

Illinois State Water Survey PRAIRIE RESEARCH INSTITUTE

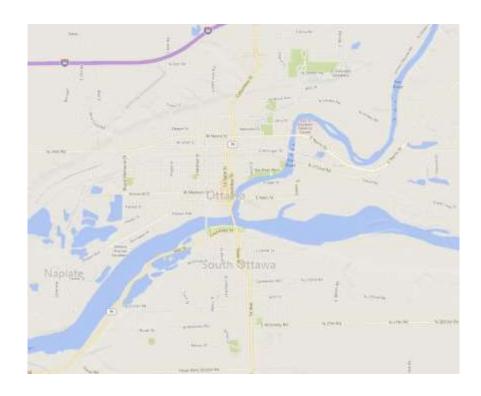
Estimating the Return on Investment of **Buyouts: A Loss Avoidance Case Study for** the City of Ottawa, Illinois

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Overview

- · City of Ottawa, IL
 - Population: 18,768 (2016 Estimate. U.S. Census)
 - Confluence of Illinois River and Fox River
- Major Flood in 1996
- Over the past 20 years
 Ottawa has been working to
 remove at-risk structures
 from the floodplain
- Case study
 - Estimate the Return on Investment (ROI) for these buyouts
 - State of Illinois Hazard Mitigation Plan







BCA versus Loss Avoidance

- Benefit-Cost Analysis (BCA) vs. Loss Avoidance
 - BCA
 - Estimate of future benefits of a mitigation project
 - Benefit Cost Ratio (BCR)
 - Total Benefits / Total Cost
 - Loss Avoidance Analysis
 - Estimate of the return on investment from real flood events that have occurred in the past
 - Return on Investment
 - Losses Avoided / Project Investment * 100
- Looking at what could happen vs. what has happened



Project Partners

- Illinois State Water Survey (ISWS)
- Critical Infrastructure Resilience Institute (CIRI)
- Illinois Department of Natural Resources, Office of Water Resources (IDNR/OWR)
- Illinois Emergency Management Agency (IEMA)
- City of Ottawa
- LaSalle County



Summary

Description of Project Area (City of Ottawa)



- History
 - Flooding
 - Funding
- Gathering and Developing Data for Analysis
- Hazus Analysis
- Timeline of Buyouts and Results
- Central Elementary School and Heritage Harbor
- Obstacles
- Drone Flight



Recent History of Flooding

- Fox River at Dayton
 - Flood Stage: 12'
 - Moderate: 14'
 - Major: 24'
- Peaks
 - Peak of Record: 24.63' (Oct. 1954)
 - 7/19/1996: 24.47'
 - 2/22/1997: 21.46'
 - 1/17/2005: 17.53'
 - 8/24/2007: 16.86'
 - 9/14/2008: 21.48°
 - 4/19/2013: 20.74*
 - 2/21/2018: 15.94"

- Illinois River at Ottawa
 - Flood Stage: 463'
 - Moderate: 466'
 - Major: 469'
- Peaks
 - Started Recording 2008
 - 9/16/2008: 472.21'
 - 3/11/2009: 470.23*
 - 4/19/2013: 473.72'
 - 2/22/2018: 471.49'

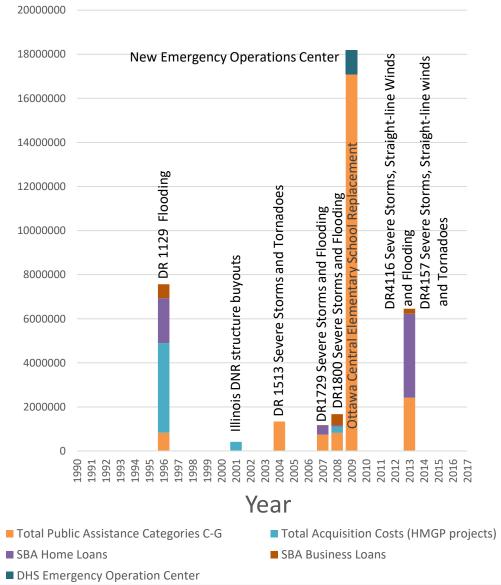
Source: LaSalle Co. FIS, NWS Advanced Hydrologic Prediction Service

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Buyout Funding

- Buyout Funding
 - FEMA Mitigation Programs & Public Assistance
 - IDNR
 - Provided funds for 5 structures in 2001
 - Department of Commerce and Economic Opportunity (DCEO)
 - City of Ottawa



2017 Dollars

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Data for Analysis

- Building Inventory
 - Points representing each buyout structure used in analysis
- Flood Depth Grids
 - Generated from 16 modeled historical flood events between 1996 and 2018
 - Includes the February 2018 flood event

Data Sources

- Parcel GIS Shapefile
 - Provided by LaSalle County
- Multiple spreadsheets of buyouts provided by Ron Davis (SHMO)
 - Addresses and valuation data
- Buyout files from IDNR/OWR
- City of Ottawa
 - Mike Sutfin
 - Nancy Stisser



Building Inventory

- Converted parcel polygons into points
- Used historical orthophotos to place points where structures used to exist
- Worked with the City of Ottawa to confirm information about the structures
 - Appraisals for each structure
 - Characteristics
- Year of buyouts
 - Spreadsheets/Files
 - Assessor's Website
 - Match Last Sale Price to Acquisition Cost



Building Inventory

- 64 structures identified in this analysis
 - Some are multiple structures on same parcel
- Occupancy
 - 57 Residential
 - 43 Single Family Dwelling
 - 7 Duplexes
 - 1 6-Unit Apartment Building
 - 5 Commercial
 - 1 Industrial
 - Central Elementary School



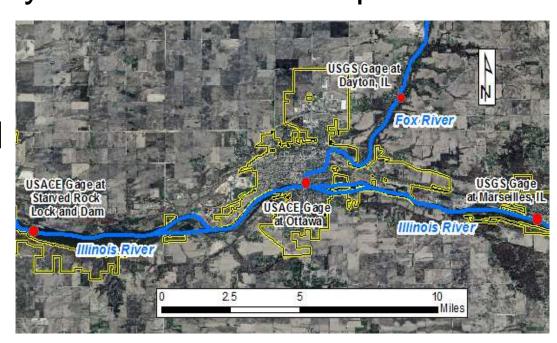
Ottawa Depth Grids

 Depth grids were created for annual maximum flood events using HEC-RAS models for the Illinois River and Fox River

USGS gages at Dayton and Marseilles provided

peak flows

 USACE gages at Starved Rock and Ottawa provided stage



Ottawa Depth Grids

- The Illinois River HEC-RAS model used the combined flows from the Dayton gage and Marseilles gage along with the Starved Rock stage as a starting elevation.
- The Fox River HEC-RAS model used the Dayton gage flows along with the Ottawa stage as a starting elevation
- The USACE Ottawa gage has only been recording stage since 2008
- For flood events prior to 2008 the Illinois River HEC-RAS model served as an estimate of the Fox River starting elevation at Ottawa.

