U. S. DOT Federal Transit Administration
TPM-20 Office of Capital Project
Management Project Management Oversight

Oversight Procedure 23 – Real Estate Acquisition and Management Plan Review

---

1.0 PURPOSE

The purpose of this Oversight Procedure (OP) is to describe the review, analysis and recommended procedures and reporting requirements that the Federal Transit Administration (FTA) expects from the Project Management Oversight Contractor (PMOC) as regards to the Project Sponsor's Real Estate Acquisition and Management Plan (RAMP).

This review will provide a critical input to FTA's determination regarding the Project Sponsor's project readiness for advancement and funding. The review will cover the RAMP and related scope, schedule and cost estimate information.

2.0 BACKGROUND

On major capital projects, the real property acquisition and relocation components represent substantial risk from both a schedule and budget standpoint. In some situations, scope can also be a significant risk. FTA therefore requires the PMOC team to include and continuously utilize a specialized real estate expert consultant, hereafter referred to as the Real Estate PMOC (RE PMOC). This RE PMOC should have significant experience in early right-of-way (R/W) planning and acquisition; have a working knowledge in the four major areas of Uniform Act compliance (Appraisal, Acquisition, Relocation and Property Management); and have a thorough working knowledge of 49 CFR Part 24 and FTA Circular 5010.1D and the FTA Project Management Oversight Program Guidance.

FTA requires the PMOC to send all reports produced under this OP, including all comments and recommendations for approval, to the FTA Headquarters' Real Estate Specialists for review. Final acceptance of any report produced under this OP shall be in compliance with Section E of the PMOC's Base Contract.

For proper oversight of a project with significant real estate requirements, it is necessary for the real estate expert to be active on the PMOC team beginning early in the project. This is especially relevant when reviewing cost estimates and schedules.

3.0 OBJECTIVES

The reviews under this OP have the following objectives:

- Early and continuous involvement in the real estate program that commences with the NEPA process. Now available as technicalassistance.

- Evaluate the Project Sponsor's RAMP and oversee implementation of defined policies and procedures, real estate acquisitions, andrelocations.
- Evaluate the Project Sponsor's understanding of, and assure compliance with, all state, local and Federal laws, regulations, and guidance associated with acquiring real estate.
- Evaluate the real estate components of the project scope for completeness, adequacy, consistency, appropriateness of level of detail given thephase
- Evaluate the real estate cost estimate for completeness, adequacy, consistency, appropriateness of level of detail given thephase
- Evaluate the real estate schedule for completeness, adequacy, consistency, appropriateness of level of detail given the phase; compatibility of the real estate schedule with the overall project schedule is required as part of the evaluation.
- Identify risks inherent in the project scope, schedule and cost estimate
- Evaluate the Project Sponsor's effective use of tracking tools to monitor status and avoid negative budget and schedule impacts.
- Evaluate compliance with all governing requirements related to the real estate acquisition program ensure eligibility of reimbursed cost.
- Provide timely reporting by the PMOC of recommended improvements, lessons learned, and best practices based on observations of theproject.

4.0 REFERENCES

The following are the principal, but by no means the only, references to Federal legislation, regulation and guidance with which the PMOC should review and develop a solid understanding as related to the Project Sponsor's project work 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.fta.dot.gov/planning/planning_environment_5937.html
- Implementing Regulations 49 CFR Part 24. http://www.fta.dot.gov/planning/planning_environment_5937.html
- 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 GRANTEE SUBMITTALS

In order to perform the review, the RE PMOC shall obtain the RAMP and supporting documents such as the real estate cost estimate**,** and schedule as well as any applicable agency policies and procedures. In cases of difficulty in obtaining these documents, the PMOC shall notify COR/ACOR immediately.

See Appendix B for sample RAMP Table of Contents with milestone dates for completion of plan elements. The PMOC shall use the Table of Contents as a guide for its review.

