

Joint Subcommittee to Formulate Recommendations to Address Recurrent Flooding

September 10, 2014 Meeting Summary

The Joint Subcommittee to Formulate Recommendations to Address Recurrent Flooding pursuant to HJ 16 (2014) and SJ 3 (2014) held its second meeting on September 10, 2014, in Richmond.

The Joint Subcommittee is tasked with formulating recommendations for the development of a comprehensive and coordinated planning effort to address recurrent flooding, including recommendations for short-term and long-term strategies for minimizing the impact of recurrent flooding. Final recommendations will be presented to the 2016 Session of the General Assembly.

After opening remarks by Delegate Chris Stolle, Chairman, the Joint Subcommittee heard from Nicole Riley, Virginia State Director of the National Federation of Independent Businesses, regarding the impact of recurrent flooding on businesses. Ms. Riley reported that the rising costs of flood insurance and the updating of flood maps have presented challenges to many businesses. Ms. Riley mentioned several techniques that businesses can use to try to reduce the impact of high flood-insurance premiums. Although Ms. Riley was not able to give dollar estimates of actual losses from recurrent flooding, she stated that loss of business often causes more financial harm than actual flood damage to a business.

The Joint Subcommittee also heard from Bill Tibbens, Manager of Government and Industry Affairs for Farmers Insurance. Mr. Tibbens discussed recurrent flooding and the mitigation of risk. According to Mr. Tibbens, the negative outcomes of recurrent flooding include possible mold, weakened construction, below-standard repairs, auto claims, and loss of life. There are a variety of ways to manage such risks, including risk avoidance (withdrawing from the risk-prone area), risk reduction (optimizing fortification), risk sharing (obtaining insurance), and risk retention (bearing the cost). Ways of mitigating the risks might include returning an area to its natural flood plain. According to Mr. Tibbens, for every dollar spent on mitigation, there is an average savings of \$4 in claims cost. Mr. Tibbens emphasized the importance of educating consumers about flood coverage, including informing them that basic insurance policies lack flood coverage. He also pointed out sources of further information such as government websites and community rating systems.

Bob Kerr, representing the Virginia Association for Commercial Real Estate and the Hampton Roads Association for Commercial Real Estate, also addressed the Joint Subcommittee. Mr. Kerr presented perspectives from the commercial real estate industry. He noted that local governments are on the front line regarding issues related to recurrent flooding and have been developing strategies to deal with these issues for a number of years. Mr. Kerr noted that some of the issues of immediate interest include stormwater regulations and increases in finished-floor elevations. Other issues on the radar include further changes in state and local requirements and changes to commercial lending and insurance. He noted that although there is sufficient time to address many of the issues related to recurrent flooding, the cost of many options will only increase with the passage of time. Mr. Kerr noted that challenges for the Joint Subcommittee as it considers solutions include the impact of new policies on national and

regional competitiveness, confusion regarding state versus local authority, and the cost and funding of new requirements and projects.

The Joint Subcommittee also received an update from Jim Redick, Director of Emergency Preparedness and Response for the City of Norfolk and a member of the Secure Commonwealth Panel. Mr. Redick informed the Joint Subcommittee of the Panel's continued work and highlighted possible recommendations of the Panel, including creating a "resilience coordinator" position and establishing a centralized source of information. Mr. Redick also emphasized the importance of Virginia's stakeholders speaking with a unified voice in order to maximize possible federal funding. Mr. Redick stated that he will keep the Joint Subcommittee updated on the Panel's work.

After a general discussion, the Joint Subcommittee set a third meeting date for November 5, 2014, in Norfolk at Old Dominion University.