



Infrastructure and Transportation Task Force Report

To the Rebuild Iowa Advisory Commission

August 2008



Table of Contents

INTRODUCTION	4
REBUILD IOWA INFRASTRUCTURE AND TRANSPORTATION TASK FORCE	5
REBUILD IOWA INFRASTRUCTURE AND TRANSPORTATION RESOURCE GROUP	7
EXECUTIVE SUMMARY	9
DAMAGES AND IMPACT IN INFRASTRUCTURE AND TRANSPORTATION	11
FEDERAL FUNDING PROGRAMS	16
ISSUES IN INFRASTRUCTURE AND TRANSPORTATION	18
GAPS IN INFRASTRUCTURE AND TRANSPORTATION	21
INFRASTRUCTURE AND TRANSPORTATION RECOMMENDATIONS	23
SUPPORTING INFORMATION AND DATA	27

Introduction

The Rebuild Iowa Infrastructure and Transportation Task Force is acutely aware of the critical role infrastructure plays in Iowa's communities, the lives of the residents, and the economic well-being of the state. With encouragement to the Rebuild Iowa Advisory Commission (RIAC) for its consideration of great need for infrastructure and transportation repairs, the Task Force provides its assessment and recommendations. As the RIAC fulfills its obligations to guide the recovery and reconstruction in Iowa, infrastructure and transportation must be recognized for its impact on all Iowans.

The tornadoes, storms, and floods were devastating to infrastructure and transportation systems across the state. The damage did not distinguish between privately-owned and public assets. The significance of the damage emerges further with the magnitude of the damage estimates. Infrastructure includes components that some might initially overlook, such as communication systems, landfills, and water treatment. The miles of damaged roads and bridges are more evident to many Iowans. Given the reliance on infrastructure systems, many repairs are already underway, though gaps have emerged in the funding for repairs to certain infrastructure systems.

This report provides background information on the damages incurred in Iowa from the disasters and some context around the key issues and priorities, including considerations for policy and rebuilding discussions. The Infrastructure and Transportation Task Force is pleased to offer recommendations to the RIAC for steps that might be taken to address these significant and important challenges. These recommendations were developed by the Task Force in its deliberations and represent a consensus of the group.

In the aftermath of the severe weather and its widespread damages, Governor Chet Culver established the Rebuild Iowa Office to oversee the strategic recovery efforts in Iowa and to coordinate the efforts of state agencies as they address recovery issues. Executive Order Seven also established the Rebuild Iowa Advisory Commission to oversee the office and to provide 45-day and 120-day reports to the Governor, Lieutenant Governor, and General Assembly on the impacts, immediate recommendations, and long-term recovery vision for the state of Iowa. Also created in Executive Order Seven are nine Task Forces to provide information and recommendations to the RIAC. The Infrastructure and Transportation Task Force, one of the nine created, worked to ensure the Commission is provided, at minimum, the information required in this Executive Order. The Infrastructure and Transportation Task Force met in a day-long session on July 29 to identify, prioritize, and develop recommendations for how Iowa can best address immediate and future needs for infrastructure and transportation. This report is the product of the discussions, public inputs, information presented, and the expertise and experience of the Task Force.



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Task Force members were drawn from an all-volunteer pool of Iowans who expressed interest in serving the state. The response was overwhelming, with many more individuals volunteering than could be accommodated in the balance of a deliberative Task Force body. Rather than turn away volunteers who brought with them experience and expertise, each Task Force welcomed those volunteers to a Resource Group which participated in the meetings through offering presentations, specialized information, and additional inputs and ideas for rebuilding Iowa.

Rebuild Iowa Office staff supporting the work of the Infrastructure and Transportation Task Force are Larry Jesse, Hank Manning, Emily Hajek, and Mary Jane Olney.

In support of the Rebuild Iowa effort, Task Force facilitation, staffing, and report development services were provided by State Public Policy Group, Des Moines.



Executive Summary

Dependence of Iowans on the infrastructure and transportation systems for individual, family, community, and economic well-being requires rebuilding of these systems in an efficient and aggressive manner. Significant and costly damage is found across the state most significantly in the 85 counties receiving Presidential Disaster Declarations for Public Assistance as of August 21, 2008. From roads around the state, to water systems in Cedar Rapids, to rail service and bridges in Fayette County, and communication, electrical, and sewer systems in Oakville, Iowa's infrastructure and transportation systems incurred widespread damage that directly impacts the people.

The Rebuild Iowa Infrastructure and Transportation Task Force considered the broad array of infrastructure categories in its assessment, deliberations, and recommendations. Included are roads and bridges, railroads, communications and utilities, water and wastewater, landfills, state parks, public buildings, aviation, and others.

