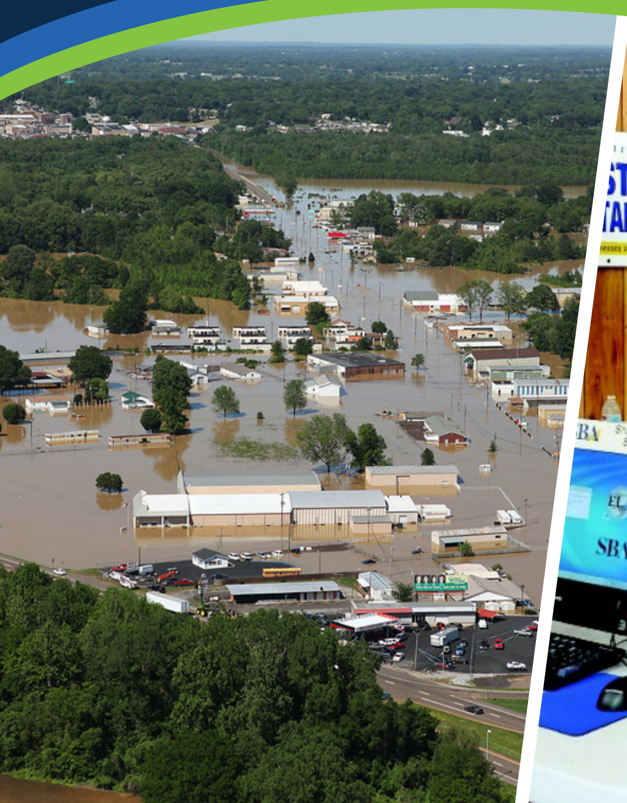
CASE STUDIES

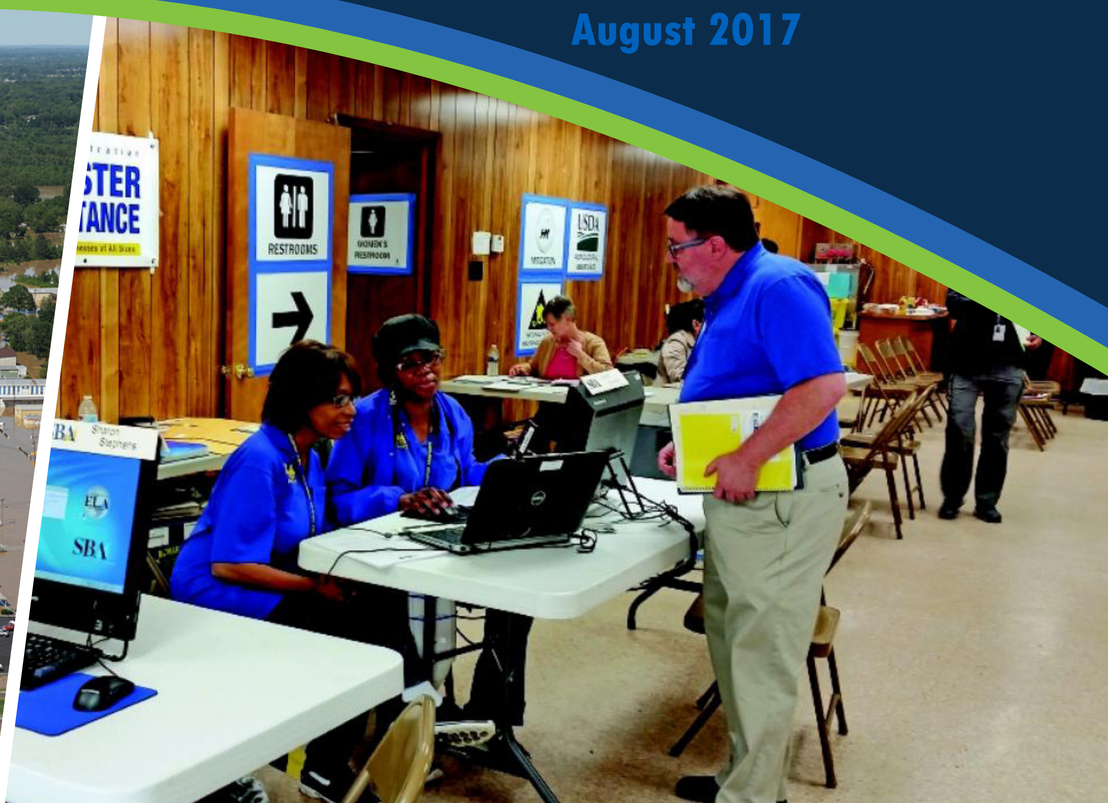
THE ROLE OF PUBLIC-PRIVATE PARTNERSHIPS in Economic Disaster Recovery and Economic Resiliency

