

IOWA TODAY



Fred and Evelyn Shelton, owners of Shelton's Grocery, pose for a portrait Tuesday behind the checkout counter — filled with pictures and trinkets that tell the store's history — at Shelton's Grocery in Swisher. (Geoff Stellfox photos/The Gazette)

As independent grocers close, rural Iowa's remaining stores EVOLVING

Local owners find ways to manage in a land dominated by chains

By Elijah Decious, The Gazette

When Fred and Evelyn Shelton took over Shelton Grocery in 1969, the Swisher store packed a punch for a small space.

Fred, a former meat packing plant worker, helped run the meat and deli counter under the sign marked as such — still hanging from the ceiling. Evelyn remembers three bread companies that stocked the shelves regularly, three wholesalers they purchased from, and even a few operational slot machines back in the day.

After buying the shop in their 30s from relatives, the couple expanded the space by happenstance when a few bricklayers in need of work walked in, drafting



Gary's employee James Callahan loads up a customer's car, one of the services the store provides, Tuesday at Gary's Foods in Mount Vernon.

up a proposal in the early '70s. But today, the shelves lining the wood-paneled walls are a little more bare than they used to be. The store's three aisles have the basics and a few sundries. Over-the-counter medications and general merchandise stay

neatly lined up near the front counter, with just one or two of most items stocked on the shelf. The meat and deli case now is filled with mementos on display, like a letter from Gov. Kim

► STORES, PAGE 9D

'Zoom bombs' interrupt legislative hearings

Some users have posted Nazi symbols, porn during hearings

By Erin Murphy, Gazette Des Moines Bureau

DES MOINES — Swastikas and pornographic videos have been among the unwelcome visitors to legislative hearings at the Iowa Capitol in recent weeks.

Some users of the video conferencing application Zoom, which the Iowa Senate uses to allow for virtual viewing of and participation from across the state in hearings on proposed legislation, have on multiple occasions posted offensive or graphic images or videos while those hearings were taking place.

The incidents have Senate Republicans, who by virtue of their majority establish policy in the chamber, rethinking their use of Zoom in those legislative hearings.

Senate staff already has taken steps in an attempt to decrease the likelihood of such future incidents over Zoom. They will continue to monitor user participation, a Senate Republican spokesman said.

The use of Zoom for legislative hearings was first deployed during the 2021 session, which began during one of the peaks of the COVID-19 pandemic. Zoom video gave interested Iowans an option to observe or even participate in the legislative process without traveling to the Capitol. That option was particularly beneficial at a time when public health experts still recommended against large gatherings in indoor spaces.

Lawmakers have kept using the Zoom feature in the legislative sessions since. Iowans with an internet connection can watch and listen to all Senate subcommittee and committee meetings on Zoom, and during some subcommittee hearings can testify on proposed legislation if they wish.

The Senate has a television in each legislative hearing room, equipped with a microphone and speaker that allows Zoom users to monitor the hearing at the Capitol, and allows those at the Capitol to interact with individuals over Zoom.

That feature is now endangered after the spate of incidents that are known by the slang term "Zoom-bombing."

Recently, a series of Senate subcommittee hearings on Gov. Kim Reynolds' sweeping proposal to reorganize state government was Zoom-bombed multiple times. During

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NEWSTRACK | CATCHING UP ON AN EARLIER STORY

New drought plan has 4 levels: Normal, watch, warning, emergency

Scientists and disaster recovery specialists will set levels twice a year

By Erin Jordan, The Gazette

Iowa has a new drought plan — the first since the 1980s, when droughts were less frequent and less intense than what Iowa has seen in recent years because of climate change.

"The drought plan is intended to provide the state with a planned, collaborative approach to identify, re-

spond to and recover from a drought," Kayla Lyon, director of the Iowa Department of Natural Resources, told lawmakers earlier this month.

BACKGROUND

Iowa, Montana and Oklahoma have the worst drought vulnerability among all 50 states based on exposure and sensitivity to drought as well as their ability to adapt to it, according to Climate Central, a nonprofit group of scientists and communicators.

Iowa's average daily temperature

has increased about 1.3 degrees since 1895. That doesn't sound like a lot, but the bulk of that change is happening at night, when cloud cover traps the heat from the day close to the Earth, State Climatologist Justin Glisan told a group gathered in August at Kirkwood Community College in Cedar Rapids.

"Not cooling off at night exacerbates drought conditions," he said.

Much of Iowa faced drought in 2021, with farmers reporting corn

► DROUGHT, PAGE 9D



Drought-stricken cornstalks are bent over Aug. 30, 2012, in a field near Swisher. Iowa was in a severe to extreme drought that year. (The Gazette)



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Stores/‘Situation is far from bleak’

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Reynolds congratulating Fred on his 90th birthday last year. Slot machines have been replaced by lottery offerings, now advertised by a neon sign that fills the store’s window. Credit and debit cards come across the counter far more often than in the days when cash was king.

Amid today’s compounding challenges for rural grocery stores, Evelyn said their model has shifted to that of a convenience store more than a grocery store. A 15-minute drive from Cedar Rapids, Swisher residents get most of their full-service grocery needs met while driving to other cities for work or other attractions. Pandemic fears in 2020 accelerated that habit, as the larger stores could offer contact-free grocery delivery.

“It’s been challenging to pivot with the times,” said their daughter, Julie Shelton, who visits regularly from California.

The store has survived multiple wholesalers going out of business, and the ones left today have order minimums larger than the small store can afford.

“They don’t want to fool around with the little ones any more,” Evelyn said.

But in the town of about 900 people, Swisher’s only grocery store still holds a place not so different from the role it played in decades past.

Before the prevalence of smartphones and internet access, Shelton Grocery’s phone line was the local Google, where residents would call to ask about anything from the best way to soothe a teething baby to updates on the latest news happening that day on the street.

Now, a group of long-time residents regularly meets for a morning coffee and social hour.

“It’s been a community,” Julie said — one that had bred the loyalty they credit with their ability to stay open for so long. “It’s been the center of a hub in town.”

With a substantial decline in independent grocers in recent decades, it’s one they don’t take



An antique cooler conveys some of the historical charm Tuesday at Shelton’s Grocery in Swisher.



The morning sun illuminates the store as customers grab groceries before the beginning of their day Tuesday at Gary’s Foods in Mount Vernon. (Geoff Stellfox photos/The Gazette)

for granted, either.

A CHANGING BUSINESS LANDSCAPE

Stores like Shelton Grocery are part of a shrinking minority in a state dominated by Hy-Vee and Fareway. The Iowa Grocery Industry Association has 140 independent grocer members left — about one-tenth of their total membership base, and a total slightly fewer than the 156 Hy-Vee stores in the state.

More than 90 percent of the group’s independent grocers are in small, rural towns. In the last 10 years, they’ve seen a 15 percent decrease in independently owned members.

“Independent retailers face declining rural populations, fierce

competitive pressures and changing consumer shopping trends like online shopping,” said Michelle Hurd, president of the Iowa Grocery Industry Association.

The pressures aren’t new — they’ve been building for decades.

In rural Iowa, 43 percent of grocery stores in towns with less than 1,000 people closed from 1995 to 2005. In the same period, the number of grocery stores with employees was cut in half while the number of “supercenter” stores like Walmart and Target increased 175 percent, according to a 2010 report by the Center for Rural Affairs.

“It’s not just competition from the Walmart 50 miles away. It’s that

(consumers) are already 50 miles away doing shopping, so they don’t make the extra stop at home,” said Wyatt Fraas, farm and community assistant director for the Center for Rural Affairs.

He said the independent ownership decline has been substantial across the Midwest and, absent population gains, is foreshadowed to continue.

HOW THEY’RE SURVIVING — AND THRIVING

In towns with lots of commuters like Mount Vernon, grocers like Gary’s Foods feel the squeeze in a tight market.

“We feel like we’ve always competed with stores in Iowa City and Cedar Rapids,” said Pete Dietrich, who runs the store with his father, Denny Dietrich. “But people in Mount Vernon and Lisbon have been very loyal because of our service.”

Keeping a top-notch produce section and meat counter, plus free services like carrying groceries to cars, are what give Gary’s an edge. The store has outlived two Jack & Jill Super Market locations and the owners feel confident against the new Brothers Market up the road in Lisbon.

But it’s doing more than surviving.

“We’ve captured more of the market over the last 10 years or so,” Pete said. “I feel like we’re thriving.”

Using one of the few independent wholesalers available to them has been a big part of their ability to keep up. Many independent grocers have found success working through co-op models or through buying from wholesalers in large groups with other independent grocers to lower the volume barrier needed to maintain competitive prices, Fraas said.

Other grocers focus on working directly with smaller suppliers to source higher quality or unique products that the big chains can’t get.

“The consolidation and close of other independent (wholesalers), even in the 10 years I’ve been around, has been pretty bad,” Pete said.

When Garth Grafft opened Big G Foods in 1962, there were five grocery stores in Marengo. Grafft had started working in the grocery business in 1956, at the direction of an employment office after a bad hailstorm wreaked havoc on his family’s farm.

Now, Big G has outlived or bought out all of

those stores. But what’s more is that the owner isn’t afraid of the Dollar General that moved in down the block recently — a brand that has struck fear in many rural grocery retailers.

“When you treat the customers right, the customers treat you good,” said Grafft, who still works nearly full time alongside his sons at 87.

