

Transcribed Excerpts from "Cedar Rapids Flood Buyout is History" Newspaper Article, September 14, 2014

Excerpt 1

Almost before the water receded here in the June 2008 flood disaster, the word “buyout” had surfaced among owners of flood-damaged homes and businesses.

Not so for Jim Macek, whose family-owned machine shop in the hard-hit Time Check neighborhood quickly worked to get itself with its 25 to 30 employees back up and running despite a \$1.5 million loss in inventory and equipment.

In the end, though, Macek and his son, Brian, decided to add their business, Reliable Machine and Manufacturing Co. Inc., 415 H Ave. NW, to the end of the city of Cedar Rapids’s flood-recovery buyout list.

“There’s a lot of blood in that building,” said Jim Macek, 70, remembering how his father actually made some of the concrete block for it when he opened the machine shop there back in the 1940s. “... It was my home for some 40 years.” But for Jim and Brian Macek — as for Jack Ilten, retired from the family-owned Ilten’s appliance business, and Jeff Scherrman, president of Acme Graphics Inc. — the lack of an assurance that a flood-protection system would get built any time soon for the west side of the Cedar River convinced them to take the city’s flood buyout and move their businesses to safer pastures.

“We just had to get out of there,” Jim Macek said. “We couldn’t make it through another flood. I wasn’t physically going to go through it again. It’s a once-in-a-lifetime thing.”

Excerpt 2

Last month, the announcement by Smulekoff's Home Store that it, too, had agreed to sell its downtown building in the city's voluntary buyout program brought to a close a sprawling program that began in late 2009 and, in the end, resulted in the purchase of 1,183 residential properties, 154 commercial ones, nine industries and 10 properties "exempt" from property taxes and owned by churches or not-for-profit groups.

With 1,356 total properties in the buyout, the program was prepared to pay \$124.3 million, \$83.4 million for residential properties and \$40.9 million for commercial, industrial and exempt ones. However, the awards approved by the Iowa Economic Development Authority came to \$93.9 million, \$58.1 million for residential properties and \$35.8 million for the others after deductions for earlier disaster payments, private flood insurance and any liens.

The award totals would have been less, but Mayor Ron Corbett in 2010 pushed to increase the payout to 107 percent of each property's pre-flood assessed value, an amount supported by an analysis from the City Assessor's Office of pre-flood property values.

The award totals also would have been less, but the City Council agreed to allow property owners unhappy with their assessments to seek their own new appraisals.

Excerpt 3

In the end, FEMA funds were used for the first 97 buyouts while CDBG funds were used to buy out the majority of the rest of the properties. City funds in the form of revenue from the city's local-option sales tax helped in 167 buyouts, which for one reason or another didn't qualify for federal funds.

Pratt said the buyout program's purpose was to move people out of harm's way and help those move on who otherwise didn't have resources to do so. In addition, the buyouts and subsequent demolitions freed up ground near the river where the city plans to build its flood-protection system.

At the start, Pratt said the emerging buyout program proved to be difficult on city staff members because the state of Iowa wanted the city to identify flood victims who might be interested in a buyout even though many initially did not qualify because they lived outside the 100-year flood plain. The exercise, though, enabled the city to define the city's overall need so the state knew how much federal disaster help to seek. When it arrived, there was enough to meet the city's needs, Pratt said.

"We were never having to worry about not having enough," she said.

Quickly, too, Fowler said the city sought proposals and hired a third-party administrator, Pro Source Technologies Inc., to provide case managers for those interested in buyouts.

Owners of properties in the large majority of buyouts signed off on the sales by the end of 2011, though about 75 were done in 2012, about 30 in 2013 and a last handful in 2014.

Rasmussen said some opted in and then out of the program along the way. One property, for example, dropped out when siblings couldn't agree on how to split up the sale proceeds.

Others believed the final award wasn't worth giving up on the property, she said.

Excerpt 4

City Manager Jeff Pomeranz, who joined the city in September 2010 as the buyout program was set to pick up speed, said some communities that have endured natural disasters as Cedar Rapids did still have damaged and abandoned homes and businesses in place 15 and 20 years later “because resources and leadership weren’t there.”

“It started slow and then it really ramped up,” Pomeranz said of the Cedar Rapids buyout program. “It just enabled us to dramatically change our community.”

The process of buying out more than 1,300 properties didn’t come without some emotion and some frustration on the part of flood victims, which he said only made sense.

“Acquiring property is very, very difficult,” Pomeranz said. “Our citizens went through this horrific time, a very emotional time. So while the city we certainly believe was very fair, ... I would think that in some cases people didn’t think it was enough or didn’t think it was fast enough. There was some stress.”

Even so, the city manager said most of the 1,300 properties were purchased and demolished in three years once the bulk of the federal funds arrived, which he termed “pretty amazing.”

“I think there were some hard times, but we’ve really moved beyond those,” he said. “I think we’re now seeing the potential of the greenway (where flood-damaged homes and businesses have been or will be removed) as a community amenity. We’re seeing new homes built. ... We’re seeing this rebirth.”

There are 1,300-plus stories to go with 1,300-plus buyouts, city officials said, and there are many more stories as some contemplated a buyout and didn’t take it.