

If You “Re”-Build It, They Will Come: The Recovery and Rebuilding of Northwest Florida

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Daily newspaper headlines read “Ivan Roars Ashore”, “Nightmare”, and “Devastating” in the Pensacola News Journal this past September (Pensacola News Journal, 16, 17, & 18 September 2004). Hurricane Ivan struck Northwest Florida and Lower Alabama as a Category 3 hurricane with winds of 140 mph and wind gusts of 100 mph hitting downtown Pensacola. Ivan’s effects will linger for years, even decades, after physically reshaping much of Florida’s Escambia and Santa Rosa counties and the lives of the people who live there. Enter Rebuild Northwest Florida (REBUILD), a public/private partnership created to coordinate need-based recovery efforts for these two counties. What can be accomplished by an organization such as this? Will REBUILD be able to meet its mission? What does the future hold for this organization?

INTRODUCTION

The following case begins with a documentary paraphrasing descriptions and events from mid-September 2004 when Hurricane Ivan struck the gulf coast’s Northwest Florida panhandle. Rebuild Northwest Florida, an organization committed to repairing the homes of economically disadvantaged region residents, photographed and produced video tapes documenting the disaster and its impact to the area. The tale of Hurricane Ivan being told has been documented and paraphrased from the Rebuild Northwest Florida’s website www.rebuildnorthwestflorida.com.

CATASTROPHE

Living on the Gulf of Mexico, people of Northwest Florida knew it was coming some day. Over the years, they have experienced it many times before or at least thought they had. The residents got ready and took cover but nothing could have prepared them for what was about to happen and that at the time, being the fourth-worst disaster in U.S. history.

Anyone living in Northwest Florida will never forget September 16, 2004, the day a

hurricane named Ivan came on shore. The eye of Hurricane Ivan arrived with winds exceeding 140 miles per hour. Accompanying this storm was a 13-foot storm surge that ripped several 220-ton sections from the Interstate-10 highway bridge spanning Escambia Bay. Besides the severe winds and crippling storm surge, more than 100 tornadoes were sparked and impacted Escambia and Santa Rosa counties in Florida as well as many other counties in other states for several more hours. In fact, Hurricane force winds hit Montgomery, AL which is 150 miles in land.

The 400,000 residents of Escambia and Santa Rosa counties were in total disbelief after Hurricane Ivan made landfall. Their “world” now encompassed over 75,000 homes being damaged, 50,000 people displaced, and more than 37,000 of these homes belonged to families with household incomes of less than \$30,000 per year. The storm surge flooded the main wastewater treatment plant allowing over twelve million gallons of raw sewage to spill into the streets of Pensacola, Florida. With ninety percent of the area being without power and tens of thousands of people having no running water a Federal Disaster Area was immediately declared.

Damage was everywhere; local hospitals incurred damages of more than \$50 million, the Pensacola regional Airport closed down operations due to infrastructure damage, and all major bridges into Northwest Florida were deemed impassable and unsafe. The area became isolated because there was virtually no way in or out of the area. People began standing in lines for hours for any assistance they could get. Even President Bush made a personal visit to the area to assess the situation. In only a few days after Hurricane Ivan struck the city of Pensacola, the Federal Emergency Management Agency (FEMA) and the Florida National Guard was airlifting in water, ice and food that included more than 70,000 Meals Ready-To-Eat (MRE). The landscape changed dramatically with the U.S. Army Corps of Engineers distributing more than 120,000 blue tarps. After FEMA or the homeowners placed the tarps on their roofs, this provided a temporary means of keeping their homes from leaking.

With four hurricanes hitting Florida in 2004, Hurricane Ivan was seen by many as the worst. Personal observations of this storm include:

“I worked hurricanes Frances, Jeanne, and Ivan. And the degree of damage in Pensacola was more severe. There were more buildings that were leveled. What happened here was different and more devastating than what happened in the rest of the state. The damage here was a lot more drastic.” - Candy Newman, FEMA Case Worker.

“There is no close second. I’ve seen my share of hurricanes come through. But

nothing like this. It's unbelievable what Ivan did to you." - Allan Bense, Florida Speaker of the House.

