Flood Risk Management Feasibility Study

Peckman River Basin New Jersey

Draft Integrated Feasibility Report and Environmental Assessment

Appendix E: Draft Real Estate Plan



October 2019

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1. Preamble

a) <u>Study Authorization</u>: The Peckman River Basin, New Jersey Flood Risk Management Feasibility Study was authorized by a resolution of the U.S. House of Representatives, Committee on Transportation and Infrastructure Resolution Docket 2644 adopted on June 21, 2000.

b) <u>Official Project Designation</u>: Peckman River Basin, New Jersey Flood Risk Management Feasibility Study (the "Study").

c) <u>Study Area</u>: The study area is located in the County of Passaic and Essex, spanning an area from West Orange to Woodland Park, New Jersey. It lies within the 8th Congressional District and is in a densely developed area of residential and commercial buildings.

The Peckman River Basin is one of the sub-watersheds of the Passaic River, with a drainage area of approximately 9.8 square miles. The river originates in the Town of West Orange and flows northeast through the towns of Verona, Cedar Grove, Little Falls, and Woodland Park where it discharges into the Passaic River.

d) <u>Non-Federal Partner</u>: The non-Federal partner for the Study is the New Jersey Department of Environmental Protection (NJDEP) (the "Sponsor"). The NJDEP will also serve as the non-Federal sponsor for the construction of the Study's Tentatively Selected Plan (TSP) at a 75% Federal and 25% non-Federal cost-share. In accordance with the Project Partnership Agreement (PPA) between the NJDEP and the Department of the Army (the "Government"), which is scheduled to be executed in August 2022, the NJDEP will be responsible for performing or ensuring the performance of the Lands, Easements, Right-of-Ways, Relocation and Disposal Area (LERRD) required for the TSP as outlined in this Real Estate Plan (REP).

2. <u>Statement of Purpose</u>

The purpose of this REP is to describe the minimum LERRD requirements for the construction, operation and maintenance of TSP. This REP describes the estimated Land, Easements and Right-of-Way (LER) land values, cost to acquire the LER, the types of real estate interests required, property information, and other pertinent information relative to the real estate acquisition process and schedule. Further, this report identifies and describes the facility and or utility relocations that are necessary for construction. This REP is the first prepared for the Study and is an appendix to its Integrated Feasibility Report and Environmental Impact Statement (the "main report").

3. <u>Study Purpose and Features</u>

a) <u>Study Purpose</u>: The purpose of the Study is to manage the risk of flooding from the Peckman River. The water basin experiences frequent flash flooding from intense thunderstorms and heavy rainfall. These storms can deposit large amounts of precipitation in the watershed, producing significant runoff. The runoff can quickly exceed the capacity of the river channel, bridge and culvert openings carrying it. The primary water resources problem in the Peckman River Basin is flooding resulting mainly from two sources: (1) flash flooding from rapid runoff in the Peckman River watershed; and (2) backwater flooding from the Passaic River.

A range of structural and nonstructural measures were considered that could potentially manage flood damages in Woodland Park and Little Falls, the basin's most frequently flooded and densely populated areas. Through an iterative plan formulation process, potential fluvial flooding risk management measures were identified, evaluated, and compared. A Tentatively Selected Plan (TSP) was identified that would provide flood risk management and address damages from fluvial flooding in Woodland Park and Little Falls. The TSP is the National Economic Development Plan.

b) <u>Tentatively Selected Plan</u>: The TSP is designed to address flooding from the Peckman River, not backwater flooding from the Passaic River. There is an ongoing U.S. Army Corps of Engineers ("USACE" or the "Corps") study addressing flooding on the Passaic River. Several flood risk management alternatives to address flooding in Little Falls and Woodland Park were formulated and screened to compare reduced damages and benefits-to-costs. The alternative that maximizes net benefits consists of a combination of structural and non-structural features located within the 10 year floodplain within Little Falls, which led to its tentative selection.

I. *Structural Measures* include: (a) a 40ft wide underground diversion culvert that would divert floodwaters from the Peckman River to the Passaic River during and after storms; (b) a wier that would limit water flow downstream of the Peckman River and redirect floodwaters to the diversion culvert; (c) channel modifications in the Peckman River near the diversion culvert opening; and (d) levees and floodwalls.

II. Non-Structural Measures consists of treating 58 structures within the 10% annual chance exceedance floodplain with flood-proofing measures to provide flood risk management to the 1% annual chance exceedance flood event. Non-structural measures include either: (1) raising the foundation of a home or building, (2) wet flood-proofing a home or building by either filling its basement or elevating the HVAC systems, or other similar utilities: or (3) dry flood-proofing a home or building by constructing or installing features designed to prohibit water from entering the structure. The main objective for the non-structural measures is to help reduce flood damages of the existing structures. Non-structural measures will be offered to property owners on a voluntary basis and implemented only with the owner's consent.

