

Post-Disaster Business Recovery Strategy

for the City of San Rafael



Post-Disaster Business Recovery

Preparedness and Response Strategy

The City of San Rafael is susceptible to earthquakes, floods, and other disasters that can disrupt the private sector and weaken the City's tax base. After a disaster, businesses may experience economic, physical and regulatory barriers, threatening their ability to reopen. This strategy is intended to address these barriers and explore what the City of San Rafael, Chamber of Commerce, Downtown Business Improvement District (BID) and business community can do to minimize business disruption and long term or permanent closures.

Following a disaster, businesses may face many barriers to recovering—including problems with debris removal and cleanup, loss of utilities, the inspection and permitting process, access to capital, relocation needs, and security needs. Information and communication processes will be critical to private sector recovery. This strategy explores these issues as they pertain to the business community and outlines actions the City, Chamber and BID can do to mitigate problems.

Successful private sector recovery cannot be accomplished through implementation of these proposed actions alone. Individual business efforts to prepare for disasters and the decisions and actions they make after a disaster will greatly impact the overall recovery effort. In addition to this, efficient and successful private sector recovery will be contingent upon the coordinated efforts of City staff, the Chamber, Business Improvement District, the County of Marin, volunteers, the U.S. Small Business Administration, the Federal Emergency Management Agency, and other organizations.

This preparedness and response strategy is a living document that will serve as a guide. It can and should be modified as needed. A more detailed analysis of business recovery after a disaster can be found in the City's 'Post-Disaster Business Recovery Analysis.'

Any questions regarding the information within this strategy can be directed to the City of San Rafael's Redevelopment Agency or Office of Emergency Services.

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Significance of Threat

Disasters, such as earthquakes or floods, can have severe impacts on the local business community. The U.S. Department of Labor estimates over 40% of businesses never reopen following a disaster and of the remaining companies, 25% will close within 2 years. Small businesses are especially vulnerable after a disaster because they tend to have inadequate cash reserves and a weak ability to raise capital, and they are generally unprepared for emergencies. Due to immediate cash flow problems, it is important for businesses to reopen as soon as possible following a disaster.

According to the U.S. Geological Survey, the overall probability of a magnitude 6.7 or greater earthquake in the Greater Bay Area in the next thirty years is 63%. San Rafael is between two major faults, the San Andreas and Hayward. San Rafael is also susceptible to slow-rise and flash flooding. Since 1973, five major floods have affected portions of the City causing millions of dollars in damage. Other threats include hazardous materials incidents, terrorism, wild land fires, transportation accidents/mass casualty incidents, and nuclear attacks/accidents. For further details on these threats, see Part 8 of the City of San Rafael's Emergency Operations Plan.

The effects of a disaster can greatly vary. Access to an entire commercial district may be denied because of widespread damage or businesses may experience the loss of utility services. Businesses may suffer from the loss of inventories and equipment or damage to buildings. This drop in economic activity has a direct effect on local governments that can expect significant drops in sales, hotel, and other tax revenues. In the Loma Prieta earthquake, Santa Cruz lost one-third of its downtown commercial space as well as an estimated \$250,000 in sales tax revenue the following year.

Based on 2008 sales tax data and holding aside seasonal sales tax fluctuations, if 50% of the businesses in East and West Francisco, Shoreline and Downtown were closed for seven days, the City could lose approximately \$80,000 in sales tax revenue while the private sector could lose over \$8 million. If 20% of these businesses remained closed for 30 days, the City could lose approximately \$140,000 and the private sector nearly \$14 million. If 10% of these businesses remained closed for 90 days, the City could lose more than \$200,000 and the private sector \$20 million. This loss of revenue is coupled with an increased financial burden of responding to a disaster and can leave the City in severe need of aid from the state and federal governments.

Post-Disaster Situation

After a disaster, businesses are likely to encounter several barriers to recovery. Businesses may experience damaged buildings, utility failure, inability to access inventory, lack of capital to make repairs, debris in commercial areas, a disrupted transportation and communication network, and a loss of customer base. Assistance from the Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA) is contingent on a Presidential declaration of an emergency. However, there have been times when the SBA has provided disaster loans without a Presidential Declaration.