Deep community involvement, quality produce, better variety and memorable service have carried the store. With 40 employees, his store maintains an aggressive push toward staying modernized and remaining competitive in both price and service.

The store “may not make a killing,” he said, but it makes enough of a profit by relying on volume to manage well.

“We get along just fine,” said Grafft, who notes that the Dollar General is generally understaffed. “They try to lowball (prices), but they can’t do it.”

Even with good service, that remains key for rural residents who are often more sensitive to price, Fraas said.

WHAT’S NEXT ON THE HORIZON

Dollar Generals popping up in small towns either without a grocery store or with a faltering one has followed in the wake of the Walmart model, Fraas said.

When lower prices are served with the same-quality products, other factors like job creation and economic benefits of local ownership don’t often register in the minds of shoppers. If independent stores can’t compete on price in towns with small or dwindling populations, their models will need to find smarter ways to compete against the giants.

“The trends are such that they’re likely to continue the way they’re going,” Fraas said. “But the situation is far from bleak. There are strategies for them to continue and thrive, but they’re going to have to be creative about it and not just let the trends attack them.”

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Drought/Has caused billions in Iowa crop losses since 1989

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showing signs of stress because there wasn’t enough soil moisture. Last year was better, but the state is poised to have more frequent droughts brought on by climate change, Glisan said.

That’s why the DNR, Department of Agriculture and Land Stewardship and the Department of Homeland Security and Emergency Management convened five stakeholder meetings across the state last year to develop the drought plan.

WHAT’S HAPPENED SINCE

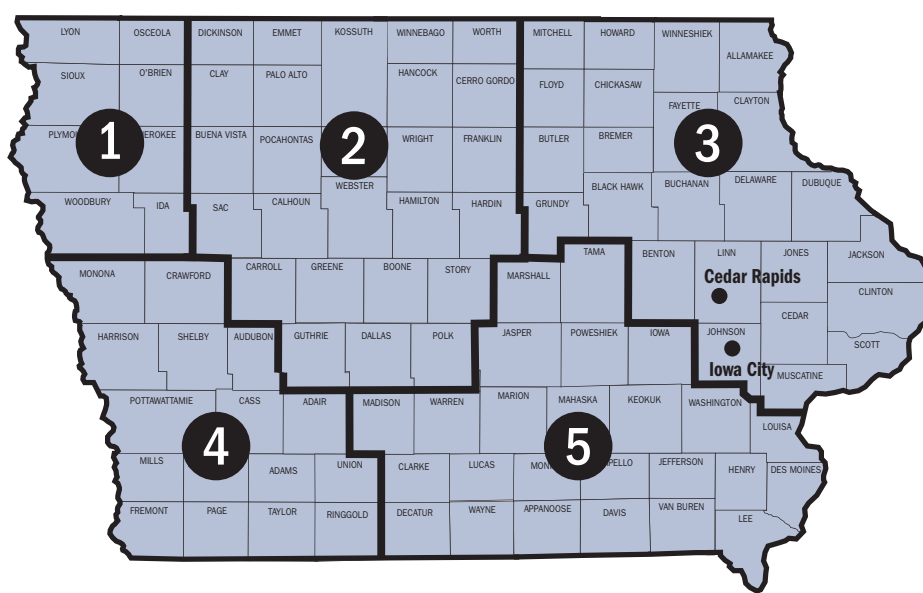
The Iowa Drought Plan, released last month, includes four drought levels: Normal, Watch, Warning and Emergency.

In the spring and fall, the Drought Coordinating Team, which includes Glisan; Sarah Eggert, from Homeland Security; and Tim Hall, from the DNR, will collect data from four sources:

- Standardized Streamflow Index, which compares current streamflow against historic record for the same

Iowa drought regions

Under Iowa’s new drought plan, state experts will assess drought conditions for five regions, which reflect differences in landforms and historical moisture levels.



Source: State of Iowa

Gazette graphic

date to see how far the river is from past benchmarks

- U.S. Drought Monitor maps produced by the University of Nebraska-Lincoln each Thursday
- Precipitation
- Standardized Precipitation Index, which is

similar to the streamflow index, except it compares precipitation amounts over a period of time with the same time period in past years.

The team will use this data to set drought levels, which could differ by region. The plan identifies

five regions, characterized by varying topography, average rainfall and groundwater resources. Generally, the northeast and southeast regions have been less drought prone, the plan states.

The team hopes the drought reports will help

IOWA DROUGHT LEVELS

Normal (blue): Routine monitoring of water supply and meteorological indicators. All conditions are generally stable and normal.

Watch (yellow): Conditions are characterized by short-term dryness that may slow growth of crops or pastures. Focus placed on voluntary reductions in demand through increased public awareness.

Warning (orange): Conditions may cause the near-term development of water shortages. Conditions may lead to large surface water levels dropping and crop/pasture losses. Local utilities may request users to voluntarily reduce water use.

Emergency (red): Conditions can be characterized by water shortages in reservoirs, streams, wells and widespread crop/pasture losses. The governor could issue emergency declarations for localized areas as conditions deteriorate. Local utilities could require users to reduce water use.

Iowa communities and utilities prepare and provide support for potentially unpopular steps, such as water rationing, according to an email from Glisan and Hall to The Gazette.

Iowa saw more than \$5 billion in crop loss insurance claims from 1989 to 2022 due to drought, the plan states.

“Multiple USDA (U.S. Department of Agriculture) programs that were created to aid farmers in times of drought rely on the USDM (drought

monitor) classification and the length of time a given county has been in a specific drought category,” Hall and Glisan wrote. “One of the beneficial outcomes of the IDP is enhanced drought monitoring when trigger levels reach the ‘Warning’ and ‘Emergency’ categories.”

The team’s first report will be included in the DNR’s March 9 Water Summary Update.

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C6-Zero warnings began years before Marengo blast



Smoke billows from the C6-Zero facility Dec. 8 in Marengo. Multiple people were injured in an explosion at the facility that says it converts used roofing shingles into their base materials, including petroleum. (Jim Slosiarek/The Gazette)

Reynolds reshaping Iowa state government

Governor pauses rule-making, urges cabinet makeover

By Erin Murphy and Tom Barton, Gazette Des Moines Bureau

DES MOINES — Iowa's state government could soon look decidedly different from it did when Gov. Kim Reynolds first took office in 2017.

The Republican governor has signed into state law many conservative policies on taxes, elections and abortion restrictions, and during her tenure state lawmakers and voters embedded into the state constitution expanded gun rights.

Now, Reynolds is changing the shape of state government itself.

She is proposing to restructure state government by streamlining the number of cabinet-level state agencies from 37 to 16. And, by executive order, she has placed a four-year moratorium on state rule-making, the process of adding detailed rules to implement newly passed state laws.

"Like any large organization, government is marked by bureaucracy's natural tendency to grow. If that growth isn't constantly checked and rechanneled toward its core function, it quickly takes on a life of its own," Reynolds said this past week in the governor's annual Condition of the State address.

STREAMLINING GOVERNMENT

Reynolds' proposal to cut by more than half the number of cabinet-level state agencies will require legislation, which may be introduced as early as this week, her office said.

The proposal would continue an effort already underway by Reynolds to reshape state government. In 2019, she made Debi Durham the director of both the workforce development and low-income housing



Gov. Kim Reynolds R-Iowa

► REYNOLDS, PAGE 7A

'Egregious example of non-compliance with regulatory laws'

By Erin Jordan, The Gazette

The same month C6-Zero founder Howard C. Brand III told Iowa officials his shingle recycling business had a "clean bill of health" in other states, he was facing extradition from Iowa to Texas on criminal charges that included illegal dumping of shingles.

Brand and his company now have been sued by the Iowa attorney general to try to force him to comply with an emergency order to clean up petroleum products and other toxic chemicals at the site of a Dec. 8, 2022, explosion in Marengo.

The clock is ticking because while most of the contaminants are corralled in a retention basin for now, Marengo this spring will need to release water into the Iowa River, which supplies drinking water to downstream communities including Iowa City.

The question that continues to resurface since the blast that injured up to 15 people and forced an evacuation of nearby homes is whether local, state or federal officials could have done more to prevent it.

Brand was on regulators' radar more than two years before the explosion, a Gazette review shows, and red flags continued to pop up about his operations. Iowa and federal officials communicated about

► C6-ZERO, PAGE 6A

INSIDE

• PFAS may linger at Marengo fire site, 6A



Vats hold liquid waste vacuumed up from the site of the fire and explosion at the C6-Zero site in Marengo. Some of the liquid is being stored in steel tanks at the site, but more cleanup is needed, state and local officials said. This photo by EcoSource, an environmental consulting firm in the Des Moines area, was included with an environmental site assessment plan submitted to the state on behalf of C6-Zero. (EcoSource)

GOP plan would pay some debts, but not all

Could Social Security checks keep flowing — but not Medicaid?

Washington Post

WASHINGTON — U.S. House Republicans are preparing a plan telling the Treasury Department what to do if Congress and the White House don't agree to lift the nation's debt limit this year, underscoring the brinkmanship newly empowered conservatives will bring to

the high-stakes negotiations over averting a U.S. default, according to six people aware of the internal discussions.

The plan, which was previously unreported, was part of the private deal reached this month to resolve the standoff between House conservatives and Rep. Kevin McCarthy, R-Calif., over the election of House speaker. Rep. Chip Roy, R-Texas, a leading conservative who helped broker the deal, told the Washington Post that McCarthy agreed to pass a payment prioritization plan by

the end of the first quarter of the year.

