

CEDAR FALLS LEVEE IMPROVEMENT PROJECT EXECUTIVE SUMMARY

The City of Cedar Falls has submitted an application for \$6,625,000 through the Iowa Flood Mitigation Program for the Downtown Levee Improvement Project.

The City experienced a record flood event in June of 2008. Hundreds of homes and businesses were severely damaged or destroyed. The downtown business district is protected by an existing flood levee, however, the 2008 flood exceeded the design event of the levee. Emergency flood fighting procedures were employed to protect the downtown area, including the City's wastewater treatment plant and the Cedar Falls Utilities (CFU), both critical facilities. In spite of extraordinary efforts by City staff and hundreds of volunteers, the portion of the levee protecting CFU was overtopped and the facility suffered millions of dollars in damages. CFU has since raised their portion of the flood levee to the 0.2 percent, or 500-year, protection level, however the effectiveness of the improved protection level for CFU is dependent upon increasing the flood protection level of the downtown levee.

In light of the damage to the CFU facility in 2008 and the near catastrophic damages to the historic downtown business district and the wastewater treatment plant, the City of Cedar Falls has made improvements to the existing levee a priority. The property protected by the levee system is valued at \$209 million, including the City's wastewater treatment plant and the Cedar Falls Utilities. There are 17 residential properties, 109 commercial properties, 6 publically-owned properties and 2 critical facilities in the protection area. In recognition of the historical significance of the Cedar Falls downtown area, the State Historic Preservation Office recently awarded the City a Certified Local Government Grant to conduct an inventory of historic structures in the downtown area, all of which will be protected by the improved levee system.

With the assurance that the levee would adequately protect their properties from flooding, area property owners have made \$4.6 million in improvements to their properties in the past ten years. In order to maintain the vitality and value of the downtown, property owners need to know that the City is doing everything possible to protect the area during the next disastrous flood event. At the urging of the Community Main Street organization and CFU, the City moved forward with design of a levee improvement project.

A Technical Memorandum outlining the anticipated project has been submitted to the Army Corps of Engineers for review and approval. The proposed improvements to the flood protection system have been reviewed to determine possible impacts to the existing hydraulic characteristics of the river, both upstream and downstream. Hydraulic studies conclude that the proposed changes to the flood control system would create no increase in water surface elevations on the Cedar River for regulatory flood events. Once the project receives Corps approval, final design and property acquisitions will proceed. The levee improvement project is included in the City's current Capital Improvement Program (CIP). Funding from the Flood

Mitigation Program will insure that the levee project can proceed on schedule without the delay of other critical City projects.

Using historic sales tax revenues over the past 10 years, we have projected trends in sales tax growth of 3% per year. Using this very reasonable projection, Cedar Falls should generate available sales tax revenues that will cover requested project costs over a 4-year period. The City has bonding capacity to proceed with and complete the levee improvement project without delays, even if anticipated sales tax revenues fall short of current projections. Currently the City of Cedar Falls is using less than 10% of its debt capacity as allowed under Iowa Code. This illustrates that the City does have the capacity to sell bonds to cover the cost of the project if sales tax revenues are less than projected. If other sources of financing were not available, the City has cash reserves that could be used to complete the project if necessary. At the end of FY13, the City had a General Fund balance of 24% compared to General Fund expenditures. The City of Cedar Falls was upgraded to an Aa1 rating from Moody's Investor Services for all general obligation issuances when they recalibrated their U.S. municipal rating scale.

Funding received from the Iowa Flood Mitigation Program will make City funds available to proceed with much-needed traffic safety projects as well as other flood mitigation projects, such as voluntary flood buyouts. The City of Cedar Falls has actively pursued the acquisition of flood-prone properties north of the Cedar River since 1993 when it was determined that protecting that area by means of levees was cost prohibitive and impractical. Major flood events in 1993, 1999 and 2008 triggered the release of federal funds for voluntary property buyouts and the City utilizes local funds in intervening years when flood-prone properties become available. The availability of City funds for such acquisitions is dependent upon budget constraints. Cedar Falls also has several drainage, stormwater and channel improvement projects planned that will relieve the impacts of localized and riverine flooding. The scheduling and completion of those projects is also affected by available local funding. Funding for the Levee Improvement Project from the Flood Mitigation Program will allow other mitigation projects to move forward in a timely manner.

Cedar Falls Levee Improvement Project Costs

- Original levee-----	\$ 6,550,000
- Levee Improvements-----	\$ 6,700,000
Total cost-----	\$13,250,000

Cedar Falls Levee Improvement Financing

- Federal (USCOE)-----	\$ 4,812,000 (36.32% - received)
- Local-----	\$ 1,813,000 (13.68%)
- Flood Mitigation Program-----	\$ 6,625,000 (50.0%)
Total Financing-----	\$13,250,000

The vital and historic Cedar Falls downtown area is an important asset to the everyone in the community. An estimated 800 persons are employed by downtown businesses and an estimated 100 persons reside there. The City's wastewater treatment plant and municipal utility facilities provide indispensable services to the entire city. The levee improvement project will provide the level of protection necessary to promote continued investment in the downtown area and the City of Cedar Falls as a whole.