

FM Area Diversion Project

Property Acquisition Summary

February 10, 2016

Property:

Owner	Joel Wold
New Address	429 Trent Jones Drive
Previous address	816 Riverbend Road
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. The subject's site is located on the southeast side of Riverbend Road. The subject's total site size is 47,023 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 2 story dwelling in good overall condition. The Gross Living Area (GLA) is calculated to be 2,244 Sq. Ft. The basement size is 1,308 Sq. Ft. with 1,005 Sq. Ft. of finished space. There is an attached 3 car garage with a concrete driveway from Riverbend Road. There is a concrete patio off the rear, as well as an open porch on the front of the home. The main entrance to the home opens to the vaulted living room. A den is located to the right and the kitchen and dining room are to the left of the living room, in the rear. The kitchen also has a walk in pantry and there is a 1/2 bath located near the interior garage entrance. The second floor has a master bedroom suite with private bathroom and walk in closet, 2 additional bedrooms and another full bathroom. The basement level has a finished bedroom and bath, a large family room, den and finished laundry room. The utility room is also located in the basement. Notable features in the home include central air conditioning, open front porch, concrete drive, double lot, 6 landscape trees, concrete walks, extensive landscaping, edging, shrubs and perennial gardens, irrigation system with 11 zones, additional outlets for exterior lighting, custom Christmas lighting, egress windows, buried 500 gallon propane tank, heated/insulated 3 car garage with drain, utility sink and speakers, oversized garage doors, invisible fence, built-in gas line for exterior grill, gutters and downspouts, upgraded windows, sump pump, upgraded mechanicals, walk in closets, home speaker system, soaking tub, ceramic tile, recessed lighting, built-in entertainment centers, fireplace, double vanity, pan vault ceiling in master bedroom, reverse osmosis water system, walk-in pantry, ceiling fans, custom paint, granite, custom window treatments, upgraded built-in appliances, 9 ft ceilings, vaulted living room, built-in hutch, back lighting, built-in desk, custom wet bar, flood proof foundation, upgrade lighting, 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 homeowner is considering betterments to the new home which are anticipated to total \$18,945 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 \$571,400 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$242,105 for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$111,000, which will be fully reimburse to CCJWRD per the Oxbow MOU Amendment.

Replacement Home Cost Summary

Property ID#: 9596			Notes
Total Replacement Home Cost			<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'	-	(\$ 571,400)	Based on Appraisal and Purchase Agreement
Less 'Betterments'	-	(\$ 18,945)	Based on "Like for Like" Analysis
Less 'Replacement Lot Cost'	-	(\$ 111,000)	Based on Oxbow MOU Amendment
Net Replacement Home Cost to Diversion Authority	=	\$ 220,095	
Construction Contingency	+	\$ 22,010	Add 10 percent for construction uncertainties
Replacement Housing Agreement	=	\$ 242,105	

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 Helenske Design Group letter dated November 5, 2015).

Replacement House Allowance	1		x	2		=	3	
	Existing House Areas	Area (SF)		Unit Price (\$ / SF, rounded)			Replacement Cost	
	Above Grade Finished Space	2,244		\$247			\$554,268	
	Below Grade Finished Space	1,005		\$80			\$80,400	
	Below Grade Unfinished Space	303		\$32			\$9,696	
	Garage	744	x	\$42		=	\$31,248	
Total (Replacement House Allowance) = \$675,612								

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 nd bid. We will take the lower of the two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 46,173	Hanson Design Associates’ professional estimate. (see attached report)
Custom Paint	\$5,000	Will receive 2 bids and will accept the lower bid.
TOTAL	\$ 68,733	

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.