- Real Estate Team Organization information should include:
    - Organization chart for Agency
      Organization chart for Project including Agency's project executive, real estate staff and consultants
    - Real estate staff and consultant/contractor functions/resumes/description of roles and responsibilities for both real estate acquisition and relocation
    - Lines of authority including as applicable, the Project Sponsor's Board, chief executive officer, project executive, project staff, real estate staff and consultants
- Acquisition Plan and Relocation Plan should include:
    - Description of real estate to be acquired for the project
    - Real estate planning, budgeting, scheduling, tracking and reporting documents
    - Discussion of any existing contaminated property based on content of Environmental Site Assessment documents or the NEPA documents and strategy to avoid, value, and/or remediate such property
    - Summary of Potential Third Party Agreements
- An explanation of the process to be used for:
    - Utility Relocations
    - Appraisals and appraisal reviews
    - Acquisition files including offers, negotiations and contact logs
    - Relocation files including notices, inventories, determinations, claims, payments and contact logs
- Real Estate Schedule should be portrayed in relation to overall project schedule/critical path and should include detail on specific tasks and time required to complete
- Real Estate Cost Estimate may be submitted as an independent document.

6.0 SCOPE OF WORK

The specialized RE PMOC is expected to initiate communication with the FTA Headquarters' Real Estate Specialists and COR/ACOR for guidance and policy interpretation prior to starting the review. It is expected that for the duration of the review, the RE PMOC will maintain this communication.

The Prime PMOC is expected to have the RE PMOC in attendance (by phone or in person) at any time matters involving real estate are discussed and this includes early involvement in the NEPA process. The RE PMOC shall continue to provide ongoing oversight and monitoring in all areas involving real estate so that early warning signs can be recognized and potential issues can be identified and mitigated prior to serious impacts to schedule and/or budget.

The RE PMOC should focus on four main areas: budget, schedule, scope and compliance. The RE PMOC should oversee the Project Sponsor's process to ensure compliance with statutory and regulatory requirements including the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (Uniform Act) and applicable FTA Circulars. The RE PMOC should determine if Project Sponsor's acquisition and relocation scope, schedule and budget are realistic, reflect the Project Sponsor's plans and specifications, and agree with the overall project scope, cost estimate and schedule. Real estate oversight in regard to these four

areas should be an active process throughout the life of the project, and should be scoped to the complexity of the proposed real estate program.

For projects with a significant real estate component, early discussion between the RE PMOC and the grantee are necessary to establish a proper foundation for future activities. The RE PMOC should make special efforts to verify that any proposed mitigation measures can be implemented in compliance with all applicable laws, regulations, and guidance, including 49 CFR Part 24 and FTA Circular 5010.

The scope of real estate acquisition should also be examined by the RE PMOC to determine that real estate acquired for the project is necessary and not in excess of those property interest's necessary to construct, operate and maintain the project funded by FTA. This may entail an engineering review by the PMOC or FTA.

The RE PMOC should review the RAMP, scope of real estate to be acquired, cost estimate and schedule at the milestone points shown in the table in Appendix B; and more frequently if directed by COR/ACOR. Tailor the review to the information and materials available at the time. Prior to entering Engineering, the PMOC shall check that the Project Sponsor has identified the necessary parcels; its proposed schedule; potential real estate problems and possible solutions related to these problems. Any environmental documentation and environmental site assessments should also be evaluated for accurate depiction of any real estate acquisition impacts, contamination, and any proposed mitigation measures. During engineering, verify that the planned real estate acquisitions and relocations are comprehensive; the schedule is coordinated with the critical path of project schedule; the real estate cost estimates are reasonable; the Project Sponsor is adhering to the policies and procedures set forth in the RAMP.

<u>If any supplemental real estate services are needed, the PMOC shall be directed accordingly by the COR/ACOR and conducted under OP 3.</u>

For projects other than New Starts, the PMOC shall check for compliance with the requirements of 49 CFR Part 24. At a minimum, the PMOC shall review the RAMP at the milestone points described in Section 6.1 through 6.3, as appropriate for the project.