III. *Mitigation* is required over approximately 5.12 acres of land due to unavoidable temporary or permanent environmental impacts to forested wetland, riparian habitat and stream restoration. Since design of the TSP is not yet final, impacts to environmental resources and resulting real estate requirements for mitigation are preliminary and subject to change. During optimization of the TSP, environmental impacts will be further refined for better accuracy and precision.

There may also be impacts to Green Acres-protected lands that could require land or monetary (through a credit bank) compensation to satisfy mitigation requirements. Coordination is ongoing with NJDEP to assess the TSP's impacts to Green Acres-protected lands, if any, and to determine its mitigation requirement. See paragraph 21 for addition information on Green Acres impact.

c) Required Lands, Easements, and Rights-of-Way (LER):

In accordance with the PPA, the Sponsor will be responsible for acquiring or ensuring the performance of acquiring all the LER required for the construction, operation and maintenance of the TSP. A list of the impacted properties and the real estate interests required therein is provided in Exhibit "B". Table-1 offers a summary of the LER requirements.

		No. Parcels	•	acted			
Townshi p	Fee	Permanent Easements	Temporary Easements	Total	Private	Publi c	Tota I
Little Falls, NJ	±5.84	±11.35	±6.20	±23.39	17	12	29

Table-1: LER Summary

For owners who elect to receive non-structural flood-proofing measures on their property, a Rights-of-Entry (ROE) will be obtained for access and implementation. Since ROEs do not constitute an interest in land and since the proposed non-structural plan will be implemented only if the owner willingly participates and makes their property available, obtaining ROEs is not considered a real estate requirement for implementation of the TSP. Therefore, the need to obtain ROEs for flood-proofing is not factored into the information presented in Table-1. However, for planning and budgeting purposes, this report assumes 100% participation from owners, which equates to up to 58 properties that would require an ROE.

The following details the minimum interest in real property required to support the construction, operation and maintenance of the TSP:

I. <u>Fee (USACE Standard Estate No. 1)</u>: Approximately 5.84 acres are required in fee for the construction of a weir (± 0.72 acres) (1 public, 2 private) and for environmental mitigation (± 5.12 acres).

The incremental cost analysis to definitely identify the environmental mitigation requirements for the TSP has not yet been completed. Therefore, the 5.12 acres identified for mitigation is a general estimate (with an unknown location(s)) that will be updated prior to the submittal of the final report.

Any land to be acquired to satisfy mitigation requirements for impacts, if any, to Green Acres-protected lands is under assessment and not included in this report. See paragraph 21 for additional information.

II. <u>Channel Improvement Easement (USACE Standard Estate No. 8)</u>: Approximately 5.63 acres are required in perpetuity for channel deepening, widening and erosion control measures. Including the public street right-of-way of Sindle Avenue (±0.024 acres), there are 10 parcels impacted by this permanent easement (5 public, and 3 private, and 2 unknown assumed private)

III. <u>Flood Protection Levee Easement (USACE Standard Estate No. 9)</u>: Approximately 3.58 acres are required in perpetuity for the construction of floodwalls and one gate closure. There are 10 parcels impacted by this permanent easement (8 public and 2 private)

IV. <u>Pipeline Easement (USACE Standard Estate No. 13)</u>: Approximately 2.14 acres are required in perpetuity for the construction of an undergone culvert. Including the public street right-of-way of Paterson Avenue (± 0.072 acres) and submerged lands of the Passaic River (0.394 acres), there are 4 parcels impacted by this permanent easement (2 public and 2 private).

V. <u>Temporary Work Area Easement (USACE Standard Estate No. 15)</u>: Approximately 6.20 acres are required for staging and work area purposes for an approximate two year period. Including the public street right-of-ways of Sindle Avenue (± 0.006 acres), Harrison Avenue (± 0.006 acres), Willow Avenue (± 0.030 acres) and Paterson Avenue (± 0.636 acres); and submerged lands of the Passaic River (± 0.061 acres); there are 29 parcels impacted by this temporary easement (12 public, 15 private, and 2 unknown assumed private).

There are no temporary easements requirements for borrowing or disposal of excavated materials. Disposing of excavated materials will be the responsibility of the selected construction contractor to dispose of the materials at an authorized site.

