

FM Area Diversion Project

Property Acquisition Summary

Committee meeting date: November 10, 2015

Property:

Owner	Joseph and Marie Talley
Address	410 Trent Jones Drive
Property Type	Single Family
Identification Number	9657

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 18,206 SQFT. The Gross Living Area (GLA) is calculated to be 2,333 SQFT. The basement size is 621 SQFT with 576 SQFT of finished space. There is an attached insulated three car garage with a concrete drive.

The main floor has one bedroom and bathroom. The second floor has a master suite with bedroom, private bathroom and walk in closet, 2 additional bedrooms and another full bathroom. The basement level has a finished bedroom and family room with fireplace.

Notable features in the home include central air conditioning, upgraded cabinetry, upgraded countertops, upgraded light fixtures, upgraded appliances, hardwood floors, upgraded plumbing fixtures, upgraded water treatment system, upgraded windows, upgraded siding, upgraded roofing, redwood deck, upgraded landscaping and flower gardens, irrigation system, upgraded wet bar, professional paint, home speaker system, 9 ft ceilings, 2 fireplaces with built in entertainment center, dual sump pumps with battery back up, flag pole, upgraded mail box, upgraded insulation, upgraded gutters and downspouts, custom window treatments, whirlpool tub, upgraded mechanicals, ceiling fans, etc.

Some recent updating includes new kitchen cabinetry, countertops, bathroom cabinetry, carpet, light fixtures, wood flooring, appliances, plumbing fixtures, water treatment system, windows, wet bar, interior paint, window treatments, landscaping, 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-story style with 3,202 SQFT finished on the main levels and 1237 SQFT of unfinished space on the lower level. This home will have two finished bedrooms, 1.5 bathrooms, plus a master suite with master bath and walk in closet. The homeowner is considering betterments to the new home which are anticipated to total \$98,761 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 \$464,800 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$383,029 for decent, safe, sanitary, and comparable replacement housing.

Replacement Home Cost Summary

Property ID#: 9657		Notes
Total Replacement Home Cost	\$ 1,059,769	<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
Less 'Just Compensation'	- (\$ 464,800)	Based on Appraisal and Purchase Agreement
Less 'Betterments'	- (\$ 98,761)	Based on "Like for Like" Analysis
Less 'Replacement Lot Cost'	- (\$ 148,000)	Based on Oxbow MOU Amendment
Net Replacement Home Cost to Diversion Authority	= \$ 348,208	
Construction Contingency	+ \$ 34,821	Add 10 percent for uncertainties
Replacement Housing Agreement	= \$ 383,029	

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	
Replacement House Allowance	=	Above Grade Finished Space	2,333	x		\$255	=		=	\$594,915	
		Below Grade Finished Space	576	x		\$80	=		=	\$46,080	
		Below Grade Unfinished Space	105	x		\$30	=		=	\$3,150	
		Garage	788	x		\$40	=		=	\$31,520	
		Total (Replacement House Allowance)				=				\$675,665	

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	\$ 20,000	Placeholder. Will be based on the lowest of two bids
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 67,563	Hanson Design Associates’ professional estimate to replace existing (see attached report)
Custom Paint	\$ 7,000	Quote in builder bid
Overhead on paint	\$ 840	
TOTAL	\$95,403	

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.

