

# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Michael and Brenda Podolak
Address	843 Riverbend Road, Oxbow
Property Type	Single family residential
Identification Number	9502

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property.

### Description of Acquired Property

Please see the attached Valuation Report prepared by the Helenske Design Group for a full description of the property.

An appraisal of the existing home was completed by McKinzie Metro Appraisal in January 2015. The market value of the property was established as \$1,496,000. A second appraisal for this property was prepared by Gary Bock, approved by USACE, and concluded a value of \$985,000.

### Description of Replacement Property

A Replacement Housing Agreement was established to document the benefits associated with re-establishment of a decent, safe, sanitary, and comparable replacement home as required by the Uniform Act (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)).

The replacement home is a single family 2-story style with of a similar style and size and a fully finished basement. The homeowner is considering betterments to the new home which are estimated to total between \$225,000 – \$300,000 based on current plans. This amount could change if the homeowner makes changes to the new home plan.

### Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$985,000 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$ 1,153,780 for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$160,000, which will be fully reimbursed per the Oxbow MOU Amendment.

## Replacement Home Cost Summary

Property ID#: 9502		Notes
		<u>Includes: (see supplemental detail below)</u>
<b>Total Replacement Home Cost</b>	\$2,423,752	A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less 'Just Compensation'</b>	- (\$ 985,000)	Based on Appraisal and Purchase Agreement
<b>Less 'Replacement Lot Cost'</b>	- (\$ 160,000)	Based on Oxbow MOU Amendment
<b>Less 'Betterments' Estimate</b>	- (\$ 275,000)	Based on current new home estimate and Owner preferences
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$ 1,003,752	
<b>Construction Contingency</b>	+ \$150,563	Add 15 percent for uncertainties
<b>Replacement Housing Agreement</b>	= <b>\$ 1,154,315</b>	

The following details support the Replacement Home Cost and Replacement Housing Agreement.

## Supplemental Replacement Housing Detail

### Line Item A – Replacement House Allowance

1. Breakdown *existing* house into finished space categories.
2. Multiply existing house areas by architect estimated price per square foot.
3. 2014 unit prices established by professional architect (Helenske Design Group) and landscape architect (Hanson Design Associates).
4. 2014 unit prices inflated to 2016 values based on data from area home builders.

		1				2				3	
		Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)		Replacement Cost				
<b>Replacement House Allowance</b>	=	Above Grade Finished Space	3,458	x	\$390	=	\$1,348,620				
		Below Grade Finished Space	3,103	x	\$91	=	\$282,373				
		Below Grade Unfinished Space	280	x	\$36	=	\$10,080				
		Garage	1,599	x	\$46	=	\$73,554				
		<b>Total (Replacement House Allowance)</b>				<b>=</b>	<b>\$1,714,627</b>				

### Line Item B – House to Home Allowances

- Accounts for replacement of “like for like” elements in the displaced persons’ existing home that are not included in the base cost for the replacement house, such that the replacement home has a comparable “fit and finish”.
- Allowances based on competitive quotes or professionally developed cost estimates to replace existing features.

Item	Allowance	Notes
Window Coverings	\$ 30,000	Placeholder. We will accept the lower of two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 141,075	Hanson Design Associates’ professional estimate (see attached report).
Interior Design Fee	\$4,000	Placeholder, to replace professional design in current home.
Custom Paint	\$11,000	Placeholder. We will accept the lower of two bids.
<b>TOTAL</b>	<b>\$ 186,075</b>	

### **Line Item C – Project Required Costs**

- Costs necessary for home construction in Oxbow.
- URA eligible costs identified for future crediting purposes.
- Costs based on builder line item quotes or estimates.

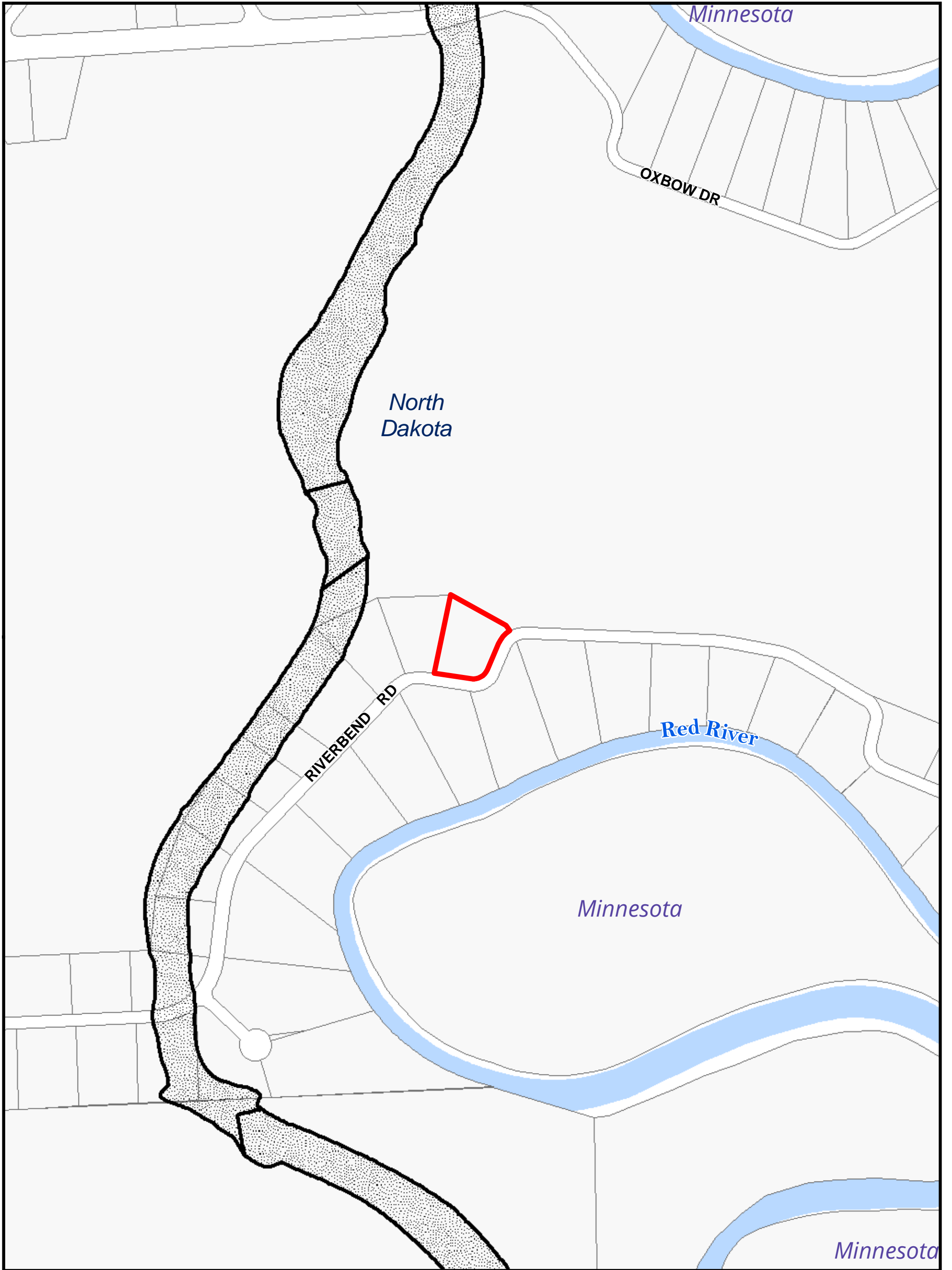
<b>Item</b>	<b>Costs</b>	<b>Notes</b>
Flood Proofing	\$ 6,000	Placeholder, paid on actual
Building Permits	\$ 8,000	Placeholder, paid on actual
Additional Driveway setback	\$ 1,750	Placeholder, paid on actual
Buried Propane Tank	\$ 4,000	Placeholder, paid on actual
Winter Construction/Heating	\$ 5,000	Placeholder, paid on actual
Site Conditions/Haul/Fill/Dig	\$ 50,000	Placeholder, paid on actual
Partial Builder Design Fee	\$ 10,000	Portion of builder & architectural fee for designing home to fit on lot
Utility Connections	\$ 3,300	Placeholder, paid on actual
<b>TOTAL (rounded)</b>	<b>\$ 88,050</b>	

### **Line Item D– Betterments**

- Costs above the replacement house or other allowances, reflecting improvements beyond the size, fit, finish, etc. of the existing home.
- Betterment costs are paid by the displaced person.
- Estimated betterments = \$275,000.

### **Line Item E– Replacement Lot Cost**

- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$160,000.



CURRENT COST SHARE REQUEST

OIN# 9502  
OWNER: MICHAEL E & BRENDA L PODOLAK

PROPERTY ADDR: 843 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.56 AC.



Diversion Channel



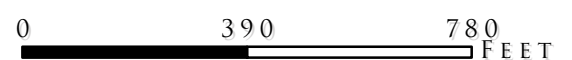
OHB Levee



In Town Levee

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9502

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Maps are for graphical purposes only. They do not represent a legal survey. While every effort has been made to ensure that these data are accurate and reliable, The Diversion Authority does not guarantee the accuracy of the information, and waives any warranty or guarantee of any kind, express or implied. The data involved in the project is continuously refined and revised; you should not rely on this information for technical purposes or accuracy.

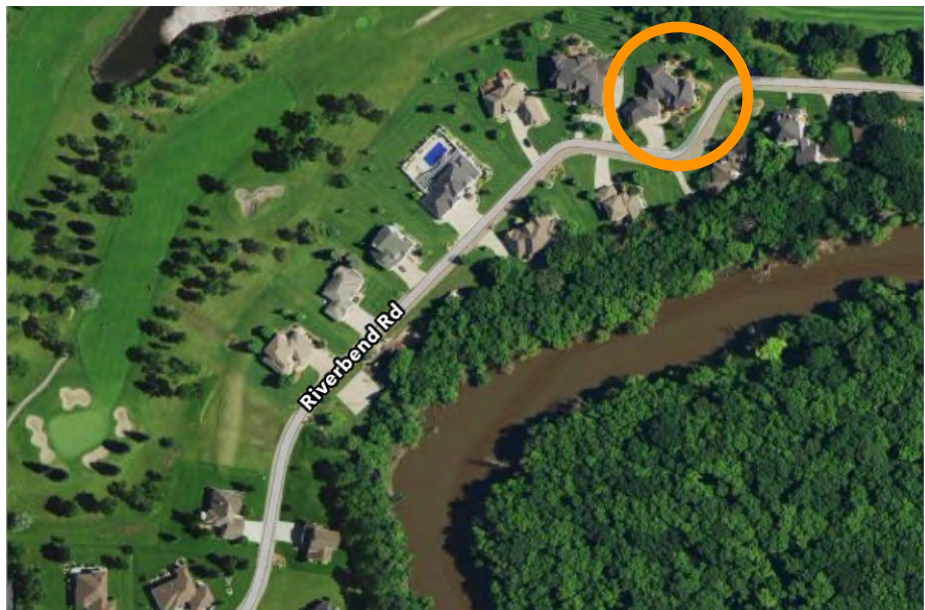
Diversion Authority &  
Cass County  
Joint Water Resource District  
March 28, 2016



## Podolak Residence Valuation Report

843 River Bend Road  
Oxbow, ND

# I. Report Background



At the request of the Cass County Joint Water Resource District, we have been asked to provide an opinion of construction valuation for the Podolak Residence, located at 843 River Bend Road, Oxbow, ND. This opinion of construction valuation is assembled following the general format and methodology utilized for the property buyouts in Oxbow. Previous buyout valuations have been developed utilizing comparable properties on the Fargo Moorhead Multiple Listing service. While this approach has been successful with many of the properties in the relocation area, it is limited in its ability to provide appropriate valuations with homes that include high value features that drive the square foot costs above comparable properties in the market area. Our role is to support the Diversion Authority, by providing a comparable valuation for a custom residence in this upper bracket.

As background, the Diversion Authority is required by the terms of Uniform Relocation Act "URA" to acquire properties for the Oxbow Ring Levee Project and to replace the existing home such that the displaced residents have a comparable or "for like" property to relocate to. For purposes of this effort the term comparable is further defined as "The program will compensate the home owner for the costs to rebuild their same (or similar) home". (This language is found in the Replacement Housing Agreement RHA, Oxbow Housing Replacement Summary Paper) The Diversion Authority acknowledges that the relocation of residents to a replacement home may require added costs associated with specific property covenants and site conditions, and that these costs would be allowed for in the buyout valuation.

## 2.Valuation Methodology



Our methodology for establishing “same or similar” valuation was to utilize a current property that we have designed and constructed, to form the basis for costs. We feel this is the most appropriate as it allows us to use actual hard costs and not estimates of value. In addition, this approach follows closely the process used on previous homes in the buy out area. The property used for comparison closely matches the subject property in construction, type and size. Where features differ, values are adjusted up or down to achieve a like valuation. The process is summarized as follows:

1. Comparison property costs have been itemized by category and adjusted to remove any features that are not consistent with the subject property. This valuation establishes the “Base” cost per square foot, that will generate a Similar or Same Value. For Reference, Section 3 documents the Subject property with Plans, Elevations and project photographs.
2. Subject property values are established by applying the “Base” value per square foot, generated in step 1. This new base valuation for the replacement of the current home, was then adjusted to include specific upgrades not found in the comparison property. This analysis results in establishing the appropriate cost per square to replace the existing home. This cost could then be utilized to state the Replacement Home Cost Summary.

Our goal with this methodology, is to provide a fair transparent approach that is easily understood and results in a value for the current homeowner that will replace their existing home in a like manner.



## 3.Existing Home



Subject property construction follows standard residential practices for the area market and include the following key elements:

- 1.Cast Concrete Foundation wall and footings, non flood proof.
2. Component Floor and Roof Truss Systems.
3. 2x6 wall construction-Standard Fiberglass Insulation System
- 4.Wood Clad windows with transoms
5. Full Depth Brick Veneer Exterior
6. 30 Year shingle roof
7. Painted Interior Doors and Trim Details
8. Stone and Hardwood Floors in living areas, Bedrooms carpeted
9. Drywall Ceiling Coves and Suspended Island Canopy
10. Upper end appliance package
11. Ceramic Tile and carpeted floors predominately, Engineered wood floor at dining.
12. 10' Ceilings
13. Refer to Appraisal for additional detail on home features.
14. Lower Bar with Upper End Appliance Package
15. Large Lower Level Area Ways

The subject property construction plans are included below for reference. See cost comparison spreadsheet in Section 5, for property square footages. Property photographs are included for comparison to subject property.





