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More may need flood insurance

By ***Philip Dine***

POST-DISPATCH WASHINGTON BUREAU

Thursday, Aug. 23 2007

WASHINGTON -- Thousands of Missouri and Illinois residents living near the Mississippi River soon may have to fork over a lot more money, as a result of a remapping process nearing completion by the Federal Emergency Management Agency and the Army Corps of Engineers.

Homeowners in areas where the levee is designed as being sturdy and sound enough to protect against a once-in-a-century flood have been exempt from having to buy flood insurance, but that will no longer be the case.

As part of a remapping process designed to more accurately depict the dangers residents face, federal officials will indicate on the new maps what areas may be at risk in case of a flood, even if their levee technically meets safety criteria. That in turn would cause lenders to oblige homeowners to buy insurance.

"We call it a map modernization project, and we're updating the flood risk maps that are used across the country for many purposes, to make sure the information we show on them accurately reflects current flood risk," said Terry Reuss Fall, chief of FEMA's Chicago-based Flood Plain Management and Insurance Branch, which oversees six midwestern states.

"How we reflect that risk is going to change on our maps," Fall said, "so there will be more people who are in the flood plain. People need to understand that they have risk, so they can make sound and informed public safety decisions for themselves and for their communities."

As many as 150,000 people could be affected by the change in policy, said Sen. Dick Durbin, D-Ill.

Fall said that the new maps will be released for public review and comments as early as late September.

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Repairs on Metro East levees may mean tax hikes

By **Terry Hillig**

ST. LOUIS POST-DISPATCH

Friday, Dec. 07 2007

The price tag for repairing and upgrading aging levees in the Metro East area is soaring.

A new report from the East-West Gateway Council of Governments says the total cost could run between \$136 million to \$180 million. As recently as late September, Metro East officials thought the work would cost about \$100 million.

Failure to undertake the renovations would probably mean costly new building requirements and force many property owners to buy federal flood insurance for their homes and businesses throughout American Bottom, the flood plain that stretches from Alton to south of Columbia in Madison, St. Clair and Monroe counties.

Five aging levee systems along the Mississippi River and its tributaries protect the homes of more than 156,000 people and about 4,000 businesses, including some of the area's larger employers.

For several years, the Army Corps of Engineers' St. Louis District has advised local leaders that all five systems are deficient by today's standards, not because they need to be made higher but because of underseepage problems and old and deteriorating pumps, gates, pipes, electrical controls and other infrastructure.

The remedies to those problems include millions of dollars' worth of new hardware and more relief wells to help protect the levees from damage caused by water that seeps beneath them.

Renovations were anticipated over the next decade or so, but local officials learned in August that the levees could be "de-accredited" as early as 2009.

In March 2008, the Federal Emergency Management Agency is expected to complete revised flood-risk maps for the three counties, and the new maps are expected to designate most of the flood plain at risk of flooding in a "base flood," or what's often called a 100-year flood. In any given year, there is a 1 percent chance of a flood of that magnitude.

The update is part of a reassessment of flood risks across the country. After Hurricane Katrina, FEMA was directed by Congress to update flood-risk maps nationwide.

The maps would become official 12 months later, triggering flood insurance requirements and more stringent building codes in the flood zones.

"A regional effort has emerged," St. Clair County Board Chairman Mark Kern said. "We all understand that the rule changes require us to do a lot of work. It's going to be a costly endeavor."

Federal money will probably be available for much of the renovation work, but

there's no guarantee. Local levee districts will have to come up with at least 35 percent of the costs and perhaps a larger share, officials said.

Much of the local share will come from higher taxes on property owners.

Wood River Drainage and Levee District this week notified property owners it has asked for court approval to increase the district's tax levy to \$915,091 from the current year's levy of \$402,498. The additional revenue would go toward the needed renovation. Other districts are expected to also seek tax hikes.

The chairmen of the three county boards and officials of the four affected levee districts — the Metro East Sanitary District is responsible for two levees — have been working with the Gateway Council on ways to accomplish the needed improvements.

The Gateway Council's draft report recommends establishment of a leadership task force of the three counties and development of a levee restoration plan and a funding plan.

