

Economic Development Leadership

Practice the Essentials to Recover Quickly in a Time of Crisis

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ABSTRACT

In 2017, our region was just one of 16 national disasters across the globe. Due to the increased size and frequency of disasters, the role of economic development has expanded and become more important.

Nearly a year ago, Houston and the Texas Gulf Coast was hit by Tropical Storm (Hurricane) Harvey, creating one of the largest flooding events ever to hit the United States. Houston's response to this 1,000-year flood event tells an extraordinary story of resilience. In this article, I will share important lessons learned from Houston's regional perspective in effective disaster response and the role you play in economic recovery.

INTRODUCTION

The financial, social, and human costs of disasters are increasing at alarming rates (<https://www.ncdc.noaa.gov/billions/>). As economic development leaders, we are trained to manage countless aspects of wealth attraction, job creation, and community and workforce development strategies to promote strong, resilient economies. More frequently, though, our roles are expanding and becoming more important due to the increase in the size and frequency of disasters. Our response not only helps save lives and property, it also helps boost economic resiliency.

CALL OUT: "Our daily work as information- and relationship-brokers makes economic developers uniquely qualified to lead during times of crisis. "

THE BACK STORY

Nearly a year ago, Houston and the Texas Gulf Coast was hit by Tropical Storm (Hurricane) Harvey; yet, our region was just one of 16 national disasters in 2017 -- catastrophic rain, flooding, fires, mudslides, tornadoes, hail, and freezes of historic proportions costing more than \$1 billion each. Globally, we've seen earthquakes in Mexico, New Guinea and Taiwan, monsoons in Bangladesh, mudslides in Colombia, hurricanes in the Caribbean and more. Already in 2018, there have been at least three \$1 billion disaster events.

Unfortunately, economic development leaders often put off comprehensive disaster recovery planning as a simple trade-off to busy schedules, budget constraints, politics, or to work on more pressing projects. In Texas, we witnessed this first-hand shortly after Hurricane Harvey

created the largest flooding event ever to hit the United States. The massive weather system dropped up to 51 inches of rain across 41 counties in six days – the largest single rain event in America. This equated to 27 trillion gallons of water, enough to fill 87,000 swimming pools. Fortunately for Houston, our economic recovery response was swift, boosted by peer communities, thousands of volunteers, public and private fundraising efforts, and IEDC.

At the onset of the storm, public rescue resources became strained in Texas. But with such a strong outpouring of support from neighbors and heroic rescues by the Cajun Navy and Tennessee Volunteers, our priority as economic developers soon shifted to economic recovery and flood resiliency. Houston’s economic recovery process jump-started immediately with help from peer EDOs from Louisiana, New Jersey, Tennessee, and Galveston (Texas). Despite the 1,000-year flood event, the Houston region still finished as the #2 region for business relocations and expansions in 2017.

While dozens of communities and public officials showed extraordinary leadership in the Texas Gulf Coast, in this article I will share lessons learned from Houston’s regional perspective in disaster response and economic recovery. Many of these lessons were experienced and shared with Houston by our peer EDOs. A special thank you goes to the city of Houston and Harris County, the team at IEDC, Galveston Economic Development Partnership, Greater New Orleans Inc, the Nashville Chamber of Commerce, and McDaniel Strategy Ecosystems. We also share gratitude for guidance from FEMA, EDA, and SBA among others.

PREPARE YOUR DISASTER RECOVERY PLAN NOW

When a crisis strikes, there may be little to no time to prepare a new disaster recovery plan or identify recovery resources for funding and planning. Staff and volunteers are likely to be preoccupied with helping their families, friends, and neighbors with little time to craft a new plan or identify resources needed urgently by businesses and residents. Or, your organization may have spent months drafting a disaster recovery plan, but your materials are not accessible when disaster strikes. Despite those challenges, you may still be sought as a critical information provider in your community to swiftly confirm what resources are available and make connections for those in need. Fortunately, a robust national network of disaster recovery experts is a computer click or phone call away.

When my phone rang on the morning of August 29, 2017, I was almost too busy to answer the line. My house was filled with multiple families of flooding evacuees who sought a dry, safe place from Hurricane Harvey.

