

# City of Fayetteville Staff Review Form

**2020-0024**

**Legistar File ID**

**2/4/2020**

**City Council Meeting Date - Agenda Item Only**

**N/A for Non-Agenda Item**

Alan Pugh

2/28/2020

ENGINEERING (621)

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**Submitted By**

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**Submitted Date**

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**Division / Department**

## **Action Recommendation:**

Authorization to purchase the property and structure located at 923 W Cato Springs Road, in the amount of \$92,000 plus a \$3,000 contingency for the associated closing costs and taxes to reduce future flood damage and restore flood capacity in the area, and \$1,500 for Internal Charges and approval of a budget adjustment.

## **Budget Impact:**

4604.860.7405-5805.00

4604 - Drainage Projects 2019 Bonds

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Account Number

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Fund

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46040.7405

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Drainage Projects (2019 Bonds), Floodplain  
Buyout/Elevation

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Project Number

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Project Title

**Budgeted Item?** Yes

Current Budget \$ 7,968,467.00

Funds Obligated \$ 920,794.51

Current Balance \$ **7,047,672.49**

**Does item have a cost?** Yes

Item Cost \$ 96,500.00

**Budget Adjustment Attached?** Yes

Budget Adjustment \$ -

Remaining Budget \$ **6,951,172.49**

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Purchase Order Number: \_\_\_\_\_

V20180321 Previous Ordinance or Resolution # \_\_\_\_\_

Change Order Number: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Original Contract Number: \_\_\_\_\_

**Comments:**



**MEETING OF MARCH 17, 2020**

**TO:** Mayor and City Council

**THRU:** Susan Norton, Chief of Staff  
Garner Stoll, Development Services Director  
Chris Brown, City Engineer

**FROM:** Alan Pugh, Staff Engineer

**DATE:** February 21, 2020

**SUBJECT:** Authorization to purchase the property and structure located at 923 W Cato Springs Road, in the amount of \$92,000 plus a \$3,000 contingency for the associated closing costs and taxes and \$1,500 for Internal Charges and approval of a budget adjustment.

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**RECOMMENDATION:**

Staff recommends authorizing the purchase of the property and structure located at 923 W Cato Springs Road, in the amount of \$92,000 plus a \$3,000 contingency for the associated closing costs and taxes to reduce future flood damage and restore flood capacity in the area, and \$1,500 for Internal Charges and approval of a budget adjustment.

This recommendation is based on the following:

1. The home located at 923 W Cato Springs Road has flooded multiple times according to city records.
2. As a service to our residents, the City of Fayetteville participates in the Federal Emergency Management Agency (FEMA) Community Rating System (CRS). This provides for discounts (currently 10%) on most flood insurance policies within the City limits.
3. As of November 30, 2018, the City of Fayetteville contained 532 flood insurance policies resulting in approximately \$522,224 in annual premiums paid. The total insurance coverage in force was just over \$122 million and the total paid losses since entering the program in 1982 was approximately \$3.2 million.
4. CRS requires the participating community to develop and implement a plan to deal with structures that continually flood. In many instances, including this one, the only economically feasible option is to purchase the property.
5. The owner of the property is a willing seller and has accepted below appraised value for the structure and property.
6. It will increase Fayetteville's overall flood resiliency
7. It will reduce the overall flood loss to the community during large rain events affirming one goal of the Washington County Pre-Hazard Mitigation plan.

**BACKGROUND:**

The subject property and structure are located within Zone AE according to flood insurance rate map 05143C0220F with the structure and the majority of the property located within the floodway.

For those not familiar, the Special Flood Hazard Area (SFHA) is made up of multiple “zones.” These zones identify the various risks as well as the applicable regulations for development. Zone AE is commonly referred to as the 100-year floodplain and is made up of both floodplain and floodway. The floodway is the area designated by the Federal Emergency Management Agency, FEMA, for flood water conveyance. This is often relatively high velocity flood waters and the regulations are very restrictive as the intent is for this area to remain open space in order to preserve that conveyance. It is also the intent of the regulation to restrict developments in these areas which are the most susceptible to flooding. Unfortunately, this structure was located within a high-risk area prior to the maps being adopted by the City and as such has a long history of flooding.

**DISCUSSION:**

The current home has been under renovation for several years. In 2013, the initial building permit (AP #56554) contained a relatively limited scope based on the regulations in place for existing homes within the floodplain that are not in compliance with current codes. However, based on my conversations with the owner these improvements have expanded over time as damage and other code violations were discovered during the renovation. Along with the renovation, the structure did flood during the April 2017 rains and at this point the structure is considered substantially damaged/improved and the owner has limited options on moving forward. This leaves few options for the owner moving forward and given the history of flooding staff feels the most feasible solution is for the City to purchase the home and have it removed from the lot.

If the home is not removed, the options include elevating the structure to two feet above the base flood elevation or requesting a variance from Planning Commission from that requirement. The preliminary analysis indicates that the structure would likely need to be elevated approximately 7.5 feet above grade in order to bring it into compliance with current codes. Due to the fact the structure is within the floodway it is highly susceptible to flooding and relatively high velocity flood waters and if it were elevated in place, staff would continue have some concerns that the velocity of the water may continue to threaten the foundation of the home.

It should be noted that this property is bordered on the east and west by City owned property which is and is planned to remain either open space or potentially a future parking area. However, the planned parking area is shown to remain outside of the floodway. Staff feels that given the circumstances and potential for the area to continue to flood that both open space and parking area that remains outside of the floodway is the highest and best use of the property.

