



CITY OF IOWA CITY MEMORANDUM

07-23-09
IP2

Date: July 22, 2009

To: City Council

From: Jeff Davidson, Director of Planning & Community Development *JD*
 Rick Fosse, Director of Public Works *RAF*

Re: Discussion of flood recovery grant applications at July 27, 2009 work session

The City's flood recovery staff is working on grant applications for the I-JOBS and CDBG Public Infrastructure grant programs. These grant programs are an extraordinary opportunity for state and federal funding of public facilities which we are attempting to access. The grants are highly competitive and require significant effort to complete the applications. Planning and Public Works staff have been working together to assemble the necessary information for the grant applications before the program deadlines. The deadline for the CDBG program is July 31; the deadline for the I-JOBS program is August 3.

At your work session on July 27, we will walk through eight specific projects for which nine grant applications are being prepared. These nine applications plus EDA funds we are attempting to access total nearly \$100 million in state or federal funds for public infrastructure projects. Two of the I-JOBS grant applications require authorizing resolutions which will be on the agenda at your formal meeting on July 28. The remaining applications do not require formal authorizing resolutions, but we are asking for your concurrence prior to these grant applications being submitted.

At the present time, you are only committing to the filing of the grant applications. The ultimate commitment to these projects will be later when you approve the grant agreements if we are successful in obtaining funds. Our two principal projects remain the relocation of the North Wastewater Treatment Plant (\$63 million) and the reconstruction and elevation of Dubuque Street and Park Road Bridge (\$32 million). To summarize:

Relocation of North Wastewater Treatment Plant

Economic Development Administration (EDA)	\$22 million
I-JOBS	\$10 million
CDBG	\$5 million
Sales Tax	\$26 million
Total	\$63 million

The scope of this project has not changed since our last discussion with you. It remains a project which will construct a new wastewater treatment plant adjacent to the existing south plant and decommission the existing North Wastewater Treatment Plant which is located in a flood prone area. This project will allow for eventual redevelopment of the north plant area, creating a high density urban neighborhood with the most flood prone areas converted to green space. It remains our intention to have a trolley car connection between this area and River Landing in Coralville using the CRANDIC railroad tracks.

Reconstruction and elevation of Dubuque Street and Park Road Bridge

CDBG	\$25 million
Sales Tax	\$4 million
EDA	\$3 million
Total	\$32 million

This project will reconstruct and elevate Dubuque Street and Park Road Bridge so that those facilities are not subject to inundation during flood events. Engineering work has not been completed to determine the precise elevation of the reconstructed road and bridge. We are coordinating with the University on this project regarding Mayflower Residence Hall and the new location for Hancher Auditorium.

We will also be completing a grant application to the Federal Transportation Investment Generating Economic Recovery (TIGER) program for this project. This will provide an alternative source of revenue for the Dubuque Street/Park Road Bridge project in case one of the above funding sources does not come through. Our project is not a great candidate for TIGER funds, but we think it is worth a shot.

You may note the absence of I-JOBS funding for Dubuque Street/Park Road Bridge. We determined after much deliberation that the Dubuque Street/Park Road Bridge project is not an ideal candidate for I-JOBS funds due to our inability to move quickly enough to accommodate I-JOBS funding requirements. We believe we can fund the project from the other grant sources shown.

We have two remaining I-JOBS grant applications:

Fire Station #4

Because Fire Station #4 is not a project which was directly impacted by the flood, it is only eligible for a 50/50 funding commitment from I-JOBS, rather than the 75% share for disaster-impacted projects.

In addition to the I-JOBS grant application, we are also requesting a 70% grant through the federal economic stimulus program. It appears possible that if both grants were received, we could match state I-JOBS funds with federal economic stimulus funds. We believe this project is a good candidate because it is in "ready to go" status. Depending on which grant funds are received, we hope to defray 50 to 100 percent of the \$3 million expense of this currently locally funded project from the City's budget.

UniverCity home ownership program in older neighborhoods

We have applied for \$1 million in I-JOBS funds to seed the UniverCity home ownership in older neighborhoods program. This is a neighborhood stabilization joint venture between the City and the University to provide incentives for home ownership in older neighborhoods surrounding the University. The \$1 million we've applied for in I-JOBS funds would provide funding for both down payment assistance and rehabilitation of older homes. The University has tentatively committed \$200,000 to this program and is excited to be working with us in its implementation.