As I answered the line, I heard a familiar voice on the other end: “Jason, this is Jeff Finkle calling from IEDC. I know you’re probably tremendously busy right now, but get a pen and paper handy. I’m about to walk you through the first three steps of your economic recovery.”

PREPARE FOR THE PERFECT STORM

As cliché as it sounds, the potential for the perfect storm really exists. Access to electricity, natural gas, clean water, fuel, and internet and phones can go down in a hurry, making it difficult for your response teams and staff to get back to work. This was true for Hurricane Harvey, where wind and heavy rains knocked out more than 90 cell towers, power lines and related communications equipment for several days. In Puerto Rico, many residents and businesses in rural areas impacted by Hurricane Irma were still “off the grid” eight months later. Electricity was out for months, and once restored, power across the entire island was again interrupted in less than a year, making recovery especially difficult.

Lesson Learned: The Perfect Storm exists, especially for interrupted communications.

Even the largest, most modern and urbanized areas are susceptible to major interruptions in communications. Having at least one pair of satellite phones for top leaders in your organization can help ensure critical communications are not interrupted in the organization. In Houston, tropical force winds and rains knocked out more than 90 cell towers, power lines, and related communications equipment centers for several days during Hurricane Harvey. With limited connectivity to more than 150,000 people across the region, many families found themselves with limited ability to communicate with family, friends, and first responders. Many families and businesses with internet-based TV experienced delays in news and weather updates. Even simple text messages were sometimes delayed for hours as networks jammed.

Lesson Learned: Be prepared to work “offline.”

To ensure you and your team are always prepared for a crisis, print multiple copies of your disaster and economic recovery plan along with *IEDC’s Toolkit for Leadership in Times of Crisis*. Save a hard copy at work and a hard copy at home in case roads are impassable or electricity/internet is down. Save printed lists of important contacts and critical resources. Download electronic copies your mobile phone, tablet, and computers both at work and at home to share with others. For EDOs without a disaster recovery guide or list of resource providers, IEDC and peer communities can provide real-world templates to help you quickly prioritize the most important steps toward economic recovery.

During the height of the storm, electricity and internet outages were widespread for days, many local file servers were inaccessible, and communications networks were jammed. Fortunately, IEDC was able to share tool kits, bridge important contacts at federal agencies, and immediately began executing a funding plan to maximize federal and state resources.

Greater New Orleans, Inc. also shared templates and proactively reached out to host a phone call for Houston leaders to hear lessons learned from Hurricane Katrina. This helped the Greater Houston Partnership and its allies to rapidly adjust our plan and publish a *Recovery Resources Guide* for regional allies, businesses, and economic developers. Numerous local and regional agencies, including the city of Houston and Harris County, set up parallel websites to share recovery resources from emergency responders, charities, federal, state and local agencies.

IT'S NEVER TOO EARLY TO START EXECUTING

Economic developers are responsible for keeping their economies healthy, but during crises, economic activity may slow down or even halt if major employers and small businesses are impacted. EDOs can help minimize negative economic impacts by ensuring employers have access to working utilities, clear roadways, and a sufficient workforce.

The same is true for access to medical treatment centers, triage areas, and supply staging centers. Disruptions in supply chains and access to labor can quickly disrupt business operations—leading to job losses, lost incomes, and reduced public revenues. Keeping retailers up and running can also promote a faster recovery for communities, residents, and businesses who need access to materials and supplies. By swiftly documenting impacted companies, jobs, housing, and other infrastructure, communities can maximize requests for funding and other resources from federal, state, and other agencies.

Lesson Learned: Make business connections before, during, and after disasters.

When warning signals emerge, begin contacting your resources network early to confirm mobile numbers and primary points of contact, especially among large employers, utility and transportation providers, and emergency operations support. During pre-disasters and regular BRE visits, employers may be more willing to reveal important suppliers and partners when they know you have their best interests in mind. This is a practice long-embraced by the Louisiana Economic Development Business Expansion and Retention Group, CenterPoint Energy, Entergy, and in recent years the Corpus Christi Economic Development team as well.

