

**The Council of State Governments
2007 Innovations Awards Program
APPLICATION**

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ID # (assigned by CSG): 07-S-48LADISASTERRESPONSE

Please provide the following information, adding space as necessary:

State: Louisiana

Assign Program Category: Economic Development

1. **Program Name:** Disaster Response and Rebuilding Framework: The Louisiana Experience
2. **Administering Agency:** Louisiana Economic Development
3. **Contact Person (Name and Title):** Michael Olivier, Secretary – Economic Development
4. **Address:** P.O. Box 94185, Baton Rouge, Louisiana 7084-9185
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6. **FAX Number:** 225-342-5389
7. **E-mail Address:** kcompton@la.gov
8. **Web site Address:** www.LouisianaForward.com

9. **Please provide a two-sentence description of the program.**

There are no instructions or manuals outlining how to rebuild and rebound from such catastrophic events as Hurricanes Katrina and Rita. Louisiana Department of Economic Development's experience and the methodology employed to react and respond to an overwhelming disaster from an economic development perspective provides a framework that may prove useful to other economic development agencies facing a crisis.

10. **How long has this program been operational (month and year)?**

August 29, 2005

11. **Why was the program created? What problem[s] or issue[s] was it designed to address?**

Hurricanes Katrina and Rita devastated the economic foundation of Louisiana. As the State's economic development agency, the Louisiana Department of Economic Development began refining and creating strategies to address the unique needs of citizens and businesses due to the catastrophic events to move Louisiana forward. It is impossible to fully prepare for each and every circumstance. However, **LED hopes that the Louisiana experience will prove to be useful to others faced with similar situations.**

12. Describe the specific activities and operations of the program in chronological order.

The progression of strategies can be categorized into three (3) stages:

- Basic Needs
- Information Collection, Analysis and Dissemination
- Rebuilding / Redevelopment

BASIC NEEDS Immediately following these disasters, Louisiana focused on basic needs: food, clothing, shelter. As consistent with any devastated region, Louisiana was dependent on the resources from outside the State. A vast and complex network of federal and State agencies, as well as charitable and religious organizations, formed to satisfy the food, clothing and medical needs of the victims. Therefore, LED became solidly engaged in providing shelter, for both individuals and businesses:

- **HOUSING** - Within days, mobile trailers were in place for victims. LED supported Louisiana businesses by initiating and coordinating with the Federal Emergency Management Agency the placement of housing units on employers' property to provide onsite employee housing to allow employees to **return to work** as soon as possible. To date, more than 70,000 units have been placed around the State.
- **CALL CENTER** – LED established an advertised call center enabling business owners a vehicle to receive information on **reestablishing their business**, including technical assistance, Small Business Administration loans, Small Business Disaster loans, and Bridge loans. This call center operated for 90 days and fielded over 2,000 calls for assistance.
- **PROCUREMENT** - Nine (9) LED staff members were assigned to assist FEMA on procurement. Efforts focused on **utilizing Louisiana companies** to provide millions of dollars worth of goods to the devastated areas. The purpose of this effort was two-fold: to shorten the distribution time, and to stabilize the economy by purchasing locally.
- **CONSTRUCTION** - More than 200,000 homes were destroyed. LED continues to make deliberate efforts to **recruit housing manufacturers** with specific focus on the low to moderate-income sector. LED recently held the Louisiana Factory Building Systems Symposium bringing together factory building systems companies, developers, architects, building materials suppliers and others engaged in the recovery efforts.
- **BUSINESS RETENTION** - LED has continued to work to insure that Louisiana businesses can connect to rebuilding opportunities. LED launched the **LouisianaForward.com** web site where businesses and contractors are able register capabilities for sub-contracting consideration and find qualified sub-contractors.
- **TECHNOLOGY - Establishment of the Center for Construction Technology** - Louisiana businesses are poised to be on the forefront of building technologies. Cutting-edge technology is combined with local home building industry, to produce the greatest number of homes in the shortest period of time.

INFORMATION COLLECTION, ANALYSIS, AND DISSEMINATION To evaluate the extent of devastation, thereby better evaluating immediate and long-term needs, LED has developed and employed creative methods to obtain an accurate Situation Analysis.

- **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 & UTILIZATION** - LED utilized the data to identify and make contact with **impacted employers** and to map businesses in impacted zones.
- **LOUISIANA BUSINESS COUNSELING CENTERS** - LED sponsored six (6) disaster recovery centers in the impacted areas. The centers **provided direct assistance**, business planning, advice on special incentives and support for long-term sustainability.

