Florida’s Small Businesses Stand Resilient
Veterans of natural disasters, Floridians are no strangers to the devastations created by Mother Nature. Nonetheless, since 2016, Floridians have endured four hurricanes—Hermine, Matthew, Irma, and Michael—and an elevated presence of red tide and algae blooms that created devastating losses for our state. The results of these events were further compounded by complacency caused by a decade without a hurricane.

As the threat of these events grew, the Florida SBDC Network and our state and federal partners prepared for the worst. As a principal agency partner on the State Emergency Response Team, Florida SBDC personnel staffed the State Emergency Operations Center, working with our partners to coordinate and organize our response and recovery resources.

When the storms came ashore, our team was prepared. Working alongside our partners at the U.S. Small Business Administration (SBA) and the Florida Department of Economic Opportunity (DEO), we established Business Recovery Centers and deployed our team of disaster recovery specialists, who worked around the clock to help small businesses apply for state and federal business disaster loans and begin the recovery process.

The following report details how our state and federal disaster recovery agencies, and other emergency support function partners, have worked together to help our small businesses recover, rebuild, and re-employ Floridians.

During these events, the Florida SBDC Network assisted Tens of Thousands of small businesses

Together with our partners, the network closed

1,560 Emergency Bridge Loans

for a total value of $62.1 Million

Further, the network supported the SBA in assisting small businesses secure

5,871 Business Physical & Economic Injury Loans

for a total value of $460.8 Million

*Data as of 2/7/19

Resiliency. A human ability to recover quickly from disruptive change or misfortune. As a character trait, resiliency is often used to describe those who persevere despite suffering an injury or difficult conditions.
More than 1,600 homes and businesses were damaged, some rendered uninhabitable. Following the storm, former Governor Rick Scott activated the Florida Small Business Emergency Bridge Loan to provide immediate, short-term capital to small businesses who suffered damages.

Administered by DEO, in collaboration with Florida First Capital Finance Corporation (FFCFC) and the Florida SBDC Network, bridge loans are short-term, interest-free working capital loans intended to help impacted businesses "bridge the gap" between the disaster and when a business can secure long-term recovery resources, such as reimbursements from insurance or federal assistance.

Eventually, federal assistance was activated. Low-interest, long-term SBA physical and economic injury disaster loans were made available to help small businesses rebuild and recover.

In early October 2016, Hurricane Matthew skirted the eastern coast of Florida, causing widespread power outages, fallen trees, and flooding.

The NOAA National Centers for Environmental Information estimates damages caused by Matthew to be $10 billion.²

In St. Augustine Beach, the storm surge destroyed $75,000 worth of ovens, coolers, and bar and office equipment at family-owned Viola’s Pizza Pasta & Seafood. Seeking help to replace their equipment and to retain their employees, owners Helen and Andy Viola reached out to the Florida SBDC for help securing a Florida Small Business Emergency Bridge Loan.

“Without it we would not have been able to re-open our restaurant,” said Helen Viola. “We have 25 employees that were out of work (including us). The [Florida] Bridge Loan gave us the opportunity to employ some of our employees during the two months it took to re-build and re-open. It helped us pay salaries, bills, and start purchasing new equipment.”

With the bridge loan and help from the Florida SBDC, the Viola’s reopened their restaurant two months later. Unfortunately for the Viola’s, however, their successful reopening would be short-lived as less than a year later Hurricane Irma would force them to close and begin the rebuilding process once again.

Historic. Catastrophic. Deadly. No words can accurately describe Hurricane Irma, a monstrous storm that, quite literally, left millions of Floridians in the dark.

Known as one of the strongest and costliest storms on record, Irma was 425 miles wide and blanketed the state. The storm was significantly larger than Hurricane Andrew, which devastated parts of South Florida in 1992. The storm made seven landfalls, including the Florida Keys as a Category 4 and Southwest Florida as a Category 3.

Nearly a year following Hurricane Matthew, the Viola’s once again found themselves needing help.

“Water got underneath our dining room and our floors buckled,” said the Viola’s. “With no power for seven days, we also lost our entire food inventory.”

The one-two punch of Matthew and Irma was crippling. However, the Viola’s picked themselves up again and persevered with the assistance of the Florida SBDC and another bridge loan.