The emerging contingency plan shows how Republicans are preparing to threaten not to lift the nation's debt ceiling without major spending cuts from the Biden administration.

Congress must pass a law raising the current limit of \$31.4 trillion or the Treasury Department can't borrow any more, even to pay for spending lawmakers have already authorized.

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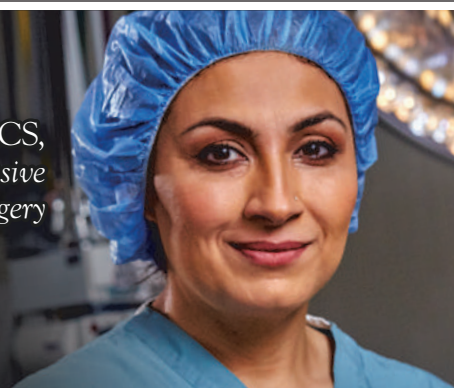
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C6-Zero/Founder arrested in 2021

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his environmental problems in other states, but apparently didn't understand the risks of the Iowa operation and did not force the issue.

"Now it's pretty clear to me they could have demanded more information a bit sooner, but they kept going by and not seeing anything happen," Shannon Roesler, a University of Iowa professor of environmental and natural resources law, said about the Iowa Department of Natural Resources. "Do we give them the benefit of the doubt? I don't know."

'ADDITIONAL CONCERNS DEVELOPED'

Local, state and national officials share responsibility for making sure businesses and people don't pollute the water, soil or air.

The U.S. Environmental Protection Agency's Region 7 office in Kansas City sent a letter to C6-Zero on Dec. 3, 2020, in response to the facility's plan "... to take used and off-spec shingles and return them to their base ingredients for reuse," the Iowa DNR noted in a Dec. 15 emergency order.

Later in December 2020, the EPA's Region 8, in Denver, got in touch with Region 7 and told it about some environmental issues with Brand and previous versions of his company, the EPA told The Gazette. Colorado regulators determined Brand Technologies was violating the federal Solid Waste Disposal Act by stockpiling asphalt shingles at a site in Windsor, Colo.

He later moved shingles to Florence, Colo., more than two hours away, which also was a violation if done without a permit, Laura Dixon, spokesperson for the Colorado Department of Public Health and Environment, told The Gazette last month.

"Region 7 shared this information with its state partners, and IDNR was working to assure the facility's compliance prior to the Dec. 8 incident," the EPA said. "EPA and state partners coordinate closely to protect human health and the environment and prioritize compliance."

That communication between the EPA and Iowa DNR happened Jan. 6, 2021, the EPA said.

The department's staff based in Washington, Iowa, started trying to get in contact with Brand in spring 2021, records show. When officials drove by the Marengo site, they didn't see any piles of shingles outside.

"Based on the DNR's conversations with other parties in other states, the DNR's initial concern with the C6-Zero operation was the stockpiling of shingles as a solid waste disposal matter," the department said. "Additional concerns developed as the DNR learned more about the alleged operation and the company's operations in other states."

But there were other warnings.

BRAND TAKEN TO JAIL IN IOWA

In the month since the fire, Brand has declined requests to talk with The Gazette and



The C6-Zero facility is seen Dec. 9, a day after an explosion and fire at the site in Marengo. Multiple people were injured and nearby houses temporarily evacuated during the fire. (Jim Slosiarek/The Gazette)

other media outlets. C6-Zero spokesman Mark Corallo said Friday that Brand would not be available for an interview.

On April 30, 2021, the Iowa County Sheriff's Office arrested Brand during a traffic stop at the C6-Zero site based on a warrant from Texas, public records show. Texas had charged Brand with being a "fugitive from justice" related to 2019 charges of theft of \$2,500 to less than \$30,000, and illegal dumping over 1,000 pounds, according to records in Bexar County, Texas, and Iowa County.

Brand was booked into the Iowa County Jail and Magistrate Kandyce Smolik decided May 3, 2021, to hold him without bail until May 10, 2021, so Texas could make plans to move him back to Bexar County. But on May 5, 2021, Brand was released after Texas officials said they did not plan to extradite.

A few days later, on May 13, 2021, Brand told Iowa DNR officials in a phone call his business was not subject to Iowa solid waste or other regulations and that it had a "clean bill of health" in other states where it had previously operated, including Texas, Louisiana and Colorado, the Iowa DNR reported.

The department told Brand it would be "necessary to set up a meeting to discuss the company's permitting requirements prior to operations commencing." The agency asked again in June 2021 for a meeting. The meeting was finally scheduled for Sept. 20, 2021, but C6-Zero canceled it.

The criminal charges against Brand were dismissed Jan. 27, 2022, in exchange for Brand paying a \$27,500 administrative penalty for dumping used shingles in Elmendorf, Texas, said Gary Rasp, spokesman for the Texas Commission on Environmental Quality.

C6-Zero had a small fire Oct. 25, which the Marengo Fire Department put out, according to Mark Swift, treasurer for the volunteer agency.

"It was the same kind of fire," he said, meaning the smaller blaze also involved chemicals being used in the building.

The Gazette asked the Iowa

DNR Dec. 12 and 13, as well as again on Friday, whether the agency knew about the Oct. 25 fire. Spokeswoman Tammie Krausman did not respond.

Brand has a patent application, US 11548189 B2, that describes in depth the process he planned to use to employ proprietary chemicals to dissolve shingles into oil, sand and fiberglass.

REGULATING IN RURAL AMERICA

Some environmental regulations run on the honor system. Certain types of businesses are required to get state or federal permits, but some fly under the radar — especially in rural areas.

"There are fewer people who might be seeing the pollution," said Michael Schmidt, attorney for the Iowa Environmental Council.

The Iowa DNR did a satellite study of animal confinements in the state in 2017 and discovered an additional 5,000 operations, some of which were large enough that their owners should have applied for construction permits. This example comes to mind when Schmidt thinks of the potential peril of rural regulation.

"If you never apply, the state doesn't know that you should be reporting," he said.

While Marengo officials knew a new company had taken over the industrial site near the fairgrounds on E. South Street, the city doesn't have a building inspection department and relies on the state for environmental regulation.

Local emergency responders did not know what kind of chemicals were stored at the site or what was in the solvent that ignited Dec. 8. Those descriptions would likely have been part of the permitting process — if it had happened.

The city now has a contaminated site, where the cleanup timeline is uncertain and Eastern Iowa emergency responders have \$600,000 in damaged gear after fighting the petroleum and chemical fire, Iowa County Emergency Management Coordinator Josh Humphrey said.

Research confirms poor air quality and water quality disproportionately harm communities of color and

low-income communities.

"Isolated rural communities are potentially vulnerable in the same respect," the UI's Roesler said.

C6-Zero should never have brought chemicals or shingles on site without the appropriate permits, she said. "This is an egregious example of non-compliance with regulatory laws and policies," she said.

EPA STEPS IN

While it's debatable whether state regulators provided enough oversight of C6-Zero before the explosion, the state and feds now are applying a full-court press. The EPA joined the probe Dec. 20 when it sent a letter to C6-Zero formally requesting information.

The agency wants to know exactly what happened to cause the explosion, a damage estimate and what is in on-site chemicals, including "Kaniksu," the solvent Brand has used to try to dissolve shingles.

The EPA also is seeking extensive records, including C6-Zero's inspection reports, copies of permits and training documentation. The agency expects the company to answer all the questions by Jan. 24 or face possible penalties.

"We are working diligently on the EPA's request and anticipate meeting the Jan. 24 deadline," Corallo, the spokesman for C6-Zero, said Thursday.

Corallo has said that since the explosion, C6-Zero is cleaning up the site. He said the company is "shocked and disappointed" by Iowa's lawsuit, which he said isn't needed to force action.

"In the past week, including yesterday morning (Jan. 11), C6-Zero has held two in-person walk-throughs on site with IDNR intended to finalize the mitigation plan and address the emergency order, with which we are fully complying," Corallo said in an email.

In Schmidt's previous experience as a staff attorney for the Minnesota Pollution Control Agency, regulators file a lawsuit only as a last resort. "It's usually a sign the regulated party is not complying," he said.

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C6-ZERO TIMELINE

Dec. 3, 2020: U.S. Environmental Protection Agency sends a letter to C6-Zero requesting information about hazardous wastes that may be involved in the company's plan to recycle used shingles.

Dec. 17, 2020: EPA Region 8, based in Denver, contacts Region 7, based in Kansas City and overseeing Iowa, about C6-Zero and affiliated companies owned by Howard C. Brand III.

Jan. 6, 2021: EPA shares with the Iowa Department of Natural Resources correspondence with the Criminal Enforcement Counsel of the Louisiana Department of Environmental Quality about C6-Zero. Based on these conversations, Iowa DNR focuses on whether C6-Zero is stockpiling shingles in Marengo.

April 30, 2021: Authorities arrest Brand in a traffic stop at C6-Zero based on a warrant for his arrest on criminal charges in Bexar County, Texas, for theft and illegal dumping.

May 5, 2021: Brand is released from custody after Texas decides they no longer want to extradite Brand.

May 2021: Iowa DNR staff tour the Marengo site and talk with C6-Zero officials by phone. Founder Brand tells the department the company has a "clean bill of health" in Texas, Louisiana, and Colorado. No shingles are observed at the Marengo building.

