



# **California Seismic Safety Commission Post-Disaster Rapid Economic Recovery Plan Project**

**Leading Practices and Potential Steps for a Rapid Post-Disaster Economic Recovery**

Deloitte Consulting LLP

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## Summary

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This presentation summarizes the efforts of the California Seismic Safety Commission Post-Disaster Rapid Economic Recovery Plan Project. It provides a background of the origins of the project, explores disasters in general, and provides an explanation of why disaster preparedness in terms of recovery efforts is important. The results of the research conducted on other jurisdictions domestically and abroad, and through interviews with various industries within California are detailed. A summary of recommended areas of improvement and potential action items conclude the presentation.

The key recommended actions specific to California to speed recovery could potentially include actions revolving around executive orders, legislation, and mutual understanding agreements between local businesses, local government authorities, and recovery agencies. These areas emphasize reduced recovery time, retention and expansion of businesses, and preventing blighted areas.

Please note the information contained in this document is accurate as of the date of its publication. Further efforts by localities, government agencies, etc., may have occurred since the publication. The recommendations are by no way prescriptive and are suggestions stemming from the research and interviews conducted.

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## **Project Background**

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# The Post-Disaster Rapid Economic Recovery Plan Project stems from several key questions regarding California's disaster preparedness and subsequent economic recovery capabilities

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The key issues the Seismic Commission seeks to explore are:

- Concerns about what happens to California in terms of economic power, population size and composition, and state viability if California businesses are impacted by disasters.
- Concerns that without effective recovery efforts, California may lose businesses to other states or to out of country locations and the subsequent impacts on the economy.
- Concerns about what the State currently leverages to assist recovery efforts, how resources are leveraged, and what plans are in place in advance of disasters.
- What strategies other states and organizations have successfully implemented, as well as those that have failed in order to inform potential next steps for California.
- Statutory and regulatory requirements in place that may slow recovery efforts in the short and long term after disasters occur.

**The Commission endeavors to explore these concerns in order to prevent severe social and economic impacts, including businesses and citizens fleeing California. The Commission also seeks to simultaneously develop a comprehensive plan to manage disasters that will enable swift and efficient recovery.**

# Post-Disaster Rapid Economic Recovery Plan Project Background and Scope

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The California Seismic Safety Commission is focused on this project knowing that disasters could critically impact California's economy. The project was prompted by several key factors:

- The Tohoku Earthquake of 2011 raised awareness of the economic challenges of recovery beyond the prevailing concerns for protecting human lives and property to protecting economic interests.
- As the world's 3<sup>rd</sup> and 9<sup>th</sup> largest economies, Japan and California respectively share an ever-present risk of economic downturns following seismic catastrophes.
- The Tohoku Earthquake continues to impact domestic and multi-national business operations and has had long term economic consequences such as loss of market share, higher unemployment, and loss of business entirely.
- If left inadequately prepared, disasters of similar severity could cripple California's economy, and impact global business operations for a prolonged amount of time.

The Project has been focused on providing the Commission with information including:

- An understanding of how businesses are impacted by disasters in the short and long term.
- A collection of best practices and outcomes from other States and countries that have experienced disasters.
- An understanding of how other State and foreign governments and organizations have helped to mitigate some of these long run problems and issues.
- A summary of information to mitigate economic losses and accelerate economic recovery.

**The California Seismic Commission is interested in identifying the potential obstacles, regulations, and other impediments that can be resolved to help business quickly return to normal operations following a catastrophic event in California.**

# Disasters consist of several critical phases and one of the most important priorities must be assisting businesses in re-opening their doors to promote a swift recovery

