

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

MEETING DATE January 3, 2017	AGENDA ITEM NUMBER
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TO: Mayor Benetti and City Councilors

FROM: Jim Hossley, Public Works Director

THROUGH: Rodger Craddock, City Manager

JH

ISSUE: Approval of After – the - Fact Increase of Price for Purchase of Property Located at Old Wireless Lane

SUMMARY:

On August 16, 2016, the City Council approved the expenditure of \$42,500 towards the purchase of a home and property (tax lots 900 and 1000) located on Old Wireless Lane. The actual purchase cost totaled \$125,000 of which FEMA is paying the remaining \$82,500. The amount previously approved by the Council back on August 2016 did not include the closing cost or the anticipated cost to demolish the home. The total amount, including closing and demolition costs, is \$140,058.37 of which the City's share is \$47,403.37. It should be noted that the City will be reimbursed a portion of the funds, up to \$8,673.75, for the City's costs associated to the demolition of the home and associated activities which will be undertaken in 2017.

The deadline to close on the property is December 30, 2016 as required by FEMA. As there wasn't time to obtain the Council's approval for the increased initial cost of the transaction prior to the closing deadline, the matter was discussed at the Joint Council / URA work session December 27, 2016.

ACTION REQUESTED:

If it pleases the Council, approve the expenditure of \$47,403.37 for the purchase of a home and property on Old Wireless Lane, closing costs, and demolition costs.

ATTACHMENT:

Council Report from December 27, 2016 Work Session

**CITY OF COOS BAY
JOINT CITY COUNCIL / URA WORK SESSION
Agenda Staff Report**

MEETING DATE December 27, 2016	AGENDA ITEM NUMBER
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TO: Mayor Benetti and City Councilors

FROM: Rodger Craddock, City Manager

ISSUE: Old Wireless Lane Property Purchase

SUMMARY:

On August 16, 2016, the City Council approved the expenditure of \$42,500 towards the purchase of a home and property (tax lots 900 and 1000) located on Old Wireless Lane. The actual purchase cost totaled \$125,000 of which FEMA is paying the remaining \$82,500. The amount previously approved by the Council back on August 2016 did not include the closing cost or the anticipated cost to demolish the home. The total amount, including closing and demolition costs, is \$140,058.37 of which the City's share is \$47,403.37. It should be noted that the City will be reimbursed a portion of the funds, up to \$8,673.75, for the City's costs associated to the demolition of the home and associated activities which will be undertaken in 2017.

The deadline to close on the property is December 30, 2016 as required by FEMA. As there isn't time to obtain the Council's approval for the increased initial cost of the transaction prior to the closing deadline, the matter will be discussed at the Joint Council / URA work session with the plan of bringing the matter back to the regular Council meeting on January 3, 2017 for approval, after the fact.

BACKGROUND:

In 1998, the City's Urban Growth Boundary (UGB) was amended and the City annexed 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 was a tentative agreement to purchase the property for \$125,000 of which FEMA would contribute \$82,500 and the City would contribute \$42,500 if approved by the Council. The City will be initially responsible for demolition of the home and the associated costs, although a portion of those costs will be reimbursable through FEMA. 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.

Once the closing is completed, 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:

The initial cost for the City's portion of the purchase is \$47,403.37, and it will be paid out of the City's Mayor Capital Reserve Fund which includes the City's estimated share of the demolition costs. The City will be eligible for up to \$8,673.75 in reimbursement for costs associated with the demolition of the building.

ACTION REQUESTED:

No action is requested at this time.

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE August 16, 2016	AGENDA ITEM NUMBER
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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.



SUBJECT PROPERTIES



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

TL 616 TL 617 TL 619 TL 601 TL 500
 PENNSYLVANIA AVE
 TL 1900 TL 2000 TL 2100 TL 2201 TL 2200 TL 2300 TL 2400 TL 2500
 IOWA AVE
 TL 2800 TL 2700 TL 2600 TL 3700 TL 3800 TL 3101 TL 3400 TL 3500 TL 3600
 S 55TH ST
 TL 4100 TL 4200 TL 4100 TL 4100
 TL 1000 TL 4100 TL 100

TL 900 TL 1000 TL 1100 TL 1200 TL 1300 TL 1400 TL 1101
 OLD WIRELESS LN