# Existing Reference Photos



Main Level Entry, And Living Room



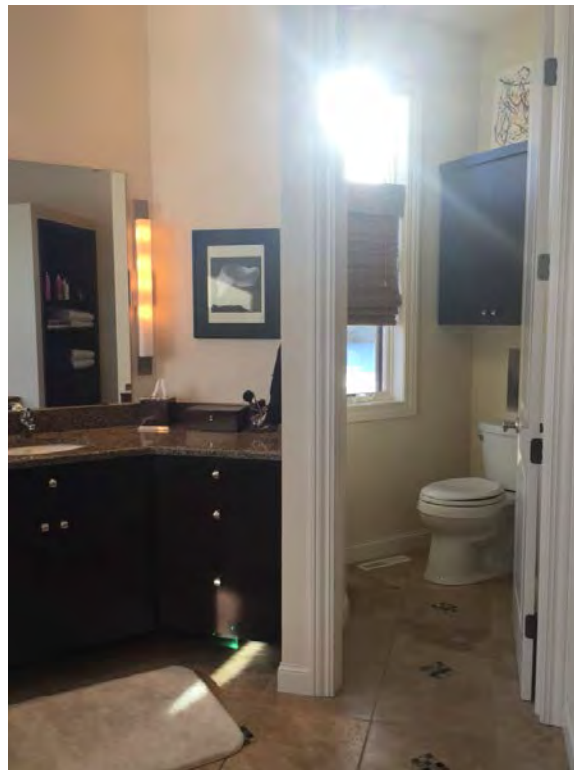
Kitchen



Dining And Sunroom/Porch



Music Room & Guest

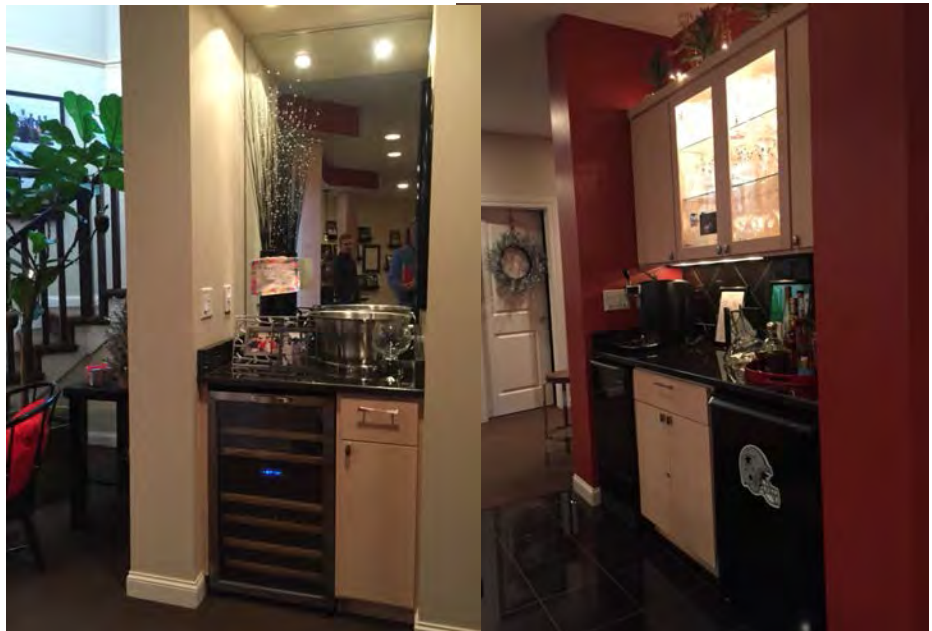


Master Suite





Lower Great Room



Lower Level Bar and Entertaining Area



Lower Exercise and Bedroom

## 4. Comparison Home Documentation

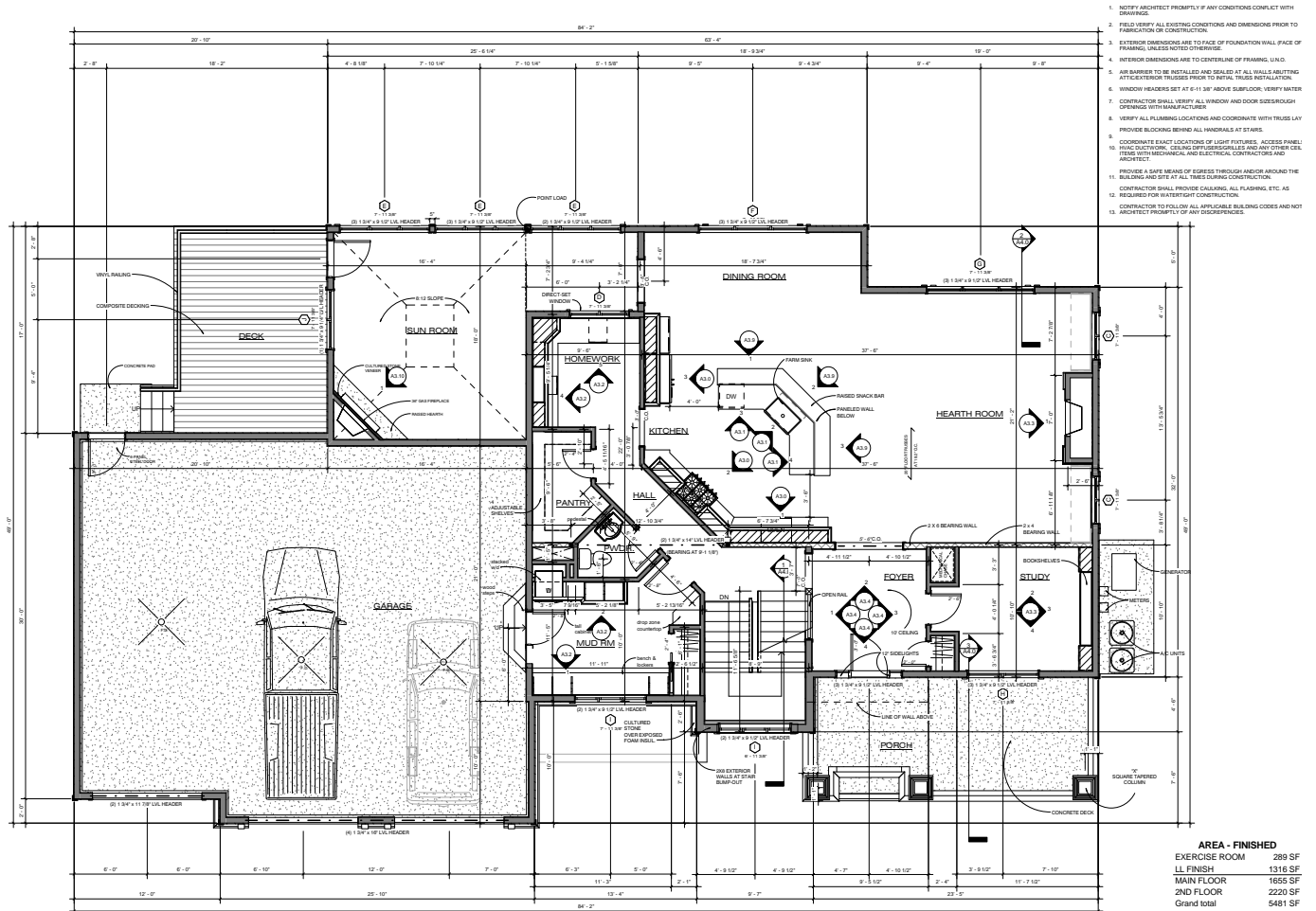


Subject property construction follows standard residential practices for the area market and include the following key elements:

1. Cast Concrete Foundation 9' wall and footing
2. Component Floor and Roof Truss Systems
3. 2x6 wall construction-Full Envelope Spray Foam Insulation System
4. Smart Side siding , with accents pro less and window and door trim
5. Integrity Windows by Marvin
6. 30 Year shingle roof.
7. Standard drywall interior wall smooth finishes
8. Flat Shaker door cabinetry, Stained and Pained
9. Painted flat shaker interior casings and base
10. Shaker Paneled interior doors, Stained.
11. Ceramic Tile and Engineered wood flooring predominately.
12. Mid Range Appliance Package, with Double Laundry.
13. Dual propane furnaces and hydronic floor heat in Garage, lower level and Master Suite.
14. Five Full Bathrooms and one 1/2 Bathroom.

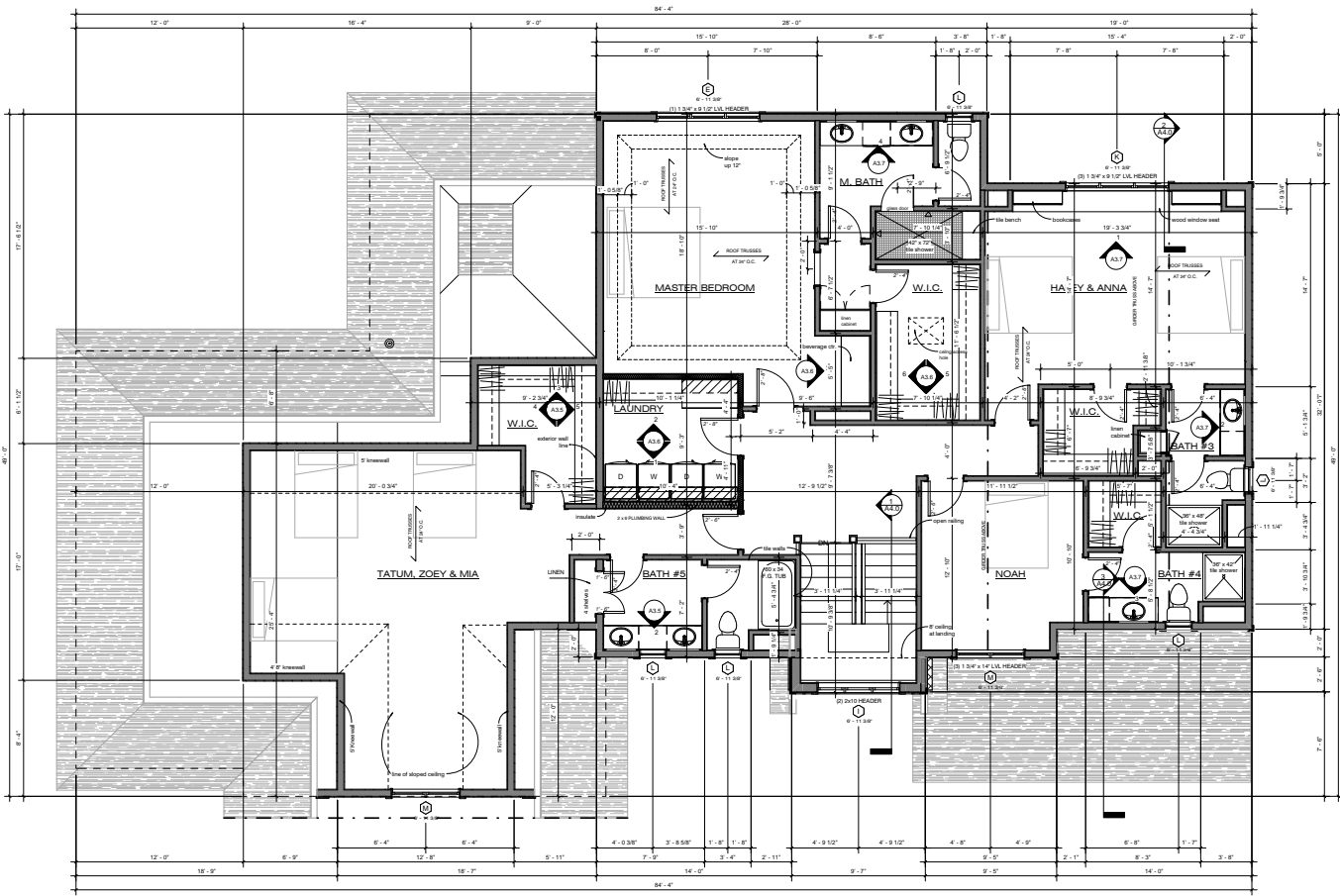
The comparison property construction plans are included below for reference. See cost comparison spreadsheet in Section 4, for property square footages. Property photographs are included for comparison to subject property.

# Comparison Home Plans



1 MAIN FLOOR PLAN  
1/4" = 1'-0"

Main Level Plan



1 SECOND FLOOR PLAN  
1/4" = 1'-0"

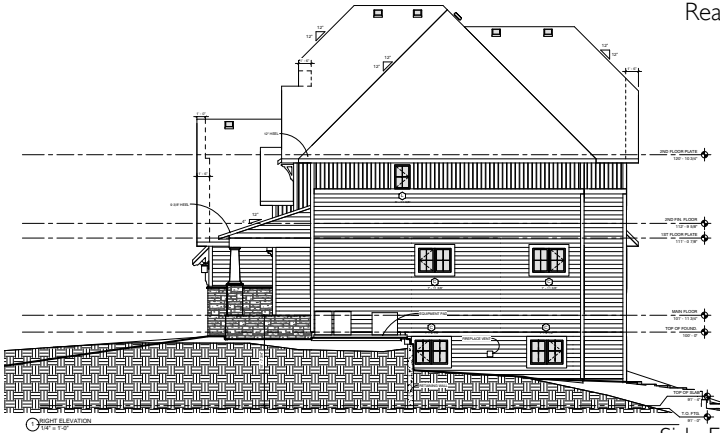
Upper Level Plan



Front Elevation



Rear Elevation



Side Elevation

# Comparison Home Reference Photos



Foyer



Living Room





Kitchen/Livingroom



Kitchen



Laundry



Mud Room



Sun Room



Children's Study



Master Bath



Master Bedroom



Typical Bedroom



Bonus Room



Lower Bar



Lower Greatroom

# Podolak Residence "Same or Similar" Valuation

6-April-16

GLA	3458 SF	Total Upper Finished Area
Main Level	3458 SF	
Upper Level	0 SF	
Lower Finished	3103 SF	<b>Benchmark Numbers Include:</b>
Lower Unfinished	280 SF	Builders Profit and Overhead
Garage	1599.5 SF	Permitting, Builders Risk Insurance
Total Finished Area	6561 SF	Standard Foundation Construction
Construction Year	2004	9' Story Pole
Residence Style	1 Story	Central Vac
Fndtn. Depth	9'	Air To Air Exchanger & By Pass Humidification
Main Flr Wall Hgt.	10'	2 High Efficiency Propane Furnaces
Second Flr Wal Hgt.	0	Off Peak 400 Amp Service
Build Without Lot		\$813,786 Benchmark Value
		\$ 235.33 SF Upper Finished
Feature Upgrades	Value	Comment
Site-Earthwork	\$ -	See RHA Adjustments
10' Story Pole	\$ 25,000.00	Framing and Wall Systems
Drive Extension	\$ 10,000.00	Additional Stall Access Lane Area/Approach
Masonry Exterior	\$ 115,272.00	477' Total Perimeter,(less siding value)
Living Room Fireplace Unit	\$ 5,000.00	
Drywall Ceiling Details	\$ 9,000.00	Cofferes and Tray Ceilings
Piano Room Detail	\$ 2,000.00	Columns
Garage Flr'g & Cabinetry & Stair	\$ 30,000.00	Custom built ins and Epoxy Floor
Lower Bar & Wine Room & Dance	\$ 32,000.00	Including Tops, Appliances and Wine room Cooler
Honeywell Controls	\$ 5,000.00	
Upgraded Electrical System	\$ 2,500.00	800 Amp Service, Off Peak
Audio/Security/Phone	\$ 20,000.00	Roughin and Controls, Speakers,Ready for Equip.
Central Vac	\$ -	Included in Base Value
Reverse OS, Water Filter	\$ 3,000.00	
Custom Tile Walk In Showers	\$ 9,500.00	Master Bedroom and Lower Level Shared Bath
Lighting Quantity-Quality	\$ 10,000.00	
Generator	\$ 7,500.00	
Lighting Controls	\$ 12,000.00	Radio RA by Lutron or Similar
<b>Baseline Feature Adjustment Total</b>	<b>\$ 297,772.00</b>	
		\$ 86.11 Upper Level SF
Garage	40 \$ 63,980.00	Based on RHA Standard Valuation
LL Finished	75 \$ 232,725.00	Based on RHA Standard Valuation
LL Unfinished	30 \$ 8,400.00	Based on RHA Standard Valuation
<b>Total Built Area Cost Adjustments</b>	<b>\$ 305,105.00</b>	
		\$ 88.23 Upper Level SF
<b>Total "Same or Similar" Replacement Cost</b>		<b>\$ 1,416,662.78</b>
		\$ 409.68 Upper Level SF
		\$ 215.92 Total Finished SF

Based on 2014 construction costs. Inflation addressed in Replacement Home Cost Summary

**FM DIVERSION AUTHORITY &  
CASS COUNTY JOINT WATER RESOURCE DISTRICT**  
Podolak Residence Replacement Property Valuation



## Residential Landscape Prices

Date of Site Visit: 11/3/15

**Property Owner: Podolak**

**Location: 843 Riverbend Rd., Oxbow**

Homeowner present at time of visit: no

Homeowner comments:

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
<b>Sitework</b>				
Organic Amendments & Fertilizer	sf	\$ 0.10	19,668	\$ 1,966.80
<b>Edging</b>				
Edging -Precast Concrete 'Bullet'	lf	\$ 7.00	752	\$ 5,264.00
<b>Landscape Mulch</b>				
Wood Mulch -Cedar (3" depth)	cy	\$ 125.00	45	\$ 5,625.00
Rock Mulch - 2-4" River Rock (3" depth)	cy	\$ 175.00	1	\$ 175.00
<b>Landscape Boulders</b>				
2-3' dia.	ea	\$ 225.00	25	\$ 5,625.00
4'+ dia.	ea	\$ 400.00	1	\$ 400.00
<b>Paving and Patios</b>				
Concrete Paver over Agg. Base	sf	\$ 20.00	1100	\$ 22,000.00
Outdoor Modular Block Counter with Grill	ea	\$ 7,500.00	1	\$ 7,500.00
Modular Block Retaining Wall	sf	\$ 45.00	444	\$ 19,980.00
Modular Block Rsteps	lf	\$ 100.00	72	\$ 7,200.00
<b>Low Voltage Lighting</b>				
Fixture (includes transformer and wiring)	ea	\$ 350.00	18	\$ 6,300.00
<b>Plants</b>				
Sod (includes finish grading)	sf	\$ 0.60	14700	\$ 8,820.00
Spaded Deciduous Tree	ea	\$ 1,200.00	14	\$ 16,800.00
Spaded Evergreen Tree -12' ht.	ea	\$ 1,200.00	3	\$ 3,600.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	18	\$ 1,170.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	17	\$ 850.00
Evergreen Shrub #7 Cont.	ea	\$ 150.00	2	\$ 300.00
Evergreen Shrub #5 Cont.	ea	\$ 65.00	5	\$ 325.00
Perennial #1 Cont.	ea	\$ 25.00	110	\$ 2,750.00
<b>Irrigation</b>				
Irrigation -zone	ea	\$ 525.00	16	\$ 8,400.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
<b>Site Amenities</b>				
Mailbox -Brick Column	ea	\$ 2,400.00	1	\$ 2,400.00
<b>General Contractor 10% Markup</b>				\$ 12,825.08
<b>Total</b>			<b>\$ 141,075.88</b>	



# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Sheri Champ
Address	829 Riverbend Road, Oxbow
Property Type	Single family residential
Identification Number	9605

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property.

### Description of Acquired Property

Please see the attached Valuation Report prepared by the Helenske Design Group for a full description of the property.

An appraisal of the existing home was completed by McKinzie Metro Appraisal in December 2014. The market value of the property was established as \$1,060,000.

### Description of Replacement Property

A Replacement Housing Agreement was established to document the benefits associated with re-establishment of a decent, safe, sanitary, and comparable replacement home as required by the Uniform Act (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)).

The replacement home is a single family 2-story style with of a similar style and size with one floor above grade and a fully finished basement. The finished square foot of this home, will provide five bedrooms, 3.5 bathrooms, an office, master suite with master bathroom, and pool and patio areas similar to the existing house. As with the existing house, the replacement house will have significant exterior improvement including a large in-ground pool and patio area.

The homeowner is considering betterments to the new home which are estimated to total of \$575,681 based on current plans. This amount could change if the homeowner makes changes to the new home plan.

## Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$1,060,000 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$1,103,373 for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$205,000, which will be fully reimburse to CCJWRD per the Oxbow MOU Amendment.

## Replacement Home Cost Summary

Property ID#: 9605		Notes
<b>Total Replacement Home Cost</b>	\$2,800,000	<u>Includes: (see supplemental detail below)</u> A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less 'Just Compensation'</b>	- (\$ 1,060,000)	Based on Appraisal and Purchase Agreement
<b>Less 'Betterments' Estimate</b>	- (\$ 575,545)	Based on current new home estimate and Owner preferences
<b>Less 'Replacement Lot Cost'</b>	- (\$ 205,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$959,455	
<b>Construction Contingency</b>	+ \$143,918	Add 15 percent for uncertainties
<b>Replacement Housing Agreement</b>	= \$1,103,373	

The following details support the Replacement Home Cost and Replacement Housing Agreement.

## Supplemental Replacement Housing Detail

### Line Item A – Replacement House Allowance

1. Breakdown *existing* house into finished space categories.
2. Multiply existing house areas by architect estimated price per square foot.
3. 2014 unit prices established by professional architect (Helenske Design Group) and landscaper (Hanson Design Associates).
4. 2014 unit prices inflated to 2016 values based on data from area home builders.

		1				2				3	
		Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)					Replacement Cost	
<b>Replacement House Allowance</b>	=	Above Grade Finished Space	3,991	x	\$283	=				\$1,129,453	
		Below Grade Finished Space	2,096	x	\$91	=				\$190,736	
		Below Grade Unfinished Space	300	x	\$39	=				\$11,700	
		Garage	1,599	x	\$48	=				\$76,752	
<b>Total (Replacement House Allowance) = \$1,408,641</b>											

### Line Item B – House to Home Allowances

- Accounts for replacement of “like for like” elements in the displaced persons’ existing home that are not included in the base cost for the replacement house, such that the replacement home has a comparable “fit and finish”.
- Allowances based on competitive quotes or professionally developed cost estimates to replace existing features.

Item	Allowance	Notes
Window Coverings	\$ 40,000	Placeholder. Allowance will be based on the lower of two bids.
Custom Painting	\$ 11,000	Quote from Builder.
Interior Design Fee	\$ 4,000	Placeholder. Allowance will be based on the lower of two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 340,629	Hanson Design Associates’ professional estimate. (see attached report)
<b>TOTAL</b>	<b>\$ 395,629</b>	

### **Line Item C – Project Required Costs**

- Costs necessary for home construction in Oxbow.
- URA eligible costs identified for future crediting purposes.
- Costs based on builder line item quotes or estimates.