In Houston, the Greater Houston Partnership began a call and text campaign to allies before Harvey hit and again immediately after the storm to assess damages and needs. Online surveys were also sent to more than 12,000 contacts within hours of peak flooding to determine what resources were needed and on what scale.

Despite media coverage that showed the entire Houston area under water, it was quickly discovered that just 10 percent of major employers were disrupted; most were back online in less than a week. With the impact mostly on small business and residences, we shifted recovery efforts to infrastructure and small business programs.

To firm up Houston's economic development prospects pipeline, the Partnership shared prepared talking points and statistics with business expansion and relocation prospects, site selectors, and brokers to bolster Houston's story of resiliency. Just six weeks after the storm, a Houston delegation of regional and state allies resumed business development missions out of state to share Houston's story of resiliency and to attract investment in target industries. Suffice to say, only two out of 120 prospects backed out of their site selection plans. Today, Houston has a larger prospect pipeline than before the storm.

UNDERSTAND YOUR ROLE DURING RESPONSE AND RECOVERY

The role of economic developers may change significantly during various phases of a disaster. Public agency leaders are often responsible for disaster response, managing triage or search and rescue in public safety and public health. During crises, economic developers may work at phone banks or play active roles in securing the personal safety of family and staff.

However, as the community shifts into recovery mode, economic developers will also find that our daily work becomes more important. Economic developers often serve as trusted, reliable sources of information, and that role increases dramatically overnight. Our personal and professional networks tend to be very large, giving us easy access to business and civic leaders, especially in times of crisis. With well-honed problem-solving skills, economic developers can serve as valuable matchmakers to help businesses and residents alike.

Lesson Learned: Empower staff to make a difference.

During a disaster, many organizations may be closed, including your offices. Since the intrinsic nature of economic development is to help others, finding volunteer opportunities to empower staff keeps them focused on making a positive impact. This provides a rewarding experience that benefits your community.

The Greater Houston Partnership closed offices for an entire week during Hurricane Harvey. All non-critical staff were offered paid time-off with options to handle their own recovery needs or volunteer to help others. The volunteering option was overwhelmingly positive. Several teams of staff volunteers organized shifts to assist thousands of displaced residents at the adjacent convention center-turned-shelter.

Lesson Learned: Convene stakeholders as soon as possible to share recovery resources and contacts.

Find the appropriate organization to convene the civic and business leaders in a non-partisan manner. In most areas, it may be the Chamber of Commerce, the economic development agency or a similar group with deep and wide contacts across business and government.

In Houston, state and local leaders quickly agreed that the Greater Houston Partnership – with more than 1,000-member firms – was best suited to convene disaster recovery experts with economic development leaders across Texas. Just two weeks after Hurricane Harvey, the Partnership, along with IEDC, the Texas Economic Development Council, CenterPoint Energy, and the Texas Governor’s Office, hosted a best-practices summit for more than 100 statewide stakeholders, including competing communities. The event provided a platform for allies to share funding opportunities and recovery resources and hear perspectives from peer EDOs impacted by similar events in Nashville, New Orleans, and New Jersey.

The summit expedited direct access to top disaster recovery leaders from FEMA, EDA, SBA, and IEDC. In addition, the Partnership also hosted a series of small business recovery events, which provided practical advice and tool kits to hundreds of small and medium sized businesses in areas such as access to capital, retaining and attracting customers, rebuilding, and resiliency planning.

Lesson Learned: Leverage social media to amplify your reach.

In today's "me now" culture, social media is often one of the most used tools for information gathering during disasters and times of crisis. As Harvey-recovery resources were gathered with contacts, guides were published online and promoted using Twitter, Facebook, and LinkedIn. When federal, state and local agencies posted critical new information, updates were retweeted, liked and shared to help further expand the reach over several months.

To Houston's benefit, the Partnership's online posts were shared with an existing *Houston Image Coalition* of more than 100 marketing and communications contacts with thousands of followers interested in promoting Houston. For Hurricane Harvey, hundreds of digital ambassadors, partner agencies, and volunteers shared #HoustonStrong rescue stories, recovery resources, and helped to globally elevate Houston's brand of resiliency. Stories in Wall Street Journal™, Time™, and countless other journals left a positive image of Houston's response to one of the most catastrophic floods to hit the U.S.

