Case study: A Plan to Rebuild Grafton, Illinois

U.S. emergency mobilization needed to save flood-ravaged Midwest towns

by Marcia Merry

Grafton, Illinois is a river town of 918 residents located at the confluence of the Mississippi and Illinois rivers, just upriver from where the Missouri River meets the Mississippi. Like hundreds of other towns, Grafton was devastated by the Flood of '93.

In terms of geography, Grafton is unique. Because of its location, Grafton is liable to flooding when any of the three rivers—the Illinois, the Mississippi, or the Missouri—reaches flood level. This year, when all three rivers flooded simultaneously, Grafton was flooded as never before in its history.

Vice President Albert Gore flew there July 13 during the floods to show federal concern. Politico Ross Perot went there to make a speech. The national media focussed on Grafton for a time. Then they abandoned it.

The financial condition Grafton is the same as the hundreds of other hard-hit river towns: It is in desperate trouble. Although the flood waters have now receded, no amount of sheer grit and effort can "clean up" after this killer flood, because these towns were already suffering from decades of economic depression. Even had the summer of 1993 been ideal, the towns would have been in trouble: Unemployment is high; infrastructure is aging; towns are trying to shift to reliance on tourism; there is an exodus of young people; bridges, roads, sewage and water treatment plants are in need of repair and replacement. Towns along thousands of miles of the midwestern river systems are in this condition.

Portsmouth, Ohio, for example (which didn't experience floods this year), had 50,000 residents in the 1950s, and many manufacturing plants serving the shoe industry. The town now has one factory, which makes shoe laces. Portsmouth's population has shrunk to 23,000, and the largest payroll in town is the welfare check.

Clairton, Pennsylvania, on the Monongahela River, declared bankruptcy last year. McKeesport, Pennsylvania, on the confluence of the Monongahela and the Youghiogheny, has shrunk in population from 90,000 down to 25,000; it can't support even one fast-food franchise. Its water supply system broke down and was infected with *giardia lamblia* in the 1980s, and the National Guard had to come to the rescue.

Grafton estimates that it needs $29 million to refurbish and rebuild (public budget money and private investment combined). If you figure that there is at least one "Grafton" in each of the 421 counties designated as disaster zones, out of the total of 791 counties in the nine states declared disaster states because of the 1993 flood, then the modest rebuilding figure for small municipalities is $12.209 billion total, with no frills. Note that this does not even count the multibillions in damage to farms, to interstate infrastructure (rail lines, bridges, highways), nor large urban areas.

Yet, under "business-as-usual" in today's depression, there is no current or expected foundation of economic activity nor tax base by which these towns can remain alive, let alone rebuild. Unlike the federal government, they can't print money.

Over the past three decades, the base of economic activity of both the river towns, and all municipalities alike was wiped out by depression. After the Flood of '93, it's either a national economic mobilization to restore the economy, or it's the end of the line for these towns and the nation.

