



CEDAR RAPIDS, IOWA

COMMUNITY PREPAREDNESS AFTER 2008 AND 2016 FLOODS

QUICK FACTS

Founded and incorporated in 1849

70.2 square miles, located on the banks of the Cedar River, 20 miles north of Iowa City and 100 miles northeast of the state's capital and largest city Des Moines

Population around 137,710; over 83.4 percent White

11.4 percent of families below the poverty level

60,341 housing units, over 70.1 percent owner-occupied

Full-service municipal government

COMMUNITY PROFILE

Cedar Rapids is the second largest city in Iowa, known for the Cedar River that runs throughout the city. It is home to industries such as finance, insurance, real estate, bioprocessing and food processing, life sciences, logistics and distribution, and manufacturing. The local economic development organizations support companies at all stages with a rich toolbox of resources.

DISASTER IMPACTS

In 2008 the Cedar River flooded for the first time in centuries. Cresting at 30 feet, this exceeded the previous record by 11 inches. As a result, 85 of the 99 counties in Iowa were declared a disaster area. It displaced 18,000 residents in Cedar Rapids, flooded 5900 properties, and damaged 310 city facilities.¹ This brought immense economic struggles to the region. The long-term fiscal impact of the disaster ranks as the 5th largest disaster in the United States, leaving more than 700 businesses with estimated flood recovery needs totaling \$1.5

billion.² Most businesses were helped through basic business insurance; however, many did not have protection against floods.³ Due to infrastructure damages and the loss of their customer base, revenues fell on average by about 10 percent in 2008, with 173 businesses being forced to close their doors and more than 2,500 workers losing their jobs.⁴

Eight years later these steps would be instrumental to the quick response of the city when it was once again flooded. In September 2016, heavy rainfall led to rising waters in the Cedar River. The National Weather Service recorded the flood crest to be about around 22 feet — the second highest level on record. After a few days of preparation, the city constructed temporary structures to control flood waters which limited the flood damage throughout. This quick response was possible due to disaster recovery and mitigation steps taken after the 2008 flood.

CHALLENGES AND CONCERNS

In 2008, the U.S. Chamber of Commerce's Business Civic Leadership Center (BCLC), reached out to the International Economic Development Council (IEDC) to assist Cedar Rapids in their economic recovery. IEDC completed the Cedar Rapids Assessment, a report to help the community recover from flooding. IEDC gave multiple recommendations for the city and also identified several challenges. In addition to flood related challenges, the report found that the city needed to improve its relationship with state and federal agencies aiding in recovery and rebuilding. There were also operational challenges faced by the city and economic development organizations (EDOs), specifically when it came to flood recovery and rebuilding efforts which were happening concurrently. These challenges included trust issues between private actors and the city government. Additionally, IEDC noted a gap in redevelopment capacity.

APPROACH

Cedar Rapids' approach is centered around unified goals, communication, and individualized case management programs. This is evident through its disaster planning operations, which include a restructuring of at-risk community infrastructure and extensive resident and business engagement over the years. The region was able to recover and mitigate the environmental hazards brought on by the flooding through private-public partnerships and strategic infrastructure investments. For example, the flood control system, a 20-year capital project, is estimated to cost \$550 million. In addition to developing a plan for a flood control system within five months of the disaster, the City of Cedar Rapids bought and destroyed 1400 flood-prone homes, required new buildings to be built above the flood plain, raised all sewers, built a levee around the sewage treatment plant, and moved the central library and firehouse to higher ground. Businesses that had been destroyed in the flood plain agreed to relocate.⁵ These changes were not only critical to the recovery of Cedar Rapids but also helped the community to mitigate future flooding.

DEVELOPING CAPACITY FOR ECONOMIC RECOVERY & REDEVELOPMENT

The Economic Planning and Redevelopment Corporation (EPRC), Cedar Rapids Small Business Recovery Group (CRSBRG), Emergency Operation Center (EOC), Priority One, and the Recovery and Reinvestment Coordinating Team (RRCT) were all instrumental in the initial recovery response. As of 2012, the EDO landscape had restructured, with the Cedar Rapids Metro Economic Alliance (CRMEA) taking over the economic and recovery efforts.

