

**Official Minutes
Iowa Flood Mitigation Board
State Capitol, Room 102
Des Moines, IA
Nov. 21, 2013**

The Iowa Flood Mitigation Board meeting was called to order at 10 a.m. by Chair Mark Schouten. A quorum of voting board members was present.

In attendance:

Board Members:

Mark Schouten, Amy Kaleita, John Torbert, Arnold Honkamp, Carolann Jensen, Lori McDaniel for Chuck Gipp, Jake Friedrichsen, Jim Gillespie for Bill Northey,
Ex-officio: Robert Hogg*, Daniel Lundby*

Excused Absences: Dan Zumbach*, Jared Klein*, Lori Glover.

(* = nonvoting)

I. CONSENT AGENDA ITEMS

Approval to adopt the agenda:

John Torbert moved for approval of the Nov. 21, 2013, agenda; Jake Friedrichsen seconded. Motion carried.

II. APPROVAL OF THE MINUTES

John Torbert made the motion to adopt the minutes of July 31 and Sept. 23, 2013; Jim Gillespie seconded. Motion carried unanimously.

III. APPLICANT PRESENTATIONS AND DISCUSSION

Seven cities submitted applications for board consideration and were given 30 minutes for a presentation and discussion. The board will have two weeks to review applications before voting at their meeting on Dec. 4, 2013.

City of Dubuque

Carol Tomb, Iowa Homeland Security and Emergency Management Department (HSEMD), presented the Bee Branch Watershed Flood Mitigation Project. The city is asking for only 49 percent of the project to be funded by the state tax increment program, less than \$7 million in any year. Because of support by the city and public, the city has secured \$354 million in non-public investment. The cost of implementing all mitigation projects would put significant burden on the people of Dubuque. There will be a return of \$6 for every dollar invested by the state through avoided damage over the 100-year design life of the project. The city of Dubuque is requesting \$98.5 million in sales tax increment funding.

Discussion: The city of Dubuque purchased 100 properties needed for the footprint and expansion of the projects. The watershed management plan allows the lower area to drain while providing detention basins to be drained more slowly. The pervious pavement systems to be installed can collect 1/10-inch of water over the entire watershed, which takes millions of gallons out of the equation. Part of the project brings the buried system to daylight and increases capacity. During times of flooding on the Mississippi, excess water will be captured in a detention basin behind a flood wall and gates which will undergo improvements. The city has included a maintenance plan as part of the application and has dedicated staff for each phase and has money set aside to hire contractors.

Jennifer Larson, city of Dubuque budget director, responded to board questions regarding financing. The city plans to issue a sales tax increment revenue bond for the first year of eligibility, along with the Clean Water State Revolving Fund (administered by the Environmental Protection Agency) clean water debt and a small general obligation bond in the first year of \$3 million. There are two separate general obligation bond issuance further out after 2020 that would finance other projects included. The growth rate projection was approximated by looking at the 10-year historic average of taxable retail sales. The rate used to calculate the annual percentage using 2013 as the base year is 1.97 percent. In 2014, only the last two quarters of the increment can be received by the city.

City of Coralville

William Covington presented on the city of Coralville. Coralville suffers from repetitive flooding causing damages to infrastructure and residential. There are two phases to the project. The first phase includes storm water pumps and flood walls. Phase 2 that comprises the application before the board includes permanent and removable floodwalls and the elevation of Fifth Street. Total project application request from the tax increment is \$9.769 million; or 41 percent of the total cost of the project. Tax increment financing options, the city would be willing to amend the estimate to a more aggressive projection. Outcome of this project will tie together projects undertaken in Phase 1. This project will benefit Coralville, Iowa City and the University of Iowa.

Discussion: Kelly Hayworth, city administrator, addressed the board's questions. Raising Fifth Street is critical to the development of the area and could be completed within four years. A developer has been selected through an RFP process. Impact downstream is expected to be minimal and there is a long-term goal to look at the development of retention basins. Developments are being designed 10-11 feet above the floodplain and the city is developing green spaces while protecting the businesses that are in place.