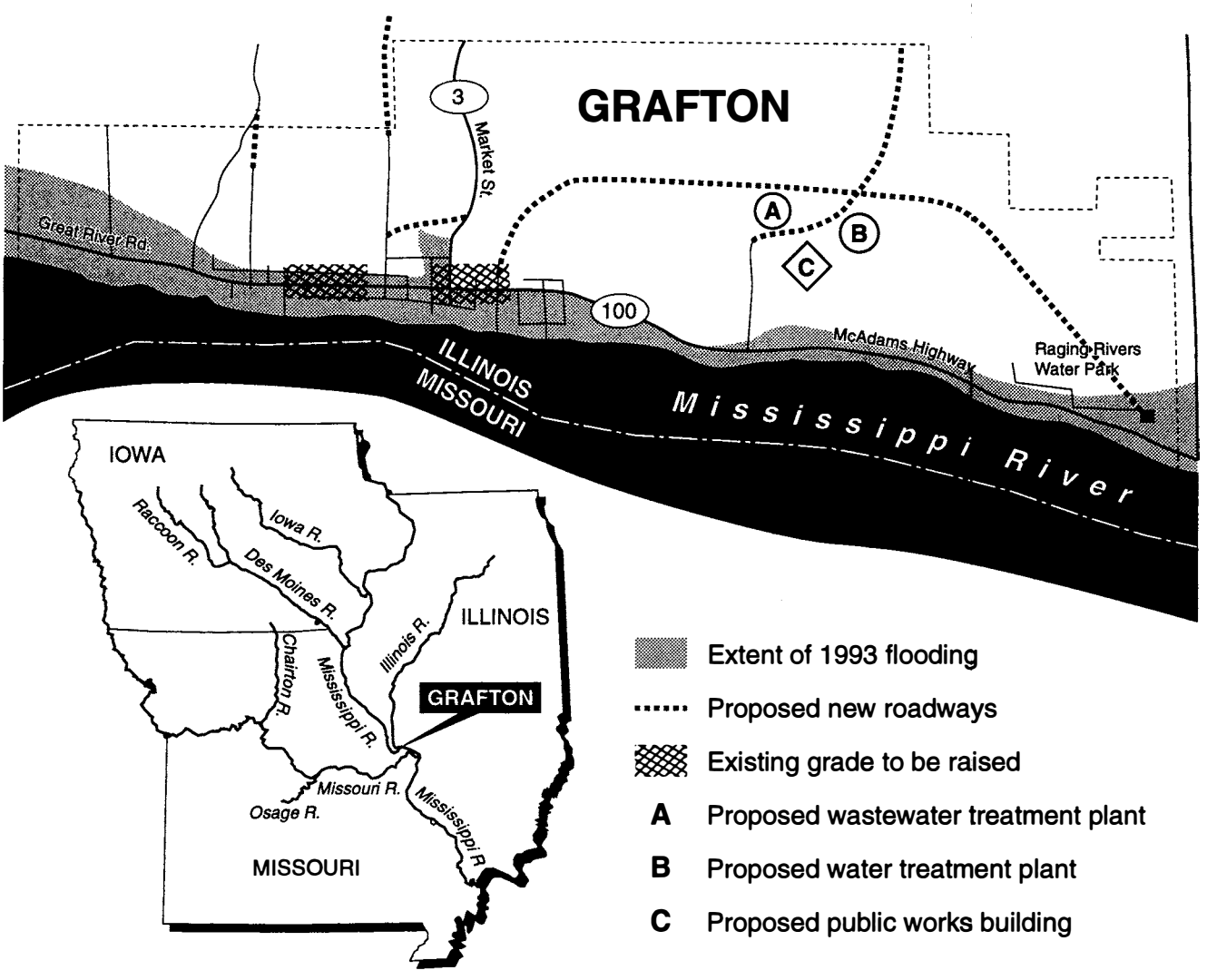
Casinos thrive on economy's corpse

Alton, Illinois, just 15 miles downriver from Grafton, used to be 80% industrial. As the 1980s depression hit, the industry shut down, and now only the ConAgra flour mill is still operating. In desperation, the townspeople approved a riverboat gambling casino.

Upriver from Grafton is the famous Quad Cities—Davenport and Bettendorf in Iowa, and Rock Island and Moline in Illinois. Quad Cities used to be famous for high-technology farm-implement manufacturing, such as John Deere tractors. Then the depression knocked that out, and now since 1991, Davenport is home port to the President Lines riverboat casino. They, too, have made a deal with the Devil.

Davenport didn't even build a levee to protect itself from floods, so as not to "spoil" the view of the riverfront for the visiting prospective gamblers. The town was getting $20,000

Schematic of Grafton, Illinois and its proposed rebuilding plan



Source: City of Grafton, Illinois.

a week payoff to its budget from the President casino company. Then when the Flood of '93 came. As economist Lyndon LaRouche said from prison, "They wanted a river view; they got it in their living rooms."

Grafton's battle against the flood

Unlike Davenport and Alton, Grafton has not made a deal with the Devil, and did not approve gambling as an apparent solution to its economic problems. But financially, the town could not afford a levee, and was barely surviving on the summer tourist trade. Then came the flood, which ruined Grafton's 1993 summer tourism revenues, and damaged its aging infrastructure.

The townspeople did everything they could to survive the raging waters in July and August. They evacuated residents, boarded and sandbagged property, and built makeshift gravel roads on higher ground. They patrolled by boat. Everywhere there were signs reading "Do Not Make Wake," in order protect the structures from further damage from the wakes of passing boats. The town's only grocery market was flooded to the ceiling. They set up an emergency food bank and meals center. Three of the four churches in town were flooded, and all residents pitched in to minimize the damage. The only commerce and trade that went on were floating food concessions to serve the swarms of visiting journalists. Then the media left, and there was no activity at all.