The City of San Rafael has designated City staff to act as liaisons during disaster operations. This Liaison Officer will provide and maintain coordination with outside agency representatives, other operational area jurisdictions, local businesses and employers, the Region Emergency Operations Center, and the State Emergency Management Agency (CALEMA). As part of its Public Information Officer (PIO) Plan, OES will establish a Public Information Hotline to make general announcements to the public-at-large.

Direct physical damage resulting from a disaster may be extensive. This damage may or may not be severe enough that structures can still be utilized to support business operations, meaning access to the buildings will be limited or cut off and the building may be demolished.

Businesses may also experience:

- Loss of communications systems to include internet, telephone, mobile phone, etc.
- Loss of utilities to include water, sewer, electricity, gas
- Loss of access to building
- Inability of employees to get to work
- Need for business owners and employees to concentrate on damage to their private residences

Strategy Components

This strategy consists of five components:

1. **Individual Business Responsibility** (see page 5) Individual business efforts to prepare for disasters will greatly impact the overall recovery effort.
2. **Collective Preparedness Measures** (see page 6) The City, Chamber of Commerce and Downtown Business Improvement District will make every reasonable effort to inform, educate and protect our business community.
3. **Community Outreach** (see page 8) We will work closely with business organizations and utilize all resources to ensure our business community, as well as the community-at-large is well informed.
4. **Response Actions** (see page 9) An efficient, effective and collaborative response is required to protect our businesses and community.
5. **Collaboration** (see page 10) We will be proactive and seek out opportunities to work with business organizations in preparedness and response activities.

Individual Business Responsibility

Individual businesses can protect themselves by following these key actions steps:

Individual business efforts to prepare for disasters will greatly impact the overall recovery effort.

1. Prepare a business recovery plan. This includes, but is not limited to, current contact information for all employees, instructions and supplies for immediately after a disaster, storing records and important documents off-site, and the steps for resuming business services and ensuring business continuity..
2. Make sure to have a “Disaster Fund” to save money for disaster related expenditures, as well as a safety net to compensate for revenue loss.
3. Attend disaster training with Office of Emergency Services. OES conducts disaster trainings tailored for businesses.
4. Make sure your emergency contact information is current with the Chamber of Commerce or Downtown Business Improvement District. After a disaster, contact them and keep them informed about your status and needs.
5. Be adequately insured. Talk to your insurance agent about protecting your business with a business owner’s policy and business interruption insurance. If you are in a particularly vulnerable area or building, talk to them about earthquake and flood insurance.
6. Talk to the businesses around you and find out about their recovery plans. Chances are, you will need each other’s help after a disaster.
7. Make prior arrangements as to where you can relocate your inventory or sensitive equipment.
8. Know the terms of your lease with regards to disaster repairs and demolitions. Make sure to have current contact information for your landlord or building owner.
9. Be prepared to make ADA and fire sprinkler improvements. If your business is damaged in a disaster, this *may* trigger ADA and other required building improvements.
10. Disaster-proof your business. Bolt down and secure anything you don’t want to fall down.

Collective Preparedness Measures

After a disaster, the two scarcest resources are time and money. By adequately preparing, we can save both, minimizing business closures and making business recovery more efficient. The following key action steps will help the City, Chamber and BID prepare for business recovery after a disaster.

The City, Chamber of Commerce and Downtown Business Improvement District will make every reasonable effort to inform, educate and protect our business community.

The City can...

- Continue to conduct disaster trainings for businesses.
- Construct an ordinance to address streamlining commercial building permits for high-priority businesses, such as grocery and hardware stores, gas stations, construction firms and banks. Consider waiving, reducing or deferring permit application fees and expediting the permit process for disaster-related repairs.
- Prioritize areas for service and utility restoration.
- Pre-identify firms or volunteers from other areas to assist with building inspections.
- Pre-identify and draft contracts with local firms to provide major debris removal work.

The Chamber and Business Improvement District can...

- Pre-identify where to direct businesses to locate generators and draft plans for shared use.
- Pre-identify where they can obtain tents, pavilions, or trailers for relocating businesses.
- Work with local lenders to explore options for disaster related lending programs.
- Set up "Disaster" funds to save money for disaster-related expenditures.
- Provide businesses with Disaster Recovery Plan templates as well as offer assistance in completing them.

