



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

July 19, 2012

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Through:

Mr. Andrew Velasquez III, Regional Administrator  
Federal Emergency Management Agency, Region V  
536 South Clark Street, Floor 6  
Chicago, Illinois 60605

Dear Mr. President:

Thank you for your prompt action in declaring a major disaster (FEMA-4069-DR) for the State of Minnesota on July 6, under the provisions of Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5208 (Stafford Act), and implemented by 44 CFR § 206.36. In my request, I specified that I reserved the right to request additional forms of assistance if necessary.

At this time, I request Individual Assistance for the Counties of Aitkin, Carlton, Crow Wing, Lake, Pine, and St. Louis, and the Fond du Lac Band of Lake Superior Chippewa. The specific programs requested are the Individuals and Households Program, Disaster Unemployment Assistance, Disaster Case Management, Disaster Legal Services and Crisis Counseling.

During the incident period of June 14 – 21, 2012, severe storms and flooding caused damage of historic proportions to many areas of the state. In northeastern Minnesota, the 500-year flood event caused by two-day rainfall amounts in excess of 10 inches, resulted in severe flash flooding across the region. A flood warning remains in effect for Aitkin County, where the Mississippi River is still above flood stage.

The damage to public infrastructure alone was overwhelming. The joint FEMA/State Public Assistance preliminary damage assessment (PDA) calculated losses at \$108 million. Damage to roads, bridges, and water and sewer systems, as well as electric utilities and communications infrastructure is severe and extensive across the region. The amount of debris, silt, and other contaminants generated by the flash flooding is unprecedented in that part of Minnesota. The cleanup of streams, rivers, lakes, and other water resources is especially daunting.

Even more widespread and insidious is the damage caused to individual homes and businesses. More than 1,700 private homes were impacted by the storm and over 100 businesses

sustained damage. The joint PDA team surveyed nearly 1,100 damaged homes and county officials documented 600 more. The force of the floodwaters damaged hundreds of structures and the subsequent loss of power, water, sewer, and communications services compounded the impacts, adding to the misery of the citizenry. Sanitary sewage backups created significant public health risks. The sustained high heat and humidity following the disaster have exacerbated mold growth in affected structures, especially in below ground living spaces.

The steep terrain, and numerous creeks and rivers played a significant role in the devastating damage that occurred in the Duluth community. The dam on Chester Creek, which runs through the heart of Duluth, failed during the event. The Fond du Lac and West Spirit Mountain neighborhoods of Duluth and Thomson Township in Carlton County were evacuated. Some areas remain uninhabited because of the risk of landslides. Many private homes and business are inundated with massive amounts of debris from public areas.

This disaster struck an area of the state that is economically depressed and its residents generally have meager economic reserves. The area is populated with a disproportionate number of elderly and poor people. As shown in the socio-economic profile table in Enclosure E, the population age 65 and older, is higher than the state average in all requested counties. The median household income is as much as \$17,000 below the state average, and the unemployment rate and poverty level is higher in all but one county.

To that point, 25 percent of the children in Pine County live below the poverty line, compared to 14 percent statewide. According to the U.S. Census Bureau American Community Survey, just over 25 percent of Duluthians were at or below 100 percent of the Federal Poverty Guidelines and nearly half were at or below 200 percent of that standard. Approximately 17,000 households in the affected area participate in the Energy Assistance Program to help pay their heating bills in the winter. Only 7 percent of households carry flood and sewer backup insurance because this type of event is extremely rare in this part of Minnesota, so the vast majority of these personal losses are uninsured. This disaster is heaping major unforeseen expenses on Minnesotans who can least afford them. The economic pain is real and pervasive.

The economy of the region has diminished over several generations as it shifted from manufacturing and commodity-based industries — primarily timber, paper, and iron ore — to service businesses and tourism. This event will have severe consequences for many of the small communities in the region. The extensive damage to road and bridges, the loss of other lifeline sector utilities, and public perception of the impacts of the disaster have had a devastating effect on the tourism trade at the height of the summer season. Immediately following the flood, Duluth area hotels and north shore resorts reported up to 50 percent cancellation rates. A survey by the Minnesota Department of Employment and Economic Development (DEED) indicates that local businesses laid off about 10 percent of their workers as a result of the disaster. In Carlton County, more than 1,500 workers were laid off for as long as two weeks. High water levels and public infrastructure damage forced the evacuation and closure of several recreational areas and state parks. Jay Cooke State Park, a major attraction in the Carlton area, is closed indefinitely. Minnesota Highway 210, the major road artery through the park, was nearly completely destroyed and remains impassable. Local hotels, restaurants, gas stations, bait shops and similar

enterprises are suffering debilitating losses of revenue during the season that makes or breaks their business year.