TABLE 1
Overview of Grafton's needs
(estimated August 20, 1993)

Needs, today and tomorrow	Cost
1. Temporary personal needs	$ 3,624,500
2. Temporary municipal/public systems needs	610,000
3. Temporary business needs	1,540,000
4. Permanent personal needs	10,620,625
5. Permanent municipal/public systems needs	10,449,000
6. Permanent business needs	2,412,500
Total Grafton needs	**$29,256,625***

* Plus possible additional amounts to be determined after floodwaters recede.

Grafton Mayor Gerald Nairn reports that about $67,000 comes into the town's budget annually in the form of revenues from the summer season tourist trade. But this year, $50,000 of that is lost. Therefore, besides the direct flood damage, Grafton is thrown into financial crisis because the town budget cannot even pay its staff who provide security, public works operations, and other services.

Yet Grafton reacted to the physical emergency in July and August with full moral commitment. To protect their 38-year-old sewage plant, they wrapped it in plastic sheeting, and when a hole developed, they commissioned divers to go down and plug it. Then the waters rose even higher and came within inches of pouring into the sewage plant through the windows. However, the town's effort prevailed, and the plant is intact. But it is located on the flood plain, and the engineering life of a sewage plant or water works is only 40 years, so Grafton's plant is ready for retirement, even without another flood episode that it very likely would not withstand, no matter what precautions were taken.

While the physical battle against flood waters raged, townspeople formed a committee and drew drew up a program for putting the town right for the future. They released their proposal, "Flood Relief Comprehensive Plan," on Aug. 20. The proposal is illustrative of what is needed in towns throughout the Midwest in similar circumstances. The total cost estimate is $29,256,625, for a combination of municipal, business, and personal costs. In the case of Grafton, most of the municipal costs involve replacing the aged infrastructure and moving its sewage treatment, water supplies, the telephone exchange, and power lines to nearby higher ground. The topography of the upper Mississippi is such that many flood plain towns could relocate their utilities to more protected sites. Mayor Nairn issued a statement saying, "Our goal is to *save our town*."

On Sept. 11, Mayor Dennis Knobloch of Valmeyer, Illinois, likewise announced that the 900-plus residents of his town, located 15 miles south of St. Louis, also voted in favor of moving the town to higher ground to the east. Knobloch said that of the 239 votes cast, 66% favored making the move. "We thought when the water went down, all our problems would go with it," he commented. "But the water was just the tip of the destruction."

Call in the Army

In addition to the local plans for refurbishing, the results of the Flood of '93 show that the Army Corps of Engineers must be mandated to finish the job of overall flood control measures throughout the entire upper Mississippi/Missouri River watersheds—tributaries and all, as has been rather well done in the southern Mississippi basin, from about Cairo, Illinois southward.

After a devastating flood in 1927, Congress passed the "National Flood Control Act" and the Corps of Engineers went to work on the lower Mississippi basin. The full panoply of methods was used—levees, diversion channels, dams on the tributary channels, stabilizing channels with dredging, revetements.

On the upper Mississippi, for various reasons, such systems were only partially built, with devastating consequences this year. The decision whether to build levees was left to each municipality on a site-by-site basis, and maintaining levees was left to local levee districts—meaning, in practice, to financically strapped farmers and residents of small towns. (See "The Damage of the Flood of '93 Could Have Been Prevented," *EIR*, Sept. 10.)

The lessons of the flood now show to whoever across the nation can still learn, that this folly must be changed. A national emergency economic approach is required, in which millions of jobs can be created in the course of dealing with the nation's decrepit infrastructure and unbuilt large-scale water, transport, and other public works improvements.

To make the point concretely, what we here provide are the details of Grafton's plan, excerpted from the Aug. 20 release by Mayor Nairn, for the City of Grafton, and sent to President Clinton, Vice President Gore, Illinois Gov. Jim Edgar, and others, including this news service. Besides the 18-page report, also available is a 20-minute video made by the town, to dramatize their situation. (The video be obtained by writing to Mayor Gerald Nairn, City Hall, Grafton, Ill. 62037.)

Flood Relief Comprehensive Plan City of Grafton, Illinois Aug. 20, 1993

Grafton's Goal: To present herewith a well-thought-out plan for approval and implementation to recover from the disastrous flood of 1993. Rationale: Let's spend the money

prudently *now* so that future flood damage costs will be minimal. The current flood has been and will be very costly to the Citizens of Grafton, the City of Grafton, Jersey County, the State of Illinois and the United States government. With a proper plan, the 1993 flood will be the *last* disastrous flood in Grafton's history. *The City of Grafton will not survive unless we receive assistance.*

Background: The City of Grafton lies within Jersey County in southwestern Illinois, 15 miles upriver from Alton via the beautiful "Great River Road." Grafton is 45 minutes from downtown St. Louis and 40 minutes from St. Louis Lambert International Airport.