"People outside of this area are not aware of how bad it is. I've traveled to Third World countries. This looks like a nuclear bomb went off in a Third World country." - Greg Posey, Mountain Home Arkansas and Church of Christ disaster relief team member.

Two months after the hurricane, unemployment claims were still eight times higher than average because of damage to the community's infrastructure and business sector. Even today thousands of families do not have the financial means, government assistance, or insurance to adequately repair their homes. This is why Rebuild Northwest Florida was needed and formed.

As of today, Hurricane Ivan is listed as the sixth-worst disaster in U.S history in terms of insured losses, at an estimated \$6 billion according to the Insurance Information Institute (III) (Pensacola New Journal, December 5, 2004, p.29). Because III only compiles wind damage, the estimated \$3-4B losses caused by flooding may make Ivan the hurricane season's most costly (\$9-10B) and the fourth-worst catastrophe in U.S. history (Pensacola New Journal, December 5, 2004, p. 29). Looking back, organizations, resources, people, and capital were all impacted one way or another that day.

THE RECOVERY: FORMATION OF REBUILD NORTHWEST FLORIDA, INC.

In October of 2004, a local Pensacola community leader hosted a meeting with "We Will Rebuild," an organization that led the long term recovery of the City of Homestead, Florida, and surrounding area after Hurricane Andrew in 1992. Many community leaders were present, and a subsequent decision was made that the Northwest Florida area needed a similar commitment to long-term recovery in addressing and fully recovering from the damage done by Hurricane Ivan. Having been warned that many people will have no means to recover—little/no income and no insurance—Rebuild Northwest Florida (REBUILD) was born. REBUILD was incorporated as a 501(c)(3) corporation not-for-profit on January 20, 2005—approximately four months after Ivan came ashore and about one month after the decision to form the recovery organization. The essential goal was to become the largest construction company in the area. The "company" is a not-for-profit organization primarily using funds donated principally from outside the area and through the use of non-paid volunteer labor.

REBUILD NORTHWEST FLORIDA'S MISSION STATEMENT

REBUILD Northwest Florida is a public/private partnership existing to coordinate need-based recovery initiatives for citizens of Santa Rosa and Escambia Counties impacted by Hurricane Ivan. This is a collaborative effort including private citizens, non-profit organizations, interfaith communities, government entities and businesses which will assist individuals and families in restoring their lives primarily, but not exclusively, by rebuilding and fortifying their homes.

The main activities identified in the mission statement were: 1) the coordination of collaborative need-based recovery efforts 2) to REBUILD and 3) to fortify homes in the two county—Escambia and Santa Rosa—area. In essence, the gap that REBUILD was designed to fill was the repair of single-family, owner occupied housing that the owners did not have the means to complete. In order to accomplish this mission, a whole new organization needed to be formed.

FORMING THE REBUILD NORTHWEST FLORIDA ORGANIZATION

In order to accomplish its mission and meet the area's growing needs, many local leaders—especially business and not-for-profit leaders—banded together to donate time and effort to this project. Exhibit 1 (REBUILD Need Determination Process) and Exhibit 2 (Initial Organization Structure) summarize the initial work being done to begin the needs assessment and the organization structure of REBUILD. The initial organization chart represents the “theoretical” organization that was formed. As the organization developed since the storm, it became obvious the community could not rely totally on government at all levels or the construction industry to rebuild the Florida Panhandle. A working organization and structure was needed and it was needed fast.

At the top of the list of people working to lead and establish the REBUILD organization was Walter “Buzz” Ritchie, CEO of Gulf Coast Community Bank in Pensacola. Ritchie had served eight years in the Florida legislature and retained several contacts in the state capitol. The “vice president” of REBUILD housing was Garrett Walton of the Heron's Forest Development Company and a licensed attorney. Walton also served as co-executive director of REBUILD on a full-time, volunteer basis. REBUILD's “vice-president” of public information was Richard Appleyard. He was also the president of the Appleyard Advertising Agency, whose wife, Carolyn, also volunteered to serve as a co-executive director of REBUILD on a full-time, volunteer basis.