VI. <u>Right-of-Entry (ROE)</u>: ROEs are required only from those owners who voluntarily elect to receive the proposed non-structural flood-proofing measures on their property. Up to 58 structures across 58 properties (3 public and 55 private) would require an ROE to perform flood-proofing. Along with the ROE, a flood-proofing agreement will be executed between the property owner and Sponsor. The flood-proofing agreement will outline the flood-proofing work and provide the mechanism for such work to occur. It will also identify any restrictive covenant that may limit improvements or modifications to the property that could jeopardize the effectiveness of the flood-proofing measure's intended purpose.

Exhibit "B" provides a list of impacted properties as well as the total acres required therein. The real estate interest acquired by the Sponsor must contain the USACE-approved standard estate language as written herein (see Exhibit "C" for the standard estate language). Any changes to the standard estate language requires USACE approval (see paragraph 4). Easements acquired by the Sponsor must also contain the necessary covenants to run with the land. In some instances, more than one estate may be required over the lands of the same owner.

Since this report was prepared during a feasibility level study, the size of the required real estate interests presented in this REP are preliminary estimates based only on existing, readily available Geographic Information System (GIS) data. The LER requirements are subject to change with optimization during pre-construction, engineering and design (PED) when final plans, specifications and detailed drawings are prepared. After the PPA is fully executed and once the Plan has been optimized to a confident design level where little to no change to the LER required is expected to occur, a general written description of the final LER (with supporting real estate maps) and any facility/utility relocations that may be required will be provided to the Sponsor in their formal written Notice to Proceed with Real Estate Acquisition letter (hereinafter, the "NTP").

Once the Sponsor receives the NTP, they will commence real estate acquisition activities. To delineate the precise boundary of the required real estate interests and to mitigate against potential boundary disputes, boundary land surveys with corresponding legal descriptions for each required estate will be completed by the Sponsor. Further, the Sponsor is advised to obtain a chain of title report and title insurance on all properties acquired to identify potential encumbrances and to protect against potential financial losses to the Sponsor that may result from a "defect" in title. To ensure the real estate interest acquired remain in effect in the event of a foreclosure, a Subordination of Mortgage is necessary for properties with existing mortgages. The Sponsor will work with the property owner and their mortgage lender to execute the appropriate agreement that allows the mortgage to be subordinate to the easement. The USACE will remain in close coordination with the Sponsor throughout the real estate acquisition process for support and guidance.



After the Sponsor completes its acquisition effort and prior to the issuance of the solicitation for the construction contract(s), the Sponsor must furnish the USACE with copies of all easements and deeds recorded with Passaic County, Subordination of Mortgage Agreements (if finalized), and a signed Authorization for Entry (with an attorney's Certificate of Authority) to all the LER the USACE had identified in the NTP for that construction contract. The USACE will examine and evaluate all records received to ensure sufficient real property interests are available to support the construction, operation and maintenance. The USACE will then certify in writing to the appropriate USACE District elements that the LER has been obtained for the TSP's solicitation for the construction contract(s).

d) <u>Appraisal Information</u>: In accordance with USACE Real Estate Policy Guidance Letter No. 31-Real Estate Support to Civil Works Planning Paradigm (3x3x3), dated January 10, 2013, as updated by Policy Guidance Letter No. 31 dated January 11, 2019 (hereinafter referred to as "PGL 31"), an appraisal cost estimate (or "rough order of magnitude") was completed since the TSP's total land value of the real estate required (land, improvements and severance damages) were not expected to exceed ten percent of the total project costs. A cost estimate is <u>not</u> an appraisal. To establish a more accurate land valuation and cost to acquire real estate, a full land appraisal based on surveyed boundaries of the optimized TSP is required. The appraisal cost estimate does not include the incidental costs – such as appraisals, surveys, title, attorney, etc. fee – that would be incurred to facilitate real estate acquisition and should not be interpreted as the TSP's total estimated real estate costs. See paragraph 11 for the TSP's total estimated real estate costs.

An appraisal cost estimate was completed by a licensed USACE staff appraiser in March of 2018 who concluded, the total cost to acquire the lands for the TSP was approximately \$10,028,000. Changes to the footprint of the TSP and its corresponding real estate requirements required an update to the appraisal cost estimate. Due to project schedule constraints, a hasty update was completed in August 2019. The update concluded the total estimate land payments to be \$7,168,000 (rounded). An updated appraisal cost estimate will be prepared by a licensed USACE staff appraiser and the results will be included in the final report submittal.

The cost to acquire the land reflects the estimated payments to land owners as compensation for the purchase of the LER required for the TSP. The cost estimate is incorporated into the Base Line Cost Estimate for Real Estate (BCERE) under "Land Payments" in the TSP's 01-Lands & Damages cost account (provided in paragraph 11). Table-2 identifies the estimated payments for each real estate interest type to be acquired.

