can present opportunities to change or grow, which may help shorten payback times.
- ❑ Urge businesses to avoid relying on credit cards to offset losses. Such strategies unfortunately mask the cost of recovery and create a larger financial burden in the future.
- ❑ Monitor the progress of businesses who utilize micro loans, and publicize progress when they are repaid.
- ❑ Keep good documentation: SBA funding requires financial statements and tax returns. Keep receipts for everything purchased during recovery. It's especially important to document these if more than one loan source is used to avoid duplication of benefits.
- ❑ Publicize the stories of companies that had a continuity plan in place and recovered faster because of it.

# RECOVERY

## PLANNING AND LOGISTICS

Gather data and mapping information from the actual results of the disaster to make sure there is comprehensive information for full recovery and future mitigation. The business and economic impacts need to be fully documented in order to serve future economic interests.

### WHAT TO CONSIDER:

The economic multiplier for locally owned businesses is much higher than for some others. Of the money spent in locally owned businesses, 72 percent stays in the community versus 43 percent of the money spent in non-locally owned businesses. Therefore, targeting specific programming assistance to locally owned firms may be beneficial.

Flexibility is crucial if supplemental recovery funding is made available from federal or state government. Recognize and include the practical needs identified by the business sector. Keep in mind that large or national corporations tend to have detailed continuity plans in place, whereas small companies do not.

Reevaluate existing economic development plans and adjust priorities to better match the scope of disaster and the entirety of regional common needs. When four counties in Wisconsin and two in Illinois were simultaneously impacted by floods and auto plant closures, a collective strategy was designed to address both issues. A template to facilitate this process can be found on the companion website at <http://goo.gl/yi07o>.

### FAQs

**How do we plan or increase preparedness when we're still recovering from disaster?** Surviving disaster is a valuable experience for companies. When shared and utilized, the lessons learned by one business can benefit others. Discussing what could be done differently and integrating such perspective in future planning can improve disaster resilience for the whole community.

**What should businesses do?** Make a record of what happened, what worked and what didn't. Use the information to adjust future response actions and modify continuity plans. Be willing to share your story to help build awareness.

**What is a Joint Field Office (JFO)?** Once a disaster is formally declared and federal assistance is available, a JFO is established. In the JFO, federal agencies (FEMA/SBA) and the state coordinate local Disaster Recovery Centers and other assistance.

### ✓ ACTIONS FOR LEARN GROUP

- ❑ Collaborate to create and staff one business recovery center (BRC). Include the local chamber of commerce, SBDC, SBA and others.
- ❑ Provide local EM director with a list of business resources available through the LEARN BRC so reference materials are distributed through the disaster recovery committee (DRC).
- ❑ BRCs should have regular hours at first. As needs change, the online presence and case management system will reduce the need for onsite staffing.
- ❑ Partner with local units of government to add disaster specific data from the business sector to all hazard mitigation and response plans or maps.
- ❑ When a disaster is formally declared, share community and economic information with the JFO. Include economic profile and/or tourism guides. Encourage JFO staff to visit locally owned businesses.



<http://goo.gl/dP6NE>



Identifying hazards that could affect the local economy is important for the whole community. Include an economic development practitioner when the county Hazard Mitigation Plan (HMP) is updated. Analyze where challenges in the communication of needs and resources occurred, and define a better system. Conduct forums to discuss hazards, vulnerabilities and mitigation opportunities.

## WHAT TO CONSIDER:

Repeated flooding in Darlington, Wisconsin, significantly impacted downtown businesses, so the city developed a mitigation plan to identify long-term solutions. As a result, they applied for and received multiple state and federal grants to assist with relocating businesses out of the floodplain to a new business park. The vacated floodplain was developed into a park and riverwalk, boosting the local tourism economy. In addition, the city floodproofed historic downtown businesses and received numerous awards.

When the city of Milwaukee began redeveloping the Menomonee Valley industrial area, it raised the elevation by several feet before allowing new construction. This resolved past problems and ensured that new buildings would be out of the floodplain and less vulnerable to damages in the future.

