

PMOC REPORT

OP 23 – Real Estate Acquisition and Management Plan (RAMP) Review

**Honolulu Rail Transit Project
Honolulu Authority for Rapid Transportation (HART)
City and County of Honolulu
Honolulu, HI**

August 2012 (FINAL)

PMOC Contract Number: DTFT60-09-D-00012
Task Order Number 2: Honolulu Rail Transit Project
Project No. DC-27-5140
Work Order No. 2
OPs Referenced: OP 1, OP 23

Jacobs Engineering Group, Inc., 501 North Broadway, St. Louis, MO63102
Tim Mantych, P.E., (314) 335-4454, tim.mantych@jacobs.com
Length of Time Assigned: Five Years (November 23, 2009 through November 22, 2014)

TABLE OF CONTENTS

TABLE OF CONTENTS	i
LIST OF APPENDICES	i
1.0 EXECUTIVE SUMMARY	1
2.0 INTRODUCTION.....	2
3.0 PMOC’S FINDINGS, OBSERVATIONS AND COMMENTS.....	3
3.1 Introduction.....	3
3.2 Organizational Structure	3
3.3 Document Control.....	3
3.4 Property Management Plan.....	4
3.5 Acquisition Plan.....	4
3.5.1 Plans.....	4
3.5.2 Ownership and title information	4
3.5.3 Appraisal	5
3.5.4 Establishment of offer of Just Compensation	5
3.5.5 Negotiations	5
3.5.6 Closing / Escrows	6
3.5.7 Condemnation	6
3.5.8 Disposition Plan	6
3.6 Relocation Assistance Plan	7
3.6.1 Staffing and Administration.....	7
3.6.2 Appeals	7
3.6.3 Third Party Real Estate Agreements.....	7
3.6.4 Real Estate Cost Estimate	9
3.6.5 Acquisition and Relocation Schedule	10
4.0 FTA REFERENCES.....	11
5.0 CONCLUSION / RECOMMENDATION.....	12
APPENDICES.....	13

LIST OF APPENDICES

- Appendix A: Acronym List
- Appendix B: OP 23 Appendix C – RAMP Table of Contents
- Appendix C: OP 23 Appendix C – Real Estate Cost Estimate Template and Supporting Questions

1.0 EXECUTIVE SUMMARY

The Honolulu Authority for Rapid Transportation (HART or “grantee”) is preparing an application for a Full Funding Grant Agreement (FFGA) for the Honolulu Rail Transit Project (“Project”) in accordance with the Federal Transit Administration (FTA) New Starts requirements. The purpose of this report is to provide the Jacobs Engineering Group’s (Jacobs) PMOC team’s assessment of the grantee’s Real Estate Acquisition and Management Plan, Revision 5, dated June 1, 2012. This evaluation was performed as part of the ongoing effort of the Jacobs PMOC team’s oversight responsibility for the FTA.

The PMOC followed the FTA Oversight Procedure (OP 23) to perform review of grantee’s RAMP. The review process consisted of identifying references for assessment of the plan contents and performing a review as needed to validate claims made by grantee in the RAMP. Following are the objectives of the OP 23 review:

- Evaluation and continuous oversight of the grantee’s RAMP including real estate acquisition; project scope; estimated cost; overall schedule and critical path; and the relocation plan
- Evaluation of the real estate schedule for completeness, adequacy, consistency, appropriateness of level of detail given the phase; identification of risks inherent in the schedule and evaluation of the impact of these on project scope and cost
- Characterization of the grantee’s ability to meet the requirements of Federal laws, regulations, and guidance when acquiring real estate
- Determination of grantee’s compliance with all governing requirements during the implementation phase of the real estate acquisition program
- Based on observations of the project, timely reporting by the PMOC of recommended improvements, lessons learned, and best practices

The PMOC recommends that the grantee's RAMP Revision 5 be accepted as a deliverable for an FFGA application.

