

FM Area Diversion Project

Property Acquisition Summary

December 15, 2015

Property:

Owner	Greg and Briena Goldsmith
New Address	816 Riverbend Road
Previous address	325 Schnell
Property Type	Single family residential
Identification Number	9658

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 northwest side of Schnell Drive. The subject's total site size is 18,701 Sq. Ft. The site is level with some landscaping trees near the corners of the site. The subject's improvements are considered to be an average to good quality 1 Story dwelling in average to good overall condition. The Gross Living Area (GLA) is calculated to be 1,863 Sq. Ft. The basement size is 1,863 Sq. Ft. with 1,262 Sq. Ft. of finished space. There is an attached 2 Car garage with concrete drive from Schnell Drive. The main entrance to the home has a large foyer that opens to a living room. There is a formal dining room to the right of the foyer with an informal dinette area and kitchen to the right of the living room. The master bedroom suite is located to the rear, left of the foyer and has a private bath and walk in closet. There is another bedroom and bathroom toward the front of the home, left of the foyer. The main floor laundry room and half bath are located behind the 2 car garage. The basement has some finishing with a large family room, 2 bedrooms, and a bathroom. There is a large storage room and unfinished utility room also located in the basement. Some notable features for the subject include central air conditioning, hardwood floors, open porch, irrigation system, gutters and downspouts, upgraded windows, entertainment center, concrete drive, upgraded exterior, upgraded roofing, upgraded mechanicals, built in appliances, fireplace, walk in closets, ceiling fans, upgraded flooring, built ins, upgraded landscaping, wood deck, vaulted ceilings, whirlpool tub, ceramic tile, upgraded entry door, insulated 2 car garage with extra rear storage area, etc. Some recent updating since the prior purchase includes new interior paint, new furnace, landscaping, carpet, ceramic tile, 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 1-story style with 2,081 SQFT finished on the main level and 1,667 SQFT of finished and 414 of unfinished space in the lower level. The finished square foot of this home, will provide four bedrooms, 2 bathrooms, a den, plus a master suite with master bathroom, walk in closet . The homeowner is considering betterments to the new home which are anticipated to total \$114,359 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 \$405,800 as just compensation for real property.
2. Recommend to CCJWRD, execution of a Replacement Housing Agreement with estimated payment of \$264,337 for decent, safe, sanitary, and comparable replacement housing.
3. Recommend to CCJWRD, payment for the replacement lot in the amount of \$141,000, which will be fully reimbursed to CCJWRD per the Oxbow MOU Amendment.

Replacement Home Cost Summary

Property ID#: OIN#		Notes
		<u>Includes:</u> (see supplemental detail below)
Total Replacement Home Cost	\$ 901,466	A. Replacement House Allowance B. House to Home Allowances C. Project Required Costs D. Betterments E. Replacement Lot Cost
Less 'Just Compensation'	- (\$ 405,800)	Based on Appraisal and Purchase Agreement
Less 'Betterments'	- (\$ 114,359)	Based on "Like for Like" Analysis
Less 'Replacement Lot Cost'	- (\$ 141,000)	Based on Oxbow MOU Amendment
Net Replacement Home Cost to Diversion Authority	= \$ 240,307	
Construction Contingency	+ \$ 24,030	Add 10 percent for uncertainties
Replacement Housing Agreement	= \$ 264,337	

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	1,863	x		\$206	=			\$383,788	
		Below Grade Finished Space	1,262	x		\$75	=			\$94,650	
		Below Grade Unfinished Space	601	x		\$30	=			\$18,030	
		Garage	788	x		\$40	=			\$31,520	
		Total (Replacement House Allowance) = \$527,978									

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	\$ 21,600	Placeholder. Requires a 2 nd bid. We will take the lower of the two bids.
Outdoor Space (Landscaping, deck, patio, etc.)	\$ 42,960	Hanson Design Associates’ professional estimate. (see attached report)
Custom Paint	\$0.00	Will receive 2 bids and will be handled out of the contingency fund.
TOTAL	\$ 64,560	

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.

