

Building Economic Resilience in the REDC Region



Best Management Practices for
Municipalities and Small Businesses

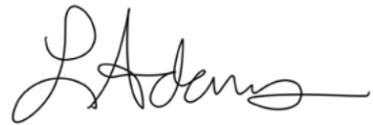
Table of Contents

2	Acknowledgments
2	About the REDC
3	Introduction
4	What is Resilience?
6	Economic Resiliency Planning for Municipalities
10	Resiliency Planning for Small Businesses
12	Assistance for Municipalities and Small Businesses from the REDC
13	Additional Resources for Resiliency Planning

Acknowledgments

The Regional Economic Development Center (REDC) is pleased to provide this new resource for municipalities and small businesses in our region as we work together to recover from the COVID-19 pandemic. With grant funds from the United States Department of Commerce's EDA CARES Act Recovery Assistance, the REDC had developed *Building Economic Resilience in the REDC Region – Best Management Practices for Municipalities and Small Businesses* to assist in the region's recovery and to support resiliency planning.

The REDC is committed to building a resilient, inclusive, and equitable regional economy through our work with small businesses and local government. I look forward to working together to make southern New Hampshire a better place to work and live.



Laurel Adams
President, REDC

About the REDC

REDC, a not-for-profit organization incorporated in 1994, seeks to promote responsible, sustainable, economic development activities within its southern New Hampshire-based region. REDC's focus is on creating jobs for low- to moderate-income people by accessing alternative financing for business and industrial expansion or relocations, which in turn provides tax relief for our communities and region. REDC operates several multi-million dollar loan funds, which facilitate our job creation and retention goals through alternative lending. REDC also offers no-cost business advising to entrepreneurs starting or growing a business in New Hampshire.

www.REDC.com

Introduction

The COVID-19 pandemic has highlighted the need for municipalities and businesses to work together to be better prepared for periods of prolonged economic disruption. Prior to the pandemic, communities and businesses had plans in place for maintaining operations during short-term disruptions, such as flooding and winter storms. The pandemic pushed many of these plans to the limit and found them wanting.

In response, the Regional Economic Development Center (REDC) has developed this guide to provide municipal and small business leaders with recommendations for building greater resilience to economic disruption, with the goal of supporting growth that is more equitable and inclusive, enabling our communities to be better prepared for the future.

This guide is designed as a workbook, with checklists and resources to identify the policies and practices that can make our communities more resilient. Recovery activities are locally driven, and research shows that communities that have engaged in

planning in advance of a disaster are able to move forward more quickly and with more positive outcomes, creating new economic opportunities.

Building economic resilience is a shared responsibility between governments who must create the right policies, plans, and infrastructure investment; businesses who ensure the functioning of our economy; communities and civic institutions who should be flexible, responsive, and robust; and organizations and individuals who must adapt and cope.



What is Resilience?

Resilience is the ability to respond, adapt, and recover from the challenges of a sudden shock such as a natural disaster or pandemic.

Resilience is often described as “getting back to normal,” but the impacts of the COVID-19 pandemic have been felt disproportionately by many community members, resulting in an expanded definition of resilience that includes building more equitable and inclusive communities as we learn, adapt, and improve.

Increasing resilience to disruptive events begins with municipalities and local businesses working together on pre-disaster preparedness, mitigation, and recovery capacity building. Combined, these efforts can create resilient communities with an improved ability to withstand, respond to, and recover from disaster. Note that the onset of a disaster is not the time to form partnerships; connections need to be made beforehand.

✓ Characteristics of Resilience:

- ✓ Spare capacity, which ensures that there is a back-up or alternative available when a vital component of a system fails.
- ✓ Flexibility: the ability to change, evolve, and adapt to alternative strategies in the face of disaster.
- ✓ Limited or “safe” failure, which prevents failures from rippling across systems.
- ✓ Rapid rebound: the capacity to re-establish function, re-organize, and avoid long-term disruptions.
- ✓ Constant learning: the ability to internalize past experiences linked with robust feedback loops that sense, provide foresight, and allow new solutions as conditions change.