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

The Power of Knowledge and Leadership

August 2017





INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL (IEDC)

The International Economic Development Council (IEDC) is a non-profit membership organization serving economic developers. With over 5,000 members and a network of over 25,000 economic development professionals and allies, IEDC is the largest organization of its kind. Economic developers promote economic well-being and quality of life for their communities by creating, retaining and expanding jobs that facilitate growth, enhance wealth, and provide a stable tax base. From public to private, rural to urban and local to international, IEDC's members are engaged in the full range of economic development experience. Given the breadth of economic development work, our members are employed in a wide variety of settings including local, state, provincial, and federal governments, public-private partnerships, chambers of commerce, universities and a variety of other institutions. When we succeed, our members create high-quality jobs, develop vibrant communities, and improve the quality of life in their regions.

www.iedconline.org

PRIMARY AUTHOR

Sarah Garcia, AICP

Senior Economic Development Associate

CONTRIBUTING AUTHORS

Tatiana Puscasu

Economic Development Associate

Shenghui Feng

IEDC Intern, Cornell University MPA Candidate

EDITOR

Lynn A. Knight, CEcD

Vice President, Knowledge, Management & Development

ACKNOWLEDGEMENTS

This research project was accomplished through the U.S. Economic Development Administration (EDA)'s Economic Adjustment Assistance Project No. 08-06-05058. The statements, findings, conclusions, recommendations, and other data in this report are solely those of IEDC and do not necessarily reflect the views of the U.S. Economic Development Administration.

This report is part of a larger compendium of research and technical assistance produced by IEDC and funded by the aforementioned U.S. Economic Development Administration (EDA) grant, which focuses on long-term economic resilience and recovery for disaster-impacted communities in Texas, Louisiana, Arkansas, Oklahoma, and New Mexico.

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

Introduction

A **public-private partnership (PPP)** is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.[1] PPPs are used for numerous collaborations between the government and the private sector, but the ways in which they have developed to support economic recovery and resiliency differ from both traditional PPPs -- and even from more recent, and complex PPPs.

There are dozens of different types of PPPs commonly used around the world today.[2] Common examples in the U.S. are bond financing, whereby the private sector provides the investment capital for a government infrastructure project, or a concession, where a private company provides for maintenance, security or other activities on a government-owned site in exchange for the opportunity to earn income on that site.. More recent, complex, and often politically-charged PPPs are the type by which a public service may be contracted to a private entity. These sorts of services can range from trash collection to the construction and operation of toll roads to the management of a city's public works systems. Typically the impetus for these partnerships is the belief that the private sector can manage the service more efficiently and effectively than the public sector. It may also be the case that the government does not have funding to build or operate certain infrastructure.

Public-private partnerships that have come into being for economic recovery, however, seem to emphasize the collaboration and interdependency of the partners. In its definition, FEMA describes PPPs as collaborative relationships built on needs (mutual support and resources), capabilities (each partner brings a unique set of capabilities) and two-way communication.[3] These PPPs play an increasingly important role in our national approach to emergency management and disaster recovery.