Identifying a total dollar amount of damage is not simple or straightforward. The incident period closed on August 13, 2008, and damage to sectors of infrastructure are still being assessed. Damage estimates as of August 21, 2008 from FEMA include nearly 6,000 projected project applications that total over \$1 billion for the state of Iowa. Roads and bridges sustained an estimated \$73 million in damages. Railroads report between \$45 and \$60 million to Class 1 railroads and an additional \$23 million to short line railroads. FEMA estimates utility damages at \$342 million, and the list goes on, and is not yet complete.

With this level of infrastructure system damage, the need for federal, state, and local cooperation and flexibility is high as well. Discussion framed the issues in terms of bringing the state's infrastructure back to pre-flood conditions and making it better in anticipation of the future growth of the state. The Task force identified four issues around which it framed its work and recommendations.

- Funding options for public and private entities statewide
- Tax incentives for businesses
- Reduction of red tape
- Coordinated and integrated planning

The challenges faced in the state are largely related to accessibility of resources to allow rebuilding of the infrastructure. The gaps identified in the discussion – those areas in which those responsible for rebuilding infrastructure need help – include:

- Lack of damage data.
- Short term funding to support local cash flow.



- Loss of local property tax base.
- Need to improve aging infrastructure in order to better position it to withstand future disasters.
- Funding gap for improvements over pre-disaster status.
- Resources for cooperative efforts.
- Costs of penalties for uninsured public facilities.
- Lack of established federal public disaster recovery funding programs for privately owned public infrastructure.
- Lack of non-federal match.
- Define the state's role in land use and water quality issues.

The Task Force looks to the state for guidance, support, and resources to rebuild Iowa's infrastructure and transportation systems to again meet the needs of the state. Yet, there is also the determination to anticipate and plan for the needs of the future and to undertake the greater effort to ensure Iowa is well-positioned for economic strength and success for the long-term. There is a clear recognition that Iowa must learn from the lessons of 2008 and planning is undertaken so that the infrastructure is rebuilt with the wisdom of what severe weather will do. In consideration of these issues, the Infrastructure and Transportation Task Force submits the following four recommendations to the Rebuild Iowa Advisory Commission for its thoughtful deliberations.

1. The state should identify and provide diversified revenue and funding options for local communities to assist with recovery efforts.
2. Tax incentives should be provided to assist with rebuilding efforts and to stimulate local economies.
3. Streamline bureaucracy and eliminate layers of red tape to provide a user-friendly resource for Iowans to use when seeking assistance with recovery efforts.
4. The state should encourage coordination and integration of local and state efforts between and among public and private entities with common interests.

Damages and Impact in Infrastructure and Transportation

Iowa's infrastructure suffered massive damages as a result of the 2008 disasters. Roads, utilities, bridges, telecommunications, public buildings, trails and rail lines all sustained some measure of damage. Iowans depend on infrastructure and transportation systems throughout their everyday lives, and the value of these systems cannot be understated. As Iowa looks to rebuild its infrastructure and transportation systems from the disasters of 2008, it is important to first look at the damage impact to the infrastructure and transportation systems in the state and the improvements that can be made to reduce the impact in the future.

The Rebuild Iowa Infrastructure and Transportation Task Force heard first-hand accounts of the devastation to the variety of infrastructure and transportation systems during the initial task force meeting on July 29, 2008. Infrastructure Task Force co-chairs viewed and heard first-hand accounts of the devastation during Rebuild Iowa Advisory Committee (RIAC) meetings in Cedar Rapids and Wapello. All Commission members heard from local officials and viewed damage to the communities of Coralville, Iowa City, Cedar Rapids, Palo, Columbus Junction, Oakville, Wapello, Parkersburg, New Hartford, Waverly, Waterloo, and Cedar Falls during RIAC tours prior to their meetings.

Damages to the infrastructure and transportation systems in Iowa affect all Iowans. Whether it be the goods and items that are purchased for everyday use that arrive to Iowans through the various rail, air and highway transportation systems, or the communication and utilities that Iowans depend on for their everyday lives, Iowans are affected by the damages to the state's various infrastructure and transportation systems.

The Meaning of the Data

It cannot be stressed enough that damage estimates are just that: estimates. Data related to damage changes on a daily basis and there are discrepancies between the data by source and agency that is reporting the damage. Numbers that are provided are often agency-specific and are created for that agency only, sometimes to trigger assistance or resources. Still, it is important to have a baseline understanding of the impacts and damages in Iowa. Unless otherwise noted, data are current as of July 29, 2008 and were presented to the Infrastructure and Transportation Task Force on that date.

Damages to Communities, Organizations, and Businesses

The Infrastructure and Transportation Task Force examined a number of topic areas, including roads and bridges, communications and utilities, railroads, water and waste water, landfills, state parks, public buildings, trails, and aviation. Damages and impacts to these areas are examined in the section below. It should be noted that the purview of other Rebuild Iowa Task Forces may overlap with this Task Force, especially in the area of infrastructure.