In order to meet the PMOC’s scope of work obligations as stated in FTA OP 23, the PMOC will continue with the following activities:

- Monitoring of activities monthly to ensure compliance with the Record of Decision requirements
- Monitoring grantee activities to ensure compliance with Federal law and regulations, including grantees RAMP requirements
- Monitoring of the real estate cost estimate against actual costs incurred
- Monitoring the real estate acquisition schedule

2.0 INTRODUCTION

The Honolulu Authority for Rapid Transportation (HART or “grantee”) is preparing an application for a Full Funding Grant Agreement (FFGA) for the Honolulu Rail Transit Project (“Project”) in accordance with the Federal Transit Administration (FTA) New Starts requirements. The purpose of this report is to provide the Jacobs Engineering Group’s (Jacobs) PMOC team’s assessment of the grantee’s Real Estate Acquisition and Management Plan, Revision 5, dated June 1, 2012. This evaluation was performed as part of the ongoing effort of the Jacobs PMOC team’s oversight responsibility for the FTA.

Following are objectives of the review as outlined by FTA Oversight Procedure (OP) 23:

- Evaluation and continuous oversight of the grantee’s RAMP including real estate acquisition; project scope; estimated cost; overall schedule and critical path; and the relocation plan.
- Evaluation of the real estate schedule for completeness, adequacy, consistency, appropriateness of level of detail given the phase; identification of risks inherent in the schedule and evaluation of the impact of these on project scope and cost.
- Characterization of the grantee’s ability to meet the requirements of Federal laws, regulations, and guidance when acquiring real estate.
- Determination of grantee’s compliance with all governing requirements during the implementation phase of the real estate acquisition program.
- Based on observations of the project, timely reporting by the PMOC of recommended improvements, lessons learned, and best practices.

3.0 PMOC'S FINDINGS, OBSERVATIONS AND COMMENTS

The PMOC followed the FTA Oversight Procedure (OP) 23 to perform review of the grantee's RAMP. The review process consisted of assessing the plan contents and performing reviews as needed to validate claims made by the grantee in the RAMP. The following sections address specific areas of review as required by OP 23.

3.1 Introduction

Requirement

Review any updates to the grantee's Introduction section of its RAMP and ensure grantee compliance with applicable statutory, regulatory and circular requirements. With consideration of the laws, regulations, etc. that apply to the work, the PMOC should review and analyze the grantee's information for reasonableness within the scope and cost parameters; for completeness and consistency.

PMOC Findings

The RAMP correctly identifies applicable requirements and has made arrangements to fully comply with all requirements.

3.2 Organizational Structure

Requirement

Review and assess the adequacy and soundness of the grantee's organizational structure including any updates or modifications to the organizational structure and or staff functions and responsibilities.

PMOC Findings

The grantee is currently using a combination of consultants and agency staff to provide manpower for its real estate activities. The project has added additional consultant staffing to fully implement its needs. Based on a review of the scope of work for the real estate consultant services, the consultant will provide a full range of services through an on-call contract affording the grantee flexible staffing augmentation. The RAMP has also been revised throughout the document to reflect the new grantee name and structure.

3.3 Document Control

Requirement

Review and assess the grantee's real estate document control plan and any updates to such plan.

PMOC Findings

The grantee will use a parcel file system that maintains individual physical files for each owner and displaced person. This file will accumulate all of the documentation to support payments. This is a common and adequate method of retaining key real estate documents.

A summary of the file data will be contained in an electronic format. The grantee will act as custodian of the physical and electronic records.

3.4 Property Management Plan

Requirement

Review and assess the adequacy and soundness of the grantee's property management plan including who will perform property management, what is included in the scope of work for property management, who contracts for demolition, what are contracting requirements, what are reporting requirements, statement of policy regarding rental property for extended possession by tenants and owners, who will prepare and track excess parcels, what is the process to evaluate these tracts.

PMOC Findings

The grantee is implementing a full property management strategy that includes protective rents, lease-backs for extended possession, and tracking of excess lands. Demolition will be handled as part of the project construction contracts since there is only a relatively small amount of demolition. This approach is probably the most practical given the limited requirement for demolition. By allowing the construction contractor to handle demolition also assures coordination of this task.

3.5 Acquisition Plan

3.5.1 Plans

Requirement

Review and assess the adequacy of the grantee's acquisition plan including who prepares the plans, modifies the plans; what is the process for considering property owner's request to modify, etc.

PMOC Findings

Section 3 of the RAMP sets out the development of plans and changes to those plans. In Section 4 of the RAMP, additional information relative to negotiations and settlements is detailed. The process outlined complies with applicable regulations.

3.5.2 Ownership and title information

Requirement

Review the grantee's plans for gathering ownership and title information as well as its plan for identifying contractual requirements and whether contracts are in place. Review the grantee's process to update and correct errors and omissions.