Table-2: Estimate Land Payments

Estate Type	Land Value	Damages Paid	Total Land Payments
Fee	\$4,210,492	-	\$6,128,903
Permanent Easement	\$2,193,837	\$271,402	\$2,465,239
Temporary Easement	\$492,470	-	\$492,470
Total Land Payments:	\$6,896,799	\$271,402	\$7,168,202

Since ROEs do not represent an interest in land and have no market value, they were not considered in the appraisal cost estimate. The appraisal cost estimate was completed with the following Assignment Conditions:

Assignment Condition #1 - A title report was not obtained for any of the parcels impacted by the TSP. The cost estimate is predicated on the extraordinary assumptions that, as of the effective date of the cost estimate, the parcels impacted by the TSP: (1) have not begun condemnation proceedings; and (2) have marketable title without restrictions or encumbrances impacting cost.

Assignment Condition #2 – The cost estimate invoked the Jurisdictional Exception of Uniform Standards of Professional Appraisal Practice (USPAP), "if any part of these standards is contrary to the law or public policy of any jurisdiction, only that part shall be void and of no force or effect in that jurisdiction."

A cost estimate is not an appraisal as defined by USPAP, but does conform to USACE regulations. An appraisal is the process of developing an opinion of value. Since USACE operates under the Jurisdictional Exception provision of USPAP, the cost estimate report prepared for the TSP is not required to be in compliance with USPAP.

Assignment Condition #3 – Preliminary real estate maps and parcel data for the TSP was provided for the cost estimate. This cost estimate is predicated on the extraordinary assumption that, as of the effective date of the cost estimate, the preliminary real estate maps and parcel data provided for the TSP accurately portray the area and location of the defined estates in land based upon the land use planning and engineering designs. Maps and real estate requirements for a proposed project are frequently amended due to planning reasons. Cost estimates change as project planning analysis changes the planning parameters.

Assignment Condition #4 – Preliminary real estate maps and parcel data for the TSP indicated areas for the fee interest, and permanent and temporary easements. The data provided has been applied in the cost estimate. The cost estimate is predicated

on the extraordinary assumption that, as of the effective date of the cost estimate, the parcels areas for the TSP are consistent with the TSP parameters.

Assignment Condition #5 – The Temporary Work Area Easements are assumed to encumber the real property areas for a period of two years. The cost estimate is predicated on the extraordinary assumption that, as of the effective date of the cost estimate, the two-year encumbrances are consistent with the TSP parameters.

Assignment Condition #6 – The cost estimate is predicated on the extraordinary assumption that, as of the effective date of the cost estimate, there are: (1) no zoning bulk area requirement violations on any of the properties required for the TSP; (2) all properties are conforming uses; and (3) all properties are permitted uses under the zoning code. It is assumed that the existing land uses comply with current zoning requirements and do not impact the cost estimate conclusion.

Assignment Condition #7 – The cost estimate is based upon a superficial level of detail. The data provided to the analyst was based upon a preliminary design and did not provide specifics on each parcel. Superficial in the context of this analysis is defined as "the property data is concerned only with what is obvious or apparent, not thorough or complete at this point in the land planning process", as directed by PGL 31. If the design parameters change, the cost estimate may change.

4. LER Owned by the Non-Federal Partner

Under the Submerge Lands Act (43 U.S.C. 1301-1315), the State of New Jersey maintains fee ownership of approximately 0.455 acres of submerge lands of the Passaic River that are required for the TSP; ± 0.394 of an acre required for the Pipeline Easement and ± 0.061 of an acre required in temporary easements.

The estate and interest owned by the State of New Jersey is sufficient and available. As an item of cooperation, state land required for the TSP is expected to be made available as a donation. No special value considerations or crediting principals will be applied for Sponsor-owned lands.

5. Non-Standard Estates

Currently, there are no proposed non-standard estates for the TSP. Should changes to the standard estates, as provided in Exhibit "C", be necessary, a non-standard estate will be drafted (in coordination with the Sponsor) and approved by the USACE New York District Chief of Real Estate or USACE Headquarters as appropriate.

6. Existing Federal Projects



There are no known existing or proposed Federal projects that lie either partially or fully within the LER required for the TSP.

7. Federally-Owned Land

The TSP includes no Federally-owned lands as part of its LER requirements.

8. Navigational Servitude

Navigational servitude is not applicable to the TSP.