Roads and Bridges

Road and bridge damage estimates by the Iowa Department of Transportation (IDOT) amount to nearly \$30 million on federal aid routes as of August 8, 2008. A FEMA County Survey identified \$43 million in damages on local county roads as of July 31, 2008. FEMA estimates of damage to roads and bridges totaled \$55 million as of July 29 2008. During the height of road closures in the state, 149 sections or 464 miles of the primary highway system were closed, and some detours took vehicles hundreds of miles out of their way.

What is not calculated is the cost to businesses and individuals for the closure of transportation systems in the state. Main roads in communities across the state were closed for weeks at a time. According to Rick Fosse, Public Works Manager for Iowa City, Dubuque Street, a main street in Iowa City, was closed for 34 days. Damage has curtailed business in many cities, including Cedar Rapids and Columbus Junction, as a result of the devastation.

Public Transit

Public transit systems damage consists of buildings and vehicles and is estimated to be over \$53 million according to the IDOT as of August 8, 2008.

Railroads

Rail transportation damage estimates are between \$45 and \$60 million to Class 1 railroads according to the IDOT as of August 8, 2008. There is an estimated \$23 million in damage to the short line railroads according to the IDOT as of August 8, 2008. Rail systems that transport goods and commodities suffered significant damage in eastern Iowa including the total loss of two bridges in Cedar Rapids and Waterloo.

Communications and Utilities

Damage estimates from Iowa Telecom, rural independent telephone companies, and Qwest total \$66 million as of August 7, 2008. These estimates are preliminary and are not inclusive of all communications and utilities companies in Iowa. FEMA damage estimates to public utilities, which include water, waste water, power generation, and communications, total \$342 million as of August 11, 2008. Private utilities and communications companies are not eligible for FEMA assistance.

Water and Waste Water

In his presentation to the Agriculture and Environment Task Force, Jeff Vansteenburgh from the Iowa Department of Natural Resources (DNR) reported that DNR priorities as a result of the disasters include safety, protection of public water supplies, and protection of public waste water treatment. Mr. Vansteenburgh stated there has been a lot of public assistance with protecting water and waste water systems. The Cedar Falls plant was surrounded by flooding but was not inundated. Pressure within the water system helps keep the water safe; pressure below 20 psi is considered a concern. During the flood, some systems lost pressure. The city of New Hartford was evacuated, but the system was able to keep the water supply safe through use of pressure. The Des Moines Water Works was not inundated. Waterloo has

a well field and had 22 wells endangered but not flooded. In Iowa City, there was serious flood damage to water systems and waste water systems. The Coralville waste water system also had damage.

The impacts of the damage will be seen in the future, such as the issue of infiltration and inflow, which causes overflow problems. In Iowa, there are 34 public drinking water supplies that draw water from surface water. The DNR was able to visit every drinking water and waste water treatment plant in flooded areas. By July 24, 2008 nine waste water treatments plants (including Cedar Rapids, Coralville, Oakville, Elkader, Claremont, Evansdale, Vinton, Palo and Anamosa) were still not functioning to good treatment capacity. Coralville still has a broken sewer line and discharging some waste water to the Iowa River that amounts to about 100,000 gallons per day. Oakville is still out of operation because no one is living in town and they are not attempting to remedy the waste water treatment yet. There were 180,000 people without waste water in Cedar Rapids, and the plant is now functional. Quaker Oats also experienced water treatment problems in Cedar Rapids.

The Mason City water treatment plant was shut down due to flooding on June 8 2008. Cleanup began on June 9. 2008 Soft starts were damaged and there was extensive damage to electronic controls. The city could not pump contaminated water to waste water because of the possibility that storage tanks might collapse. On June 10, 2008 oil was found in test results, and they began pumping to tankers. By June 11, 2008 results were good and the plant began restoring pressure. Mason City worked with Des Moines Water Works to ensure that cleanup was done in a responsible way to restore water when the safety of the water was certain. By June 13, 2008 all samples from 30 test sites were negative for bacteria.

Flood Control Facilities

FEMA estimates that damages to water control facilities, which include drainage channels, pumping facilities, and some flood control facilities, total \$13 million as of August 11, 2008.