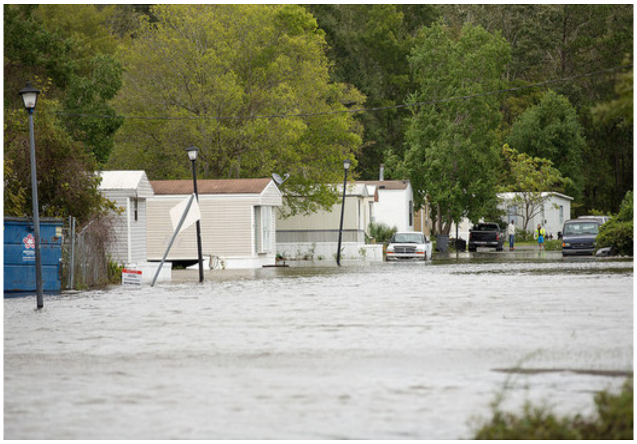
Complementary strengths from the public and private sectors support resilience. The public sector has the clear mandate to protect its citizens, the financial wherewithal to fund disaster mitigation and recovery efforts, and the regulatory control that will guide and can facilitate these efforts. The private sector, however, has supplies, personnel, and distribution networks which can be highly responsive and supportive of disaster recovery and mitigation. In addition, private sector business acumen can support economic mitigation and recovery of disaster impacts. Finally, non-governmental organizations (NGOs) are often mission-centric to providing casework recovery – such as technical assistance, financial counseling, job placement and the like.

Benefits for all partners are not always self-evident, however. While government is in the business of community protection, private businesses are not. NGOs are often volunteer-based and have both little funding as well as little experience working with private companies other than in a fund-raising effort. When it comes to preparedness, resiliency, and recovery for the economy, however, mutual interests become apparent. Each of the PPPs featured in this paper arose following a disaster. The disasters created a very fundamental understanding of the interdependencies within the community, and set a unique stage and impetus for collaboration.

Strong PPPs are based on trust and understanding among partners of what risks are involved, who will take those risks, and other roles which must be clearly defined. To ensure a solid base, PPPs should follow a set of preparatory steps such as defining the purpose and objective of partnership; identifying likely partners; discussing the value of partnership with potential partners; securing commitment to partnership, and finalizing partnership objectives and activities.

The task of creating the PPP often falls to business associations – i.e. chambers of commerce, trade associations and the like. Lessons learned from a review of successful PPPs conducted by the U.S. Chamber of Commerce and the American Logistic Aid Network found "leadership in each sector being the most important requirement, followed by clear objectives and some resources (human or financial)."[4]

Two of the following case studies – The Joplin Missouri Business Recovery Center and The Safeguard Iowa Partnership -- show how PPPs directly supported economic preparedness and recovery from disaster impacts. The other two case studies – The New Orleans Business Alliance and The Valley Economic Alliance -- show how communities took the window of opportunity offered by disaster-recovery focus and funding to create successful economic development partnerships to counteract long term economic decline in the community.



Waterway restoration to repair damage from Hurricane Matthew is moving ahead because of a public-private partnership.

Source: Hurricane Matthew/flickr

Case Study 1

The Business Recovery Center, led by the Joplin Chamber of Commerce, Joplin Missouri

In May 2011, an EF-5 tornado made a direct hit on Joplin, Missouri, destroying 531 of 2,220 businesses and putting 5,000 jobs at risk.[5] Yet by 2014, an extraordinary 88% of the employers affected by the tornado had reopened and over 95% of the jobs had been retained.[6] A review of the disaster response shows that this highly successful outcome can be attributed to how public and private resources came together to partner for economic recovery.

Only four days after the tornado, the Joplin Area Chamber of Commerce led a joint effort with the U.S. Small Business Administration (SBA), and the Missouri Southern State University Small Business and Technology Development Center (SBTDC) to open a Business Recovery Center, recognizing that communication challenges required a walk-in location to provide assistance. Each partner brought different but complementary resources, and pooled staffing to meet urgent needs.

At the Business Recovery Center, the strengths of each partner were brought to bear. The Joplin Area Chamber of Commerce had the contacts and credibility within the local business sector to effectively conduct outreach to the affected businesses. From day one of the disaster, the Chamber had been on the ground contacting businesses impacted by the tornado to assess damage levels and discuss paths to recovery.[7] Subsequently it hosted a business recovery expo, established a business tracking system, acquired funding and established the business recovery loan fund. The SBA took the lead in making low-interest disaster loans to business owners. As a national entity, SBA already had the systems and favorable disaster-based loan rates and approaches that the Joplin businesses would need. The SBA is also a fundamental partner in that its running total of business damages informs the federal assessment of damages. Missouri Southern State University's SBTDC offered counseling, hosted a number of conferences on business development and helped build a website for disaster recovery, giving businesses web access to resources and status of impacted employers.

