



Economic Development When Rebuilding — Fostering Growth after a Disaster



Communities should take a good look at economic development goals after a disaster. For various reasons, the time is ripe for planning. Building and relocation activity may be occurring at an unprecedented rate during recovery efforts. Business and private individuals may have available cash from property and insurance checks. Industry and businesses that were only marginally profitable before the disaster face major decisions about staying in business, relocating or changing direction.

To guide positive economic growth, communities should have economic development plans in place. Now is the time to review plans and update them as necessary. Small communities without such plans can get assistance from county development corporations or regional planning commissions. In addition to planning for private growth, communities need to be farsighted about public property replacement and improvements.

Where Do We Want to Be?

Economic development is a process guided by both planning and unforeseen events, such as business closures, new industry or disasters. Communities need to assess current economic development conditions when disaster strikes. But they also need to ask, “Where do we want to be 5, 10 and 25 years from now?” and “How do our decisions and assistance today affect the outcome?” Here are two guidelines to keep in mind:

- Reassess economic conditions and existing development plans. Discuss your community’s history and direction as you review public policy related to economic development. Re-evaluate current economic development plans. They may not reflect current goals or changed circumstances because of destruction.
- If your community has no economic development plan, get assistance. Don't work in a vacuum. Your local Extension office can offer expertise on retaining, expanding and

This document is IFAS publication DH 430.

attracting business and industry to your community.

Rebuilding Guidelines

- Make sure you are not rebuilding mistakes. Examine areas affected by disaster and consider how they fit into current economic development goals. Some industries may need to relocate to new or existing industrial parks. Likewise, some businesses may be better suited to business parks or other areas. Consider existing and potential traffic patterns. In some cases, roads may need to be rebuilt to suit changing needs.
- Help local business and industry take advantage of disaster relief sources. These may include private insurance, low-interest loan programs, grants and business counseling.

Small businesses that were struggling to stay afloat before the disaster often can benefit from Small Business Development Center assistance. Business plans can be reviewed for viability and new plans established. Because businesses may have insurance checks in hand, this is an excellent time to consider improvements in retail space, location, production facilities and marketing.

Some businesses and industries will need to start up immediately after a disaster. The support of local government may be needed to streamline recovery efforts, including approval processes, and provision of utilities, transportation and communication.

- Encourage timely rebuilding. Your community may lose tax revenue from structures not rebuilt within the year.
- Keep disaster preparedness and mitigation in mind as rebuilding begins. Some structures may need to be flood-proofed, razed or relocated. Tornado shelters and expanded warning systems are typical improvements after tornados. Fire prevention should be a concern as any structures are rebuilt.

Additional Resources

- Your local emergency government office
- Your county community resource and development agent
- The American Red Cross
- Federal Emergency Management Agency (FEMA)