

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE September 6, 2016	AGENDA ITEM NUMBER
--	---------------------------

TO: Mayor Shoji and City Councilors

FROM: Jim Hossley, Director Public Works *JH*

THROUGH: Rodger Craddock, City Manager *RC*

ISSUE: Approval to Accept and Expend FEMA Funds Towards Purchase of Property Located at 1485 Old Wireless Lane

BACKGROUND:

Council approved the contribution of \$42,500 to buy out a flood prone home on Old Wireless Lane through the Federal Emergency Management (FEMA) Voluntary Buyout Program. In December 2015, the area where the home is located was subject to possible flooding once again due to extremely high tides, storms, and a compromised diking system. In February 2016, the City was advised that the homeowners, Mr. and Mrs. Wright, had made application to FEMA's Voluntary Buyout Program. After several months of negotiations, there was a tentative agreement to purchase the property for \$125,000 of which FEMA will contribute \$82,500 and the City Council approved the contribution of \$42,500. The City will also be responsible for some closing costs, appraisal costs, demolition of the home and associated costs (see attached spreadsheet). It's anticipated that we will do what was done back when the previous homes in that area were purchased through this FEMA program, they were demolished by the Fire Department as part of their "Burn to Learn" program.

The agreement for the purchase has been finalized. It will be necessary for the City to pay the entire purchase cost upfront. FEMA will reimburse the City \$82,500. Council will need to authorize the expenditure of this additional \$82,500 along with acceptance of the FEMA reimbursement for the same amount.

ADVANTAGES:

Purchasing and removing the home will mitigate the possibility of repeated flood insurance claims and staff resources spent during and after flood events on these claims. In addition, it will allow the City to decommission the pump station that now serves this single property. In addition, it is possible that the Old Wireless Lane area could become a recreational boat launch facility or another open space recreational area in the future.

DISADVANTAGES:

None noted

BUDGET IMPLICATIONS:

While the purchase of this property was not anticipated nor included in the current budget, there are sufficient funds which were gained by a recent sale of a surplus City property in the Empire area to cover the City's contribution to the buyout/purchase of the property. The Council previously approved the expenditure/contribution of \$42,500. There will be additional City expenses including close out costs and demolition (\$10,825 cash and in-kind). The City will need to up front FEMA's share of the purchase, \$82,500, until the City is reimbursed by FEMA.

ACTION REQUESTED:


If it pleases the Council, approve the expenditure of \$82,500, in addition to the previous Council approved contribution of \$42,500, to the purchase of tax lots 900 and 1000 located on Old Wireless Lane. Approve the acceptance of the \$82,500 reimbursement from the Federal Emergency Management Agency for the purchase of tax lots 900 and 1000 located on Old Wireless Lane.

ATTACHMENTS:

Voluntary Acquisition Spreadsheet with Costs
Map of Property to be Purchased
August 16, 2016 Council Report on this Issue

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
September 6, 2016	

TO: Mayor Shoji and City Councilors
FROM: Jim Hossley, Director Public Works 
THROUGH: Rodger Craddock, City Manager
ISSUE: Old Wireless Lane Property Purchase

BACKGROUND:

Council approved the contribution of \$42,500 to buy out a flood prone home on Old Wireless Lane through the Federal Emergency Management (FEMA) Voluntary Buyout Program. In December 2015, the area where the home is located was subject to possible flooding once again due to extremely high tides, storms, and a compromised diking system. In February 2016, the City was advised that the homeowners, Mr. and Mrs. Wright, had made application to FEMA's Voluntary Buyout Program. After several months of negotiations, there was a tentative agreement to purchase the property for \$125,000 of which FEMA will contribute \$82,500 and the City Council approved the contribution of \$42,500. The City will also be responsible for some closing costs, appraisal costs, demolition of the home and associated costs (see attached spreadsheet). It's anticipated that we will do what was done back when the previous homes in that area were purchased through this FEMA program, they were demolished by the Fire Department as part of their "Burn to Learn" program.

The agreement for the purchase has been finalized. It will be necessary for the City to pay the entire purchase cost upfront. FEMA will reimburse the City \$82,500. Council will need to authorize the expenditure of this additional \$82,500 along with acceptance of the FEMA reimbursement for the same amount.

ADVANTAGES:

Purchasing and removing the home will mitigate the possibility of repeated flood insurance claims and staff resources spent during and after flood events on these claims. In addition, it will allow the City to decommission the pump station that now serves this single property. In addition, it is possible that the Old Wireless Lane area could become a recreational boat launch facility or another open space recreational area in the future.

DISADVANTAGES:

None noted

BUDGET IMPLICATIONS:

While the purchase of this property was not anticipated nor included in the current budget, there are sufficient funds which were gained by a recent sale of a surplus City property in the Empire area to cover the City's contribution to the buyout/purchase of the property. The Council previously approved the expenditure/contribution of \$42,500. There will be additional City expenses including close out costs and demolition (\$10,825 cash and in-kind). The City will need to up front FEMA's share of the purchase, \$82,500, until the City is reimbursed by FEMA.

