



MEMO

November 21, 2013

TO: Flood Mitigation Fund Program
CC: N/A
FROM: Justin Yarosevich, Assistant City Manger
SUBJECT: Executive Summary

City of Storm Lake
PO Box 1086
Storm Lake, IA 50588
p (712) 732-8000
f (712) 732-4114

The City of Storm Lake is requesting assistance from the Flood Mitigation Fund Program for help in funding a project consisting of four separate phases as follows:

1. East Central Storm Water Project
2. North Central Storm Water Project
3. East 10th Street Project (Street Reconstruction due to North Central Project)
4. Expansion Blvd. Storm Water Project

These four phases will address the worst flooding areas within the City of Storm Lake providing relief to both residential and commercial/industrial properties within the corporate limits of the City of Storm Lake. The project is generally located on the East side of Storm Lake as shown in the Overall Project Map shown in the Tab B, Plan #16 information. Details of the four phases are outlined below.

All phases of the project total an investment of \$8,166,120.84 in storm water management and cleaning in Storm Lake and will have a positive impact on over 2,300 people and over 3,000 properties.

Specifically the break down of costs for the four phases and the bonding are as follows (% of total project):

- Phase 1 (East Central) - \$1,620,420.65 (20%)
- Phase 2 (North Central) - \$2,675,000 (33%)
- Phase 3 (E. 10th Street) - \$458,400 (6%)
- Phase 4 (Expansion Blvd.) - \$1,587,468.22(19%)
- Bonding Related Costs - \$1,824,831.97 (22%)

All phases of the project will relieve immediate flooding issues in residential and commercial/industrial areas of Storm Lake to ensure stability of housing values and allow for growth and reinvestment in the area by local businesses. Current flooding conditions result in basement flooding in homes, loss of public infrastructure and loss of finished manufactured products. At times the flooding in these areas will reach the handles on car doors and make streets impassable for several days.

Over 60% of the costs of the project will directly result in construction of storm water facilities and best management practices.

The projects will be designed to take into account all of the most beneficial best management practices that are out there for storm water cleaning. The City has the budget in place to maintain these projects once construction to ensure proper operation and optimal filtration and cleaning of the storm water.

This project in its totality is not possible without the benefits of the State Sales Tax Increment funding source. The City is requesting \$4,083,060.420 of State Sales Tax Increment Funding for the project. The City will issue bonds for the State Sales Tax Increment funding. These bonds will be sold to the Iowa Finance Authority under the State Revolving Loan Fund Clean Water Loans and paid back with the incremental growth from the State Sales Tax. The City will guarantee the bonds with the General Obligation of the City. The City has the capacity in its debt capacity to do this bond issue.

The complete funding package, including the State Sales Tax increment, looks like the following:

- City Revenue Bonds - \$1,684,207.00 (backed by revenues of the City's Storm Water Utility)

- City Cash - \$310,264 (combination of Road Use Tax and Local Option Sales Tax)

- City Cash - \$685,153.42 (Revenues over time (life of bonds) to pay back P&I)

- TEA 21 Federal Grant - \$203,436

- CDBG Federal Grants - \$1,200,000

- State Sales Tax Increment - \$4,083,060.42

Overall, the project will see a completion sometime in late 2015. Phase 1 is in construction and phases 2-4 are in the design and development of plans and specifications stage with bid lettings anticipated in March/April 2014.

The City of Storm Lake has a comprehensive project team in place that is ready to proceed on this project utilizing their expertise in making sure this project happens within the timeframe and within budget. That team includes Bolton & Menk Engineering, EOR Engineering, Piper Jaffray Financial Consultants, Ahlers Law Firm, and the Flood Mitigation Fund Board.

We look forward to our presentation and to answering any questions the board may have.