In anchoring the Business Recovery Center, the Joplin Area Chamber of Commerce had a venue from which to offer other complementary capacities from local and state agencies. The Office of the Secretary of State for Missouri helped damaged businesses recover incorporation papers and tax fillings. Local accountants and attorneys assisted impacted businesses with their applications for recovery loans and insurance claims.

Joplin Missouri's business community not only recovered, but was made stronger through its recovery partnerships. In addition to the initial 88% business retention rate, as of May 2016 Joplin had attracted approximately 308 new businesses. New businesses have employed 1,045 full-time and employees and 818 part-time employees.[8]

Case Study 2
New Orleans Business Alliance (NOLABA)

The failure of the federal levee system protecting New Orleans after Hurricane Katrina in 2005 devastated the City of New Orleans, putting approximately 80% of the city under water and displacing a million people within the region. The damages from Katrina totaled $125 billion and the region received $120.5 billion in federal funding that supplemented $30 billion covered by private insurance claims.[9] New threats such as climate change, rising sea levels, land subsidence and coastal erosion continue to challenge New Orleans. The capability of New Orleans' businesses to persevere through the expected occurrence of natural disasters is paramount to the economic health of the city.

Post-Katrina, population in the city fell to a low of 230,172 in 2006, representing a 52% drop from its 2000 population.[10] In the recovery years following Katrina, however, city leaders acknowledged that New Orleans had been experiencing a 45-year decline in population and employment. They sought to transform the catastrophe into a catalyst for long-term economic growth.

In 2010, the City of New Orleans created the New Orleans Business Alliance (NOLABA), an official PPP between the City of New Orleans and private investors from the local community. NOLABA was the first organization charged with the long term economic health and resilience for the City of New Orleans.

> *Our Mission: Uniting a diverse community of stakeholders to catalyze job growth, create wealth, and build an equitable and sustainable economic future for the new New Orleans*

Today NOLABA is a non-profit organization led by a 17-member board of directors, composed of a cross section of New Orleans leaders, including the Mayor and representatives of the city's diverse industries.[11] The City of New Orleans contributes $1.5 million annually from the Economic Development Fund to NOLABA, while NOLABA raises a minimum of $500,000 annually from the private sector.[12]

NOLABA is the economic development leadership organization for the city. Its focus is comprehensive: supporting the city's economic strategy: industry competitiveness, workforce development, small business and entrepreneurship, equity, branding, and international investment. It has also converted its disaster experience into positioning resilience and recovery as a new industry. New Orleans is now investing in this industry with the creation of the International Resilience Center which includes a Regional Disaster Management Center and a business incubator for private & non-profit companies.[13]

NOLABA takes an active role in preparedness and recovery. A featured action of NOLABA's efforts to promote economic resilience is the small business resilience program aiming to develop the preparedness of businesses and neighborhoods in New Orleans. This program is led by City of New Orleans, partnering with NOLABA, New Orleans Redevelopment Authority (NORA), Wal-Mart Foundation and United Nations International Strategy for Disaster Reduction (UN-ISDR).

The program brings technical assistance to small businesses and helps them develop disaster preparedness strategies.[14] NORA takes charge of developing a Disaster Resilience Survey for small businesses to collect information needed for disaster preparedness. UN-ISDR provides its United Nations Disaster Resilience Scorecard, which is the foundation of the survey. The scorecard is applied to small businesses in each corridor in New Orleans for the measurement of resilience readiness and for prioritizing actions. After the assessment, awareness and training programs are developed in accordance with the needs of each corridor. Wal-Mart, as a giant global retailer, makes good use of its supply chain capabilities and generous funding to support disaster recovery. As the hurricane in 2008 began, Wal-Mart helped launched a preparedness campaign, distributed preparedness kits and sponsored a preparedness program.[15] Wal-Mart continues to bring new investment to the city as well. In 2013, Wal-Mart opened an 180,000-square-foot Supercenter at eastern New Orleans which brought new jobs and living elements in New Orleans.[16]

New Orleans has been able to sustain a 10% job growth in the years following Katrina up through 2016.[17] NOLABA energetically promotes and supports the city's economic growth. Its "Why New Orleans" website tab lists one success after another, including a top 10 state ranking for prosperity. NOLABA attributes its ability to maximize its impact to the engagement of the private and philanthropic sectors.[18]

Case Study 3
Safeguard Iowa Partnership (SIP)

