

# Economic Diversification, BRE & Other Strategies for Recovery



# Resilience in Disaster Planning

Recovery after natural and manmade disasters can set you back years

**Economic resilience programs** are efforts that seek to bolster a community's ability to withstand or avoid shocks

# Resilience leadership

- Comprehensive planning defines your community's risks and vision for economic resilience
- As community leaders you should strive to make "resilience thinking" a core value



# Diversification matters – a few examples





## Need for economic diversification in South Carolina

- The loss of a major industry or businesses can collapse economies, especially in small communities:
  - Interruptions to the distribution industry
  - Loss of manufacturing
  - Loss of tourism when there's a natural disaster
  - Loss of buildings due to natural disaster
- Resilience strategy should include economic development efforts to **diversify industries**
- GOAL: When one industry is down, others can carry you



# Targeted Industries



- **What are South Carolina's targeted industries?**
- **What are your community's targeted industries?**

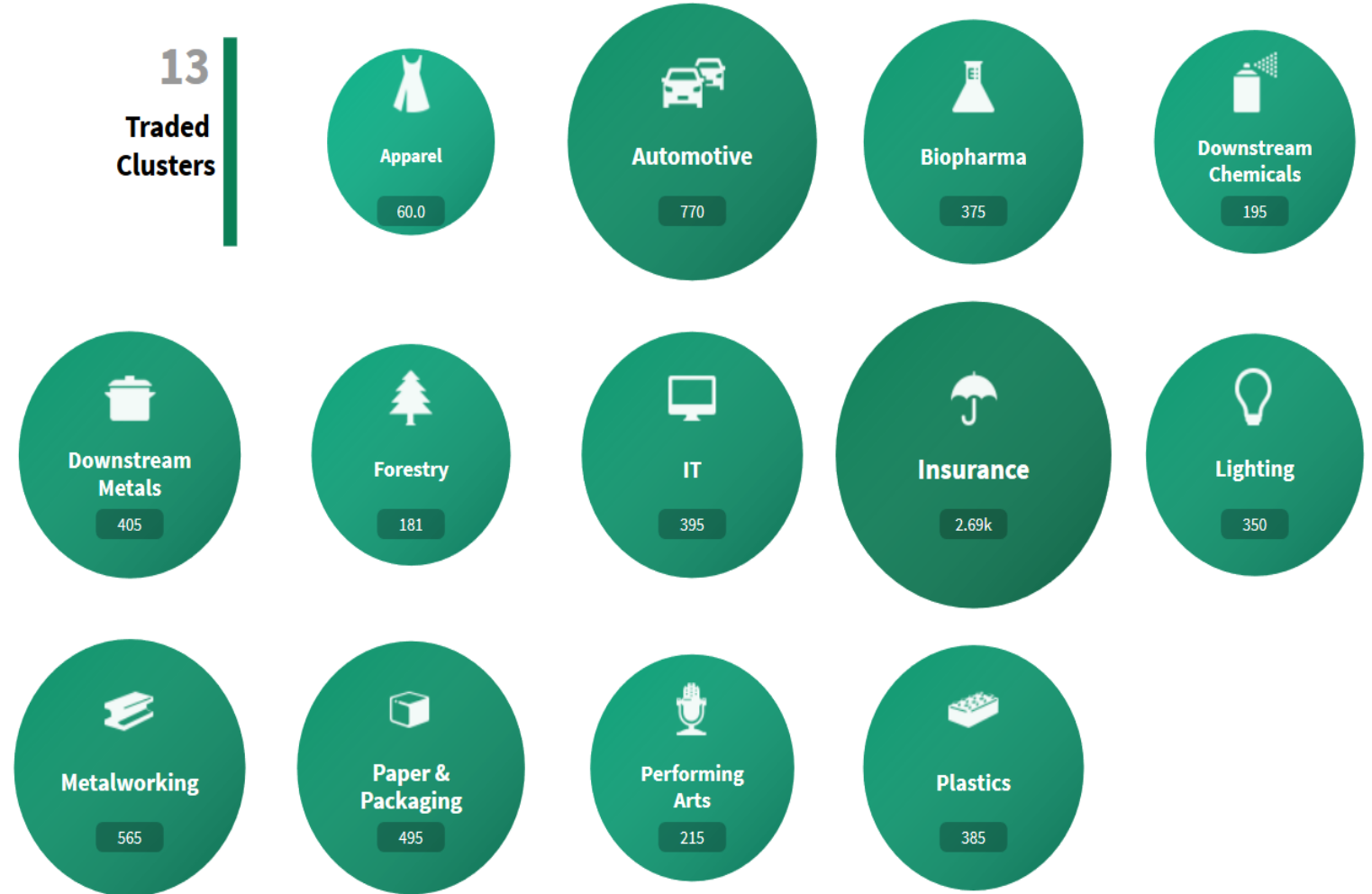




# U.S. Cluster Mapping Tool

Florence County, SC [www.clustermapping.us](http://www.clustermapping.us)

**13**  
**Traded  
Clusters**



Diversification  
can take years.

What are some  
ways to  
diversify your  
industries?

