



STATE OF INDIANA  
OFFICE OF THE GOVERNOR  
State House, Second Floor  
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.  
Governor

October 31, 2007

The Honorable George W. Bush  
President of the United States  
The White House  
Washington, D. C. 20202

Through: Edward G. Buikema  
Regional Administrator  
Federal Emergency Management Agency  
Region V  
536 South Clark Street, 6<sup>th</sup> Floor  
Chicago, Illinois 60605-1521

Dear Mr. President:

In accordance with 44 CFR § 206.46, please accept this letter as our appeal of your decision to deny a major disaster declaration for the State of Indiana. On September 13, 2007, I requested that you declare a major disaster for the State of Indiana. Northern Indiana suffered damages to homes and public infrastructure as a result of a storm system that delivered hurricane force winds, tornadoes, torrential rainfall and flooding resulting from super-cell thunderstorms beginning on August 15 and continuing to August 27, 2007.

Lake County is a heavily populated region concentrated with high unemployment, significant minority, low income and elderly citizens who depend on a traditionally heavy industrial local economy. The impact of these severe storm systems to this area for the second time in a year damaged over 571 homes. Additionally, the storm cost local governments over \$10.2M after initial surveys. Another significant cost to the area includes over \$30M in economic impact associated with the Dyer hospital. Damage to local sewer systems caused from repeated severe storms have added to local recovery costs. The I-94 Borman Expressway which carries over 140,000 vehicles per day suffered its second closing in its history. The flooding required traffic to be diverted which has happened only once before during a previous Presidential Major Disaster Declaration. The estimated costs of road closings are over \$8.4M per day for trucking costs alone; over \$1M per hour in local economic losses and additional costs to state and local governments due to increased wear on local road systems used as by-pass routes. This economically impacted region, which suffered severe storms in 2006 and now in 2007, needs assistance to recover.

While homes were damaged in several counties, the state focused the joint preliminary damage assessment on Lake County due to the severity, magnitude and concentration of damage.

The preliminary damage assessments conducted for Individual Assistance was predicated on the damage that was reported by residents via phone calls to the county emergency management agency. This approach was taken due to the fact that much of the damage to homes was caused by sewer back up and was impossible to detect from outside the home. State inspectors visited the sites reported, and those locations were verified earlier in September and again in early October. At the time of the initial joint damage assessment, the intent was to confirm the damage verified by the state. Additional damage existed to homes between those identified by the state. Unfortunately, these homes were not reviewed by the initial joint preliminary damage assessment teams.

Upon completion of the original survey on Friday, September 7<sup>th</sup>, it was realized that the number of homes suffering major damage did not reflect the levels believed to exist. State Inspectors believed that a number of homes suffering major damage were not inspected nor captured in the joint preliminary damage assessment. Therefore on Saturday, September 8<sup>th</sup>, one team was held back to re-survey a portion of an area of northwest Lake County to determine if additional major damage did in fact exist. The result of this re-survey indicated that an additional 28 homes did in fact suffer major damage. This was largely due to the fact that the team members walked the neighborhoods and were able to access more homes because more residents were home on Saturday. This re-survey was limited to a portion of the south-eastern quadrant of an area within the boundaries of US 6 on the north and State Road 53 on the west. It was believed, and commented on at the time by joint preliminary damage assessment members, that the homes that were surveyed were a representative sampling of the damages. Additional homes in the same neighborhoods suffered like damage; however, due to the nature of basement flooding, the damage was not able to be viewed without access to the home.

On October 18, 2007, after completion of additional state surveys, I requested a joint preliminary damage assessment be re-conducted in Lake County to verify the additional damage to homes that had been located by my Department of Homeland Security. The results of this survey, completed on October 24, 2007, indicated that the number of homes originally surveyed did not indicate the true number of homes sustaining major damage. The verified Lake County homes suffering damage, when added to the original verified survey are: 3 Destroyed; 210 Major; 323 Minor; and 35 Affected.

Additionally, Hendricks County recorded 8 homes sustaining major damage; Porter County reported 2 homes destroyed, 4 minors, 45 affected; Marshall County reported 3 homes having sustained minor damage and numerous affected homes in the Argos area; and Fulton County reported two mobile homes destroyed.

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Since the original joint preliminary damage assessment, two homes previously determined to be minor damage have been determined to be destroyed by local building officials. This includes one home in Dyer and one home in Lake Station.

Citizens from Lake County continue to call local and state offices seeking assistance. There is very little insurance coverage in effect to cover the perils associated with this disaster. Of the many homes in northern Lake County sustaining damage due to sewer back up, less than one percent were insured for that peril. Likewise, less than one percent of the homes sustaining damage by wind driven rain were insured. In the northeastern portion of the county, coverage for wind damage was also found to be very low. Many of the homes surveyed had no homeowners insurance. Lack of insurance for the types of damage sustained was common county-wide.