PMOC Findings

The grantee has used its existing services and the General Engineering Consultant to produce title reports showing ownership. These have been provided to the parcel appraisers for their use. The grantee will continue the title service for the project. This is an acceptable approach to provide title information.

3.5.3 Appraisal

Requirement

Review the grantee's plan for performing appraisals including identifying who will perform the appraisals and identifying contracting requirements if necessary and estimated durations of this task. Review the grantee's plan for obtaining copies of appraisals and sharing of such appraisals with property owners. Review the adequacy and soundness of the grantee's appraisal review process including the following: who will do this task, what is the scope of the task in general, what is the turnaround time for this work, will the review handle updates of appraisals, will review handle modification of appraisals based on owner claims, will review be used to support administrative settlements.

PMOC Findings

The grantee has employed a real estate consulting firm that includes appraisers. These appraisers will be used on the Project to perform the real estate valuation work and appraisal review. Additionally, the grantee has internal resources for appraisal and appraisal review to augment the grantee staff or provide interim assistance.

3.5.4 Establishment of offer of Just Compensation

Requirement

Review the adequacy and soundness of the grantee's plan for establishing an offer of just compensation including identifying responsible staff and the basis of the offer.

PMOC Findings

As set out in Section 4.25, the Project will utilize the authority of the HART Real Estate Acquisition Manager to establish the amount of Just Compensation to be offered to the property owner.

3.5.5 Negotiations

Requirement

Review the adequacy and soundness of the grantee's plan for conducting negotiations including the following information: who will negotiate, what is their authority, when will negotiations initiate, who must approve administrative settlements and other concessions to property owners, what is the documentation required of the negotiations process, who signs letter of offer, will negotiator also handle relocation payments, how is interface between negotiations and condemnation handled, what documents will negotiator be expected to provide to legal for settlement and condemnation, will negotiator be present at closing.

PMOC Findings

Section 4 of the RAMP provides an adequate depiction of the negotiations process. Since the grantee intends to employ a real estate consultant, several of the lesser issues will be resolved subsequent to employment. The RAMP indicates that the grantee will empower its negotiators to resolve differences but will retain approval authority through its Real Estate Acquisition Manager. This is an appropriate methodology.

3.5.6 Closing / Escrows

Requirement

Review the adequacy and soundness of the grantee's plan for handling closings / escrows including the following information: who will provide this service, how will it function, what is the estimated length of time to deposit funds to escrow for closing, what documents will be necessary, how will closings be conducted, what form of deeds will be used, how will property taxes be paid and exempted.

PMOC Findings

The Real Estate Consultant will be the coordinator of the closing, arranging for all documents to be assembled and funds to be handled through an escrow agent. Section 4.30 discusses additional details of the closing process envisioned for the project. This is the standard process used for its real estate closings and should work well on this project.

3.5.7 Condemnation

Requirement

Review the grantee's plan for condemnations including the following information: who will authorize suits, who will file, what is relationship between grantee and its legal personnel, what authority does attorney have for settlement, what are progress reporting requirements.

PMOC Findings

Condemnation is addressed in RAMP Section 5 and Appendix S. The process begins with a referral by the Real Estate Consultant to the project Real Estate Manager; if the Real Estate Manager agrees that a settlement is unlikely, the parcel will be referred to the grantee's Corporation Counsel for filing. Recommended legal settlements must be submitted to the project Real Estate Manager for concurrence.

3.5.8 Disposition Plan

Requirement

Review and assess the adequacy and soundness of the grantee's re-sale plan including who will determine when to sell excess land and /or buildings, what is the disposition of proceeds, and what are the agency, state or local restrictions on the sale of public property. In the disposal of any excess land, FTA appraisal procedures found in Circular 5010.1D, Chapter IV apply.

PMOC Findings

The project has not identified excess property to date. However, Section 8 of the RAMP pledges full compliance with FTA Circular 5010.1D requirements and provides the project approach to the subject. Appendix L provides the City and County of Honolulu's ordinances regarding this subject. Additionally, Revision 5 of the RAMP now includes a formal identification and tracking process. This tracking captures the data required by FTA Circular 5010.1D. It is likely that as the design is finalized some excess will be identified.

