

Hurricane Ike Impact Report: Galveston County



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HURRICANE IKE IMPACT REPORT

Economic Impacts

\$21.9 billion estimated industrial sector losses

\$475 million estimated services sector losses

\$11.4 million estimated agricultural sector losses

Overall Economic Impact to Galveston County is estimated to be \$22.16 billion.

GALVESTON COUNTY SUMMARY

The total economic impact (loss) to Galveston County from Hurricane Ike is estimated to be \$22.16 billion. Numbers are based on the Disaster Impact Model's accumulation of loss in sales during the four quarters (2008 Q4 - 2009 Q3) following Hurricane Ike. Already considered the most costly storm to make landfall in Texas, Hurricane Ike's true economic impacts to the region continue to be analyzed. Galveston County's Manufacturing sector was impacted the hardest, experiencing an estimated \$19.5 billion in losses alone.

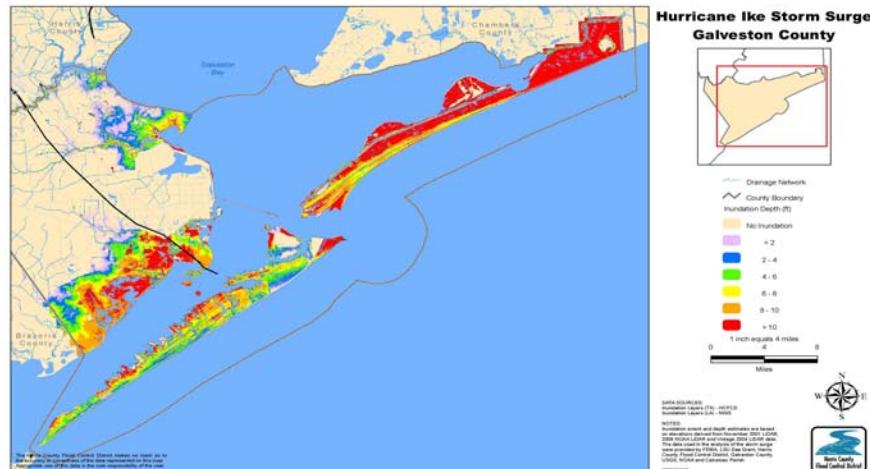
Impact Report

COUNTY INFORMATION

Galveston County is a coastal escape for tourist and residents alike.

Home to NASA's Johnson Space Center and 283,987 (2007) residents, Galveston County is 72% family households. The county is bordered by two bodies of water with Galveston Bay on the East and bounded on the south by the seawall and beaches of Gulf of Mexico. Formerly established as a county under the Republic of Texas in 1839, Galveston County has grown into an economic engine for the region and state of Texas with

large revenues and tax dollars coming from the County's petrochemical industry, shipping, educational and medical facilities and tourism.



The City of Galveston is protected by a Seawall which spared the city a direct impact by the storm surge from the Gulf of Mexico. The city was still inundated by surge waters when they began to recede from the bay side of the island.

HURRICANE IKE

Galveston County has endured numerous Hurricanes, 25 of which have caused loss of life or property damage since the storm of 1900.

When Hurricane Ike made landfall on September 13, 2008, despite county official's and resident's preparation, Galveston County experienced the most expensive hurricane in the history of Texas.

Federal Funding

\$190,286,557 in Individual Assistance grants

\$141,341,638 in Housing Assistance grants

\$48,944,918 in Other Needs Assistance grants

\$362,003,736 in Public Assistance grants

\$242,058,800 in U.S. Small Business Administration loans

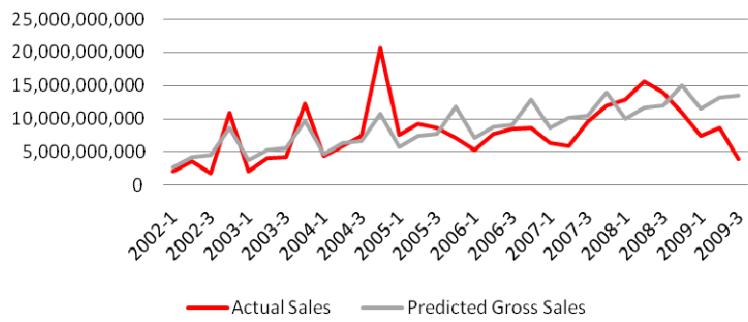
Hurricane Ike made landfall with Category 2 winds and Category 4 water surges. As the eye of the storm moved up Galveston Bay the Galveston Sea Wall held strong to the challenging waves. However, once the water levels receded, they flooded Galveston Island from the Bay causing catastrophic flooding to nearly 50% of Galveston Island. Galveston Island endured 12+ hours of salt water inundation from Ike's 15 foot storm surge.

COUNTY IMPACTS

According to the Disaster Impact Model, developed by Texas A&M AgriLife, the estimated economic impact to Galveston County for the 12 month period following Ike was **\$22.16 billion**. Among the 29 industry sectors evaluated in Galveston County, Manufacturing suffered the greatest loss at \$19.5 billion.

Estimates by Houston-Galveston Area COG found that more than 53,000 employees were put out of work; more than 3,800 businesses were interrupted; and more than 18,000 businesses were damaged in Galveston County. These estimates do not include information from some severely impacted areas, such as Galveston Island. (Hurricane Ike Impact Report, TDEM)

Galveston County Economy-wide Ike Impact



The above graph illustrates post Hurricane Ike (2008 4Q – 2009 3Q) Galveston County experienced on average a 42% per quarter reduction in gross sales during the four quarters Ike. Totaling an estimated 22.16 billion loss to Galveston County

Texas A&M University – Galveston experienced \$28.6 million in damages which caused them to relocate 1,500 faculty and staff and approximately 1,800 students to the main Texas A&M campus in College Station, TX for the remainder of the 2008 fall semester.

After Ike, debris was a major problem. The cost of debris removal for Galveston Island alone was \$7,790,002 and the remainder of the county cost \$2,059,541.