We have four additional CDBG Public Infrastructure projects for which grant applications are being prepared.

West Side Levee

This application for \$4.4 million in CDBG Public Infrastructure funds would construct a levee between McCollister Bridge and the CRANDIC Railroad on the west side of the river. It is intended to provide flood protection to the Baculis and Thatcher Manufactured Housing Parks as well as the Commercial Drive and Commercial Court areas. The new levee would replace the existing temporary levee which provided protection to Baculis, Thatcher and Commercial Court during the 2008 flood event. A trail would be constructed on top of the levee. No local match is required.

East Side Levee

This project would construct a levee with a trail on top between the new McCollister Bridge and the intersection of U.S. Highway 6 and Gilbert Street on the east side of the river. It would provide protection to commercial businesses between Napoleon Park and U.S. Highway 6, as well as the City Parks and Streets Division facilities. The amount being applied for is \$3.3 million and there is no local match required.

Rocky Shore Drive lift station and flood gates

This project is part of a larger project on which we are coordinating with the City of Coralville and the University of Iowa. We are applying for \$6.5 million to assist with storm water management improvements in the vicinity of the former Tom Riley Law Office building on U.S. Highway 6. The flood gates on the Rocky Shore Drive Railroad Bridge are part of a larger strategy designed by the City of Coralville which includes reconstruction of the CRANDIC Railroad levee adjacent to the river.

Taft Speedway/No Name Street Levee

This is a new project which we have not yet discussed with you. It evolved from the project you approved for Community Disaster Grant funding to purchase undeveloped building sites and the surrounding common elements on the Idyllwild Condominium property. Due to the complexities of acquiring the common elements owned by the owners of all Idyllwild Condominium units, it appears we will not be able to use Community Disaster Grant funds to purchase the Idyllwild property. In dealing with our inability to acquire these properties, we began to consider the design impacts on Taft Speedway from the proposed elevation of Dubuque Street.

The elevation of Dubuque Street will require the concurrent elevation of Taft Speedway for several hundred feet west from the Dubuque Street/Taft Speedway intersection. Upon further consideration it occurred to us that we could extend an elevated Taft Speedway further west to the No Name Street intersection and then north to the intersection of Foster Road. This would create a levee which would protect the Idyllwild Condominium property. This is a good strategy for protection of this neighborhood and preservation of \$20-\$22 million in property tax base. It would also allow an additional 12 condominium units to be constructed at Idyllwild with protection provided by the new levee. Our current cost estimate is \$10 million.

As Council has already discussed, Taft Speedway properties which refuse FEMA buyout funds will be on the wet side of the levee. Such properties still have the opportunity to participate in the buyout program.

Conclusion

Let's plan on discussing all of these projects in as much detail as necessary on July 27 so that we are all comfortable in proceeding with the grant applications. It is important that we acknowledge the unique opportunity presented by these grant programs and move as quickly as possible in attempting to access funds. It is unfortunate that this timeline does not provide a great deal of time for public comment, but it should not be construed that we will not be soliciting public comment on these projects. Our moving quickly to acquire grant funds does not obligate us to construct any of the above-referenced projects. It simply gives us the ability to implement those projects if grant funds are received and we make a final decision to proceed.

It may also be necessary for us to consider some fluidity in the project proposals as they are under review for funding. We know for certain that the I-JOBS process will be a very politically charged review and approval process. The requirement that grant funds be spent relatively quickly may also make it necessary to shift our capital program to take advantage of these funding opportunities.

We cannot emphasize enough that this opportunity for nearly \$100 million in state and federal funds is an opportunity which exists for a very brief moment in time and will be going away quickly.

We are looking forward to the discussion on the 27th.

cc: Dale Helling, Interim City Manager
Eleanor Dilkes, City Attorney
Sue Dulek, Assistant City Attorney
Ron Knoche, City Engineer
Crystal Smith, Civil Engineer
Steve Long, Community Development Coordinator
David Purdy, Flood Recovery Specialist
Doug Ongie, Flood Recovery Specialist

Grant Applications Location Map