3.6 Relocation Assistance Plan

3.6.1 Staffing and Administration

Requirement

Review the adequacy and soundness of the grantee's plan to staff and administer its relocation assistance plan including: how will the relocation function be staffed, who is authorized to compute payments, who will approve payments, what is the relocation process to be utilized in the project, what level of advisory services will be needed, who will provide advisory services, will last resort housing be required?, if so explain in details the need and the proposed resolution, what is the claims payment process, what is the time to pay a relocation claim, what authority and controls will be needed for advanced claims, what documentation will be retained in the files, what forms will be used.

PMOC Findings

The RAMP provides resumes of key staff persons working for the grantee, its General Engineering Consultant in real estate capacities, and its real estate consultant. The consultant real estate firm will staff appraisal, appraisal review, negotiations, relocation and property management functions, as needed. Relocation payments will be determined by the real estate consultant and will be approved by the Real Estate Acquisition Manager. Advisory services will be provided to displaced persons by the real estate consultant as discussed in Section 7.14.

It should be noted that the grantee will need to address one Environmental Justice issue associated with relocation of the residents of the Banana Patch community. Work is underway with the residents of this area, and grantee is tracking its compliance with the ROD requirements. The PMOC will prepare a report for FTA on the implementation of the Environmental Justice requirement.

3.6.2 Appeals

Requirement

Review and assess the adequacy and soundness of the grantee's plan for appeals including what are the legal requirement for administrative appeals, how will the agency establish and staff an appeal function, who is the recipient of appeal requests, what is the appeal process.

PMOC Findings

The appeal process is discussed in sections 7.19 and 7.20 of the RAMP. It meets all regulatory requirements.

3.6.3 Third Party Real Estate Agreements

Requirement

Ensure the grantee has included any draft or executed agreements with third parties.

PMOC Findings

The grantee has developed and maintained a listing of all third party agreements associated with the Project. The following table provides the current status of those third agreements identified at the time of this report.

Agreement	Completion Date	Target Date	Section / Contract	Status
University of Hawaii (UH) Master Agreement	Pending	June 2012	WOFH, KHG, City Center	Tentative agreement is in place on path forward to secure access to the property
Leeward Community College Sub-agreement	Pending	June 2012	WOFH	Property appraisal is underway
UH West Oahu Sub-agreement	Pending	Nov 2012	WOFH	Property appraisal is underway
Department of Education Master Agreement and Consent to Construct	Feb 8, 2012	Feb 8, 2012	WOFH	Executed
DR Horton Agreement	Feb 15, 2012	Mar 2012	WOFH	Executed
Department of Hawaiian Homelands (DHHL) Master Agreement	Mar 10, 2010	Mar 10, 2010	WOFH and MSF	Executed
DHHL Consent to Construct	Dec 1, 2011	Dec 1, 2011	WOFH and MSF	Consent to construct is in place until license agreement and/or property transfer occurs
DHHL License or Property Transfer	Pending	Dec 2012	WOFH and MSF	DHHL reviewing license and discussions continuing with City on property transfer
HDOT Master Agreement for WOFH	Oct 31, 2011	Oct 31, 2011	WOFH	Executed
HDOT Use and Occupancy Sub-agreement for WOFH	Apr 10, 2012	Apr 2012	WOFH	Executed
UH Urban Garden Sub-agreement	Pending	Jul 2012	KHG	Property appraisal is underway
HDOT Master Agreement for KHG	Pending	Jul 2012	KHG	HART has received comments and is resolving issues.
HDOT Use and Occupancy Sub-agreement for KHG	Pending	Aug 2012	KHG	Will complete after KHG Master Agreement is completed
Aloha Stadium/ Department of Accounting and General Services (DAGS)	Pending	Aug 2012	KHG	Meeting to finalize agreement scheduled for July
Navy/General Services Administration (GSA)	Pending	N/A	Airport	Navy will provide consents to enter until all required easements are in place. Progressing fee taking of Pearl Harbor Station site
Post Office/GSA Administration	Pending	Nov 2013	Airport	Initiated request to secure an easement for Post Office property