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Review the current county HMP. By 2012, all but two Wisconsin counties will have a FEMA-approved plan.
- ☐ Include the local chamber of commerce or EDC on the hazard mitigation planning team.
- ☐ Attend training offered by the state in mitigation programs.
- ☐ Make sure key business infrastructure is recognized in the general mitigation plan.
- ☐ Economic considerations can be under-represented in county HMPs. Read yours and work with EM directors when the HMP is updated so that business needs receive consideration.
- ☐ Analyze how identified hazards may impact the economic community. Conduct outreach to industry groups and public-private partnerships to promote private sector investment addressing them.
- ☐ Research and learn from other communities', successes and best practices. Likewise, document and share your own successes through professional networks.
- ☐ Highlight successes in local mitigation, especially when the return on investment and planning are realized.
- ☐ Identify potential partners who have not been involved, and ensure they are available in future disasters to help with communication distribution.



# MITIGATION

## PLANNING AND LOGISTICS

Work with local, state, federal and nonprofit agencies to identify potential funding sources to mitigate future disaster impacts in your community. Continue to track outcomes. Develop mitigation strategies based on hazard identification and economic risk assessment to reduce or eliminate future economic losses.

### FAQs

#### Where can chambers or EDOs get additional information?

Check the website for links. IEDC has a specific website just for EDOs and chambers at [restoreyoureconomy.org](http://restoreyoureconomy.org).

**How do you prioritize economically focused mitigation activities?** Long range mitigation decisions should take future economic factors into account. EDA funded a helpful website to assist in regional economic research at [www.knowyourregion.org](http://www.knowyourregion.org).

For official state emergency management information visit: <http://emergencymanagement.wi.gov/>.



<http://goo.gl/0svLY>

### ✓ ACTIONS FOR LEARN GROUP

- ☐ Encourage businesses to review and update existing insurance coverage.
- ☐ Pursue participation in the National Flood Insurance Program (NFIP) Community Rating System (CRS), which will result in flood insurance discounts throughout your community.
- ☐ Ensure EM directors are aware of mitigation needs for economic drivers. Get consideration for mitigation grants when funding becomes available.
- ☐ Leverage FEMA, DOT, and other disaster-related funding to recreate infrastructure hardened for disaster.
- ☐ Work with EM directors to explore FEMA Hazard Mitigation Grant Program (HMGP) grant opportunities.
- ☐ Enforce building codes, standards and floodplain ordinances during the building process.
- ☐ Update plans (e.g., comprehensive overview, specific operations, capital improvement, etc.) to address high-risk areas identified in the hazard mitigation plan.
- ☐ After an event, review your community's mitigation plan to see if revisions are necessary.
- ☐ Encourage local government staff to evaluate capital improvement plans to ensure they invest in infrastructure that better protects the economy from future disasters.



# PREPAREDNESS

## BUILDING RELATIONSHIPS

The chief elected official is responsible for ensuring both the health and safety of residents and the economic stability of the community. Encourage development of strong relations between stakeholders by convening meetings with economic development organizations, chambers of commerce, emergency management officials, business recovery planners and business leaders to discuss current plans and upcoming exercises or training opportunities.

### WHAT TO CONSIDER:

The East Central Wisconsin Regional Planning Commission invited stakeholders from all of Calumet County to a two-and-a-half hour cross-training session. Attendees included the local chambers of commerce, planning staff, community development staff, elected officials, prominent businesses, county-level EM and economic development staff. After sharing information, participants discussed gaps in responsibilities and how to address them. Everyone felt more informed and empowered after the gathering, and thus, were better positioned to coordinate preparedness efforts.

### FAQs

#### **Why would a chamber be involved in this effort?**

As unique as the communities they serve, chambers all have one goal in common: to foster a healthy business environment. Disaster resilience is critical to that mission. After a disaster, accurate information and leadership are needed to devise solutions. Envision the future, and contribute to long-term community recovery.

**Is it worth my time to foster relationships?** Yes, these relationships can be critical. It's a small investment of time that will pay dividends along the way.

**What kind of time is involved?** Take it one meeting at a time. Start with a 90-minute session and go from there. A sample agenda is provided on the companion website.