Resilience goes beyond risk management; it is more than coping or short-term survival. Instead, resilience is aimed at sustaining and enhancing the capacity to adapt to uncertainty and surprise. Resilience is what we pursue in the stretches between disruptions and disaster. The shocks may not decrease over time, but the time it takes for our communities and businesses to recover between them should.



Resiliency planning is:

- ✓ Locally driven: local governments, businesses, and community members have primary responsibility for many resiliency planning decisions, investments, and actions.
- ✓ Broad and inclusive: preparedness is a shared responsibility and deliberate planning is needed to ensure participation of all members of the community.
- ✓ Built upon and integrated with other community plans: master plans, hazard mitigation plans, housing plans, economic development strategies, and other planning documents that represent shared priorities and a wide range of goals for the community.

Guiding questions for building economic resilience include¹:

- ✓ Resilience of what? Think about business and community resilience as beneficial.
- ✓ Resiliency to what? Identify the threat or shock. Consider the threats beyond the pandemic, such as natural disasters or changes to workforce.
- ✓ Resilience for whom? Consider the beneficiaries of this work and consider how you might include everyone.
- ✓ Resilience for what? Identify your goal such as a better bottom line, jobs, social benefits, and community vibrancy.

¹Australian Agricultural and Resource Economic Society AARES 2015, Dinh and Pearson, 2015

Economic Resiliency Planning for Municipalities

The COVID-19 pandemic highlighted the vital role local government plays in our day to day lives, operating on the front lines of the response to a global public health and economic crisis. Indeed, local government is not the lowest form of government, but the highest form of coordination and advocacy for the needs of our communities. Local officials met challenges brought on by the

pandemic by being flexible, innovative, and by strengthening connections with their business community and vulnerable community members.

To assist municipalities with resiliency planning, the REDC has developed the following recommendations to guide your work, listed on pages 7, 8, and 9. These recommendations vary in scale and are not listed in order of importance.

Spotlight

Local Hazard Mitigation Plans - FEMA requires every municipality to have a Natural Hazards Mitigation Plan which identifies the natural hazards, including infectious disease, which pose a threat to public health and safety. Most of these plans do not specifically address disruptions to the local economy brought on by hazard events. In addition, very few communities in our region have staff tasked to plan, prepare for, or manage an economic crisis, and there is often little coordination between local emergency management and economic development staff. The time has come for municipalities and business leaders to work together to address economic resiliency as well as hazard preparation.



General Governance:

- Adopt NH RSA 31:95-b relative to authorizing the town to apply for, accept, and expend unanticipated money from the state and federal government and private sources. <https://gencourt.state.nh.us/rsa/html/III/31/31-95-b.htm>
- Adopt NH RSA 79-E relative to Community Revitalization Tax Relief Incentive. <https://www.gencourt.state.nh.us/rsa/html/v/79-e/79-e-mrg.htm>
- Ensure a quick response to emergency declarations and an accurate assessment of damages to seek emergency funds and other resources.
- Develop an organizational understanding of cybersecurity to manage risk to systems, people, assets, data, and capabilities. Cybersecurity is synonymous with resiliency and local governments are targets for cyberattacks. NH Municipal Association, Cybersecurity and Municipal Governments. <https://www.nhmunicipal.org/town-city-article/cybersecurity-and-municipal-governments>
- Establish a capital reserve fund, per NH RSA 35 (towns) <https://gencourt.state.nh.us/rsa/html/III/35/35-mrg.htm>, or NH RSA 34 (cities) <https://gencourt.state.nh.us/rsa/html/III/34/34-mrg.htm>, to set aside money to help offset significant future expenses.
- Provide resources for disaster preparedness, pre-disaster mitigation, and recovery for residents and businesses in a central location on municipal website and share information on social media.
- Develop a communications plan to expedite the sharing of critical information with residents and businesses. Ensure the plan includes how to reach disadvantaged groups in the community, including non-English speakers.
- Develop a municipal workforce retention plan that includes clearly stated employment policies and enables flexible work opportunities
- Ensure municipal data is backed up and secure in real time and offsite.
- Provide municipal staff with laptops and tablets that are enabled for wireless connectivity.