Agreement	Completion Date	Target Date	Section / Contract	Status
Federal Aviation Administration (FAA) Master Agreement	Pending	Jul 2013	Airport	As design progresses a determination will be made if an agreement is required
HDOT Master Agreement for Airport	Pending	Apr 2013	Airport	Pending
HDOT Use and Occupancy Sub-agreement for Airport	Pending	Oct 2013	Airport	Will complete after Airport Master Agreement is completed
HDOT Master Agreement for City Center	Pending	Dec 2013	City Center	Pending awaiting completion of the KHG master agreement
HDOT Use and Occupancy Sub-agreement for City Center	Pending	Jul 2014	City Center	Will complete after City Center Master Agreement is completed
Honolulu Community College Sub-agreement	Pending	May 2014	City Center	Property appraisal underway
Federal Court House/GSA	Pending	Oct 2014	City Center	HART is reviewing the GSA draft agreement. Conducting monthly meetings with parties
Hawaii Community Development Agreement (HCDA)	Pending	Oct 2014	City Center	Awaiting final design requirements for the guideway
DAGS	Pending	Oct 2014	City Center	Awaiting final design requirements for the guideway

3.6.4 Real Estate Cost Estimate

Requirement

Review and assess the adequacy and soundness of the grantee's Real Estate Cost Estimate for acquisitions and relocations including a review of the background of estimate; when the estimate was complete, what was the basis of the estimate, and any need for an update of the cost estimate, and how the estimate will be compared to actual costs as project progresses. Identify real estate acquisition and relocation program risks and recommend mitigation actions by the grantee.

PMOC Findings

HART transmitted information for the cost estimate for Real Estate, Right of Way and Relocation Costs on March 19, 2012. This Estimate included \$221.84 million in ROW and \$20.82 million in Relocation (SCC 60 Real Estate Costs) in Year of Expenditure dollars.

During the April 2012 Risk Assessment Workshop, discrepancies were noted between the detailed estimate, the Contract Packaging Plan, and the SCC 60 Summary Values. The grantee submitted additional information on April 21, 2012 in an effort to clarify the real estate estimate issues. However, the values for Real Estate in the additional documentation still did not match the SCC Summary Values.

A conference call was held and additional files and information including a revised Cash Flow were transmitted by HART on May 5, 2012. The grantee indicated that the estimate included double counting of costs in SCC 80 for legal expenses.

These corrections resulted in a revised ROW cost of \$201.66 million and Relocation Costs of \$20.53 million for a total YOE cost for SCC 60 of \$222.2 million. These Real Estate costs are supported by the detail included in the May 15, 2012 Cash Flow provided by the grantee.

The PMOC reviews the Real Estate Acquisitions on a Monthly Basis during regular monitoring visits and a more in depth review occurs at major milestones such as PE, FD and FFGA and at least on an annual basis until all property is acquired. To date the grantee has acquired property and performed relocations within their established budget, but experience by the PMOC on other transit projects show the later acquisitions are generally more difficult and costly than the early ones. It is recommended the PMOC continue with close monitoring of the Real Estate Acquisitions.

3.6.5 Acquisition and Relocation Schedule

Requirement

Review the adequacy and soundness of the grantee's schedule including its critical path for real estate, established timeframes for acquisition and relocation, identified dates for negotiations for the project, and identified difficulties and potential delays. The PMOC shall also review the grantee's plans for reporting progress and the dissemination of such progress updates.

PMOC Findings

The grantee recently combined their ROW schedule into the Master Project Schedule (MPS). In addition, they have greatly increased the amount of activity detail for temporary and permanent easements, and real estate acquisition of partial and full takes. The real estate acquisition is organized and sorted by project section and work package. The work package resembles the contract packaging plan for work under contract by delivery method.

Recently real estate acquisition has not been on the project critical path as the grantee has successfully and duly progressed work activity in the western corridor areas where the current construction contracts are underway. The ROW schedule activities also include time contingency allowances for the condemnation process, if and when it needs to be pursued.

The grantee provides a summary update status of real estate acquisition during the monthly progress meetings. Although since the grantee has not submitted monthly reports on a timely and consistent basis, the PMOC relies on the information presented at the monthly progress meetings. The grantee must improve their monthly progress reporting and has been reminded each month by the PMOC to do so.