Landfills

According to Alex Moon from the Iowa Department of Natural Resources, landfills today are engineered facilities and have location restrictions. Federal and state regulations involve a need for a liner and a system to keep liquids from reaching groundwater. He said that landfills may only have a few years of capacity and build cells onto properties incrementally. The Cedar Rapids, Black Hawk County, and Iowa City landfills are taking on additional tonnage of waste each day. Linn County has made special consideration to open an old landfill and added 30 feet in height. Stage 2 is almost completely full, and it takes time to identify another cell. According to Moon, this landfill does not have a liner and will be open approximately 90 days. To construct a 2-acre disposal cell costs approximately \$600,000, and closing the reopened landfill in Cedar Rapids could cost \$3.5 million. In Des Moines County, there was another opening of a previous landfill site that does not have a liner. Moon predicted that since homes will not be knocked down for a year, and there will be waste generated from the rebuilding process two and three years down the road, increased use of landfills will be an issue for Cedar Rapids for the next few years.



In Iowa City, the city has planned when new cells open and close and because of the increased rate of use, the situation will create cash flow problems for the city. Within the DNR, it is not an issue of overall capacity; the state has 30 years of capacity, but landfills are built in stages and are not built to take on disaster debris. Two and one-half years of capacity have been required to accommodate the disaster clean up. There was discussion at the Task Force meeting that indicated that investments of solid waste went south by \$9 million, and that is making the situation worse. In Iowa City and Cedar Rapids, the cities waived tipping fees to get debris off the streets. Cities were told by DNR to keep track of tonnage, and FEMA also tracks tonnage. Transportation costs of moving waste to a temporary landfill site are not covered by FEMA.

State Parks

Within FEMA's parks and recreation category, Iowa has over 300 damaged areas reported. FEMA damage estimates to this category total \$39 million as of August 11, 2008.

As reported in the Iowa Department of Natural Resources brief, "Review of Impact from Statewide Disasters," distributed to the Rebuild Iowa Advisory Commission on August 5, 2008, 24 state parks have been impacted by the disasters. The DNR reports that major impacts include damage to electrical transformers, electrical pedestals in campgrounds, lift stations for waste water, picnic tables and docks, erosion of roads and trails, undermining of parking lots, wash-outs around buildings' foundations, downed trees and limbs, water damage to park buildings, delayed construction, revenue producing recreation areas under water, and sediment left behind after floods receded. As of August 4, 2008 two park campgrounds remained closed, and access was still limited in several other parks. According to the Iowa Department of Natural Resources, damage estimates to state parks total \$3.6 million as of August 4, 2008, with another \$1,175,000 as of August 4, 2008 estimated in lost revenue.

Approximately 15 families that were evacuated from Palo camped at Pleasant Creek Recreation Area, and the maximum stay rule was waived. Geode State Park accommodated stranded residents of Illinois who commuted to Iowa to work on the Highway 34 Bridge over the Mississippi River until the bridge was reopened and they could return to Illinois.

Public Buildings

FEMA estimates regarding damage to buildings and equipment total \$380 million as of August 11, 2008. In order for public buildings that are located in a floodplain and are without flood insurance to receive FEMA assistance, they must first pay a \$500,000 deductible for damage to structures, in addition to a \$500,000 deductible for damage to contents.

Aviation

According to a member of the Infrastructure and Transportation Task Force representing the aviation industry, there was no damage to aviation as a result of the disasters. Following the disasters, there was a



short-term interruption in communication. Concern was also expressed regarding secondary implications of the disaster on aviation; as businesses recover, they will be less likely to afford air travel.

Other Damages

Estimates as of August 11, 2008 show that just over \$1 billion in damages have been reported to FEMA for nearly 6,000 projected projects statewide. Emergency Work categories of Debris Removal and Emergency Protective Measures total \$63 million and \$96 million, respectively. FEMA damage estimates by community as of August 11, 2008 include:

- Linn County: \$600 million
- Johnson County: \$15.5 million (not including the University of Iowa)
- Louisa County: \$3.3 million
- Parkersburg: over \$10.6 million
- Wapello County: \$1.4 million

The incident period for FEMA assistance closed August 13, 2008 and data continues to be gathered related to damages including the Preliminary Damage Assessments (PDAs). Additional counties have recently been declared disaster areas and are thus eligible for additional resources. None of the data that has been gathered is final; however, it is useful to help frame the issue of damage done to infrastructure and transportation in Iowa. Not included in the FEMA numbers is the cost of repairs to rail systems or private utilities.



Federal Funding Programs

FEMA's Public Assistance Program is a federal program that is delivered through Iowa Homeland Security and Emergency Management. The funds require a 25% non-federal match and the state of Iowa may provide 10% of the required match. Currently there is a request to change the federal share to 90% for local communities for all categories of Public Assistance. Two of the seven categories, Debris Removal and Emergency Protective Measures, have received approval for the change to a 10% non-federal match. Eligible applicants include state government agencies, county governments, municipal governments, private nonprofits that are defined by FEMA as critical, and schools. Ineligible nonprofits are eligible to apply for assistance through the Small Business Administration. For some nonprofits, disaster relief comes as a combination of the two funding streams.