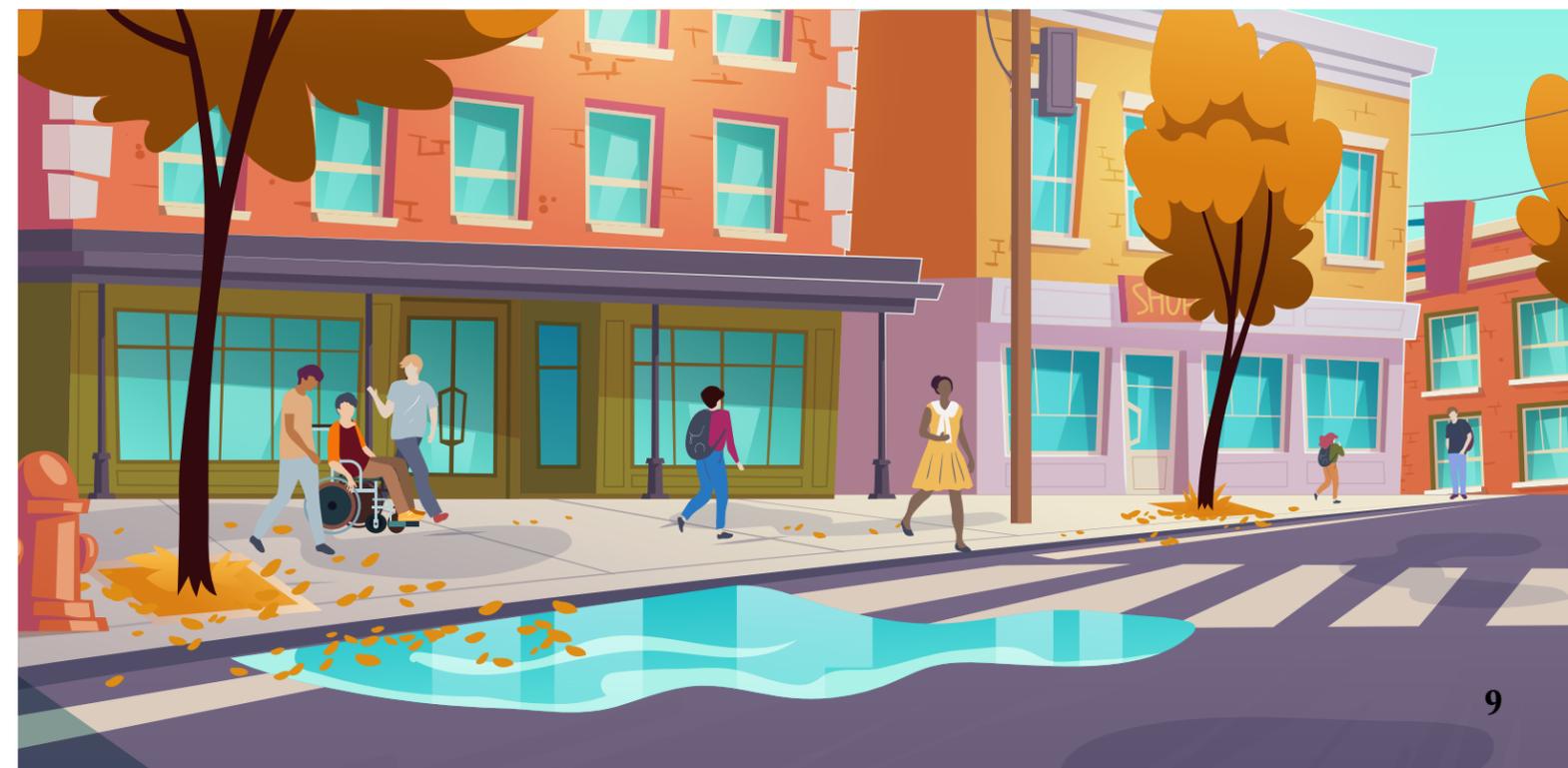
Community Planning and Economic Development:

- Establish a local business contact list and update frequently.
- Create a business-friendly environment that encourages and recognizes innovation and entrepreneurship.
- Develop a business retention strategy that includes communicating and collaborating with local businesses. Check-in with local businesses on a regular basis to identify issues. If your community does not have economic development staff or an economic development committee, identify another staff member or a committee that can serve as an ambassador to local businesses to establish and maintain communication.
- Enable a diverse housing stock to support a diverse and equitable community and workforce.
- Serve as a resource to local businesses as they develop their resiliency plans.
- Streamline post-disaster regulatory processes for planning, zoning, and other municipal review.
- Develop a “buy local” program that engages local resources in disaster preparedness, response, and recovery. Adopt a local first procurement policy and encourage residents to shop locally to keep money in the community.
- Enable flexibility in zoning and building requirements and streamline permitting processes, including enabling changes in use and extending operations into public spaces such as sidewalks, streets, parking lots, and parks.
- Identify and build local and regional supply chains.
- Include efforts to diversify industries in your resiliency planning.
- Increase awareness of the connection between resilience and economic vitality and growth by incorporating economic resiliency planning into master plans, capital improvement programs, hazard mitigation plans, vulnerability assessments, transportation planning, housing assessments, health and welfare planning, and other municipal planning efforts. Work with your regional planning commission to identify additional opportunities for resiliency planning. www.nharpc.org
- Participate in regional economic development stakeholder groups, including the REDC Comprehensive Economic Development Strategy (CEDS) planning process.



Emergency Management:

- Conduct an assessment of economic disruption, including the physical damage to property, infrastructure, and natural resources, as well as economic damage to the local economy in the form of job loss, loss of wages, tax revenue loss, and business closure and interruption.
- Incorporate economic resiliency planning into hazard mitigation planning and emergency response.
- Engage the business community in pre-disaster mitigation and disaster preparation, and serve as a resource for businesses that are developing resiliency plans.
- Include economic development and health and welfare staff in emergency response planning. This will ensure vulnerable populations are addressed in economic development work and natural hazards are incorporated into economic development planning.
- Complete a Continuity of Operations Plan (COOP) that is understandable, flexible, and exercisable. NH Homeland Security and Emergency Management - Continuity of Operations Planning Guide. <https://www.nh.gov/safety/divisions/hsem/Planning/coop.html>
- Utilize the FEMA Pre-Disaster Recovery Planning Guide for Local Governments. <https://www.fema.gov/sites/default/files/2020-07/pre-disaster-recovery-planning-guide-local-governments.pdf>



Resiliency Planning for Small Businesses

Resiliency planning for small businesses includes mitigating the loss of cash flow during a business interruption, such as the COVID-19 pandemic, enabling the business to continue. Interruptions can include employees unable to work, decreased foot traffic, supply chain disruptions, and event closures. Small businesses have plans in place for marketing, finance, operations, and management, and

resiliency planning needs to be incorporated into all these plans.

To assist small businesses with resiliency planning, the REDC has developed the following recommendations to guide your work. These recommendations vary in scale and are not listed in order of importance.