Voluntary agencies have provided assistance with clean up kits and provided immediate needs assistance. However, voluntary agencies, while providing excellent services, do not have the resources to provide for the adequate recovery of the storm victims.

Only the assistance afforded under the Individual and Household programs will provide the assistance necessary. A large number of the disaster victims will not be able to obtain a loan on any terms, no matter how favorable they may be. This disaster, unlike the flooding of a year ago, has impacted some of the most poverty stricken areas of the county and damaged hundreds of homes from perils for which there is no insurance coverage in force. While there will be some victims that may garner loans, the majority of the citizens suffering the greatest damages will not. There are pockets of very low income throughout the affected areas. Many residents are at or well below poverty level. At this late date there are still homes with trees on their roofs and sewage water in their basements. Many homeowners have not removed drywall and other furnishings in their basements because they cannot afford to replace them. Maintaining sewage soaked building materials and furnishings in the home is a serious health concern. Mold has been detected during inspections in some homes. Additionally, wind and hail compounded the flood damage in this area. Windows were broken out by hail, and roofs were damaged by hail, wind and falling trees. After two months, many homes remain storm damaged which is another indicator of very low insurance coverage. In many cases, homeowners have removed water damaged goods and building materials however, repairs have not been made.

Based upon the new information and new damages I am, therefore, specifically requesting the following:

Lake County for Individual Assistance.

In addition to requesting the resurvey for Individual Assistance, I asked that a joint preliminary damage assessment be conducted for Public Assistance. Elkhart, Hendricks, Lake, Laporte, Porter, Marshall, and Starke Counties were surveyed for infrastructure damages. The damages surveyed were a result of the storm system that affected Northern Indiana beginning on August 15, 2007 through August 27, 2007. The surveys were finalized on October 25, 2007 and indicated that Lake, Laporte, Starke and Marshall Counties suffered the greatest impact as a result of this storm.

Super cells creating hurricane force wind, hail and torrential rainfall affected the Elkhart, Hendricks, Lake, Laporte, Porter, Marshall and Starke Counties. The severity of the damage to public infrastructure as a result of the severe weather is demonstrated by the joint preliminary damage assessments for public assistance. The original survey revealed that \$10.2 million in damages were verified in seven counties.

Elkhart County sustained damage to its emergency services electronics systems causing disruption of emergency services communications and networks due to lightning strikes.

Hendricks County experienced a tornado that struck the west side of Brownsburg. Debris removal and emergency protective measures for the Town of Brownsburg has a per capita impact of \$27.59.

One of the most devastating storms caused winds of up to 120 mph that began in East Chicago and traversed Lake County in a southeasterly direction affecting Hammond, Gary, New Chicago, Merrillville, Schererville, Hobart and Lake Station. At the completion of the first Joint Preliminary Damage Assessment for Public Assistance, nearly \$9.2 million dollars in damage was attributed solely to Lake County, while the city of Gary had \$900,000.00 in verified damages. Subsequent reviews of the original JPDA by Region II and then by Region V resulted in an overall reduction in the amount of reported damage by approximately \$4.2 million dollars as a result of insurance deductions and purported duplication of damages. A second Joint Preliminary Damage Assessment for Public Assistance was conducted and additional damages were documented. A final total of approximately \$6.098 million dollars was determined for the entire state with nearly \$4.3 million of this amount occurring in Lake County alone.

Lake County's per capita impact is equal to \$8.01. The City of Gary sustained damage to infrastructure and its school system equaling an impact of \$8.19 per capita. Lake Station's combined impact equals \$17.57, and New Chicago's impact is \$18.52. As is the case with several northeastern Lake County cities and towns, there are no reserve

funds to respond to this disaster. Work must be completed within their present limited financial abilities. Therefore, work will be delayed, and in some cases, postponed until funding becomes available. Debris remains on public right of ways throughout the

communities of northeast Lake County. City sidewalks in residential areas have been heaved up due to uprooted trees in the parkway between the sidewalk and street. School children use these sidewalks to walk to school. These conditions force pedestrians to walk in the street around the damaged sections of sidewalks posing great risk to their safety. Leaning trees and large limbs remain hanging in trees over public right of ways posing an additional peril to pedestrian and vehicular traffic.