The population is 918. We have 383 households, 60 business, four churches, and an elementary school. A large number of Grafton residents have jobs in Alton and St. Louis. Others have small businesses in Grafton or are employed in town. We have no manufacturing or industry.

Grafton's economy relies strongly on tourism. Spring, summer, and fall are our busiest seasons. Raging Rivers Water Park, now in its third year, is our largest employer, and is a $5,000,000 investment. It is located within our city limits. It lost 80% of this season due to flood.

After each flood in the past, the sturdy folks of city of Grafton have returned to their homes, cleaned up, repaired, and went along with their lives without complaint. But the 1993 flood is different. Many of our homes and businesses will be condemned. Many residents will have no home to return to.

During the devastating flood, Grafton made many accomplishments. Grafton survived and kept the community together in spirit and in hope. Grafton coordinated FEMA [Federal Emergency Management Agency], SBA [Small Business Administration], and Illinois Employment Security applications for qualified residents, businesses, and employees. Grafton surveyed residents and businesses as to emergency and future needs. Grafton worked with FEMA representatives to secure temporary mobile home housing for flood victims. Grafton began emergency road building for some of our flood-bound citizens. Without these quickly constructed gravel roads, over 95% of the people of Grafton would have been unable to leave town without taking a boat.

Beginning in July, there were meetings of the Grafton Flood Control Committee, and in July and August surveys were taken to reach maximum possible consensus on steps to take.

Here is the overview of needs, and then a breakdown of two selected subgroups of requirements—municipal (public services) and residential [see table].

Below, we now give excerpts from the Grafton Flood Relief Comprehensive Plan, for the two largest cost lines in the Grafton list of needs—Permanent Municipal/Public System Needs, and Permanent Personal Needs—i.e., residential, which total $21,069,625. First, the municipal requirements.

Municipal

The costs for meeting temporary municipal needs include incurred costs for such essentials as the mobile wastewater treatment system for use at the main temporary housing site, which later was shifted to a new public works site for emergency back-up use ($85,000). For the water and sewer plans, there are temporary repairs once the floodwaters are gone, and before new plants are in operation ($50,000). Otherwise grants are needed on the scale of $17,500 monthly for police, fire, public health, and other city services until Grafton revenues resume ($210,000).

The long-term municipal and public systems needs add up to $10,449,00. (When the $610,000 is combined with this, the total of $11,059,000 is explained, which is listed in the table of overall needs.) These are basic infrastructure, without which a community cannot exist for long until dysentery, cholera, and other diseases will depopulate the settlement, or else the population must evacuate.

The schematic map of Grafton shows the following elements of essential infrastructure requirements [see map].

1. New Public Works Complex.

New five-acre public works complex above flood plain located at expanded site of present water storage tanks (for water, sewer plants and maintenance building). Includes land acquisition and site improvements. (Estimate $185,000.) See "C" on the map.

2. Water

New water plant, estimated $600,000, less approximately $135,000 available from present HUD/DCCA grant. ($465,000.) See "B" on the map.

3. New water wells

Two new water wells, $100,000-$200,000 estimated cost range. ($150,000.)

4. Eight-inch water line

A new 8-inch water line to tie in to existing 8-inch water line from west end of Grafton through center of city (trunk line) to storage tanks. A grant application has been submitted to DCCA on June 30, and is pending. ($120,000.)

5. Eight-inch water main

A new 8-inch water main from existing 280,000-gallon storage tanks to proposed 800,000-gallon elevated storage tank at highest available elevation in Grafton. ($200,000.)

6. New elevated storage storage tank

800,000 gallons. (Estimated $800,000.)

7. Sewerage

New sewer plant at public works site including lift station from present plant location and lines from lift station to new plant. Estimated cost range of $1.5 to $2 million. See "A" on map. ($1,750,000.)

8. Existing sewer line video study and repair

Includes installation of insituform lining for sewer lines being infiltrated. ($285,000.)

9. Streets, roads, highways (city, county, and state)

(A) Build a series of roads in high areas of Grafton (see map). The proposed roads will provide ingress and egress to and from all areas of town. Passage to proposed new public works sites will be assured.

