

Official Minutes
Iowa Flood Mitigation Board
April 13, 2015
Iowa National Guard Joint Forces Headquarters

The Iowa Flood Mitigation Board meeting was called to order at 9:05 a.m. by Chair Mark Schouten. A quorum of voting Board members was present.

In attendance:

Board Members:

Mark Schouten, Amy Kaleita, John Torbert, Ronald Herrig, Carolann Jensen for Dave Jamison, Lori McDaniel for Chuck Gipp, Adam Phillip for Michael Fitzgerald.

Ex-officio: Robert Hogg*, Thomas Shipley*.

Excused Absences: Lori Glover, Jared Klein*, Jim Gillespie for Bill Northey

(* = nonvoting)

I. WELCOME AND INTRODUCTIONS

Board members introduced themselves. Adam Phillips is the representative from the Treasurer's office for Michael Fitzgerald. Senator Tom Shipley from District 11 has been appointed. John Torbert and Lori Glover were reappointed by the Governor for another term.

II. APPROVAL OF AGENDA

Carol Ann Jensen moved for approval as amended of the April 13, 2015, Agenda; Ron Herrig seconded. The motion carried.

III. APPROVAL OF THE MINUTES OF MAY 28, 2014

John Torbert moved for approval of the May 28, 2014, minutes; Ron Herrig seconded. The motion carried.

IV. REVIEW AND DISCUSSION OF THE 2014 PROJECT REPORTS

Dennis Harper reviewed the project reports for the eight approved projects and a schedule showing current expenditures. Some cities are considering amendments based on how they wish to change the draw schedule. The communities have worked together with HSEMD to maximize the use of eligible sales tax increment while careful not to exceed the board's authority. If the board approves all the pending applications, including the Des Moines/WRA tabled application as amended, they will be within their authority.

HSEMD would like to make sure the report meets the needs of the board and legislature. Carol Ann Jensen requested the report to show the percentage of the project completion and narrative on how that work is funded.

The Iowa Department of Revenue (IDR) and HSEMD are partners in administering the funds. Once the board approves the increment, IDR establishes a schedule with the cities for draws. There have been questions regarding the beginning date of eligibility and overpayment of increment the first year. The cities of Storm Lake, Dubuque and Cedar Rapids received overpayment within the increment levels approved. IDR will debit the funds from future payments. Additionally, based on the language in Iowa Code 418, the payment period may actually run 19 ½ rather than 20 years. Mr. Cleereman, IDR, told the board that the lawyers for IDR and HSEMD are considering that issue in addition to the issue of carryover funds. If there is increment not used, will it be carried over to the next year? And, if that would be the approved amount or the full increment available? This will be a topic for the current year and the last two years of the fund given the allocation has reached the maximum of \$30M for the majority of years. Assuming the two remaining applications are approved by the Board as submitted.

V. LEGISLATIVE UPDATE BY JOHN BENSON

John Benson reviewed proposed legislation pertaining to board business. Currently there are two proposed bills (SF 233 and HF 385) that address the multi-jurisdictional issue with the Des Moines/WRA application and take the reinvestment district out of the calculation of the increment. If the bill passes, it would be enacted the day the Governor signs it and the board would be able to act on the tabled application.

Senator Hogg requested John Benson keep the board up-to-date on the mitigation grant fund program. More than 70 communities expressed interest in utilizing the grant fund however; the legislature did not allocate any money to the fund. At the Senators' request, John will email Senator Hogg and Senator Shipley the list of communities who have filed unmet needs applications for federal funding submitted to HSEMD.

VI. REVIEW AND DISCUSSION OF LANGUAGE FOR AMENDMENTS TO THE AGREEMENT

The proposed language presented for board review is to be used as a boilerplate for future amendments. The Chair asked board members to give feedback on the amendment language. The key is that this will address different types of amendments that may come before the board. Storm Lake, Waverly and Iowa City are contemplating amendments. Smaller amendments that do not change or affect the dollar amount totals may be handled via conference call.

VII. APPLICANT PRESENTATION AND DISCUSSION – CITY OF BURLINGTON

Carol Tomb, HSEMD, presented the City of Burlington’s project application. Flooding is becoming more frequent and sustained. The impact to the Burlington riverfront area is from the basin and overland flooding. The City has developed a protection plan to include a floodwall approximately two feet higher than level during the 2008 event. The proposed lift station would protect raw sewage from contaminating the river during flood events. Burlington’s design uses green infrastructure water management and has multiple benefits to the environment and economy. There are a total of nine phases totaling \$26,200,000 in increment financing. The project plan will reduce the risk of flooding and provide for economic growth as well as community use benefits. This will mitigate against and perhaps eliminate future flooding.

Representatives from the City of Burlington were present to answer questions about the project. They assured the board the project would have no impact downstream.

The City’s bonding agent from Piper Jaffrey told the board that bonds will be general obligation in two increments 2017 and 2022, and financed through IFA. The City will try to eliminate the interest cost by pay as you go. A growth rate estimate of 1.29 percent is being used and inflation has been built-in.

John Torbert made the motion: The Iowa Flood Mitigation Board approve the application and the attached project plan for the city of Burlington filed with the Board on the twenty-fourth day of February 2015. I further move that the Board approve the use of sales tax increment revenue to support the project plan in a total amount not to exceed \$26,200,000. I further move that annual sales tax increment amounts shall be limited to the lesser of the state fiscal year annual projection submitted as a part of the approved application and project plan for the City of Burlington or the actual annual eligible tax increment as determined by the Iowa Department of Revenue. **The motion was seconded by Amy Kalieta. Following a roll call vote, the motion passed unanimously.**

VIII. PROPOSED AMENDMENT TO DUBUQUE FLOOD MITIGATION PROGRAM AGREEMENT

Mike Van Milligan and Deron Muehring, City of Dubuque, addressed the board regarding the City’s request for access to additional increment. Based on the actual increment, there is more increment available which will help to reduce the City’s debt upfront. There is plenty of increment in the first year so as not to affect other projects. Dubuque has provided a revised schedule B.

Lori McDaniel made the motion: The Iowa Flood Mitigation Board approve the amendment to the agreement with the City of Dubuque filed with the Board on the April 3, 2015. I further move that annual sales tax increment amounts to be awarded shall be limited to the lesser of the state fiscal year annual projection submitted as a revised Exhibit B to the City of Dubuque's original application or the actual annual eligible tax increment as determined by the Iowa Department of Revenue. **The motion was seconded by Ron Herrig. Following a roll call vote, the motion was unanimously approved.**

IX. PUBLIC COMMENT

Scott Sanders, Des Moines City Manager, I would like to second the comments from Dubuque on how well the cities and staff have worked together. We will continue to do so. I think the flexibility you've shown with the amendments is the right thing to do. I give you the commitment to work with the other cities as the variables change. The original application was for \$95M, the amended application will be for more but has shifted to the end which will incur interest costs but will enable us to get more projects done.

Teri Goodman wanted to reiterate that Dubuque will advocate for other communities that may want to take advantage of this plan.

X. ADJOURNMENT

John Torbert made a motion to adjourn; seconded by Carolann Jensen. Motion carried. Meeting adjourned at 3:30 p.m.

http://www.homelandsecurity.iowa.gov/about_HSEMD/flood_mitigation_board.html