6.1 Prior to Engineering

The RE PMOC may provide technical assistance as needed for the development of the NEPA document(s) – review and assess the adequacy and soundness of the Project Sponsor's identification of real estate impacts and proposed methods of mitigation (if any), ensuring compliance to Federal law, regulation and guidance.

The RAMP is required to contain information demonstrating an adequate real estate organization with well-defined reporting relationships and responsibilities:

- Organizational Structure – Review and assess the adequacy and soundness of the Project Sponsor's organizational structure as it relates to real estate acquisition

  management including identification and definition of staff functions with an organizational chart with positions and/or names and contractual functions; identification of persons to develop the RAMP; deal with plan changes, corrections, or modifications as a result of negotiations, etc.; ensure the Project Sponsor has identified who will be accountable for specific responsibilities such as the person who will be responsible for identifying appraisal problem and developing scope of work; theperson responsible for monitoring status of activities required for acquisition and relocation; the persons or parties to establish offers of just compensation; the person who can authorize administrative settlements and authorize condemnation.

- Document Control – Review and assess the adequacy of the Project Sponsor's document control plan as it relates to real estate acquisition management including ensuring the Grantee has a sound plan for filing documents, maintenance of documents, and organization of parcel files, acquisition files, relocation files, and condemnation files.

- Property Management Plan – Review and assess the adequacy and soundness of the Project Sponsor's preliminary 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 the contracting requirements; what are the reporting requirements; policies regarding rental property for extended possession by tenants and owners; who will prepare and track excess parcels; what is the process to evaluate these parcels.

In addition, the RAMP should contain, and the RE PMOC should review, the following items:

(Note: It is recognized that these items may be in a preliminary state; however, they must be present)

- Acquisition Plan/Relocation Plan – Review and assess the adequacy and soundness of these preliminary plans including the following information:
  - Proposed acquisitions and relocations
    - Map highlighting the parcels proposed to be acquired
    - Spreadsheet to track parcels by
      - Description of properties
      - Lengths of right-of-way (related to construction segments)
      - Dimensions of parcels
      - Full and partial takes, easements and temporary easements

- Residential and non-residential displacements/relocations
- Information on major stakeholders, property owners
- Title information
- Foreseeable impacts due to the acquisitions and relocations;
- Identification of properties that may require environmental mitigation, (commitment in FONSI or ROD to mitigate); properties requiring

  contamination remediation (based on environmental site assessments); extensive utility work; or third party coordination

▪ Status of appraisals

▪ Type of transaction

- purchase such as fee simple, etc.
- acquisition of other property rights, easements, etc.
- functionally replaced properties (wet lands, park lands, etc.)
- land exchanges, just compensation or combinations, thereof
- administrative settlements
- eminent domain (process and lead-time required to obtain physical possession)
- relocation/dislocation
- identification of utility relocations: how they will be handled and associated real estate impacts such asreplacementeasements
- identification of potential third party agreements, how they will be obtained and who, specifically, will be responsible for obtaining them

□ Schedule for the acquisitions and displacements/relocations, showing the relationship with the critical path of the project schedule; schedule for negotiations, offers of Just Compensation, closing / escrows; schedule for condemnation proceedings should that become necessary; should include detailed timeframes for each required activity.