Recommendations Checklist

- Prepare a Resiliency Plan to identify potential threats to business operations. Small Business Development Center - Small Business Resiliency Guide. <https://americassbdc.org/wp-content/uploads/2020/04/Business-Resiliency-Guidebook-4-10-2020.pdf>
- Consult municipal emergency management directors and town/city hazard mitigation plans to identify risks to your business, and to identify resiliency plan actions and resources.
- Ensure you have employees trained to implement the resiliency plan.
- Develop communications plans for your employees and your customers.
- Develop a strong relationship with municipal officials, chambers of commerce, and local and regional business and economic development organizations. Seek their advice when drafting your resiliency plan. Let them know what your business needs to succeed.
- Maintain a solid banking relationship.
- Develop and maintain a website that is easy to update and keep your website up to date.

- Securely back up your data in real time and off-site, including supplier contact information, contracts, and monthly financial reports.
- Provide staff with laptops and tablets enabled for wireless connectivity.
- Identify additional distribution channels: pop-up shops, leasing space inside complementary businesses, mobile sales, wholesale sales. Consult economic development and business advising professionals to identify opportunities.
- Develop an organizational understanding of cybersecurity to manage risk to systems, people, assets, data, and capabilities. Cybersecurity protocols NH Small Business Development Center – Cybersecurity resources. <https://www.nhsbdc.org/cybersecurity>
- Maintain business interruption insurance with a natural disaster waiver.
- Complete a Continuity of Operations Plan (COOP) that is understandable, flexible, and exercisable. NH Homeland Security and Emergency Management - Continuity of Operations Planning Guide. <https://www.nh.gov/safety/divisions/hsem/Planning/coop.html>
- Establish an emergency fund.
- Develop a workforce recruitment and retention strategy.
- Conduct an annual review of diversification opportunities.
- Develop a marketing plan that includes managing marketing communications in a time of crisis.
- Develop a list of alternative suppliers and logistics.

Natural and man-made disasters can strike at any time. Without any warning, a disaster can disrupt the operation of government and business, negatively impacting local economies. Regardless of the disaster, resiliency planning can ensure a community is better equipped to respond, recover, and create new economic opportunities.

Assistance for Municipalities and Small Businesses from the REDC

Municipalities

Municipalities in the REDC region are encouraged to participate in the development of the annual Comprehensive Economic Development Strategy, known as CEDS. The REDC CEDS is a plan that outlines our region's economic development needs and goals and can serve as a foundation for economic resiliency planning in the region. The CEDS is developed with broad-based and diverse community participation that identifies the economic potential of the region. The strategy is designed to promote resilient and sustainable economic development and includes priority economic development projects brought forward by towns and cities in the REDC region.

www.redc.com/ceds

Small Businesses

The REDC offers no-cost business advising to start-ups, growing companies, and aspiring entrepreneurs. Business advising services include:

- Alternative financing and financial packaging recommendations
- Credit preparedness
- Business plan development
- Brownfields redevelopment funding
- NH New Americans Loan Fund
- Business financials
- Partnerships
- Market research
- Employee guidance
- Exporting and importing support
- Logo and brand development
- Graphic design of marketing materials
- Website design and tutelage
- Video creation and editing

A full description of the REDC's business advising services is available on the REDC website: www.redc.com/businessadvising

Additional Resources for Resiliency Planning

British Columbia Economic Development Association – Economic Recovery and Resiliency: A Toolkit for Local Leaders and Economic Development - https://www.bceda.ca/docs/2020_BCEDA_Economic_Recovery_Resiliency_Toolkit_FINAL.pdf

Institute for Local Self-Reliance – Safeguarding Small Business During the Pandemic: 26 Strategies for Local Leaders - https://ilsr.org/wp-content/uploads/2020/07/ILSR_26PandemicTakeaways_LR.pdf

NH Small Business Development Center and UNH Cooperative Extension – Resiliency Academy for Small Business and Communities - <https://www.nhsbdc.org/resiliency-academy>

Resilient Nashua Toolkit – an example of a municipal website focusing on pre-hazard mitigation and resiliency planning - www.readynashua.org

New Hampshire Innovative Land Use Guide – provides a wide-variety of sustainable and adaptation planning model land use regulations - <https://www.nh.gov/osi/planning/resources/innovative-land-use-guide.htm>





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