9. <u>Real Estate Maps</u>

The TSP's preliminary real estate maps are provided in Exhibit A. The GIS parcel data used to develop the real estate maps is a spatial representation of the tax parcel boundaries for the given area. It is not based on survey documents and does not represent legal boundaries – it should not be interpreted as such. The GIS parcel data was developed by and obtained from the New Jersey Office of Information Technology (OIT), Office of Geographic Information Systems (OGIS). The last update that occurred at the time of its use for the development of the real estate maps for this report was on August 19, 2019.

10. Induced Flooding

The TSP does not induce flooding.

11. Baseline Cost Estimate for Real Estate (BCERE)

a) The BCERE (provided in Exhibit "D") establishes the estimated federal and nonfederal financial costs attributed to the TSP's real estate requirements. It is shown in the TSP's 01-Lands & Damages project cost account. Itemized under "Incidental" and "Acquisition" categories, the BCERE provides a list of wok activities/items with its associated estimated cost. Incidental costs for the Sponsor may include those incurred for title work, appraisals, review of appraisals, coordination meetings, review of documents, review of P.L. 91-646 actions, legal support and other costs that are incidental to the acquisition of the LER required for the TSP. Government costs for staff monitoring and for reviewing, approving and crediting LER provided by the Sponsor are also included as Incidental costs. Acquisition costs is the monetary compensation paid to property owners to acquire the LER.

The TSP's total estimated real estate cost is **<u>\$12,283,000</u>** (rounded). Table-3 provides a summary of the BCERE.

Table-3: BCERE Cost Summary

BCERE Category	Estimated Costs
Incidental	\$1,303,000
Acquisition	\$7,168,202
Contingency (45%)	\$3,812,040
Total 01-Lands & Damages Cost	\$12,283,242

b) For civil works projects that are cost-shared between the Federal Government and a non-federal interest, the Water Resources Development Act of 1986 ("WRDA 86") assigns the non-Federal partner the responsibility of acquiring the LER and of performing the facility/utility <u>R</u>elocations and borrow/excavated material <u>D</u>isposal (i.e. "LERRD") requirements for the project. All LERRD must be acquired in accordance with the project's PPA, WRDA 86, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("Public Law 91-646"), as amended.

LERRD costs represent a non-Federal partner's estimated upfront direct and indirect financial costs in fulfilling its real estate responsibilities. The non-Federal partner will receive credit for their actual associated costs if found to be reasonable, allowable and allocable. Supporting documents (i.e., receipts, invoices, official certified timesheets, etc.) of all LERRD costs incurred by the non-Federal partner will be submitted to the Corps for review and evaluation as part of their claim for credit. LERRD cost are determined by adding the non-Federal costs in the Plan's 01-Lands & Damages cost account with the cost in the Plan's 02-Relocations cost account (See paragraph 17 for 02-Relocation costs). LERRD cost do not include Federal costs.

The Sponsor's LERRD costs for the TSP is estimated at \$13,458,000 (rounded). Table-4 provides a summary of the Sponsor's estimated LERRD costs.

LERRD	Estimated Cost
LER	\$11,270,417
Relocations	\$321,734
Disposals	\$0
Total LERRD:	±\$11,592,151

Table-4: Sponsor's Estimated LERRD Costs

12. Public Law 91-646, Uniform Relocation Assistance

Public Law 91-646, as amended, provides uniform equitable treatment of persons and businesses displaced by a Federal or Federally-assisted project. Along with the PPA, it requires the non-Federal partner to provide assistance and certain benefits be paid to all persons and businesses that are displaced and must be relocated from their residence or place of business due to a Federally-funded project. The cost incurred by the non-Federal partner to provide relocation assistance is part of its LERRD responsibilities.

No person or business is expected to be eligible for Public Law 91-646 relocation assistance benefits for the TSP. While the TSP proposes the raising of certain properties that may require the owner to temporarily relocate, the raisings will be performed solely on a voluntary basis and only with the consent of the owner. Public Law 91-646 relocation assistance benefits are not paid under voluntary circumstances. If a homeowner elects not to participate, eminent domain will not be invoked. Consequently, a displaced person situation would not occur. Any property owner who elects to have their property raised and requires vacating of the property during the construction period will do so at their sole expense and without reimbursement.

To avoid potential Public Law 91-646 claims by tenant(s)-occupied dwellings, floodproofing measures will only be offered to owner-occupied dwellings (who have no tenants occupying their property) if vacating the property is required to implement the floodproofing measure. A tenant(s) who may not be inclined to temporarily move, but forced to move by their landlord, may claim displacement and file a Public Law 91-646 claim. Additionally, due to the improvements made on the property, a tenant could experience higher rent upon their return and may claim rental assistance under Public Law 91-646 by claiming displacement.