□ Cost estimate for the acquisitions and displacements/relocations

- o Refer to Appendix C: Estimates for real estate are frequently found to be low and inaccurate. Real estate costs are often the weakest link in the overall project cost estimate. FTA provides a model estimating spreadsheet shown in Appendix C as an assist to RE PMOC in their review of the Project Sponsor's approach to estimating real estate costs. The spreadsheet may help to ensure that all components are included in the estimate. Supportable realistic allowance should be established to pay for overages related to administrative settlements and adverse condemnation awards. State departments of transportation may have statistical data on administrative settlements and condemnation outcomes that will aid in more accurately estimating real estate costs.
- o The RE PMOC shall review and assess the adequacy and soundness of the Project Sponsor's preliminary real estate cost estimate including the Project Sponsor's basis for the estimate; anticipated updates of estimate; and how the estimate will be compared to actual costs as the project progresses. See Appendix C for further discussion. Identify real estate acquisition program risks and recommend mitigation actions by the Grantee. The overall estimate for real estate

must include sufficient cost to meet the contractual service needs of the project. These include title work, appraisals, appraisal reviews, legal and relocation assistance services, with other related costs. In addition, a supportable, realistic allowance should be established to pay for overages related to administrative settlements and adverse condemnation awards.

In reviewing the Project Sponsor's RAMP, the RE PMOC shall verify the Grantee has included a short history of the project. Considering the Project Sponsor's level of compliance with the Uniform Act and other regulations, the RE PMOC shall review and summarize its findings and opinions and provide recommendations.

6.2 In Engineering

When the Project Sponsor obtains the NEPA determination, usually the Record of Decision (ROD) or Finding of No Significant Impact (FONSI), the Project Sponsor is granted pre-award authority for real estate acquisition and agreements with third parties for operations rights, easements, etc. It is critical, therefore, that the RAMP be substantially complete prior to the signing of the ROD or FONSI.

Prior to FTA approval of the Full-Funding Grant Agreement, the RAMP should be fully complete. The real estate schedule should be consistent with the critical path in the project schedule. The RAMP should demonstrate that adequate relocation planning has been accomplished per 49 CFR Section 24.205, including recognition of problems associated with displacement and an evaluation of program resources available to carry out timely and orderly relocations.

The RE PMOC should review and summarize its findings and opinions and provide recommendations with respect to the Project Sponsor's plans and procedures:

- Introduction – Review any updates to the Project Sponsor'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 Project Sponsor's information for reasonableness within the scope and cost parameters; for completeness and consistency.
- Organizational Structure – Review and assess the adequacy and soundness of the Project Sponsor's organizational structure including any updates or modifications to the organizational structure and or staff functions, and responsibilities and lines of authority.
- Document Control – Review and assess the Project Sponsor's real estate document control plan and any updates to such plan.
- Property Management Plan – Review and assess the adequacy and soundness of the Project Sponsor'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.

- Acquisition Plan
  - Tracking - Review and assess the adequacy of the Project Sponsor's plan for tracking all required activities associated with acquisition and relocation including who will be responsible for developing, monitoring, and updating the tracking reports on a consistent and ongoing basis. This tracking plan should also include a process through which the RE PMOC can monitor the progress of the real estate program through regular access to the tracking reports.
  - Plans - Review and assess the adequacy of the Project Sponsor's acquisition plan including who prepares the plans, who can authorize plan revisions, who will track plan revisions, modifies the plans; and what is the process for considering property owner's request to modify, etc.
  - Ownership and title information – Review the Project Sponsor'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 Project Sponsor's process to update and correct errors and omissions.
  - Review Project Sponsor's plan for identification of parcel specific environmental assessments (i.e., Phase 1, Phase 2, etc.) and how this information will be provided to the appraisers.
  - Appraisal – Review the Project Sponsor's plan for performing appraisals including appraisal scope of work development, identifying who will perform the appraisals and identifying contracting requirements if necessary and estimated duration of this task. Review what process is in place to insure the identification and resolution of personality/realty issues at the time of the appraisal. Review the Project Sponsor's plan for obtaining copies of appraisals and sharing of such appraisals with property owners. Review the adequacy and soundness of the Project Sponsor's appraisal review process including the following: who will do this task, what is the appraisal scope of work (SOW) for the task in general, what is the turn turnaround time for this work, will the reviewer handle updates of appraisals, will reviewer handle modification of appraisals based on owner claims, will review appraiser review owners' appraisals, will review appraisal be used to support administrative settlements. If contaminated property is involved, will the appraisal SOW delineate the appraiser's responsibility and information to be provided in that regard?
  - Establishment of offer of Just Compensation – Review the adequacy and soundness of the Project Sponsor's plan for establishing an offer of just compensation including identifying responsible staff and the basis of the offer.
  - Negotiations – Review the adequacy and soundness of the Project Sponsor'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. If consultants will be utilized, what are the contracting requirements and the duration of the associated lead time?

- Closing / Escrows – Review the adequacy and soundness of the Project Sponsor'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 partial releases be handled and how will the expected duration of that process fit into the schedule, how will property taxes be paid and exempted.
- Condemnation – Review the Project Sponsor's plan for condemnations including the following information: who will authorize suits, does agency have quick take authority, what is the lead time to obtain court ordered legal/physical possession, who will file, what is relationship between grantee and its legal personnel, what authority does attorney have for settlement, what are progress reporting requirements, expected timeframe to obtain possession, and how contamination remediation will be addressed with the responsible parties, in the event it is encountered within the project limits.
- Disposition Plan – Review and assess the adequacy and soundness of the Project Sponsor'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.

□ Relocation Assistance Plan (for projects with displacements)

- Review the adequacy and soundness of the Project Sponsor's plan to staff and administer its relocation assistance plan including the method to employee staff or contractors; lead time to employ the staff; and supervision of staff or contractors.
- Review 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, and who will provide advisory services. If last resort housing be required what is the justification and how will it be conducted.
- Determine the estimated time to pay a relocation claim, what authority and controls will be needed for advance payment of claims, what documentation will be retained in the files, what forms will be used
- Review the adequacy and soundness of the Project Sponsor's Relocation Assistance Plan per the regulatory requirements at 49 CFR 24.205 including the degree to which it contains the following elements:
  - Description of project
  - Discussion of displacees' characteristics and needs
  - Inventory of available housing
  - Discussion of non-residential displacees' needs
  - Inventory of Non-Residential Property
  - Discussion regarding concurrent displacements
  - Needs vs. availability analysis and correlation
  - Advisory Services

        - Conclusion
    - Appeals – Review and assess the adequacy and soundness of the Project Sponsor's plan for conducting administrative appeals such as the legal requirements for administrative appeals, how will the agency establish and staff an appeal function, who is the recipient of appeal requests, and what is the appeal process.
- Third Party Real Estate Agreements – Ensure the Grantee has identified all third party agreements anticipated and included any draft or executed agreements with third parties

  that may involve the transfer of real estate interests. This review should also include who will be responsible for negotiating third party agreements, anticipated time required and any potential issues that may involve the transfer of real estate interests.
- Real Estate Cost Estimate – Review and assess the adequacy and soundness of the Project Sponsor's Real Estate Cost Estimate for acquisitions and relocations including a review of the background of estimate; what methodology was used; when the estimate was completed, what was the basis of the estimate, and how and when will the any need for an update of the cost estimate be updated, 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. Review the cost basis of the estimated allocations for various contractual services necessary for the project. Refer to Appendix C.
- Acquisition and Relocation Schedule - Review the adequacy and soundness of the Project Sponsor's schedule including its critical path for real estate, established timeframes for acquisition and relocation, schedule for property negotiations for the project and identification of potential difficulties and delays. The PMOC shall also review the Project Sponsor's plans for tracking and reporting progress and the dissemination of such progress updates. The real estate program should not be expected to cure the shortfall of time resulting from prior delays in other functional areas of the project development process.

6.3 Requesting FFGA

Prior to FTA award of the Full Funding Grant Agreement (FFGA), the information in the RAMP should be updated if necessary and third-party agreements finalized. Cost estimates and schedules should all be current.