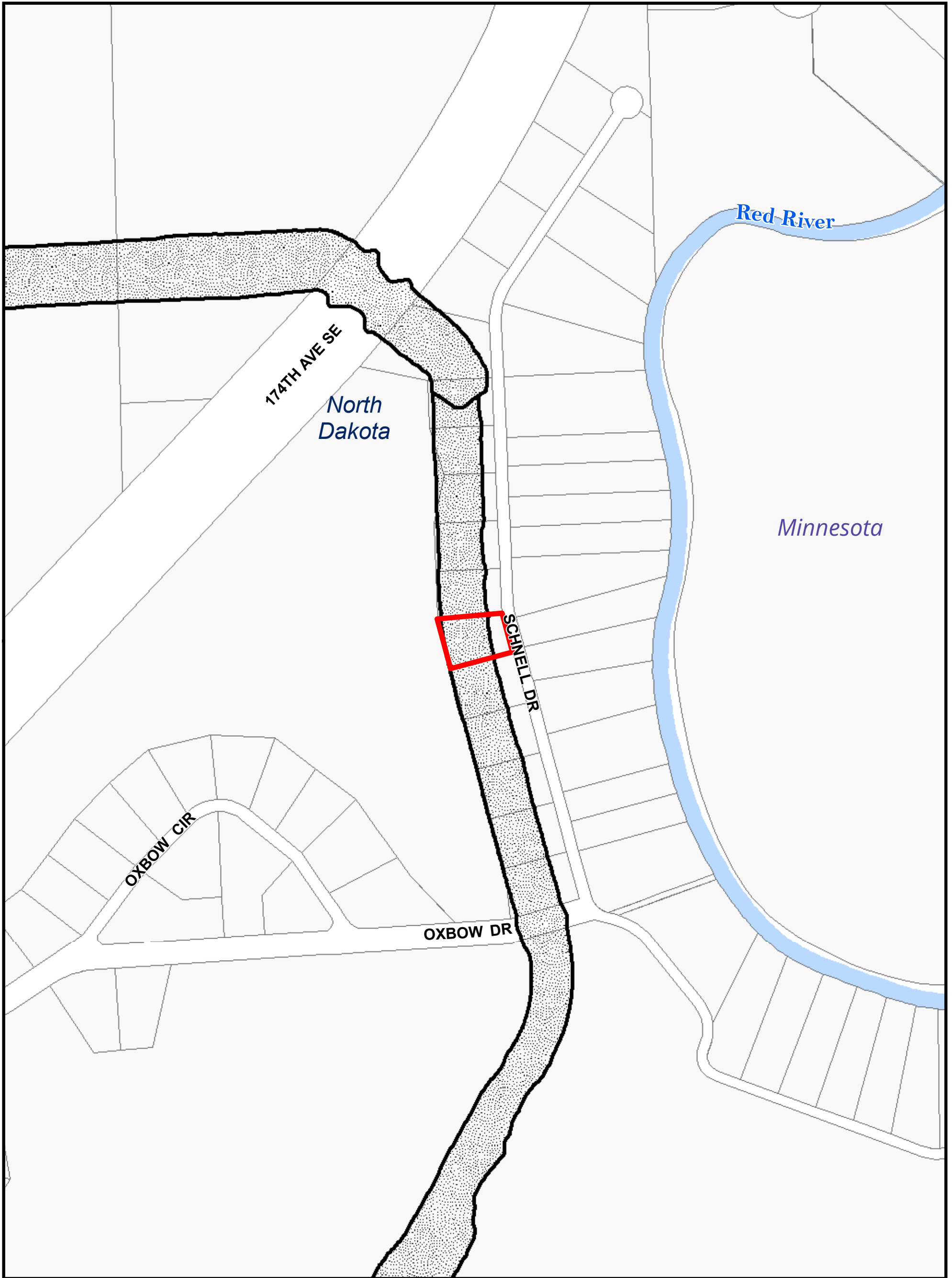
Item	Costs	Notes
Flood Proof basement	\$ 2,000	Builder bid
Building permits	\$ 6,000	Builder bid
Utility Connections	\$ 3,300	Estimate
Buried Propane tank	\$ 4,000	Builder bid
Builder Financing	\$ 15,000	Builder bid
Driveway Extension	\$1,750	Builder bid
Winter Construction fee	\$8,000	Builder estimate + \$2000 due to timing of building start.
Overhead on Project items	1,890	Computation
TOTAL	\$41,940	

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 = \$98,761.

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 = \$148,000.



CURRENT COST SHARE REQUEST



Diversion Channel



OHB Levee



In Town Levee

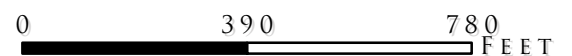
OIN# 9657
OWNER: MARIE B TALLEY

PROPERTY ADDR: 321 SCHNELL DR, OXBOW CITY
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.42 AC.

LAST UPDATED: 8/12/2015
REF PAGE NUMBER: 9657

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: 10/29/15

Property Owner: Talley

Location: 321 Schnell Dr., Oxbow

Homeowner present at time of visit: yes

Homeowner comments:

1. Homeowner unaware of appraisal
2. Deck is real redwood
3. 8 irrigation stations

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
Sitework				
Organic Amendments & Fertilizer	sf	\$ 0.10	15,408	\$ 1,540.80
Edging				
Edging -Precast Concrete 'Bullet'	lf	\$ 7.00	22	\$ 154.00
Edging -Mechanically Formed In-Place Concrete	lf	\$ 8.00	472	\$ 3,776.00
Landscape Mulch				
Rock Mulch -1 1/2" River Rock (3" depth)	cy	\$ 150.00	12.3	\$ 1,845.00
Rock Mulch -Special (3" depth)	cy	\$ 225.00	6.3	\$ 1,417.50
Landscape Boulders				
4'+ dia.	ea	\$ 400.00	1	\$ 400.00
Paving and Patios				
Concrete Paver over Agg. Base	sf	\$ 20.00	274	\$ 5,480.00
Decorative Concrete Stepping Stones	ea	\$ 10.00	20	\$ 200.00
Deck				
Deck -Redwood	sf	\$ 36.00	375	\$ 13,500.00
Deck -Rock Mulch under Deck	cy	\$ 150.00	3.1	\$ 465.00
Lighting				
Flagpole Lighting	ea	\$ 500.00	2	\$ 1,000.00
Plants				
Sod (includes finish grading)	sf	\$ 0.60	13069	\$ 7,841.40
Spaded Deciduous Tree	ea	\$ 1,200.00	9	\$ 10,800.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	11	\$ 715.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	11	\$ 550.00
Evergreen Shrub #5 Cont.	ea	\$ 65.00	2	\$ 130.00
Perennial #1 Cont.	ea	\$ 25.00	50	\$ 1,250.00
Irrigation				
Irrigation -zone	ea	\$ 525.00	8	\$ 4,200.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
Sump Discharge, 1 1/4" PE	lf	\$ 3.00	68	\$ 204.00
9" plastic CB	ea	\$ 200.00	4	\$ 800.00
Drainline, 4" PE	lf	\$ 4.00	88	\$ 352.00
Site Amenities				
Mailbox -Brick Column	ea	\$ 2,400.00	1	\$ 2,400.00
Flagpole -14' ht., 2" dia.	ea	\$ 800.00	1	\$ 800.00
Window Well Covers -Atrium Polycarbonate	ea	\$ 400.00	2	\$ 800.00
General Contractor 10% Markup				\$ 6,142.07
Total				\$ 67,562.77