### ✓ ACTIONS FOR LEARN GROUP

- ☐ Ask the local regional planning commission or council to facilitate in-person discussions to build relationships and prepare your business community (see Actions list on page 5).
- ☐ Invite EDOs and EM organizations to participate in facilitated discussions with EM leaders to create a broader understanding of response and recovery responsibilities.
- ☐ Link EDOs, chambers and business networks. Use discussions to form a LEARN group.
- ☐ Create and share a contact list of participants.
- ☐ Advocate for local businesses to engage in continuity planning.
- ☐ Form relationships beyond your immediate geographical area. Engage with SBDC and other organizations within a wider region.
- ☐ Arrange a regular schedule of meetings for the LEARN group to discuss preparedness.
- ☐ Organize business workshops to share continuity planning and insurance information. Planning templates are provided on the companion website at <http://goo.gl/yi07o>. Make sure LEARN group members have a continuity plan.

# PREPAREDNESS COMMUNICATING

Chambers of commerce and EDOs are essential partners in expanding private sector understanding of disaster management. They must have a structured program for communicating risk factors to businesses. Business owners that understand the concept of preparedness are a significant resource in achieving community resilience.

## WHAT TO CONSIDER:

The same local government and media sources used to distribute information to individuals should be asked to include basic information for businesses. Provide them a central website or phone number for the LEARN group to gather and share information.

Using communication channels already in place can speed up response capabilities. In Pleasant Prairie, Wisconsin, an industrial park developer and local chamber executives worked with emergency managers in a public/private partnership to plan a response strategy and update communication protocols in the event of a major train derailment. As a result, communication protocols were revised and contact lists updated.

## FAQs

### What are private sector responsibilities in preparedness?

All businesses are expected to have the capacity to protect their employees, infrastructure and facilities in the case of disaster. Protecting information and being able to access it remotely is also essential. For more information visit <http://wepartner.org>.

**Are expectations of large corporations different from small businesses?** Yes. Large corporations typically have more resources and can more effectively collaborate with EM officials. They may also be involved in local public/private preparedness initiatives. More information is available at the [ready.gov](http://ready.gov) website.

**What about small businesses?** It's true that smaller businesses with fewer resources can be overwhelmed by disaster more easily. This is why reaching out with targeted guidance and resources is an important step for whole community recovery.

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Meet with EM directors and public information officers (PIOs) to be sure that information for the business sector is included on contact lists.
- ☐ Document how messages can be sent and need to be formatted so it's easier to implement when needed (211, municipal websites, reverse 911, etc.)
- ☐ Convene organizations that will play a role in business recovery. Designate one group to take the lead coordinating business communications in a post-disaster situation.
- ☐ Recruit a local leader who is willing to encourage and stress the importance of continuity planning within the community's private sector.
- ☐ Publish updates, information and plans as you prepare. This helps build relationships, coordinate financing and share logistics information, while giving partners "one place to go" for information and updates.
- ☐ Compile the results of your actions into a communications plan, distribute copies to partners and publish the document online so businesses can reference it when needed.
- ☐ Identify communication mediums that will be used by all partners and document formatting or content guidelines.





# PREPAREDNESS FINANCING

Optimally, disaster financing programs would be designed and in place prior to disaster. Because loan funds from the SBA are available only for “declared” disasters, they can take longer to obtain. Access to local sources of emergency working capital is vital. A proven national best practice is to provide small, very low-interest emergency microloans.

## WHAT TO CONSIDER:

In Florida, the Charlotte County EDO has an emergency disaster loan program ready to be used when needed. Participating banks and loan application instructions are updated annually. Agreeing to such a strategy and setting it up is an important first step for any community.

Encourage businesses to engage in business continuity planning. This will help them identify financial tools they will need in place to ensure a speedy recovery (e.g., insurance policies, lines of credit, etc.)

## FAQs

### **Does the government have grant money for this?**

No. Generally, federal, state, and local governments make disaster recovery loans to businesses. The more local the source of funding is, the quicker it can be made available. Federal disaster assistance for business is provided through the SBA Disaster Division (not the SBA district or state offices).

**Can existing RLF sources be used?** Yes, but typically the funds are tied to job creation or retention and other requirements. The process can be lengthy when time is of the essence.

**What do businesses need?** Adequate understanding of disaster-related insurance issues is critical. Appropriate riders and continuity planning are useful education topics.