There are work categories divided into: Emergency Work (debris removal and protective measures) and Permanent Work (roads and bridges, water control facilities, buildings and equipment, utilities, parks and recreation and other.) These categories drive program eligibility and policy. This is expected to be the largest Public Assistance program in the history of Iowa.

FEMA has two aspects of grant financial management. One is a pay-as-you-go system, and applicants can only request funding in advance to pay bills if the project cost is less than \$60,000. If the project cost is greater than \$60,000, the community must pay all costs and seek reimbursement. For labor costs in protective measures, only overtime pay is eligible. Equipment costs are based on federal rates with adjustments for fuel costs. Material costs are included as another category. Applicants are eligible to receive Grant Management and Administration. Every project is written up on a Project Worksheet and requires a minimum damage assessment of \$1,000. It is the responsibility of local governments to assess damage and be able to provide the complete cost breakdown. There are time limits for Emergency Work and Debris Removal of six months, and permanent work time limits are 18 months.

Federal Highway Administration Assistance

Congress makes \$100 million per year available to states for disasters under a program called the Emergency Relief (ER) program. The \$100 million available this federal fiscal year was already spent before the flooding. Iowa has received \$1 million in Quick Release money. However, there is a \$600 million dollar back-log of ER requests on the national level. Until Congress provides additional ER funds to the state, ER eligible projects cannot be reimbursed.

The ER Program with the Federal Highway Administration (FHWA) is directed toward federal aid highways damaged as a result of disasters or catastrophes. FHWA funding is intended to supplement local and state funds and will pay 100% of emergency repair in the first 180 days and 80% (90% on Interstate Highways) of permanent restoration costs. Federal aid highways are those not classified as local or rural minor collector roads. One-fourth of roadway mileage in Iowa is part of the federal highway system.

Local entities can start emergency repairs as soon as possible. Permanent repairs are normally handled after emergency repairs are completed. The minimum established cost guideline for a site is \$5,000, which can include both permanent and emergency repair needs. Eligible costs include preliminary and construction engineering, damages to designated detours by traffic detoured from a federal highway, and damages to active construction projects if the contractor is not responsible for the repair. Ineligible costs include stockpiles of material for maintenance and construction damaged or destroyed by the flood that have not been incorporated into a project. Within the Federal Highway Administration ER program, if a governmental jurisdiction has already programmed a bridge for replacement in a planning document, the ER program will not backfill that money, although they can get funding to repair the bridge.

Community Development Block Grant Assistance

Another funding resource is through Community Development Block Grant (CDBG) funds. The CDBG program is a yearly appropriation, and it is common for Congress to provide a special appropriation for disasters. Congress has approved a special appropriation of \$300 million to states impacted by recent disasters. \$100 million of those funds have been awarded, with Iowa receiving \$85 million. Iowa's Congressional delegation is working on a second appropriation and does not expect Congress to act until September. All funding will run through the state on supplemental funds, and CDBG is the biggest source of federal disaster relief funding other than FEMA. Only cities and counties can apply for CDBG funds. Cities and counties may apply on behalf of a business or non-profit. Currently, CDBG-funded programs must allocate 70% of funding to programs that benefit low income and moderate income people, although there is a possibility to receive a waiver to reduce that to 50%. CDBG is a very flexible program and can be used as non-federal FEMA match to repair city and county systems.



Issues in Infrastructure and Transportation

The disasters of 2008 have taken their toll on families, communities, the nonprofit sector, education, the private sector, and the public sector. Hardship and loss for them was at least partially a result of the damages to Iowa's infrastructure and transportation systems. With the loss of, or damage to, critical infrastructure systems, the state suffers. As a result, there is a need for quick action and repair of those most-needed elements of our lives. As public and private organizations rebuild their damaged infrastructure, several issues have emerged that call for immediate and long-term action.

Many areas experienced historic damage and destruction to their communities. With 85 Iowa counties declared Presidential Disaster Areas, 83 for Public Assistance and 74 for Individual Assistance as of August 12, 2008, it comes as no surprise that the issues are cross-cutting and diverse. As communities look to rebuild, opportunities emerge to rebuild safer, stronger, and smarter infrastructure and transportation systems in Iowa. Given the broad range of infrastructure and transportation systems, issues and needs have emerged shared by all, and some are unique to sectors. Disasters are an unfortunate fact of life and, as Iowa rebuilds, it is important to plan for future disasters as well as future growth and expansion of Iowa's economy.

The Context

Transportation and infrastructure are vital to all Iowans. The damage to Iowa's infrastructure was felt by many Iowans and many Americans as interstate highways were rerouted hundreds of miles due to damages. Bridges were washed away, rail lines were damaged by falling rock, and utility systems were destroyed by high winds. Existing wastewater systems that were already stressed were overloaded with the surge of floodwaters into water treatment plants and collection systems.