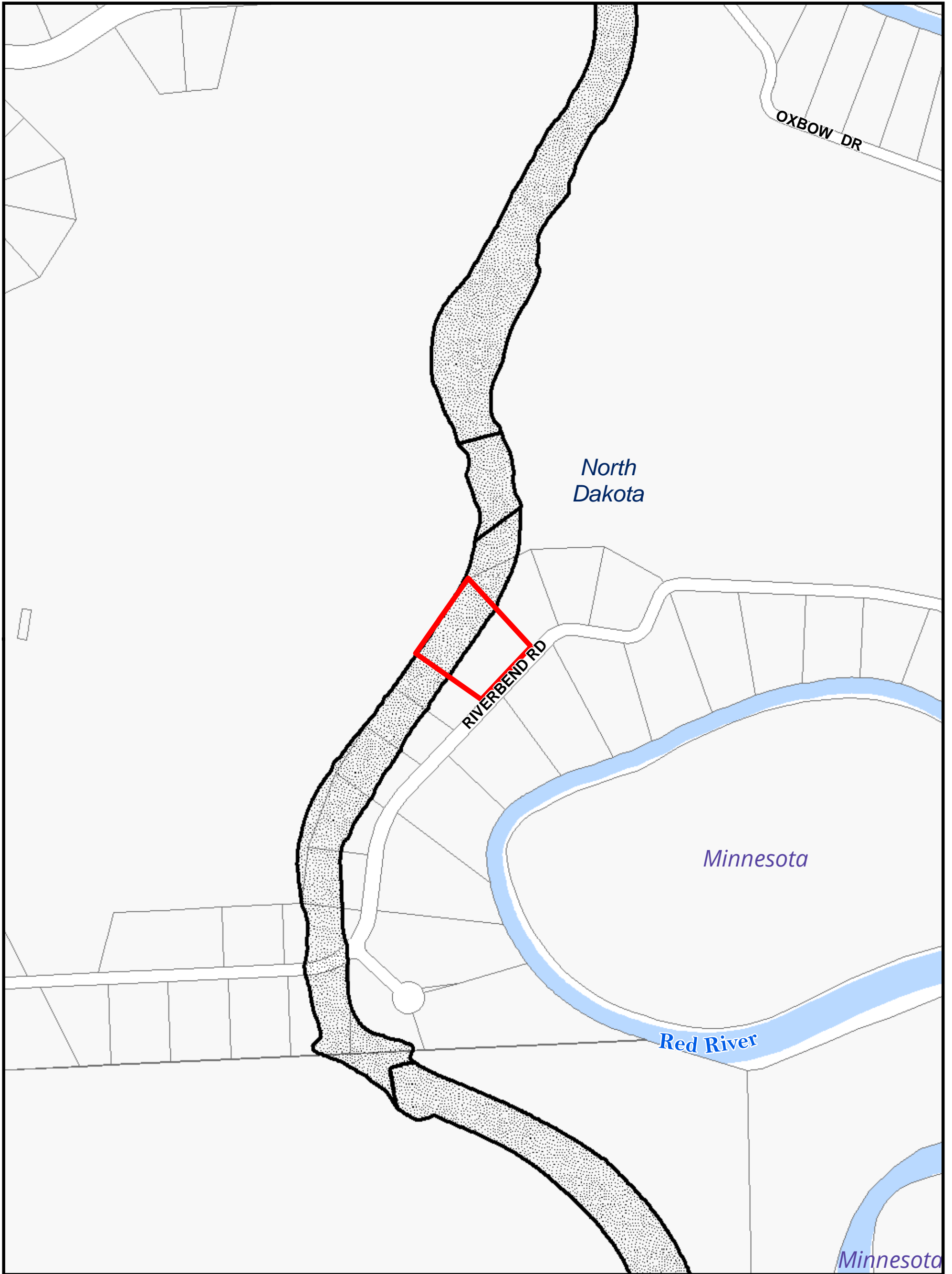
<b>Item</b>	<b>Costs</b>	<b>Notes</b>
Flood Proofing	\$ 5,800	Placeholder.
Building Permits	\$ 8,000	Placeholder.
Additional Driveway setback and Curb Cut	\$ 7,780	Placeholder.
Buried Propane Tank	\$ 5,000	Placeholder.
Stone Facade to meet covenants	\$ 28,000	Placeholder.
Site Conditions / Earthwork / Pool Stabilization/Retaining Walls / Other	\$ 157,305	Placeholder
Utility Connections	\$ 3,300	Placeholder.
<b>TOTAL (rounded)</b>	<b>\$ 215,185</b>	

### **Line Item D– Betterments**

- Costs above the replacement house or other allowances, reflecting improvements beyond the size, fit, finish, etc. of the existing home.
- Betterment costs are paid by the displaced person.
- Estimated betterments = \$575,545

### **Line Item E– Replacement Lot Cost**

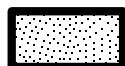
- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$205,000.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

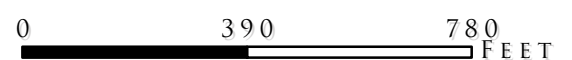
OIN# 9505  
OWNER: SHERI L CHAMP

PROPERTY ADDR: 829 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 1.01 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9505

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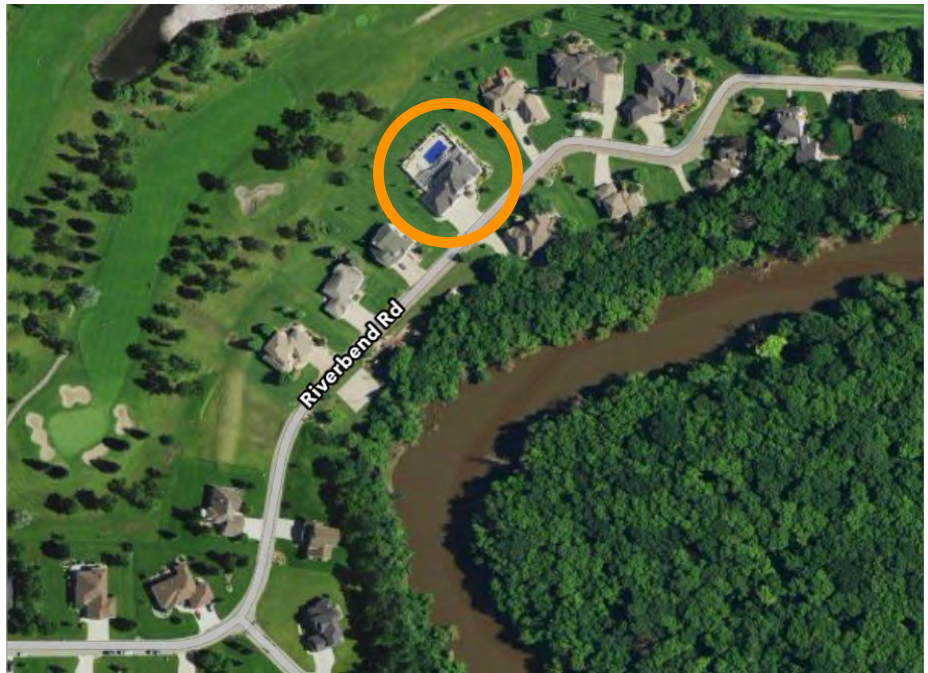
Diversion Authority &  
Cass County  
Joint Water Resource District  
March 23, 2016

# Champ Residence Valuation Report

829 River Bend Road  
Oxbow, ND



# I. Report Background



At the request of the Cass County Joint Water Resource District, we have been asked to provide a opinion of construction valuation for the Champ Residence, located at 829 River Bend Road, Oxbow, ND. This opinion of construction valuation is assembled following the general format and methodology utilized for the property buyouts in Oxbow. Previous buyout valuations have been developed utilizing comparable properties on the Fargo Moorhead Multiple Listing service. While this approach has been successful with many of the properties in the relocation area, it is limited in its ability to provide appropriate valuations with homes that include high value features that drive the square foot costs above comparable properties in the market area. Our role is to support the Diversion Authority, by providing a comparable valuation for a custom residence in this upper bracket.

As background, the Diversion Authority is required by the terms of Uniform Relocation Act "URA" to acquire properties for the Oxbow Ring Levee Project and to replace the existing home such that the displaced residents have a comparable or "like for like" property to relocate to. For purposes of this effort the term comparable is further defined as "The program will compensate the home owner for the costs to rebuild their same (or similar) home". (This language is found in the Replacement Housing Agreement RHA, Oxbow Housing Replacement Summary Paper) The Diversion Authority acknowledges that the relocation of residents to a replacement home may require added costs associated with specific property covenants and site conditions, and that these costs would be allowed for in the buyout valuation.

## 2.Valuation Methodology



Our methodology for establishing “same or similar” valuation was to utilize a current property that we have designed and constructed, to form the basis for costs. We feel this is the most appropriate as it allows us to use actual hard costs and not estimates of value. In addition, this approach follows closely the process used on previous homes in the buy out area. The property used for comparison closely matches the subject property in construction, type and size. Where features differ, values are adjusted up or down to achieve a like valuation. The process is summarized as follows:

1. Comparison property costs have been itemized by category and adjusted to remove any features that are not consistent with the subject property. This valuation establishes the “Base” cost per square foot, that will generate a Similar or Same Value. For Reference, Section 3 documents the Subject property with Plans, Elevations and project photographs. The Comparison Property is illustrated in Section 4, with Plans, Elevations and project photographs.
2. Subject property values are established by applying the “Base” value per square foot, generated in step 1. This new base valuation for the replacement of the current home, was then adjusted to include specific upgrades not found in the comparison property. This results in establishing the appropriate square foot cost to replace the existing home. The resulting cost could then be utilized to state the Replacement home Cost Summary.

Our goal with this methodology, is to provide a fair transparent approach that is easily understood and results in a value for the current homeowner that will replace their existing home in a like manner.



## 3.Existing Home Documentation

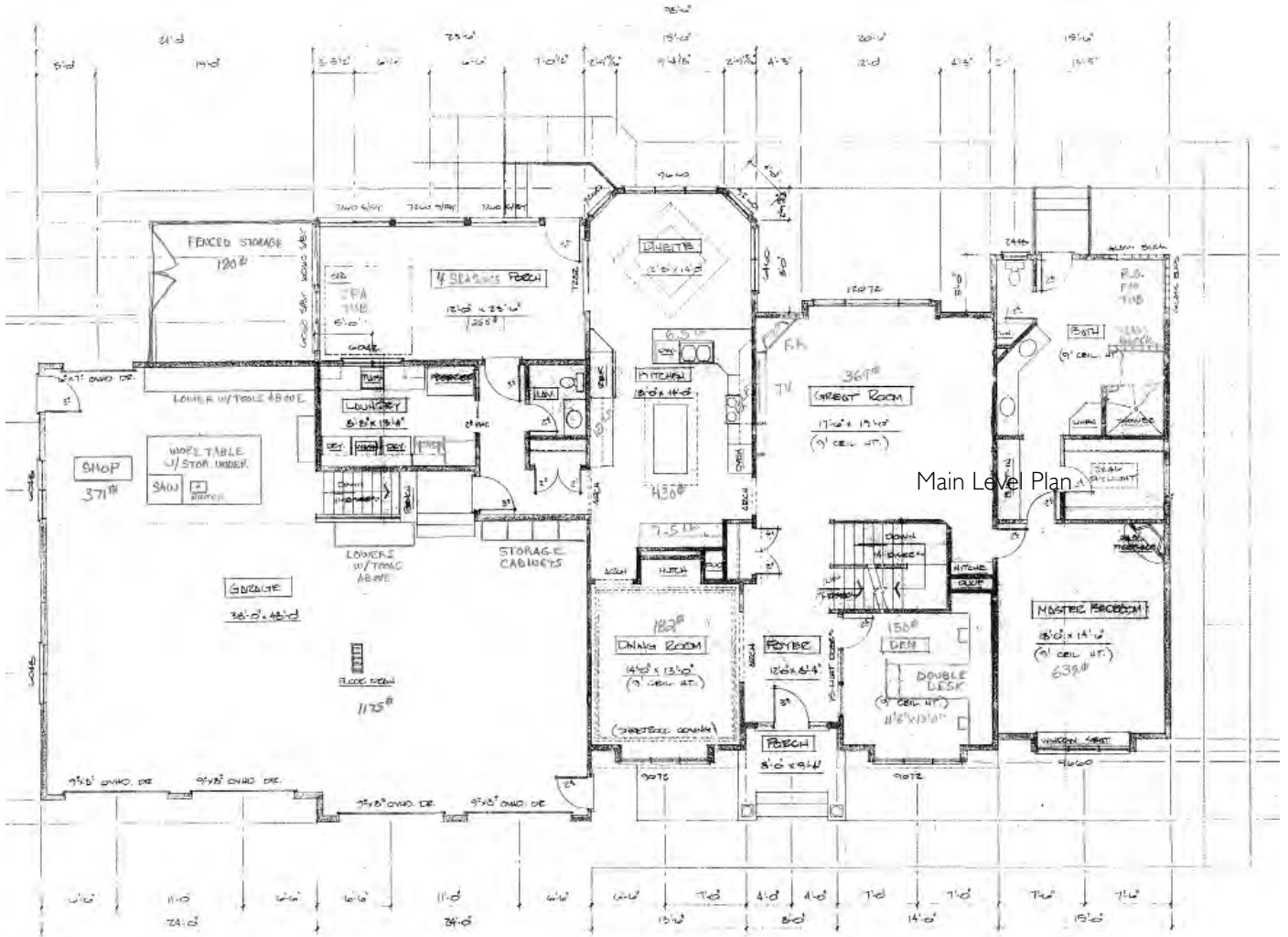


Subject property construction follows standard residential practices for the area market and include the following key elements:

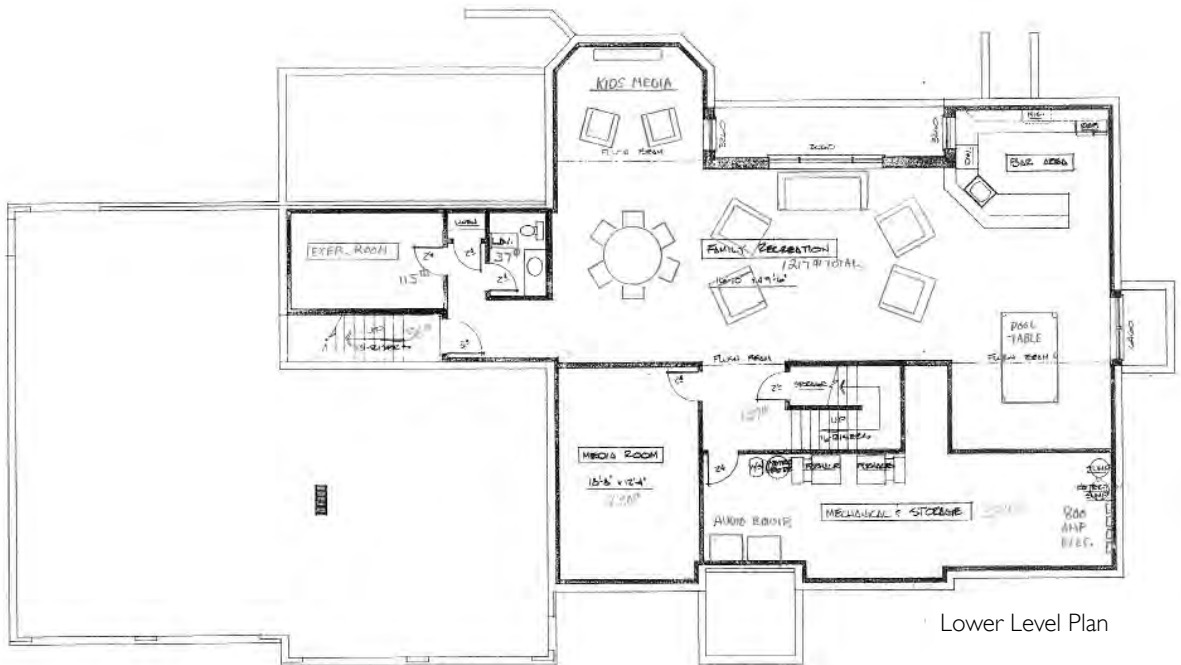
- 1.Cast Concrete Foundation wall and footings, non flood proof.
2. Component Floor and Roof Truss Systems.
3. 2x6 wall construction-Standard Fiberglass Insulation System
4. Steel siding and pre-finished metal wrapped window and doors
- 5.Vinyl Hurd Windows
6. 30 Year shingle roof.
7. Standard drywall interior wall finishes
8. Colonial profile oak door casings and base
9. Drywall bullnose window jambs and head trim with oak sills
10. Oak raised panel door cabinetry, stained.
11. Ceramic Tile and carpeted floors predominately, Engineered wood floor at dining.
12. Drywall accents at ceilings in dining, kitchen and master bedroom.
- 13.Refer to Appraisal for additional detail on home features.
- 14.Three Full Bathrooms and two 1/2 baths.

The subject property construction plans are included below for reference. See cost comparison spreadsheet in Section 5, for property square footages. Property photographs are included for comparison to subject property.