CRSBRG empowered local business owners to organize at the grassroots level immediately after the 2008 flood. In initial days after the flood, over 250 small businesses joined the organization; the first meeting of business owners took place after one week. Also attending the first meeting were representatives from the City of Cedar Rapids, FEMA, the Small Business Administration (SBA), and Congress. The SBA gave businesses information on disaster assistance they could tap at that first meeting. The meeting gave business owners a place to voice their concerns and share their stories and challenges with each other.⁶

ASSISTING LOCAL BUSINESSES THROUGH A CASE MANAGEMENT APPROACH

The Business Longer Term Recovery Initiative (BLTRI) or the Business Case Management Program was implemented by the Cedar Rapids Chamber of Commerce in 2010. It provided direct one-on-one assistance to flood-affected businesses. Case managers were assigned to businesses and became their advocates, helping them to navigate the recovery process. Case managers were heavily involved in helping businesses work through the JumpStart2 funding process. In partnership with other organizations, the BLTRI helped to deliver \$45 million to recovering businesses.⁷ The program was successful in its efforts to help businesses to recover because of these actions:

Business Needs Follow-up: Meetings to clarify the needs of the businesses and gather additional business data.

Advisory Counseling: Services and counseling in sales, marketing, finance, accounting, business planning, and communications.

Workshops: Monthly workshops to address business' needs with a focus on marketing, tax planning, and disaster planning.

Funding Advocacy: Help business owners navigate funding programs, including eligibility and acceptable documentation.

Documentation: Help business owners to understand the JumpStart2 programs, especially equipment and inventory support and preparation of case reviews.

At the outset, the program was funded by state grants. As it expanded, it also received federal funding. To provide additional services, several private-public partnerships were formed. This included SCORE (a national mentoring organization and resource partner with SBA), and the Small Business Development Center and the Safeguard Iowa Partnership.⁸ While the program has ended, it served 565 businesses and coordinated 2,967 engagements with businesses.

COMMUNICATION TO GENERATE A UNIFIED RESPONSE

The local government and EDOs had strong centralized messaging during recovery efforts which helped to streamline communication to residents and strengthen trust. Furthermore, the quick response and ongoing communication following the 2008 flood set the tone for future economic recovery efforts and helped to gain the confidence of residents.⁹

FINANCIAL RESOURCES

Federal Assistance

East Central Iowa Council of Governments (ECICOG) led the business recovery financing efforts in the area.¹⁰ ECICOG secured around \$300,000 in loans from the US Economic Development Administration (EDA) to establish two disaster recovery coordinators whose role was to guide community members through the process of applying for federal and state financial assistance. One coordinator focused on homeowners while the other focused on local businesses. They also received an additional \$1.5 million grant from the EDA to create an organized Revolving Loan Fund (RLF). Administered by the ECICOG, the program provided loans to businesses that were impacted by flooding and needed gap financing.¹¹ In 2021 the RLF program became the precedent for the city's Business and Community Kickstart (BACK) program which partners with the Kirkwood Small Business Development Center.¹² The program supports businesses by supplying financial and technical assistance.¹³

Local Assistance

A public and private partnership created the Jobs and Small Business Recovery Program of 2016 to aid small businesses in recovering from economic losses due to the most recent flooding in the area.¹⁴ The program provided support of up to

\$5,000 to businesses that had suffered expenses and revenue loss during all phases of the flood. While the grants were not intended to cover all losses of the business, the application process was simple so that the money could get to businesses as quickly as possible.

Supporting Local Business Recovery through Capital Assistance and SBA Loans

SBA loans became available when the region was declared a national disaster area. SBA disaster loans were provided with terms up to 30 years repayment with interest rates ranging from 4 to 8 percent.¹⁵ The 30-year amortization period was not available through most commercial lenders which made the SBA loan appealing to local businesses.