This same woody debris poses a hazard to traffic and soon will impede snow removal operations. Piles of debris along right of ways will provide one of the dynamics for the drifting of snow, causing further expense to strapped municipalities and additional safety concerns. The snow season can begin in northern Indiana as early as the first weeks of October. These issues pose serious life and public safety concerns and must be addressed soon. Road closures were common through out the area over several days due to high water or fallen trees. I-80/94 was shut down for three days when flood waters from the Little Calumet River covered all lanes. This stretch of highway is one of the busiest in the United States. The roadway is critical to the economy of the Calumet Region. Traffic was re-routed to other local, state and federal routes. US 30 from the Illinois state line to I-65 was backed up for miles through the Towns of Dyer, Schererville and Merrillville. In these municipalities, it was difficult crossing the highway which created problems completing emergency runs. Massive traffic snarls and congestion continued for three days around the clock in these communities. This instance alone caused millions of dollars in economic impact to the entire region and more acutely to the US 30 corridor. Trucking companies estimate re-routing costs at \$60 to \$200 per hour. Thousands of trucks per day were rerouted taking several hours to make the detour.

The Town of Dyer suffered damage due to flooding in the vicinity of Plum Creek. Homes were flooded causing major damages to homes and destroying two in one subdivision. The 300 bed Dyer St. Margaret's Mercy Hospital suffered \$15 million dollars in damage. The hospital lost its Emergency Room, CAT Scan, X-ray and MRI rooms as well as utility/mechanical rooms. This critical medical facility provides essential medical treatment and bed capacity to the Calumet Region. The hospital is also a major employer in the community. It is anticipated that an additional \$15 million in financial impact will be felt in Dyer and its immediate vicinity as a result of the lost income of the 400 personnel who have not been called back to work and limited services presently provided by the hospital.

The Cities of Gary, Hammond, and Lake Station and the Towns of East Chicago, Hobart, Merrillville, New Chicago and Schererville all sustained financial hardships as a

result of this disaster. Many of the cities and towns in the northeast were operating on very limited budgets prior to the disaster. This event has depleted funds which will hamper their ability to provide essential services. The citizens of these municipalities, many whose homes were severely damaged, will continue to suffer the effects of this disaster

due to the inability of their municipal government to adequately recover. Nearly 39 percent of the population of Gary is below poverty level and 13.8 percent of the population is over 65. Over 14 percent of the population of New Chicago and 24.4 percent of East Chicago is below poverty level.

Laporte County sustained damage from severe straight line winds and downbursts. The Town of Lacrosse has a per capita impact of \$73.44 as a result of debris removal operations and emergency protective measures. In Laporte County, 8.7 percent of the population is below poverty level while 13.5 percent of the population is over 65.

Marshall County sustained super-cell thunderstorm downbursts and two tornadoes which damaged the electric infrastructure owned by the county REMC and the Town of Argos. Debris removal operations are not complete at this time, and county roads still have debris along the right of ways. While the per capita cost for Marshall County's damage is at \$6.90, the per capita impact for the Town of Argos stands at \$29.76 and the Town of Culver's impact is at \$7.15. Marshall County has 6.8 percent of its population under poverty level while 23.3 percent are over 65.

Porter County sustained super-cell downburst winds and torrential rainfall. Debris removal operations were confined to the Kouts area. Downed trees and power lines, along with road and street flooding, hampered emergency personnel responding to storm related calls. In Porter County, 11 percent of the population is over 65 and 5.9 percent of the population is below poverty level.

Starke County also sustained super-cell thunderstorms downbursts. High winds and torrential rainfall accompanied these storms. Streams and ditches are jammed with tree debris as a result of this event. The per capita impact to Starke County is \$10.62. In the Town of Knox, 15.5 percent of the population is below poverty level while 17.6 percent of the population is over 65, the per capita impact is \$23.56. .

While the county per capita impact is high in Starke, Lake, Laporte and Marshall, the per capita impacts in the municipalities of these counties is even higher. Per capita impacts range from nearly \$30 in Argos to over \$73 in Lacrosse. These small communities have an extremely limited financial capability. Many are depressed communities where low income and high unemployment are prevalent. Poverty levels

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and unemployment rates for the most part are well above average throughout the affected areas.

Therefore, based upon the results of the damage surveys documenting the severity of the impacts on local governments occurring during the period of August 15, 2007 through August 27, 2007, I specifically request the following counties be designated for

Public Assistance: Elkhart, Hendricks, Lake, Laporte, Starke, Marshall and Porter Counties.

I am also requesting the implementation of the Hazard Mitigation program statewide.

The State of Indiana currently has an approved standard Hazard Mitigation Plan that will be updated by April, 2008.

I certify that for this major disaster, the State and local governments will assume all applicable non-Federal share of costs required by the Stafford Act. Total expenditures are expected to exceed \$1,710,893.00, in accordance with the table in Enclosure D.

In addition, I anticipate the need for debris removal, which poses an immediate threat to lives, public health, and safety. Pursuant to Sections 403 and 407 of the Stafford Act, 42 U.S.C. 5170b & 5173, the State agrees to indemnify and hold harmless the United States of America from any claims arising from the removal of debris or wreckage for this disaster. The State agrees that debris removal from public and private property will not occur until the landowner signs an unconditional authorization for the removal of debris.