Tech leaders and startups also used social media and created new civic-tech apps to find and assist evacuees and flood victims. The new apps were used in Florida and Puerto Rico weeks later—gaining national acclaim in government tech circles.

In hindsight, a unique social media hashtag could have been created to specifically share recovery resources and help followers and evacuees find information more quickly.

Lesson Learned: Leverage business and community networks to maximize your impact.

There was an incredible outpouring of support for Hurricane Harvey victims as dozens of charities began collecting millions of dollars in donations and money. With so many options, the Greater Houston Partnership lent its brand as a reliable source of information to recommend three charities most likely to impact those in need. By focusing its direction and leveraging a network of more than 12,000 contacts and 120 of the region's top business executives, the Partnership helped amplify donations. As a result, more than \$100 million was raised just by one of the local Houston charities cited by the Partnership and the mayor, among others.

EXPECT THE UNEXPECTED

It's important to keep your team workloads balanced to support economic recovery efforts while reserving some staff capacity for unexpected inquiries and projects. Less than two weeks after Hurricane Harvey recovery was underway, another storm hit: the RFI for Amazon HQ2 was announced, and a media storm surged.

Preparing a response for Amazon required a special team of regional leaders and project managers to collaborate on strategy, messaging, sites, incentives, and proposal content. Amid Hurricane Harvey and Project HQ2, one of the most experienced economic development leaders also left due to a family emergency. Throughout all those challenges, at least one project manager served as a reserve staffer to maintain ‘business as usual’ requests and help advance dozens of existing projects in the pipeline. Simultaneously, countless meetings and calls were held to accelerate the economic recovery process.

Despite all the uphill challenges, Houston unified on multiple fronts to submit a comprehensive economic development proposal for HQ2. Although Houston was not selected as a finalist for HQ2, the community rallied behind the concepts conceived for the Amazon proposal, and Houston leaders swiftly launched multiple innovation programs that are now driving a radical new approach to regional economic development in Houston.

Lesson Learned: Shift your priorities for maximum impact.

It’s easy to get caught up in advancing existing funded priorities or find yourself buried in the politics and bureaucracy of the economic recovery process after a disaster. Countless stakeholders have differing objectives and goals which get magnified during the economic recovery process. Take a few weeks to re-evaluate the community’s most pressing needs with a group of vested stakeholders to assess your organization’s roles and priorities. Be willing to shift your own priorities for maximum impact, even if it goes against your current strategic plan.

With nearly \$90 billion in flood resiliency and economic recovery funding at stake, the Greater Houston Partnership convened the top civic and business leaders after Hurricane Harvey to candidly discuss a potential transition from discrete development districts to multi-county regional flood resiliency and recovery efforts. This required a board-level shift in priorities, despite a recently adopted organizational strategy. New committees and task forces were created to identify the region’s most important infrastructure projects, align political leadership, lobby for state and federal funding, and find common goals while selecting projects that would be most impactful to future flood resiliency and regional economic prosperity.

There are countless ways your day can start and end during your economic recovery. The key is to maintain your flexibility to quickly pivot on strategies and tactics that realign your short-term and long-term priorities for maximum impact and stakeholder collaboration.

IF THERE’S ONE FINAL LESSON HOUSTON LEARNED, IT’S THIS: GIVE PEOPLE HOPE.

The world watched on live TV how Houston responded before, during, and after a crisis. During the midst of Hurricane Harvey recovery, the owner of the Houston Astros rallied his team to extraordinary levels with a simple new team patch to wear on their jerseys. Community support for the Astros went into the stratosphere as the #HoustonStrong hook inspired the Astros to win the World Series with an unprecedented level of community support. To win the pennant, the Astros needed the city, and the city needed the Astros. The Astros #EarnedHistory.

In your own crisis, find a positive focal point to rally the community and help smooth away the daily pain points that businesses and residents may be facing. Maybe it's a festival, a hometown hero, a new performing arts center, or a youth sports team. With good fortune, your community will never have to respond to a disaster, but if it does, I hope your pennant and patches shine as brightly as Houston's as you turn negatives into positives by applying lessons learned and preparing for your future.

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