

# FM Area Diversion Project

## Property Acquisition Summary

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November 10, 2015

### Property:

Owner	Kent and Melissa Rademacher
New Address	438 Trent Jones Drive
Property Type	Single family residential
Identification Number	9506

### 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 buyout home is a single family residential property. The subject's total site size is 19,265 SQFT. The Gross Living Area (GLA) is calculated to be 2,388 SQFT. The basement size is 1,124 SQFT with 950 SQFT of finished space. The home includes an attached insulated three car garage with built in shelving, a large deck off the rear, a small deck off the second floor master bedroom, a hot tub spa, and an open, wrap around porch on the front of the home.

On the upper levels, the home has three bedrooms, 1.5 baths, plus a master suite with private bath, walk in closet and whirlpool tub. The basement level has another family room, amusement room, specialty room/den for future indoor golf range, bathroom, utility room, and bar area. There is also a large work shop area behind the garage.

Notable features in the home include central air conditioning, wood floors, open front porch, concrete drive, six small and medium landscape trees, extensive landscaping with river rock, dog kennel, shrubs and perennial gardens, irrigation system, additional outlets for exterior lighting, egress window, custom porch swing, gutters and downspouts, upgraded windows, upgraded exterior, sump pump, upgraded mechanicals, walk in closets, speaker system, whirlpool tub, ceramic tile, recessed lighting, built in entertainment centers, upgraded fireplace, double vanity, bar with custom cabinetry and quartz, reverse osmosis water system, upgraded ceiling fans, custom paint, pocket door, custom handrails, custom window treatments, central vacuum, hot tub spa, aggregate walk, security system, upgraded decking, upgraded built in appliances, bay windows, upgraded interior doors, cathedral ceiling, window seat, whole house sound system, etc.

The owner provided information about recent updating that included new interior paint, flooring, basement finishing with wet bar and driving range, appliances, landscaping, walks, 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 3,311 SQFT finished on the main levels and 1,457 SQFT of unfinished space on the lower level. This home will have three bedrooms, 2 1/2 bathrooms, a den, plus a master suite with master bath, walk in closet and walk in shower. The homeowner is considering betterments to the new home which are anticipated to total \$56,433 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 \$580,600 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$248,627 for decent, safe, sanitary, and comparable replacement housing.

### Replacement Home Cost Summary

Property ID#: 9506		Notes
		<u>Includes: (see supplemental detail below)</u>
<b>Total Replacement Home Cost</b>	\$ 999,107	A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
<b>Less ‘Just Compensation’</b>	- (\$ 580,600)	Based on Appraisal and Purchase Agreement
<b>Less ‘Betterments’</b>	- (\$ 56,433)	Based on “Like for Like” Analysis
<b>Less ‘Replacement Lot Cost’</b>	- (\$ 136,000)	Based on Oxbow MOU Amendment
<b>Net Replacement Home Cost to Diversion Authority</b>	= \$ 226,074	
<b>Construction Contingency</b>	+ \$ 22,607	Add 10 percent for uncertainties
<b>Replacement Housing Agreement</b>	= <b>\$ 248,681</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 (see attached letter from Craig Helenske, Helenske Design Group).

		1				2				3	
		Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)		Replacement Cost				
Replacement House Allowance	=	Above Grade Finished Space	2,749	x	\$200	=	\$549,800				
		Below Grade Finished Space	950	x	\$75	=	\$71,250				
		Below Grade Unfinished Space	174	x	\$30	=	\$5,220				
		Garage	776	x	\$40	=	\$31,040				
		<b>Total (Replacement House Allowance)</b>				<b>=</b>	<b>\$657,310</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	\$ 31,202	Placeholder based on bid (actual payment will be based on lower of multiple bids)
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 55,260	Hanson Design Associates’ professional estimate. (see attached report)
Custom Paint	\$ 7,000	Estimate for additional dark color costs. Will require a change order document.
<b>TOTAL</b>	<b>\$ 93,462</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.