The state’s citrus industry was also gravely impacted by Irma, which caused $760 million in damages according to the Florida Department of Agriculture.

When the storm hit, growers were preparing to harvest and, instead of healthy crops, faced uprooted trees, fruit on the ground, and pools of standing water, which can prove deadly for citrus trees.

For citrus growers like Kevin and Lynn Shelfer, the Citrus Emergency Bridge Loan, a special short-term, no-interest loan program for citrus growers, served as a lifeline to help offset the losses caused by the storm.

Story continued on page 7
No Floridian Spared: The Destructive Impacts of Hurricanes, Red Tide & Algae

From September 2016 to October 2018, Florida was pummeled by a series of major storms—Matthew, Hermine, Irma, and Michael—and toxic red tide and algae blooms that caused devastating losses for our state’s principal economic and job creators—small businesses. The following map and table to the right highlight the details and destruction created by these events and their impact on Florida’s small businesses.

Map Legend

- **Hurricane Hermine**
- **Hurricane Matthew**
- **Hurricane Irma**
- **Hurricane Michael**
- **Red Tide**
- **Algae Blooms**

Sources: NOAA: National Hurricane Center | The Weather Channel
<table>
<thead>
<tr>
<th>Category</th>
<th>Max Wind Speeds</th>
<th>Days Active</th>
<th>Date of Landfall</th>
<th>Location of Landfall</th>
<th>Estimated Damages</th>
<th>Emergency Bridge Loans</th>
<th>Total Amount of Bridge Loans</th>
<th>SBA Physical and Economic Injury Loans</th>
<th>Total Amount of SBA Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>HERMINE</td>
<td>80 mph</td>
<td>7</td>
<td>9/2/16</td>
<td>Big Bend Region</td>
<td>$550M in the U.S.</td>
<td>17</td>
<td>$349.6K</td>
<td>47</td>
<td>$2.8M</td>
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<tr>
<td>MATTHEW</td>
<td>165 mph</td>
<td>12</td>
<td>10/8/16</td>
<td>Off Coast</td>
<td>$10B in the U.S.</td>
<td>64</td>
<td>$1.4M</td>
<td>237</td>
<td>$19.0M</td>
</tr>
<tr>
<td>IRMA</td>
<td>185 mph for 37 hours, longest on record</td>
<td>14</td>
<td>9/10/17</td>
<td>Florida Keys and Marco Island</td>
<td>$50B in the U.S.</td>
<td>886 (58 citrus loans)</td>
<td>$34.8M</td>
<td>4,376</td>
<td>$331.4M</td>
</tr>
<tr>
<td>MICHAEL</td>
<td>155 mph 2 mph shy of Cat 5</td>
<td>10</td>
<td>10/10/18</td>
<td>Near Mexico Beach</td>
<td>$3B Florida Panhandle</td>
<td>492</td>
<td>$21.6M</td>
<td>1,125</td>
<td>$101.7M</td>
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<tr>
<td>RED TIDE &amp; ALGAE</td>
<td>Ongoing</td>
<td></td>
<td>11/1/17</td>
<td>SWFL, SFL and Tampa Bay</td>
<td>$22M average annual losses</td>
<td>101</td>
<td>$4.0M</td>
<td>86</td>
<td>$5.9M</td>
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</tbody>
</table>

Sources:  
- NOAA: National Hurricane Center  
- UWF Haas Center  
- Florida Department of Health
The Shelfers, who own Joshua Citrus, have approximately 120 acres of citrus groves, a retail operation, and also offer online shipping. Their family business traces its roots to the 1880’s, when James Shelfer moved his family to Florida and planted his first orange tree soon after. The family established Joshua Citrus in Arcadia a little over one hundred years later.

Hurricane Irma tragically swept through and heavily damaged 100 percent of the crop. Following the storm, the Shelfers worked with the Florida SBDC and secured a Citrus Emergency Bridge Loan.

“The fruit we lost out there [was] the first fruit we normally start picking so we had no income right away off of that fruit,” the Shelfers said. “[The bridge loan] helped us get the ball rolling…and get caught up on bills.”