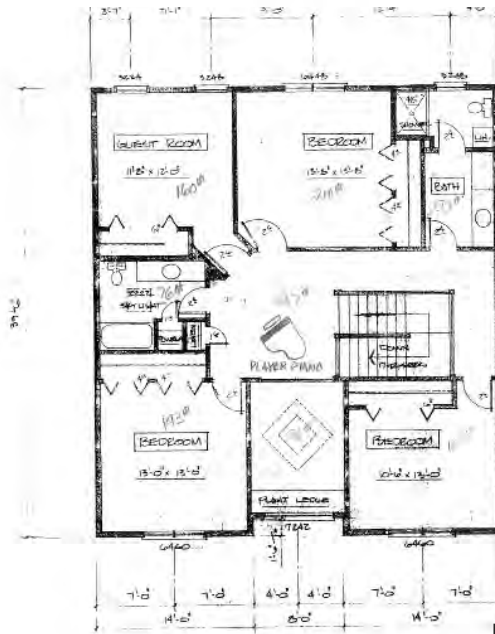
# Existing Home Plans



Main Floor Plan



Lower Level Plan



Upper Level Plan



Exterior Elevations

# Existing Reference Photos



Foyer



Living Room



Typical Bedroom



Kitchen / Breakfast



Laundry



Sun Room



Laundry



Sun Room





Lower Bar



Lower Greatroom

## 4. Comparison Home Documentation

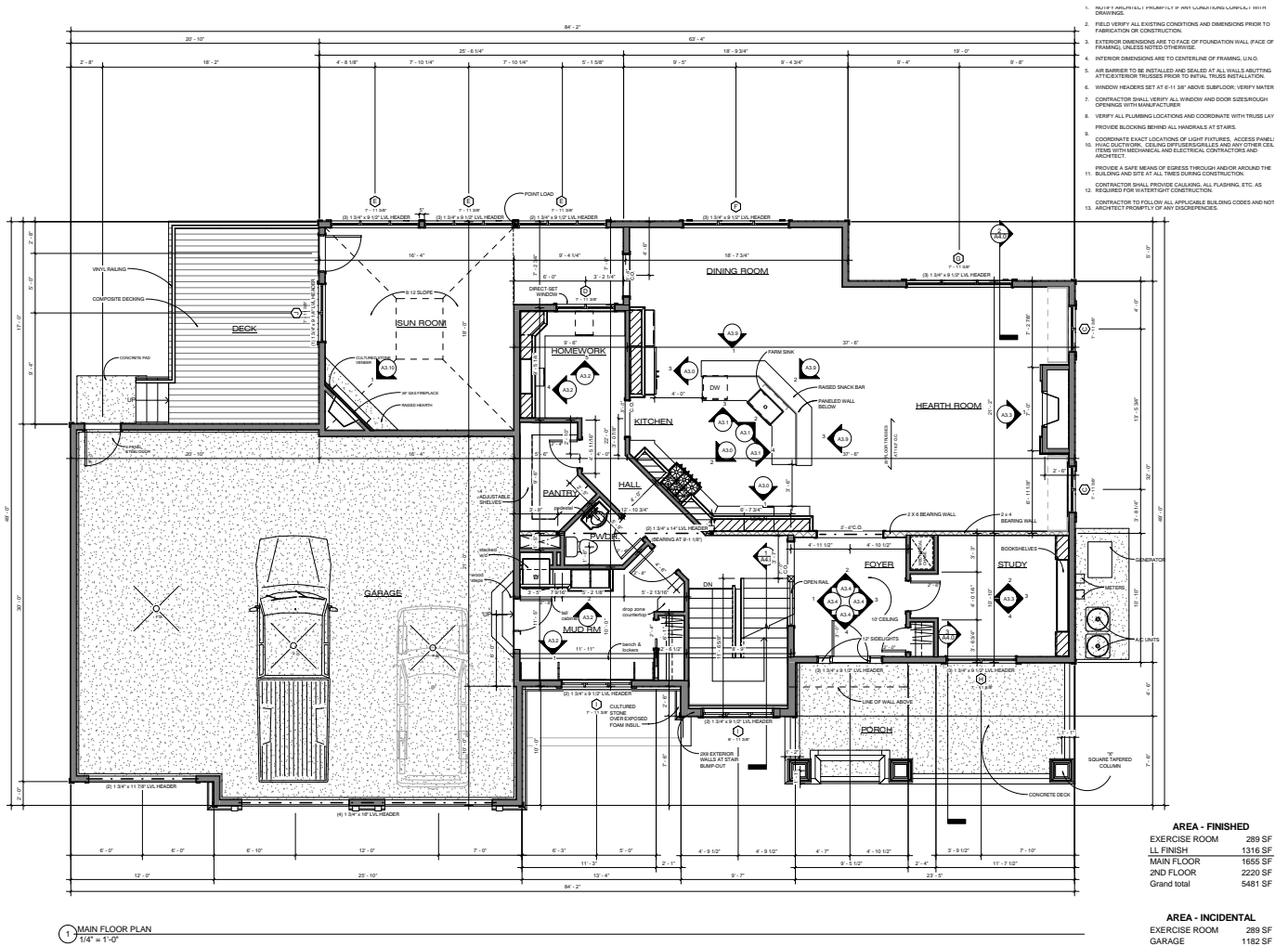


Subject property construction follows standard residential practices for the area market and include the following key elements:

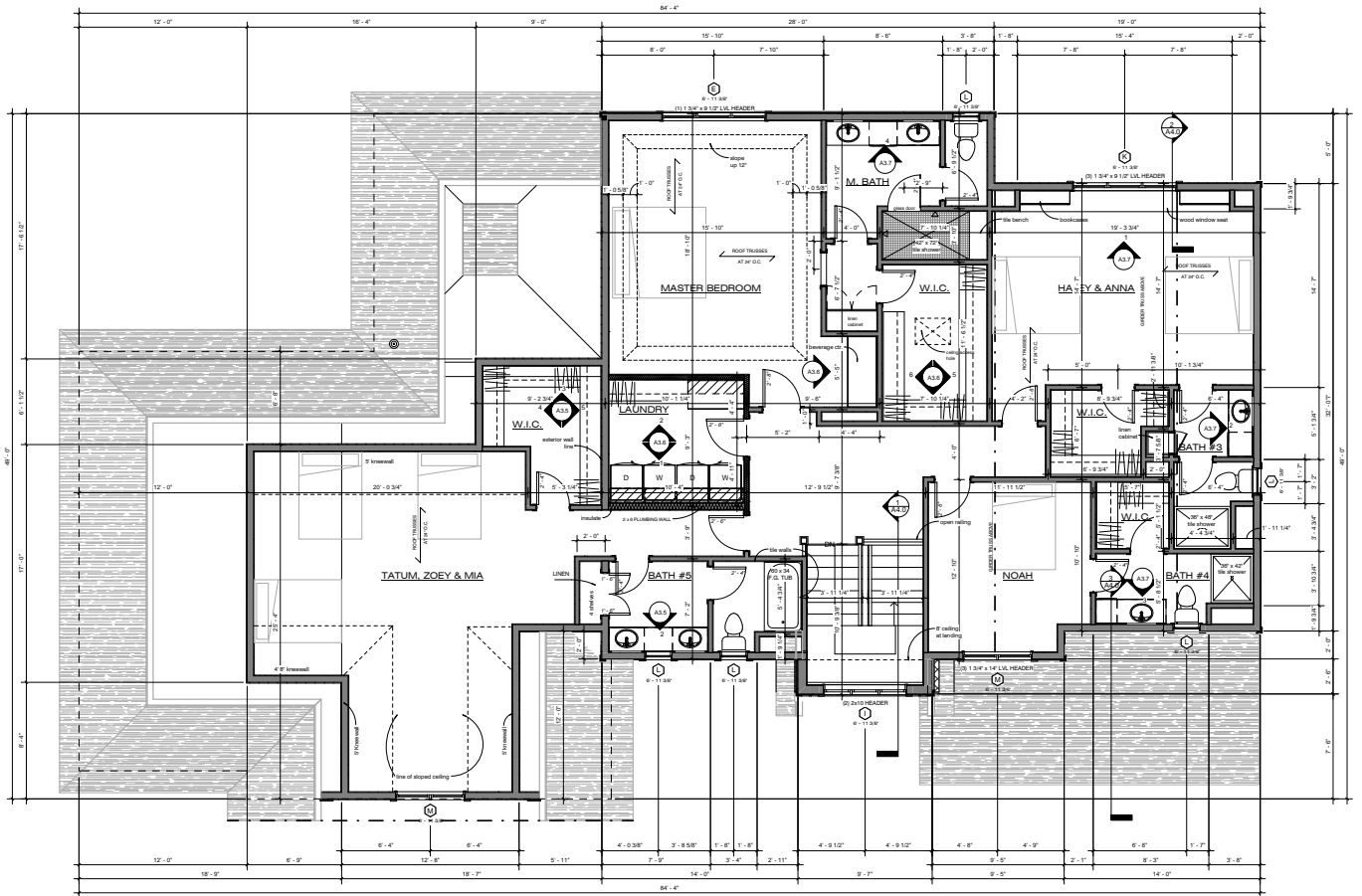
1. Cast Concrete Foundation 9' wall and footing
2. Component Floor and Roof Truss Systems
3. 2x6 wall construction-Full Envelope Spray Foam Insulation System
4. Smart Side siding , with accents pro less and window and door trim
5. Integrity Windows by Marvin
6. 30 Year shingle roof.
7. Standard drywall interior wall smooth finishes
8. Flat Shaker door cabinetry, Stained and Pained
9. Painted flat shaker interior casings and base
10. Shaker Paneled interior doors, Stained.
11. Ceramic Tile and Engineered wood flooring predominately.
12. Mid Range Appliance Package, with Double Laundry.
13. Dual propane furnaces and hydronic floor heat in Garage, lower level and Master Suite.
14. Five Full Bathrooms and one 1/2 Bathroom.

The comparison property construction plans are included below for reference. See cost comparison spreadsheet in Section 4, for property square footages. Property photographs are included for comparison to subject property.

# Comparison Home Plans

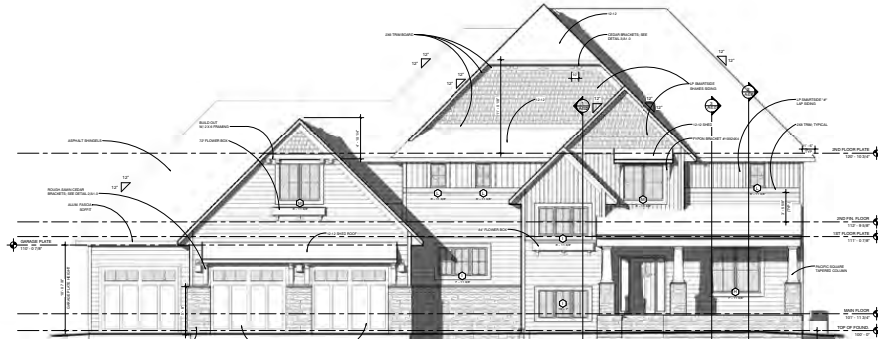


Main Level Plan



1 SECOND FLOOR PLAN  
1/4" = 1'-0"

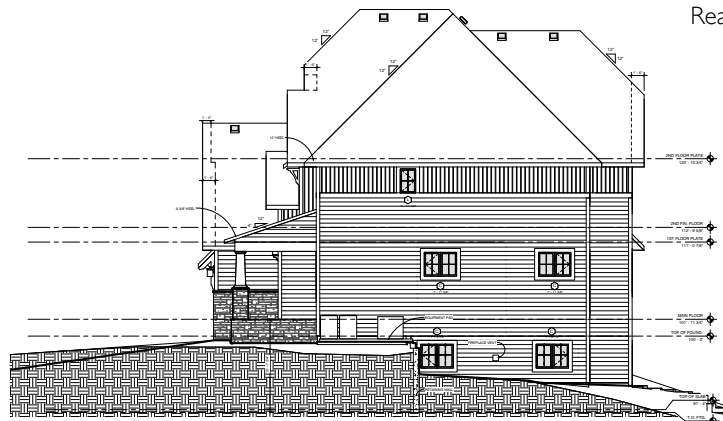
Upper Level Plan



Front Elevation



Rear Elevation



Side Elevation

# Comparison Home Reference Photos



Foyer



Living Room



Kitchen/Livingroom



Kitchen



Laundry



Mud Room





Sun Room



Children's Study



Lower Bar



Lower Greatroom



Typical Bedroom



Bonus Room



Master Bath



Master Bedroom

# 5. Subject Property Same or Similar Valuation

## Champ Residence "Same or Similar" Valuation

April 6 2016

GLA	3991 SF	Total Upper Finished Area (Rev.-Living Bay Window)	
Main Level	2712 SF		
Upper Level	1279 SF		
Lower Finished	2095.5 SF	<b>Benchmark Numbers Include:</b>	
Lower Unfinished	300 SF	Builders Profit and Overhead	
Garage	1598.5 SF	Permitting, Builders Risk Insurance	
Total Finished Area	6086.5 SF	Standard Foundation Construction	
Construction Year	2016		
Residence Style	2 Story	Central Vac	
Fndtn. Depth	9'	Air To Air Exchanger & By Pass Humidification	
Main Flr Wall Hgt.	9'	2 High Efficiency Propane Furnaces	
Second Flr Wal Hgt.	8'	Off Peak 400 Amp Service	
Build Without Lot		\$764,044	Benchmark Value
		\$ 191.44	SF Upper Finished
Feature Upgrades	Value	Comment	
Site-Earthwork	\$ -	See RHA Adjustments	
Staircase/Balcony	\$ 10,000.00		
Roof Windows	\$ 5,000.00		
Living Room Fireplace Unit	\$ 4,000.00		
Drywall Ceiling Details	\$ 3,000.00		
Upgraded Electrical System	\$ 2,500.00	800 Amp Service, Off Peak	
Theater		See RHA Adjustments	
Audio/Security/Phone	\$ 83,500.00	Detail on File	
Central Vac	\$ -	Included in Base Value	
Drive Extension	\$ 20,000.00	Added Stall Access Lane Area/Gutterless Approach	
Lighting Quantity	\$ 5,000.00		
Lower Bar	\$ 25,000.00	Including Tops and Appliances	
Lighting Controls	\$ 12,000.00	Radio RA by Lutron	
<b>Baseline Feature Adjustment Total</b>		\$ 170,000.00	
		\$ 42.60	Upper Level SF
Garage	40 \$ 63,940.00	Based on RHA Standard Valuation	
LL Finished	75 \$ 157,162.50	Based on RHA Standard Valuation	
LL Unfinished	30 \$ 9,000.00	Based on RHA Standard Valuation	
<b>Total Built Area Cost Adjustments</b>		\$ 230,103	
		\$ 57.66	Upper Level SF
<b>Total "Same or Similar" Replacement Cost</b>		\$ 1,164,147	
		\$ 291.69	Upper Level SF
		\$ 191.27	Total Finished SF

Based on 2014 construction costs. Inflation addressed in Replacement Home Cost Summary



**FM DIVERSION AUTHORITY &  
CASS COUNTY JOINT WATER RESOURCE DISTRICT**  
Champ Residence Replacement Property Valuation  
HDG Project No.: 15-1066

## Residential Landscape Prices

Date of Site Visit: 10/26/15 & 10/27/15

**Property Owner: Champ**

**Location: 829 Riverbend Rd., Oxbow**

Homeowner present at time of visit: no

Homeowner comments:

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
<b>Sitework</b>				
Organic Amendments & Fertilizer	sf	\$ 0.10	30,016	\$ 3,001.60
<b>Landscape Mulch</b>				
Rock Mulch -1 1/2" River Rock (4" depth)	cy	\$ 150.00	47.8	\$ 7,170.00
<b>Edging</b>				
Edging -PVC	lf	\$ 3.50	38	\$ 133.00
Edging -Mechanically Formed In-Place Concrete	lf	\$ 8.00	416	\$ 3,328.00
<b>Landscape Boulders</b>				
1' dia	ea	\$ 30.00	1	\$ 30.00
2-3' dia.	ea	\$ 225.00	7	\$ 1,575.00
<b>Paving and Patios</b>				
Concrete Paving	sf	\$ 6.00	4487	\$ 26,922.00
Concrete Paver over Agg. Base	sf	\$ 20.00	104	\$ 2,080.00
In-ground Fire Pit, Brick Structure, Burner & Gas Line	ls	\$ 6,500.00	1	\$ 6,500.00
Outdoor Kitchen -Remove & Replace Cabinets	hr	\$ 50.00	120	\$ 6,000.00
Outdoor Kitchen -Construct New Wood Surround	ls	\$ 2,000.00	1	\$ 2,000.00
Outdoor Kitchen -Install New Granite Counter Top	sf	\$ 75.00	101	\$ 7,575.00
Outdoor Kitchen -Gas Line Hookup by Plumber	ea	\$ 800.00	1	\$ 800.00
Outdoor Kitchen -Gas Line Burial General Labor	ls	\$ 500.00	1	\$ 500.00
Outdoor Kitchen -Electrical Outlet Work allowance	ls	\$ 2,000.00	1	\$ 2,000.00
Outdoor Kitchen -Water Line & Sewer	ls	\$ 2,500.00	1	\$ 2,500.00
Outdoor Kitchen -RO System	ls	\$ 600.00	1	\$ 600.00
Outdoor Kitchen -Sink Faucet	ls	\$ 350.00	1	\$ 350.00
Rope Lighting -Patio & Outdoor Kitchen	lf	\$ 10.00	354	\$ 3,540.00
Outdoor Heaters	sf	\$ 656.00	6	\$ 3,936.00
Garden Block Retaining Wall	sf	\$ 40.00	26	\$ 1,040.00
Brick Veneered Retaining Wall	lf	\$ 150.00	134	\$ 20,100.00
Decorative Concrete Stepping Stones	ea	\$ 10.00	22	\$ 220.00
Patio Screen Wall	lf	\$ 190.00	137	\$ 26,030.00
Patio Screen Roof	sf	\$ 25.00	1244	\$ 31,100.00
<b>Fence</b>				
Vinyl -5'	lf	\$ 52.00	85	\$ 4,420.00
Vinyl -6'	lf	\$ 58.00	121	\$ 7,018.00
Vinyl Gate	ea	\$ 700.00	5	\$ 3,500.00
<b>Plants</b>				
Sod (includes finish grading)	sf	\$ 0.60	26104	\$ 15,662.40
Spaded Deciduous Tree	ea	\$ 1,200.00	8	\$ 9,600.00
Spaded Evergreen Tree -12' ht.	ea	\$ 1,200.00	2	\$ 2,400.00
Deciduous Tree, Cont., 1 1/2" dia.	ea	\$ 375.00	3	\$ 1,125.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	40	\$ 2,600.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	39	\$ 1,950.00
Evergreen Shrub #7 Cont.	ea	\$ 150.00	9	\$ 1,350.00
Evergreen Shrub #5 Cont.	ea	\$ 65.00	14	\$ 910.00

Perennial #1 Cont.	ea	\$ 25.00	34	\$ 850.00
<b>Irrigation</b>				
Irrigation -zones estimated	ea	\$ 525.00	20	\$ 10,500.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
<b>Swimming Pool</b>				
Pool & Mech Equipment (20'x40')	ea	\$ 60,330.00	1	\$ 60,330.00
Pool Electric, Gas & Venting & Fiber Optics	ea	\$ 8,000.00	1	\$ 8,000.00
<b>Site Amenities</b>				
Mailbox -Brick Column	ea	\$ 2,400.00	1	\$ 2,400.00
Basketball Post and Backboard	ea	\$ 1,200.00	1	\$ 1,200.00
<b>General Contractor 16% Markup</b>				\$ 46,983.36
<b>Total</b>				<b>\$ 340,629.36</b>

# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Chad M. and Heidi L. McQuillan
Address	313 Schnell Drive
Property Type	Single family residential
Identification Number	9596

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property.

### Description of Acquired Property

The subject property is a single family residential property located on the west side of Schnell Drive along the 10th Fairway of the Oxbow Country Club Golf Course. The subject's total site size is 20,480 Sq. Ft. The site is level with some landscaping trees along the north and west side of the property. The subject's improvements are considered to be average to good quality 2 Story dwelling in good overall condition. The Gross Living Area (GLA) is calculated to be 1,825 Sq. Ft. The basement size is 905 Sq. Ft. with 709 Sq. Ft. of finished space. There is an attached 3 car garage with a concrete drive to Schnell Drive. The main entrance to the home opens to a foyer, staircase to second floor on the left and a formal living room to the right. The kitchen, dining room, a ½ bath, dinette, and family room with fireplace are also located on the first floor in the rear of the home. The second floor has a master bedroom with private bathroom and large closets, two additional bedrooms and another full bathroom. The basement level is finished with a family room, bedroom, laundry, and bathroom; having two egress windows. The utility/storage room is also located in the basement. Despite the subject's actual age, it compares well with newer homes in the area due to its good maintenance and modern decor. Notable features in the home include central air conditioning, hardwood floors, irrigation system, concrete drive, gutters and downspouts, upgraded windows, upgraded exterior, sump pump, upgraded mechanicals, built in appliances, walk in closets, upgraded roofing, ceramic tile, three car garage, sunken family room floor, recessed lighting, upgraded windows, double vanity, upgraded interior doors, upgraded trim, ceiling fan, etc. Some recent updating since the last sale date includes new interior paint, doors, trim, siding, patio, basketball court, roof, landscaping, built in appliances, flooring, basement finishing, mechanicals, etc.

The purchase price for the acquired property is based on an appraisal produced by a qualified appraiser following the "Yellow Book" standards. The appraisal was reviewed and approved by USACE. The appraised amount establishes the 'Just Compensation' amount paid for the property.



## Description of Replacement Property

A Replacement Housing Agreement was established to document the benefits associated with re-establishment of a decent, safe, sanitary, and comparable replacement home as required by the Uniform Act (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)).

The replacement home is a single family 2-story style with 2,387 Sq. Ft. finished on the main 2 levels and 1440 Sq. Ft. of finished and 414 Sq. Ft. of unfinished space in the lower level. The finished square foot of this home, will provide five bedrooms, 2.5 bathrooms, an office, plus a master suite with master bathroom, walk in closet. Two of the five bedrooms will be in the lower level. The homeowner is considering betterments to the new home which are anticipated to total \$130,574 based on current plans. This amount could change if the homeowner makes changes to the new home plan.

## Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$390,000 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$201,738 with contingency included for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$133,000, which will be fully reimburse to CCJWRD per the Oxbow MOU Amendment.

## Replacement Home Cost Summary

Property ID#: OIN#		Notes
<b>Total Replacement Home Cost</b>	\$ 836,972	<u>Includes:</u> (see supplemental detail below) A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less 'Just Compensation'</b>	- (\$ 390,000)	Based on Appraisal and Purchase Agreement
<b>Less 'Betterments'</b>	- (\$ 130,574)	Based on "Like for Like" Analysis
<b>Less 'Replacement Lot Cost'</b>	- (\$ 133,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$ 183,398	
<b>Construction Contingency</b>	+ \$ 18,340	Add 10 percent for uncertainties
<b>Replacement Housing Agreement</b>	= <b>\$ 201,738</b>	

The following details support the Replacement Home Cost and Replacement Housing Agreement.

## Supplemental Replacement Housing Detail

### Line Item A – Replacement House Allowance

1. Breakdown *existing* house into finished space categories.
2. Multiply existing house areas by Unit Price.
3. Unit Price established by acquisition team, based on database of comparable properties in Oxbow and the FM Metro Area, validated by professional architect (Helenske Design Group).

		1				2				3	
		Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)		Replacement Cost				
<b>Replacement House Allowance</b>	=	Above Grade Finished Space	1,825	x	\$216	=	\$394,200				
		Below Grade Finished Space	709	x	\$80	=	\$56,720				
		Below Grade Unfinished Space	196	x	\$32	=	\$6,272				
		Garage	856	x	\$42	=	\$35,952				
		<b>Total (Replacement House Allowance)</b>				<b>=</b>	<b>\$493,144</b>				

### Line Item B – House to Home Allowances

- Accounts for replacement of “like for like” elements in the displaced persons’ existing home that are not included in the base cost for the replacement house, such that the replacement home has a comparable “fit and finish”.
- Allowances based on competitive quotes or professionally developed cost estimates to replace existing features.

Item	Allowance	Notes
Window Coverings	\$ 17,560	Placeholder. Requires a 2 <sup>nd</sup> bid. We will take the lower of the two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 38,972	Hanson Design Associates’ professional estimate. (see attached report)
Custom Paint	\$5,000	Will receive 2 bids and will accept the lower bid.
<b>TOTAL</b>	<b>\$ 61,532</b>	

### Line Item C – Project Required Costs

- Costs necessary for home construction in Oxbow.
- URA eligible costs identified for future crediting purposes.
- Costs based on builder line item quotes or estimates.

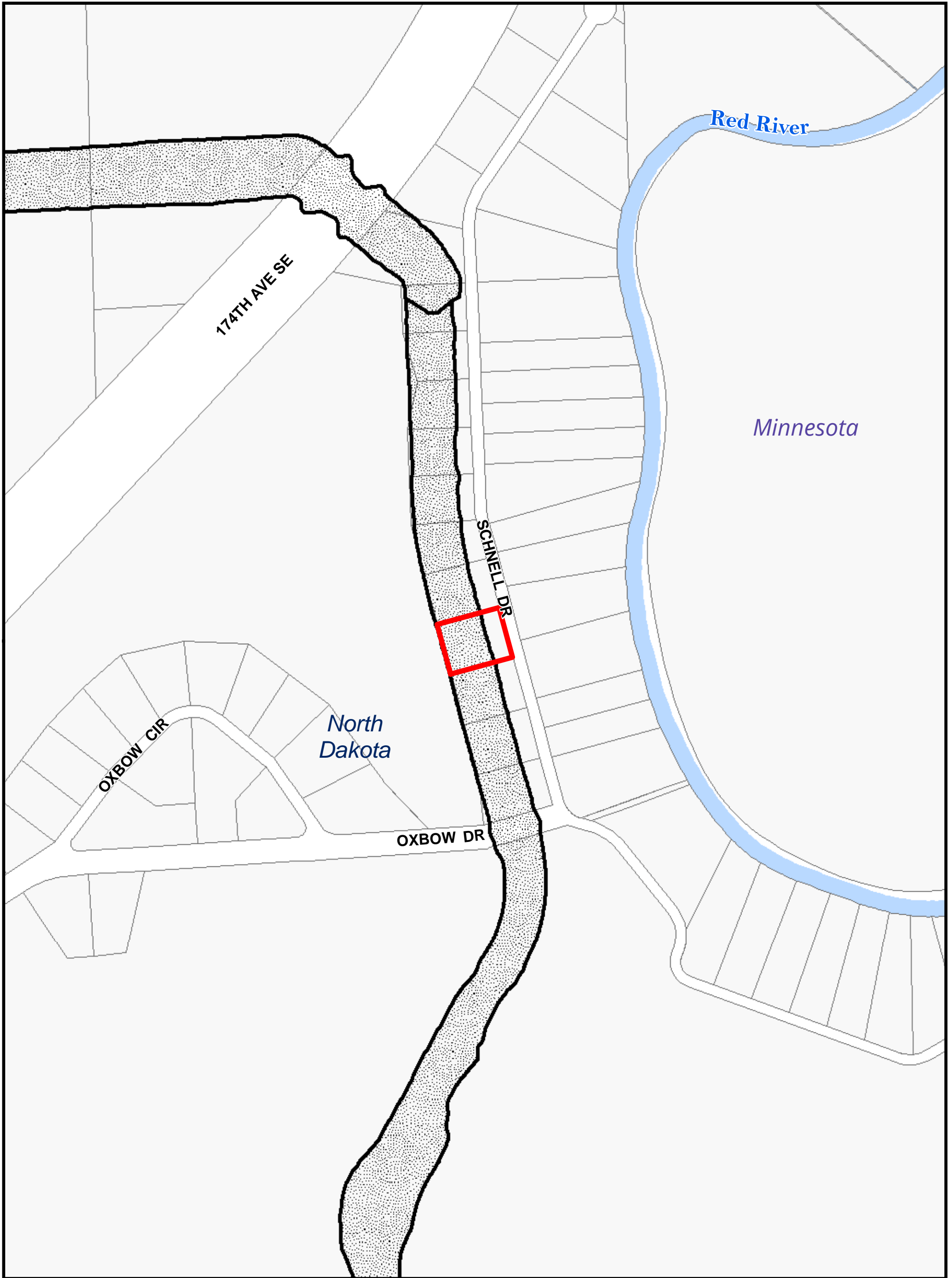
Item	Costs	Notes
Flood Proofing	\$ 6,521.00	Quote in builder bid
6' Garage Walls	\$4,387.00	Quote in builder bid
Additional Driveway setback	\$ 3,909.00	Quote in builder bid
Buried Propane Tank	\$ 3,905.00	Quote from builder bid
<b>TOTAL (rounded)</b>	<b>\$18,722.00</b>	

### Line Item D- Betterments

- Costs above the replacement house or other allowances, reflecting improvements beyond the size, fit, finish, etc. of the existing home.
- Betterment costs are paid by the displaced person.
- Estimated betterments = \$130,574.

### Line Item E- Replacement Lot Cost

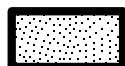
- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$133,000.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

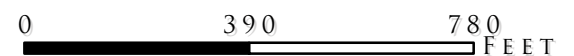
OIN# 9655  
OWNER: CHAD M & HEIDI L MCQUILLAN

PROPERTY ADDR: 313 SCHNELL DR, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.47 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9655

Document Path: D:\GIS\Projects\FM Diversion\FM Area Diversion\Projects\Land Acquisition\SWC Reimbursement (Cost Share)\Mapbook2.mxd cfm ae2S



Maps are for graphical purposes only. They do not represent a legal survey. While every effort has been made to ensure that these data are accurate and reliable, The Diversion Authority does not guarantee the accuracy of the information, and waives any warranty or guarantee of any kind, express or implied. The data involved in the project is continuously refined and revised; you should not rely on this information for technical purposes or accuracy.

November 5, 2015

Darrel Vanyo  
Chair, FM Diversion Authority

Dear Mr. Vanyo,

It is my understanding that, the Diversion Authority is responsible for property acquisitions for the FM Area Diversion Project, as well as the Oxbow Ring Levee Project. The property acquisitions in Oxbow include not only the need to acquire the existing property, but also the requirement to replace the existing home such that the displaced residents have a comparable property to relocate to. Several of the Oxbow homes and relocations have occurred prior to my involvement in this project, but we were recently asked by CH2M and AE2S representatives to assist in the replacement home cost analysis for approximately 12 homes. It is my understanding that the 12 property owners are electing to stay in Oxbow, and therefore, the Diversion Authority will be responsible for construction of a replacement home that is comparable to the existing home.

As we began our involvement in the project, we reviewed the processes that had been used previously to establish cost allowances for the replacement homes. In addition, we visited Oxbow and became familiar with the type, condition, and location of the remaining 12 homes. Through this review, it became apparent that we needed to provide services in two phases.

#### Phase 1 - Verification of Unit Price Approach

In review of previous acquisitions and replacement housing terms, I had the opportunity to review the approach that the land acquisition team has used to date, along with the database of comparable properties that the team used to establish the unit price range for replacing the existing homes. Upon review, I determined that the methodology used to set the range of unit prices is reasonable. The unit prices are consistent with unit prices for a peer group of homes constructed of similar fit and finish in the region. Furthermore, when replacement housing agreements can be reached with the displaced home owners using the unit price approach, it is reasonable to do so. Based upon my understanding of the 12 remaining homes, I anticipate that approximately half of them will fit within this approach.

#### Phase 2 - Replacement Cost Verification and "Like for Like" Analysis

When the unit cost for replacement properties fall outside the established unit price range (as validated in Phase 1), or if an agreement cannot be reached with the displaced home owner based on the unit price approach, then the land acquisition team and I recommend a more thorough review of the existing home and the plans and specifications for the proposed replacement home. In these cases, I will determine what an appropriate replacement value is for the current home based on its current style, fit and finish, and amenities. This will establish a unit cost replacement value for that existing home based on comparable properties in my database for like project.

If additional detail is necessary to compare this home to the replacement home, I will conduct a "like for like" analysis and determine what should be considered betterments in the replacement home. I will also be verifying the builder costs associated with the replacement home and ensuring that the costs fall in line with building industry standards or items were competitively bid.

I will prepare a letter report for each of the properties that require the replacement cost verification and "like for like" analysis. Based upon my understanding of the 12 remaining homes, I anticipate that approximately half of them will require this analysis.

### Summary

The above referenced two-phase approach will assist the Diversion Authority in validating the replacement housing agreements necessary for the remaining 12 homes in Oxbow. I appreciate the opportunity to participate in this process and to provide the expertise that the Program needs to both verify and validate costs to ensure both the displaced property owners and the taxpayers are treated fairly in this process. I believe the land acquisition team has done a reasonable job to date in assembling these complex replacement packages, but I look forward to providing additional expertise to help handle the unique situations the Program is encountering.

We look forward to the opportunity to support the Diversion Authority in its commitment to bring permanent flood protection to the metro area.

Sincerely,



Craig Helenske  
Architect

## Residential Landscape Prices

Date of Site Visit: 11/3/15

**Property Owner: McQuillan**

**Location: 313 Schnell Dr., Oxbow**

Homeowner present at time of visit: no

Homeowner comments:

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
<b>Sitework</b>				
Organic Amendments & Fertilizer	sf	\$ 0.10	7,856	\$ 785.60
<b>Landscape Mulch</b>				
Rock Mulch -1 1/2" River Rock (3" depth)	cy	\$ 150.00	3.3	\$ 495.00
<b>Paving and Patios</b>				
Concrete Paving	sf	\$ 6.00	984	\$ 5,904.00
Concrete Paver over Agg. Base	sf	\$ 20.00	371	\$ 7,420.00
Modular Block Retaining Wall	sf	\$ 45.00	75	\$ 3,375.00
<b>Plants</b>				
Sod (includes finish grading)	sf	\$ 0.60	7500	\$ 4,500.00
Spaded Deciduous Tree	ea	\$ 1,200.00	4	\$ 4,800.00
<b>Irrigation</b>				
Irrigation -zones estimated	ea	\$ 525.00	6	\$ 3,150.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
<b>Site Amenities</b>				
Mailbox -Brick Column	ea	\$ 2,400.00	1	\$ 2,400.00
Basketball Post and Backboard	ea	\$ 1,800.00	1	\$ 1,800.00
<b>General Contractor 10% Markup</b>				\$ 3,542.96
<b>Total</b>				<b>\$ 38,972.56</b>

# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Michael and Donnie Strei
Address	808 Riverbend Road
Property Type	Single family residential
Identification Number	9593, 9594

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property.

### Description of Acquired Property

The subject property is a single family residential property located on the southeast side of Riverbend Road. The subject has two parcels that have a total site size of 58,944 Sq. Ft. The site is mostly level with a dramatic slope along the river. The subject's improvements are considered to be a good quality two Story dwelling in good overall condition. The Gross Living Area (GLA) is calculated to be 2,617 Sq. Ft. The basement size is 1,924 Sq. Ft. with 1,265 Sq. Ft. of finished space. There is an attached three car garage with a concrete drive on Riverbend Road. The main entrance to the home opens to a large foyer area with a formal dining room to the right and ½ bath, den, and master bedroom suite to the right. The kitchen, to the right of the dining room, has an informal dinette area that leads to the rear deck and patio, and a laundry room that leads to the attached 3 car garage. The formal living room is located in the rear of the home between the dinette and master bathroom. The second floor stairs are located near the foyer; they lead to a small balcony that overlooks the foyer. The second floor also has two more bedrooms, a den and another bathroom. The finished basement has a large family room, den, secondary kitchen, bedroom, bathroom, laundry area, and access to the garage. Some notable features for the subject include extensive landscaping with multiple mature trees including spruce, aspen, willow, walnut, crabapple, maple, poplar, etc., irrigation system, large patio, deck, fountain, LP tank, retaining walls, storage shed with concrete, stone walks, upgraded siding, upgraded roofing, upgraded windows, upgraded doors, whirlpool tub, walk in closets, 12 foot ceilings, nine foot ceilings, wood flooring, home speaker system, built in desk and shelving, open front porch, basement entrance from the heated/insulated three car attached garage, epoxy floor, generator, built in appliances, vaulted ceilings, two story foyer with second floor balcony, upgraded ceiling textures, two egress windows, upgraded mechanicals, skylight, dual sump pumps, full secondary kitchen in the basement, surround sound, ceramic tile, custom professional interior paint, ceiling fans, kitchen center island, double sided fireplace, custom stairs with handrails, whirsbo in-floor heat for the home and the garage, etc. Some recent updating includes new landscaping, trees, manual sewer shut off, basement finishing, interior paint, boiler, etc.



The purchase price for the acquired property is based on an appraisal produced by a qualified appraiser following the “Yellow Book” standards. The appraisal was reviewed and approved by USACE. The appraised amount establishes the ‘Just Compensation’ amount paid for the property.

### Description of Replacement Property

A Replacement Housing Agreement was established to document the benefits associated with re-establishment of a decent, safe, sanitary, and comparable replacement home as required by the Uniform Act (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)).

The replacement home is a 2,450 sq. ft. new two-story home with 1,000 sq. ft. finished basement. The finished square foot of this home, will provide three bedrooms, 2.5 bathrooms, an office, plus a master suite with master bathroom, walk in closet. The homeowner is considering betterments to the new home which are anticipated to total \$101,192 based on current plans. This amount could change if the homeowner makes changes to the new home plan.

### Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$714,400 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$415,729 including contingency for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$150,000, which will be fully reimburse to CCJWRD per the Oxbow MOU Amendment.

### Replacement Home Cost Summary

Property ID#: 9593		Notes
<b>Total Replacement Home Cost</b>	\$ 1,341,348	<u>Includes: (see supplemental detail below)</u> A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less ‘Just Compensation’</b>	- (\$ 714,400)	Based on Appraisal and Purchase Agreement
<b>Less ‘Betterments’</b>	- (\$ 101,192)	Based on “Like for Like” Analysis
<b>Less ‘Replacement Lot Cost’</b>	- (\$ 150,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$ 375,756	
<b>Construction Contingency</b>	+ \$ 37,575	Add 10 percent for uncertainties
<b>Replacement Housing Agreement</b>	= <b>\$ 413,331</b>	

The following details support the Replacement Home Cost and Replacement Housing Agreement.

## Supplemental Replacement Housing Detail

### Line Item A – Replacement House Allowance

1. Breakdown *existing* house into finished space categories.
2. Multiply existing house areas by Unit Price.
3. Unit Price established by acquisition team, based on database of comparable properties in Oxbow and the FM Metro Area, validated by professional architect (Helenske Design Group).

		1				2				3	
		Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)		Replacement Cost				
<b>Replacement House Allowance</b>	=	Above Grade Finished Space	2,617	x	\$272	=	\$711,824				
		Below Grade Finished Space	1,378	x	\$80	=	\$110,240				
		Below Grade Unfinished Space	546	x	\$32	=	\$17,472				
		Garage	1,137	x	\$42	=	\$47,754				
		<b>Total (Replacement House Allowance)</b>				<b>=</b>	<b>\$887,290</b>				

### Line Item B – House to Home Allowances

- Accounts for replacement of “like for like” elements in the displaced persons’ existing home that are not included in the base cost for the replacement house, such that the replacement home has a comparable “fit and finish”.
- Allowances based on competitive quotes or professionally developed cost estimates to replace existing features.

Item	Allowance	Notes
Window Coverings	\$ 17,560.00	Placeholder. We will accept the lower of the two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 122,323.00	Utilizing appraisal from Hanson Design Associates’ (see attached report)
2 <sup>nd</sup> kitchen and storage	\$20,823.00	Professional estimate
Custom Paint	\$5,000.00	Placeholder. We will accept the lower of two bid.
<b>TOTAL</b>	<b>\$ 165,706.00</b>	

### Line Item C – Project Required Costs

- Costs necessary for home construction in Oxbow.
- URA eligible costs identified for future crediting purposes.
- Costs based on builder line item quotes or estimates.

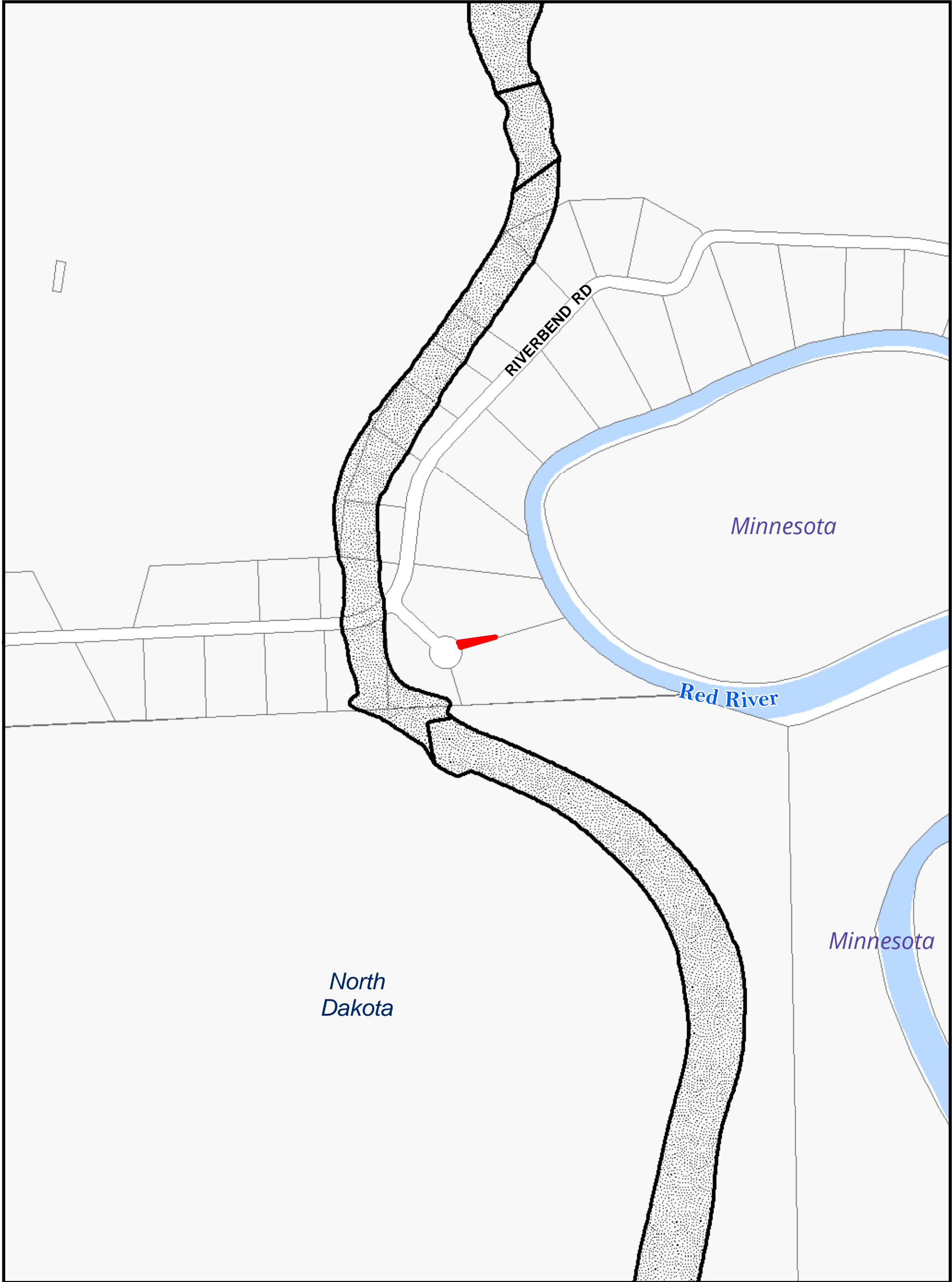
Item	Costs	Notes
Driveway extension	\$4,500.00	Quote in builder bid
Propane tank	\$ 4,860.00	Quote in builder bid
Flood Certification	\$1,800.00	Quote in builder bid
Permitting	\$ 7,500.00	Quote in builder bid
Design fee	\$ 3,500.00	Quote from builder bid
Builder Financing	\$15,000.00	Quote from builder bid
<b>TOTAL</b>	<b>\$37,160.00</b>	

### Line Item D- Betterments

- Costs above the replacement house or other allowances, reflecting improvements beyond the size, fit, finish, etc. of the existing home.
- Betterment costs are paid by the displaced person.
- Estimated betterments = \$101,192.

### Line Item E- Replacement Lot Cost

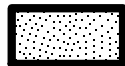
- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$150,000.



CURRENT COST SHARE REQUEST



Diversion Channel



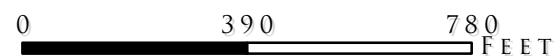
OHB Levee



In Town Levee

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9594

Document Path: D:\GIS\Projects\FM Diversion\FM Area Diversion\Projects\Land Acquisition\SWC Reimbursement (Cost Share)\Mapbook2.mxd cfm ae2S

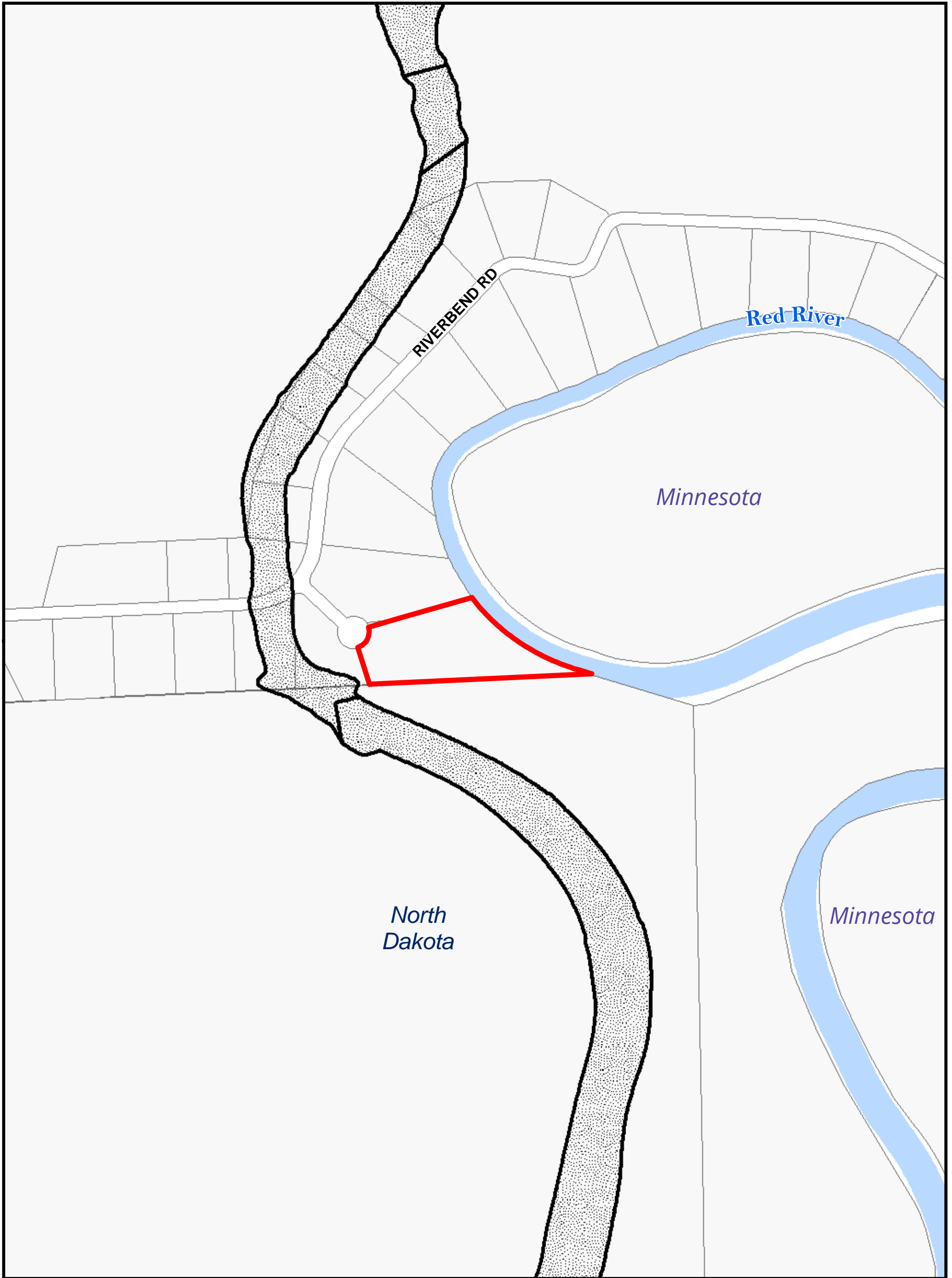


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OIN# 9594  
OWNER: MICHAEL & DONNIE STREI

PROPERTY ADD: N/A, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

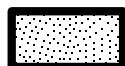
PARCEL ACREAGE: 0.01 AC.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

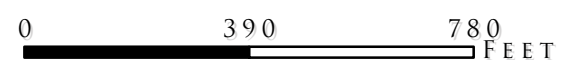
OIN# 9593  
OWNER: MICHAEL A STREI ETAL

PROPERTY ADD: 808 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 1.58 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9593

Document Path: D:\GIS\Projects\FM Diversion\FM Area Diversion\Projects\Land Acquisition\SWC Reimbursement (Cost Share)\Mapbook2.mxd clm ae2S



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November 5, 2015

Darrel Vanyo  
Chair, FM Diversion Authority

Dear Mr. Vanyo,

It is my understanding that, the Diversion Authority is responsible for property acquisitions for the FM Area Diversion Project, as well as the Oxbow Ring Levee Project. The property acquisitions in Oxbow include not only the need to acquire the existing property, but also the requirement to replace the existing home such that the displaced residents have a comparable property to relocate to. Several of the Oxbow homes and relocations have occurred prior to my involvement in this project, but we were recently asked by CH2M and AE2S representatives to assist in the replacement home cost analysis for approximately 12 homes. It is my understanding that the 12 property owners are electing to stay in Oxbow, and therefore, the Diversion Authority will be responsible for construction of a replacement home that is comparable to the existing home.

As we began our involvement in the project, we reviewed the processes that had been used previously to establish cost allowances for the replacement homes. In addition, we visited Oxbow and became familiar with the type, condition, and location of the remaining 12 homes. Through this review, it became apparent that we needed to provide services in two phases.

#### Phase 1 - Verification of Unit Price Approach

In review of previous acquisitions and replacement housing terms, I had the opportunity to review the approach that the land acquisition team has used to date, along with the database of comparable properties that the team used to establish the unit price range for replacing the existing homes. Upon review, I determined that the methodology used to set the range of unit prices is reasonable. The unit prices are consistent with unit prices for a peer group of homes constructed of similar fit and finish in the region. Furthermore, when replacement housing agreements can be reached with the displaced home owners using the unit price approach, it is reasonable to do so. Based upon my understanding of the 12 remaining homes, I anticipate that approximately half of them will fit within this approach.

#### Phase 2 - Replacement Cost Verification and "Like for Like" Analysis

When the unit cost for replacement properties fall outside the established unit price range (as validated in Phase 1), or if an agreement cannot be reached with the displaced home owner based on the unit price approach, then the land acquisition team and I recommend a more thorough review of the existing home and the plans and specifications for the proposed replacement home. In these cases, I will determine what an appropriate replacement value is for the current home based on its current style, fit and finish, and amenities. This will establish a unit cost replacement value for that existing home based on comparable properties in my database for like project.

If additional detail is necessary to compare this home to the replacement home, I will conduct a "like for like" analysis and determine what should be considered betterments in the replacement home. I will also be verifying the builder costs associated with the replacement home and ensuring that the costs fall in line with building industry standards or items were competitively bid.

I will prepare a letter report for each of the properties that require the replacement cost verification and "like for like" analysis. Based upon my understanding of the 12 remaining homes, I anticipate that approximately half of them will require this analysis.

### Summary

The above referenced two-phase approach will assist the Diversion Authority in validating the replacement housing agreements necessary for the remaining 12 homes in Oxbow. I appreciate the opportunity to participate in this process and to provide the expertise that the Program needs to both verify and validate costs to ensure both the displaced property owners and the taxpayers are treated fairly in this process. I believe the land acquisition team has done a reasonable job to date in assembling these complex replacement packages, but I look forward to providing additional expertise to help handle the unique situations the Program is encountering.

We look forward to the opportunity to support the Diversion Authority in its commitment to bring permanent flood protection to the metro area.

Sincerely,



Craig Helenske  
Architect

## Residential Landscape Prices

Date of Site Visit: 11/3/15

**Property Owner: Strei**

**Location: 808 Riverbend Rd., Oxbow**

Homeowner present at time of visit: no

Homeowner comments:

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
<b>Sitework</b>				
Organic Amendments & Fertilizer	sf	\$ 0.10	19,478	\$ 1,947.80
<b>Edging</b>				
Edging -PVC	lf	\$ 3.50	370	\$ 1,295.00
Edging -River Rock	lf	\$ 3.50	125	\$ 437.50
<b>Landscape Mulch</b>				
Wood Mulch -Hardwood (3" depth)	cy	\$ 110.00	5	\$ 550.00
Rock Mulch - 2-4" River Rock (3" depth)	cy	\$ 175.00	8.5	\$ 1,487.50
<b>Paving and Patios</b>				
Exposed Agg. Concrete Paving	sf	\$ 12.00	434	\$ 5,208.00
Modular Block Retaining Wall	sf	\$ 45.00	32	\$ 1,440.00
Decorative Concrete Stepping Stones	ea	\$ 10.00	28	\$ 280.00
Flagstone/Slate Stepping Stones	ea	\$ 20.00	18	\$ 360.00
Raised Wood Planter	sf	\$ 20.00	48	\$ 960.00
Railroad Tie Wall	sf	\$ 10.00	340	\$ 3,400.00
<b>Deck</b>				
Deck -Composite	sf	\$ 45.00	54	\$ 2,430.00
Trellis	ea	\$ 200.00	3	\$ 600.00
<b>Lighting</b>				
Yard Light	ea	\$ 800.00	1	\$ 800.00
Ornamental Light Pole	ea	\$ 1,200.00	1	\$ 1,200.00
<b>Plants</b>				
Sod	sf	na	18,000	\$ 13,200.00
Spaded Trees	ea	na	66	\$ 51,480.00
Plant Materials Shrubs (75) & Perennials (245)	ea	na	na	\$ 11,519.89
<b>Irrigation</b>				
Irrigation -zone	ea	\$ 525.00	7	\$ 3,675.00
Irrigation Pump & Piping from River	ea	\$ 3,000.00	1	\$ 3,000.00
Sump Line	ls	na	1	\$ 315.00
<b>Site Amenities</b>				
Wood Shed 10'x14'	ea	\$ 5,640.00	1	\$ 5,640.00
<b>General Contractor Markup</b>				\$ 11,097.31
<b>Total</b>				<b>\$ 122,323.00</b>



# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Casey E. Johnson and Heather Westlund
Previous address	817 Riverbend Road
Property Type	Single family residential
Identification Number	9507

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property.

### Description of Acquired Property

The subject property is a single family residential property. The subject's site is located on the west side of Riverbend Road along the 7th hole of Oxbow Country Club. The subject's total site size is 21,176 Sq. Ft. The site is level with some landscaping trees along the perimeter. The subject's improvements are considered to be an average to good quality one story dwelling in average to good overall condition. The Gross Living Area (GLA) is calculated to be 2,045 Sq. Ft. The basement size is 1,974 Sq. Ft. with 1,626 Sq. Ft. of finished space. There is a heated attached three car garage with concrete drive from Riverbend Road. The main entrance to the home has a large foyer that opens to the rear living room and formal dining room to the left. The first floor also has an eat-in kitchen and a laundry room to the left and the master bedroom suite, two other bedrooms and another bathroom to the right. The basement has a large family room and amusement room with a wet bar, a large bedroom, bathroom, den, an unfinished utility room, and a small workshop area. Some notable features for the subject include central air conditioning, upgraded ceramic tile floors, cherry wood floors, open entry porch, irrigation system, gutters and downspouts, upgraded windows, concrete drive, upgraded exterior, upgraded roofing, upgraded mechanicals, built in appliances, upgraded carpet, fireplace, walk in closets, three ceiling fans, built ins, good landscaping, three concrete patios, cherry wood wet bar in the basement, heated and insulated three car garage, 10 foot ceilings, custom professional interior paint, basement garage access, custom window treatments, surround sound, etc. Some recent updating includes new ceramic tile in the bathrooms, carpet, appliances, plumbing fixtures, kitchen butcher block island, etc.

The purchase price for the acquired property is based on an appraisal produced by a qualified appraiser following the "Yellow Book" standards. The appraisal was reviewed and approved by USACE. The appraised amount establishes the 'Just Compensation' amount paid for the property.

### Description of Replacement Property

A Replacement Housing Agreement was established to document the benefits associated with re-establishment of a decent, safe, sanitary, and comparable replacement home as required by the

Uniform Act (Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Public Law 91-646)).

The replacement home is a single family one-story style with 2,049 sq ft finished on the main level and 1,599 sq ft of finished and 344 sq ft of unfinished space in the lower level. The finished square foot of this home, will provide five bedrooms, 2.5 bathrooms, an office, plus a master suite with master bathroom, walk in closet. The homeowner is considering betterments to the new home which are anticipated to total \$46,630 based on current plans. This amount could change if the homeowner makes changes to the new home plan.

### Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$448,300 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$369,833 including contingency, for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$117,000, which will be fully reimburse to CCJWRD per the Oxbow MOU Amendment.