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Hazus Loss Estimation Tool

- Loss estimation software designed by FEMA
- Works with ESRI's ArcGIS software
- Purpose is to provide the means to identify and reduce risk from natural hazards
- Four Models:
 - Flood
 - Earthquake
 - Hurricane
 - Tsunami
- Hazus 4.0



Levels of analysis



Level 2 Combination of local and default hazard, building, and damage data

Required user effort and sophistication

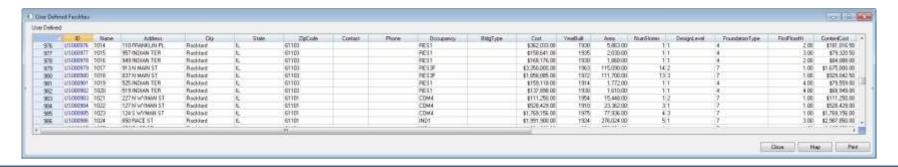
Level 1

Default hazard, inventory, and damage information



Input for Level 2 Analysis

- Building Inventory
 - Point feature class in a personal gdb
 - Contains the attributes for each buyout structure
 - Lat Long values to represent location
- Flood Depth Grids
 - ESRI Grid format



Occupancy Class

Residential Commercial Industrial Agricultural Government Religious



Hazus Label	Occupancy Class	
	Re	sidential
RESI	Single Family Dwelling	
RES2	Mobile Home	
RES3A	Multi Family Dwelling - Duplex	
RES3B	Multi Family Dwelling - 3-4 Units	
RES3C	Multi Family Dwelling - 5-9 Units	
RES3D	Multi Family Dwelling - 10-19 Units	
RES3E	Multi Family Dwelling - 20-49 Units	
RES3F	Multi Family Dwelling - 50+ Units	1
RES4	Temporary Lodging	70
RES5	Institutional Dormitory	
RES6	Nursing Home	8051, 80
	Cor	nmercial
COMI	Retail Trade	52, 53, 5
COM2	Wholesale Trade	42, 50, 5
COM3	Personal and Repair Services	72, 75, 7
COM4	Business/Professional/Technical Services	40, 41, 4 78 (exce
COM5	Depository Institutions	60
COM6	Hospital	8062, 80
COM7	Medical Office/Clinic	80 (excep
COMS	Entertainment & Recreation	48, 58, 7
COM9	Theaters	7832.79
COM10	Parking	1004213
COMI		dustrial
INDI	Heavy	22, 24, 2
IND2	Light	23, 25, 2
IND3	Food/Drugs/Chemicals	20, 21, 2
IND4	Metals/Minerals Processing	10, 12, 1
IND5	High Technology	3571, 35
IND6	Construction	15, 16, 1
	and the second state of th	riculture
ACR1	Agriculture	lot 02 0

- Building Cost
 - Appraised Value
- Content Cost
 - Contents of the Structure
 - Couch, Refrigerator, etc...
 - Multiplier based of Occupancy Class of the Structure
- Converted to 2017 U.S. Dollars
 - Bureau of Labor Statistics-Consumer Price Index



- Provided by City of Ottawa
 - Square Footage
 - Number of Stories
 - Year Built
 - Design Level
 - Based off of Year built
 - Foundation Type

Table 6.2 DesignLevel Field Description

YearBuilt	Design Level
Prior – 1950	1
1950 - 1970	2
Post 1970	3
0 (set to Null)	0

Table 6.3 FoundationType Field Description

Real Foundation Type	FoundationType	Basement	
Pile	1	0	
Pier	2	0	
Solid Wall	3	0	
Basement /Yard	4	1	
Crawl Space	5	0	
Fill	6	0	
Slab on Grade	7	0	

- First Floor Height
 - The height of the first floor, in feet, above ground elevation.

ID	Foundation Type	Pre-FIRM	Post-FIRM
1	Pile	7 ft	8 ft
2	Pier (or post and beam)	5 ft	6 ft
3	Solid Wall	7 ft	8 ft
4	Basement (or Garden Level)	4ft	4 ft ¹
5	Crawlspace	3 ft	4 ft
6	Fill	2 ft	2 ft
7	Slab	1 ft	1 ft ¹

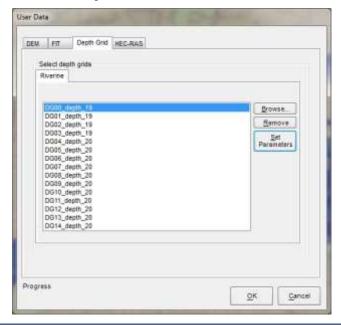


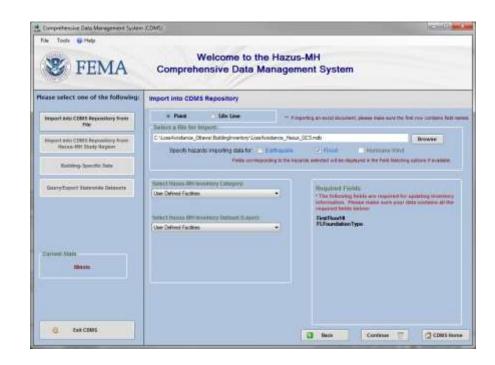


REAR OF SUBJECT PROPERTY

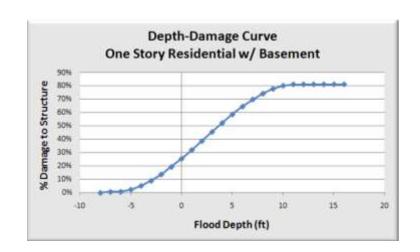
Hazus Analysis

- Import user data into Hazus
 - Building Inventory
 - Import into CDMS
 - Depth Grids





Depth-Damage Curves



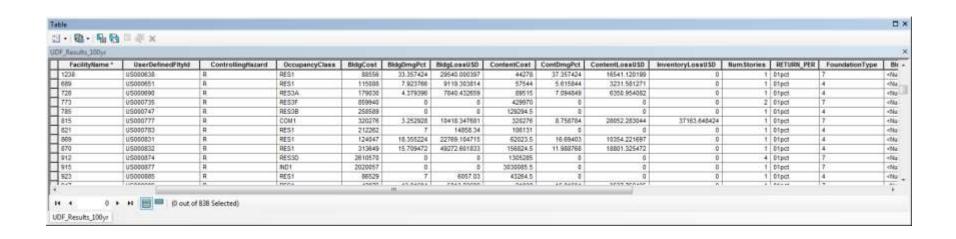
- Percentage of damage is calculated for each structure based on the depth of flooding.
 - Based on Attributes of the structures
 - For buildings, first floor height
 - For equipment, height above first floor
- Damage percentage is used to determine loss in **USD**

Depth of flooding

Depth used for damage estimation

Analysis Output

- Building Loss
- Content Loss
- Business Inventory Loss
- Percent Damaged for Structures

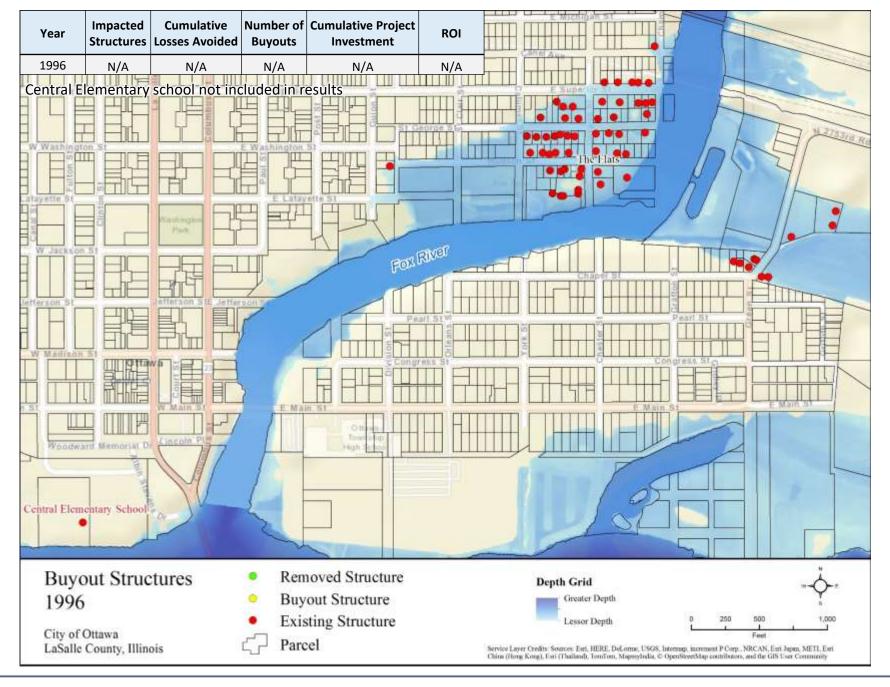


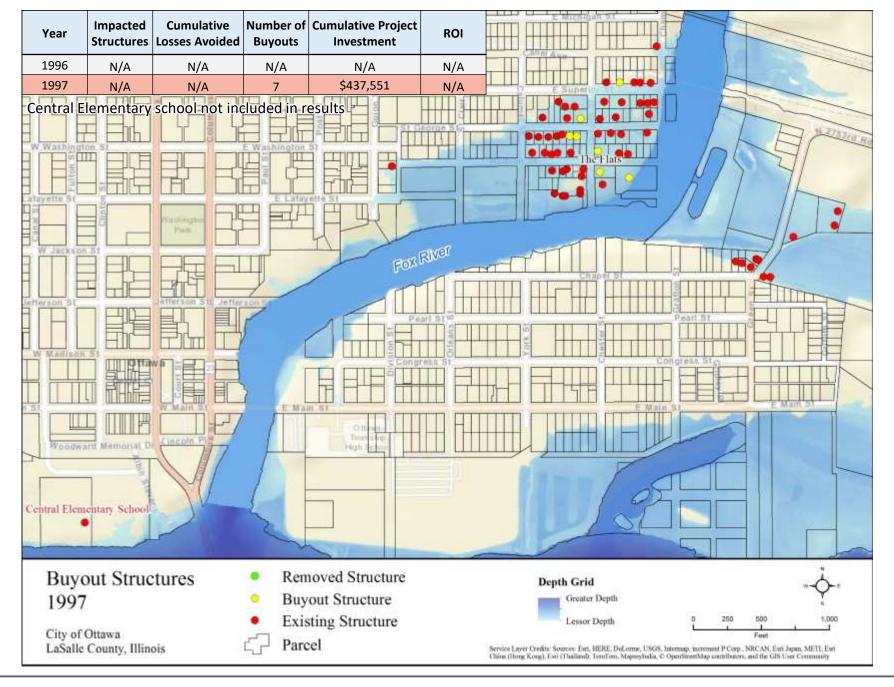
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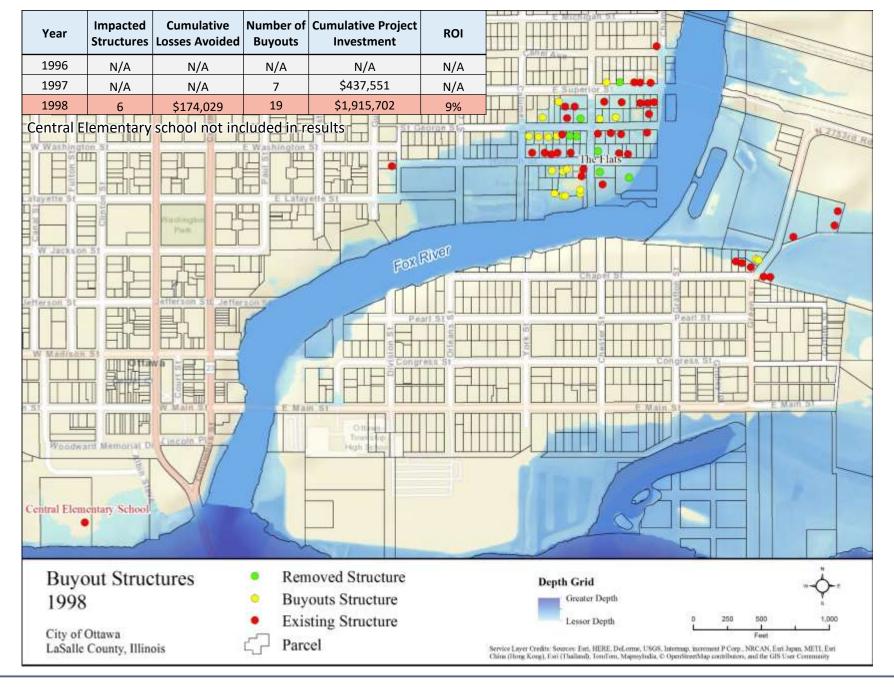
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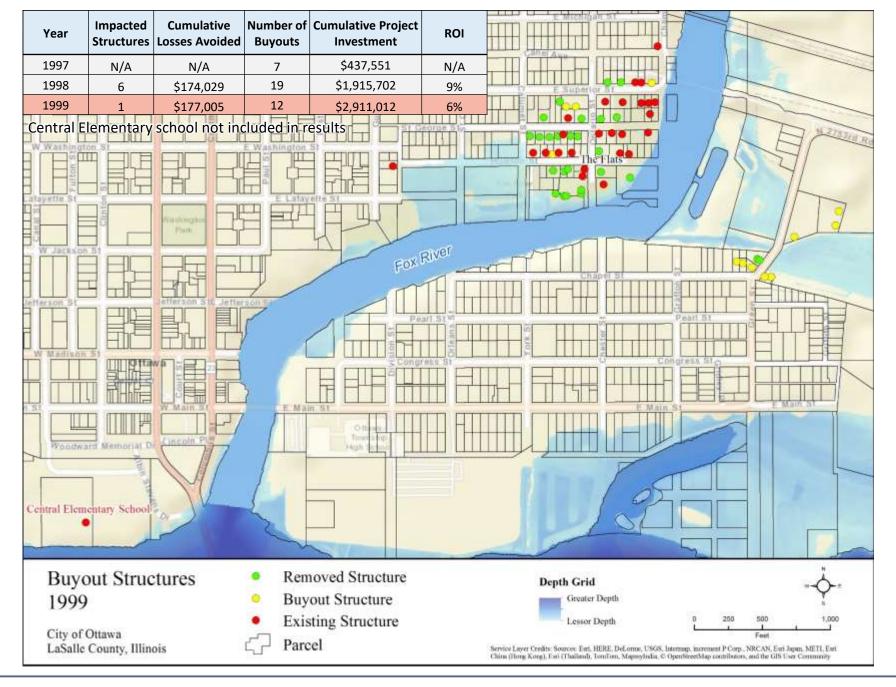


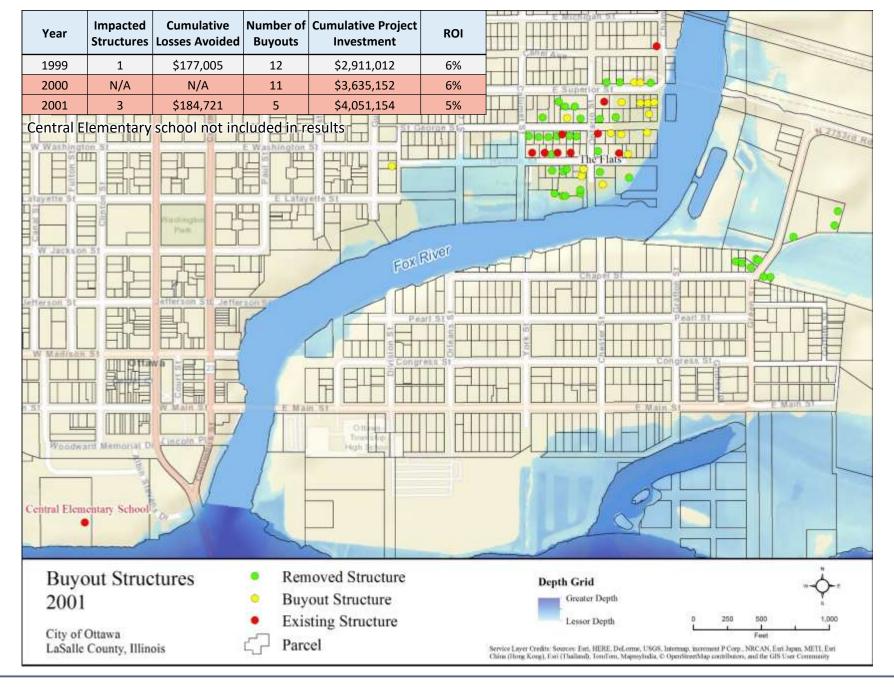
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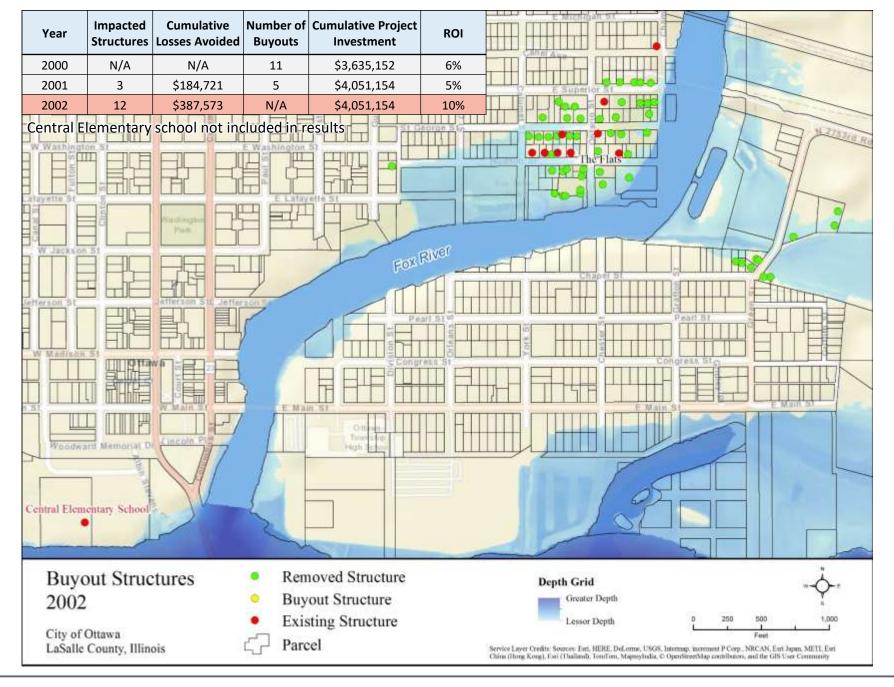


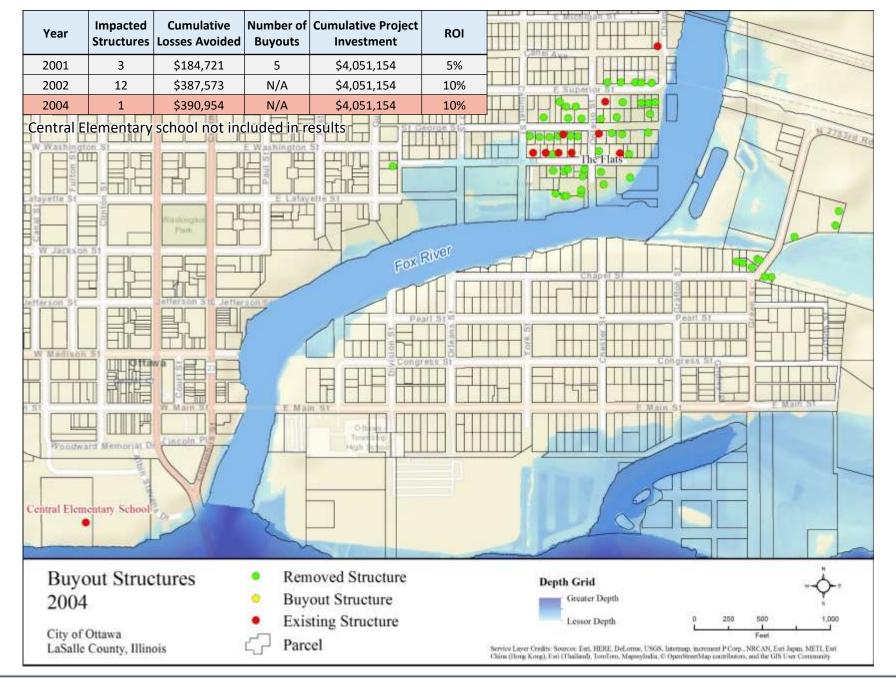


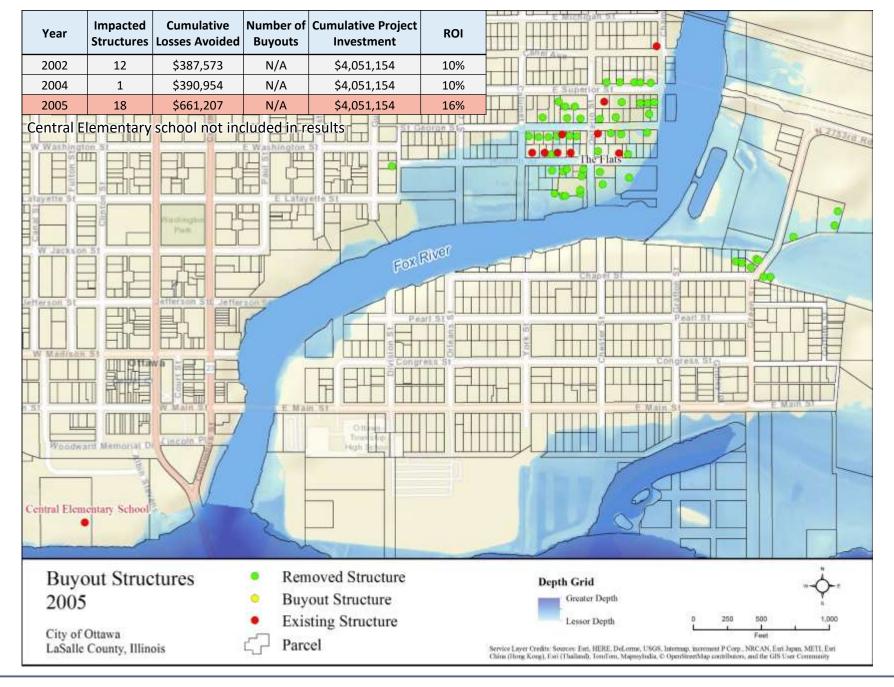


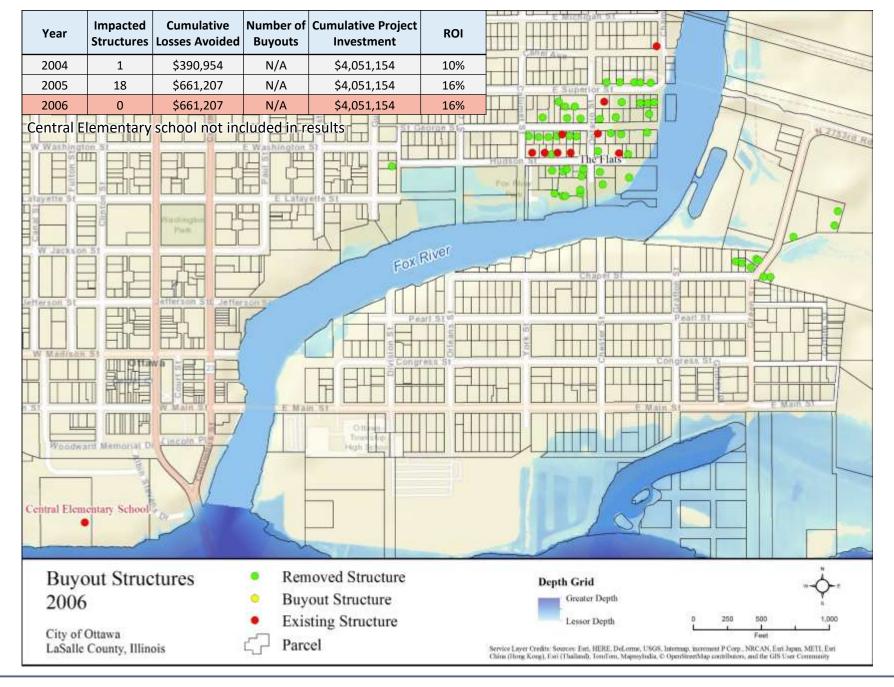


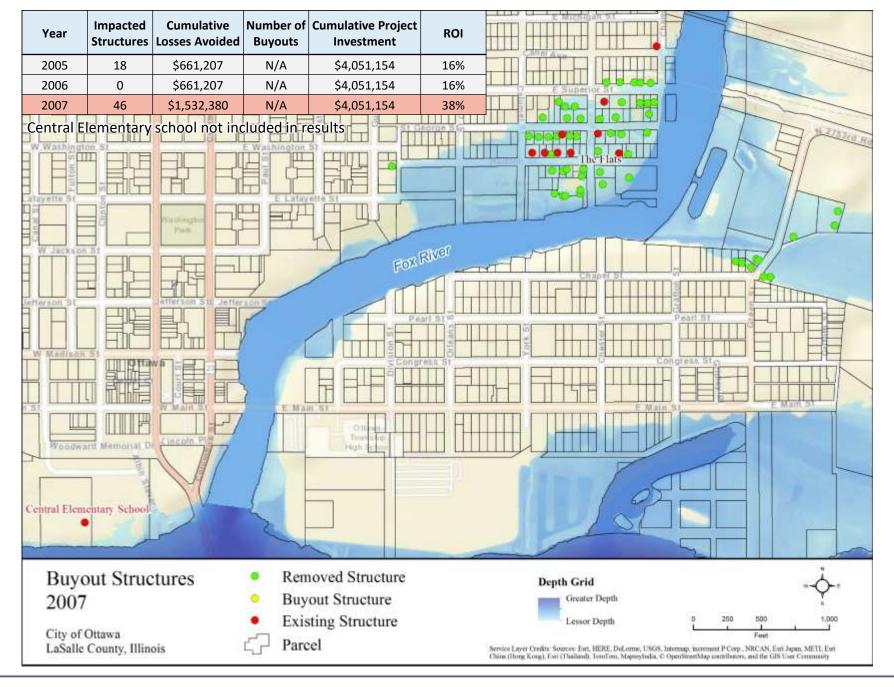


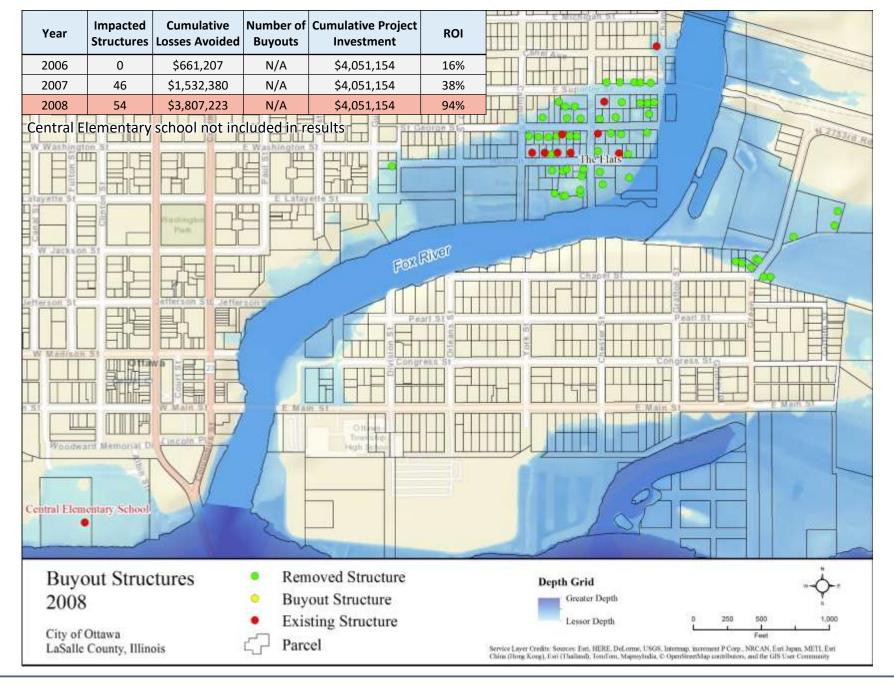


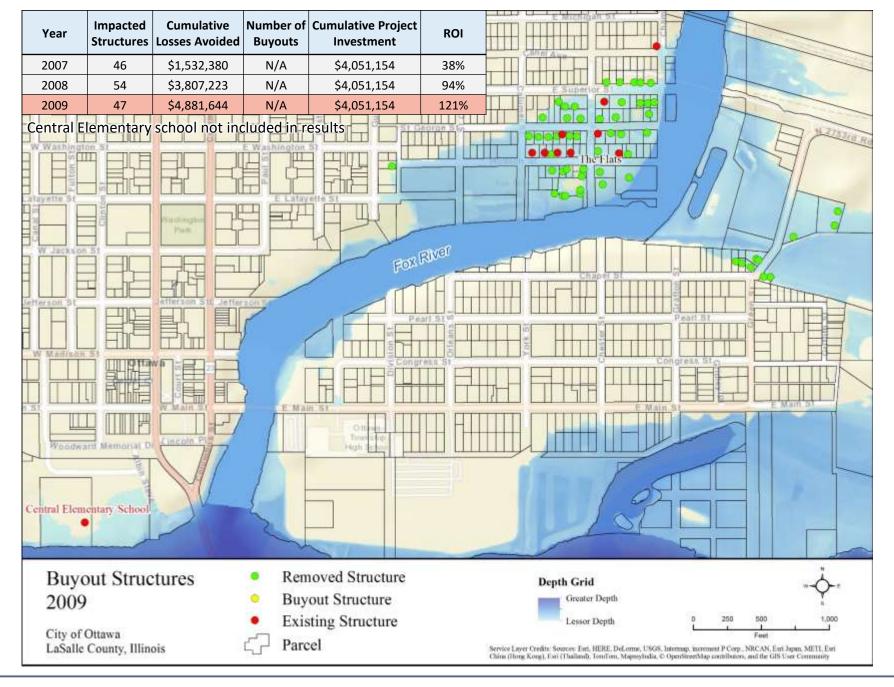


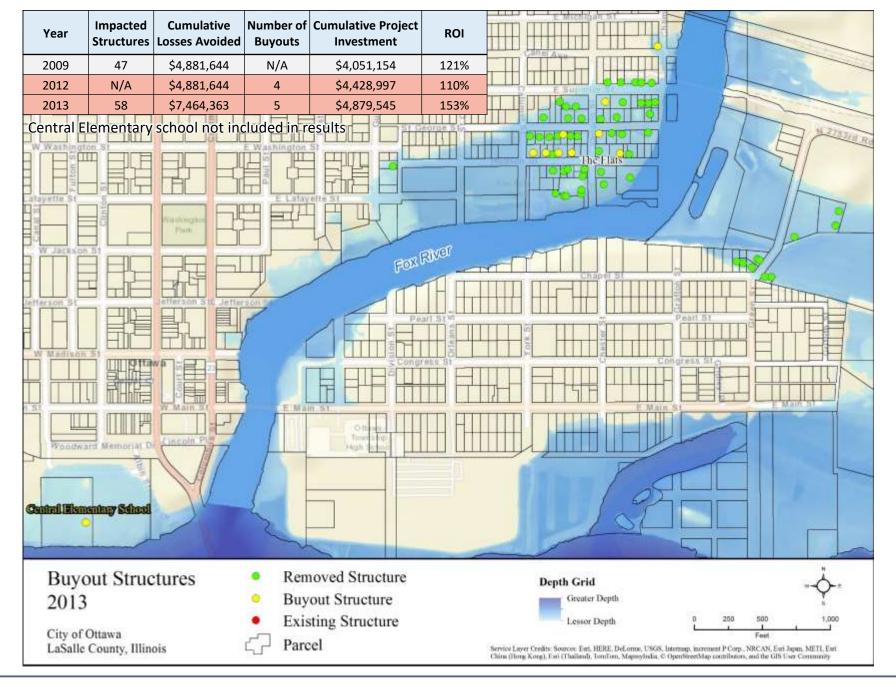


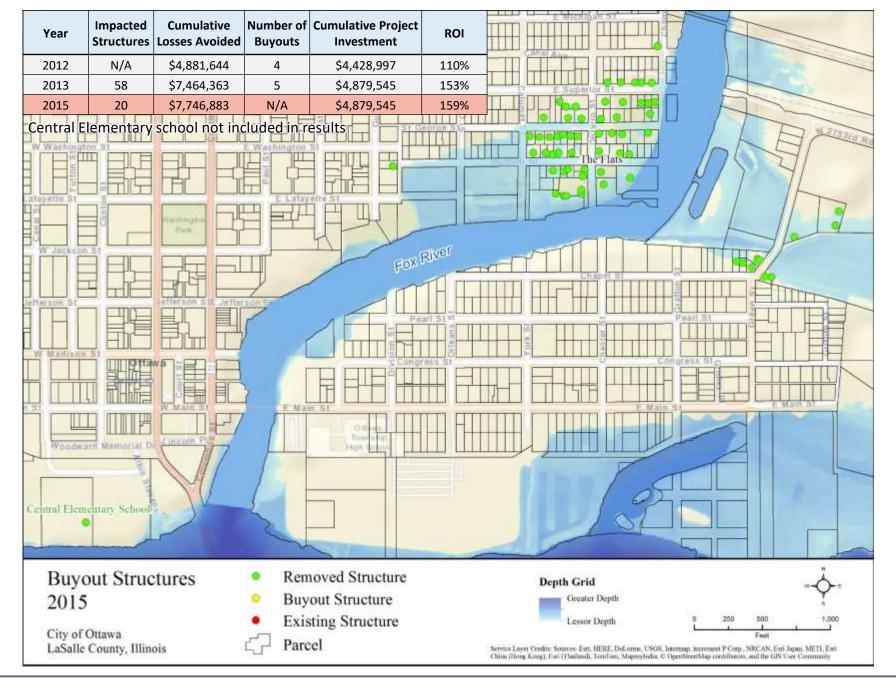


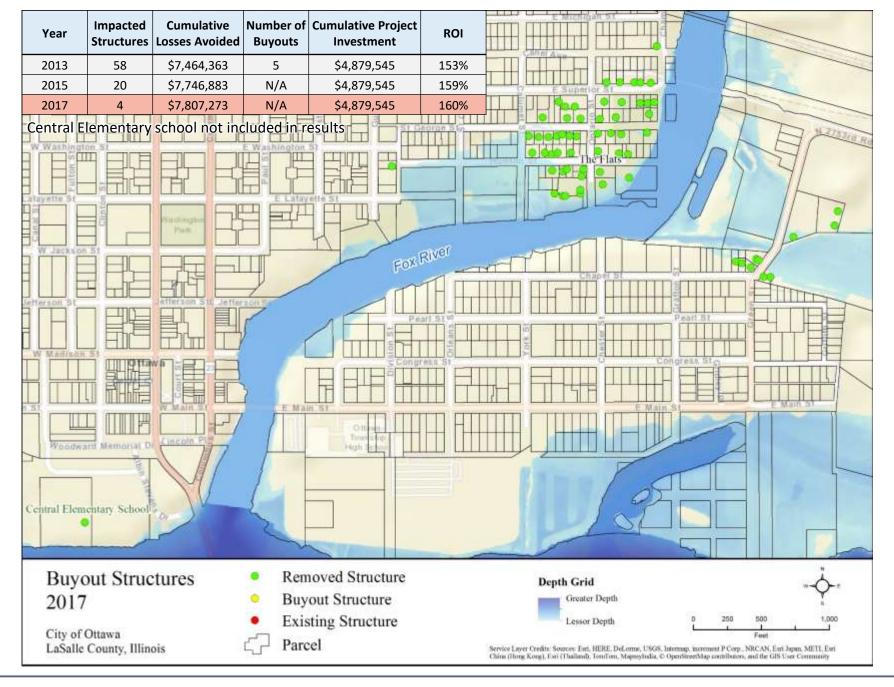


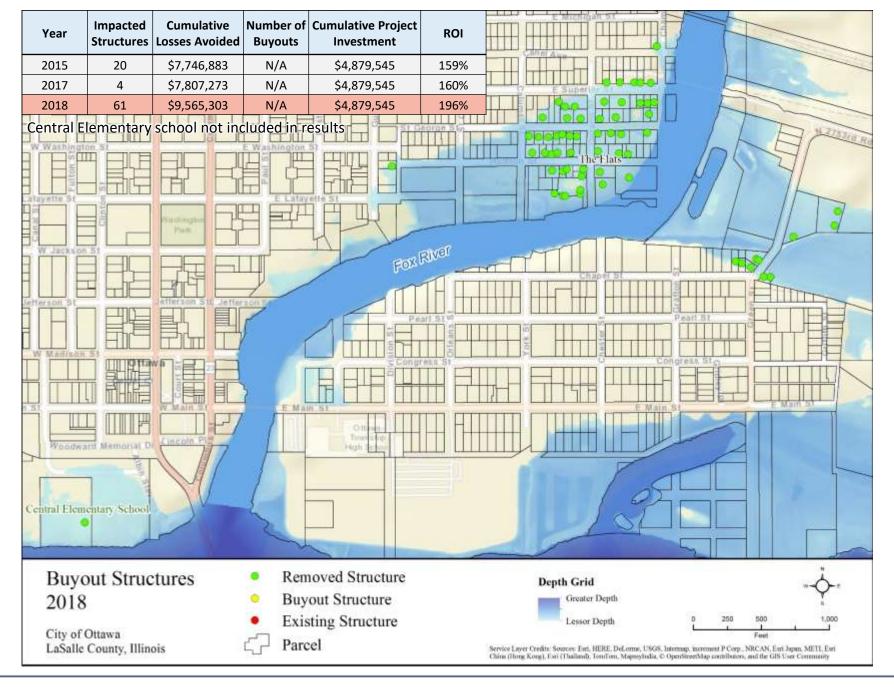


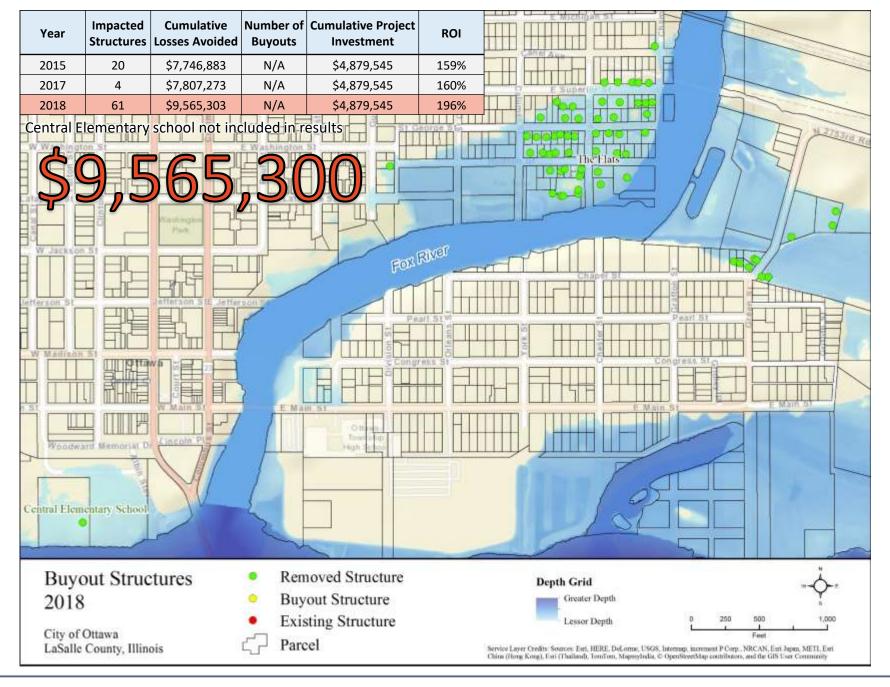


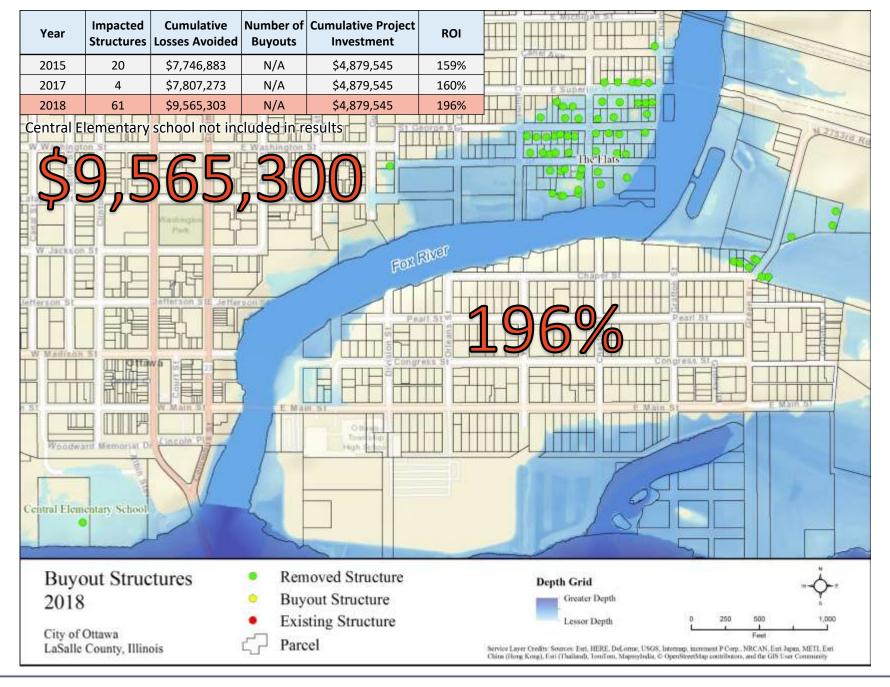












Current Conditions

- Fox River Park
- Playground
- Green Space

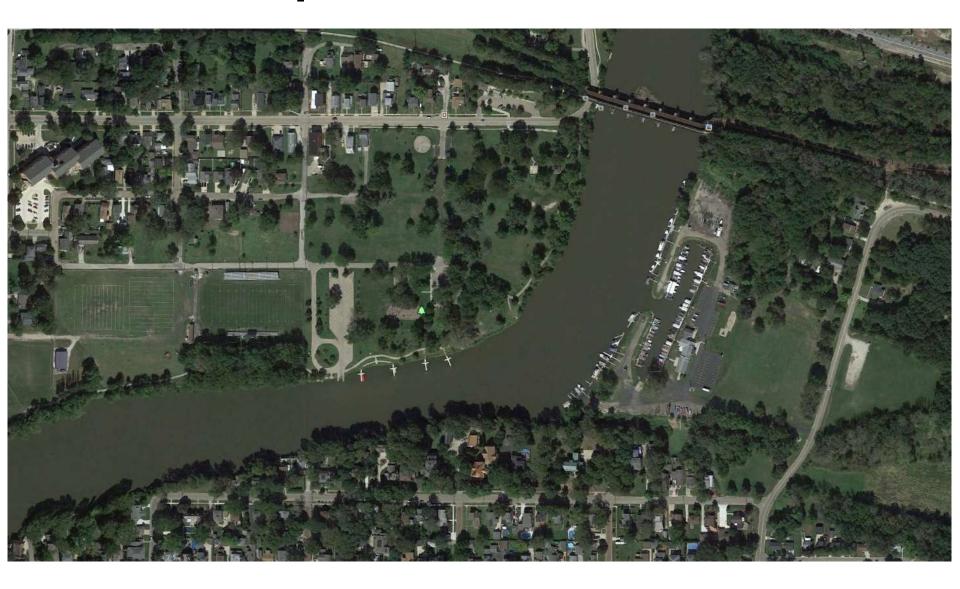




March 25th, 1998



September 20th, 2015