The report also recommends that the counties ask FEMA to designate the area a "restoration" zone. Les Sterman, executive director of the Gateway Council, said the designation would allow the region up to a decade to complete the needed improvements.

In the meantime, he said, it would somewhat ease building requirements in the flood zones and make flood insurance less expensive than it otherwise would be.

Sterman said FEMA's flood map reviews in the Metro East area are farther along than in any other area of the country except the area around Sacramento, Calif. He said the process in the Missouri portion of the St. Louis area is two or three years behind that in Illinois.

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Sauget sees opportunity in Sauget

By **Repps Hudson**

SPECIAL TO THE POST-DISPATCH

Friday, Dec. 07 2007

Rick Sauget is a civic leader and businessman who serves on many area boards. Yet he hails from a small city of 250 residents that many regard as a home for strip clubs and high-risk industrial wastes.

Sauget can speak at length about developing the American Bottoms, the flat, fertile land between the Mississippi River's levee system and the bluff to the east.

His desk is in the Stadium Office Complex at Interstate 255 and Mousette Lane (exit 15) overlooking the left field seats in GCS Stadium. Sauget built the 5,300-seat facility in 2002 for the Frontier League Gateway Grizzlies, a minor league team.

We spoke in his comfortably cluttered office strewn with real estate development maps of all sizes and colors.

You work for yourself. Do you like being in charge?

Definitely. I don't know how I would do it if I had to work for someone.

Is it a problem to manage your time?

When you're working all the time, it's not hard to manage. When you are working for yourself, you're making your work your fun. A lot of the time you spend is at social events tied to business and politics.

It's all one world?

Sort of, yes. I've got my children involved with me in business in different aspects.

Why do you call this area East County?

Instead of saying "the East Side" or "Metro East," when we say "East County," that makes us a part of the whole region. Jim Pennekamp (now executive director of University Park) came up with that about 15 years ago. I asked if I could borrow it for my development company.

Is it catching on as a way for people to think of this part of the metro area?

Everybody recognizes East County when I say it. People say, "What part of St. Louis are you from?" "West County." "North County." "South County." Illinois is east, so "East County."

What do you think about bridges across the Mississippi?

In my opinion, there ought to be two bridges — a bridge to the north and a

bridge to the south. We really don't want to go there. That's a long and arduous task.

More important are the levees. The reason we have industry in these American Bottoms is the levee. The Corps of Engineers built it in the 1920s. During the flood in 1993, the levee protected the whole American Bottoms from Columbia to Alton. Once the levee was in place, industry and all kinds of opportunities became reality here. That's why this particular area grew so much.

Is the levee in good condition?

How long do you drive a car? A levee's the same way. We have to get the levee in condition so the Corps will certify it. That will make financial institutions more comfortable to finance projects in this area.

You have a levee district to provide money for upkeep?

That's part of it. The feds will probably support 65 percent of the funding.

Do you want to raise the levee or strengthen it?

Maintain it to the way it was originally built.

Is MidAmerica Airport another part of the infrastructure? Some people see that as a costly failure.

The day we dug the first dirt out of the ground, that airport was a success. That airport kept Scott Air Force Base and 11,000 jobs here. That's a command center out there. Those jobs could have moved on very easily. It's just a matter of setting up a computer someplace else.

By building the airport you secured Scott?

Without a doubt. MidAmerica Airport is a long-term capital investment for this side of the river. We haven't been fleeced. We just saved a major military command from leaving the area. We've strengthened the area with a joint-use airport. We were very close (to losing Scott). After 9/11, which changed the airline industry dramatically, we are concentrating on that being a cargo-business development type airport.

Are major cargo carriers like FedEx interested?

Once the bridges are in better shape. It's all tied together. That's why MidAmerica is so important. We can put our hand up at an international trade conference and say, "St. Louis has the ability to do that."

Is that likely to happen?

Yes. In the next five to 10 years, there's going to be some significant cargo opportunities for the St. Louis region.

What's your vision for this area? Industrial, commercial, entertainment, like this stadium?