In 2005, Hurricane Katrina exposed gaps in governmental disaster response and relief delivery and gave impetus for developing collaborative PPPs to improve capacity. In 2006, Business Executives for National Security (BENS) recognized that Iowa, like many other states, lacked a system for organizing private sector contributions to disaster response operations.[19]

BENS approached the Iowa Business Council (IBC), a non-profit organization engaged in Iowa's business sector, and reached a consensus for establishing a bi-lateral partnership between the public and private sectors to mitigate the damages caused by disasters.[20] With the support from BENS along with the Iowa Department of Public Health (DPH), Department of Public Safety (DPS) and Iowa Homeland Security and Emergency Management, IBC officially launched the Safeguard Iowa Partnership (SIP) on Jan 29, 2007, which was incorporated as a 501(c)(3) non-profit organization in 2008.

The Safeguard Iowa Partnership is a voluntary alliance, with a full time executive director and a program manager. Five elected public-sector representatives, five private-sector representatives, and one non-profit representative serve on its Board of Directors as business and government leaders who share a commitment to strengthen the capacity of the state to prevent, prepare for, respond to, and recover from disasters through public-private collaboration.[21]

Under the SIP umbrella, private and public partners integrated and thereby amplified their resources and expertise in restoring business operations, security operations, risk management and disaster planning to support public partners.

- **Iowa's Homeland Security and Emergency Management department (HSEMD)** maintains a resource registry at the State Emergency Operations Center (SEOC) that helps the state togather disaster impact information and respond effectively to disasters. SIP developed a Web-based catalog of private-sector resources that HSEMD was able to integrate into the existing state registry. Supported by the information provided by SEOC, HSEMD played a pivotal role in communicating and coordinating with county and state officials regarding disaster damage impacts and resources following the 2008 disasters (see below.)

- **Iowa's Department of Public Health** took the lead in organizing medical supplies and deliveries to improve the state's overall disaster preparedness capabilities, with donations of private sector resources and expertise through SIP.

- **SIP** has collaborated with public and private partners including HSEMD, National Weather Service, DPH, DPS, MidAmerican Energy Company and CenturyLink to offer public-private workshops and training programs on business continuity planning and emergency preparedness and response.[22]

In order to enhance the network between public and private partners, SIP has established local chapters in Cedar Rapids, Central Iowa and Northwest Iowa for information distribution between public and private sector partners from the same location.

The success of the Safeguard Iowa Partnership was proven in their response to the tornadoes and floods in Iowa in 2008, when SIP integrated efforts from the public and private sectors for economic recovery. Specific coordination roles of SIP included sponsoring weekly conference calls with partners regarding developing Iowa recovery road maps; compilation and distribution of weekly business recovery status to partners; working with state agencies on compiling estimated damages to businesses; and assisting with private donations and coordinating recovery programs and workshops following the flooding.[23]

In terms of organizational development, SIP has witnessed remarkable growth from 27 partners at its founding in 2007, to 557 partners from 279 organizations in 2016.[24] As of 2016, SIP had distributed 5,860 business emergency guides and delivered 18 training exercises in disaster recovery, reaching 782 attendees. Grants accounted for 54% of the total funding of SIP, while the remaining came from sponsorships and donations.[25]

A training cource on disaster preparedness provided by Safeguard Iowa Partnership

Source: Safeguard Iowa Partnership website

Case Study 4
The Valley Economic Alliance (TVEA)

The Valley Economic Alliance (TVEA) has been a 25-year PPP for economic resilience and prosperity in the San Fernando Valley, Los Angeles County, California. TVEA was formed following a 6.7 magnitude earthquake that shook the Valley in 1994, causing approximately $20 billion worth of damage. Following the earthquake, Los Angeles County distributed federal and state recovery funds evenly across 15 impacted city council districts, which unfortunately left the most destroyed areas with insufficient funds for disaster recovery.[26] In response, leaders from public and private sectors saw the opportunity of pooling the funding resources and efforts to create a long term organization for the economic revitalization of the San Fernando Valley.

The Valley Economic Alliance was established in the form of a non-profit public-private collaborative with a $350,000 foundation grant from the U.S. Economic Development Administration (EDA.) TVEA first funded a collaborative economic development strategy, responding to the economic shifts the valley was experiencing. The first four partners were the Valley Economic Development Center (VEDC), the Valley Industry and Commerce Association (VICA), the United Chamber of Commerce (COC), and the Small Manufacturers Association (SMA).

