City of Cedar Rapids
Flood Control System Committee
Council Chambers – City Hall
MINUTES
Thursday, September 6, 2018
11:00 am – 12:00 pm

Present: Committee Council members: Tyler Olson (Chair), Susie Weinacht, Marty Hoeger, and Mayor Bradley G. Hart

Ann Poe (Council Member), Scott Overland (Council Member), Sandi Fowler (Asst. City Manager), Rob Davis (Flood Control Program Manager), Casey Drew (Finance Director), Jen Winter (Public Works Director), Jennifer Pratt (Community Development Director), Nate Kampman (City Engineer), April Wing (Development Services Project Coordinator), Maria Johnson (Communications Manager), Emily Breen, (Development Services Communications Coordinator), Debbie O’Meara (Administrative Assistant I)

Meeting called to order at 11:00 am by Council member Olson.

Committee unanimously approved the July 2018 meeting minutes with no comments added.

Rob Davis and Casey Drew presented and proposed an update to the Cedar River Flood Control System (FCS) Master Plan Chapter V: Budget, which currently contains a cost estimate only. It is proposed to be renamed to Chapter V: Financial Plan and include a funding and financing plan, in addition to the project cost opinion.

The cost opinion is similar on the east and west sides. The west side protection is estimated at $240 M and the east side at $245 M. The east side estimate has conservatively assumed the longer option of going around Cedar Lake for purposes of this analysis. There are $65 M in improvement to raising the south approach of the Edgewood Road bridge and also replacing the 8th Avenue bridge. The total of all three components is $550 M currently. This could grow to $750 M if annual construction inflation continues to average 3.5% over the remaining 15 years of project timeline. Subtracting the funding secured from the $750 M estimated total project cost, there is a remaining funding gap of $342 M.

The main funding options for the City’s shares are either local option sales tax or municipal bonding. Local option sales tax for streets is a popular program, and municipal bonding is really the only practical funding option for the FCS. For municipal bonding, the project assumes an average annual taxable property valuation growth of 2.5% in determining municipal bonding capacity and tax rates to support them. The financial plan to fund the FCS is two-fold:

1) The City currently sells municipal bonds in an amount of $20M annually to fund citywide improvements. After the Americans With Disabilities Act upgrades are complete in
FY2021, there should be $8 million annually from this annual bonding allotment to apply to the FCS. From FY22-29, $64 million would be generated. The tax levy rate can remain the same for this component.

2) An additional $20 million per year of municipal bonding (20 year bonds) would occur each year from FY20-29 and would generate $200 million. This would require a tax levy increase of $0.22 each year for a total of $2.20 over the 10-year period. The tax levy rate increase is an estimate and dependent on property valuation growth, interest rates, and duration of bonds.

3) The total funding generated from the above two items from FY20-29 would be $264 million. This would leave $78 million to be funded of the $342 million needs. Other sources (grants, Linn County, etc.) or extending the funding beyond FY29 could apply toward this $78 million balance. There are enough variables on both the cost and funding sides that the program would be re-evaluated during the 10-year period and the City Council will have the opportunity to make adjustments to keep the plan on track, as actual approvals will occur as part of the City’s annual budget.

All four Council members supported this plan, noting that this has been a long-time coming to proceed with the permanent flood protection on both sides of the Cedar River. Providing matching local funding for the State and Federal grants will allow the project to be completed. This is important citywide, whether in the flood zone or not, as a flood protection system will protect investment, property values, and jobs, keep long term tax rates stable, and provide recreational opportunities throughout the City. All of this will encourage further City growth and investment optimism, while reduce community anxiety over flooding. Failure to provide permanent flood protection would have the opposite effect should another catastrophic flood event occur. With another catastrophic flood without a plan for permanent flood protection, Cedar Rapids would go in a state of decline and be without a similar positive post-2008 flood recovery. Committee members said they are committed to build flood protection on both sides of the river and want to honor their commitment to the Cedar Rapids community.

Flood Control System Council committee, including ex-officio member Mayor Bradley G. Hart, voted unanimously to approve the recommendation to send the Cedar River Flood Control System (FCS) Master Plan Chapter V: Financial Plan update to the full City Council on September 11, 2018.

No public comment.

The meeting was adjourned at 11:21 pm.

Respectfully,

Debbie O’Meara
Administrative Assistant I
Public Works