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Provide education to the business community on important insurance issues. Flood insurance is frequently misunderstood by local agents and business owners.
- ☐ Identify local sources of unrestricted funding that could be repurposed for emergency loans (e.g., EDC retained earnings, BID funds, community/foundation loans).
- ☐ Amend your community’s revolving loan fund (RLF) manual to allow for quick processing of post-disaster loan applications.
- ☐ Identify organizations to be involved in approving and administering a microloan program; include funds to pay for needed personnel. Draft an MOU between groups.
- ☐ Identify local BID funds that could be utilized for mitigation.
- ☐ Create a loan program structure that includes short applications and fast decision making timeframes to provide small amounts of operating cash for immediate recovery.
- ☐ Research creative, successful financing options used in other areas and customize these to your local need or fund availability.



What would happen if a large employer suddenly shifted jobs to another location—or if half of a community’s Main Street businesses failed within the span of a few months? Job losses and business failures after disaster drag down a community’s economy long after debris is cleared away. Write a plan that addresses these risk factors and vulnerabilities with specific responses.

## WHAT TO CONSIDER:

Twenty five percent of all flood damage happens outside the floodplain. Look into the benefits of participating in the FEMA Community Rating System (CRS.) Participating communities qualify for significantly lower flood insurance premiums for all businesses and residents in the area. In Jefferson County, Wisconsin, the interstate highway closed, significantly affecting businesses which were not themselves flooded. Evaluate historic risk factors and develop a plan for alternate routes, resources and markets.

HMPs can be used to identify vulnerable businesses for a targeted outreach program. The Southwestern Wisconsin Regional Planning Commission used data from their WIB to map out the businesses in a five county area and identify which ones were vulnerable to flooding and indirect losses through damaged infrastructure.

## FAQs

### How do you know if a building is vulnerable to flooding?

Floodsmart.gov has a free address-based risk assessment tool to help businesses and homeowners know what to expect in the event of a flood.

**What do businesses need?** Encourage them to do continuity planning. Visit the [preparemybusiness.org](http://preparemybusiness.org) website for templates. At a minimum, business employees and facilities should be fully protected.

**What kind of time is involved?** Take it one meeting at a time. Start with a 90-minute session and go from there. A sample agenda is provided on the companion website.

## ✓ ACTIONS FOR LEARN GROUP

- ☐ Identify the businesses and infrastructure that are most vulnerable to disaster.
- ☐ As part of the county HMP, consider using GIS analysis to show vulnerabilities for key economy “driver” enterprises.
- ☐ Integrate EM into the community’s comprehensive plan.
- ☐ Ensure economic development considerations are included in the emergency response plan.
- ☐ Inventory major facilities and spaces within your community which can be used as a BRC or staging area. To avoid confusion, establish a location separate from FEMA Disaster Recovery Centers.
- ☐ Encourage businesses to discuss possible private sector mutual aid agreements and how they might be enacted.
- ☐ Modify your plans based on lessons learned and best practices.
- ☐ Go to [ready.gov](http://ready.gov) for additional information on business and economic preparedness.



<http://goo.gl/iGNBP>

## CREATED BY:

**Wisconsin Economic Development Corporation**

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WI Economic Development Corporation  
WI Department of Natural Resources  
WI Department of Transportation  
WI Emergency Management  
WI Economic Development Association  
WI Office of Justice Assistance  
WI Volunteer Organizations Active in Disaster  
WI Women's Business Initiative Corporation  
WI Department of Tourism

For a downloadable version of this booklet and other resources, please visit [inwisconsin.com](http://inwisconsin.com) or [emergencymanagement.wi.gov/recovery/business.asp](http://emergencymanagement.wi.gov/recovery/business.asp)



Never doubt that a small group of thoughtful committed citizens can change the world; indeed, it's the only thing that ever has.

~ Margaret Mead

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing Wisconsin's business climate. WEDC nurtures business growth and job creation by providing resources, technical support and financial assistance to companies, partners and communities in Wisconsin. WEDC has four focus areas: business and industry development, economic and community development, entrepreneurship and innovation and international business development. Together with more than 600 regional and local business development partners, it represents a highly responsive and coordinated network.

To learn more about WEDC or to access this plan electronically visit [www.InWisconsin.com](http://www.InWisconsin.com)



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