7.0 REPORT, PRESENTATION, RECONCILIATION

The RE PMOC shall provide FTA with a written report of its findings, analysis, recommendations, and professional opinions, including a description of the review activities undertaken. In the report, state findings in descending order of importance (most likely, largest consequences, least likely, moderate consequences). Make recommendations for modifications. The report should be sent to the FTA Headquarters' Real Estate Specialists for final review. The COR/ACOR shall transmit final acceptance to the PMOC. After acceptance, the RE PMOC should share the report with the Grantee and work with the Grantee on issues of non-compliance. Should the issues persist and a broader review is necessary, the review will be directed by the COR/ACOR with subject matter expertise from the Headquarters' Real Estate Specialists with support from the Region.

When directed by the COR/ACOR, the PMOC shall perform data analysis and develop data models that meet FTA requirements using Microsoft Office products such as Excel and Word and use FTA-templates when provided. Upon approval by the COR/ACOR, the PMOC may add other software as required but the documentation and report data shall be made submitted to the COR/ACOR when complete.

APPENDIX B

Sample Table of Contents for Real Estate Acquisition Management Plan

---

Real Estate Acquisition Management Plan Elements	Prior to Entering Engineering	In Engineering	Requesting Full Funding Grant Agreement	In Bid / Award and / or Construction
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	▲	●	○	
Property Contamination	▲	●	○	
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

Real Estate Cost Estimate Template and Supporting Questions

Cost Estimate Template		Desc/number of parcel	Cost	Subtotal	Total
LAND					
	Fee Acquisitions		$		
	Full Takes		$		
	Partial Takes		$		
	Easement Acquisitions		$		
	Other Rights		$		
	TOTAL LAND COST			$	
	Administrative Settlement Rate of_____x Administrative Increase_____=_____%			$	
	Condemnation Rate of_____x Excess Award_____= ____%			$	
	TOTAL LAND/SETTLEMENT				$
RELOCATION					
	Residential (Owners)		$		
	Residential (Tenants)		$		
	Business (Owners and Tenants)		$		
	Others (Personal Property Moves)		$		
	Last Resort Housing		$		
	TOTAL RELOCATION				$
SERVICES					
	Title Work (Reports, Insurance, Closings)		$		
	Appraisals		$		
	Appraisal Reviews		$		
	Other Services related to acquisition, relocation, property management, etc.		$		
	Legal (Pre-condemnation)		$		
	Legal (Condemnation)		$		
	TOTAL SERVICES				$
GRAND TOTAL					**$**

Supporting Questions

Real estate acquisition can significantly affect a project's cost and schedule because of the number and types of uncertainties and risks. In the RAMP, real estate cost and schedule elements should be fully described along with notations regarding perceived uncertainties and risks on a per parcel basis. The PMOC should discuss the uncertainties with the Grantee, the likelihood of a negative occurrence, the potential magnitude, and the Project Sponsor's plan for mitigating the risk. An example of mitigation is requiring that property acquisition be complete prior to advertising construction contracts. The PMOC should verify the Grantee understands the potential cost and schedule impacts to the project if real estate acquisition is delayed. As an assist to the PMOC in reviewing, the following questions are provided:

Cost Impacts
If available, review historical data for real estate acquisition in the immediate project area to assess cost uncertainties.

1) Cost of appraisals, review appraisals, survey, title, and closing: Has escalation of appraisals versus the timing of actual acquisition been taken into account?

2) Damage to remainder: Have additional costs that may be incurred due to partial acquisitions been taken into account? (Partial acquisitions also tend to be impacted more frequently by design changes that occur when acquisition is initiated prior to final design.)

3) Cost of Settlement: Has the potential increase between negotiated costs versus appraised cost been considered? Was an acquisition incentive program approved by FTA and implemented appropriately?

4) Court and Legal Costs: If settlement cannot be reached have court and legal costs been considered?

5) Cost to Cure: Was the cost to cure considered and addressed in the appraisal scopes of work, where the cure may be economically justified?