Besides putting together a functional organization, the immediate problem faced by the Northwest Florida area, and by REBUILD specifically, was the timely repair of thousands of damaged Florida Panhandle homes. At that time and even today,

the exact dimension of the problem was not totally known, but it was certainly immense. Estimates varied with regard to number of damaged homes that needed, mostly roof repairs, to be inhabitable. The State's Hurricane Housing Work Group confronted a total of four major hurricanes in the same year. In Escambia and Santa Rosa Counties, it was estimated that 75,072 (about 44% of the total housing stock) experienced hurricane damage and that 37,660 (approximately half of the damaged homes) were owned by families with incomes of \$30,000 or less. This became the likely target group for REBUILD. One reason that such a high percentage of damaged homes were occupied by low income families was because Escambia had the highest rate of poverty for all Florida counties with populations over 250,000. As such determining individual "need" became a very complex process (See Exhibit 1). REBUILD now needed to determine which resources were necessary and how to access the resources in order to begin the recovery.

RESOURCES NEEDED FOR REBUILD NORTHWEST FLORIDA

Effective organizations dealing with complex situations must have resources involving financial, human and intellectual capital. In order to collect these various types of resources, REBUILD turned to traditional and non-traditional sources to assist their acquisition. Perhaps because REBUILD was primarily led by community business leaders, they understood what was generally needed to execute their plan.

Financial Capital: REBUILD leaders knew that over thirty seven thousand homes may need to be repaired. It embarked on an ambitious five-year plan to make the necessary repairs to more than one-fifth of the area's total housing stock. They estimated that perhaps at least \$20 million would be needed to complete the task and they solicited assistance from many areas. Bankers and developers were among the REBUILD leadership, but also, fund-raisers and advertising executives were assembled to help lead the way. Since various grants would be available to the REBUILD, help from the local University of West Florida was requested to assist in making appropriate grant applications. There would also be sources of state and local government funding for recovery. Another unique resource in the Florida panhandle was Larry Butler, who had retired as a country music producer and moved back to his hometown area. REBUILD consistently worked all possible resources of financial capital, detailed below.

Fundraising. The initial, maybe lofty, projections hoped that REBUILD could raise at least \$20 million nationwide. In fact, the first approach was to solicit the vast bulk of these funds from national sources outside the local area. A major reason for this external, national focus was because these were not large, wealthy counties in the immediate area with a lot of local venture capital. Also, there were other non-

profits, such as Red Cross, Catholic Charities, United Ways, Habitat for Humanity, etc. which were collecting local donations for dealing with the consequences of Hurricane Ivan as well. The problem was further exacerbated by the fact that many people in the local area who were able to do so were using their personal financial resources to recover themselves from Ivan, so their ability to donate to the local recovery was therefore limited.

Traditional sources of funding were approached. These sources included both local and national connections. In fact, national sources of funding were reluctant to contribute unless local funders came to the table first. And, as was obvious, time was of the essence, since disaster fundraising competes, at least implicitly, with other potential disasters in the unforeseeable future.

Many companies and foundations contributed money to REBUILD. Among those included were Daimler-Chrysler, Cox Cable, local news organizations, law firms, banks, the Southern (power) Co., colleges and banks, to mention a few. These organizations usually wrote checks for 25 to 50 thousand dollars. Nearly \$2 million was raised during the first twelve months. Other organizations made donations of furniture for damaged homes and for the REBUILD office furniture. Office supplies, telephone equipment, cell phones, vans and trucks, and importantly, office space was secured in non-cash donations to the REBUILD effort. Impressive as this fundraising effort might be, it was short of the estimated \$20 million that was needed and it was limited by other international and national disasters that came later during the next year. For example the Asian tsunami and Hurricanes Dennis, Katrina, Rita, and Wilma diverted attention from Hurricane Ivan and made it, as one person mention, “look like a thunderstorm.”

Fundraising also includes special events. One such source has been concerts designed for the Florida Panhandle. Country music producer, Larry Butler, had retired to his hometown, Pensacola. He had won a Grammy for producing Kenny Rogers as a country music artist. He got Rogers and another famous performer, Willie Nelson, to perform benefit concerts that collected about \$400,000 for the REBUILD effort. Nelson had responded, “Of course I’ll help, Larry, but where is Pensacola?” Other concerts and events were also scheduled which named REBUILD as the beneficiary, and they added even more money to the REBUILD coffers. These events not only raised financial resources but they brought visibility to the REBUILD effort and improved overall community spirit in the aftermath of the disaster.