June-December 2021: Iowa DNR tries to hold permitting meeting with C6-Zero, which says it is not yet operational. Company cancels September 2021 meeting. Iowa DNR staff drive by facility and do not see stored shingles outside.

Jan. 27, 2022: Brand pays restitution in Texas and theft and illegal dumping charges are dismissed.

April 7: C6-Zero staff refuse to allow Iowa DNR officials to inspect the facility.

May 24: Jeff Boeyink, former chief of staff to Iowa Gov. Terry Branstad, emails Iowa DNR to say it will be helping C6-Zero "navigate the regulatory environment of Iowa."

May 26: Iowa DNR meets with C6-Zero about multiple environmental concerns at the site, which still is not permitted.

July 1: C6-Zero legal counsel tells the state C6-Zero isn't subject to regulation, despite expectations the company would process 800 tons of shingles per day.

Oct. 25: A small fire occurs at the C6-Zero site.

Nov. 9: Iowa DNR staff tour C6-Zero site, but company halts tour midway and won't let state regulators see part of the facility. Iowa DNR tells C6-Zero that to be a legitimate recycler, the company has to prove someone is willing to buy the end product. No documentation is provided.

Dec. 8: A blast and fire at the C6-Zero injures up to 15 employees and causes an evacuation of nearby houses. More than 20 fire departments come to help extinguish the blaze.

Dec. 15: Iowa DNR issues emergency order requiring C6-Zero to stabilize facility and make a plan to clean up site.

Dec. 31: C6-Zero misses deadline to file environmental site assessment plan.

Jan. 3: EcoSource, a Des Moines-area company, filed the plan on behalf of C6-Zero. Company says cleanup, if started now, would take until March.

Jan. 4: DNR refers C6-Zero case to the Iowa Attorney General, which has the authority to pursue larger penalties, including fines and criminal prosecution.

Sources: Iowa Department of Natural Resources, U.S. Environmental Protection Agency, court records

PFAS in foam used to fight fire may linger at Marengo site

By Erin Jordan, The Gazette

Besides petroleum products that have leaked from a Marengo explosion site, state regulators also are worried about toxic chemicals from foam used to fight the Dec. 8 blaze.

More than 20 Iowa fire departments responded to the explosion and fire, which injured up to 15 people and caused an evacuation of houses near the C6-Zero plant.

One or more of the departments brought drums of firefighting foam that may be aqueous film-forming foam, a product used for decades to suppress liquid fuel



EcoSource employees use vacuum trucks to collect contaminated water in early December 2022 around the C6-Zero site in Marengo. Blue drums sitting in water are firefighting foam brought to the blaze. (Photo from EcoSource Environmental Assessment Plan)

fires. That foam is being phased out because it contains per- and poly-fluoroalkyl substances

— or PFAS, commonly called "forever chemicals" — that are harmful to humans and animals.

"We used 2,000 gallons of foam from several different fire departments," Iowa County Emergency Management Coordinator Josh Humphrey said. "For these big commercial fires like this, you get what you get when you call for help. We're not faulting anybody."

The Iowa Department of Natural Resources on Jan. 6 took water and soil samples near the site to test for PFAS, Humphrey said. Results are expected back later this month.

Barrels of leftover foam at the site, now surrounded by inky black water, also will have to be disposed of safely.

The Iowa City Fire De-

partment helped battle the C6-Zero fire, but did not bring firefighting foam, Chief Scott Lyon told The Gazette. Without foam, fighting a fuel-based fire is very difficult, he said.

"Without a surfactant agent, putting this type of fire out is next to impossible," he said. "Without an extinguishing agent, your options are to let it burn out or use copious amounts of water, which makes the petroleum product spread exponentially farther."

Lyon said the firefighting community is looking for PFAS-free alternatives to the aqueous foam, but so far options

are limited.

The Iowa DNR has prohibited fire departments in the state from buying new foam as of January 2022, Humphrey said.

The Eastern Iowa Airport has been negotiating with a couple who lives near the airport whose drinking water well is contaminated with PFAS, which may be linked to firefighting foam used at the airport since the 1960s.

However, PFAS also have been found in many other substances, including clothing, carpet, cleaning products, plastic and paint.

Comments: (319) 339-3157; erin.jordan@thegazette.com

It's time to climb

Michigan first in Hawkeyes' 3-game homestand

Sports, 1B



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ANNIVERSARY

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The Gazette

The Gazette



Eastern Iowa's independent, employee-owned newspaper

Thursday, January 12, 2023

Patchy wintry mix, windy. H 30 L 17 9B | www.thegazette.com | ©The Gazette

\$1.50

Legislature to move fast on education plan

It will be a top priority for the chamber, Speaker Grassley says

By Caleb McCullough, Gazette-Lee Des Moines Bureau

DES MOINES — Iowa lawmakers are set to move quickly on a bill proposed by Republican Gov. Kim Reynolds to designate millions in public funding to pay for students to attend private schools, setting the bill up for subcommittee hearings in the next week.

Reynolds' proposal would allow parents to set up an education savings account that would receive

INSIDE

• Fact Checker: Mixed scores for Reynolds in Condition of the State speech, 7A

\$7,598 from the state — a student's full per-pupil funding at a public school — that can be used for tuition, supplies and other expenses at a private school. Reynolds' office estimates the bill would cost \$106.9 million in the first year.

The House Education Reform Committee, a new committee established specifically for the purpose of

► EDUCATION, PAGE 5A

House Republicans introduce version of 'Don't Say Gay' bill

'We need to empower parents'

By Tom Barton, Gazette Des Moines Bureau

DES MOINES — Iowa House Republicans introduced a bill Wednesday similar to Florida's so-called "Don't Say Gay" bill.

The measure, House File 8, says public school teachers may not in-

struct on sexual orientation or gender identity in kindergarten through third grade. It also requires school boards provide age-appropriate and research-based instruction in human growth and development.

Supporters of the legislation say it's meant to allow parents to determine when and in what way

► BILL, PAGE 9A

Record bird flu outbreaks add to surge in egg prices



Freshly cooked orders sit on the pass Tuesday as cook Wes Johnson checks a display to start the next order in the kitchen at the Breakfast Barn & Lunch House, 3980 Center Point Rd. NE in Cedar Rapids. "Any little margin we have on profit, the egg prices are hurting it," general manager Gretchen Edson said. (Jim Slosiarek/The Gazette)

Iowa's top-producing egg industry still recovering, rippling consumers

By Brittney J. Miller, The Gazette

CEDAR RAPIDS — The doors of Breakfast Barn & Lunch House, a family-owned restaurant that launched last year in northeast Cedar Rapids, open as early as 6:30 a.m. for early risers in search of a morning bite.

Lately, the establishment has had to make some tweaks: Staff hours have been reduced. Military discounts are temporarily on hold. Cloth napkins will soon transition to cheaper paper napkins. Condiments usually provided for free now come at a small price.

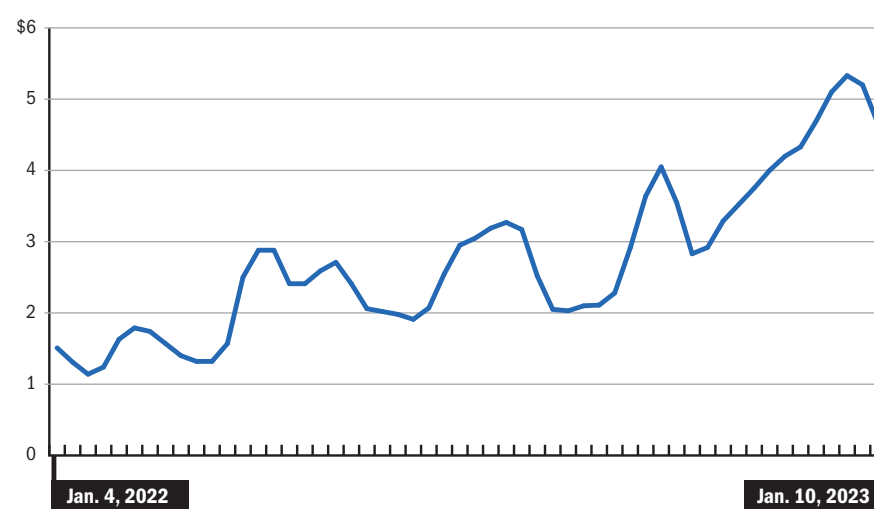
The main culprit? Skyrocketing egg prices, coupled with inflation and rising costs of produce.

"It affects us a lot. Any little margin we have on profit, the egg prices are hurting it," said general manager Gretchen Edson. "Right now, we're just trying to find other areas to minimize our costs so we can make up losses from the hike of the cost of eggs."

► EGGS, PAGE 9A

Egg prices in the Midwest

The U.S. Department of Agriculture releases a daily report of egg prices, which have skyrocketed the past few months largely due to bird flu outbreaks. Retail costs have reflected this increase at higher price points. The graphic below depicts the average wholesale cost per dozen of large white eggs in the Midwest region (Iowa, Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, Nebraska, North Dakota, South Dakota, Wisconsin, West Virginia, western New York and western Pennsylvania) for the last year.



Source: U.S. Department of Agriculture

Gazette graphic

Iowa sues Marengo company to force cleanup

Attorney general, citing environmental threat, seeks immediate injunction, DNR access to explosion site

By Erin Jordan, The Gazette

The Iowa Attorney General's Office is suing C6-Zero and its owner to force action on an emergency order to clean up a Marengo explosion site.