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Central Elementary School

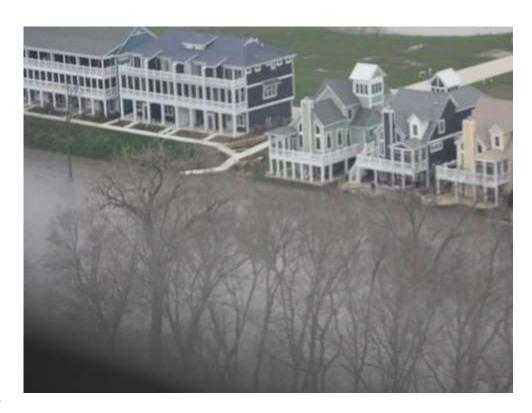
- Flooded Sept. 2008
- Demolished in August, 2013
- New School Built
- Project Investment of \$22 million
 - Adjusted to 2017 dollars
- Funds awarded
 - FEMA \$12 million
 - Illinois \$10 million
- Two scenarios:
 - Original School Building
 - New School Building
- Modeled flood event is April, 2013



Scenario	Structure	Building Replacement Cost	Square Footage	Total Losses Avoided to Date (Estimated) ¹	Project Investment ¹	Projected ROI
1	Original Building	\$13,760,184	70,000	\$4,591,382	\$23,132,010	20%
2	New Construction Building	\$23,132,010	103,000	\$10,822,964	\$23,132,010	47%

Heritage Harbor

- High value Condos
- New construction required to be 2 feet above the 1% annual chance base flood elevation.
- Building Value
 - Estimated Fair Market Value using 2017 assessor's data.
 - Assessed Building Value multiplied by 3



Heritage Harbor

- Hazus Analysis
 - Depth Grids
 - 1% Annual Chance Flood event
 - Ran analysis with two versions of each structure
 - With current elevation
 - With simulated elevation 2' below current conditions

Event Type	Projected Structures impacted without 2' Higher Elevation Requirement	Total Loss without 2' Higher Elevation Requirement	Total Loss with Current Construction	Total Losses Avoided
1% Annual Chance Flood (100 year)	33	\$2,368,060	\$0	\$2,368,060

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Obstacles and Limitations

- Structures no longer exist
- Combining data from a variety of different sources in one building inventory
- The USACE Ottawa gage has only been recording stage since 2008
- Representing structures as points instead of polygons
- Accounting for all of the associated costs
 - Buyouts
 - Intangible Costs
 - Flood Losses
 - Displaced population, loss of service, etc.
- Results are Estimates



Thanks!

Questions?

Brad McVay

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