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## López-Muñoz: Storms have economic benefits

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The news that we are in the crosshairs of a hurricane is not pleasant and brings us a ton of worries and uncertainties. However, as with most bitter drinks, these tropical systems also bring us benefits and lessons and even have positive effects on the local economy, especially for industries responsible for planning, rebuilding, and cleaning.

“After Hurricane Andrew, we changed the building code in South Florida and now we have one of the best codes in the country,” says **Wayne Pathman**, a lawyer specializing in land use. “When a storm comes we learn a lot about what we have to change, such as building codes and insurance formulas. True, the storm is terrible for many people and it can cause a lot of damage, but there are industries that benefit, such as construction, because they are responsible for rebuilding and cleaning. All of this has a considerable impact on the economy.”

One of the dramatic changes coming in the next 10 or 15 years, experts say, is flood insurance. The storms have a great impact on this type of insurance, proof of this is that after hurricanes Sandy and Katrina flood insurance costs soared nearly bankrupting the National Flood Insurance Program. Also, with rising ocean levels the risk becomes greater. Many think that banks could even start demanding additional flood insurance, beyond what’s required by the Federal Program. So far, the Federal Program provides \$250,000 in insurance for a residence and \$500,000 for a business but this could change if the banks consider that over time there is a greater risk.

“The sea level rise is so small each year that only when we see an extreme situation do we realize the problem,” says Keren Bolter, an analyst specializing in climate and regulations for the South Florida Regional Council. “For example, few recognize ‘the King Tides’ that occur with the changes of the moon, the sun, and their alignment. On October 16 we will have the highest tide of the year. These King Tides are dangerous because they can bring several feet of water to low-lying areas. Last year, Hollywood saw more than a foot of water because these tides are unpredictable. When hurricane season comes, and now with Matthew, just a few inches of sea level rise combined with storm surge can make the difference in whether or not water comes to your front door.”

The construction industry and cities have learned a lot from past hurricanes. This has encouraged cities to impose measures to cope with the increase in sea levels and storms.

“Miami Beach, for example, is raising the streets. All this is important in the short term and we hope that this stabilizes the problem that exists there,” says **Pathman**. “Other communities must do the same. They also made changes to the Base Flood Code, permitting you to add five feet of height without violating zoning. This is a very positive step for the housing industry.”