	Phase Description	Business Tasks	Government Tasks
<b>Pre-Event</b>	<ul style="list-style-type: none"> <li>Normal Operating State</li> </ul>	<ul style="list-style-type: none"> <li>Create Continuity of Operations (ConOps)</li> <li>Practice ConOps</li> <li>Test temporary operations</li> <li>Mitigate potential vulnerabilities</li> </ul>	<ul style="list-style-type: none"> <li>Prepare to plan and monitor mitigation and recovery strategies</li> <li>Maintain and enhance emergency management capabilities</li> <li>Coordinate with existing agencies and non-profits (Prepare SoCal, Red Cross, etc.)</li> </ul>
<b>Event Imminent</b>	<ul style="list-style-type: none"> <li>Event is known and confirmed (this phase applicable to weather-related events or tsunamis)</li> </ul>	<ul style="list-style-type: none"> <li>Prepare business for known risks</li> <li>Plan event-specific strategies</li> </ul>	<ul style="list-style-type: none"> <li>Notify public and business of preparation activities</li> <li>Evacuate if necessary</li> <li>Set up response shelters</li> </ul>
<b>Event</b>	<ul style="list-style-type: none"> <li>"Day 1"</li> <li>Event occurs</li> </ul>	<ul style="list-style-type: none"> <li>Confirm the safety of all employees at work and at home</li> <li>Monitor event and begin executing response</li> </ul>	<ul style="list-style-type: none"> <li>Monitor event and coordinate emergency and law enforcement response</li> <li>Provide information updates to the public</li> </ul>
<b>Response</b>	<ul style="list-style-type: none"> <li>Immediate response to the event day 1+ and the following 2-4 weeks.</li> </ul>	<ul style="list-style-type: none"> <li>Access business sites</li> <li>Assess damage</li> <li>Deploy back-up plans/activities</li> </ul>	<ul style="list-style-type: none"> <li>Deploy all emergency response personnel</li> <li>Assess damage and public safety</li> <li>Secure unsafe sites and manage site access</li> </ul>
<b>Recovery</b>	<ul style="list-style-type: none"> <li>4+ weeks following the event</li> </ul>	<ul style="list-style-type: none"> <li>Rebuild / re-establish business operations</li> <li>Develop or adjust business to pre-event levels or better</li> <li>Communicate with public</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate building permit requests</li> <li>Restore public access to infrastructure</li> <li>Coordinate recovery efforts between government, public, private, etc.</li> </ul>

**Disasters impact community partners, government, business and citizens. Each group is part of the recovery solution and is critical to the recovery effort.**



**Life Lines-Core Services Required in Times of Disaster**





# The size of California's economy is particularly important to the United States, making rapid recovery even more important

## Snapshot of California's Economy:

- Ninth largest economy in the world
- Gross State Product is \$1.9 trillion as of 2010
- Gross State Product is 13% of the entire United States Gross Domestic Product
- The State's agricultural sales are more than twice the sales of any other state's agriculture industry
- The world's fifth largest supplier of food and agriculture commodities
- California Trade and Exports accounts for more than one million jobs for Californians

## Importance of small businesses to California

- Account for 75% of Gross State Product
- Make up 99.2% of the state's employers and 82% of private sector jobs
- Account for 90% of all new job creation
- Number of small business employers 711,313
- Number of large business employers 5,820
- Almost 90% of the businesses most likely to be impacted by a disaster have less than 10 employees

**Disaster Outcome: Northridge, California Earthquake**  
50% of small businesses were still not open nine months after the disaster



## California

### Sources:

[http://www.msnbc.msn.com/id/16600877/ns/business-us\\_business/](http://www.msnbc.msn.com/id/16600877/ns/business-us_business/)  
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## **Impacts of Disaster**

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# Business is the backbone of society and impacts the citizens it employs and serves, the surrounding community, and the State of California. When disasters occur, businesses face a series of unique challenges.

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## Impacts of Disaster

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### Physical Facilities

- Critical services, 'lifelines,' may be impacted by disaster and must be restored first in any recovery effort. Electricity and telecommunications are the key to many business operations and resumption of business cannot occur without them.
- Closures due to infrastructure damage, such as technology issues, building issues, and/or equipment issues, may occur.
  - A lengthy waiting period before an assessment of damages can occur prevents businesses from re-opening quickly.
  - Build-back standards may hinder reconstruction efforts of businesses as they try to re-open their facilities.

### Workforce Availability

- Communities must have basics in order to return to work. If these are not met, population flight occurs and blighted areas become a new or exacerbated problem.
  - Employees must have secure housing prior to returning.
  - Schools and daycare must be available.
  - Potential loss of workforce to long-term displacement or voluntary relocations. Skill sets may no longer coincide with needs.

### Business Operations

- Transportation interruptions and disruptions to suppliers limits the availability of goods and services necessary for production of business, which negatively impacts production capabilities.
- Reduced productivity and slowed or broken distribution lines could reduce delivery services to the client, and could mean loss of market share. Large plants out of production decrease availability of products for consumers.
- Loss of market share and customer base due to slow re-entry and customer replacement of services could hinder long-term viability.