Approximately 10 miles of roads, estimated at $550,000 per mile, are required. ($5,500,000.)

10. Raise Illinois state highway 100

It is called McAdams Highway and Great River Road, and is to be raised where it crosses state highway 3 at the center of Grafton to maximum appropriate flood avoidance level. This is approximately 0.7 mile. ($994,000.)

Permanent personal (residential) needs

Here are some of the factors that went into the final calculation of a total estimated figure of $14,245,125 to cover personal needs. About 20% of the households are candidates for rebuilding. This comes to $1,412,500, based on 75% of assessed valuation. Approximately 80% of the households are candidates for relocation. This comes to $5,650,125 based on 80% of assessed value adjusted for apartments and mobile homes.

Then there are transition costs (storage, etc.) amounting to perhaps $239,250 for 229 households (which is 60% of the 383 households that need to relocate).

Other costs include grants to subsidize requirements (subdivision infrasturcture, home loan buydowns, etc.) to bring rent and homebuyer costs down for HUD low- and moderate-income people. This amounts to $3,318,750.

Finally, there are the costs of the new homes and apartments—to be paid by the owners. It is estimated there need to be 229 relocations: 80% new homes ($55,000-75,000 range), and 20% new apartments ($25,000-35,000 per unit). The overall cost range is estimated to be $15 to $20.5 million. Most all of this is to be paid by owners.

Temporary personal needs

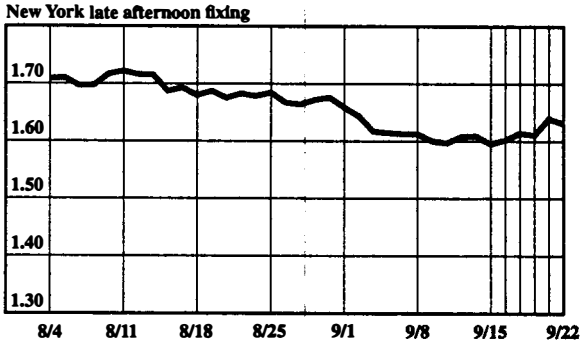
Apart from the permanent residential requirements, the costs of the temporary personal needs are more obvious—and played up on television, and relatively speaking, much smaller by comparison. As calculated by the Grafton townsmen, the needs include survival cash, temporary housing, and special assistance.

Of the 383 households, an estimated 306 (80%) need assistance. It is estimated that $750 is needed monthly for each household for 11 months until rebuilding is well under way. That amounts to $2,524,500. Other costs need to be met for 100 mobile homes for temporary housing for FEMA-qualified residents ($950,000, including costs of developing the sites). And about $1,500 per family is required for the 100 families that found their own temporary housing with friends and relatives, but for the 6-15-month period of dislocation, need cash to help defray their upkeep ($150,000 total). Thus, the total for temporary personal needs for the town is listed as $3,624,500.

Currency Rates

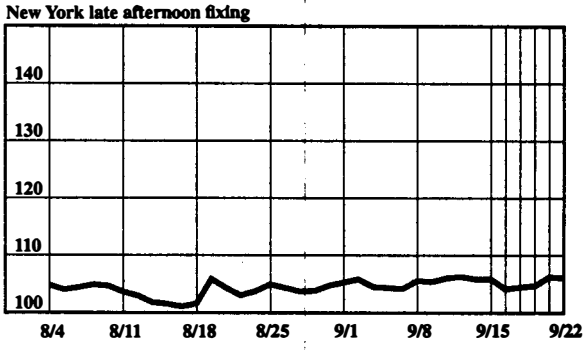
The dollar in deutschemarks

New York late afternoon fixing



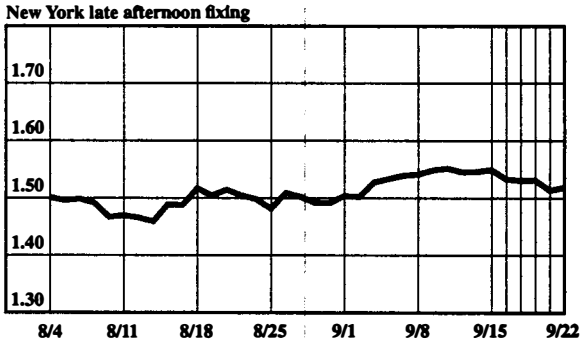
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing