

**To the Mayor and Members of the City Council****January 9, 2024**

Page 1 of 2

SUBJECT: CENTRAL ARLINGTON HEIGHTS REDEVELOPMENT

This Informal Report is provided to update City Council in advance of an upcoming Mayor and Council Communication (M&C) requesting approval to sell nine (9) residential properties in the Arlington Heights area on Western Avenue and Carleton Avenue.

Between 2004 to 2016, extensive engineering evaluation was performed in the Central Arlington Heights drainage basin with the goal of identifying effective, affordable, and publicly-acceptable measures to mitigate the repetitive flooding in the drainage basin. The evaluation determined that affordable measures only provide limited flood mitigation during the most frequent, smaller rain events. From 2012 to 2016, the City spent approximately \$8,000,000 to construct above-ground and under-street stormwater detention improvements to mitigate some of the flood risk in the Central Arlington Heights area. After these projects were fully functional, the City decided to pursue voluntary acquisition of certain flood-prone properties on Western Avenue and Carleton Avenue after a flooding event in June of 2016.

Between 2019 to 2022, the Stormwater Management Program voluntarily acquired eleven (11) residential properties based on an engineering evaluation of flood risk and the history of repetitive flooding in the area. See attached map. The goal of the project was to remove structures with a high flood risk. The Stormwater Management Program also considered the possibility of constructing a stormwater detention basin on the properties. Funding from the Federal Emergency Management Agency's (FEMA) Flood Mitigation Assistance Grant Program was used to help acquire two of the properties. The structures on these two properties were demolished and the properties are required to remain greenspace in perpetuity per conditions of the FEMA grant. The remaining nine (9) properties were purchased with approximately \$3,800,000 of Stormwater Utility funding.

After prolonged engagement with the Arlington Heights Neighborhood Association and residents living near the purchased properties, the City conducted a sealed bid sale in accordance with Section 272.001 of the Texas Local Government to sell the nine (9) properties for redevelopment in accordance with certain guidelines and conditions. The redevelopment guidelines were informed from discussions with neighborhood residents and focused on:

- Redeveloping the properties above flood risk (either elevating the existing structures, or demolishing and constructing new structures at least two (2) feet above the 100-year flood level, or a combination of the two);
- Redevelopment that would not increase flood risk to surrounding properties;
- Requiring any new construction to be compatible with the character of the neighborhood; and
- Completing redevelopment within forty-eight (48) months of closing.

Through the Sealed Bid Sale Purchase Agreement, the successful bidder agreed: (i) to comply with the redevelopment guidelines; (ii) to hold a community meeting with area residents to discuss the bidder's development plans; (iii) to allow the City to access and inspect the properties to ensure compliance with the redevelopment guidelines; and (iv) to report redevelopment progress to the City. The City will retain an option to repurchase the properties in the event that the bidder fails to comply with the redevelopment guidelines and conditions.

While the redevelopment conditions will require the homes to be elevated above the 100-year flood level, the properties may continue to be flood-prone, and the future deeds for each property are required to include

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Page 2 of 2

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a flood risk notice to ensure that future residents are aware of the flood risk to vehicles, landscaping, and other property improvements.

Local Government Code Section 272.001 authorizes the City to sell property through a notice and sealed bid procedure. The Sealed Bid Purchase Agreement proposed to sell the properties to the bidder who would provide the best value to City's taxpayers as determined by (i) the amount of the bid; (ii) the number of houses that the bidder will elevate and remodel in accordance with the redevelopment guidelines; and (iii) the degree of compliance with the Neighborhood Community Development Checklist based upon input from a neighborhood stakeholders group.

An independent appraisal was used to determine the value of the properties prior to the advertisement. The properties were advertised for sale in the Fort Worth Star-Telegram for four consecutive Fridays from August 18, 2023 through September 8, 2023. Notice of the sale was also published on the Property Management Department website. The bidders were advised to perform their due diligence on the properties and agreed to purchase the properties subject to any easements and encumbrances.

Due to the number of questions received from interested bidders, the bid deadline was extended one week and closed on December 7, 2023. Bids were opened on December 7, 2023 and the City received one bid from Groove Improvements, LLC in the amount of \$100,000. The sole bid complies with the Sealed Bid Purchase Agreement guidelines and conditions. In the event that full payment is not made on the properties by the bidder, staff intends to design and construct a stormwater detention basin on the properties, taking into consideration feedback received from the community.

The bidder proposed to elevate eight (8) of the nine (9) structures, if technically or structurally feasible, and in accordance with Secretary of the Interior Standards for the Treatment of Historic Properties. The ninth structure, the newer slab-on-grade home at 2205 Western Avenue, is proposed to be demolished and rebuilt two (2) feet above the 100-year flood level. The bidder plans to preserve as many of the existing trees as possible, as well as provide flood mitigation benefits through low-impact development techniques such as permeable paving, gutters connected to rain barrel/rain harvesting systems, rain gardens or bioswales, and French drains. The bidder is also committed to salvaging and reusing as much material as possible. Before moving forward with redevelopment, the bidder will hold a community meeting to discuss their redevelopment plans with Western Avenue and Carleton Avenue property owners and other interested parties.

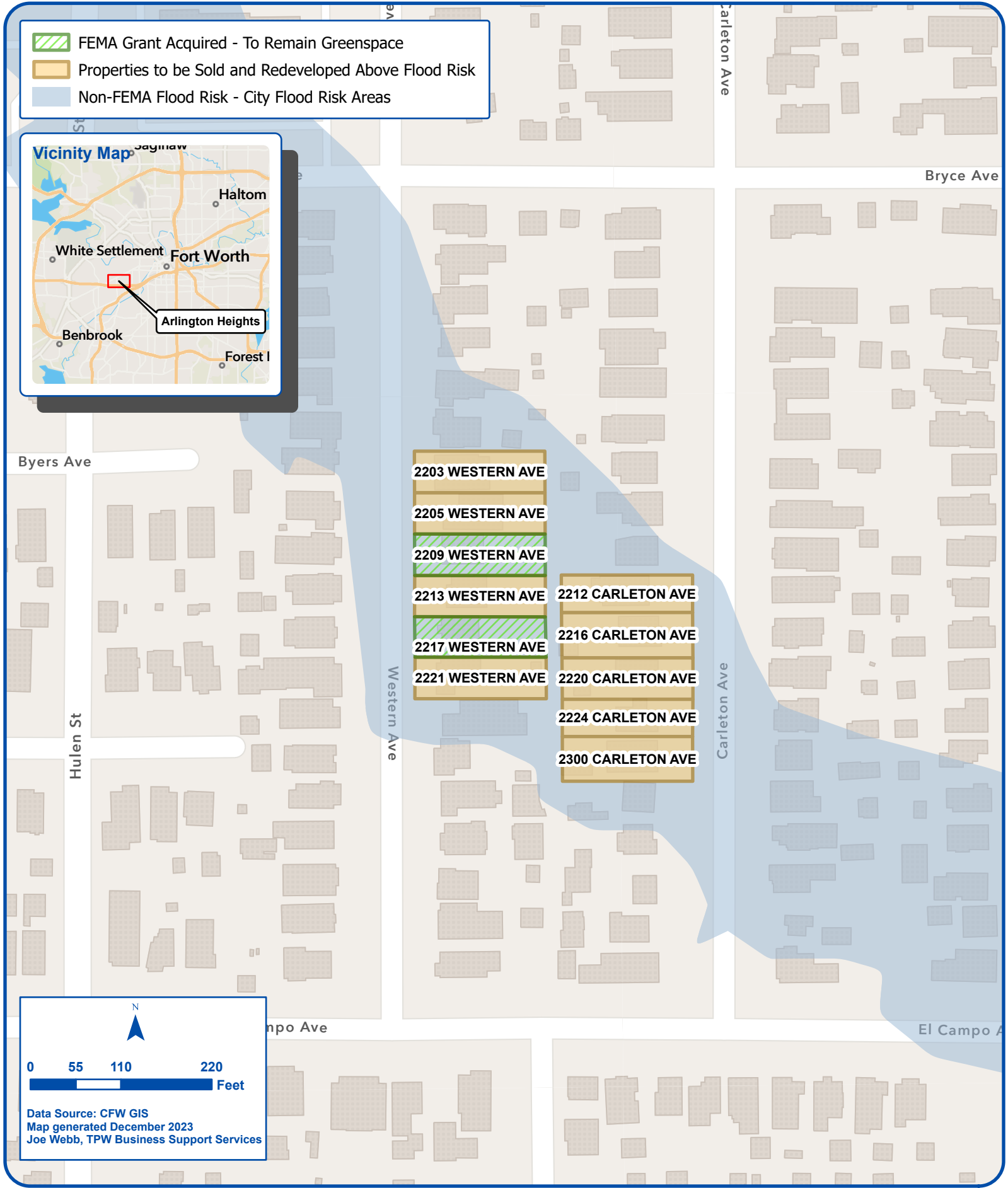
For reference, Informal Report No. 10168 (June 26, 2018) and Informal Report No. 10295 (August 13, 2019) provide more background on this project. Questions about this report can be directed to Jennifer Dyke, Transportation and Public Works Assistant Director of the Stormwater Management Program at 817-392-2714.

David Cooke
City Manager

Central Arlington Heights Redevelopment



- FEMA Grant Acquired - To Remain Greenspace
- Properties to be Sold and Redeveloped Above Flood Risk
- Non-FEMA Flood Risk - City Flood Risk Areas



0

55

110

220

Feet

Data Source: CFW GIS
Map generated December 2023
Joe Webb, TPW Business Support Services