13. Minerals and Timber Activity

There are no known present or anticipated mineral extraction or timber harvesting activities within the LER required for the Plan.

14. Land Acquisition Experience and Capability of the Non-Federal Partner

The Sponsor possesses sufficient general and legal acquisition authority to acquire all the real estate required for the project. They maintain the professional capability for land acquisitions and can reasonably obtain contract services if needed. The Sponsor has successfully completed real estate acquisition for similar USACE civil works projects located at Elberon to Loch Arbor, Newark, Greenbrook, and Port Monmouth, among others. The Sponsor is aware of Public Law 91-646 requirements as well as the requirement to document all LERRD expenses for its claim of credit. The Sponsor is highly capable of performing or ensuring the performance of its LERRD responsibilities. It is unlikely they will require the assistance from the USACE to acquire the real estate on

their behalf. See Exhibit "E" for the Non-Federal Partner's Capability Assessment, which is currently being coordinated with the Sponsor. Once concurrence from the Sponsor is obtain, a signed copy will be provided prior to the final report submittal.

15.<u>Zoning</u>

No application or enactment of local zoning ordinances is anticipated in lieu of, or to facilitate, the acquisition of the TSP's real estate requirements.

16. Schedule of Acquisition

<u>Milestone</u> PPA						
Execution						Aug 2022
USACE	NTP	Le	tter		to	
Sponsor						Sep 2022
Sponsor's	Authorization	for		Entry	fo	
Construction						Aug 2024
USACE	Certification		of		Real	
Estate						Aug 2024
USACE	Solicitation	for		Constr	uction	-
Contracts						Sep 2024

17. Relocation of Facilities or Public Utilities

There are existing underground sanitary sewer and water lines along Harrison Street and Paterson Ave and aboveground electrical poles and lines along the diversion culvert that require removal and replacement to construct the TSP. The approximate cost to relocate the utilities is approximately \$321,734, which is capture in the TSP's 02-Relocation cost account. Detailed utility survey data for project area will be obtained and investigated further during PED to identify any additional utilities requiring relocation.

The above referenced facilities/utilities are generally of the type eligible for compensation under the substitute facilities. The substitute facilities doctrine provides an alternate means of just compensation to property owners affected by an acquisition or taking of property in order to place them in as good a position as if the property had not been acquired or taken. The measurement of just compensation – as it relates to the substitute facilities doctrine – has been required only when fair market value has been too difficult to establish or when its application would result in manifest injustice to the owner or the public. In such cases, the cost of constructing a substitute facility may be used as the measure of just compensation paid to the facility/utility owner where a substitute facility/utility is necessary. The substitute facilities doctrine is the foundation for the concept of "relocation" as applied to the implementation of water resources

projects by the USACE. Engineering Regulation 405-1-12, Real Estate Handbook, Change 31, 1 May 98, defines the term "relocation" as generally meaning:

To provide a functionally equivalent facility to the owner of an existing utility, cemetery, highway, or other eligible public facility and railroad when such action is authorized in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may take the form of alteration, lowering, raising, or replacement (and attendant removal) of the affected facility or part thereof.

As a result of the TSP's impact to the above described facilities/utilities, there is a requirement to perform such relocations and provide functionally equivalent substitute facilities, in-place or moved, as just compensation for the property owners. As directed by PGL 31, this real estate assessment on the relocation of facilities and public utilities was established in lieu of a Preliminary Attorney's Opinion of Compensability because the total estimated cost to relocate said facilities and public utilities is less than 30% of the overall TSP cost. This assessment has been prepared and used for the purpose of completing the study. A Final Attorney's Opinion of Compensability and final relocation determination will occur during PED and prior to the execution of the PPA.

Currently, there is no need to acquire additional real estate to perform the facility/utility relocations as their removal and replacement will be completed within their existing rightof-way. The cost to relocate the facilities/utilities are part of the Sponsor's LERRD expense and are creditable toward their cost-shared amount. Any conclusion or categorization contained in this REP that an item is a utility or facility relocation to be performed by the Sponsor as part of its LERRD responsibilities is preliminary only. The USACE will make a final determination of the relocations necessary for the construction, operation or maintenance of the TSP after further analysis, and completion and approval of a Final Attorney's Opinion of Compensability for each of the impacted utilities and facilities.

18. Hazardous, Toxic, and Radioactive Waste (HTRW)

There are no known HTRW or suspected presence of contaminants that are in, on, under, or adjacent to the LER required for the TSP.

19.<u>Project Support</u>

While the NFS and local stakeholders supports the TSP, a public meeting held in November 2017 drew both skepticism and support from local residents. Concerns surfaced on impacts the TSP could have on local businesses, aesthetics of the community and property values. However, there is a general consensus on the need to address erosion and flooding of the Peckman River to reduce the risk of property damage and the potential loss of life during intense storm events. There are no known or anticipated landowner concerns that could impact the real estate acquisition schedule.

20. Risk Notification to Non-Federal Partner

Based on its past sponsorship of other USACE cost-shared civil works projects and ongoing discussions during the feasibility study, the Sponsor is aware of the risks associated with acquiring the LER for the TSP in advance of signing the PPA and before receiving the Corps' formal notice to proceed with real estate acquisition. During instances when the Sponsor choses to acquire real estate before the full execution of the PPA and before receiving the NTP letter from the Corps, they will assume full and sole responsibility for any and all costs and/or liabilities arising out of their acquisition effort. Generally, the risks include, but may not be limited to, the following:

- (1) Congress may not appropriate funds to construct the TSP;
- (2) The TSP may otherwise not be funded or approved for construction;
- (3) A PPA mutually agreeable to the Sponsor and the Federal Government may not be executed and implemented;
- (4) The Sponsor may incur liabilities and expenses by virtue of its ownership of contaminated lands, or interests therein, whether such liability should arise out of local, state, or Federal laws or regulations including liability arising out of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended;
- (5) The Sponsor may acquire interests or estates that are later determined by the Federal Government to be inappropriate, insufficient, or otherwise not required for the TSP;
- (6) The Sponsor may initially acquire insufficient or excessive real property acreage which may result in additional negotiations and/or benefit payments under PL 91-646 as well as the payment of additional fair market value to affected landowners which could have been avoided by delaying acquisition until after PPA execution and the Federal Government's notice to commence acquisition; and
- (7) The Sponsor may incur costs or expenses in connection with its decision to acquire LER in advance of the executed PPA and issuance of the NTP letter which may not be creditable under the provisions of WRDA 86 or the PPA.

By letter dated August October 9, 2019, a formal written notice was provided to the Sponsor outlining the above-stated risks.

21. Additional Information

The TSP impacts two parcels protected under the New Jersey Green Acres Program. The Green Acres Program is designed to protect, preserve and enhance natural environment and historic, scenic and recreational resources. It is administered by the NJDEP Legal Services and Stewardship Bureau (the "Bureau"), including processing applications for the diversion of use. Since Green Acres designated lands must be used solely for recreation and conservation purposes, any diversion from its intended use requires a review and approval process by the Bureau. To offset Green Acres impacts, diversion approval typically results in mitigation requirements through either land or monetary compensation at a 2:1 ratio – for every one acre impacted, two acres must be mitigated.

1. Block 218 Lot 1 consists of the Little Falls Recreation Center owned by the Town of Little Falls. There is likely a permanent impact caused by the culvert that would constitute a sub-surface diversion. The sub-surface impact may require mitigation.

2. Block 125 Lot 2 consists of the Peckman River and the bank off of Turnberry Road. There may be temporary impacts resulting from the temporary work area and access needed to facilitate the channel modification. Temporary impacts typically do not constitute a diversion of Green Acres use; and therefore, may not require mitigation.

Coordination is ongoing with NJDEP regarding potential impacts to Green Acres and any resulting mitigation that may be required. Since Green Acres mitigation is unknown, the BCERE was provided with a higher contingency to consider the unknown real estate acquisition cost that would be incurred should mitigation by land compensation be required. It is anticipated that the above Green Acres parcels will be made available for the TSP and that the application process for the diversion of use will not adversely impact the real estate acquisition schedule. For additional information on Green Acres, see Appendix-A, Environmental Resources, of the main report.



22. Point of Contact

This Real Estate Plan was prepared by Real Estate Project Delivery Team member Carlos E. Gonzalez. He may be contacted at (917)790-8465 (Email: <u>Carlos.E.Gonzalez@usace.army.mil</u>).