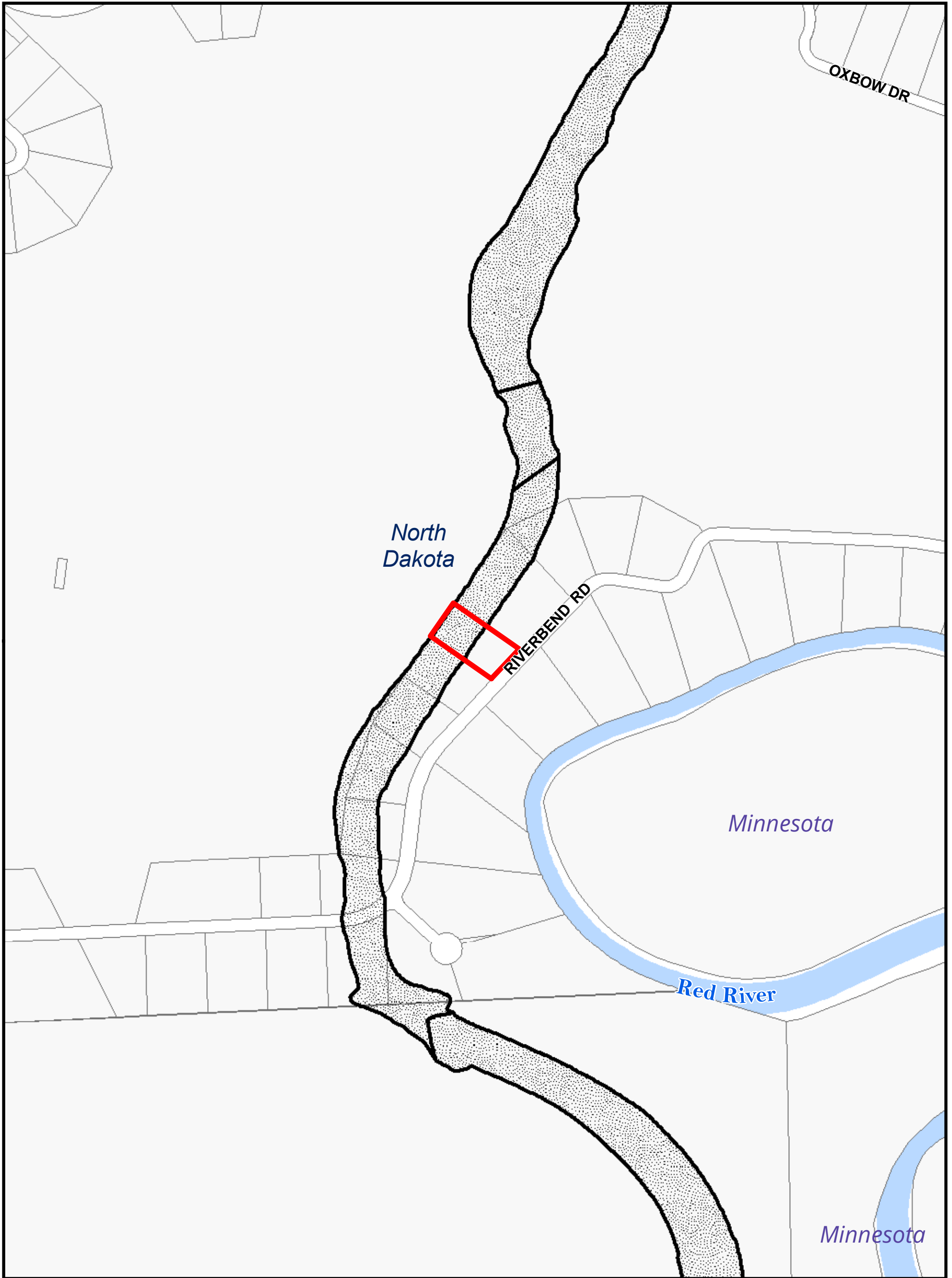
Item	Costs	Notes
Driveway Setback	\$ 3,500	Quote in builder bid
Flood Proof Basement	\$ 5,070	Quote in builder bid
Builder Permits	\$ 8,000	Estimate, from City of Oxbow
Utility Connections	\$ 3,300	Estimate from builder
If over-dig needed	\$ 5,000	Quote in builder bid
Façade covenant requirement	\$ 1,800	Quote in builder bid
Winter construction	\$ 7,000	Quote in builder bid
Buried Propane Tank	\$ 4,000	Quote from builder bid
Builder Financing	\$ 12,250	Quote from builder bid
Builder profit & overhead on these items	\$ 5,982	Quote from builder bid
<b>TOTAL</b>	<b>\$ 55,902</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 = \$56,433.

## Line Item E- Replacement Lot Cost

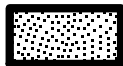
- Replacement lot cost will be 100 percent reimbursed to the Diversion Authority from the Oxbow Job Development Authority, per the Oxbow MOU Amendment.
- Lot cost based on market valuation, determined by real estate appraiser.
- Replacement Lot Cost Reimbursement = \$136,000.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

OIN# 9506  
OWNER: KENT J & MELISSA J RADEMACHER

PROPERTY ADDR: 821 RIVERBEND RD, OXBOW CITY  
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.44 AC.

LAST UPDATED: 8/12/2015  
REF PAGE NUMBER: 9506

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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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: 10/26/15

**Property Owner: Radmacher**

**Location: 821 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	18,131	\$ 1,813.10
<b>Edging</b>				
Edging -PVC	lf	\$ 3.50	180	\$ 630.00
Edging -Precast Concrete 'Bullet'	lf	\$ 7.00	82	\$ 574.00
<b>Landscape Mulch</b>				
Wood Mulch -Cedar (3" depth)	cy	\$ 125.00	2	\$ 250.00
Rock Mulch -1 1/2" River Rock (3" depth)	cy	\$ 150.00	4.5	\$ 675.00
<b>Deck</b>				
Deck -Composite	sf	\$ 45.00	376	\$ 16,920.00
<b>Fence</b>				
Chain Link -6'	lf	\$ 15.00	21	\$ 315.00
Chain Link Gate	ea	\$ 125.00	1	\$ 125.00
Concrete pad	sf	\$ 6.00	82	\$ 492.00
<b>Plants</b>				
Sod (includes finish grading)	sf	\$ 0.60	17645	\$ 10,587.00
Spaded Deciduous Tree	ea	\$ 1,200.00	7	\$ 8,400.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	6	\$ 390.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	5	\$ 250.00
Evergreen Shrub #5 Cont.	ea	\$ 65.00	1	\$ 65.00
Perennial #1 Cont.	ea	\$ 25.00	25	\$ 625.00
<b>Irrigation</b>				
Irrigation -zone	ea	\$ 525.00	13	\$ 6,825.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
<b>Site Amenities</b>				
Mailbox -Wood Post	ea	\$ 500.00	1	\$ 500.00
<b>General Contractor 10% Markup</b>				\$ 5,023.61
<b>Total</b>				<b>\$ 55,259.71</b>