4.0 FTA REFERENCES

The following are the principal references to Federal legislation, regulation and guidance with which the PMOC should review and develop a solid understanding as related to the grantee's RAMP being reviewed under this OP:

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Pub. Law 91-646; 42 U.S.C. 4601, et seq.) – http://www.fhwa.dot.gov/realestate/row_legs.htm
- Implementing Regulations 49 CFR Part 24 – http://www.fhwa.dot.gov/realestate/row_legs.htm
- FTA Circular 5010.1D, Grant Management Guidelines, Chapter IV, (Management of Real Property) – http://www.fta.dot.gov/planning/planning_environment_5937.html

5.0 CONCLUSION / RECOMMENDATION

The PMOC recommends that the grantee's RAMP Revision 5 be accepted as a deliverable for an FFGA application.

In order to meet the PMOC's scope of work obligations as stated in FTA OP 23, the PMOC will continue with the following activities:

- Monitoring of activities monthly to ensure compliance with the Record of Decision requirements
- Monitoring grantee activities to ensure compliance with Federal law and regulations, including grantees RAMP requirements
- Monitoring of the real estate cost estimate against actual costs incurred
- Monitoring the real estate acquisition schedule

APPENDICES

Appendix A: Acronym List

DHHL	▪	Department of Hawaiian Homelands
DLNR	▪	Department of Land and Natural Resources
DOE	▪	Department of Education
DOT	▪	United States Department of Transportation
FFGA	▪	Full Funding Grant Agreement
FTA	▪	Federal Transit Administration
GSA	▪	General Services Administration
HART	▪	Honolulu Authority for Rapid Transportation
HCDA	▪	Hawaii Community Development Authority
JD	▪	Joint Development
MPS	▪	Master Project Schedule
MSF	▪	Maintenance and Storage Facility
OP	▪	Oversight Procedure
OP	▪	Oversight Procedure
PMOC	▪	Project Management Oversight Contractor
RAMP	▪	Real Estate Acquisition and Management Plan
ROD	▪	Record of Decision
ROW	▪	Right of Way
SCC	▪	Standard Cost Category
TOD	▪	Transit Oriented Development
US / U.S.	▪	United States of America
WOFH	▪	West Oahu/Farrington Highway
YOE	▪	Year of Expenditure

Appendix B: OP 23 Appendix C – RAMP Table of Contents

Sample RAMP Table of Contents	In FD and/or Requesting Full Funding Grant Agreement	Grantee Compliance
Introduction		✓
Agency's Real Estate Policies and Procedures referring to applicable statutes, regulations, policies	○	✓
Real Estate Team Organizational Structure		✓
Staff and Contractor functions/resumes/description of roles and responsibilities for Acquisition and Relocation		✓
Lines of Authority		✓
Document Control	○	✓
Property Management Plan	○	✓
Disposition Plan	○	✓
Acquisition Process	○	✓
Acquisition Plan	○	✓
Ownership and Title Information	○	✓
Acquisition Schedule, include critical path from Project Schedule	○	✓
Pre NEPA ROD: Draft Agreements w/RE Third Parties	○	✓
Post NEPA ROD: Executed Agreements w/RE Third Parties	●	✓
Cost		✓
Estimate	○	✓
Appraisals	○	✓
Negotiations/ Offers of Just Compensation	○	✓
Final Costs	●	✓
Closing / Escrows	○	✓
Condemnation	○	✓
Relocation Process	○	✓
Relocation Plan – Owner, Tenant information	○	✓
Relocation Schedule, include critical path from Project Schedule	○	✓
Cost		✓
Estimate	○	✓
Negotiations/Final Costs	●	✓
Appeals	●	✓

NOTE: ▲ – Preliminary information required; ● – Element to be completed; ○ – Element to be modified or augmented with additional information as necessary.

Appendix C: OP 23 Appendix C – Real Estate Cost Estimate Template and Supporting Questions