This is the second time in less than a year that Lake County and its municipalities have born the cost of disaster. Many of the same communities responded to devastating flooding last September. Some of the residents who were victims last summer had just finished repairing flood damages and some were still repairing their homes. Now many are faced with repairing wind and sewer back up damages as well. Again, many of the communities have little financial ability to pay overtime, take on extra hires or contract the necessary work. Very few of the damaged homes have insurance for sewer back up which was the most predominant flood damage. Many of the homes damaged by wind either did not have insurance or did not have adequate insurance.

Residents have suffered uninsured home damages while their communities have incurred extraordinary costs causing these Hoosiers to be faced with even greater hardships in recovering from this event. Without federal supplemental assistance,

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communities affected by this disaster will not adequately recover. Repairs to homes are not being made as would be expected if adequate insurance was in force. Local governments are doing all they can with available resources; however, the available resources are not sufficient to address their recovery needs. Serious life, health and public safety concerns exist and will likely continue to increase without immediate federal supplemental assistance being provided

I look forward to your earliest favorable reply.

Sincerely,

A handwritten signature in black ink that reads "M B Daniels, Jr." The signature is written in a cursive style with a large, stylized initial "M".

Enclosures: A, B, C & D

**Enclosure A**  
**Estimated Requirements for individual Assistance**  
**The Stafford Act**

<b>Temporary Housing</b>	<b>Repairs</b>	<b>Replacement</b>	<b>Permanent Housing</b>	<b>Other Assistance</b>	<b>Other Programs (Disaster unemployment Assistance, Legal Services and Crisis Counseling)</b>
\$187,240	\$5,158,535	\$54,890	<b>TBD</b>	\$704,030	<b>TBD</b>

Applicant	A	B	C	D	E	F	G	TOTAL	Population	Per/Cap Loss
County of Elkhart	\$0	\$17,199	\$1,177	\$0	\$137,499	\$0	\$0	\$155,875	182,791	\$0.85
County of Hendricks	\$109,675	\$7,000	\$0	\$0	\$5,350	\$0	\$0	\$122,025	104,093	\$1.17
County of LaPorte	\$286,501	\$10,925	\$24,936	\$0	\$6,314	\$39,500	\$7,300	\$375,476	110,106	\$3.41
County of Lake	\$1,514,547	\$426,846	\$178,885	\$0	\$956,689	\$641,282	\$164,920	\$3,883,169	484,564	\$8.01
County of Marshall	\$74,500	\$0	\$7,000	\$0	\$0	\$230,000	\$0	\$311,500	45,128	\$6.90
County of Porter	\$51,400	\$8,950	\$0	\$0	\$25,000	\$40,000	\$0	\$125,350	146,798	\$0.85
County of Starke	\$92,100	\$7,560	\$0	\$0	\$73,500	\$77,000	\$0	\$250,160	23,556	\$10.62
STATE AGENCIES	\$274,362	\$125,089	\$0	\$0	\$435,144	\$39,980	\$0	\$874,575		
<b>TOTAL</b>	<b>\$2,403,085</b>	<b>\$603,569</b>	<b>\$211,998</b>	<b>\$0</b>	<b>\$1,639,496</b>	<b>\$1,067,762</b>	<b>\$172,220</b>	<b>\$6,098,130</b>	<b>6,080,485</b>	<b>\$1.00</b>

**STATE: INDIANA POPULATION: 6,080,485**

**Enclosure C**  
**Estimated Requirements Other Federal Agencies**  
**The Stafford Act**

<b>County</b>	<b>SBA Home Loans</b>	<b>SBA Business Loans</b>	<b>FSA Loans</b>	<b>NRCS</b>
<b>LAKE</b>	<b>\$4,970,979</b>	<b>\$1,755,387</b>	<b>TBD</b>	<b>TBD</b>

**ENCLOSURE D**  
**Governor's Certification**

**I certify that for this current disaster, State and local expenditures and obligations will include the non-federal share of costs required by the Stafford Act. As stated in my basic 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 Individuals and Households Program		
Households Program	\$ 175,907	0
Other	0	TBD
<b>Total</b>	<b>\$ 175,907</b>	<b>0</b>
Public Assistance:		
Category A - Debris Removal	\$ 68,591	538,931
Category B - Emergency Protective Measures	31,272	119,620
Category C - Roads and Bridges	0	52,999
Category D - Water Control Devices	0	0
Category E - Buildings and Equipment	108,786	301,088
Category F - Utilities	9,995	256,945
Category G - Other (Parks, Recreational Facilities, etc.)	0	43,055
<b>Total:</b>	<b>\$ 218,644</b>	<b>\$ 1,316,342</b>
<b>Grand Total:</b>	<b>\$ 394,551</b>	<b>\$ 1,316,342</b>