### Tourism and Community

- Cultural events and having an "open for business" feeling are important to maintain a sense of community, culture and unity.
- Jobs in tourism will be preserved and potentially expanded.
- Funds spent by tourists will bring in outside money to the community.

**Economic Impact: An estimated 25% of small businesses do not re-open following severe disruptions from a major disaster.**

#### • Sources

<http://www.enotes.com/small-business-encyclopedia/disaster-planning>  
<http://www.bhs.idaho.gov/Pages/Preparedness/Business.aspx>



# When disasters hit, small businesses encounter a unique set of challenges in addition to the challenges faced by their large business counterparts

## Impacts of Disaster: Small Business

### Revenue and Funding

- Even a short period without cash flow can significantly damage a small business as they have limited reserve funds.
- Smaller businesses often have inadequate insurance coverage for business interruption or repairs.
- Smaller profit margins due to their small size, means there will be a larger impact when loss of revenue happens, even short term.
- A downward spiral of bad credit, exhausted savings, and taking on additional debt often occurs when small businesses do try to re-open.
- Small businesses often do not qualify for standard financing due to low profit margins.
- They often do not get priority due to their size and delays when funding is made available after disasters.

### Clientele

- More likely to be local, often only one location meaning complete closure when damage occurs.
- Clientele may be location-based causing rebuilding in another area to not be feasible.

### Inherit Issues with Size

- A lack of business interruption planning due to small staff means they are seldom prepared for disasters.
- If staff is injured or unavailable, no/few replacements or step-ins causing issues with adequately serving clientele.

**Small and large businesses can be severely impacted by disasters. Many challenges are the same regardless of size. However, the scale of the impact and the likelihood and speed of recovery differ. Large businesses are more likely to recover given their resources and size. However, when they do fail, these same large businesses leave a much larger negative impact on the surrounding community in terms of high job losses, indirect losses to suppliers, impacts to tax revenue, blighted areas, and general quality of life and community services.**

#### Sources

<http://www.co.jackson.or.us/Files/Section%2010.pdf>

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[http://www.extension.org/mediawiki/files/0/0c/Regional\\_Clusters\\_Webinar\\_Apr2011.pdf](http://www.extension.org/mediawiki/files/0/0c/Regional_Clusters_Webinar_Apr2011.pdf)

# Case Study: California and Japanese businesses share strong ties. Impacts on one can be felt in another, as demonstrated by Shoei Foods USA Inc., a California business harmed by the Japan earthquake and tsunami of 2011.

Shoei Foods USA Inc. is a Yuba County grower and food processing company that farms nearly 1,000 acres. They ship nuts, raisins, prunes, apricots, cheese and rice to Japan and about 25 other countries. These are both grown on site and acquired from other growers in the US.

## Effects of Disaster on Japan Parent Company

### Disaster Facts

- Three of the plants in Japan were at least moderately damaged
- Sendai office destroyed
- Sendai port destroyed

### Impacts

- These plants use US goods to make food products to sell to their customers. Demand for US products reduced as plants in Japan have fewer processing facilities functioning
- Loss of supply chain, as offices and port destroyed

## California Business Impacts (Shoei Foods USA)

### Disaster Facts

- Sendai port destroyed
- Walnuts worth \$175,000 lost in the tsunami
- Yamazaki Baking Co. (world's largest bakery and Shoei's largest client) reduced 24 hour operations to 4 hours a day due to rolling black outs

### Impacts

- Loss of method to deliver California goods through Port of Sendai
- Shipments are ready for export, but will need to be diverted to other ports
- Loss of product, need to backfill product loss.
- Loss of revenue
- Reduced need for products which leads to significant impact to revenue and impacts other US growers who have decreased purchasing requirements

#### Sources

<http://www.bizjournals.com/sacramento/news/2011/03/15/how-is-the-disaster-in-japan-changing.html?page=5>

[http://californianewswire.com/2011/07/14/CNW9469\\_221622.php](http://californianewswire.com/2011/07/14/CNW9469_221622.php)

<http://lin.ca/Uploads/cclr1/CCLR11-65.pdf>

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**Lessons Learned: Case Studies**

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# Case study: Florida

Following several natural disasters, such as Hurricane Wilma, Florida designed the Post-Disaster Redevelopment Planning Guide (PRDP) to assist coastal communities in planning and preparation efforts. Included in this guide were suggestions for:

## Infrastructure

- Applying phased reconstruction and streamlined permitting
- Establishing provisions for a phased building moratorium or other temporary restrictions on processing development orders to streamline reconstruction
- Temporarily modifying the local permitting process to allow for rapid disaster repairs
- Implementing a procedure for differentiating between types of permit applications: when they'll be processed, prevent staff exhaustion, processing critical permits faster
- Establishing these rules during “blue sky” times
- Utilizing phases based on level of damage and/or location
- Post-Disaster Temporary Permit Suspension, triage system
- Prioritizing areas to focus reconstruction so immediate repairs are done in areas where minimal future vulnerability exists
- Controlling long-term post-disaster blight

## Small Business

- Pre-disaster outreach to small businesses that include offices of Florida Business Continuity and Risk Management Program which provides free assistance from certified Business Analysts to small businesses to develop continuity plans
- Post-Disaster Outreach: recovery centers for counseling after disaster
- The Florida Small Business Emergency Loan Program assists businesses in the struggle to stay afloat until normal economic conditions resume or a longer term loan can be secured.  
It offers State funded bridge loans to businesses with 100 or fewer employees, lending companies up to \$25,000 interest free for 6 months.  
However, in order to qualify for a bridge loan, a business must have suffered “physical” damage (e.g., damage to a facility, loss of equipment, inventory, etc).



### Sources

<http://www.dca.state.fl.us/fdcp/dcp/PDRP/Files/PDRPGuide.pdf>

# Case study: Louisiana

Following Hurricane Katrina and Rita, the Louisiana Economic Development (LED) implemented several programs.

## Four Funding Streams

- Louisiana Bridge Loan Program – provides “gap funding” for businesses waiting for specific assistance or insurance (which would re-pay the loan). To date, \$55 million has been loaned
- Gulf Opportunity Zone - provides tax incentives and bond provisions to rebuild the local and regional economies of impacted areas. To date, \$2.09 billion of GO Zone bonds have been approved
- Matching Grant Program - intended for national and international marketing and recruitment projects. The program to date has awarded \$1,617,479 to 26 economic organizations
- Small Business Loan and Grant Program - \$138 million program provides grants and loans to small business still struggling in the wake of Rita and Katrina

## Business Focused

- Louisiana Business Counseling Centers provided direct assistance, business planning, advice on special incentives and support for long-term sustainability
- Interagency Cooperation LED obtained a data file of all businesses in the impacted parishes. To accomplish this, as well as to establish cooperative relationships, LED entered into Memorandums of Understanding with: U.S. Department of Labor; Bureau of Labor Statistics; and Louisiana Department of Labor
- Data Analysis and Utilization LED utilized the data to identify and make contact with impacted employers and to map businesses in impacted zones



### Sources

[http://ssl.csg.org/innovations/2007/2007applications/Southapplications2007/07S48LADISA  
STERRESPONSE.pdf](http://ssl.csg.org/innovations/2007/2007applications/Southapplications2007/07S48LADISA%20STERRESPONSE.pdf)



# Case study: Japan

The Great East Japan Earthquake that occurred March 11, 2011, and the following massive tsunami, caused damages to industries estimated at \$25.3 billion, in addition to the \$50 billion in damages to buildings. Since, the trade surplus has decreased by 34.3% (March 2010 v. March 2011)

## Lessons on support that can be provided to businesses:

- Providing temporary offices/factories, supporting restoration and maintenance
- Promptly restoring distribution infrastructure: roads, airports, ports, and railways
- Providing financial resources and easing regulations
  - Introducing tax system to promote investment, employment and research and development
  - Allowing corporate tax loss carry-backs, withholding tax refunds upon the filing of an interim tax return, special depreciation for new assets which replace destroyed assets
  - Great East Japan Earthquake Reconstruction Grant; Support to supplement interest of various financing in the Special Zone
  - Corporates set up in two special zones (Miyagi Prefecture and Iwate Prefecture) will be exempt from corporate tax for five years
- Concentrating and promoting industries that will lead the next generation (clean energy, environment, medical care, etc.)
- Creating employment opportunities by promotion of new industry
- Creating special arrangements for land use

## Lessons Learned: The People

- Citizens are key players in recovery: every available resource should be utilized for recovery. Creating a bond to connect each person to the recovery is key
- If recovery is not witnessed quickly, there is a risk of population out flux and decay of regional communities ('blighted areas')
- Recovery as a collective effort: citizens, NPOs, Business, Municipalities, Country, Prefecture, Universities, Organizations



### Sources

Japan 10 Months After. Presentation January 12, 2012 by Counsel General of Japan Hiroshi Inomata

<http://www.individual.com/storyrss.php?story=151485016&hash=4d0de368441c976e613472e0b99c6967>

Impacts of Disaster in Japan on UA Manufacturing Supply Chain. Deloitte Point of View Project

CFO Survey Japan. Deloitte.