**BUDGET/STAFF IMPACT:**

As a part of the process, engineering staff had the property appraised to get a general idea of the market value. In July of 2017 the market value of the property was indicated to be \$105,000

based on that appraisal. During the appraisal the owner indicated that approximately \$64,000 in improvements/repairs from previous damage, flood events and vandalism had been performed to the structure. The owner has accepted an offer of \$92,000 for the property and structure.

**Attachments:**

See photos on following pages

Offer and acceptance letter

April 2017 Flood: Home at 923 W Cato Springs Road during the afternoon. It is believed that the water levels rose further after this photograph was taken. There was another band of rain that moved through later in the evening.

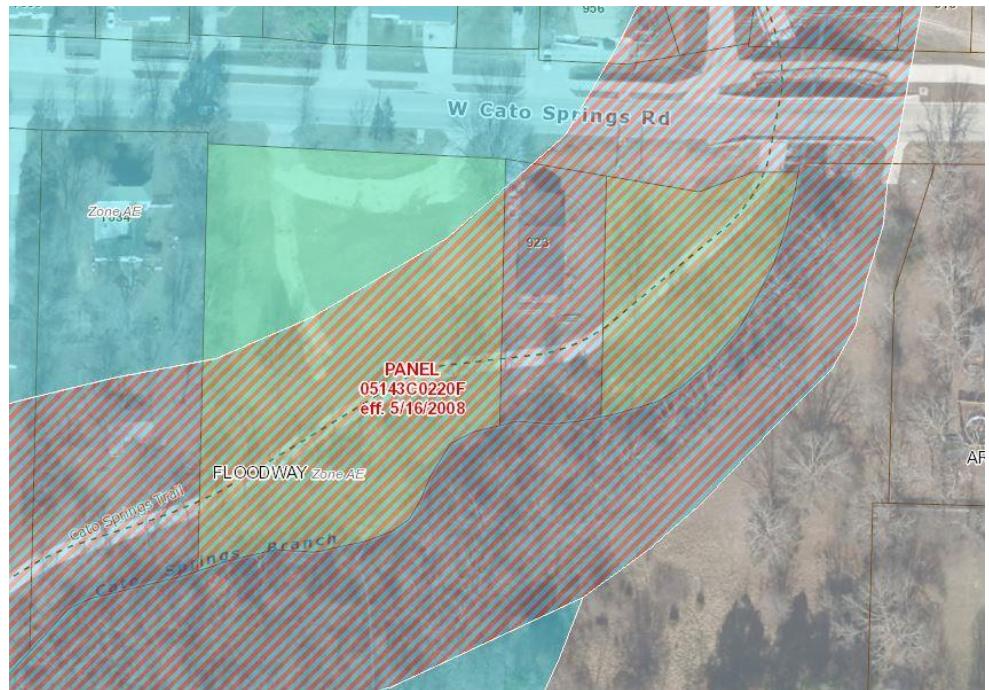


Photos of the south side of the Cato Springs Road Bridge. Notice the velocity of the flood waters at this location, relatively close to the home in question.

Photo of the north side of the Cato Springs Road Bridge



Map of the  
floodplain/floodway  
and surrounding  
properties to 923 W  
Cato Springs. City  
owned property  
showed in green  
shading.





CITY OF  
**FAYETTEVILLE**  
ARKANSAS

December 12, 2019

Miguel Contreras  
1085 S Nelson Drive  
Fayetteville, AR 72701

RE: 923 W. Cato Springs Road  
Parcel No. 765-15371-000  
Offer Letter

Dear Mr. and Mrs. Contreras:

The City of Fayetteville has been in contact with you previously regarding the purchase of property you own within the floodplain at 923 W. Cato Springs Road. Thank you for your visit today updating your contact information.

The City of Fayetteville hereby offers **\$92,000.00**, contingent upon City Council approval, for 0.27 acres known as part of the NW $\frac{1}{4}$  of the NW $\frac{1}{4}$  of Section 28, Township 16 North, Range 30 West and Washington County Assessment Parcel No. 765-15371-000 and including a 1568 square foot dwelling in its current condition.

Upon acceptance of the offer and City Council approval, title insurance will be ordered, and a closing will be scheduled. We will notify you of the date of the closing. Each party to this transaction will pay normal closing costs associated with a transaction such as this one. A copy of estimated costs is attached, any real estate taxes due at the time of closing are not included in this estimate.

A City Land Agent will be glad to meet with you at your convenience and discuss all phases of this project and the associated acquisitions. Please contact Holly Jones at (479) 444-3414 ([hjones@fayetteville-ar.gov](mailto:hjones@fayetteville-ar.gov)) or Brandi Samuels (479) 444-3421 ([bsamuels@fayetteville-ar.gov](mailto:bsamuels@fayetteville-ar.gov)). For questions or concerns, please contact Alan Pugh, Staff Engineer at [apugh@fayetteville-ar.gov](mailto:apugh@fayetteville-ar.gov) or Chris Brown, City Engineer at [cbrown@fayetteville-ar.gov](mailto:cbrown@fayetteville-ar.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Brown".

Chris Brown  
City Engineer

CB/hj

Accepted:

A handwritten signature in blue ink, appearing to read "Miguel Contreras".

Miguel Contreras

A handwritten signature in blue ink, appearing to read "Juanita Contreras".

Juanita Contreras

Date: 12-17-19

Witness: [Signature]

**City of Fayetteville Engineering Division: 479-575-8206**