Grants. Many grants are available for building/rebuilding homes and many new grants were being made available for hurricane damage in Florida. The State of

Florida, never anticipating another major hurricane, had already committed its unencumbered funds from its State Housing Initiatives Program (SHIP) (approximately \$5 million) to South Florida recovery from Hurricane Charley. And later, state government began to raise other funding and make those funds available to hurricane damaged communities throughout the state. Some of these funds came from organizations like Home Depot, Bank of America, and others sources. These monies were being distributed through Volunteer Florida, although this organization had not normally previously accomplished this type of program funding effort, it did have a capacity to administer these or similar programs.

Many of those grant programs had traditional requirement for the establishment of 501(c)(3) organizations with at least a two year history and an audited track record. This is a logical approach to avoid funding brand new, fly-by-night organizations that might apply for support. While REBUILD was an official non-profit, it did not have a history of success or an audit trail due to its young age. REBUILD being a new organization and not having a financial history was at a disadvantage competing with Habitats for Humanity, the Red Cross, and others for these funding sources. REBUILD successfully applied for \$1 million in Home Again funding through the Florida Housing and Finance Corporation to repair the homes of needy homeowners. Most of the applications for these funds were to construct new homes through contractors or Habitat for Humanity. The repair of homes through volunteer labor did not exactly “fit” using this agency. It was often hard to justify repairs to existing homes since these homes could have elevated home values beyond the maximum housing value allowed under this grant. Many times, for example, unemployed, elderly local residents who lived in their family homesteads were simply told to apply for a loan using this fund to fix their house and roof. The presumption is that they did, but there is no way to verify this.

The State of Florida has also been making “mitigation” funds available to retrofit older homes to withstand hurricane force winds. These mitigation funds are not specifically to repair hurricane-damaged homes, but they can be used to support efforts to “harden” those dwellings. The eligible expenditures include shutters, doors, hurricane clips and bracing that are appropriate for reducing future storm damage. The funding available is several million dollars and REBUILD applied for grants on average of \$20 million. “Fortifying” or hardening homes is part of the REBUILD mission, but making repairs to the housing stock was always the first priority. One issue with grants can be that, especially with large grants, they can begin to dominate an organization’s activities or even its mission.

Another source of grant funding is the availability of a new round of State Housing

Initiatives Program (SHIP) funding to repair economically depressed neighborhoods. The total amount of funds earmarked for Escambia and Santa Rosa Counties approached \$40 million. But, these funds are distributed through local governments, and they are not specifically distributed to organizations like REBUILD. As such, REBUILD would have needed to make application or be requested by the specific city and county governments to make those repairs.

Human Capital: Hurricane Ivan struck in mid-September, leaders came together in November and REBUILD was legally established on January 20, 2005—approximately four months after the disaster. The original plan was to use volunteer labor from outside the area, but someone needed to organize those efforts and that responsibility fell to REBUILD. Most volunteers were members of church missions. Originally, REBUILD anticipated having one hundred or more volunteers on the ground every day.

Most of the original REBUILD team were volunteers with some full time and some part-time. Only the construction manager was hired full time from the beginning. The construction manager had recently retired as the Commanding Officer of Whiting Field and he had an advanced degree in construction. Workforce EscaRosa is a jobs program that was used to employ other staff, such as clerical. Workforce EscaRosa funding could be used to employ staff for six months at approximately \$12 per hour. 120 assessors were also employed through Workforce funds, and they went through the community block-by-block to assess the likely levels damage and notifying people of REBUILD's existence and purpose to assist them in recovery. To maintain its efforts, REBUILD might need to evolve from a virtually all volunteer organization to a salaried management work force.

Through October 2005, 104 different organizations volunteered to assist with the REBUILD recovery effort. In total, 1478 volunteers arrived and contributed 46,100 hours of effort. That represents the rough equivalent of 27 full time employees over the six-month period. These volunteers were largely church groups, from as far away as Michigan and Wisconsin. A few universities, e.g., Georgia Tech, also sent groups to assist. Sometimes, however, people who were sent were not able to physically donate effort to demanding roof work and mitigate the major effort faced in the recovery effort.