Japan Tax Update. PWC 2011.

# Case study: New Zealand

Several lessons can be learned from the events of the multiple earthquakes and aftershocks afflicting the Christchurch area. Local government and agencies are working together to implement several action items to promote recovery. Part of this is the establishment of the Canterbury Earthquake Recovery Authority, a public service department established by the government to focus on recovery efforts.

## Lessons Learned: Business

- Smaller businesses are hardest hit
- Capital must be made available: Insurance companies cannot be depended on to cover all costs, to continue coverage, or provide quick coverage
- Provisional tax payments assist in recovery

## Lessons Learned: Infrastructure

- Plot ratios can be removed and build to street requirements can be reduced
- Rebuilding to current height and/or overall floor area for a stated amount of time for damaged buildings
- Introducing new permitted building heights in certain areas
- Removing car parking requirements and allowing businesses the freedom to determine the necessary amount
- Establishing provisions that favor taller hotel buildings
- Development Contributions rebates for all commercial developments within designated recovery areas
- Per-employee grant for businesses which return their operations to afflicted area. Available to certain number of first-back employers in different desired industries

## Lessons Learned: The People

- Social media plays a large role in recovery efforts
- Having a plan in place for recovery before a disaster strikes greatly accelerates the rate of recovery as the plan can be implemented simultaneously with response efforts
- Everything must be done in order to prevent flight from an area after a disaster (blighted areas)
- Having a high-skilled workforce is important to attract new industry to revitalize after a disaster



### Sources

Christchurch City Planning documents.  
Draft Recovery Strategy for Greater Christchurch  
Recovery work being conducted in conjunction with Deloitte offices

# Businesses have opinions and insights into what they see as the impediments to recovery after disasters

Several interviews were conducted with various types and sizes of businesses in California. Throughout the interviews, several challenges and focus areas were brought up consistently, regardless of industry or business size.

## Electricity

- Businesses must have basic lifelines, especially electricity to return to work to run lights, phones, etc.

## Infrastructure

- Businesses need to be able to return to their buildings as soon as possible: they need to gain access to the buildings, know how to plan repairs early on, and gain permits and approvals fast
- Larger and more sophisticated businesses are in need of “gap assistance”, for example clearance on airspace to be able to serve their employees

## Communication

- Often, knowledge of the city’s emergency plans are little or unknown. However, there is an interest in being educated and being part of the solution within the plan
- Businesses are unsure who to go to for accurate and timely information about disasters and therefore cannot adequately plan. There is a need to know:
  - When power will be restored?
  - What condition are the roads in?
  - When can I expect someone to pay attention to my business and issues?
- Businesses need to be assured that government agencies are going to effectively communicate between each other

## Access to Capital

- Businesses have insurance, but are unsure as to when they will be paid, if ever, and how much. There is concern that the amounts will not suffice and they will not be able to fix their infrastructure, pay their employees, and continue operations
- Small businesses in particular need loans that have little or no interest rate and reasonable and forgiving repayment terms
- Having an incentive to stay in the area, such as tax reduction, makes businesses rest assured that they will see reduced costs in the future



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**Strategies to Drive Rapid Post-Disaster  
Economic Recovery**

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# California has the opportunity to take steps to strengthen the State's ability to achieve rapid economic recovery through five key areas of recovery



**Restore Access to Key Utilities or 'Lifelines' Immediately**

Many industries cannot return to work or survive without power and other lifeline utilities, such as communications. These must be restored, not only to the citizens, but to business in order for recovery to begin. To ensure this, government actions should occur to monitor and support utility priorities in repairs and ensure adequate communication between utilities and government entities by removing and reducing bottlenecks.



**Provide Emergency Access to Capital After Disaster**

Small businesses need capital after a disaster but cannot gain access through conventional means or repay on standard terms. Providing a means from day one for businesses to gain capital will improve recovery outcomes.