"The suit seeks to prevent imminent threat to public health and the environment arising from a devastating explosion and fire at the C6-Zero facility on Dec. 8, 2022," Attorney General Brenna Bird's office said in a prepared statement Wednesday.

The lawsuit, filed in Iowa County, asks a judge to grant a temporary and permanent injunction to force C6-Zero and owner Howard Brand III to comply with a Dec. 15 emergency order from the Iowa Department of Natural Resources, identify all chemicals at the site and allow the DNR access to the facility.

C6-Zero describes itself as a recycler of used asphalt shingles, with Brand attempting to use a proprietary solvent to dissolve the shingles into component parts of oil, sand and fiberglass.

The Marengo plant, which opened in 2020 and had about 30 employees, was in a pilot phase when liquid solvent in a tank exploded Dec. 8 and started a fire. Between 10 and 15 people were treated for injuries at the University of Iowa Hospitals and Clinics, and neighbors living near the facility were briefly evacuated.

EcoSource, a Des Moines-based firm, started cleanup at the site Dec. 14, using vacuum trucks to gather 31,000 gallons of petroleum products and water from the parking lot and loading bay and store it in two large steel tanks.

► MARENGO, PAGE 9A



Eggs/Bird flu led to widespread culling

► FROM PAGE 1A

Egg prices fluctuated throughout 2022. But they reached record-breaking highs at the end of December, when wholesale prices surpassed \$5.30 per dozen of large eggs in the Midwest and reached \$7.50 in California, according to the U.S. Department of Agriculture. Retail prices reflected similar increases, but at higher price points.

What caused these record-breaking egg prices? Experts largely point to last year's record-breaking outbreaks of deadly bird flu, which wiped out more than 52 million birds across the country as flocks were culled to keep the virus from spreading.

No one was hit harder by the bird flu than Iowa — the top egg-producing state in the nation. And now, the egg industry is desperately trying to recover, sending rippling impacts to consumers' grocery store receipts and restaurant bills.

"(Iowa has) seen the largest impacts in terms of the number of birds, and that definitely means a big impact in terms of the number of eggs available within the nationwide egg market," said Iowa State University professor and agricultural economist Chad Hart.

RECORD-BREAKING LOSSES FROM BIRD FLU

Highly pathogenic avian influenza, which refers to highly infectious and deadly strains of bird flu, swept the United States last spring when wild birds migrated north and spread the virus. Infections then had a boomerang during fall migrations back south.

"We were basically trying to rebuild our flocks from the spring outbreak, so sort of a double whammy," Hart said, noting that it can take two to three months for facilities to recover from an outbreak.

When commercial birds like chickens and turkeys contract bird flu, they almost always die. If an infection is detected, entire flocks can be killed to prevent further spread. Hu-



Cook Wes Johnson transfers eggs into a container at the Breakfast Barn & Lunch House, 3980 Center Point Rd. NE in Cedar Rapids. Eggs reached record-breaking highs at the end of December, when wholesale prices surpassed \$5.30 per dozen of large eggs in the Midwest, according to the USDA. (Jim Slosiarek/The Gazette)

man infections are very rare and typically stem from direct contact with afflicted birds. There is little to no chance of infection from consuming eggs and cooked poultry.

Roughly 16 million birds were culled in Iowa last year between the state's commercial and backyard chicken and turkey flocks. Two of those flocks contained more than 5 million egg-laying chickens each. And of the 30 known outbreaks, seven occurred in December alone.

The last bout of deadly bird flu in the United States occurred in 2015, costing Iowa's economy \$1.2 billion with more than 8,400 jobs lost, according to an Iowa Farm Bureau Federation report. It resulted in the deaths of more than 30 million hens in the state — nearly double the damage seen last year.

But nationally, 7.4 million turkeys and 43 million chickens were killed during the 2015 outbreaks, falling short of the record-breaking losses seen

this past year.

"The spring outbreak was similar to what we saw back in 2015, which would have been the last major outbreak here," Hart said. "Now, you throw on these additional issues in the fall, and this becomes the largest outbreak we've ever seen."

EGG PRICES SPIKED, BUT STARTING TO DECREASE

After any bird flu detection, flocks are removed immediately — and for any impacted egg-laying chickens, that means their supply of eggs is gone, too.

As a result, egg prices take the hit. Their record-breaking 2022 high is just starting to decline.

"We've likely seen, hopefully, a peak right now," Hart said. "Hopefully, we will start to bring these prices back down as we start to bring more and more birds back online, meaning more and more eggs entering the market stream."

Consumer demand is starting to decline from holiday

highs, but eggs are still a popular go-to option, especially for those seeking healthier diets in the new year, according to the latest USDA Eggs Markets overview.

"Eggs happen to be one of those basic commodities that everybody continues to buy almost regardless of where prices go," Hart said, "because it's such a critical ingredient to many of the food products we want to create at home."

The turkey industry is also facing similar issues, although to a lesser extent, he said. Prices for chicken meat have stayed relatively steady.

FOOD INDUSTRY HIT HARD

Prices of many main ingredients at the Eat Shop, a bakery in Solon, have gone up 20 percent recently. But as egg costs have skyrocketed beyond historical recognition, the bakery has especially felt the burn.

It has resorted to buying egg whites and egg yolks separately and mixing them

together — a solution that still is somehow cheaper than a carton of eggs.

"It freaks me out," said owner Cheryl Maloney about the high egg prices. "We use eggs in, you can imagine, basically everything that we make, so it's been really hard."

Grocery store visitors may choose to skip pricey eggs as they pass by in the aisle. But food providers that use the commodity to create staple meals are even more impacted by rising costs. Customers may see higher menu prices as a result, Hart said.

"When we're going to those restaurants, typically there's some egg on that plate, so it will impact the cost there as we're looking forward," he said.

Maloney said her menu prices haven't increased yet, although she now thinks twice about introducing any new products with eggs in them. "I'm just crossing my fingers that (prices are) going to come down," she said.

WHAT WILL HAPPEN NEXT?

One of the biggest unknowns will come in the spring: Will we see more bird flu outbreaks as wild bird migrations begin again?

No one knows. But the egg industry and consumers are likely crossing their fingers for a less eventful year of infections. Limited to no infections could bring retail egg prices down to "normal" — around 90 cents to \$1, taking into account inflation that could continue — by early to midsummer, Hart said.

"If you look back, for example, at what we went through in 2015, the idea is it was about a six- to seven-month process (for the industry to rebuild)," he said. "I would expect a very similar sort of glide path as we're looking forward here."

Brittney J. Miller is the Energy & Environment Reporter for The Gazette and a corps member with Report for America, a national service program that places journalists in local newsrooms to report on under-covered issues.

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Bill/Critics fear forced 'outing' of students

► FROM PAGE 1A

to introduce LGBTQ topics to young children.

A separate bill, House File 9, also introduced Wednesday, would prohibit schools from affirming or recognizing a student's preferred gender identity in school without written consent from their parents.

Republicans said the bill keeps parents informed and ensures that school employees can't hide information about a student's requested gender transition or identity from the child's parents.

The bill also states school employees cannot facilitate, encourage or coerce students into withholding information from their parents.

And it bars school officials from encouraging students to undergo gender-affirming care, or to pressure or coerce their parent or guardian to allow a child "to undergo any medical procedure, treatment or intervention that is designed to affirm the student's gender identity if that gender identity is different than the sex listed on a student's official birth certificate."

"We need to empower parents," Republican House Speaker Pat Grassley, who co-sponsored the bills, told The Gazette. "In our opinion, that's what the goal of these (bills) are, making sure conversations are happening with children and their parents, instead of happening in the school system. We feel confident standing in that position."

Opponents said the measure undermines LGBTQ support in schools, and that parental notification requirements could effectively require teachers to "out" LGBTQ students grappling with their personal identity to potentially unsupportive or abusive family members before a student is ready.

The bill does not mention or require consulting with school

"In our opinion, that's what the goal of these (bills) are, making sure conversations are happening with children and their parents, instead of happening in the school system."

Pat Grassley, House speaker

counselors or considering the student's home situation.

"Our caucus is going to always take the position that government isn't necessarily the solution and the answer for a situation like this," Grassley said Wednesday while recording this weekend's episode of "Iowa Press" on Iowa PBS.

"(W)e cannot look to the school system to be the one that is providing these types of supports. These have to happen through whatever level of ... family supports that these people are going to have."

Florida Republican Gov. Ron DeSantis last year signed into law a similar measure, which became known as the "Don't Say Gay" bill and which faced instant criticism and disapproval, including from Disney, a major political donor and one of Florida's largest employers.

PROPOSAL'S CRITICS

Critics said the bill transforms classrooms into unsafe spaces for LGBTQ+ students, where they must hide their sexuality.

The Trevor Project, an LGBTQ+ youth suicide and crisis prevention organization, said such measures add to existing stigma and discrimination of

LGBTQ youth, who already face higher health and suicide risks than their cisgender or straight peers. When given access to spaces that affirm their gender identity, they report fewer suicide attempts, according to the Trevor Project.

"It only took the Iowa Legislature three days to release an unrelenting attack on LGBTQ youth," said Becky Taylor, executive director for Iowa Safe Schools. "(House File 9) will put LGBTQ youth directly in harm's way and create a legal and administrative nightmare for school administrators. HF 8 is ultimately a form of big government censorship intended to create a hostile school climate for LGBTQ students."

