

Reduce avoidable coastal storm damage

Enormous burdens on Georgia taxpayers have been imposed by damage from major storms over the past two years. Such impacts over this period are estimated to have cost Georgians some \$5 billion in property and infrastructure damage, evacuation expenses, and recovery/clean-up. The majority of these expenses have been imposed by hurricanes, Matthew (2016) and Irma (2017).

Experts agree that the damages caused by these storms were made worse by public policies that do not provide sufficient incentives for reducing the risk of developing areas that are in harm's way.

In November 2017, Moody's Investors Service released a report warning states and local governments that they must consider natural hazards to reduce related damages and cut costly risks of projects funded by investors. Moody's is a highly regarded financial advisor that sets credit-ratings used when issuing bonds for public projects.

Further, Moody's advised public officials that unless areas at risk took steps to curtail storm damage, they would suffer a reduction in credit rating. A degraded credit-rating, in turn, will raise the cost of borrowing, making essential public infrastructure – such as roads, water/sewer systems, and schools – more expensive.

Policy reforms called for by Moody's will help curb storm damage while protecting the interests of property-owners and Georgia's economic prospects. Such measures will also improve safeguards for natural resources and the quality of life.

Consider several factors at the heart of this issue:

- Estimated average annual current-dollar cost of U.S. hurricane damage in the 21st century is *four times greater* than yearly hurricane destruction in the 20th century, according to the National Hurricane Center.
- Roads, bridges, and other public infrastructure projects must be built and/or upgraded to safely sustain development and support job-creation throughout Georgia – but the risks of hurricane hazards impeding these projects is significantly greater in coastal areas and floodplains.
- Coastal Georgia has a dangerously high proportion of development in areas at high risk, says Moody's.

These issues have serious implications for development in high-risk areas as well as the coastal environment. The resilience of natural resources – including shorelines, maritime forests, and wildlife habitat – is degraded by high-risk urbanization. Improved policies could reduce damage to coastal communities by stabilizing ecosystems that would be weakened by unwise development.

Fact-based study of coastal hazards is urgently needed. Based on such study, and consistent with Moody's report, an action plan must be prepared to reliably reduce tax-payer burdens caused by avoidable risks.

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