**Establish a Strong Communications Plan**

Businesses will rely on clear and concise direction from government agencies at the outset of a disaster. In order to make decisions, businesses must know that data is detailed and accurate. Educating businesses about what the plan of action will be, before a disaster, is also critical. Professional assistance may be advisable.



**Encourage a Sense of Ownership and Shared Commitment for Recovery**

Businesses are eager and willing to be part of the solution after a disaster. Individual citizens have a vested interest in bringing their community back to, or surpassing, the level of success prior to a disaster. Create and communicate a plan to the community that involves them.



**Conduct Planning Focused on Economic Recovery**

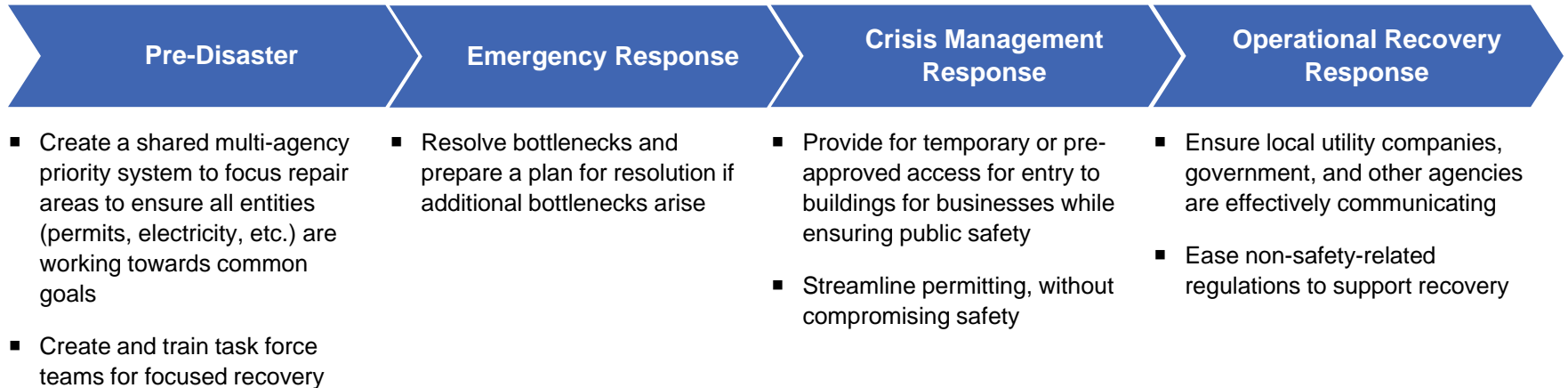
Ensure a coordinated and tested plan is in place prior to the disaster. When the event occurs, decisions can be made quickly and economic recovery can begin from day one. Approaches that have worked include creating a commission to review and implement a plan of action detailing which agency/level of government is in charge of what activities and conducting dry runs on a regular basis. In addition, tools such as a roadmap should be utilized and provided to businesses for planning.

# Area 1: Restore Lifelines and Reduce Government Bottlenecks

## Considerations

- Limited accessibility of buildings due to being “red tagged” and prevention of utility reconnection until tagging is removed.
- Access to buildings to assess damages is not fast enough to undertake timely repairs.
- Businesses cannot get needed permits to repair buildings quickly enough due to backups and timely application process.
- The level and amount of non-safety-related government regulations are prohibitive to quick and efficient recovery.

## Solutions



## Actions

- Draft a plan of priorities and have it in place for emergencies.
- Create a system for requesting additional temporary skilled staff through mutual aid agreements with other government agencies to ensure fast processing of permits.
- Draft a set of executive orders that can be put in to place after an emergency that includes 1) a listing of build-back requirements that will be eased, 2) a list of buildings, industries, etc. That will not be required to have permits to rebuild at the initial offset of a disaster (temporary suspension of non-safety related items), 3) priority of inspections and permits.

## Area 2: Enable Emergency Capital

### Considerations

- Insurance company processing timings can be slow, making it hard for small businesses to survive.
- Small businesses in particular, need immediate access to capital.
- Some businesses may never be able to repay a loan due to already large loan debts, and therefore have no method of obtaining capital for repairs.

