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**CITY COUNCIL AGENDA ITEM**

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**TO:** Mayor & City Council

**DATE:** August 14, 2012

**FROM:** John McDonough, City Manager

**AGENDA ITEM:** Authorization to Acquire Property Under Grant HMGP 1858-0006

**MEETING DATE:** For Submission onto the August 21, 2012, City Council Regular Meeting Agenda

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*BACKGROUND INFORMATION: (Attach additional pages if necessary)*

See attached:

Memorandum

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APPROVAL BY CITY MANAGER: John McDonough APPROVED

PLACED ON AGENDA FOR: 8/21/2012

CITY ATTORNEY APPROVAL REQUIRED: (  ) YES (  ) NO

CITY ATTORNEY APPROVAL: [Signature]

REMARKS:



TO: John McDonough, City Manager

FROM: Eden Freeman, Assistant City Manager

DATE: August 16, 2012 for Submission on August 21, 2012 City Council Agenda

ITEM: Authorization to Acquire Property Under Grant HMGP 1858-0006

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**Background:**

At the November 16, 2010 City Council meeting, Council voted to accept the award of funding from the Federal Emergency Management Agency (FEMA) and Georgia Emergency Management Agency (GEMA) Hazard Mitigation Grant Program (HMGP) to acquire six properties classified as *substantially damaged* from the October 2009 flooding. FEMA and GEMA approved an award of \$2,749,364, with a federal share (75%) of \$2,062,023, state share (10%) of \$274,936 and local share (15%) of \$412,405. The City purchased six (6) properties under the initial award.

During the March 6, 2012 City Council meeting, Council approved the acceptance of funding for the purchase of five (5) additional properties determined to be *substantially damaged*. FEMA approved an additional award of \$1,759,096 with a federal share (75%) of \$1,319,322, state share (10%) of \$175,909.60 and local share (15%) of \$263,864.40.

Each of the owners of the additional properties approved for purchase have voluntarily agreed to participate and understand that they are responsible for providing 15% of the cost of demolition and purchase. The City will not provide the 15% local matching share, as it will be provided by the homeowners during the buyout process.

**Discussion:**

Because this grant results in the acquisition of property, under Georgia law, Council must vote to approve to purchase of each property, even though Council previously voted to accept the overall grant award.

The first property for acquisition and demolition is 5201 Powers Ferry Road, Sandy Springs, GA 30327, owned by Carroll Manor Lake, LLC. The property has been appraised and the owner has agreed to sell said property for the appraised value of \$490,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

*Manager*

The next property to accept the City's purchase offer is 145 North Mill Road, NW, Sandy Springs, GA 30328, owned by Ms. Elna J. Sheetz. The property has been appraised and the owner has agreed to sell said property for the appraised value of \$495,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

The next property to accept the City's purchase offer is 845 Windsor Parkway, Sandy Springs, GA 30342, owned by Ms. Gloria Font. The property has been appraised and the owner has agreed to sell said property for the appraised value of \$240,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

The next property to accept the City's purchase offer is 835 Windsor Parkway, Sandy Springs, GA 30342, owned by Ms. Rachel L. Pinson. The property has been appraised and the owner has agreed to sell said property for the appraised value of \$492,000 to the City as part of the acquisition program. The owner has voluntarily agreed to participate and commits to providing 15% of the cost of demolition and purchase as the required match which would be due from the City under the terms of the grant.

Two of the properties (835 and 845 Windsor Parkway) recommended for acquisition cannot be demolished until FEMA completes the historic preservation review. While this review has started, at present, there is no projected timeline available from FEMA/GEMA on the completion of the historic preservation review.

#### **Alternatives:**

Council could choose not to accept the award, leaving properties with frequent flood damage intact within the City's neighborhoods.

#### **Financial Impact:**

While there is no negative financial impact to the City in terms of providing match, there are other financial implications. As a reimbursement only grant, there is the potential for all cash flow to be impacted during the time period that funds are expended to purchase a property, submit for, and receive reimbursement from GEMA. Staff has been assured by GEMA that every effort will be made to process reimbursements in as short of a timeframe as possible. For reference, reimbursements for the six previously purchased properties have been processed by GEMA within 10 business days.

Long term, some cost will be incurred to maintain the subject property in a manner consistent with other similarly situated properties that have been returned to their natural state.

**Recommendation:**

Staff recommends the approval of the purchase of the described properties.

**Attachment:**

None.