### Replacement Home Cost Summary

Property ID#: 9507		Notes
		<u>Includes: (see supplemental detail below)</u>
<b>Total Replacement Home Cost</b>	\$ 948,142	A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less 'Just Compensation'</b>	- (\$ 448,300)	Based on Appraisal and Purchase Agreement
<b>Less 'Betterments'</b>	- (\$ 46,630)	Based on "Like for Like" Analysis
<b>Less 'Replacement Lot Cost'</b>	- (\$ 117,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$ 336,212	
<b>Construction Contingency</b>	+ \$ 33,621	Add 10 percent for uncertainties
<b>Replacement Housing Agreement</b>	= <b>\$ 369,833</b>	

The following details support the Replacement Home Cost and Replacement Housing Agreement.

## Supplemental Replacement Housing Detail

### Line Item A – Replacement House Allowance

1. Breakdown *existing* house into finished space categories.
2. Multiply existing house areas by Unit Price.
3. Unit Price established by acquisition team, based on database of comparable properties in Oxbow and the FM Metro Area, validated by professional architect (Helenske Design Group).

		1				2				3	
		Existing House Areas	Area (SF)			Unit Price (\$ / SF, rounded)				Replacement Cost	
<b>Replacement House Allowance</b>	=	Above Grade Finished Space	2,045	x		\$229	=			\$468,305	
		Below Grade Finished Space	1,626	x		\$80	=			\$130,080	
		Below Grade Unfinished Space	348	x		\$30	=			\$10,440	
		Garage	956	x		\$40	=			\$38,240	
		<b>Total (Replacement House Allowance)</b>								<b>= \$647,065</b>	

### Line Item B – House to Home Allowances

- Accounts for replacement of “like for like” elements in the displaced persons’ existing home that are not included in the base cost for the replacement house, such that the replacement home has a comparable “fit and finish”.
- Allowances based on competitive quotes or professionally developed cost estimates to replace existing features.

Item	Allowance	Notes
Window Coverings	\$ 25,000	Placeholder. Allowance will be based on the lower of two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 38,051	Hanson Design Associates’ professional estimate. (see attached report)
Custom Paint	\$9,000	Part of Builder bid.
<b>TOTAL</b>	<b>\$ 72,051</b>	

### Line Item C – Project Required Costs

- Costs necessary for home construction in Oxbow.
- URA eligible costs identified for future crediting purposes.
- Costs based on builder line item quotes or estimates.

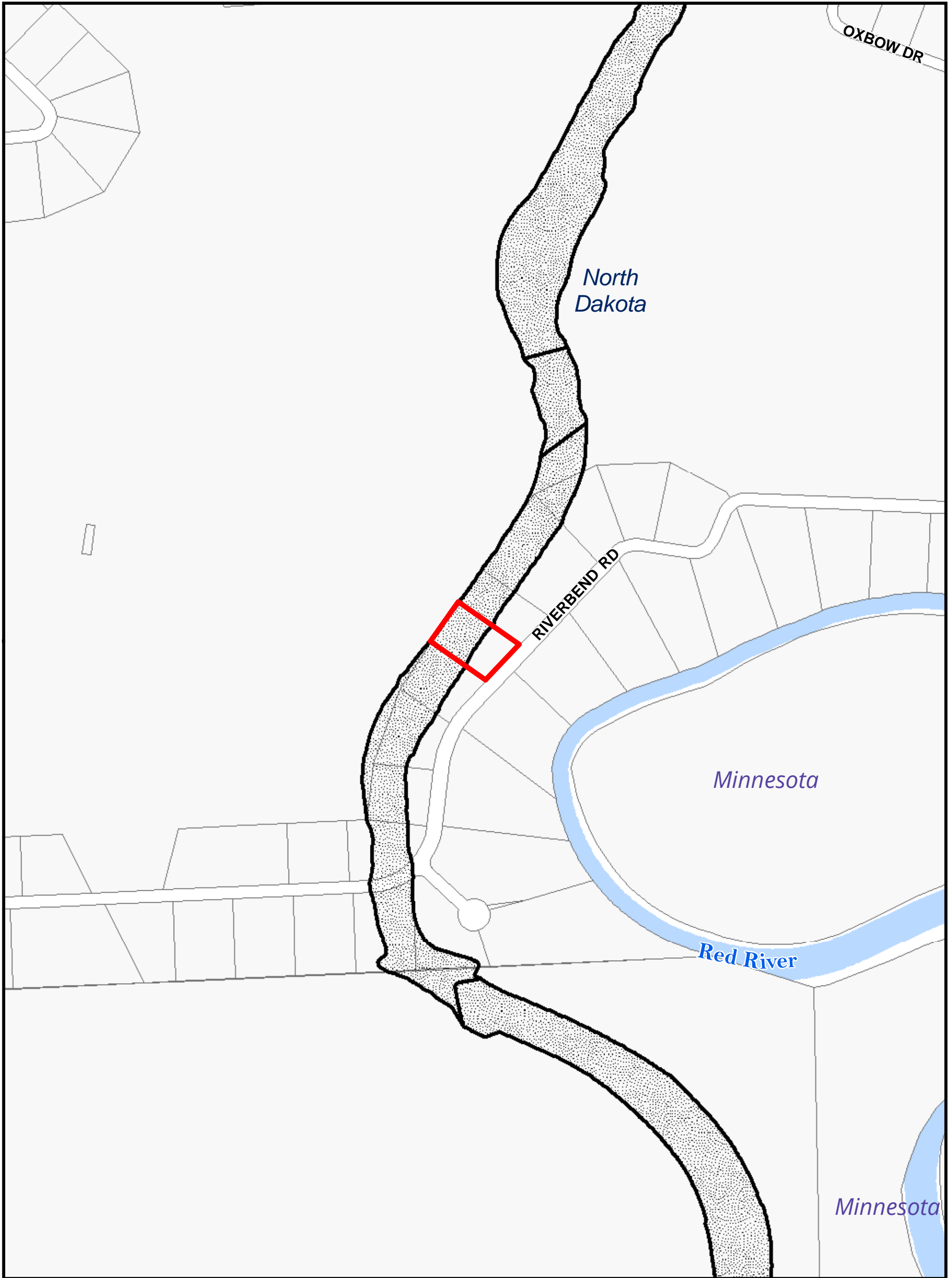
Item	Costs	Notes
Design	\$4,600.00	Quote in builder bid
Bury Propane Tank	\$ 4,500.00	Quote in builder bid
Flood Proofing - Certification	\$ 19,096.00	Quote in builder bid
Utility Connection	\$3,500.00	Quote from builder bid
Site conditions, Radon	\$ 4,200.00	Quote from builder bid
Driveway Extension	\$29,500.00	Quote from builder bid
<b>TOTAL (rounded)</b>	<b>\$65,396.00</b>	

### Line Item D- Betterments

- Costs above the replacement house or other allowances, reflecting improvements beyond the size, fit, finish, etc. of the existing home.
- Betterment costs are paid by the displaced person.
- Estimated betterments = \$46,630.

### Line Item E- Replacement Lot Cost

- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$117,000.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

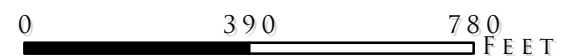
OIN# 9507  
OWNER: CASEY E JOHNSON ETAL

PROPERTY ADDR: 817 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.49 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9507

Document Path: D:\GIS\Projects\FM Diversion\FM Area Diversion\Projects\Land Acquisition\SWC Reimbursement (Cost Share)\Mapbook2.mxd cfm ae2S



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November 5, 2015

Darrel Vanyo  
Chair, FM Diversion Authority

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It is my understanding that, the Diversion Authority is responsible for property acquisitions for the FM Area Diversion Project, as well as the Oxbow Ring Levee Project. The property acquisitions in Oxbow include not only the need to acquire the existing property, but also the requirement to replace the existing home such that the displaced residents have a comparable property to relocate to. Several of the Oxbow homes and relocations have occurred prior to my involvement in this project, but we were recently asked by CH2M and AE2S representatives to assist in the replacement home cost analysis for approximately 12 homes. It is my understanding that the 12 property owners are electing to stay in Oxbow, and therefore, the Diversion Authority will be responsible for construction of a replacement home that is comparable to the existing home.

As we began our involvement in the project, we reviewed the processes that had been used previously to establish cost allowances for the replacement homes. In addition, we visited Oxbow and became familiar with the type, condition, and location of the remaining 12 homes. Through this review, it became apparent that we needed to provide services in two phases.

#### Phase 1 - Verification of Unit Price Approach

In review of previous acquisitions and replacement housing terms, I had the opportunity to review the approach that the land acquisition team has used to date, along with the database of comparable properties that the team used to establish the unit price range for replacing the existing homes. Upon review, I determined that the methodology used to set the range of unit prices is reasonable. The unit prices are consistent with unit prices for a peer group of homes constructed of similar fit and finish in the region. Furthermore, when replacement housing agreements can be reached with the displaced home owners using the unit price approach, it is reasonable to do so. Based upon my understanding of the 12 remaining homes, I anticipate that approximately half of them will fit within this approach.

#### Phase 2 - Replacement Cost Verification and "Like for Like" Analysis

When the unit cost for replacement properties fall outside the established unit price range (as validated in Phase 1), or if an agreement cannot be reached with the displaced home owner based on the unit price approach, then the land acquisition team and I recommend a more thorough review of the existing home and the plans and specifications for the proposed replacement home. In these cases, I will determine what an appropriate replacement value is for the current home based on its current style, fit and finish, and amenities. This will establish a unit cost replacement value for that existing home based on comparable properties in my database for like project.

If additional detail is necessary to compare this home to the replacement home, I will conduct a "like for like" analysis and determine what should be considered betterments in the replacement home. I will also be verifying the builder costs associated with the replacement home and ensuring that the costs fall in line with building industry standards or items were competitively bid.

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### Summary

The above referenced two-phase approach will assist the Diversion Authority in validating the replacement housing agreements necessary for the remaining 12 homes in Oxbow. I appreciate the opportunity to participate in this process and to provide the expertise that the Program needs to both verify and validate costs to ensure both the displaced property owners and the taxpayers are treated fairly in this process. I believe the land acquisition team has done a reasonable job to date in assembling these complex replacement packages, but I look forward to providing additional expertise to help handle the unique situations the Program is encountering.

We look forward to the opportunity to support the Diversion Authority in its commitment to bring permanent flood protection to the metro area.

Sincerely,



Craig Helenske  
Architect

## Residential Landscape Prices

Date of Site Visit: 10/26/15

**Property Owner: Johnson/Westlund**

**Location: 817 Riverbend Rd., Oxbow**

Homeowner present at time of visit: No

Homeowner comments:

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
<b>Sitework</b>				
Organic Amenments & Fertilizer	sf	\$ 0.10	14554	\$ 1,455.40
<b>Edging</b>				
Edging -PVC	lf	\$ 3.50	76	\$ 266.00
<b>Landscape Mulch</b>				
Wood Mulch -Cedar (3" depth)	cy	\$ 53.00	2.8	\$ 148.40
Rock Mulch - 2-4" River Rock (3" depth)	cy	\$ 145.00	2.3	\$ 333.50
<b>Patios</b>				
Concrete Paving -Patio	sf	\$ 6.00	2313	\$ 13,878.00
<b>Deck</b>				
Deck -Cedar	sf	\$ 25.00	152	\$ 3,800.00
<b>Plants</b>				
Sod (includes finish grading)	sf	\$ 0.60	14000	\$ 8,400.00
Spaded Evergreen Tree -12' ht.	ea	\$ 900.00	3	\$ 2,700.00
Deciduous Tree, Whip	ea	\$ 50.00	2	\$ 100.00
Deciduous Shrub #5 Cont.	ea	\$ 60.00	12	\$ 720.00
Perennial #1 Cont.	ea	\$ 25.00	50	\$ 1,250.00
<b>Irrigation</b>				
Irrigation -zones estimated	ea	\$ 450.00	10	\$ 4,500.00
<b>Site Amenities</b>				
Mailbox -Wood Post	ea	\$ 500.00	1	\$ 500.00
<b>Total</b>				<b>\$ 38,051.30</b>



# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Daniel and Ester Leake
Previous address	844 Riverbend Road, Oxbow, ND 58047
Property Type	Single Family Residential
Identification Number	9601

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property. In this case, the property owner is choosing to move out of Oxbow, and therefore a replacement housing agreement is not necessary for this acquisition.

### Description of Acquired Property

The subject property is a single family residential property. The subject's site is located on the southeast side of Riverbend Road in Oxbow. The subject's total site size is 39,077 Sq. Ft. The front of the site is level with landscaping trees; the rear of the site slopes toward the river with natural growth trees. The subject's improvements are considered to be a good quality two story dwelling in average to good overall condition. The Gross Living Area (GLA) is calculated to be 2,352 Sq. Ft. The basement size is 1,336 Sq. Ft. with 924 Sq. Ft. of finished space. There is an attached three car garage with a concrete driveway from Riverbend Road. There is a large patio off the rear, as well as an open entry porch and a large deck on the front of the home.

The main entrance to the home opens to a sunken living room. The attached, heated/insulated three car garage and shop are located to the right. The dining room, kitchen, family room and main floor ½ bath is located to the left. The second floor has the master suite with bedroom, private bathroom, walk in closet, and den. The finished basement level has another family room, two bedrooms, bathroom, and a finished laundry room. The utility room is also located in the basement; the walk upstairs in the utility room lead to the garage. Notable features in the home include central air conditioning, bamboo hardwood floors, open front porch, aggregate concrete drive and sidewalks, brick paver patio, extensive landscaping with upgraded edging, shrubs and perennial gardens, irrigation system, additional outlets for exterior lighting, egress windows, decorative mailbox, built in planters, heated/insulated three car garage with drain and workshop area, gutters and downspouts, upgraded windows, upgraded exterior stucco, dual sump pumps, upgraded mechanicals, walk in closets, speaker system, whirlpool tub, upgraded ceramic tile, recessed lighting, built in entertainment centers, fireplaces, double vanity, custom cabinetry, reverse osmosis water system, upgraded interior and exterior doors, ceiling fans, custom paint, fire pit, upgraded appliances, murphy bed, custom closet organizers, upgraded electrical, upgraded lighting, etc.

The owner provided some information about recent updating that included new interior paint, window treatments, appliances, landscaping, walks, etc.

### **Summary of Property Valuation**

An appraisal report for the property was completed by Gerald McKenzie of McKenzie Metro Appraisal in December 2014. The appraisal report suggested an opinion of market value of \$651,300. The appraisal report was submitted to USACE for review, and USACE approved the appraisal in March 2015.

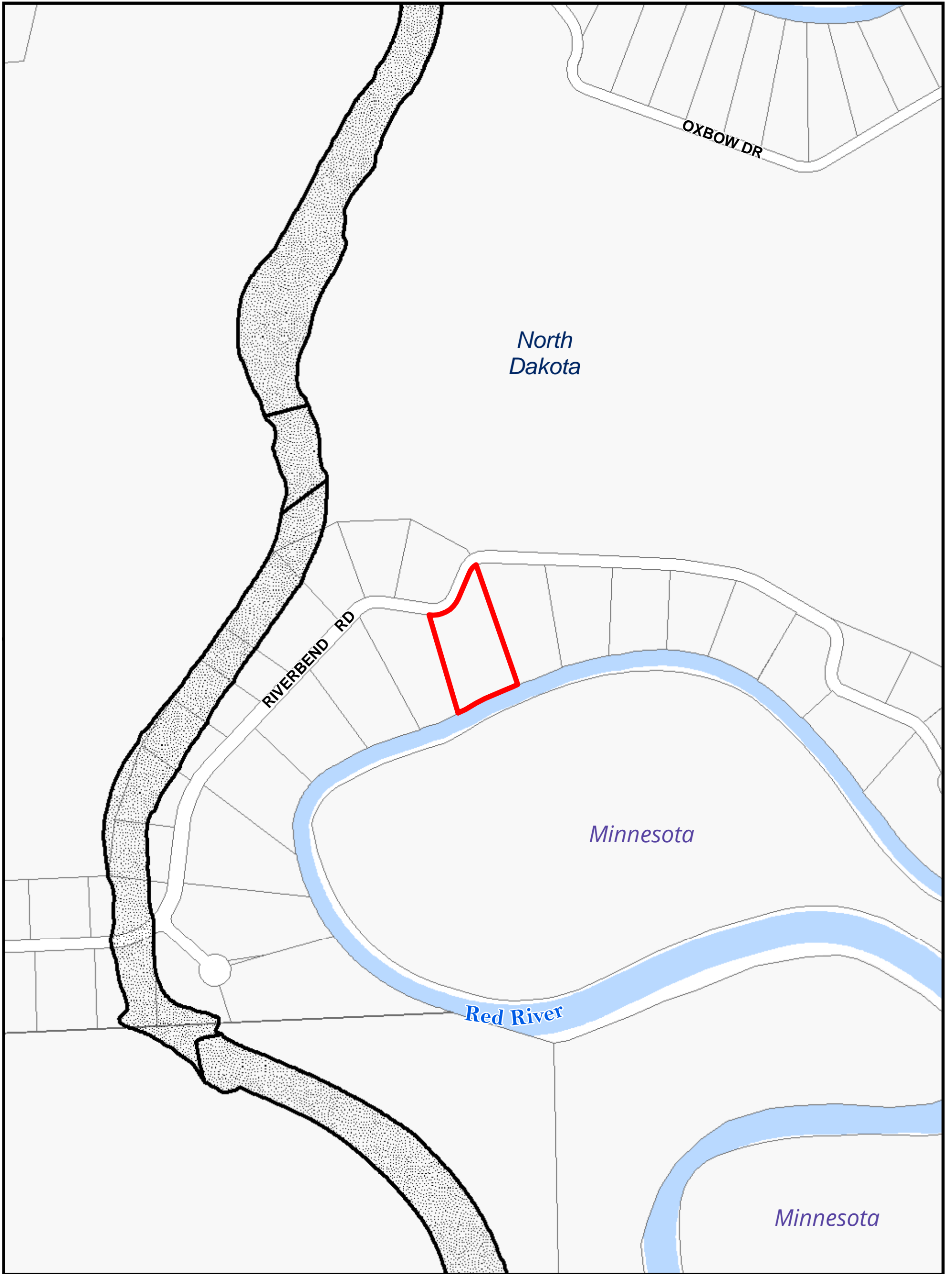
### **Summary of Negotiations and Administrative Settlement**

An offer to purchase the property based on the opinion of value from the appraisal report was presented as an initial offer to the property owner. After reviewing the offer, the property owner presented an initial counter offer of \$750,000, which is approximately 15 percent over the appraised value. This counter offer was not accepted.

After on several months of negotiations and in consideration of the facts obtained through completion of recent appraisals, market value increases since 2014, an independent architect's review, potential litigation cost avoidance, and new comparable lot sales in Oxbow, an administrative settlement of \$68,700, along with the appraised value of \$651,300 for a total offer of just compensation of \$720,000 for this property is the recommended settlement to be offered to the property owner. This settlement amount is approximately 10.5 percent over the original appraisal value from 2014.