REBUILDING / REDEVELOPMENT As an economic development agency, the disasters of Katrina and Rita have provided a unique situation to improve the economy of the State, as well as the Agency. Rebuilding is much more than repairing physical infrastructure. It is re-establishing a sense-of-place within the social and business community. LED is striving to build upon the devastating blows dealt by Katrina and Rita by strengthening the professionalism and productivity of the Agency to demonstrate that **LOUISIANA IS OPEN FOR BUSINESS** with a qualified team on call. Recently the Louisiana Department of Economic Development accomplished two (2) agency goals:

- **ISO CERTIFICATION** - The International Organization for Standardization has accredited Louisiana's Department of Economic Development, making it the only state economic development agency in the United States that is ISO certified. ISO is a network of the national standards institutes in 150 countries, with a Central Secretariat in Geneva, Switzerland. To become certified, the applying company or agency must implement a system for improving service delivery to customers through quality management practices.
- **ACCREDITED ECONOMIC DEVELOPMENT ORGANIZATION (AEDO)** –The International Economic Development Council's accreditation program is a means of recognizing the professional excellence of economic development entities. The AEDO accreditation tells Louisiana stakeholders and national and international prospects that LED has attained a measure of excellence.

LED is the first state economic development agency to earn these designations.

13. Why is the program a new and creative approach or method?

There are no instructions or manuals outlining how to rebuild and rebound from such catastrophic events as Hurricanes Katrina and Rita. Louisiana Department of Economic Development's experience and the methodology employed to react and respond to an overwhelming disaster from an economic development perspective provides a framework that may prove useful to other economic development agencies facing a crisis.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

All LED staff were immediately assigned to this project. At the time, LED employed 108 people. Even employees who had lost their own homes, showed up in the office to help in this effort. Further, LED equipment and offices were utilized by not only LED, but by agencies whose offices were destroyed.

15. What are the program's annual operational costs?

Operational costs vary, depending on State and Federal funds obligated to the effort. However, LED employs two (2) full-time staff members to concentrate on the recovery of the New Orleans small business community.

The importance of entrepreneurship and innovation is recognized as an important economic engine for Louisiana. In an effort to rebuild and renew that spirit, LED has established an office in the hardest hit region of the state to expedite the grant process, as well as offer much needed technical assistance to small business owners and entrepreneurs.

The program's results to date:

- 5,600 grant applications submitted
- 1,000 loan applications have been submitted to date
- Website has received nearly 32,000 visits
- Call Center has received nearly 8,500 calls

16. How is the program funded?

Federal, State, local and private funding.

In the aftermath of Hurricanes Katrina and Rita, **four (4) funding streams**, created to assist Louisiana businesses, were placed at LED:

- a. Louisiana Bridge Loan Program - created to provide "gap funding" for businesses waiting for government assistance, insurance funds or other programs that are expected to provide a source for repayment of these loans. To date, \$55 million in gap funding is has been deployed in Louisiana.
- b. 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.
- c. 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.
- d. 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. LED established a separate Business Recovery Services division in New Orleans to manage this program patterned after the New York State 9-11 Business Recovery Program.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

LED's program did not require passage of legislation, executive order or regulations. However, numerous pieces of legislation have been passed at both the Federal and State levels to assist with the rebuilding and recovery of the impacted areas. Further, Executive Orders of Emergency Declarations were made at the Federal, State and local levels.

18. What equipment, technology and software are used to operate and administer this program?

The program is ongoing and utilizes existing equipment, technology and software as needed. There remains a need for accurate information to measure the success of recovery and rebuilding efforts, as well as to strategically plan for the next initiative.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes,
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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

No. There is no formal plan to react and respond to catastrophic events from an economic development/redevelopment perspective.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

No, the redevelopment process is ongoing and will continue for many years.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

In spite of the devastation, Louisiana has enjoyed many successes:

- **BUSINESS RETENTION / EXPANSION AND RECRUITMENT** - In 2006, LED can boast of **48 projects**, representing over **\$11 billion** of capital investment, **8,577 new jobs**, and **2,621 retained jobs**.
- **LOUISIANA FILM INDUSTRY** - In 2006 there was over **\$700 million in production** for the entire year of 2006. Since the hurricanes, there have been 28 major productions, numerous documentaries, commercials and smaller budgeted projects.

Further, LED has helped Louisiana make great strides in business recovery. The hurricanes negatively impacted 81,000 businesses. Since then, 62,000 have reopened. However, 11,000 businesses remain closed. While 1.3 million residents were evacuated, it is estimated that 300,000 remain displaced.

23. How has the program grown and/or changed since its inception?

This program must remain fluid to be effective. Strategies must be altered as accomplishments are achieved, and as new challenges are presented. Further, the economic and political environment is ever-changing presenting new opportunities and obstacles.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Every catastrophe is different, as is every economy, culture and community. However, the basic framework of this model is easily adaptable:

1. Basic Needs – immediately following a disaster, focus on basic needs: food, clothing, shelter.
2. Information Collection, Analysis and Dissemination - evaluate the extent of devastation, thereby better evaluating immediate and long-term needs.
3. Rebuilding/Redevelopment - Rebuilding is much more than repairing physical infrastructure. It is re-establishing a sense-of-place within the social and business community.