The most recent report by the U.S. Department of Agriculture forecasted Florida’s 2018-2019 orange crop to be 77 million boxes, up 71 percent over the same time period last year. Fortunately, much like the Shelfers, whose family has weathered many storms in their 100-year history, Florida’s citrus industry proves to be as resilient as ever.

August 2018

Hurricanes were not the only disaster to plague Florida’s coast.

This time, the perpetrator was tiny—microscopic red and blue-green algae normally invisible to the human eye, but apparent when they mass together in toxic blooms. The impact of these tiny microorganisms has gravely impacted the health of our economy, our ecosystems, and our citizens.

When your business thrives in the waterways of Florida, red tide can be the phenomenon that puts your business under. Two Docks Shellfish, a family-owned business, farms clams, oysters and sunray venus clams out of Charlotte Harbor, Pine Island Sound and Gasparilla Sound, and provides those products to businesses across the Tampa, St. Petersburg, Sarasota, and Bradenton areas. After enduring nearly a year of red tide, the Welch family reached out to the Florida SBDC to begin the process of applying for a bridge loan.

“Red tide doesn’t kill shellfish but what it does is make it toxic to humans, so the state and other regulators prevent us from harvesting our product while there’s red tide in the area,” said the Welch family. “The loan’s going to be enormously helpful…It’s going to allow us to stay in business and hopefully start making a profit again.”

Utter devastation. That’s one way to describe the aftermath of Hurricane Michael, the worst storm to hit the Florida Panhandle in more than 100 years.

The storm, which made landfall just two miles per hour shy of a Category 5, quickly ramped up from a tropical storm to a major hurricane, leaving residents and small business owners little time to prepare.

Americans were gripped by pictures of the devastation across the Gulf Coast in communities like Mexico Beach and Panama City. However, Michael showed as much fury inland as it did on the coast.

For Kristie Mulder, owner of Caverns Learning Center in Marianna, Hurricane Michael caused devastation to her early childcare and learning facility, including damage to their roof, building, playground equipment, and fencing.

Once she was able to return home from Biloxi, Kristie and her husband Michael worked 16 hours a day to re-open. Searching for resources online, Kristie learned about the bridge loan program, which proved to be an invaluable lifeline in filling the gap until insurance proceeds came through.

“The Bridge Loan helped us get the business up and running ASAP,” Kristie said. “I think I was the second person in line. Kelly [with the Florida SBDC] was very helpful and told me exactly what I needed to do, so I came home and filled it all out, and got the documents together and brought it all back.”

The Mulders reopened Caverns Learning Center in November, and Kristie says by the grace of God, enrollment returned close to its normal level prior to the storm.
While the road to recovery following these events remains long, Floridians remain resilient. Florida is home to 2.5 million small businesses, whose activities and investments support half of the state’s $1 trillion-dollar economy, employ nearly half of all private sector employees, and create eight out of every 10 new jobs for Florida’s families and communities. GDP growth also remains strong and the state’s unemployment rate continues to be one of the lowest in the nation.

Thanks to the support of our partners, we stand ready for what lies ahead. Those in need continue to turn to the Florida SBDC Network and our partners because they know they can depend upon us during the best and worst of times. We are grateful to all who help us fulfill this promise.

To learn more about the Florida SBDC Network’s disaster recovery efforts, please visit:

www.FloridaSBDC.org

The hurricanes, red tide, and algae have taken life and property. While these events have torn families and residents apart, they have not taken our compassion, conviction, and faith. Communities are coming together, neighbor helping neighbor, to persevere and prosper.

Like David Kiser, owner of Caribbean Coffee in Mexico Beach, who - without power and water - opened the doors to his damaged coffee shop after Hurricane Michael to serve his neighbors and weary first responders complimentary coffee using bottled water and a battery-powered hot plate.
One Team. One Mission.
The Florida SBDC Network is a statewide partnership program nationally accredited by the Association of America’s SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network’s headquarters. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency. All opinions, conclusions, or recommendations expressed are those of the author(s) and do not reflect the views of the SBA, DLA, State of Florida or other host or funding partners.

State Designated as Florida’s Principal Provider of Business Assistance [Fla. Stat. § 288.001]

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