- First, study what industries are growing and declining in your community so you're fully aware of and can support positive trends, minimize risks
- Create an ecosystem of support for entrepreneurs. Investing in entrepreneurship increases the likelihood that new companies will emerge
- Maximize available assets – work with other counties and small cities to focus on potential new industries
- Develop and promote target industries that match the strengths of your community





# What are some initiatives that can boost resilience?

- Study resilience best practices for key industries that are already in your region
- Train workers for resiliency – i.e. ability to shift between industries when core employment is threatened
- Recruit new businesses that maximize your labor skills and regional assets
- Engage in efforts to assist other local businesses in surviving the loss of money circulating in the local economy



## Case Study:

# Newton, Iowa's Regional Transformation



- Whirlpool Corporation closed the Maytag corporate headquarters and production facilities in Newton.
- In this town of 15,500, nearly 13 percent, or 1,900, worked at Maytag Corporation. At its height in the 1990s, Maytag had 3,900 employees.
- The community and business leaders formed the Newton Transformation Council (NTC) to plan for economic recovery.
- Potential employers expressed they were more interested in Newton's available workforce than land available.
- Newton transformed from a company town to diverse economic base—wind energy, call center, Iowa Speedway

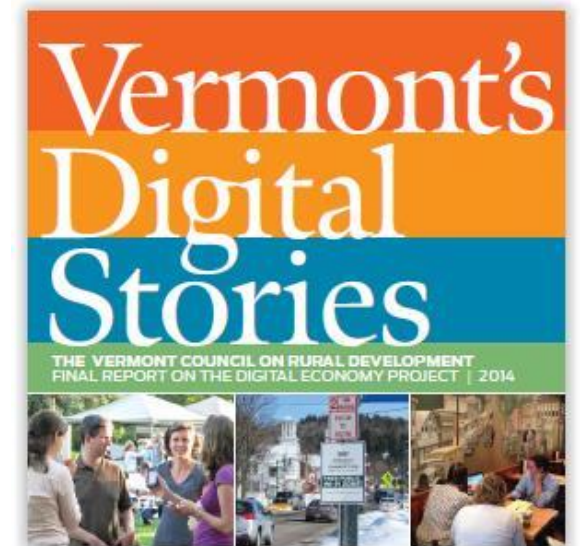
# Dealing with natural disasters



- Promote business continuity/preparedness and ensure that businesses know their vulnerabilities
- Encourage small businesses to have adequate insurance
- Employ safe development practices such as locating structures outside of floodplains and preserve natural buffers
- Understand available financial resources to help businesses in the event of a manmade or natural disaster

# Virtual Infrastructure: Vermont Digital Economy Project

- 18 months, \$1.8M federal disaster relief grant from the U.S. Economic Development Administration
- Small business workshops and one on one advising
- Digital literacy interns
- Town websites, wifi hotspots
- Strategic consulting with nonprofits



# Business Retention & Expansion

- A program to build capacity for pre-disaster preparedness and post-disaster recovery can be an effective and flexible way to build community capacity, post disaster.



# Business Retention & Expansion

## Post-Disaster

- Deploy business recovery centers
- Integrate multiple resource providers with traditional and alternative sources of capital
- Use data to prioritize business outreach efforts





# Business Retention & Expansion

## Post-Disaster (cont.)

- Facilitate problem-solving for business recovery challenges (case management)
- Conduct post-incident impact assessment (through surveys, listening sessions, etc.)





# Partnering with Community Colleges

- Three Partners:
  - Copperas Cove (Texas) Economic Development Corp.
  - Central Texas College (CTC) Business Department
  - Students in Free Enterprise (SIFE) program
- Students volunteered to be trained to conduct interviews with 45 local businesses.



# Partnering with Community Colleges

- Student survey found most businesses were mature and in overall good health.
- Several business owners concerns were identified including lack of access to capital, awareness for downtown, and amenities especially for youth.
- Created new programs to assist businesses with employee recruitment, access to capital, and access to a website—Find it in Cove—for businesses to promote themselves.



# Business Retention & Expansion

## Post-Disaster (cont.)

- Utilize a database to drive regular communication to and from business community
- Convene workshops for area businesses related to common post-incident recovery issues





# Building Back Better

Case Studies

# Case Study: Cedar Rapids, Iowa

## Strategies for Recovery:

- Cedar Rapids Small Business Recovery Group—a unified voice
- Five-year one percent local option sales and services tax (LOST) with an estimated revenue of \$78 million
- “Adopt-a-Business” program
- Business Long Term Recovery Initiative—a case management program
- “Welcome Back” downtown initiative
- Buy local campaign



# Case Study: Building Back Better with Packaged Funding

- **Bayou La Batre, Alabama**

- Pop. 2,639
- Seafood capital of Alabama (also setting for Forest Gump) had 23 seafood processors
- Relied on a waste processing facility destroyed during Katrina
- Local Seafood Co-op leaders rebuilt an eco-friendly waste processing facility funded by:
  - \$3.2 million U.S. Dept of Commerce grant
  - \$250K from State of Alabama
  - \$30K from Mobile County
  - \$750K from Farmers Market Authority





# Case Study: Building Back More Resilient

- **Hackleburg, Alabama**
- Pop. 1,494
- EF5 tornado destroyed 30 of the town's 32 businesses in 2011
- Wrangler, the largest employer lost its building. Clothing from the site was strewn over several counties!
- The firm remained committed to the town and build back with more than 225 jobs. The State gave financial assistance.





# Case Study: Building Back More Resilient

- **Hackleburg Mayor Waymon Cochran** envisioned long-term efforts to build back a more diversified economy. He engaged FEMA's Long-Term Community Recovery team to help develop local working groups.
- Projects that emerged from the plan included:
  - Established a Community Development Corporation 501(c)3
  - Conducted an economic development and market analysis
  - Main Street Corridor Study
  - Revitalizing the downtown with a history center, a park, farmer's market, trail system and amphitheatre
  - New High School
  - Downtown mixed-use development and housing