Together, we can...

- Work on business recovery issues through a Disaster Recovery Task Force. Members of the Chamber, BID and business community can work with City staff to develop and implement the actions in this strategy.

- Conduct a campaign to raise business awareness of the risks involved with a disaster.
- Increase participation levels for disaster trainings tailored for businesses provided by Office of Emergency Services.
- Meet with the Police Department to discuss private security issues after a disaster.
- Develop a website to provide information regarding local and national disaster preparedness and disaster assistance programs.
- Clarify communication channels and a strategy to fold into the system Office of Emergency Services already has in place.

Community Outreach

Informing the public of the private sector's status will be an important task in the weeks following a disaster. As businesses reopen or relocate, they may need help rebuilding their customer base. The following mechanisms can help the City, Chamber and BID communicate information about businesses to the public.

We will work closely with business organizations and utilize all resources to ensure our business community, as well as the community-at-large is well informed.

- The City, Chamber and BID can utilize various media sources to communicate information to the public-at-large, including out-of-town shoppers. Information to relay can include what commercial districts have reopened, where business have relocated, and what are the best transportation routes to get to these businesses. Regional media outlets, such as newspapers, radio, television, and online blogs, can spread this information beyond San Rafael.
- The Shop San Rafael campaign may be a useful device for helping businesses rebuild their customer base as well as getting information out to the public regarding what businesses have reopened and, if any relocations occurred, where they are located. The campaign can emphasize a "now, more than ever" message for encouraging residents to support San Rafael businesses.
- Signs and banners can be an effective way for businesses to inform customers if they have reopened or when they expect to reopen. The Chamber and BID can work with local printing companies to create a cohesive banner program.

Response Actions

After a disaster, conditions are likely to change quickly and constantly. It will be important to maintain flexible and adaptable to ensure response efforts are appropriate. The following response actions will aid business recovery after a disaster:

***An efficient, effective
and collaborative
response is required to
protect our businesses
and community.***

- The City can meet regularly with the heads of the Chamber and BID to share information. This 'Business Issues Briefing' will aid coordinated efforts, increase communication and the accuracy of information, and enhance collaboration between agencies and organizations.
- In conjunction with the City, the Chamber and BID can update a disaster recovery website with current information important to businesses. This can include information regarding permits and inspections, status of red-tagged buildings and street closures, status of business closures, relocations and re-openings, and other disaster-related information.
- The Chamber and BID can provide businesses with information regarding state and federal disaster assistance programs. This information can be provided online as well as in-person through a Local Assistance Center.
- In close conjunction with the City, the Chamber and BID can help businesses locate generators and coordinate shared use.
- Along with the City's Volunteer Center, the Chamber and BID can coordinate volunteers to help with cleanup and beautification of commercial districts.

Collaboration

Due to limited staff time and funding, collaboration between the City, Chamber of Commerce, Business Improvement District and individual businesses will be crucial. No one agency can solve all the problems arising after a disaster. Successful recovery will be contingent on multiple agencies and businesses combining forces and working together to expand capacity through collaboration. The following tactics will aid collaboration efforts:

We will be proactive and seek out opportunities to work with business organizations in preparedness and response activities.

- *Maintain effective channels of communication*—the sharing of good and accurate information will lead to better decisions and a more coordinated and cohesive recovery effort.
- *Be flexible and adaptable*—after a disaster, conditions are likely to change quickly and constantly. Remaining flexible and adaptable will ensure responses and efforts are appropriate.
- *Work in partnership and in conjunction with one another*—cooperation will be integral in producing the best outcomes for the community-at-large. The City, Chamber and BID should maintain high levels of coordination, especially during times of decision-making.
- *Use liaisons to increase communication and collaboration*—liaisons can make communication between the City and the business community more effective and efficient.
- *Form a Disaster Recovery Task Force*—a task force can enhance collaboration by bringing the City, Chamber and BID to the same table. This task force can develop strategies that address the San Rafael business community as whole, thereby strengthening the local economy.