We have such great infrastructure. Union Pacific is making a major move to increase its intermodal facility in Dupo. With all this infrastructure, and all this power we have, this gas and electricity, to service major facilities, we have major capacity. Much more so than the communities up on the bluff.

Your family has been here a long time. You're kind of a dynasty, aren't you?

I wouldn't call it that. We are very concerned and involved in businesses here. Our family has been doing this for 80 years now.

The Wall Street Journal had a story that said Sauget has a lot of things that other people don't want, like the (Solutia) chemical plant, the strip clubs, and that as a family, you have been receptive to that. Is that a fair

evaluation?

This isn't conducive for residential. I don't think a Glen Carbon wants an ethanol plant or a chemical plant. This is more of an industrial and commercial area. People come here for their jobs and to take advantage of the infrastructure that's been here for many years. Not every community can have full-blown mixed use.

Do Sauget and the bottoms here suffer from an image problem?

The Wall Street Journal article was very positive. They said some of the (environmental) problems were in the past, but the regulatory agencies cleaned all of that up.

When things are built here today, do they fully measure up?

Oh, yeah. You can't operate (unless they do). We have a clean-energy corridor, where an ethanol plant and a trash recycling facility will be going. We're looking at recycling a lot of that trash, turning it into energy. .

When people think of Sauget, they think of strip clubs. Is the day coming when those won't exist here?

People go to those adult facilities for entertainment. It's like going to Las Vegas. They're not doing anything illegal.

So they're here to stay?

I'm not saying that. There may be better uses for those properties someday. The things that are done there are not extraordinarily out of synch with what you'd do in any community. There are a couple of entertainment facilities, but they run those businesses well.

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Investment in Southwestern Illinois continues to grow

By [Riddhi Trivedi-St. Clair](#)

ST. LOUIS POST-DISPATCH

Friday, Dec. 07 2007

Southwestern Illinois has continued to see increasing investment in planned and actual real estate developments, driven primarily by the industrial sector.

From Sept. 1, 2006, to Aug. 31, \$4.5 billion in new industrial development has been announced for the area. In addition, several previously announced projects began construction and others were completed, bringing the total industrial development investment to \$6.7 billion, up from \$2.3 billion over the same period a year earlier.

Other sectors, such as office and commercial development, also saw investments in the form of new projects though to a lesser degree, according to the 2006-07 Market Review by the Leadership Council Southwestern Illinois.

The review, which covers Madison and St. Clair counties, looks at developments in different sectors. Experts say new residential growth and strong infrastructure, including access to the river, railroads and new roads pushed the area toward a strong growth in industrial development.

The largest new industrial project cited by the leadership council is the additional \$2 billion that ConcoPhillips plans to put into its previously announced coker project in Roxana.

Other major industrial projects in southwestern Illinois include the billion-dollar AirPark by Martin Aviation Group in Cahokia, and a \$350 million investment at U.S. Steel's Granite City Works, both of which are under construction.

For many years, residential growth was strictly a westward movement in the St. Louis metro region, and other types of development followed, said Patrick Mc Keehan, executive director of the council. But with residential growth picking up in the Metro East, commercial real estate investments are following.

"In many ways, it is a natural progression," said Ed Lampitt, first vice president for CB Richard Ellis based in Clayton. "It is sort of a balancing of the St. Louis metro."

Land availability, especially land already zoned for industrial use, immediate access to highways and incentives, including tax abatements offered by local and state governments have helped spur the growth, Lampitt said.

"The growth of southwestern Illinois is not so much a surprise as a welcome (occurrence)," said Terry Stieve, senior vice president and principal for Colliers Turley Martin Tucker, based in Clayton. "I have been in the real estate industry for 20 years and almost the entire time we have been waiting for it. And it has finally happened."

A strong employee base, Stieve said, has played a big role in attracting new investments.

Logistics also has been a big factor in helping the Metro East area grow, he said. As larger markets for industrial developments like Chicago, Memphis, Atlanta and Dallas have become more congested, southwestern Illinois presents an attractive alternative with multiple transportation opportunities, including river, rails and roads, Stieve said.