LGBTQ residents, business and tourism leaders have expressed concerns about the effects posed by an increasing volume of legislation that makes LGBTQ people feel unsafe or unwelcome in Iowa.

TRANSGENDER ISSUES

Gov. Kim Reynolds last year signed into law legislation that bans transgender girls and women from participating in girls' and women's sports in Iowa.

Reynolds and Iowa Republican U.S. Rep. Ashley Hinson during the midterm campaign also repeatedly assailed Linn-Mar school district policies to protect transgender students from discrimination. Hinson's sons attend Linn-Mar schools.

The pair argued the policy overrides parents' right to have a say about what is best for their child's mental health and physical well-being, and cited concerns about student safety and privacy in bathrooms.

The Linn-Mar Community School District has said it is trying to follow state and federal laws, including Iowa's Civil Rights Act. The law states it is illegal to discriminate against a person because

of his or her actual or perceived sexual orientation or gender identity.

The policies spell out inclusive practices for transgender students, including giving students access to restrooms, locker rooms or changing areas that correspond with their gender identity. They also protect students' privacy by keeping their transgender status private at school, if they prefer. Students in seventh grade or older have priority over their parents or guardians of a gender support plan at school.

"I think it's really sad that at a time when Iowans are struggling to afford groceries, trying to find jobs, struggling to go the doctor, etc. that we're seeing more extreme culture war legislation," said Cedar Rapids Democratic Sen.

Liz Bennett, the first openly LGBTQ woman to serve in the Iowa Senate. "That should not be the priority here in Iowa."

Bennett said she's concerned the legislation will dissuade LGBTQ youth or those struggling with their gender identity from talking to a trusted teacher or school staff without fear that they'll suffer repercussions at home.

She noted research has shown that transgender and nonbinary youth are overrepresented in the foster care system and suffer higher rates of violence, including at home.

"This sends the message to these kids that people think that there is something so wrong" with being transgender or in the LGTBQ+ community, Bennett said. "That's incredibly harmful."

Erin Murphy of The Gazette Des Moines Bureau contributed.

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Marengo/ 'Clear and immediate threat'

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Water tests Dec. 9 showed a drainage ditch near the plant had diesel levels of 28,000 milligrams per liter, more than 12 times higher than the state standard for stormwater of 2,200 milligrams per liter.

Benzene and waste oil also exceeded state standards.

EcoSource, which completed an environmental site assessment plan for C6-Zero, estimated it could clean up the site by March, but the DNR's emergency order said the job needed to be done by January.

"DNR is not aware of any activities by representatives or agents of C6-Zero at the facility since Dec. 16, 2022, directed at analyzing, securing or removing solid waste, contaminated water or contaminated soil from the facility property," the lawsuit states.

"Due to a clear and immediate threat to the environment and public health caused by the explosion and fire at the facility, combined with the inaction and inadequate actions of C6-Zero in response to the DNR's Emergency Order, on Dec. 15, 2022, DNR Director Kayla Lyon requested the Iowa Attorney General 'take all legal action necessary to ensure compliance with the emergency order and Iowa law.'"

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Sen. Liz Bennett
D-Cedar Rapids

IOWA TODAY



Jake Winsor of Winsor CBD poses with some of his hemp-based products Nov. 3 at his shop in Vinton. Winsor has the hemp he grows and harvests refined into the active ingredients he uses in the products he sells. (Jim Slosiarek/The Gazette)

Summit has paid \$200M so far for easements

If pipeline project not approved, company will not get the money back

By Jared Strong, Iowa Capital Dispatch

One of three companies that plan to build carbon dioxide pipelines in Iowa has paid landowners about \$200 million to build on their properties — and the company won't get that money back if the plan fails.

"We write them 100 percent of that contract, and that is theirs," said Lee Blank, the chief executive of Summit Carbon Solutions. "And in the event that it doesn't — the project doesn't come to fruition — that money was just a cost of trying to do the business. And that's different than our competition."

It's an enticement that has helped the company ink land easements for half of its proposed route through Iowa, Nebraska, Minnesota, South Dakota and North Dakota, Blank said. About 680 miles of the route is in Iowa, in 29 western and northern counties.

The plan is to install equipment at more than 30 ethanol plants to capture carbon dioxide and pump it deep into the ground in North Dakota. The plants benefit through federal tax credits for carbon sequestration and by being able to sell their fuels for a premium in low-carbon fuel markets.

Blank said Summit has agreements with the plants to take a cut of their increased revenue, but he declined to reveal the percentage.

The project was launched by Bruce Rastetter, an influential agricultural entrepreneur and chief executive of Summit Agricultural Group in Alden. Blank said there are a handful of other major investors, including two private equity funds, an Oklahoma oil and gas company and a South Korean conglomerate.

Summit is the furthest along in the state's hazardous liquid pipeline permit process. It petitioned the Iowa Utilities Board for a permit in January, and the board is poised to meet Dec. 13 to help finalize a procedural schedule, including a public hearing date.

That hearing might last for weeks, and Summit wants it to be set for March. The company seeks final approval from the board in June and plans to start construction in August or September of 2023, Blank said.

► PIPELINE, PAGE 9D

Consumable hemp program grows in Iowa

Growers and retailers say confusion remains over what is legal

By Erin Jordan, The Gazette

More than 800 Iowa retailers are licensed to sell consumable hemp products, including food, drinks and lotions. But some licensed manufacturers, of which there were more than 120 in the 18 months of Iowa's consumable hemp program, say the state is overrun with unlicensed product and the fees are too high to compete with national companies.

"Iowa's licensing fees are outrageously expensive," said Bridget Chambers, owner of Bluestem Prairie Organic Hemp, in Webster City. "I've had a handful of people who are anxious to sell my products, but once I told them it was \$475 a year, they pulled out."

Iowa's consumable hemp rules, approved in March 2021, define these products as something introduced to the body by ingestion, such as a food, drink, chew or snuff, or something absorbed through the skin, like lotion.

The consumable hemp program, created to regulate the explosion of CBD products in Iowa, is different from the state's medical marijuana program, which is open only to people with specific certified health conditions who have a registration card.

Consumable hemp products made or sold in Iowa may have no more than 0.3 percent tetrahydrocannabinol, or THC.

So far, Iowa has brought in \$762,000 from consumable hemp licensing fees, which are \$475 a year for manufacturers and retailers.

ENFORCEMENT

Iowa received 82 complaints from March 2021 through August of this year about alleged violations of the consumable hemp rules.

- "They tried selling me weed out of a plastic container"

► HEMP, PAGE 10D



A hemp plant sits in 2021 at the Carriage House Hemp Farm in Oxford. This hemp is CBG, which is less likely to have THC in the plant than CBD. Owner Mark Wright says his hemp farm is one of the only CBG hemp farms in the state. (Savannah Blake/The Gazette)

PROHIBITED HEMP PRODUCTS IN IOWA

- Anything with more than 0.3 percent tetrahydrocannabinol, or THC
- Hemp animal or pet products
- Vapes
- Smokes
- Hemp products marketed or intended to cure, treat, mitigate, prevent disease or affect the structure of the human body (these are covered under Iowa's medical marijuana program)
- Hemp bread, cake, pie, or other "cottage food" items made in a person's home kitchen or other residential space
- Manufactured alcoholic beverages
- Meat, poultry or dairy infused with hemp

Coral Ridge bucks trends of some Iowa shopping malls

Coralville mall incubates start-ups while landing big chains

By Erin Jordan, The Gazette

CORALVILLE — It's beginning to look a lot like mall season.

Coral Ridge Mall, a 24-year-old retail center near Interstate 80 in Coralville, welcomed new clothing stores and a candy shop this fall. And Planet Fitness is under construction and expected to open in January.

"That's kind of the whole direction of malls, making it an entertainment and shopping destination," Coral Ridge General Manager Monica Hiles said. "Retail, fitness and making it a one-stop shop."

The mall is 97 percent occupied, bucking a trend among some Iowa malls. One of its anchor tenants, Younkers department store, closed in 2018 when the company went out of business. But in 2019, a new anchor was found for the space: Ashley Homestore.

CORAL RIDGE MALL HOLIDAY HOURS

Coral Ridge will be closed Thanksgiving Day, reopening from 9 a.m. to 9 p.m. Black Friday. From Dec. 9 to 23, the mall will extend hours from 10 a.m. to 9 p.m. Christmas Eve hours are 9 a.m. to 6 p.m.

One strategy, Hiles said, is attracting national and international stores, such as H&M, which opened last year at Coral Ridge, and local entrepreneurs who want to try bricks-and-mortar retail.

"A lot of times what we do for local tenants is we start them on a kiosk or on a short-term lease so they can start their business and incubate it," Hiles said. "If it's successful, we grow"

► MALL, PAGE 9D



Construction accelerates Thursday on Planet Fitness in hopes of a January opening to catch the New Year's resolution crowd at Coral Ridge Mall in Coralville. (Geoff Stellfox/The Gazette)

Simulator helps plow drivers ahead of winter

Dubuque employees get week of virtual training

By John Kruse, Telegraph Herald

DUBUQUE — As city of Dubuque driver Jordan Lamey took the wheel of a virtual truck and shifted into gear Nov. 1, the plow at the front lowered and started pushing snow from the road.