Statewide, the decisions are not whether to rebuild, but how quickly and how best to rebuild to meet future demand. The concern of those with the responsibility to replace and improve infrastructure lies in the complicated application process for federal funding and challenges of paying the up-front cost for repairs at the local level that are later reimbursed by the federal government.

Iowans are highly dependent on their infrastructure systems. In the era of "just-in-time delivery," everything from manufacturing parts to groceries are dependent on technology, communication, electricity, roads, rail, and other key infrastructure. Important decisions on funding and rebuilding these systems lie ahead. Iowans learned much from the 1993 disasters, and some communities benefited from the thoughtful rebuilding and mitigation processes then. As Iowa rebuilds after the 2008 disasters, it is important to maintain a focus on rebuilding stronger, smarter, and safer to place the state in a strong competitive position, as well as to protect against future disasters.

In considering how to undertake rebuilding, one of the first issues to arise is that of who must pay the costs. Within the many types of infrastructure, the answers differ, and there can be no assumption that "the



federal government will pay.” On the contrary, many categories of infrastructure are not eligible for federal funding. Rail, some utilities, some communications, and some airports are privately owned and, as such, ineligible for federal assistance under the ER and FEMA programs in their recovery efforts. Even those public entities eligible for federal assistance may still have significant challenges in meeting the criteria for that assistance, most notably in providing the matching funds that may be required.

Priority Issues

The breadth and depth of infrastructure and transportation issues in Iowa following the 2008 disasters is significant. Federal assistance and financial support are part of the solution. The main responsibility for decisions and implementation of rebuilding projects falls on local governments and the state for its publically owned infrastructure. Privately-owned utilities and private rail systems face additional challenges from lack of funding from the federal government for restoration and rebuilding.

As the Infrastructure and Transportation Task Force reviewed information and discussed the challenges, the priority issues agreed upon focus on assisting local governments through various means.

- Funding options
- Tax incentives for businesses
- Reduction of red tape
- Coordinated and integrated planning

Funding Options

Since local governments must meet the challenges of repair and replacement of its infrastructure, many feel those jurisdictions need more control of revenue-generating options. The Infrastructure and Transportation Task Force felt it was important that state policymakers consider options that will allow local governments to seek revenue diversification through a vote by local voters, with revenues directed toward infrastructure improvements. Communities that have lost sectors of their property tax base will need financing options to make up for lost revenue and to help with the cost of rebuilding. While the state is seeking to lower the non-federal match that is required of local governments to 10%, this share is still a significant cost to many communities that suffered damage during the disasters of 2008. With estimates for damage to Linn County currently at \$600 million, a 10% match would mean that the county would be reimbursed \$540 million and would have to identify ways to pay for the \$60 million match.

Local communities need to pay for repair and rebuilding as the costs are incurred and as the work is done, with reimbursement by the federal government later for most of the costs. Many local communities had a strained public works budget prior to the 2008 disasters, thanks to multiple winter storms that cut into



budgets. The additional financial burden of damage recovery coupled with a potential loss of property tax revenue has those affected communities concerned about funding both now and in the future. If they seek to rebuild to make systems stronger, safer and smarter, communities will need additional sources of revenue since this work is not eligible for FEMA reimbursement.

Tax Incentives for Businesses

There is no current incentive system in place to encourage businesses and entities such as utility and railroad companies that are not eligible for FEMA and ER public assistance to repair and rebuild in affected communities. As railroads, communications companies, and utilities repair and rebuild, they will be seeking some indications from Iowa policymakers that their investments in the state will be supported at some level through public means. Like other businesses, these private categories of infrastructure bring value to the state through their services, and are certainly businesses the state must retain.

Reduce Red Tape

Individuals, businesses, and local governments alike are overwhelmed with the challenge of navigating the application processes to receive federal and state assistance. Some become so discouraged they turn away from the system. To assist in the rebuilding and recovery of Iowa, the state should support an effort to simplify the application process, reduce duplication of applications, and foster communication of data and information on applications between federal and state agencies.

Coordinated and Integrated Planning

Task Force discussions led to the recognition that there is little active leadership in land management and planning, or in coordination and integrated thinking about infrastructure. In Iowa's changing economy with rural and urban areas, the impetus for coordination on a broader scale is greater. Coupled with the impacts of the tornadoes, storms, and floods, linking discussions on land use in the same watershed makes a good deal of sense.

Gaps in Infrastructure and Transportation

For the state to successfully undertake initiatives and policies toward solving the infrastructure and transportation needs created by the disasters, identification of gaps is critical. While rebuilding efforts are already underway on infrastructure and transportation systems throughout the state, significant gaps have emerged that can hamper the rebuilding process.