Cost Estimate Template	Number of Parcels	Cost incl. Contingency	Subtotal	Total
		All costs are in YOE \$K		
LAND				
Fee Acquisitions				
Full Takes	38	\$76,405	\$76,405	\$76,405
Partial Takes	133	\$92,250	\$92,250	\$92,250
Easement Acquisitions	13	\$1,964	\$1,964	\$1,964
Other Rights (Utilities)		\$70	\$70	\$70
DELETE GOV'T PROPERTY (LESS)		(\$20,986)	(\$20,986)	(\$20,986)
TOTAL LAND COSTS		\$149,703	\$149,703	\$149,703
Administrative Settlement		\$38,785	\$38,785	\$38,785
Condemnation				
TOTAL LAND/SETTLEMENT		\$188,488	\$188,488	\$188,488
RELOCATION				
Residential (Owners) includes GET	26	\$4,457	\$4,457	\$4,457
Residential (Tenants)				
Business (Owners and Tenants) incl. GET	66	\$16,072	\$16,072	\$16,072
Others (Personal Property Moves)				
Last Resort Housing				
TOTAL RELOCATION		\$20,529	\$20,529	\$20,529
SERVICES				
Title Work (Reports, Insurance, Closings)		\$671	\$671	\$671
Appraisals				
Appraisals Reviews				
Other Services related to acquisition, relocation, property management, etc		\$7,986	\$7,986	\$7,986
Legal (pre-condemnation)				
Legal (Condemnation)		\$4,514	\$4,514	\$4,514
TOTAL SERVICES		\$13,171	\$13,171	\$13,171
GRAND TOTAL		\$222,188	\$222,188	\$222,188

Cost Impacts

- (1) **Cost of appraisals, review appraisals, survey, title, and closing**
The estimate includes approximately 4.53% annual escalation as the Grantee intends to purchase real estate as needed to match their construction contract needs. The grantee's Cash Flow Model dated May 14, 2012 includes escalation from 1Q2013 thru 1Q2016.
- (2) **Damage to remainder**
This is not described in the Grantee's Basis of Estimate (Revised May 9, 2012) and the estimate does not specifically include a designation for this cost.
- (3) **Cost of Settlement**

There is no detail as to what properties were chosen to apply this cost, but from analysis it appears to be most of the properties that are not government owned. The range of cost is insignificant for some, but for others it accounts for approximately 40% of the estimated acquisition cost. The Basis of Estimate notes 40% allowance for administrative settlements was added only to parcels “likely to go thru the process”, so it is subjective to some extent.

(4) Court and Legal Costs

A \$150,000 lump sum value was applied to most of the parcels listed as having Settlement Costs. There is no specific discussion of this amount in the Basis of Estimate.

(5) Cost to Cure

This is not described in the Grantee’s Basis of Estimate and the Estimate does not specifically include a designation for this cost.

(6) Relocations

The Basis of Estimate does not describe these costs in detail or the reasoning for application of relocation costs. The estimate includes cost for relocations for certain properties, on a simplified “yes” or “no” basis. Some of the relocation costs are substantial, but no lower level of supporting detail was provided by the Grantee. The Basis of Estimate does note there is a cost for a “Relocation Consultant” included in SCC 60.01.

(7) Demolition

The Basis of Estimate for Standard Cost Category (SCC) 60 notes “Building Demolition and remediation of buildings are not included in the ROW section, but are located (included) in section SCC 40.01 Demolition.”

Schedule Impacts

The grantee has combined their ROW schedule into the Master Project Schedule (MPS). In addition, they have greatly increased the amount of activity detail for temporary and permanent easements, and real estate acquisition of partial and full takes. The real estate acquisition is organized and sorted by project section and work package. The work package resembles the contract packaging plan for work under contract by delivery method.

(1) Appraisals

The ROW schedule contains a combination of “Appraisal” and “Refresh Appraisal” activity tasks. Appraisal activities contain a duration of 80 calendar and the refresh appraisal activities contain a duration of 60 calendar days. The schedule contains an adequate amount of activity tasks to represent the appraisal process and the grantee has corrected the logic that once contained too much concurrency. For example, the dozens of required appraisal activities have been spread apart in order to utilize available resources and not overload resource demand over concurrent time periods. The schedule indicates that less than six appraisals will be performed at any given time.

(2) Offers

(3) Negotiation

The ROW schedule contains a combination of offer activity tasks; “Offer & Execute – 1stLetter”, “Offer & Execute – 2ndLetter”, and “Offer & Execute Documents”. The Both 1st and 2nd letter offer activities contain a duration of 15 calendar days. The schedule contains an adequate amount of activity tasks to represent offer and negotiation process and the grantee has corrected the logic that once contained too much concurrency.