The area's agricultural sector — particularly dairy operations — was hit hard by the storms and resultant loss of power and transportation networks. As many as 400 Fond du Lac band members harvest wild rice each year, earning \$4 per pound from the tribal government, which in turn sells it to consumers. This year's crop remains under water and cannot be harvested, negatively impacting next year's crop as well.

True to character, the citizens of northeastern Minnesota fought the floodwaters as hard as they could, sandbagging and pumping day and night to prevent or minimize the damage to their property, but in many cases their efforts were simply overwhelmed. The response of their fellow Minnesotans in helping them has been uplifting and heartwarming.

To date, Minnesota Voluntary Organizations Active in Disaster (MNVOAD) and community-based organizations report more than 48,000 volunteer hours have been spent on response activities. In addition to the Red Cross and Salvation Army, other groups like Nechama, Jewish Response to Disaster, made significant contributions to the debris removal effort and Adventist Community Services coordinated the collection, warehousing, and distribution of relief supplies. Local agencies' resources are being depleted, pushing them to reach out regionally and nationally for additional funding and assistance. The Salvation Army has expended nearly \$10,000 on financial assistance for groceries, clothing, and transient housing. More than 5,800 meals and roughly 7,000 beverages have been served, in addition to 186 cases of bottled water provided to those without safe drinking water. More than 2,700 cleanup kits have been distributed by the Red Cross and Salvation Army.

Three state Disaster Recovery Centers (DRC) served a total of 731 families over the weekend of July 6-9. The Minnesota Department of Health collected trauma risk factors data at the DRCs. The results indicate a high traumatic risk for the affected communities, due primarily to financial loss (96 percent) and uninhabitable homes (33 percent).

Minnesota Housing Finance Agency DRC intake questionnaires showed that the majority of responders (85 percent) were homeowners with an average annual household income of just \$49,300. Most (81 percent) experienced basement flooding or sewer backup in a partially finished basement (56 percent), with 76 percent indicating that their water heater or furnace was damaged.

Serious health and safety concerns remain, as debris must be removed, floodwaters containing sewage cleaned up, and roads, bridges, and structures rebuilt and repaired. Without federal assistance, the cleanup will not be fully completed and necessary repairs will not be made. Many households simply do not have the money to shoulder the financial burden on their own. Unsafe and unsanitary conditions will persist, endangering the health and wellbeing of hundreds of vulnerable adults and children.

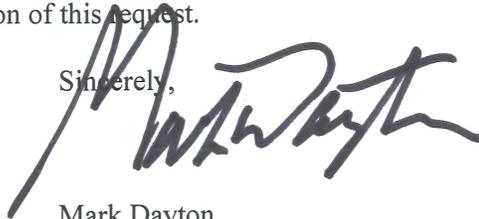
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A great concern is the extensive loss of home furnaces and water heaters. Without financial assistance to repair or replace these big ticket appliances, conditions will become very dangerous — even deadly — when the coming Minnesota winter sets in and temperatures dip below zero. People who can't afford to pay for fuel oil or natural gas certainly will not be able to buy a new furnace. The risks associated with that hazard are totally unacceptable.

I have designated Ms. Kris A. Eide, Director of the Homeland Security and Emergency Management Division, Minnesota Department of Public Safety, as the State Coordinating Officer for this request. She will work with the Federal Emergency Management Agency to coordinate damage assessments and may provide further information or justification on my behalf. You may reach Ms. Eide by telephone at 651-201-7404 or via email at [Kris.Eide@state.mn.us](mailto:Kris.Eide@state.mn.us).

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Dayton', written over the word 'Sincerely,'.