Up ahead, a building was on fire, and police were arriving on scene.

Lamey was focused on counting ambulances. As he looked to his left and right, he spotted them

in peculiar places, nestled in alleys and sitting in the middle of a field.

As his truck came to the end of the block, it suddenly halted. He looked up at fellow driver Chris Kennedy, who was standing next to him.

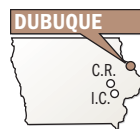
“I counted nine,” Lamey said.

Kennedy smiled and said, “I didn’t count that many.”

The Dubuque Telegraph Herald reports that Kennedy, Lamey and several other drivers for the city of Dubuque found themselves in a trailer behind the city’s Municipal Services Center. Inside, they took turns driving in a virtual simulation of a snow removal truck plowing during the winter. Surrounded by TV screens instead of windows, the drivers still needed to carefully make their way



Dubuque driver Jordan Lamey (left) watches fellow driver Chris Kennedy train on a snowplow simulator Nov. 1 in Dubuque. The city’s snowplow drivers underwent a week of virtual training earlier this month. (Dave Kettering photos/Telegraph Herald via AP)



David Lawson, a trainer with L3Harris Technologies, talks with city employees during a snowplow training session Nov. 1 in Dubuque.

through traffic as they attempted to safely clear the computer-generated streets.

The virtual driving was part of a week of training the city’s drivers underwent

earlier this month as they prepared for heavy snowfalls this winter. Dubuque Public Works Director John Klostermann said this is the first time the city has used virtual simulation units to prepare drivers.

L3Harris Technologies conducted the training at a cost of a little less than \$25,000.

Each driver participating in the training will undergo about two hours of simulated driving.

Along with the virtual training, the city’s drivers also underwent in-person obstacle course training and attended informational meetings

to prepare for winter.

“It’s really good whether or not you are a seasoned snow fighter or you are going to be out for the first time,” Klostermann said. “For our experienced drivers, it’s going to help them avoid any bad habits. If they are new, it’s a good way to get some experience with a truck with a plow on it.”

The city assigns about 30 Public Works Department personnel as snowplow operators for snow and ice control. While the city is capable of operating 30 trucks at one time for snow removal, drivers typically are split

up into 12-hour shifts, Klostermann said.

He said the city spends about \$1.5 million for snow and ice control operations every year, which covers wages, equipment and supplies. Klostermann said some independently contracted drivers also are hired to clear snow in city parking lots.

“Snow and ice control is a big operation,” he said. “We want to do it in the most efficient way and in the safest way.”

David Lawson, lead senior trainer with L3Harris Technologies, said the main purpose of the virtual training is to remind both new and experienced drivers of the potential dangers of driving a snowplow during severe weather.

Counting ambulances might seem trivial, but requiring drivers to do so during training ensures they are paying attention to their surroundings.

“Your visibility is greatly reduced because of the weather,” Lawson said. “We need to be moving our head and eyes constantly to get the newest information at all times.”

Kennedy has driven snow removal trucks for the city for 19 years. He said the simulated driving reminded him of the importance of remaining attentive.

“Obviously, the truck is totally different, but just seeing the scenery and driving is teaching you how to operate one that is real,” he said. “It’s teaching you to look around, so you don’t hit someone for real.”

Hemp/Consumers report complaints about alleged violations

► FROM PAGE 1D

weighed it on a scale and told me I can smoke it. But I know that is illegal in Iowa. So I’m confused on how they are selling it,” one complainant said April 6 about a store in Marshalltown.

• A Des Moines brewery “is holding a 420 inspired beer dinner. A four-course dinner with beer pairings include items such as Cannabis Chicken Bites and blunts topped with toasted hemp.” Inspectors could not verify this complaint, records show.

• “Hello, I am writing this email today to inform you of a hemp shop that I believe does not have a hemp license and is also selling delta-8 edibles and vapes as well as pet CBD,” another complainant wrote April 19 about a Des Moines store. “I believe it is extremely unfair to allow his store to sell those items when the rules of a hemp license have been strictly followed by other shops.”

The Inspections and Appeals Department issued 34 enforcement actions between March 2021 and August, which, in most cases, were letters asking retailers to stop the illegal behavior.

The state has handed down two 30-day suspensions, one to The Dispensary, at 221 Fourth St. in Des Moines, on Aug. 1, and the other to Greenleaf Tobacco & Vape, 5901 University Ave. in Cedar Falls, on April 7. Both stores had previous warnings.

The only warning letter sent to a Linn or Johnson County business was June 9 to Cobble Hill restaurant in Cedar Rapids.

“Establishment was found to be manufacturing CBD oil to add to beverages; additionally,



Clarity Broad Spectrum CBD Oil containers are seen for sale in Winsor CBD in Vinton. Jake Winsor has the hemp he grows and harvests refined into the active ingredients he uses in the products he sells. (Jim Slosiarek photos/The Gazette)

establishment is not registered as a consumable hemp establishment with DIA,” the complaints database said.

Restaurant owners did not return a call seeking comment.

DELTA 8

About a dozen complaints were about retailers selling consumable hemp products branded as containing Delta 8, a psychoactive cannabis substance some people believe has a milder high than other strains.

Some Iowans mistakenly think Delta 8 is illegal here, but it all depends on whether the total THC is no more than 0.3 percent, said Mark Speltz, Food & Consumer Safety Bureau chief at the Iowa Department of Inspections and Appeals.

“If theirs is 0.1 percent Delta 8, it would still be a legal product,” he said. State inspectors and consumers can look at product labels, many of which have QR codes, to find a certificate of analysis that shows the percentage of THC.

MORE EDUCATION

Iowa’s consumable hemp program has one full-time inspector, Teneisha Stubblefield, but other state employees inspecting restaurants,

grocery stores and convenience stores report whether they see illegal hemp products, Speltz said.

Jake Winsor, who owns Winsor CBD in Vinton, said he’s glad Iowa now allows people to grow hemp and sell



CBD full spectrum gummies are seen for sale in Winsor CBD.

hemp products. He and his wife, Leah, grow chemical-free hemp on an acre in Benton County and sell three products — CBD oil, gummies and a topical balm stick — at their store and online.

“There are so many products, so many different companies. A lot of consumers don’t know where to turn,” Winsor

said. “I’m sure some of these people wanting to open up (a business) are feeling overwhelmed.”

Winsor would like state officials to provide more education about what is and isn’t legal. For example, he didn’t think selling hemp flower was legal, but then he heard some growers were doing so this fall.

FEES

Lowering the \$475 fee might get more local manufacturers and retailers to wade into the market, Winsor said.

Iowa set its fees based on research of what other states were charging and based on how much it would cost to run the program, Speltz said.

“We’ll be taking a look at that again to see if there’s where it needs to be to support the program, with IT costs, salaries, etc.,” Speltz said. “I don’t anticipate a change coming quickly, but it is constantly something we are looking at.”

A 2021 review by Cannabis Times shows most states charge between \$50 and \$1,000 for manufacturing or selling legal hemp products.

Comments: (319) 339-3157; erin.jordan@thegazette.com

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LOST IN TRANSLATION

How USDA barriers leave immigrant farmers and ranchers behind



Max Chavez, a farmer and immigrant from Mexico, surveys his land as he decides where to plant this year's crops April 25 at his farmland in Carlisle. Chavez, along with many other immigrant non-native English speakers in the agricultural and ranching community, has struggled to receive grants, loans and other funding opportunities. (Geoff Stellfox/The Gazette)

Federal funding is a vital resource, but immigrant producers face language, cultural obstacles to benefiting from it

By **Brittney J. Miller**, The Gazette

With dirt crunching under his feet, Max Chavez trekked across his 10 acres of land, grasping wooden stakes in his hands. They were marked with his handwriting: "Bell pepper" on one,

"green beans" on another. Every few paces, he stuck a stake in the soil — marking where his harvest would sprout months later.

Chavez grew up farming in Mexico. He moved to California at 13 years old, and then to Iowa in 1999. After planting and pruning grapevines around the state, he saved enough

money to rent land, growing tomatoes, zucchini, peppers and more.

When asked what it takes to run his farm in Carlisle, named Sunny Valley Vegetables, 55-year-old Chavez had a quick response: "Money."

► **USDA, PAGE 6A**

EN ESPAÑOL

Para leer este reportaje en español de manera gratuita, descargue el código QR.



Mississippi shipping infrastructure is aging. Who should pay for repairs?

By **Madeline Heim**, Milwaukee Journal Sentinel, and **Keely Brewer**, Daily Memphian

Around 175 million tons of freight travels on the Mississippi River each year, and from the river's headwaters to southern Illinois, a series of locks and dams guide barg-

es through the journey.

Traffic is only increasing, but the locks and dams have aged far past their life expectancy. Even functioning properly, they slow barges down, and shippers and commodity groups fear a worse infrastructure breakdown is on the horizon.

"Is it a matter of if you have a failure ... or when you have a failure?" said Mike Steenhoek, executive director of the Soy Transportation Coalition.

Steenhoek likened the system to a fire hydrant

► **SHIPPING, PAGE 8A**

City leaders, tenants rosy on sale of Lindale Mall

Deal includes ex-Collins Road Hy-Vee, other buildings

By **Trish Mehaffey**, The Gazette

CEDAR RAPIDS — The city and tenants of Lindale Mall are optimistic the northeast Cedar Rapids center's new owner will recruit

more businesses and make improvements after two of its longtime anchor tenants closed four years ago and remain empty.