### Solutions



- Conduct pre-disaster planning to provide the best possible recovery and reduce need for emergency capital
- Make known the method and place that businesses can go to access capital in the next response phase
- Provide access to capital to businesses and communicate this method
- Provide incentives and assistance to retain employees
- Provide incentives for businesses to stay, retain employees, and expand, such as tax breaks

### Actions

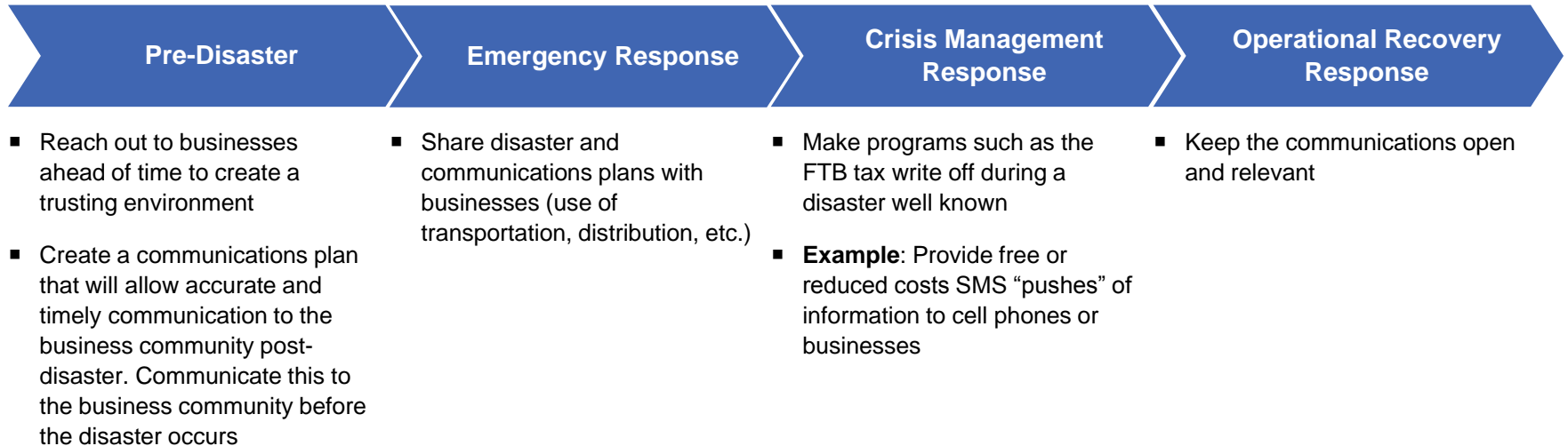
- Establish business clinics. Provide sample continuity planning services/assistance. Use networks and contacts established in clinics after future disasters to provide post-disaster assistance.
- Create a proposal of tax incentives, reductions, and eliminations for potential use post-disaster.
- Fund temporary wage payments.
- Provide no-interest, low-interest bridge loans and/or grants for certain industries/R&D attraction.
- Temporarily eliminate income tax for 2, 3, 4 years.
- Allow tax write offs for damage due to disaster.
- Give tax credits for hiring employees/maintaining a certain pre-disaster level of employees; place a hold on quarterly payment.
- Provide property tax incentives.

## Area 3: Establish a Strong Communications Plan

### Considerations

- Businesses are unaware of where to receive accurate, up-to-date information on repairs and the disaster itself. The method of information transfer and the information currently received is not trusted.
- Businesses are unaware of the programs that currently exist within the State that exist to help them recover after disasters.
- Businesses are unaware of the city, county and state emergency plans and if there are any plans to involve local businesses.

### Solutions



### Actions

- Create business-focused, live-manned, telephone hotline where they can receive up to date information on disaster.
- Host workshops on “Everything you Never Knew the Government Can do for you Before and After a Disaster”.
- Create a “toolkit” for distribution, and include a) employee preparedness at home, b) continuity plan template, c) disaster recovery plan template, d) roadmap of what to do based on each part of the disaster cycle, e) “Everything a Business Needs to Know about Government Programs and Planning Before, During, and After an Emergency” pamphlet and guidebook.
- Conduct a marketing campaign to promote the above activities and increase awareness of available resources.



## Area 4: Encourage a Sense of Ownership and Shared Commitments to Recovery

### Considerations

- Disasters where agencies and governments had low participation from the community lacked engagement in the recovery effort and experienced higher risk of flight and blighted areas.
- Businesses are willing and able to assist the city, county, and state during an emergency, but are unaware of how to get involved.