There should be a healthy demand for new Metro East developments, Stieve said.

For the last few years, the region has seen roughly a million square feet of industrial space being leased each year, he said, with the vacancy rate at about 14 percent for top tier space. That compares to more than 20 percent in Atlanta and about 15 to 20 percent in Chicago.

The strong industrial market is generating growth in other real estate sectors. Companies that serve the industrial tenants are creating demand for office space. And retailers are drawn to the growing work force.

"It will never be Clayton in terms of the office market but we are already seeing new office demand," Lampitt said.

The American Red Cross recently announced a new regional headquarters and blood processing facility to be located in Southern Illinois University Edwardsville's University Park. The project will generate 500 new jobs, according to the market review.

Another \$333 million in retail and mixed-use projects was announced for the year ending Aug. 31, bringing the total for those segments to \$650 million.

Work is under way on the first phase of the \$450 million Discovery Business Park in Dupon and a \$166 million, multiphase, mixed-use project has been announced for Collinsville.

Investment in the area is not only growing, Stieve said, but the pace is accelerating.

There has been some speculation over whether the industrial sector may be getting overbuilt, but, Stieve said, he is not worried about it.

"It's like, damned if you do, damned if you don't," he said. "If you don't have some vacant space, you can't meet the needs of new users in the market. If you have vacant space, you might be biting your nails for a while."

With the overall growth in all segments of the market has seen, Stieve said, the newly developed industrial space likely will be absorbed easily. He expects industrial vacancy rates to drop close to zero in the months to come.

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Posted on Wed, Dec. 12, 2007

Work begins on Chain of Rocks levee berms

\$46 million project should resist 500-year flood

BY BRIAN BRUEGGEMANN
News-Democrat

Work has started on another phase of large berms of sand and dirt designed to beef up the Chain of Rocks Canal levee.

The goal of the \$46.4 million project is to make the levee, owned by the U.S. Army Corps of Engineers, capable of withstanding a 500-year flood.

The Federal Emergency Management Agency has issued new standards for whether a levee is capable of withstanding a 100-year flood, one that has a 1 percent chance of happening in any given year. When new FEMA maps come out in March, they are expected to show that the Chain of Rocks levee system and four other metro-east levee systems do not meet the new standards.

That would mean the American Bottoms flood plain, which runs from Alton to Columbia, is in a flood-hazard area. Residents in a flood-hazard area would have to buy expensive flood insurance in order to get a bank mortgage. However, if plans are in place to fix the levees, the region could apply for a special status that would greatly reduce the cost of flood insurance.

The corps has been adding berms at the Chain of Rocks levee for the past couple of years, and at the current level of federal funding, the work is expected to continue another five years. The project also includes adding relief wells, which allow water to get out from below the levee without causing erosion, and a new water-pumping station.

In the current phase of work, an 18-acre berm of sand and dirt is being built along the east side of the Chain of Rocks Canal levee, north of Interstate 270.

"We're putting several feet of sand on the ground there," corps spokesman Alan Dooley said. "Then we'll go back and put topsoil over it."

The sand is coming from the Mississippi River, pumped through a 22-inch diameter pipe. The dredging began last week and will be done 24 hours a day, five days a week, for about a month and a half.

During the work, people might see pools of water landside off the levee north of Interstate 270.

Under the new FEMA guidelines, emergency flood-fighting measures, such as placing sandbags around sandboils or around seepage from under a levee, cannot be used to evaluate whether a levee can withstand a 100-year flood. During the flood of 1993, sandbagging was required at areas of sandboils and underseepage on the Chains of Rocks levee as well as on the other four metro-east levee systems.

Emergency flood-fighting would still be done when necessary, Dooley said, but it can't be considered in the evaluation of a levee.

The East-West Gateway Council of Governments, which is helping the local levee districts and local governments address the issue, has estimated the cost of repairing the levees at \$136 million to \$180 million. The Gateway Council also estimated the local levee districts and local governments would have to pick up \$31 million to \$47 million of the tab in order to get federal funding for the rest.

Contact reporter Brian Brueggemann at bbrueggemann@bnd.com or 692-9481.

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