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Rockaway Street – Slope Failure Remediation Options

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Introduction & Background

- In August of 2011 as a result of Hurricane Irene, a large portion of the slope along the Rockaway River behind Rockaway Street failed.
- FEMA was contacted, came on site, and determined that the failure did not meet their criteria for funding.
- With the assistance of Congressman Frelinghuysen, US Army Corps of Engineers also visited the site but determined that they could not assist.



Background (continued)

- In response to storm damage in Morris County, the County Freeholder Board introduced a Flood Mitigation Grant Program which would provide communities with funding for acquisition of at risk properties if they qualified.
- Four homes on Rockaway Street (209, 306, 322 and 332) adjacent to the slope failure were submitted to the county for consideration for grant funding.
- The request was turned down by the county based on the Town Engineers, Suburban Consulting Engineers, report that there was an adequate factor of safety for the properties in question.
- This report was similar to the FEMA findings.



Initial Options for Consideration

1. Do Nothing
2. Purchase the properties directly
3. Pay for remediation with town funds
4. Continue to explore options for grants to help offset remediation costs



Option #1 – Do Nothing

- While exploring options for remediation the past 6 years, there has been no reported deterioration or increased risk to the 4 homes on Rockaway Street impacted by this slope failure.
- Historical evidence shows that this type of failure is not the first time it has occurred in this area as evident by newspaper articles documenting flood damage in 1896 and 1903.
- To the town's knowledge, no remediation was performed in follow-up to these floods.



Option #2 – Purchase Properties

- The pre-hurricane assessed values of the 4 properties totaled \$1,892,000.
- The post-hurricane assessed values of the 4 properties totaled \$1,643,100.
- Assuming approximate purchase price,
 - Down Payment (5%) – \$82,155
 - Bond Issue – \$1,560,945
 - Cost Over 15 Years – \$1,808,100
- Lost Tax Revenue –
 - 2017 – \$45,589 in 2017 (includes Town, School, & County)
 - Cost Over 15 Years – \$788,390
- Total Costs – \$2,596,490



Option #3 – Pay for Remediation

- Boswell Engineering Estimated Costs - \$2,304,468
- Down Payment (5%) – \$110,000
- Bond Issue – \$2,200,000
- Annual Payment – \$161,392
- Cost Over 15 Years – \$2,402,880
- Estimate Tax Increase of \$14.63 per \$100K of assessed value or \$53 per average household



Option #4 – Explore Grant Options

- Uniqueness of project coupled with the Rockaway River provides a very limited scope of available funding.
- FEMA already denied initial applications and subsequent appeals.
- Funding from county to restore trails lost in the storm dependent upon town commitment to proceed with project, i.e. with no guarantee of receiving funding.



Items for Consideration

- Costs for purchasing properties versus remediation approximately the same over 15 years, i.e. \$2.4M to \$2.6M.
- If properties are purchased,
 - Would continue to see lost tax revenue from Years 16 & beyond.
 - May diminish value of surrounding homes.
- If grants are pursued, what is the threshold that the town is willing to fund, e.g. \$1M, \$1.5M, or \$2M?



Recommendations

- Continue to explore grants at the county, state, and federal levels for off-setting the \$2.5M total costs for remediation.
- Explore alternative means of funding for remediation.