City of Cedar Rapids

Terry Brown, HSEMD, presented on the city of Cedar Rapids' application. Catastrophic flooding hit the city in the summer of 2008. Total project cost is just over \$570 million. The total tax increment being requested is nearly \$264 million. The project is divided into nine phases.

Discussion: The project uses levees and where space is minimal, removable walls. Buy-outs from 2008 were concentrated most heavily on the west side and will be turned into green space. The city will use a federal grant to enhance the east side near the Quaker Oats plant and has included U.S. Army Corps of Engineers funding in the process. That funding is pending congressional actions. Phases and schedules can be adjusted depending on the timing of that funding. When the project is complete the city will consider four additional projects. The city envisions a pay-as-you-go scenario but will look at extending the process if that becomes a viable option.

City of Waverly

Terry Brown, HSEMD, presented on the city of Waverly's application. Both business and residential areas of Waverly suffered from the 2008 flood. An inflatable dam has been installed on Dry Run Creek and has been included as a phase of this project. The project will open up a channel with longer slopes accommodating larger capacity.

Discussion: The \$5.6 million in tax increment requested is based on an annual 2 percent sales tax increase. The city will provide the board additional information on sales tax history from the Department of Revenue.

Iowa City

Jonathan Pogones, HSEMD, presented the Iowa City's application. Flooding has damaged the waste water treatment facility (WWTF). The project has three phases: Phase 1 - moving the WWTF; Phase 2 - demolishing the north WWTF; Phase 3 – wetland development and Ralston Creek improvements. The tax increment will be used for phases 2 and 3. Total cost of the project is \$63.4 million. The request for the sales tax increment is \$8.497 million.

Discussion: The city has bought out 99 homes in the area and plans to replace a bridge with one longer and higher. The relocation of the WWTF removes constraints to the floodplain and removes impervious area. Looking at a 15-year average, the city estimates a 0.75 percent sales tax growth.

Winterset

Johnathan Pogones, HSEMD presented on Winterset's application. Cedar Lake is the drinking water source for the 5,000 residents of Winterset. The dam and spillway are in need of critical repair. Sediment removal which is underway, will double capacity of the lake. Dredging and repairs to the spillway and dam will be complete by 2014. The city of Winterset is requesting the flood mitigation fund allocate \$1.9 million to the project.

Discussion: The concern is that damage to the spillway could possibly lead to dam failure. The city has done a structural analysis on the dam and found that it did not meet safety requirements.

Winterset's request is different than the other applicants requesting sales tax increments. The flood mitigation fund was not funded by the legislature this year therefore it is not possible for us to award grants. The board is interested in Winterset's projects and pleased that city has come to educate the board on the nature of this project.

City of Storm Lake

Carol Tomb, HSEMD, presented on Storm Lake's application. There are four phases to the city's project with the goals of reducing localized flooding while treating storm water runoff and to protect property values. The last phase of the project is to be completed by spring 2015. Overall funding is approximately \$8.2 million. The sales tax increment being requested is \$4.1 million.

Discussion: Jim Patrick, city manager addressed the board's questions. Sales tax revenue information provided a 10-year history and showed an average 2.55 percent growth. This is conservative however the city is prepared to use a general obligation bond if necessary.

IV. PUBLIC COMMENT.

Council Bluffs, Cedar Falls and Des Moines Waste Water Reclamation Authority are considering submitting applications. The board agrees to consider applications as they are submitted until the funding cap is met.

The Executive Summaries and the presentation will be available on the HSEMD website: www.homelandsecurity.iowa.gov

V. ADJOURNEMENT.

John Torbert made a motion to adjourn; Jim Gillespie seconded. Motion carried unanimously. Meeting adjourned at 3:06 p.m.