Item 24

Travis County Commissioners Court Agenda Request

Meeting Date: March 11, 2014
2/27 **Prepared By:** Melinda Mallia **Phone #:** (512) 854-4460
Division Director/Manager: Jon White, Division Director, NREQ

Department Head/Title: Steven M. Manilla, P.E., County Executive-TNR
Sponsoring Court Member: County Judge Samuel T. Biscoe

AGENDA LANGUAGE:
Consider and take appropriate action on the following requests:
A) Discuss policy for flood prone commercial property buyouts; and
B) Discuss other flood related issues.

BACKGROUND/SUMMARY OF REQUEST:
Commercial Buyouts
The county had never purchased commercial properties for flood-related buyouts or received requests for a commercial buyout before the Halloween Flood. A review of similar buyout programs in Texas and the nation shows that commercial buyouts are less common, but are sometimes used to reduce risk, eliminate all structures in floodprone areas, return floodprone areas to natural conditions, protect water quality, or consolidate buyout lands for long-term management.

Commercial buyouts are eligible for FEMA grant funding, but rank as a lower priority. Grant funds for commerical buyouts that meet FEMA's benefit/cost requirements are likely to be approved eventually, but approval will likely take longer than higher-priority residential properties.

If commercial buyouts are approved, a policy for relcocation assistance will also be required. FEMA grants are voluntary programs, and as such do not provide relcocation costs for residential or commerical properties. In mandatory buyout programs, such as the USACE program, relocation payments must be made in accordance with the Uniform Relocation Act and is capped at $20,000. If the Commissioners Court elects to proceed with commerical buyouts and relocation assistance is offered, TNR recommends using a flat rate for each property in order to minimize administrative expenses. A known rate will also help land owners as they search for replacement properties.

STAFF RECOMMENDATIONS:
If commercial property buyouts are approved:

A. TNR recommends submitting a separate, commercial grant application for HMGP funds for those properties that are proven cost benefical, using FEMA Benefit Cost Analysis.

B. TNR has no experience allocating relocation funds for commercial properties. However, after discussions with our buyout consultant, we believe that a median, flat-rate amount of $10,000 per property would be appropriate. If a property owner makes a compelling argument for more than that, TNR would bring this to the Court for consideration on a case by case basis.

ISSUES AND OPPORTUNITIES:

The primary source of grant funding for the Halloween Flood buyouts will be the Hazard Mitigation Grant Program (HMGP), passed through the Texas Department of Emergency Management from FEMA. These funds become available when a Presidential Disaster Declaration is declared and are the most likely source of federal funding for buyouts. If the HMGP runs out before the need is met, the county can request FEMA Hazard Mitigation Assistance through the Pre-Disaster Mitigation or Flood Mitigation Assistance programs.

FISCAL IMPACT AND SOURCE OF FUNDING:

The current residential buyout budget is $5,586,337. This amount includes $2,285,937 for Timber Creek, consisting of $2,018,492 from the 2011 Bond Program and $267,445 from the 2005 Bond Program. The budget for the buyouts for Onion Creek and other areas is $3,269,150, consisting of $1,782,926 from the 2005 Bond Program, $1,186,224 from the general fund approved for residential buyouts and $300,000 (for flood control purposes) from 2008 Certificates of Obligation. There is also a $31,250 budget within the general fund for miscellaneous expenses.

Available funding specifically for commercial buyouts has not been identified. As noted above, TNR will pursue grant funding for these properties. If the Commissioners Court decides to proceed with a commercial buyout program outside of, or in addition to the federal grant programs, PBO recommends any requests for additional funding be addressed through the FY 15 budget process.

EXHIBITS/ATTACHMENTS:

Summary of Potential Costs Related to Flood Buyouts, based upon buyout applications received through February 6, 2014.

REQUIRED AUTHORIZATIONS:

Cynthia McDonald	Financial Manager	TNR	(512) 854-4239
Steven M. Manilla	County Executive	TNR	(512) 854-9429
Jon White	Division Director of NREQ	TNR	(512) 854-7212

Thomas Weber	Environmental Program Manager	TNR	(512) 854-4629

CC:

Tom Nuckols	Asst. County Attorney	County Attorney's Office	(512) 854-7315
Stacey Scheffel	Permit Program Manager	TNR	(512) 854-7565
Travis Gatlin	Budget Asst. Director	PBO	(512) 854-9065
Alan Miller	Budget Analyst	PBO	(512) 854-9726

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