

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	April 7, 2014
	<b>Agenda Item No.</b>	<b>46</b>
	<b>Roll Call No.</b>	<b><u>14-0574</u></b>
	<b>Communication No.</b>	<b><u>14-157</u></b>
	<b>Submitted by:</b>	<b>Jeb E. Brewer, P.E., City Engineer</b>

**AGENDA HEADING:**

Resolution approving revised Project Plan for the joint application with the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) to the Homeland Security and Emergency Management Department, and approving a first amendment to the 28E Agreement by and between the City of Des Moines, Iowa and the Des Moines Metropolitan Wastewater Reclamation Authority for the Joint Application for Administration and Funding of a Project Plan Pursuant to the Iowa Flood Mitigation Program.

**SYNOPSIS:**

Recommend approval of revised Project Plan to include an additional project and approval of an amendment to the 28E Agreement between the City of Des Moines and the WRA to include the project.

**FISCAL IMPACT:**

Amount: With the additional project, the joint application identifies \$255.5 million in projects related to flood protection for the City of Des Moines and the WRA over a 20 year period, including completed, current, and future proposed projects. The application and tax increment funding request is for \$95.3 million from the Iowa Flood Mitigation Program. The City of Des Moines has identified seven (7) eligible projects totaling \$43.8 million, and the WRA has identified seven (7) eligible projects totaling \$35 million. In addition, the City has identified approximately \$8.8 million in interest costs, and WRA has identified approximately \$7.9 million in interest costs over 20 years. The funding will be made available over the next 20 years in gradually increasing increments as sales tax revenues increase over the established base year. Therefore, projects will need to be financed as originally planned with the grant funds assisting in the debt service payments over the next 20 years.

Funding Source: 2014-2015 CIP, Page Storm-6 Des Moines River Flood Mitigation Improvement, SM087, Storm Revenue Bonds

**ADDITIONAL INFORMATION:**

On March 24, 2014, the City Council approved the City and the WRA submitting a joint application to the Iowa Flood Mitigation Board for funding for crucial flood mitigation projects along the Des Moines River. Funding is available from State Sales Tax Increment generated within the WRA service area. \$43.8 million in projects have been identified by the City to be completed, while \$35 million in projects have been selected by the WRA.

Two (2) main factors bond the City and WRA together in this quest for funding.

- 1) Qualifying criteria requires that an applicant must have been approved to receive Federal funding for the project or an earlier phase of the project. Since 2008, the City of Des Moines has received federal funding, whereas the other WRA member cities have not received federal funding to qualify. Federal Emergency Management Authority (FEMA) funding is not an eligible federal funding source for this program.
- 2) Funding is available from growth in State Sales Tax revenue from the applicant's community, for which the City of Des Moines is experiencing slow sales tax growth. However, the entire WRA service area in total is realizing a faster pace of growth that would generate sufficient revenues to fund this request.

The joint application requests that Sales Tax Increment from the entire WRA service area be available for funding the full list of projects. Growth in the incremental tax revenue will occur over time, so the joint application ramps up the requested funds \$1 million annually until plateauing at \$5 million annually in the fifth year.

Eligible projects for the Iowa Flood Mitigation Program may include "construction and reconstruction of levees, embankments, impounding reservoirs, or conduits that are necessary for the protection of property from the effects of floodwaters and may include deepening, widening, alteration, change, diversion, or other improvement of watercourses if necessary for the protection of such property from the effects of floodwaters". (Iowa Code Sec. 418(1)(5).) Applicants may submit projects that consist of one (1) or more phases of construction or reconstruction. Application requirements include approval by resolution of each applicant of the Project Plan (flood mitigation improvement projects proposed to be constructed as part of the Program), and letters of support for the flood protection project, and as such, the City Engineer intends to utilize support letters from WRA community representatives. The City projects set forth in the proposed Project Plan will be included in the City's Capital Improvements Project budgeting. These projects will eventually allow the City's flood system to be certified by FEMA. These projects will improve protections for those areas currently behind the City's levee system, including the new Municipal Service Center.

The WRA and the City of Des Moines have entered into a 28E Agreement, outlining the joint application that will be submitted to the Flood Mitigation Program, the agreed upon project plan, and the respective responsibilities of the WRA and the City of Des Moines as it relates to the flood protection project.

After approval of the project plan and 28E Agreement, by the City Council and WRA Board, WRA has staff identified an additional project that is eligible for tax increment funding of \$527,681.13 from the Iowa Flood Mitigation Program. The project is identified as the WRA Southwest Outfall Bank Stabilization. The purpose of the project is to provide protection from high river level waters to an existing 78" sanitary sewer in the area along the north bank of the Raccoon River. This project will also help prevent further erosion of the river bank by floodwaters. This project is located along the north side of the Raccoon River and west of Martin Luther King Jr. Parkway in Des Moines.

The Council action requested is to approve the revised Project Plan and a First Amendment to the 28E Agreement between the WRA and City adding this additional project.

**PREVIOUS COUNCIL ACTION(S)**

Date: March 24, 2014

Roll Call Number: [14-0505](#)

Action: [Submission](#) of an Iowa Flood Mitigation Program joint application with Des Moines Metropolitan Wastewater Reclamation Authority (WRA) to the Iowa Homeland Security and Emergency Management Agency, approving the Project Plan and approving a 28E Agreement with the Des Moines Metropolitan Wastewater Reclamation Authority for the Joint Application for Administration and Funding of a Project Plan. ([Council Communication No. 14-130](#)) Moved by Moore to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Wastewater Reclamation Authority Board

Date: March 18, 2014

Resolution Number: 14-34

Action: Resolution Authorizing Submission of an Iowa Flood Mitigation Program Joint Application with the Des Moines Metropolitan Wastewater Reclamation Authority to the Iowa Homeland Security and Emergency Management, Approving the Project Plan, and Approving a 28E Agreement by and between the City Of Des Moines, Iowa and the Des Moines Metropolitan Wastewater Reclamation Authority for the Joint Application for Administration and Funding of a Project Plan pursuant to the Iowa Flood Mitigation Program.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

If the application is approved, future actions by the City Council are anticipated to include approval of an agreement with the State of Iowa related to program requirements and approval of the design, construction, funding, and property acquisition (if needed) for the City projects included in the Project Plan pursuant to the normal capital improvements and project approval process.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).