Over time, REBUILD transitioned from a primarily volunteer organization during its first 3 to 4 months of operation to one with a salaried, mostly full-time, workforce of fifteen on the management team. Most of the professional staff received remuneration but there was a growing need to speed up the recovery by contracting with a

local roofing firm. Working with volunteers also presents a special set of issues for management. In the case of volunteers, workers may work when and at whatever level they desire. Due to this experience, it was determined the recovery effort was moving a little too slowly for local comfort.

Intellectual Capital: Having both local and national volunteer labor is a great start for REBUILD, but what is needed is the knowledge and intellectual capital necessary for disaster recovery. There were many places to find this help. Some was local and some was national. Dale and Jean Peercy, from Texas, were construction coordinators who volunteered through Lutheran Disaster Services. They had worked on recoveries from Hurricanes Floyd and Claudette as well as Tropical Storm Allison. Ray Elsberry was a professional warehouse manager provided through the Seventh Day Adventist Community Service/Disaster Response. Major Ooten was a communications and computer technician provided through Lutheran Disaster Services. Locally, Cathy Strader was the volunteer coordinator. She had a long record of being an American Red Cross volunteer coordinator, including being the coordinator of local volunteers in response to 9/11 in New York City. George Rogers had recently retired as the City of Pensacola Director of Building Inspections and more recently worked with the mitigation efforts of the Florida Extension Service. He brought expertise with regard to the building code and mitigation (or hardening) requirements.

WHERE IS REBUILD NOW?

Several months passed after the storm and REBUILD is continuing to play a lead role in assisting repairing roofs and houses in the Northwest Florida area. However, it is now time to evaluate where REBUILD stands with its critical resources and what it needs to do to continue operating in the future.

Financial Capital. REBUILD realized early on how critical financial capital was for the recovery. The size and the sources of revenues were not being realized, but the fund raising efforts are necessary. REBUILD also realized the criticality of accounting for the funding it received and its auditing committee and procedures were lauded by the State Comptroller's Office. REBUILD did not rely just on government funding, but undertook a multi-pronged approach. It realized that it needed a fund raising effort, a grants department, and it successfully received help from the local, University of West Florida, until a more permanent full-time grant department could be "stood-up."

Human Capital. For REBUILD's first four months of official non-profit existence, it relied primarily on volunteer staff. As fundraising began to succeed, REBUILD naturally transitioned to a paid staff operation. While REBUILD's original concept

was to use volunteer and out-of-town labor, this labor pool proved to be inadequate to meet its goals. So, a local roofing company was contracted to speed-up the repair and construction, largely re-roofing, of damaged housing in Northwest Florida. Intellectual Capital. REBUILD gathered during the initial recovery days, a group of experts some who were part of the local construction industry and some who had participated in other disasters and are knowledgeable mitigation techniques. This shortened the learning curve for locals in developing that needed expertise.

THE FUTURE

The leaders in the REBUILD organization have done tremendous work as a not-for-profit volunteer organization trying to get Northwest Florida back on its feet. However, as we are now eight months after Hurricane Ivan what must this organization do as it continues its mission, capital development, and efforts to recovering Northwest Florida.

DISCUSSION QUESTIONS

1. What is that you like or dislike about the Rebuild Northwest Florida approach? Does it represent a “quick fix” or “band-aid” for the ills in the Northwest Florida region or does REBUILD attack the roots of the problems that exist?
2. What three things impress you most about REBUILD?
3. How well has REBUILD been performing from a financial perspective? Describe the financing capital efforts. Which one is most difficult?
4. What can REBUILD do to improve the human and intellectual capital of the organization?
5. What problems do you foresee in sustaining REBUILD into the future? What additional effort should REBUILD try to take and counter a reduced focus on Hurricane Ivan damage and issues?
6. Comment on how addressing REBUILD’s identified issues and lessons learned are critical for the organization’s survival in the future?

REFERENCES

Pensacola News Journal. (2004). "You Got Hit the Hardest." December 5. Section 1 pp.1-31.