Faced with a damaged economy, TVEA set a mission to restore the economy vitality and the livability of its five-city region (Glendale, Burbank, San Fernando, Hidden Hills, and Calabasas) through five initiatives: workforce preparedness, industry retention and expansion, business in the community, government relationships, and small business assistance.

All TVEA initiatives are funded through the organization's annual operating budget, which consists of $1.1 million in partner donations, fundraising, and foundation grants.[27] The State of California Employment Development Department, along with universities and education centers in the valley, take charge of providing customized training programs matching with employment qualification needs. The VEDC took the lead in providing consulting, training, financing, and workforce solutions to local businesses. The VICA, as an influential business advocacy organization in Southern California, also utilized its knowledge of legislative process and economic issues to bring the business concerns of the Valley to the public officials. The COC is responsible for helping business owners to connect with Valley's business network to grow their businesses. The SMA takes the lead in developing economic development strategies and models for the Valley.[28]

With continuous efforts to promote economic growth, the TVEA has made a positive difference in the Valley region. From 2011 to 2014, through its business assistance and layoff aversion programs, TVEA conducted 930 in-person consultations and more than 12,000 phone consultations, which resulted in more than 40,600 jobs saved. In 2015, the TVEA worked with more than 80 businesses and saved 464 jobs in the Valley. In order to help people in the valley find quality jobs, the organization holds an annual Valley Business Expo, a Hire a Vet Job and Resource Fair, and other annual networking events.[29]

The 1994 earthquake planted the seed and the impetus for this PPP for economic health in the Valley. The partnership allowed the region to harness talent and energy of the private sector for the economic development success of the community.

Case Study 5
The Bastrop County Business Recovery Team (BCBRT)

Following the 2015 fire and flooding events in Bastrop County, it became apparent that impacted businesses needed an array of recovery support services, yet there was no community organization prepared to do that.

In response, the Chamber of Commerce appointed a committee to assist. They opened a Business Recovery Center in October, 2015, to give businesses a centralized location for assistance. They worked with the United Way to create a 501(c)3 nonprofit, to raise and receive funds for help to residents and businesses. The work initiated by the Chamber subcommittee evolved into the ongoing partnership that is the BCBRT.

The Partners:
Bastrop, Elgin and Smithville Chambers of Commerce
Bastrop County Office of Emergency Management
Bastrop County Long-Term Recovery Team
Small Business Development Center (SBCD)/SBA

Their Mission: The BCBRT provides immediate recovery support to businesses in a geographic zone of interest, principally for the support, encouragement and assistance to businesses adversely affected by weather events or other disasters. The BCBRT also provides on-going educational support of preparation and mitigation efforts.

On a regular basis, the BCBRT keeps active in providing training to the business community on the four cornerstones of resilience:

Mitigate, Prepare, Respond, & Recover.

For more information,
Visit http://www.bastropchamber.com/pages/bastrop-county-business-recovery-team

Summary

Disasters sometimes provide the heightened urgency that can shake loose new ways to move to prosperity.A significant disaster can create an environment in which truly collaborative, synergistic PPPs can emerge. Shared dependencies for a secure and prospering economy bring partners to the table when that has been visibly threatened. As illustrated in the case studies, some communities have created partnerships among the public and private sectors to integrate and maximize their preparedness and recovery resources. These partnerships flourish by allowing the cultures and operations of the public and private realms to remain separate, but complement each other by doing what each does best. In other communities, the disaster provided an impetus of energy and funding to grapple with long-standing economic decline. As shown in the case studies, PPPs in a focused economic development effort can be game changers for their regions.