The Cedar Rapids Small Business Recovery Group (CRSBRG) worked hard to ensure that the Local Option Sales Tax (LOST) passed as it assisted flood-impacted homeowners in their rebuilding.¹⁶ CRSBRG as well as other organizations that prioritized reinvestment in residential rebuilding helped to restore confidence in residents whose homes were destroyed in the floods.¹⁷

TAKEAWAYS

Importance of Infrastructure Investment

The community prioritized rebuilding and relocating city facilities, reinvesting in neighborhoods, planning a flood management system, and addressing flood recovery needs in the wake of the 2008 flood. City officials and community leaders alike emphasized the importance of a long-term strategy to prevent future damage to homes, businesses, and public infrastructure. Rebuilding and relocating homes helped restore residents' confidence after losing or needing to repair their homes.¹⁸ The financing for such an ambitious endeavor was possible through local levies as well as state and federal funding.¹⁹

The community-led framework is key for the resiliency of the region to future disasters. At the core of the framework is an extensive flood-control system and community engagement. The framework emphasizes neighborhood revitalization through commercial and residential development to attract a young, dynamic workforce.²⁰ The Cedar Rapids experience illustrates the importance of investing in disaster preparedness that supports a safe environment for businesses and a more vibrant economy.²¹ One of the most significant takeaways from the 2016 flood is that the strategic goals the community adopted and implemented after the 2008 flood ensured that the physical and economic damage of future floods would be mitigated.

SUMMARY

The recovery efforts in Cedar Rapids following the 2008 flood demonstrate the crucial value of disaster recovery plans, especially when the risk of a similar disaster is high. Through their strategic planning, the region was not only able to address the concerns of stakeholders but also could actively engage them in long-term recovery efforts. Those involved in recovery efforts during the 2008 and 2016 floods can attest that ongoing public engagement has paid long-term dividends, laying the foundation for the recovery of Cedar Rapids and its economy.^{22, 23}

ENDNOTES

- ¹ Kellar, Elizabeth, "Disaster Recovery for the Long Haul," *Governing*, November 1, 2017, from <https://www.governing.com/archive/col-disaster-recovery-planning-long-term-sustainability.html>
- ² City of Cedar Rapids. "Flood Recovery Process."
- ³ Gary Ficken, phone interview by author, Washington, DC, June 29, 2012.
- ⁴ The Cedar Rapids Area Chamber of Commerce. "First Business Case Management Program For A Natural Disaster Cedar Rapids, Iowa – June 2008 Flood." *The Cedar Rapids Area Chamber of Commerce*, January 2012, https://www.cedarrapids.org/application/files/6614/7174/5820/Business_Case_Management_Program-BSI-1-12-2012.pdf. Accessed 30 April 2022.
- ⁵ Ibid.
- ⁶ Ibid.
- ⁷ Ibid.
- ⁸ Ibid.
- ⁹ Ibid.
- ¹⁰ FEMA, International Economic Development Council (IEDC), & International City Management Association (ICMA). (2022). *Planning for Economic Recovery* [Training Support Package] [Powerpoint Presentation]. https://docs.google.com/presentation/d/1Qat8bAt3VsloGvp73AY1m_lSo7JM3vRa/edit#slide=id.p1
- ¹¹ ECICOG. (2022). *Cedar Rapids Loan*. ECICOG. Retrieved April 13, 2022, from <https://www.ecicog.org/cedar-rapids-loan.html>
- ¹² White, M. (2021, May 6). *Cedar Rapids BACKS small businesses in recovery from pandemic*. *derecho*. *kwwl.com*. Retrieved April 13, 2022, from https://www.kwwl.com/news/cedar-rapids/cedar-rapids-backs-small-businesses-in-recovery-from-pandemic-derecho/article_ef5b3404-9687-55bc-a883-d3e176932d28.html
- ¹³ Ibid.
- ¹⁴ Greater Cedar Rapids Community Foundation. (2016, October 12). *Jobs and Small Business Recovery Fund Established to Assist ...* Greater Cedar Rapids Community Foundation. Retrieved April 13, 2022, from <https://www.gcrf.org/2016/10/jobs-small-business-recovery-fund-established-assist-cedar-rapids-businesses/>
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ Ibid.
- ²⁰ Ibid.
- ²¹ Ibid.
- ²² Ibid.
- ²³ Kellar, Elizabeth, "Disaster Recovery for the Long Haul," *Governing*, November 1, 2017, from <https://www.governing.com/archive/col-disaster-recovery-planning-long-term-sustainability.html>