- Lack of damage data. Better and concrete damage data on infrastructure and transportation systems throughout the state is a significant gap that will take time to close. To fully leverage federal resources, the state will need to know exact figures on damage to the vast array of infrastructure systems around Iowa. While some areas are still assessing damage, the creation of a statewide communication system to compile damages in one location may make reporting and data-gathering easier for the state and disaster victims.
- Short-term funding to support local cash flow. Another gap that is emerging as a significant need, particularly in the short-term, is local cash flow for repair and rebuilding. While federal assistance covers the bulk of repairs, local communities need to pay for the repairs when the work is complete and then are reimbursed by the federal government. Reimbursement can take several weeks if not months to complete. Once the reimbursement is complete, the local share will be anywhere from 10-25%, depending on the final amount of damage from the disaster. Both the up-front cost and the required local match are a financial burden to local communities that are already cash-strapped after a particularly harsh winter hurt many public works budgets.
- Loss of local property tax base. Exacerbating the issue of local revenue is the potential for decreased revenue locally due to lower property valuations on damaged properties. In Oakville, 100% of the town was affected by the flooding of 2008. As the city looks to move forward, there will be a reduction in property tax revenue due to damages and individuals that choose to relocate rather than rebuild. This impact will be seen in many communities. In Cedar Rapids, over 5,000 parcels of land were damaged by flooding. Cities also face a financial shortfall through uncollected revenues from vacant properties. Oakville has water and sewer systems that are not yet operational for residential use and are not generating any revenue (as of August 21, 2008.)
- Funding gap for improvements over pre-disaster status. As Iowa rebuilds a stronger, smarter, and safer infrastructure system, a gap emerges in the use of funds. When rebuilding infrastructure and transportation systems, Iowa might consider using funding for extensive mitigation construction activities and to build impacted facilities to better and greener standards, rather than just returning to pre-disaster conditions. Rebuilding more sustainable buildings can help lower energy costs for public entities while also planning for the next disaster. Rebuilding stronger, smarter and safer will require a large infusion of dollars.



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- Resources for cooperative efforts. Funding to provide communities the ability to plan activities for a broader geographic area is an emerging gap. Providing communities the resources to create mitigation plans that work together can help with future disasters. Part of the cooperation between communities might also include the ability to plan mitigation activities outside of impacted communities and their corporate boundaries.
- Costs of penalties for uninsured public facilities. Uninsured floodplain facilities have seen a gap emerge in deductibles from FEMA. The federal government stipulates that facilities that are damaged and uninsured have a \$500,000 deductible on structural repairs and another \$500,000 deductible on content replacement. Reducing assistance by \$1 million from any federal aid is not feasible and greatly diminishes the impact of the assistance.
- Lack of sufficient funding to shore up the state's multi-modal transportation infrastructure to better withstand future disasters.



Infrastructure and Transportation Recommendations

Infrastructure and transportation systems are fundamental and critical to maintaining basic services and functions within the state – including movement of goods and services, communications, and public health, to name a few. The Infrastructure and Transportation Task Force, through its discussions and information gathering, gained an increased understanding and sense of urgency to address the broad and severe damage to infrastructure in so many of the affected counties statewide. With a sense of urgency and appreciation for the challenges facing the Rebuild Iowa Advisory Commission, the Infrastructure and Transportation Task Force recommends approaches to addressing immediate and longer term infrastructure challenges.

The Task Force recommendations reflect the broad needs of the varying infrastructure and transportation systems across Iowa. The recommendations that were agreed upon by the Task Force address the issues and gaps that were outlined in previous sections of the report.

Recommendations developed by consensus of the Task Force are presented for efforts in immediate infrastructure and transportation needs and also for long-term considerations. Each recommendation includes a brief narrative explanation and rationale, as well as potential strategies that may be effective in implementing the recommendation.

1. The state should identify and provide diverse revenue and funding options for local communities to assist with recovery efforts.
 - Communities need to have cash available to pay for repairs and rebuilding to bridge the gap until other programs reimburse them. Local communities are eventually reimbursed by FEMA or FHWA for many repairs related to the damages. However, the local community must pay for those repairs once they are completed and then wait for reimbursement from FEMA or FWHA. The reimbursement process creates a cash-flow issue with local communities as they struggle to recover in areas in addition to infrastructure and transportation.
 - Strategies:
 - Immediate: Make funds from the legislative “Rainy Day fund” available to local communities to assist with local match requirements and to assist with cash-flow. Whether through no interest loans or grants, the Iowa General Assembly should consider making funds from the reserve or “Rainy Day Fund” available to local communities for infrastructure and transportation reconstruction.
 - Immediate: Explore and expand work with the federal Congressional delegation to leverage all possible resources. Typical assistance from the federal government provides funds to rebuild to pre-damage specifications. In addition to seeking all available financial and technical assistance



resources, the state should also explore how to rebuild safer, stronger, and smarter. Iowa has a historic chance to remake its infrastructure and should take the opportunity to rebuild to 21st century needs, such as sustainable and energy-efficient practices.

