

**Official Minutes  
Iowa Flood Mitigation Board  
State Capitol, Room 102  
Des Moines, IA  
Feb. 28, 2014**

The Iowa Flood Mitigation Board meeting was called to order at 10:05 a.m. by Chair Mark Schouten. A quorum of voting Board members was present.

*In attendance:*

**Board Members:**

Mark Schouten, Amy Kaleita, Lori Glover (by phone), Lori McDaniel for Chuck Gipp, Jake Friedrichsen for Michael Fitzgerald, Jim Gillespie for Bill Northey.

Ex-officio: Robert Hogg\*, Daniel Lundby\*.

*Excused Absences:* John Torbert, Carolann Jensen, Dan Zumbach\*, Jared Klein\*.

(\* = nonvoting)

Chair Schouten made comments regarding Arnie Honkamp who passed away in January 2014. He was a good man, an active philanthropist and a great asset to our efforts to improve the state for its citizens.

I. CONSENT AGENDA ITEMS.

Proposed amendment to the agenda to add board action under item Presentation and Discussion of the Cedar Falls application and to move public comment prior to the Board discussion of the Iowa Flood Mitigation Fund.

**Jim Gillespie moved for approval as amended of the Feb. 28, 2014 agenda; Lori McDaniel seconded. The motion carried.**

II. APPROVAL OF THE MINUTES

The minutes will be amended to include Lori McDaniel's discussion regarding building new levees and development behind the levees. The comments were to be cautious when designing plans as to not creating new hazards. Approval of the minutes will be tabled until receipt of written comments from Lori McDaniel.

III. APPLICANT PRESENTATION AND DISCUSSION – CEDAR FALLS

The city of Cedar Falls submitted an application to the Board seeking funding thru tax increment financing and provided the Board a presentation on the proposed project.

**City of Cedar Falls – Terry Brown, HSEMD presentation**

Historical flood impact prompted the city to build a levee to the 100-year flood level to surround the downtown area following the 1993 flood. Cedar Falls would like to increase the levee size to the 500-year flood level to tie into the Cedar Falls Utility (CFU) levee

built in 2008. Opposite from the levee has been made into brown space following 170 property buy-outs after the 2008 flood, in addition to many buy-outs following flooding years earlier.

The project will cost just over \$13M with a four-year timeline, the city is requesting half of the total project cost in tax increment financing. The timeline will be in coordination with the U.S. Corps of Engineers. Due to the height and extent of the levee, the Corps requires the 408 permit, a regulatory step put in place in 2008. The 408 process will delay the start of the project to next March or April.

Models done by consultants to Cedar Falls and included in the application show no impact to water levels affecting the neighboring city of Waterloo. The city of Cedar Falls participates in the National Flood Insurance Program and have passed an ordinance requiring people insure to the 500-year level which helps to minimize growth in the floodplain.

Ron Gaines, Barb Hugi and Jennifer Rodenbeck from Cedar Falls attended the meeting to address questions from the board. Mr. Gains thanked the Terry Brown and the HSEMD staff for their assistance in preparing the application. He noted two critical infrastructures in the flood area, the historic downtown and the wastewater treatment plant, with an estimated the value to \$209M. This is a priority project for the city of Cedar Falls. The city will move forward with this project and put others on the back shelf to get this done.

Jennifer Rodenbeck, reported that the city is only using 9 percent of our debt capacity at this time. Should the city not meet the tax revenue projections, they would sell bonds to fund the project. The projected sales tax growth of 3 percent is conservative when looking at a 10-year average.

**Lori McDaniel made the motion:** The Iowa Flood Mitigation Board approve the application and the attached project plan for the city of Cedar Falls filed with the Board on the twenty-eighth day of February, 2014. 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 \$6,625,000. 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 Cedar Falls or the actual annual eligible tax increment as determined by the Iowa Department of Revenue.

**The motion was seconded by Jake Friedrichsen. Following a roll call vote, the motion carried unanimously.**

Jake Friedrichsen requested information on pending applications. Dennis Harper that there are five pending applicants totaling an estimated \$176M including Cedar Falls. Council Bluffs and Des Moines WRA are expected to submit applications in the next 60

days. If all prospective applicants were approved, and the total authority remains at \$660M, there would be just over \$1M left. The annual distribution may become the issue. Some communities have expressed the ability to adjust their schedules if there is a need from another city.

#### IV. PUBLIC COMMENT.

**City of Winterset** – In attendance for the city: Mayor Jim Olson, Garret Breeze, Matt Castor, Tom Leners, John Cacciatore, Phil Macumber and Dave LeGrange.

Mayor Olson urged the board to encourage the legislature to fund the state mitigation fund due to the limited ways smaller cities have to pay for these projects. Winterset is looking for assistance to relieve the burden from the residents. The Board accepted the application at the meeting on Dec. 4, 2013, but it was tabled due to the lack of funding available.

Matt Castor thanked the board, HSEMD, Representative Garrett and Representative Gustafson for their attention to the matter of the mitigation fund. Mr. Castor has spoken to 14 other cities, many of whom sent letters to the board. He referenced *Climate Change Impacts on Iowa 2010*, a report issued by the state on Jan. 1, 2011. Mr. Castor selected “Fun Facts” from the report:

- 1) Heavy precipitation has increased 31 percent in the past four years. This exceed the absorption rate of soil and has a greater impact in the ag areas.
- 2) There are over 900 small towns in Iowa with a population below 10,000. Cities with population above 10,000 have a greater chance of qualifying for the TIF. There are more people in the state who do not qualify, who live in small towns than live in the larger cities.
- 3) The Turkey River has had three 500-year flood events since 1991.