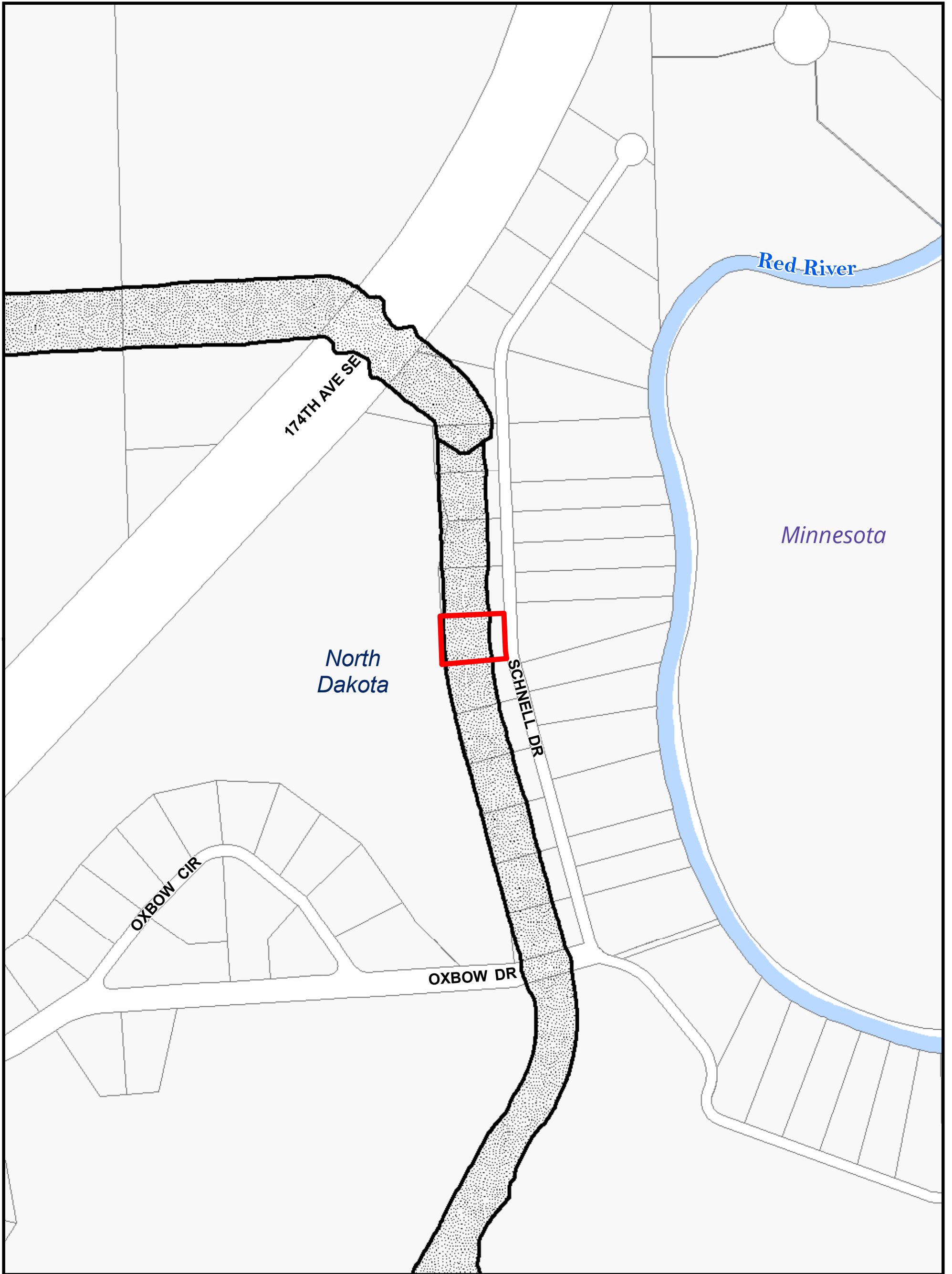
Item	Costs	Notes
Driveway Setback	\$ 2,915.98	Quote in builder bid
Flood Proof Basement	\$ 6,390.53	Quote in builder bid
5' Garage walls and fill sand	\$3,444.97	Quote in builder bid
Cold weather Construction	\$19,289.94	Quote in builder bid
Buried Propane Tank	\$ 4,142.01	Quote from builder bid
Builder Financing	\$17,385.80	Quote from builder bid (will be eliminated if funds are escrowed)
TOTAL	\$53,569.00	

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 = \$114,359.

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 = \$141,000.



CURRENT COST SHARE REQUEST

OIN# 9658

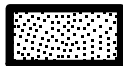
OWNER: GREGORY T & BRIENA R GOLDSMITH

PROPERTY ADDR: 325 SCHNELL DR, OXBOW CITY
TOWNSHIP: PLEASANT TOWNSHIP

PARCEL ACREAGE: 0.43 AC.



Diversion Channel



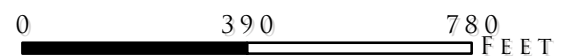
OHB Levee



In Town Levee

LAST UPDATED: 8/12/2015
REF PAGE NUMBER: 9658

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: Goldsmith

Location: 325 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>
Sitework				
Organic Amendments & Fertilizer	sf	\$ 0.10	8,492	\$ 849.20
Edging				
Edging -Precast Concrete 'Bullet'	lf	\$ 7.00	228	\$ 1,596.00
Edging -Timber (2 high) surrounding Garden	lf	\$ 5.00	57	\$ 285.00
Landscape Mulch				
Wood Mulch -Hardwood (3" depth)	cy	\$ 110.00	2	\$ 220.00
Rock Mulch -1 1/2" River Rock (3" depth)	cy	\$ 150.00	10.1	\$ 1,515.00
Paving and Patios				
Brick Paver over Concrete Base & Mortared	sf	\$ 40.00	48	\$ 1,920.00
Brick Paver over Agg. Base	sf	\$ 25.00	100	\$ 2,500.00
Decorative Concrete Stepping Stones	ea	\$ 10.00	33	\$ 330.00
Deck				
Deck -Pressure Treated	sf	\$ 25.00	190	\$ 4,750.00
Plants				
Sod (includes finish grading)	sf	\$ 0.60	7185	\$ 4,311.00
Spaded Deciduous Tree	ea	\$ 1,200.00	7	\$ 8,400.00
Spaded Evergreen Tree -12' ht.	ea	\$ 1,200.00	4	\$ 4,800.00
Deciduous Shrub #5 Cont.	ea	\$ 65.00	10	\$ 650.00
Deciduous Shrub #2 Cont.	ea	\$ 50.00	10	\$ 500.00
Evergreen Shrub #7 Cont.	ea	\$ 150.00	2	\$ 300.00
Perennial #1 Cont.	ea	\$ 25.00	12	\$ 300.00
Irrigation				
Irrigation -zone	ea	\$ 525.00	5	\$ 2,625.00
Stub & BPU by Plumber	ea	\$ 800.00	1	\$ 800.00
Site Amenities				
Mailbox -Brick Column	ea	\$ 2,400.00	1	\$ 2,400.00
General Contractor 10% Markup				\$ 3,905.12
Total				\$ 42,956.32