(4) Quick Take/Condemnation/Eminent Domain

The ROW schedule contains condemnation process activity tasks all with a duration of 180 calendar days (7 days per week). These activities are included in the schedule and are noted “if necessary”. The grantee, with PMOC concurrence, including these activity tasks for contingency planning purposes in case the process is required for certain real estate acquisitions. The activities will be deleted during routine schedule progress updating if the condemnation process was not necessary for each parcel. These activities are technically considered patent contingency or “buffer float” as they account for a fragnet duration of time that may or may not be necessary. The schedule contains an adequate amount of activity tasks to represent the quick take/ condemnation/ eminent domain process and the grantee has corrected the logic that once contained too much concurrency.

(5) Board Approval

The ROW schedule contains several activities representing actions and agreements such as:

- ROD
- License to construct DHHL
- USPS Master Agreement
- Navy Master Agreement
- HDOT Master Agreement
- UH Master Agreement
- DOE Agreement
- GSA Agreement
- HCDA Agreement

Sufficient time exists between offer and acceptance activity tasks and with the condemnation process activities should they be required.

(6) Review Time by Funding Agencies

The ROW schedule contains “FTA Review and Approval” activities for appraisal prior to extending an offer and executing (1stLetter). These activities include a 35-day calendar duration and contain and are adequately spread to avoid excessive or peek resource demand (excessive concurrency). The schedule contains an adequate amount of activity tasks to represent the review process and the grantee has corrected the logic that once contained too much concurrency.

(7) Title

The ROW schedule contains activity tasks representing “Perform Title Search” containing a duration of 30 calendar days. The title search represents the process after parcels are identified and prior to request right-of-entry for pre-construction, mapping and survey, and appraisal processing.

The schedule contains an adequate amount of activity tasks to represent the title process and the grantee has corrected the logic that once contained too much concurrency.

The ROW schedule also contains activities that represent the title transfer from one owner to another called “Conveyance”. The conveyance activities contain a duration of 90 calendar days or 120 calendar days depending on the parcel and the associated acquisition process and are adequately represented and spread in order to optimize available resources.

(8) Relocations

The ROW schedule contains activity tasks representing “Perform Relocation Assessment” containing a duration of 80 calendar days. These activities are followed by 90-Day Notice to vacate period at which time conveyance and property access for construction follows. The schedule contains an adequate amount of activity tasks to represent this process.

Other

(1) Experience of Grantee

The Project currently relies on grantee staff for real estate manpower, and the grantee has recently executed a contract with an experienced Real Estate Consultant. The grantee staff does have experienced personnel who are familiar with the local market and processes. The PMOC has conducted a workshop to assure compliance with Uniform Act requirements; and the project staff has attended a National Transit Institute training course. Therefore, it is reasonable to presume that the staff is ready to handle the necessary work. Real Estate Consultant will supplement and provide more direct experience with the Uniform Act requirements.

(2) Other Parties

a) Third party acquisition, such as real estate to be acquired by a local agency or entity such as a City

There are no contemplated acquisitions by third parties.

b) Acquisition of parcels from Railroads

There are no contemplated acquisitions from railroad corporations.

c) Negotiations with a Private or Public Utility Agency

There are numerous third party agreements, some of which are still in the negotiations stage. However, all seem to be headed towards a successful conclusion and adequate time is available to do so.

- (3) **RAMP**
The RAMP provides detail regarding the acquisition process and tailors it to the legal and special situation existing within the City and County of Honolulu.
- (4) **Design Development**
The project has spent a great deal of time in providing a design that minimizes right of way needs. Refinements will continue, but at this time the right of way appears reasonable to the project needs.
- (5) **Parcels**
The grantee documents identify all types of acquisitions except for those to be acquired by the contractor (temporary easements). Additional minor adjustments, such as permanent easements for a utility, may be required. However, the level of detail is adequate at this stage.
- a) Special types of Parcels**
The grantee will need to address one Environmental Justice issue associated with relocation of the residents of the Banana Patch community. The RAMP lays out an adequate work plan to address the issue. Resolution of such Environmental Justice issues can be time consuming. However, there appears to be adequate time in the schedule since it will be promptly pursued.
- b) Joint Development/Transit-Oriented Development (JD/TOD)**
There are no JD or TOD matters at this time.
- (6) **Potential of hazardous materials**
The ROW schedule does not include activity tasks for sampling, testing and environmental mitigation. The PMOC believes the grantee should include a specified amount of time for this effort and include a line item, or multiple line items in the cost estimate to account for hazardous material and remediation as there is a moderate probability hazardous materials may be encountered on the 20-mile project corridor.