6) Relocations: Have all the costs of relocating the business or residence (for example replacement and moving costs) been included in the estimate? Were the replacement housing payment negative equity (underwater mortgages), protective rental cost to preclude subsequent occupants included in the cost estimate and addressed in the relocation plan approved by FTA?

7) Demolition: Is the cost of demolition included in the real estate or overall project estimate?

Schedule Impacts

The PMOC should study the Project Sponsor's detailed real estate acquisition schedule with an eye to schedule uncertainties. The schedule should display the need date of each parcel and each step required to achieve that date.

1) Appraisal: Has the time to order and receive appraisals been considered?

2) Environmental Assessments: Has time to order Phase 1 and 2 been factored into the schedule in order to provide the reports to the appraiser for consideration?

3) Offer: Is a minimum time period allowed for the property owner to accept the offer considered in the development of the schedule? Federal guidelines suggest a minimum of 30 days.

4) Negotiations: If the initial offer is not accepted by the property owner what is the amount of time the Grantee has allocated to take additional measures prior to proceeding to condemnation (if Grantee has the authority for condemnation).

5) Quick Take, Condemnation or Eminent Domain Process: Check the amount of time estimated for adequacy, of lead time for acquisitions that are dependent on court ordered legal and physical possession.

6) Project Sponsor's Board approval: Check for adequacy the amount of time between offer acceptance or the settlement is reached and the Project Sponsor's Board approval. County commission or higher level approval may be required by some agencies.

7) Review time by funding agencies: Has time been allowed for potential multiple agency concurrence (federal, state, and local)?

8) Title: Following all approvals and concurrences, what is the time to needed to transfer ownership?

9) Relocations: Has the time for relocating business or residence been accounted for?

10) Are the real estate clearance schedule milestones compatible with the project schedule for segments being advanced to construction?

Other

The Agency must account for the need for coordination between real estate acquisition and construction activities. As noted above, re-sequencing of construction due to delayed real estate can result in major cost and schedule impacts to the project.

1) Experience of Grantee: Experience of the Project Sponsor's real estate staff and consultants is critical to reduce uncertainties and risks to the project. Are they experienced in acquiring real estate in accordance with the requirements of the URA?

2) Other Parties

    a) Third party acquisition, such as real estate to be acquired by a local agency or entity such as a City: Consider the experience of the local agency in real estate acquisition under Federal acquisition laws.

    b) Acquisition of parcels from Railroads: Has the time and cost associated with obtaining agreements for acquiring parcels, obtaining easements, and performing legal reviews by Grantee and Railroad been considered?

    c) Negotiations with a Private or Public Utility Agency: Does the agency have the time and ability to perform in a timely manner? Does it have cost estimating and scheduling ability? Consider "Prior Rights" documentation and the potential resultant replacement easement or Right of Way for utility companies. Consider the reasonableness of utility relocation and "betterments" in the project cost.

3) RAMP: Does the RAMP adequately describe the steps required for acquisition?

4) Design Development: Consider the level of design development when considering the real estate requirements for the project. Are the requirements for real estate adequately developed with respect to the number, type, and size of parcels needed?

5) Parcels: Have the types of acquisitions been defined by full or partial take, permanent or construction easement, or air rights?

a) Special types of Parcels: Certain types of parcels traditionally take longer to acquire and to provide relocation services – e.g. low income housing; and religious facilities. Consider these as well as "functional replacement properties"
– certain publicly owned facilities (e.g. firehouse) that may need to be functionally replaced prior to displacement of the subject.

b) Joint Development/Transit-Oriented Development (JD/TOD): Does the property have the potential to achieve JD/TOD? Does the Grantee have experience with JD/TOD and with FTA related guidance?

6) Potential of hazardous materials: Has a search of historical uses of the parcel(s) been conducted? Have the cost and time to provide environmental mitigation been factored?