ACTION REQUESTED:

If it pleases the Council, approve the payment of \$82,500, in addition to the previous Council approved contribution of \$42,500, to the purchase of tax lots 900 and 1000 located on Old Wireless Lane. Approve the acceptance of the \$82,500 reimbursement from the Federal Emergency Management Agency for the purchase of tax lots 900 and 1000 located on Old Wireless Lane.

ATTACHMENTS:

Voluntary Acquisition Spreadsheet with Costs
Map of Property to be Purchased
August 16, 2016 Council Report on this Issue

**Voluntary Acquisition Spreadsheet
 Duane E. and Joyce L. Wright
 1485 Old Wires Lane, City of Coos Bay, Oregon**

Buy-Out Wrights Property		1485 Old Wires Lane, City of Coos Bay, Oregon
DESCRIPTION	8/10/2016 ACTUAL	COMMENTS
PROPERTY AQUISION		
Appraisal	\$110,000	July 2016 Revised Appraised Value
FEMA GP 75%	\$82,500	FEMA Grant Program 75% of the appraised value (\$110,000)
City 25% Match	\$27,500	City Match 25% of the appraised value (\$110,000)
Additional City Funds	\$15,000	Additional expenses picked up by City, balance of sale price (\$125,000)
Agreed Sale Price	\$125,000	
ADDITIONAL City Expenses		
DEMOLITION		
Hazardous Abatement	\$1,000	In - Kind
Learn To Burn		In - Kind
Demolition	\$5,000	In - Kind
Lift Station Decommission	\$2,500	In - Kind
Appraisal	\$475	Property Appraisal
Ticor Tile	\$350	Title Search
Ticor Title	\$1,500	Title Recording
Total	\$10,825	Additional expenses to remove residence at City expenses
Acquisition Total		
	\$135,825	Property Purchase, Recording Fees, and Demolition



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Agenda Item #7

Agenda Item #10

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE August 16, 2016	AGENDA ITEM NUMBER
--	---------------------------

TO: Mayor Shoji and City Councilors
FROM: Rodger Craddock, City Manager
ISSUE: **Old Wireless Lane Property Purchase**

BACKGROUND:

In 1998, there was an amendment to the City's Urban Growth Boundary (UGB), and a subsequent Annexation of 1.54 acres in the area commonly known as the Old Wireless Lane. At the time there were five dwellings that existed along that street. The request for the expansion of the UGB and Annexation was prompted by the need of the homeowners to connect to the City sewer system as the septic sewer systems in that area were deemed a public health hazard by DEQ.

In January 2006, the area flooded due to a combination of extremely high tides during a storm event; and it breached in the dikes along with Coal Bank Slough. All of the homeowners in the area, with the exception of one, sold their properties through a Voluntary Buyout Program funded by the Federal Emergency Management Agency (FEMA) which is a flood mitigation program designed to buyout properties subject to repeated flooding due to its proximity to the water and other related variables. The City assisted FEMA in the purchasing of those properties which required the demolition of the homes. Those properties are now owned by the City, and the allowed uses on that property are restricted and limited to be compatible with open space, recreational, and wetland management uses including parks for outdoor recreation activities, nature reserves, cultivation, camping, and temporary storage in the open space of open wheel vehicles that are easily movable.

In December 2015, the area was subject to possible flooding once again due to extremely high tides and storms and a compromised diking system. In February 2016, the City was advised that the remaining homeowners, Mr. and Mrs. Wright, had made application to FEMA's Voluntary Buyout Program. After several months of negotiations, there is a tentative agreement to purchase the property for \$125,000 of which FEMA will contribute \$82,500 and the City will contribute \$42,500 if approved by the Council. The City will be responsible for demolition of the home and the associated costs. It's anticipated that we will do what was done back when the previous homes in that area were demolished by the Fire Department as part of their "Burn to Learn" program. If the purchase is approved by the Council, the property will be transferred to the City with the same restrictions as the properties which were purchased after the 2006 flood event.

BUDGET IMPLICATIONS:

While the purchase of this property was not anticipated nor included in the current budget, there are sufficient funds which were gained by a recent sale of a surplus City property in the Empire area to cover the City's contribution to the buyout/purchase of the property.

ADVANTAGES:

Purchasing and removing the home will mitigate the possibility of repeated flood insurance claims and staff resources spent during and after flood events on these claims. In addition, it will allow the City to remove the pump station that now serves this single property. In addition, it is possible that the Old Wireless Lane area could become a recreational boat launch facility or another open space recreational area in the future.

DISADVANTAGES:

None

ACTION REQUESTED:

If it pleases the Council, approved the contribution of \$42,500 to the purchase of tax lots 900 and 1000 located on Old Wireless Lane.