"While transitions like this always cause a bit of chaos and a lot of work for local management, that team

► **LINDALE, PAGE 7A**

VOL. 141 NO. 132 **INSIDE:** Books 7M | Business 380 1E | Comics **INSIDE** | Crosswords 8L, 8M | Dear Abby 8L | Deaths 10D | Home+Garden 1M | Horoscopes 8L | Insight 1C | Iowa Today 1D | Living 1L | Milestones 10L | Puzzles 8L | Sports 1B | TV 12D | Weather 12D



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Vehicles park Tuesday outside Lindale Mall at First Avenue and Collins Road NE in Cedar Rapids. The mall was recently sold to the Kohan Retail Investment Group of Great Neck, N.Y., for \$28.5 million. Kohan also bought nine other parcels around the mall, including the former Collins Road Hy-Vee. (Jim Slosiarek photos/The Gazette)

Lindale/Westdale could be model

► FROM PAGE 1A

was optimistic about what this might mean for Lindale Mall," said Doug Neumann, executive director of the Cedar Rapids Metro Economic Alliance.

Neumann said members of the alliance visited Lindale's local management team after the Kohan Retail Investment Group bought the 732,666-square-foot mall for \$28.5 million in March.

The deal also included nine properties outside the mall — at First Avenue and Collins Road NE — including the now-vacant Hy-Vee Food Store just west of the mall. But it doesn't include the now-closed Sears store, whose anchor space in the mall is owned by Seritage Growth Properties of New York.

The local Lindale management team, Neumann said, "recognizes the opportunities for development of available land within the mall footprint, and they recognize there's room for creative thinking on adaptive reuses of available space within the mall."

The sale is important for the community, too, because the previous owner — Washington Prime Group of Columbus, Ohio — had filed for bankruptcy protection, Cedar Rapids City Council member Scott Olson, a commercial realtor, told The Gazette.

It's a "positive sign" that the buyer kept current mall managers, who get along well with the mall's tenants, he said, noting improvements the previous owner had made at the mall and that the new owners may do more.

"The city's hope is they will be successful and be able to fill up the vacant spaces," Olson said.

"The city streets project (of Collins Road NE) is completed now, and the area across the street (is developed) with Home Goods. The Raising Cane's restaurant recently opened and the (former) Hy-Vee building would make a great conversion space or for an entertainment-type business," he said.

Lindale Mall had an assessed value of \$44 million when Washington Prime Group filed for Chapter 11 bankruptcy in 2021. The value was lowered to \$30 million after the company appealed the assessment.

In its purchase, the Kohan Retail Investment Group bought:

- The former Hy-Vee Food Store, 279 Collins Rd. NE, and its parking lot
- Jared The Galleria of Jewelry, 159 Collins Rd. NE
- Five Guys Burgers, 157 Collins Rd. NE
- Fantastic Escape, 4444 First Ave. NE
- Jo-Ann Fabrics, 255 Col-



The former Collins Road Hy-Vee and adjacent Joann Fabric and Crafts sit west of Lindale Mall and were included in the \$28.5 million sale of the Kohan Retail Investment Group of Great Neck, N.Y.



Sean Holley stands in his Holley's Shop for Men at Lindale Mall in northeast Cedar Rapids. The store has been in Lindale for 59 years, he said, adding he is optimistic about the mall's new owners.

lins Rd. NE

• Three parcels of vacant land and private roads along First Avenue NE.

The assessed value of all the properties included in the sale totals \$36.7 million, according to the Cedar Rapids Assessor's Office.

Lindale now has 70 tenants and six vacant spaces, according to its management group. Among the vacancies are anchors Sears and Younkers, which went out of business and closed at the mall in 2018.

WESTDALE EXAMPLE

Olson hopes Lindale, which opened Sept. 15, 1960, and the surrounding properties will increase in value under the new ownership, just as the value of the former Westdale Town Center has increased under the \$90 million redevelopment begun in 2013 by the city and Frew Development Group.

The Westdale area now has an assessed value of \$62 million, an increase of \$54.6 million over its predevelopment value, Economic Development manager Caleb Mason told The Gazette in March.

Olson noted the retail landscape has been changing shopping areas all across the country, similar to what's happened at Westdale, which has merged retail with office and living spaces, hotels and restaurants.

Lindale also has changed, he said, adding services — a beauty school, employment center, tattoo shop and music school — alongside its retail stores.

Neumann said it's difficult to predict how the Lindale area will look in a few years, but "it sure is great to see the optimism that comes with new energy and investment in the property."

COLLINS ROAD WORK DONE

As Olson noted, the city's investment in Collins Road has boosted development along the east-west thoroughfare.

An average of about 24,000 vehicles per day travel both sides of Collins Road at the Lindale entrance, according to the Iowa Department of Transportation.

Ken DeKeyser, Cedar Rapids city engineer, said the Collins Road project added an eastbound through-lane to help traffic flow by the mall. Additional paving also was completed to provide another westbound lane when it's needed.

"The city has also updated the traffic signal timing in the corridor, which has been shown to reduce the delays in that area," he added.

MALL TENANTS HOPEFUL

Sean Holley, who owns Holley's Shop for Men in Lindale, said he sees the sale and the new owner's retention of local management as positives.

He said he hopes the new owners can recruit more retailers and make overall improvements to the mall. Holley's has been in the mall for 59 years.

Megan Nichols, who opened Lead With Light Photography in the mall last July, said she



Stores at Lindale Mall are listed at one of the mall's entrances, as seen Tuesday in northeast Cedar Rapids. City and business leaders are optimistic the mall's new owner, Kohan Retail Investment Group of Great Neck, N.Y., will bring new ideas and tenants to the mall, which opened in 1960.

also sees the potential for growth and would like to see more recruitment of retailers to fill vacant spaces.

She also hopes the new owner does more advertising of events and of the businesses in the mall.

Of the 70 tenants at the mall, 11 businesses are non-retail, including Nichols' Lead with Light Photography, La James International College, Iowa Works Center; Cedar Rhapsody School of Music, All Out Rampage, Iron Lotus Tattoo Shop, Basement Beauty Salon and Quilts of Valor.

The former Younkers retail space has been rented out on a temporary basis to various tenants such as iHeart Media, Spirit Halloween, Weetails consignment, vendor fairs and others. But a permanent use for the anchor footprint has not been announced.

Becky Eckley, general manager of Lindale Mall who will remain in her position under the new ownership, said she expects the new owner will fill the vacancies and "maintain a vibrant and entertaining atmosphere for the local community."

"For more than 60 years, Lindale Mall has offered immersive family traditions and experiences in addition to a lively marketplace, and we're grateful for the opportunity to continue this tradition," she said.

BUYER OWNS 60 MALLS

Kohan Retail Investment Group, based in Great Neck, N.Y., owns about 60 shopping malls throughout the country, including two in Iowa — in Marshalltown and in West Burlington — plus two New York hotels. The company is known for buying financially distressed malls at a reduced cost.

Mike Kohan, founder and chief executive officer of the group, declined to share his plans for Lindale Mall. "While plans are still being

evaluated, we will provide new and growing businesses leasing opportunities, maintain meaningful relationships with our current tenants, continue to provide a sense of place for the community, and position the center to achieve its highest potential," Kohan said in a statement.

The Kohan Group's website states that it sees the future of large malls as more of a "hybrid of entertainment, food, and retail than the past model where retail reigned supreme."

The group bought 13 of its malls in 2021 during the pandemic.

One of those properties, McKinley Mall in Hamburg, N.Y., was sold for more than \$7 million in an online auction last week, according to WGRZ-TV in Buffalo, N.Y. Kohan bought the property for \$8.5 million when it was in foreclosure in 2021. Kohan owed \$176,069 in overdue taxes on the property for 2022.

Kohan owed \$355,434 in unpaid base taxes in January and accrued \$30,157 in penalties for another property, Central Mall in Port Arthur, Texas, but those taxes were paid in April, according to the Jefferson County Tax Office. The payments were made by Home Tax Solutions LLC, which is a tax loan business that helps Texans pay their residential or commercial property taxes, according to its website.

Real Deal — a real estate publication — reported in 2022 that power was cut off at least two times at Kohan Group malls because it had not paid the utility bills, and that power to a Vero Beach, Fla., mall was threatened after the group had not paid its electric bill in three months.

In early March, Kohan owed more than \$1 million in taxes on a mall property in Midland, Mich., and that property was sold in an online auction for \$5 million in April, according to the Midland Daily News. The group had owned the property since 2018.

The Kohan Group also is being sued over the Great Northern Mall in Clay, N.Y., for not adhering to purchase and sale agreement requirements of the new buyer. The lawsuit was filed in January, according to report in the Post-Standard of Syracuse, N.Y.

Eckley, the general manager of Lindale, was asked if Kohan's legal problems cause the mall management any concerns.

"Lindale Mall is a desirable addition to the Kohan Retail portfolio for many reasons, including the existing tenancy and engaged community," she said.

City Council member Olson said he and other city officials are going to a large retail convention in Las Vegas next month and hope to meet with Kohan or others with the company. Olson said city officials also will be meeting with a retail coach that helps cities recruit retailers.

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Doug Neumann
Cedar Rapids Metro Economic Alliance



Scott Olson
Cedar Rapids City Council



Megan Nichols
Lead with Light Photography