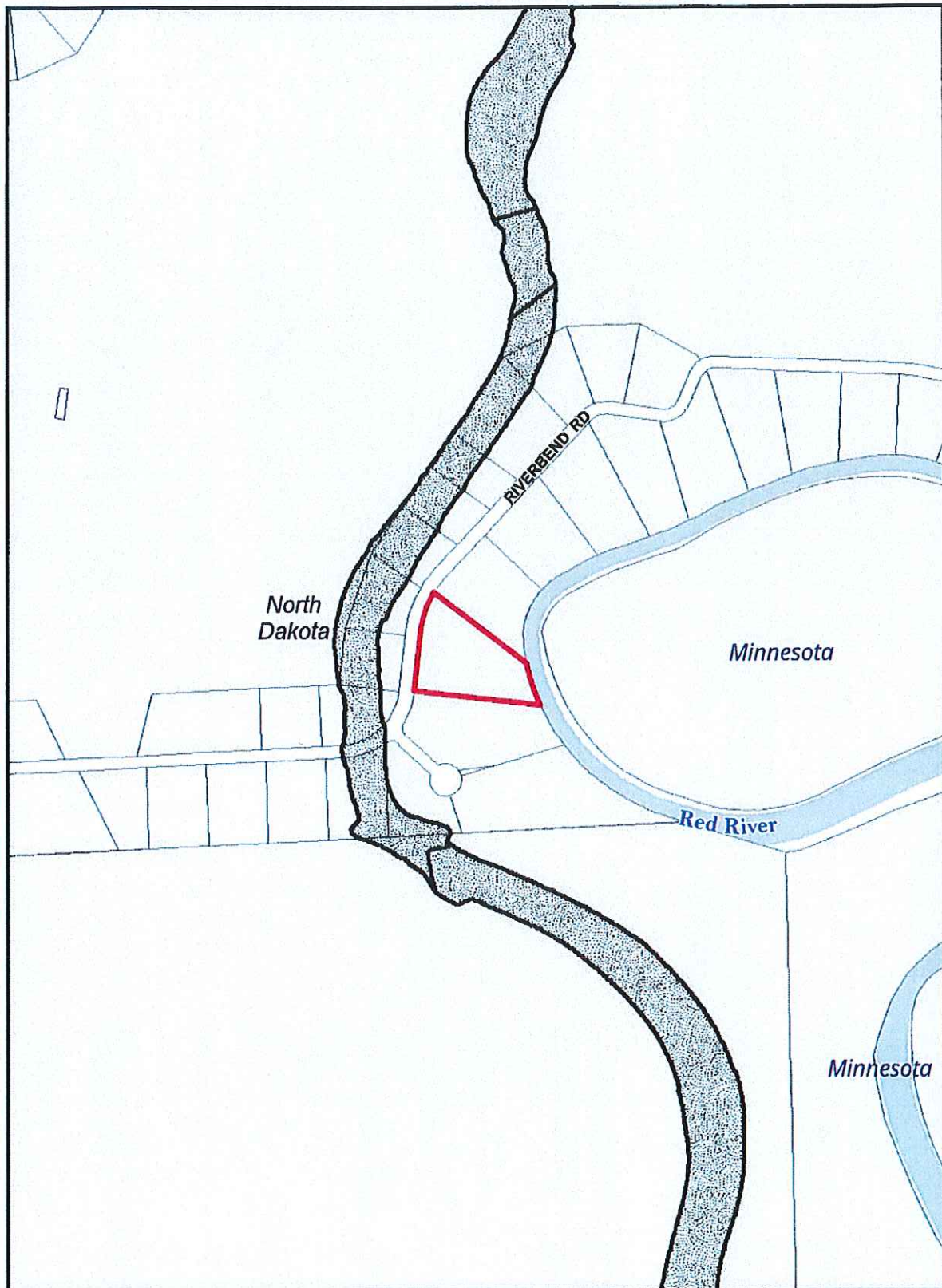
Item	Costs	Notes
Driveway Setback	\$ 4,650.00	Quote in builder bid
Permit	\$ 5,000.00	Quote in builder bid
Electrical connection	\$500.00	Quote in builder bid
Covenant Siding Requirement	\$20,000.00	Quote in builder bid
Buried Propane Tank	\$ 5,000.00	Quote from builder bid
Builder Financing	\$12,000.00	Quote from builder bid. Will be eliminated if funds are escrowed.
TOTAL (rounded)	\$47,150.00	

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 = \$18,945.

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 = \$111,000.



CURRENT COST SHARE REQUEST

OIN# 9596

OWNER: JOEL P & CHERYL B WOLD

PROPERTY ADD: 816 RIVERBEND RD, OXBOW CITY
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 1.16 AC.



Diversion Channel



OHB Levee

----- In Town Levee

LAST UPDATED: 8/12/2015
REF PAGE NUMBER: 9596

Derived from: D-1025 Project 27M, Diversion F.M. Area, Diversion Property Line, Acquisition/MSD Reimbursement (Last Shared/Updated: 10/1/2015)

FLOOD
DIVERSION
AUTHORITY



0 390 780 FEET

Maps are for general 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 makes any warranty or guarantee of any kind, express or implied. The data involved in this 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: Wold

Location: 816 Riverbend Rd

Homeowner present at time of visit: yes

Homeowner comments:

1. Electronic Dog Fence

<u>Desc.</u>	<u>Units</u>	<u>Unit Price</u>	<u>Qty.</u>	<u>Est.</u>
Sitework				
Organic Amendments & Fertilizer	sf	\$ 0.10	23,226	\$ 2,322.60
Edging				
Edging -Precast Concrete 'Bullet'	lf	\$ 7.00	273	\$ 1,911.00
Landscape Mulch				
Rock Mulch -Special (3" depth)	cy	\$ 225.00	15	\$ 3,375.00
Landscape Boulders				
2-3' dia.	ea	\$ 225.00	1	\$ 225.00
Paving and Patios				
Concrete Paving	sf	\$ 6.00	168	\$ 1,008.00
Deck				
Deck -Cedar Steps	sf	\$ 30.00	14	\$ 420.00
Plants				
Sod (includes finish grading)	sf	\$ 0.60	21606	\$ 12,963.60
Spaded DeciduousTree	ea	\$ 1,200.00	5	\$ 6,000.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	13	\$ 845.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	12	\$ 600.00
Evergreen Shrub #7 Cont.	ea	\$ 150.00	2	\$ 300.00
Evergreen Shrub #5 Cont.	ea	\$ 65.00	2	\$ 130.00
Perennial #1 Cont.	ea	\$ 25.00	15	\$ 375.00
Irrigation				
Irrigation -zone	ea	\$ 525.00	10	\$ 5,250.00
Irrigation Pump & Piping from River	ea	\$ 3,000.00	1	\$ 3,000.00
Site Amenities				
Mailbox -Steel Post	ea	\$ 750.00	1	\$ 750.00
Dog Fence -Electronic	ea	\$ 2,500.00	1	\$ 2,500.00
General Contractor 10% Markup				\$ 4,197.52
Total				\$ 46,172.72