NOTES

[1] Restore Your Economy website, http://restoreyoureconomy.org/resources/topic/public-private-partnership/

[2] IEDC Economic Development Research Partners, "Critical Condition: Infrastructure for Economic Development," 2015

[3] FEMA's IS-660 Introduction to Public-Private Partnerships course

[4] Davidson, Oliver, "Building Public-Private Partnerships: Why is it so difficult?" US Chamber of Commerce, Corporate Citizen Center, February 10, 2011

[5] Heather McNeill, "United After the Tornado, Joplin is Still Serving Visitors", Web blog post. Missouri Meetings&Events, Sept 9, 2013

[6] Jonathan Sanders, "BUSINESS REPORT: Joplin Area Rises from the Rubble and Reaches for New Heights", Web blog post. Business Facilities, Mar 19, 2014

[7] Dan Stoneking, "Joplin Recovery: A Visit with Private Sector Partners", Web blog post. FEMA, June 6, 2017

[8] Fact Sheet – Joplin Area Chamber of Commerce May 22, 2011 EF-5 Tornado

[9] Allison Plyer, "Facts for Features: Katrina Impact", Web blog post. The Data Center, Aug 26, 2016

[10] Amercian Factfinder, U.S. Census data

[11] "About The New Orleans Business Alliance." NOLABA Website, http://www.nolaba.org/about/

[12] "Mayor Landrieu Launches Economic Development Public-Private Partnership." New Orleans City Council, Aug 13, 2010. http://www.nolacitycouncil.com/content/display.asp?id=54&nid=%7B092E37FC-F3A1-4D7D-B216-B9A92366E794%7D

[13] Miller, Rod, Creating Successful Partnerships with the Private Sector, IEDC Webinar, August 21, 2014, http://restoreyoureconomy.org/webinar-creating-successful-partnerships-with-the-private-sector/

[14] "Disaster Resilience of Small to Mid-Size Businesses on New Orleans Historic Corridors", PreventionWeb, http://www.preventionweb.net/files/50168_neworleanssmallbizdisaster-resilienc.pdf

[15] Mark Cooper, "Industry Perspective: The importance of Public-Private Partnerships", Web blog post. Emergency Management, April 30, 2012

[16] Rebecca Mowbry, David Hammer, "Walmart Supercenter to open in eastern New Orleans", Web blog post. The Times-Picayune, Dec 21, 2011

[17] Economic Modeling Specialists, Emsi Q3 2017 Data Set, run August 2017

[18] Miller, Rod, Creating Successful Partnerships with the Private Sector, IEDC Webinar, August 21, 2014, http://restoreyoureconomy.org/webinar-creating-successful-partnerships-with-the-private-sector/

[19] FEMA, "Lessons Learned Information Sharing: The Safeguard Iowa Partnership", http://www.safeguardiowa.org/Resources/Documents/Press%20Releases/2009/llis_good_story_-_safeguard_iowa_partnership_102009.pdf

[20] Raths, David. "Private-Sector Organizations Earn a Seat in the Emergency Operations Center." emergencymgmt.com. Emergency Management Magazine, 17 May 2010. Web. 26 Oct. 2016

[21] "Who we are", Safeguard Iowa Partnership Website, http://www.safeguardiowa.org/who-we-are

[22] FEMA, "Lessons Learned Information Sharing: The Safeguard Iowa Partnership", http://www.safeguardiowa.org/Resources/Documents/Press%20Releases/2009/llis_good_story_-_safeguard_iowa_partnership_102009.pdf

[23] "After-Action Report- Safeguard Iowa Partnership, Iowa Disasters: Tornadoes, Flooding and Other Severe Weather May-July 2008", Safeguard Iowa Partnership Website, http://www.safeguardiowa.org/Resources/Documents/Response/Disasters/2008/sipjune2008response.pdf

[24] August Geisinger. "Safeguard Iowa." Telephone interview. 26 Oct. 2016.

[25] "Safeguard Iowa Partnership – 2016 Annual Report", Safeguard Iowa Partnership Website, http://www.safeguardiowa.org/resources/Documents/Annual%20Reports/2016%20SIP%20ANNUAL%20REPORT.pdf

[26] "Case: Economic Diversification in the San Fernando Valley after the 1994 Northridge Earthquake", 2010 IEDC, Restore Your Economy Websitecontent

[27] "About The Valley Economic Alliance", The Valley Economic Alliance Website, https://www.thevalley.net/about/about-the-valley-economic-alliance

[28] "Business Resource Guide", The Valley Economic Alliance Website, https://www.thevalley.net/resources/business-resource-guide#section9

[29] "Video: The Valley Economic Alliance – 2016 Annual Report", The Valley Economic Alliance Website, https://www.thevalley.net/category/annual-reports