Rebuild Northwest Florida. Website <http://rebuildnorthwestflorida.com>

ADDITIONAL READINGS

State of Missouri Community Organizations Active In Disaster: Guidance Manual, Revised January 1, 2002, sema.dps.mo.gov/COAD.pdf

Northwest Voluntary Organizations Active in Disaster: Meeting Relief and Recovery Needs within a Cooperative Framework: <http://resources.nwvoad.org/>

EXHIBIT 1
Rebuild “Need” Determination Process

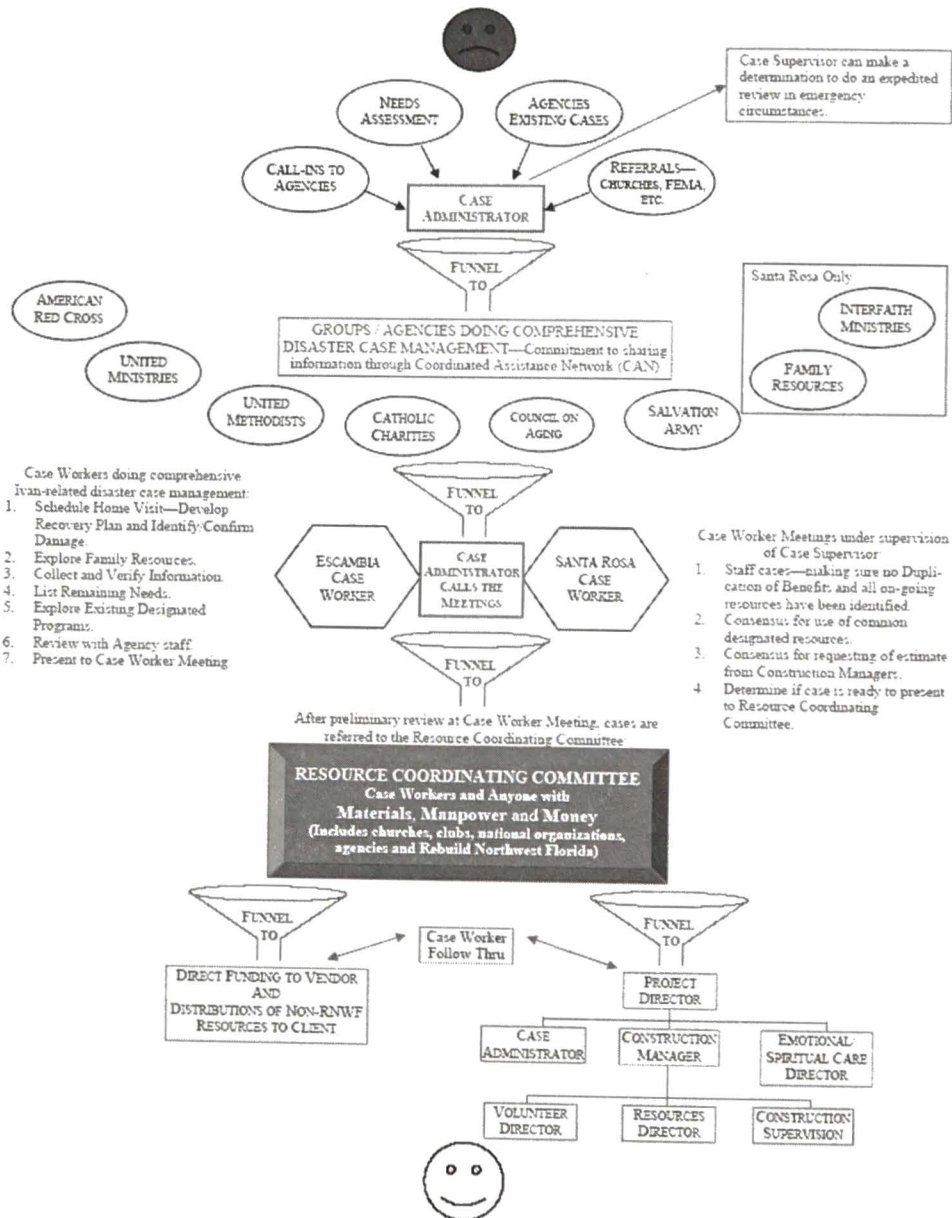


EXHIBIT 2

Original REBUILD Northwest Florida Organization Chart