### Solutions



- Include willing businesses in recovery effort plans and utilize any staff who can be engaged ahead of time
- Engage citizens and businesses in the recovery effort as soon as a disaster hits so they remain engaged
- **Example:** Request the assistance of businesses from day 1 in transporting goods, recovery efforts, etc.
- Engage citizens and businesses in the planning process and establish a model of communicating that is consistent and trusted
- Continue communication with businesses to ensure rapid economic recovery and to document best and worst practices

### Actions

- Host an information and planning session with businesses to determine willingness to assist in emergency response and recovery efforts and resources available for those efforts.
- Create an information website that is business-specific with updates to the disaster. Include ‘what you can do to help’ tips, facts, and “contact us now” link.
- Host a session with businesses post-disaster to determine what business needs are vs. pre-disaster planned needs
- Host periodic business panels to discuss how businesses are recovering, unexpected impacts, and desired assistance. Keep a listing of best and worst practices for future planning.

# Area 5: Conduct Planning Across State, Business, Community Partners, and Citizens

## Considerations

- Businesses may not know how their customer base has been effected after a disaster (for example, does the customer base switch to the federal, state, local government, private citizens, or other businesses).
- Some businesses feel that a priority system should be in place for payments and for repairs, because they are uncertain of when they will be deemed important.
- After a disaster, many have the feeling that the region is dangerous or not 'open for business' due to negative PR and news reports, which could cause even more harm to recovery.

## Solutions



- Provide a priority system and communicate the system to businesses on which industries/sectors have priority (health services v. food distribution v. other)
- Enforce the priority system and confirm with businesses the process
- Provide clear information on who will be utilized to assist in recovery and how payments are to be received
- After a disaster, ensure payments are accurately and timely distributed as agreed upon pre-disaster
- Review the best and worst practices of a disaster to ensure better planning for the next disaster
- As soon as it is safe to do so, launch a "California is open for business" campaign

## Actions

- Create a "California is Open for Business" marketing plan.
- Create a prioritization plan ranking industries and businesses.

————— **Looking Ahead: What is Next?** —————

# The State can take action in five key areas, as previously identified, to help businesses prepare for and strengthen overall disaster response and economic recovery. Potential steps are included below.



**Restore Access to Key Utilities or ‘Lifelines’ Immediately**

**Create a prioritization listing**-prioritize business types, sizes, and industries to focus recovery efforts on the most essential businesses first. Recognizing there is a first level of priority for lifeline restoration (for example, hospitals), create incentives to make business lifeline restoration the next priority, to be completed as soon as possible. Provide this information to government and private industries for coordinating efforts in a response.



**Provide Emergency Access to Capital After Disaster**

**Consider creating a ‘Recovery Plan Starter Kit’** - create a tool to be made available online and presented in workshops to businesses that includes key items like an emergency recovery plan template, key contact information for services they may want to consider (e.g., messaging service, how to get pre-certified to enter a building, where to go to streamline a permit) and a recovery roadmap template including financial planning for disasters. Identify how business can learn about capital services, tax incentives, etc.



**Establish a Strong Communications Plan**

**Build a communications plan**-gather a team to conduct research on the most effective manners for communicating to the public the status of lifeline restoration and severity of damages caused by the disaster. Ensure that there is a public campaign to make the general public aware that there is a ‘source of truth’ to go to during a disaster. Provide accurate communication and information to businesses from a unified location so planning can occur and be most effective. Provide a dedicated form of communication (hotline, etc.) for businesses only (potentially hosted by GoBiz).



**Encourage a Sense of Ownership and Shared Commitment for Recovery**

**Convene an ongoing user group of businesses in a formal setting**-conduct working sessions with businesses to determine their needs and challenges when faced with a disaster and recovery efforts, to communicate the response plan of the City/County/State after a disaster, and to encourage participation by businesses in recovery efforts. Utilize the information received from these sessions to plan for a better recovery. Continue to meet with this group after a disaster occurs to ensure resources are properly being allocated and the best possible actions are put in place.



**Conduct Planning Focused on Economic Recovery**

**Create a plan on how to market that “California is open for business”**- focus on creating a marketing campaign outline prior to a disaster occurring that will let the rest of the world know that, while a disaster occurred, California is ready and open for business. Have this campaign ready to launch as soon as California is safe so communities and businesses can return to every day life at a quickened pace and tourists will continue to visit.

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