### **Requested Action/Recommendation**

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$720,000 as just compensation for real property.



CURRENT COST SHARE REQUEST

OIN# 9601  
OWNER: DANIEL R & ESTHER E LEAKE

PROPERTY ADDR: 844 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.96 AC.



Diversion Channel



OHB Levee



In Town Levee

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9601

Document Path: D:\GIS\Projects\FM Diversion\FM Area Diversion\Projects\Land Acquisition\SWC Reimbursement (Cost Share)\Mapbook2.mxd cfm ae2S



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# FM Area Diversion Project

## Draft Property Acquisition Summary

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April 13, 2016

### Property

Owner	<b>Jon and Joan Rustvang</b>
Previous address	839 Riverbend Road, Oxbow, ND 58047
Property Type	Single Family Residential
Identification Number	9503

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map. Federal and state acquisition laws also require re-establishment of the displaced person in a decent, safe, sanitary, and comparable property. In this case, the property owner has considered both re-building in Oxbow and moving out of Oxbow. Based on this Property Acquisition Summary, the property owner is planning to move out of Oxbow, and therefore a replacement housing agreement is not necessary for this acquisition.

### Description of Acquired Property

The subject property is a single family residential property. The subject's site is located on the northwest side of Riverbend Road. The subject's total site size is 25,865 Sq. Ft. The site is level with extensive landscaping and some trees strategically placed around the home. The site is located on the corner of the 6th and 7th holes of the country club golf course with excellent views of the 6th green to the north. The subject's improvements are considered to be a very good quality two story dwelling in very good overall condition. The Gross Living Area (GLA) is calculated to be 6,306 Sq. Ft. The basement size is 3,153 Sq. Ft. There is an attached four car garage and another attached two car garage being used as a workshop/bonus room. A concrete drive leads from Riverbend Road to the garage stalls along the eastern side of the home.

The main entrance is a custom built arched walnut front door that opens to a grand foyer with curved stairs up to the open second floor. There is a den with extensive built-in features located to the left and a formal dining room to the right. The two story living room is located directly to the rear of the home with a master suite to the left and a gourmet kitchen to the right. The first floor also has an informal dining area off the kitchen, a main floor laundry, ½ bath, and another stairway off the kitchen. The master suite has a large master bathroom and two separate walk in closets. The second floor has three more bedrooms, three bathrooms, an exercise room, den, and multiple walk in closets. The basement is currently unfinished but is being used for additional storage and utilities.

Some notable features for the subject include central air conditioning, hardwood floors, marble tile floors, irrigation system, gutters and downspouts, upgraded windows, entertainment centers, concrete drive, upgraded brick exterior, upgraded roofing, geothermal heat pump system, upgraded mechanicals with dual furnaces and boiler back up, built in appliances, built in BBQ grill, walk in closets, ceiling fans, upgraded flooring, built in shelving, upgraded landscaping, flagstone patio, heated and insulated garages with epoxy floors and drains, dual sump pumps, security system, heated floors, central vacuum,

upgraded plumbing, landscape lighting, buried propane tank, brick mailbox, circular drive, exterior sound system, upgraded cabinetry, granite, upgraded appliances, interior sound system, built in desks, built in appliances, custom professional paint, fireplaces, whirlpool tub, custom window treatments, built in gun cabinet, arched doorways, upgraded lighting and fixtures, upgraded electrical, basement entrance from garage, garage cabinetry and entertainment system, etc. Some recent updating includes new furnaces, boiler, outdoor kitchen, custom walnut front entry door, interior paint, garage floor finishing, workshop, shelving, etc.

## **Summary of Property Valuation**

Two appraisals and an appraisal update have been completed for this property. The first appraisal report was completed by Gerald McKenzie of McKenzie Metro Appraisal on January 21, 2015. The McKenzie appraisal report suggested an opinion of market value of \$1,645,600. This appraisal was submitted to USACE for review, but the USACE review appraiser did not agree with the opinion of value and the appraisal was not approved.

A second appraisal was then ordered and completed by Gary Bock of GE Bock Real Estate, LLC in August 2015. The Bock appraisal report suggested an opinion of value of \$1,300,000. This appraisal was submitted to USACE for review, and USACE approved the appraisal in October 2015.

Upon review of the Bock appraisal report, the property owner raised several concerns on the content of the appraisal. After consideration of the concerns, it was agreed to request an appraisal update by Gary Bock. The appraiser considered the property owner's concerns, including correcting the number of rooms, square footage, and finishings, but did not feel those concerns had substantial impact on the opinion of value. The appraiser also re-examined recent sales of comparable properties, and found recent sales that were incorporated into the appraisal update. Mr. Bock completed the appraisal update in February 2016, and determined an updated opinion of value of \$1,257,500.

## **Summary of Negotiations and Administrative Settlement**

Prior to negotiations of the existing home, due to established policy, the property owner had the choice on whether to rebuild a comparable replacement home in Oxbow or accept a buyout and move elsewhere. During this phase of acquisition, a replacement home cost allowance was estimated to establish the costs associated with rebuilding. This cost estimate is summarized below.

Ultimately, the property owner choose to forego rebuilding a comparable replacement home in Oxbow, and decided to seek a buyout and plans to relocate outside of Oxbow. This decision by the property owner initiated the buyout negotiations for the existing property. An offer to purchase the property based on the opinion of value in the second appraisal was then presented as an initial offer to the property owner. After reviewing the offer, the property owner presented an initial counter offer of \$2,100,000. Through negotiations, the property owner submitted a follow up offer of \$1,975,000. These counter offers were not accepted.

After on several months of negotiations and in consideration of the facts obtained through the appraisals, an independent architect's review, potential litigation cost avoidance, the developed replacement home cost estimate, and new comparable lot sales in Oxbow, an administrative settlement of \$521,500, along with the appraised value of \$1,257,500 for a total offer of just compensation of \$1,779,000 for this property is the recommended settlement to be offered to the property owner.

## Requested Action/Recommendation

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$1,779,000 as just compensation for real property.

## Summary of Potential Relocation Replacement Housing Costs

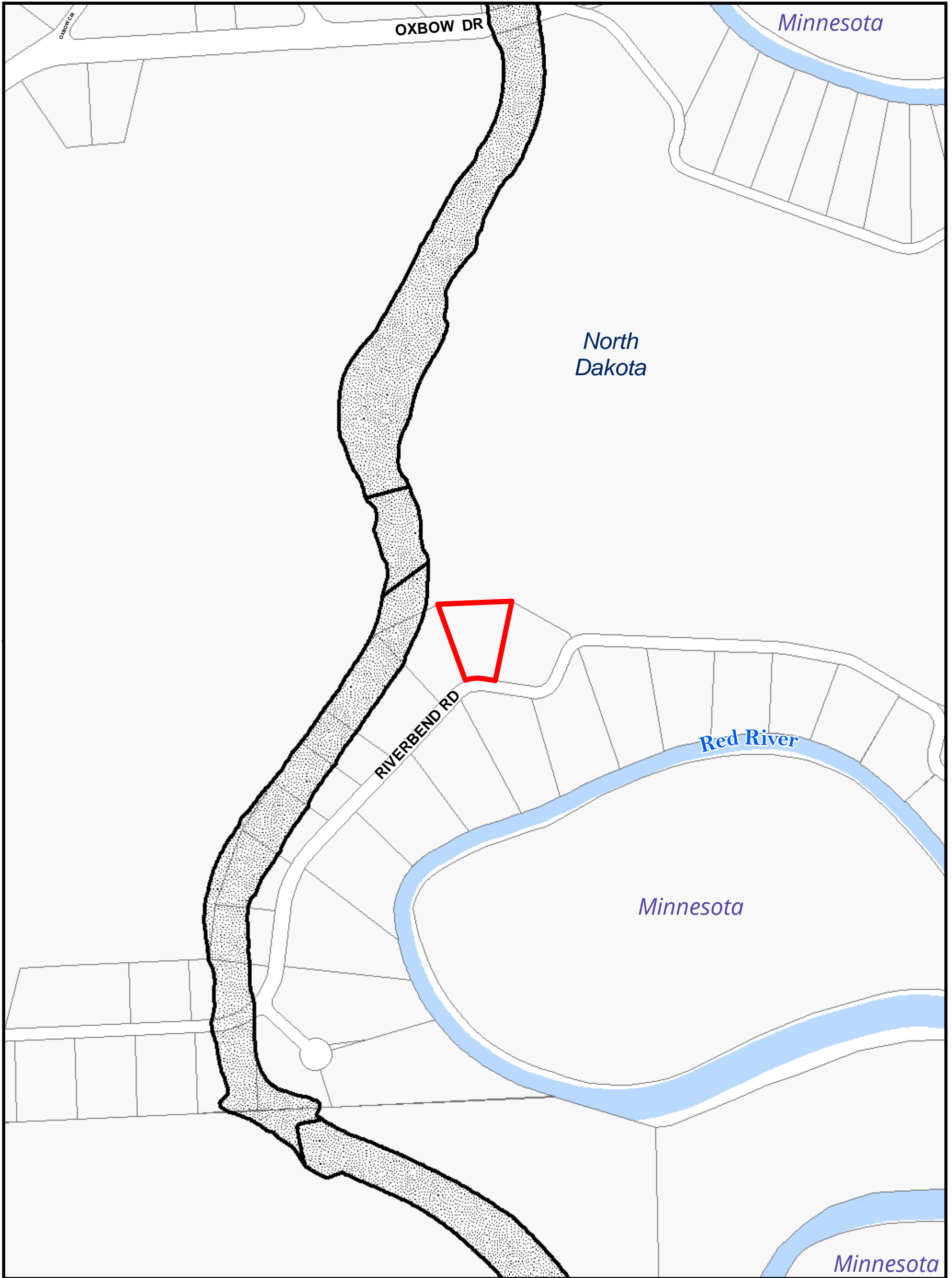
*The following is provided for awareness and consideration of a hypothetical re-build situation.*

As required by the Uniform Acquisition and Relocation Act (URA), the property owners have been advised of their relocation rights under the URA, as well as the Memorandum of Understanding between the Diversion Authority and the City of Oxbow (MOU). If the property owner chooses to build a replacement home in Oxbow instead of accepting a buyout and moving outside of Oxbow, the information below summarizes the terms of a replacement housing agreement that would be likely, based on information known at this time.

An architectural firm and a landscape architect have been engaged to develop the estimated costs associated with the replacement of the home pursuant to the URA and the MOU. The table below illustrates the projected costs for a replacement home if built in Oxbow. These are estimated costs that would need to be confirmed through the relocation agreement process. Based on the replacement cost analysis complete by Helenske Design Group and estimates for Project Required and House to Home costs, the estimated replacement cost for the Rustvang house is \$2.6M.

### Potential Estimated Replacement Home Cost Estimate

Property ID#: 9602		Notes
<b>Total Replacement Home Cost</b> <i>(current estimate, not final, waiting on final verification of a few costs)</i>	\$ 2,600,000	<u>Includes: (see supplemental detail below)</u> A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Replacement Lot Cost
<b>Less 'Just Compensation'</b>	- (\$ 1,257,500)	Based on the latest Appraisal
<b>Less 'Replacement Lot Cost'</b>	- (\$ 144,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Housing Payment</b>	<b>= \$1,198,500</b>	



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

OIN# 9503  
OWNER: JON & JOAN RUSTVANG

PROPERTY ADDR: 839 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.57 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9503

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# FM Area Diversion Project

## Property Acquisition Summary

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April 13, 2016

### Property

Owner	Russ Newman
Address	809 Riverbend Drive, Oxbow, ND
Property Type	Vacant Lot
Identification Number	9509

### Property Need

Acquisition of this property is required to accommodate construction of the OHB Ring Levee project, Work Package WP-43. See attached map.

### Description of Acquired Property

The subject property is a buildable vacant lot designated for single family residential development. The subject's total site size is 22,592 Sq. Ft. The subject property is typical of other undeveloped lots within Oxbow Country Club and Estates. The base elevation of most of the lots at platting was at 910 feet. The elevation of the improved lots varies in elevation of 916 to 918 feet. The center portion of the subject site is at 916-917 feet. The subject property faces east with the back of the lot adjacent to the golf course.

### Summary of Property Valuation

An appraisal of the subject property was completed by Gary Bock of GE Bock Real Estate, LLC in January 2015. The appraisal has been reviewed and approved by USACE. The appraisal report suggested an opinion of market value of \$71,200. The appraisal report was submitted to USACE for review, and USACE approved the appraisal in March 2015.

### Summary of Negotiations and Administrative Settlement

An offer to purchase the property based on the opinion of value from the appraisal report was presented as an initial offer to the property owner. After reviewing the offer, the property owner presented an initial counter offer of \$150,000, which is approximately 110 percent over the appraised value. This counter offer was not accepted.

During negotiations, a revised offer of \$79,000 was made in an attempt to reach a settlement. This revision of the offer was based on data from more current appraisals with new market data not available at the time of the appraisal. The revised offer was not accepted and the owner maintained the \$150,000 counter offer.



In February 2016, an updated offer was made at \$112,500. This amount is the same price paid by the owner when the lot was purchased in July 2008.

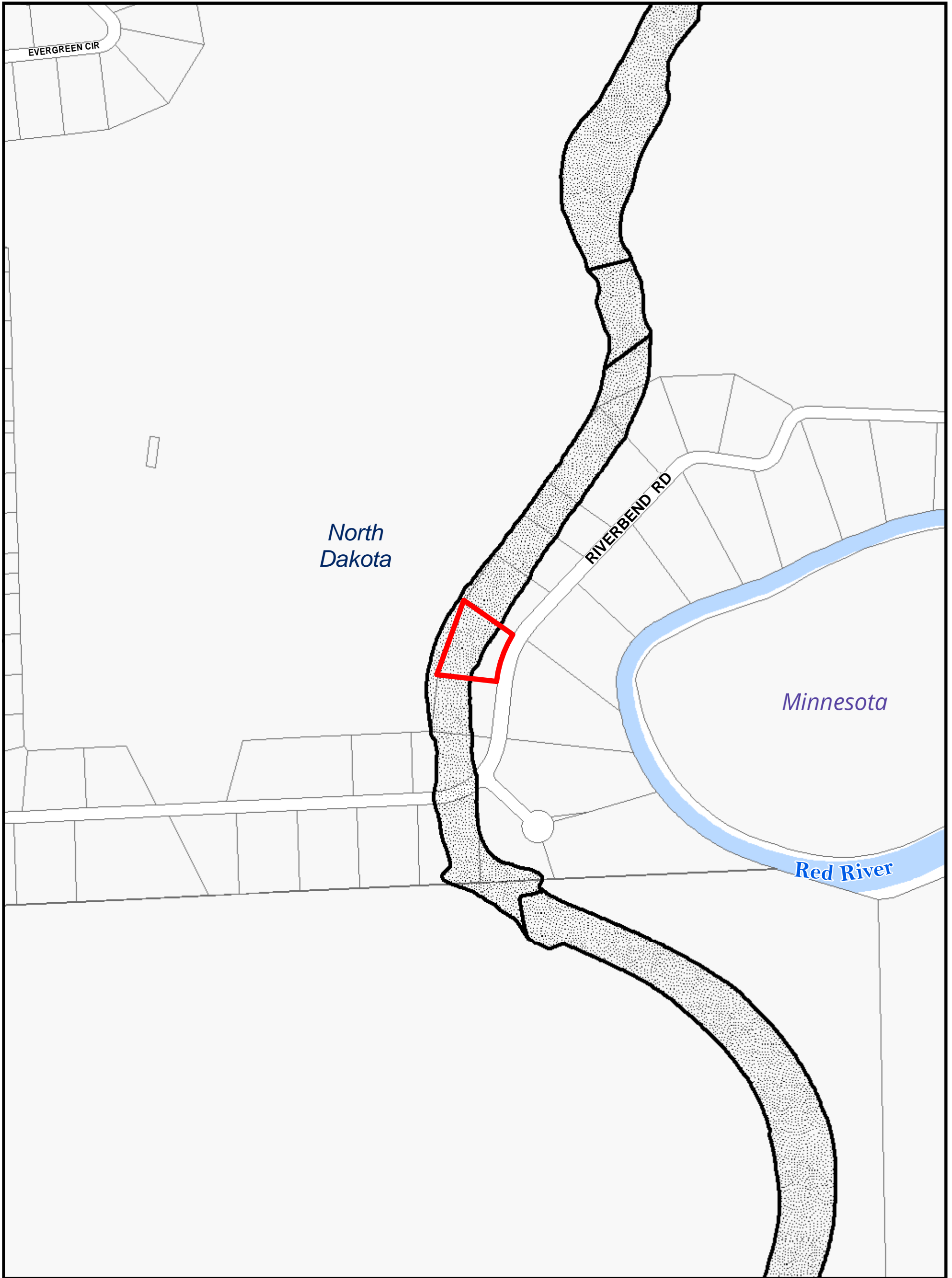
In March 2016, the City of Oxbow advertised and accepted bids for the sale of new lots in Oxbow. A summary of these bids is in the table below. These sales were not available to the appraiser as data points in the analysis of the market value of the property. Had the lot sales been available, it is reasonable to assume that the sales would have been the most accurate comparable sales to use to evaluate Oxbow vacant lot values. The elevations of the new Oxbow lots are on average higher than the elevation of the subject property, so the sale prices are considered to be on the high end of the value of the subject lot.

The offer and the acceptance of the offer in the amount of \$112,500 is less than the accepted purchase prices of the comparable lots in Oxbow. As such, we recommend an administrative settlement of \$41,300, along with the appraised value of \$71,200 for a total offer of just compensation of \$112,500 for this property.

<b>Summary of Appraised Values and Recent Sales Prices for Vacant Lots in Oxbow (City of Oxbow)</b>				
Lot Address	Lot Legal	Lot Size (Sq. Ft.)	Min. Bid (Appraisal Value)	Accepted Bid (Sale Price)
779 River Bend Road	6/3 Oxbow 2nd Addition	25,394	\$99,000	\$123,150
784 River Bend Road	2/1 Oxbow 3rd Addition	32,192	\$158,000	\$211,001
331 Trent Jones Drive	2/1 Oxbow 4th Addition	25,811	\$139,000	\$156,000
246 South Schnell Drive	20/1 Oxbow 3rd Addition	34,183	\$155,000	\$160,000
250 South Schnell Drive	21/1 Oxbow 3rd Addition	34,183	\$155,000	\$160,000

### **Requested Action/Recommendation**

1. Recommend to CCJWRD, execution of a Purchase Agreement in the amount of \$112,500 as just compensation for real property.



CURRENT COST SHARE REQUEST

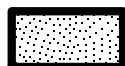
OIN# 9509  
OWNER: RUSS NEWMAN

PROPERTY ADDR: 809 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.52 AC.



Diversion Channel



OHB Levee

----- In Town Levee

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9509

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