- Long-term: Allow the use of the state Revolving Loan Fund for sponsorship of projects in other jurisdictions. Local communities need broad and diverse financing options to assist with cash flow constraints as recovery progresses.
- Long-term: Eliminate state policies that prevent local governments' authority to seek revenue diversification. By allowing local communities to vote on new revenue means, the state can let local communities decide the best means to cover the cost of repairs.
- Long-term: Raise the current bond cap. This is not an immediate recommendation, given that raising the bond cap takes a state Constitutional amendment. However, changes to the state Constitution take the passage of two General Assemblies, and Iowa Code stipulates that notice must be given 90 days prior to an election that the General Assembly being elected will be deciding on a Constitutional change.

2. Tax incentives should be provided to assist with rebuilding efforts and to stimulate local economies.

- It is generally accepted that the disasters will produce an immediate slow-down in Iowa's economy and hardship for individuals, families, business and industry, and government. Education and nonprofit services will be impacted as demand for their services and supports increase at the same time their resources are lagging. The state is in a position to alleviate some of these challenges through various measures.
- Strategies:
 - Immediate: The state should waive the sales tax on materials purchased for disaster repair and rebuilding efforts in Iowa. The temporary waiver of sales taxes would free additional resources to assist individuals and organizations with their recovery efforts and may also help in retaining businesses and families in their home community. There can also be economic impacts to local communities with increased commerce related to disaster recovery.
 - Immediate: The state should provide business (assignable) tax credits for flood infrastructure repair costs. For companies without tax liability in Iowa, this would allow them to sell tax credits, usually at a discounted rate, to entities that could use the tax credits. At the federal level there was an assignable tax credit program to rehabilitate infrastructure that was not renewed after being in place for three years. The federal tax credit model that was in place could be used by the state as a model.
 - Immediate: Explore an expansion of Enterprise Zones statewide to assist with recovery efforts.

3. Streamline bureaucracy and eliminate layers of red tape to provide a user-friendly resource for Iowans to use when seeking assistance with recovery efforts.
 - Navigating the maze of federal, state and local assistance in addition to private assistance that is available can be confusing at best. At worst, it creates an additional burden to those already under duress from the recent disasters and drives some away from seeking assistance at all. The creation of a simplified process to seek information and to apply for assistance would help individuals and communities affected by the 2008 disasters in Iowa and would provide a means for improved communications among programs providing assistance at the same time.
 - Strategies:
 - Immediate: Expedite the bid process for local governments.
 - Long-term: Streamline damage reporting systems to improve and consolidate data collection. While data is gathered for a specific purpose or agency, solid data on damages is hard to identify. Creating a streamlined system that gathers and records data organized according to specified criteria can provide a reliable estimate of damages and would assist in the federal assistance requests and provide context related to the damages incurred.
 - Long-term: The state should support creation of a single application for assistance available to those seeking help. The state should create a “one-stop” resource for Iowans to seek information related to recovery assistance. The resource could also serve as a single point of contact for those seeking to apply for financial help.
4. The state should encourage coordination and integration of local and state efforts between and among public and private entities with common interests.
 - Infrastructure systems are much too important to be left to chance and “silo” funding. The events of 2008 have illustrated clearly the risks and needs for a more coordinated and integrated effort in infrastructure planning. Land management and watershed issues have emerged as potential elements of planning among public and private and regional jurisdictions.
 - Strategies:
 - Immediate: The state should coordinate, administer, and fund a statewide infrastructure planning process to support decision making regarding Iowa’s infrastructure disaster recovery and rebuilding efforts.
 - Immediate: The state should complete floodplain mapping to provide accurate information from which public and private entities can make better decisions for Iowa’s infrastructure.

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- Immediate: The state should provide resources and support information, technical assistance, and training as needed to groups of local governments and others joining with them for coordinated regional planning, including that based on watershed areas.
- Immediate: The state should analyze and determine the state's role in land use and management, water shed and water quality issues.



Supporting Information and Data

- FEMA Presentation to Task Force
- Federal Highway Administration Presentation to Task Force
- Iowa Department of Transportation Estimates to Task Force
- Iowa Department of Economic Development Presentation to Task Force
- Disaster Debris Impacts to Iowa Landfills
- FEMA Public Assistance Report (August 7, 2008)
- FEMA Public Assistance Report (August 21, 2008)
- Iowa Department of Natural Resources Review of Impact from Statewide Disasters
- IDOT 2008 Flood Damage Survey
- FEMA Project Estimates
- Notes from Task Force Meeting





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