Mark Dayton  
Governor

cc: Ms. Kris A. Eide, Director, Homeland Security and Emergency Management Division  
Minnesota Department of Public Safety

**ENCLOSURE A TO MAJOR DISASTER DECLARATION REQUEST**

**Estimated Requirements for Individual Assistance  
under the Stafford Act**

	<b>Assistance to Individuals and Households</b>					<b>Other Programs</b> (Disaster Unemployment Assistance, Legal Services, and Crisis Counseling)
	Temporary Housing <i>(Indicate No.)</i>	Repairs	Replacement	Permanent Housing Construction	Other Needs Assistance	
TOTALS	265	873	14	unk	982	unk

**ENCLOSURE B TO INDIVIDUAL ASSISTANCE REQUEST**

**Individual Assistance Preliminary Damage Assessment**

<b>PDA NUMBERS</b>											
STATE:		Minnesota									
INCIDENT DATE:		7/14/2012									
INCIDENT TYPE:		FLOOD ONLY									
What percent of the affected dwellings will be eligible for IHP?		100%									
County Name	Destroyed	Major	Minor	Affected	Affected Getting Assistance	Total	% Owner	% Insured	% Low Income	HUD FMR for 2 bedroom	
Aitkin	0	7	10	12	12	29	100%	3%	0%	\$	583.00
Carlton	3	55	221	357	357	636	92%	10%	1%	\$	687.00
Crow Wing	0	2	4	3	3	9	100%	22%	11%	\$	634.00
Fond Du Lac (Tribe)	0	2	14	24	24	40	95%	5%	100%	\$	687.00
Lake	0	2	3	2	2	7	100%	0%	0%	\$	661.00
Pine	8	32	24	13	13	77	88%	3%	0%	\$	602.00
St. Louis	6	54	143	68	68	271	80%	1%	13%	\$	687.00
<b>TOTAL/AVERAGE</b>	<b>17</b>	<b>154</b>	<b>419</b>	<b>479</b>	<b>479</b>	<b>1069</b>	<b>89%</b>	<b>7%</b>	<b>8%</b>	<b>\$</b>	<b>648.71</b>

**ENCLOSURE C TO MAJOR DISASTER DECLARATION REQUEST**

**Estimated Requirements for Other Federal Agency Programs**

County	SBA Home Loans	SBA Business Loans	FSA Loans	NRCS	FHWA	USACE	OTHER
<b>Totals</b>	<b>411</b>	<b>107</b>	None identified at this time				

(County)	HOMES				BUSINESS			
	Maj	\$\$	Min	\$\$	Maj	\$\$	Min	\$\$
Carlton	59	1,737,000	109	861,500	12	595,000	23	645,000
Pine	34	1,845,000	34	377,000	3	150,000	19	330,000
St Louis	53	1,934,000	66	865,000	17	1,160,000	27	570,000
Aitkin	6	410,000	6	42,000	1	100,000	1	15,000
Fond Du Lac Reservation	7	162,000	33	227,000			4	37,000
Crow Wing	1	40,000	3	30,000				
<b>Totals</b>	<b>160</b>	<b>6,128,000</b>	<b>251</b>	<b>2,402,500</b>	<b>33</b>	<b>2,005,000</b>	<b>74</b>	<b>1,597,000</b>

**ENCLOSURE D TO MAJOR DISASTER DECLARATION REQUEST**

**Governor's Certification**

I certify that for this current disaster, state and local government expenditures and obligations will include the non-federal share of costs required by the Stafford Act. As stated in my letter, and based on information available at this time, tabulation of these estimated expenditures and obligations are as follows:

CATEGORY OF ASSISTANCE	AMOUNT	
	STATE	LOCAL
Individual Assistance:		
"Other Assistance" under the Individuals and Households Program	\$326,346	0
<b>Total:</b>	<b>\$326,346</b>	<b>0</b>

**ENCLOSURE E TO MAJOR DISASTER DECLARATION REQUEST**

**Socio-Economic Profile**

	Minnesota	Aitkin County	Carlton County	Crow Wing County	Lake County	Pine County	St Louis County	City of Duluth
<b>Population estimate</b>	5,303,925	16,202	35,386	62,500	10,866	29,750	200,226	86,265
<b>Population change</b>	0.80%	0.10%	0.20%	0.04%	-0.40%	-0.50%	<.01%	-0.80%
<b>Population age 65 and older</b>	13.10%	27.70%	15.00%	18.50%	22.80%	16.70%	16.00%	13.80%
<b>Unemployment Rate*</b>	6.40%	9.60%	7.10%	7.20%	3.60%	9.00%	8.00%	8.20%
<b>Median Household Income</b>	\$57,243	\$40,226	\$52,858	\$44,659	\$46,765	\$43,938	\$44,941	\$41,092
<b>Persons below poverty level</b>	10.60%	13.50%	10.50%	11.5%	11.60%	14.00%	15.10%	20.30%

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report.

\*Source U.S. Census Bureau: 2006-2010 American Community Survey.