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Katrina takes its toll on cleaners

Everything can change in the blink of an eye — especially for those who find themselves in the eye of a hurricane as devastating and relentless as Katrina.

Already, it has been labeled by the National Oceanic Atmospheric Administration as the most destructive hurricane to ever strike the U.S.

With hurricane force winds extending as far as 120 miles from its center (at speeds of up to 175 mph), Katrina was even more damaging than Hurricane Camille, which wreaked major havoc in the coastal Mississippi region in the summer of 1969.

Early estimates released in the Associated Press indicate that Hurricane Katrina should cost the Gulf Coast area over \$125 billion in economic damage and could cost the insurance industry in the ballpark of \$60 billion in claims, which would easily eclipse the totals of all previous storms in the U.S.

Of course, the economic damage pales in comparison to the human casualties. By late September, there were already well over 1,000 deaths attributed to Katrina, including almost 800 fatalities in Louisiana and over 200 in Mississippi.

Though just being alive was considered a blessing to those who survived in the region, over one million people found themselves categorized as “displaced” and scattered all over the country looking for new living quarters.

While Katrina’s savage wake was indiscriminate toward specific professional industries, it seems that drycleaners were hit particularly hard by her brutality.

Only a few weeks ago, brothers Don and Dale Velez were growing quickly and enjoying a lot of success. As owners and operators of two Certified Restoration Drycleaning Network franchises and several Young’s Cleaners plants, they were taking the drycleaning industry in New Orleans by storm. Now, a short time later, a storm has taken it all back from them.

“We lost everything, every one of our stores,” Dale Velez said. “We had five stores and a warehouse and we lost it all.”

Initially, the brothers believed they’d just have to close down their businesses for a day, but left town when they realized it was going to be a Category 5 storm. Don and his family departed on the morning of Sunday, Aug. 28, making the normal two-hour drive to Lafayette in about 12 hours.

Though both brothers and their families made it out safely, it didn’t take long for the bad news to reach them.

For starters, they still haven’t heard from over three dozen employees who evacuated the city, possibly permanently. Then, there is the matter of the physical damage sustained at their plants.

“I still have not seen all of my stores,” Dale Velez noted. “We have not seen the main plant; it’s still under water. We just purchased a 12,000-sq. ft. warehouse and it looks like a tornado hit it. I mean, it’s just destroyed. That was our CRDN warehouse with all of our restored clothes.”

The bitter irony of a clothes restoration company hit by a terrible natural disaster is not lost on Don Velez.

"We found some of the garments as far as two blocks away," he said. "Unfortunately, those clothes will have to be restored a second or third time."

Making matters worse, the brackish water that flooded through their plants rusted out their cleaning equipment in a matter of days.

"When you walk into a plant that has been 6 to 12' under water — well, you knew it would be bad but you don't realize it until you walk into the building," Don Velez said. "You can't recognize anything. The equipment looks like it's 100 years old. There are some clothes in there though that can probably be saved because they were up so high on top of the racks — 12' in the air — but the problem we have is that the insurance company has not been out there yet so they're telling us don't touch anything until they see it."

In the meantime, the Velez brothers are making ends meet by working as "drycleaning brokers." Fortunately, many of their fellow CRDN members have stepped in to pickup, clean and deliver clothes to their customers.

"This is not a plug; this is a fact. If we were not a member of CRDN, we would be bankrupt and moving on with our lives," Dale Velez explained. "But, we still have work. It doesn't matter where the cleaning plant is at. We're still getting the phone calls. We're still out there doing fire and water restoration, but as far as Young's Cleaners is concerned, my neighborhoods are gone. They are talking about bulldozing entire neighborhoods and starting over. So, I don't see any retail coming for two to three years."

While future plans remain up in the air, both Velez brothers are determined to make sure that the company, started by their grandparents in 1940, doesn't die out.

"It's going to be a long, slow process, and, of course, no matter how much insurance you have, you never have enough," Dale added. "It's life-changing. You sit down the Friday before the hurricane comes and you're doing payroll and everything is going great, then, two days later, it's all gone and you start over. Just let everybody know, Young's Cleaners will definitely be back. We've been here 65 years and we're not going anywhere."

Another cleaner who lost everything to Hurricane Katrina is Eric Dubuisson of Slidell Cleaners, who was virtually impossible to contact for an interview.

However, National Clothesline columnist Stan Caplan posted a message on the Fabricare Forum that said: "I received a call from Eric Dubuisson of Slidell. He said that he and his family got out OK. He is now temporarily in Baton Rouge. His plant is under water and all customers' orders are destroyed. He has plans for rebuilding in the future, but, for now, he will concentrate on working probably as a teacher since he has a state teacher's certificate."

Communication with anybody in the Gulf Coast region proved difficult, if not, impossible. TCATA resorted to utilizing its web site to offer updates to members on the status of two



Dale and Don Velez in better days. They lost their production facilities, a warehouse and delivery vans in the storm and many employees are missing. But they aren't calling it quits.

of its companies that were directly in the affected area: Pellerin Milnor Corp. and Ideal Chemical & Supply.