Mr. Castor read from a statement issued by Governor Branstad in 1993 where the governor stated that the state would assist in long-term recovery efforts from flooding. Mr. Castor urged the legislature to allocate money to the mitigation fund that would assist the 1.9 million rural citizens who represent 95.5 percent of the total need based on the list of hazard mitigation flood projects the state has pending.

For the increment cities, the cities provide 20 percent federal funding and are responsible for 50 percent of the overall project. The city of Winterset does not have the 20 percent federal funding however, in reading 418.10, the determination is that the 20 percent federal share does not apply to those projects that are grant funded however, the 50 percent local match does still apply.

Chair Schouten stated that the board's position has not changed since the Dec. 4, 2013, meeting, with respect to being receptive to the project should the legislature decide to fund the mitigation grant fund.

**Des Moines and Des Moines Metropolitan Wastewater Reclamation Authority (WRA)** - In attendance for the WRA: Scott Sanders, Jeb Brewer, Calvin Miller, Dave Miller and James Beck. Mr. Sanders, Des Moines Assistant City Manager and Finance Director, affirmed the WRA's interest in applying for the TIF and stated that Des Moines will work through their legislative challenges and those of the small communities, in their support of this program. This is a large enough public safety issue that could be enhanced by additional funding. The WRA believes that need exceeds the current annual cap of \$30M and is supportive of the mitigation grant fund for communities not in the position to meet the TIF requirements. Mr. Sanders informed the board that Des Moines and the WRA will be submitting an application in March for approximately \$100M to span 20 years. The project will require a 28E agreement to bring entities together.

**City of Hartley** - Patty Anderson, City Administrator, spoke to the board. The city has a population of 16,072. In 2010, 20 percent of homes in the northern portion of the city were flooded and the wastewater treatment plant flooded causing backups on the east and south sides. The city has a preliminary planning assessment with an estimated cost of \$2.1M. There are two phases, north and south of Highway 18. Hartley submitted application to the FEMA Flood Mitigation fund after the 2013 event. Ms. Anderson will speak to the legislators directly and asks the board to support the general assembly's funding of this fund.

Chair Schouten stated that the board will be very interested in the application from the city of Hartley should the legislature allocate funding.

**City of Collins** – Greg Schroeder, City Clerk, addressed the board. The flooding in Collins has become more rampant over the past ten years. The city has secured funding from Community Development Block Grant and has scaled back the project by 75 percent due to funding. If the Flood Mitigation Board is able to fund projects like this, we will use it as our match. The city has a project on the FEMA Flood Mitigation Fund. Not too many small towns know about the fund. If we could get the word out there would be many more cities interested.

**City of Underwood** - Kelly Groskurth, City Clerk, addressed the board. The city's drainage system is inadequate for large events; it is at capacity with a two-inch rain. The project was estimated a year ago at \$500k and may be double when adding the sewer plan. According to the latest census Underwood is the largest growing community in

Pottawattamie County which impacts the storm system. The city may need to stop growth due to the infrastructure issue. There is no revenue and bonding gets expensive with no revenue resource. The city is looking for a way to fund this work to enable the town to continue to grow.

Chair Schouten noted that the city of Underwood is on the list of 34 small cities who are on the list of FEMA mitigation projects. We will be forwarding that list to legislators to illustrate the small town demand.

#### V. DISCUSSION OF THE IOWA FLOOD MITIGATION FUND 418.10.

Dennis Harper spoke to the handout provided to the board entitled FEMA Hazard Mitigation Flood Projects. The handout is a list of applications and notices of interest in the FEMA Hazard Mitigation Fund. HSEMD did a TIF eligibility as noted on the table (attached). The communities were surveyed to see if they would be interested at a 50 percent cost share. The total is 34 projects with an approximate cost of \$34M however, some of the estimated expenses are two years old and would need to be updated. These projects did not receive FEMA funding due to insufficient amount of funds. Assuming they are all eligible under 418.10, \$17M would be needed in the fund. There may be projects on the list that are not eligible under 418.10.

There are questions on which provisions in 418.10 apply to both the increment projects and grant fund projects. HSEMD staff is attempting to clarify that question in an administrative plan which will developed with the application for the grant fund should the legislature allocate funding. Based on the board discussion today and the language in 418.10, it is determined that the federal cost share requirement is excluded from the grant fund requirements.

Statute 418.10 does not specify how the board determines funding. Based on the appropriation level the grant fund projects will need to be evaluated on a merit basis, alternatively, the funding will be on a first- come-first-serve basis. Under §418.8(1) the board may request legislative action to modify the statute for clarification.

The list of 34 unmet needs projects on the FEMA Hazard Mitigation Flood Projects worksheet presented to the board, will be sorted to eliminate those projects that may be TIF eligible or those unable to meet the 50 percent match. The list will be distributed by HSEMD to both the House and Senate appropriation committees, the leadership, ex-officios on the Flood Mitigation Committee and the Governor's office.

Lori McDaniel would like the board to have a strong evaluation criteria as we move forward. The Chair will keep the board informed on what the budget targets are as the grant fund projects are refined.

VI. ADJOURNEMENT.

**Jake Friedrichsen made a motion to adjourn; Amy Kaleita seconded. Motion carried. Meeting adjourned at 12 p.m.**

The Executive Summary and presentations will be available on the Iowa Homeland Security and Emergency Management Department website: [Link to Iowa Homeland Security and Emergency Management website.](#)