Both companies reported no loss of life or serious injuries and only minimal damage to their facilities.

Yet, cleaning companies such as Allyson Supply — a laundry and drycleaner supplier in Harahan, LA — that only sustained minor damages had other problems with which to contend.

The company, owned by Chris Eichhorn, is located about 20 minutes from the Superdome in New Orleans.

“Personally, our building came out great. It might have a dent or ding from stuff flying around that wasn’t here before,” Eichhorn said. “I live in an industrial district and some folks fared a lot worse than I did with overhead doors blown and windows broken and things like that. We have these galvanized protection sheets that are all pre-cut that we bolted over the glass so it was secure.”

Even without sustaining heavy physical damages, however, the business has been fiscally hampered due to all of the citizens who left the area, paralyzing the local economy.

“It’s been a right hook to our business, but we are committed to serving our remaining customers,” Eichhorn said. “We are also looking to service anything that we can do in the reconstruction effort and the supplies they are going to be needing. We’ve sold everything from safety glasses to traffic cones to chainsaws. We started putting flyers out in the construction areas where the folks are hauling off debris and we started getting phone calls.”

Eichhorn also noted that he felt fortunate to be a member of Cleaners Care Group because his fellow distributors have acted as “pillars of support.”

“I always knew that they were good friends, now I know that they’re tremendous friends,” he said. “They are there for us. It’s good to know you’ve got friends like that.”

While Louisiana was bombarded the most by the storm, the states of Alabama, Florida and Mississippi also felt the huge ripple effects of Hurricane Katrina.

In Picayune, MS, Allied Heirlooms is located 100 feet above sea level, so flooding was not really a problem. But it was still hit by heavy hurricane winds which caused the company to lose power for a week. One of the company’s storage buildings lost a roof and the plant’s boiler room suffered some damage, as well.

Plant manager Jim Ford and his wife decided to head out early to Dallas before Katrina arrived.

“I don’t know which is worse, being here for it or watching things happen on TV,” he said. “We couldn’t get a hold of a lot of relatives back here because of the power lines. At least I was in contact with one of my sons. He was on top of Tulane Medical Center, a big hospital in New Orleans. He is an E.M.T. He was flying patients out.”

Upon his return to Picayune, Ford was just grateful that all of the company’s wedding gowns survived unscathed.

“This is our peak season, after the June wedding season,” he said. “We are extremely busy. Before the hurricane, we were running about six-week service time. I imagine that’s going to be up to about two months now.”

Another cleaners in Mississippi that lost power for a long time was Safeway Cleaners in Pearl, owned by Linda Ferguson. She decided to continue paying her employees despite the fact that her business had no money coming in during an entire week.

According to company controller Jo Parris, the abruptness of the power outage damaged their boiler, as well.

"We couldn't get a part in here so we were shut down for six days without turning out any work at all," she said.

Though business has returned to normal since, Parris noted that it was frustrating dealing with the insurance process.

"We have business interruption insurance, but we can't get an adjuster to call us," she continued. "We can't even get anybody to call us to tell us how that works. I've called our broker every day and our broker said we should have heard from an adjuster by now, but we haven't heard anything from anybody."

According to Ann Hawkins, vice president of NIE Insurance, it's been difficult to get adjusters into some areas in order to reach clients.

"I know it's been extremely frustrating for them but we have not been able to get into the area to view the damage yet in Louisiana," she said. "Our adjuster is in the process of calling each claimant to meet with them in the next 14 days."

One way to speed up the process, Hawkins stressed, is to cooperate as much as possible with the adjuster and to make sure to keep appointments with them once they are set up.

Since Hurricane Katrina is the "biggest natural disaster any insurance company has ever had," Hawkins also added that it is still too early to estimate exactly how hard the drycleaning industry has been hit. However, the owners of flooded plants might suffer the worst financially.

"Most of our policyholders have excellent coverage, but flood needs to be purchased independent of a commercial package policy, which does not cover flood," she explained.

In terms of future stability, though, NIE should be in good shape itself. President Bob Aikin emphasized that the company wisely prepared for such a worst-case scenario.

"I want to assure people that we've got catastrophe reinsurance in place, so while this is a big event for the entire insurance industry, it really shouldn't leave NIE in a weakened financial position," he said.

As for those who had insufficient or no insurance, there may still be a little hope for them to cling to, as well.

After all, in the three weeks since Hurricane Katrina, Americans have donated over \$1 billion to charities aiding families who became homeless following the disaster.

Though not homeless himself, Allyson Supply's Eichhorn has been inspired by watching the entire country quickly respond with kindness.

"There's no comparing what happened to any previous disasters, be it acts of nature or even terrorist acts — but I think we have a peace about this whole thing so it must be the prayers of the country," he said. "We're certainly feeling the prayers and support of the country because, personally speaking, that's got to be the only thing that is driving me."