CARLOS E. GONZALEZ Realty Specialist

LYDIA H. WILLIAMS Chief, Real Estate Division

EXHIBIT "A" REAL E STATE MAPS













EXHIBIT "B" IMPACTED PROPERTIES



Block	Lot	Owner Name	Fee	Flood Protection Levee Easement	Channel Improvement Easement	Pipeline Easement	Temporary Work Area Easement	Right-of- Entry	Grand Total
89	5.01	Private Owner			Lasement	0.287	0.245	No	0.532
89	5.02	Private Owner	-	-	-	-	0.022	No	0.022
122	38	Private Owner	-	-	-	-	-	Yes	-
122	21	Private Owner	-	-	-	-	-	Yes	-
124	1	Private Owner	-	-	-	-	-	Yes	-
124	5	Private Owner	-	-	-	-	-	Yes	-
124	9	Private Owner	-	-	-	-	-	Yes	-
125	11	Private Owner	-	-	-	-	-	Yes	-
125	8	Private Owner	-	-	-	-	-	Yes	-
125	10	Private Owner	-	-	-	-	-	Yes	-
125	9	Private Owner	-	-	-	-	-	Yes	-
125	3	Private Owner	-	-	-	-	-	Yes	-
125	12	Private Owner	-	-	-	-	-	Yes	-
125	13	Private Owner	-	-	-	-	-	Yes	-
128	13	Private Owner	-	-	0.038	-	0.022	No	0.060
128	2	Private Owner	-	-	0.141	-	0.133	No	0.273
128	3	Private Owner	-	-	0.883	-	0.138	No	1.021
128	4	Private Owner	-	-	0.280	-	0.013	No	0.293
155	7	Private Owner	-	-	-	-	-	Yes	-
157	42	Private Owner	-	-	-	-	-	Yes	-
157	43	Private Owner	-	-	-	-	-	Yes	-
157	60	Private Owner	-	-	-	-	-	Yes	-
165	4	Private Owner	-	-	-	-	-	Yes	-
165	2	Private Owner	-	-	-	-	-	Yes	-
165	7	Private Owner	-	-	-	-	-	Yes	-

166	14	Private Owner	-	-	-	-	-	Yes	-
166	8	Private Owner	-	-	-	-	-	Yes	-
166	1	Private Owner	-	-	-	-	-	Yes	-
166	24	Private Owner	-	-	-	-	-	Yes	-
166	7	Private Owner	-	-	-	-	-	Yes	-
166	21	Private Owner	-	-	-	-	-	Yes	-
166	22	Private Owner	-	-	-	-	-	Yes	-
166	12	Private Owner	-	-	-	-	-	Yes	-
166	10	Private Owner	-	-	-	-	-	Yes	-
166	15	Private Owner	-	-	-	-	-	Yes	-
166	20	Private Owner	-	-	-	-	-	Yes	-
166	23	Private Owner	-	-	-	-	-	Yes	-
167	10	Private Owner	-	-	-	-	-	Yes	-
167	6	Private Owner	-	-	-	-	-	Yes	-
167	19	Private Owner	-	-	-	-	-	Yes	-
167	9	Private Owner	-	-	-	-	-	Yes	-
167	20	Private Owner	-	-	-	-	-	Yes	-
167	18	Private Owner	-	-	-	-	-	Yes	-
167	16	Private Owner	-	-	-	-	-	Yes	-
167	11	Private Owner	-	-	-	-	-	Yes	-
167	2	Private Owner	-	-	-	-	-	Yes	-
167	12	Private Owner	-	-	-	-	-	Yes	-
167	13	Private Owner	-	-	-	-	-	Yes	-
167	17	Private Owner	-	-	-	-	-	Yes	-
167	5	Private Owner	-	-	-	-	-	Yes	-
167	7	Private Owner	-	-	-	-	-	Yes	-
167	3.01	Private Owner	-	-	-	-	-	Yes	-
168	7	Private Owner	-	-	-	-	-	Yes	-

168	5	Private Owner	-	-	-	-	-	Yes	-
168	1	Private Owner	-	-	-	-	-	Yes	-
168	11	Private Owner	-	-	-	-	-	Yes	-
188	7	Private Owner	-	-	-	-	-	Yes	-
188	1	Township of Little Falls	-	-	-	-	-	Yes	-
189	10	Township of Little Falls	-	0.955	-	-	0.192	Yes	1.147
189	11	Township of Little Falls	-	0.011	-	-	0.039	Yes	0.050
189	3	Private Owner	-	0.004	-	-	0.036	No	0.041
189	4	Private Owner	-	-	-	-	0.011	No	0.011
189	5	Private Owner	-	-	-	-	0.011	No	0.011
189	6	Private Owner	-	-	-	-	0.011	No	0.011
189	7	Private Owner	-	-	-	-	0.012	No	0.012
189	8	Private Owner	-	0.147	-	-	0.073	No	0.220
189	9	Township of Little Falls	-	0.113	-	-	1.648	No	1.762
189	9.01	Township of Little Falls	-	0.051	0.679	-	0.239	No	0.969
193	6	Township of Little Falls	-	0.378		-	0.232	No	0.611
193	7	Township of Little Falls	-	1.464	0.376	-	0.358	No	2.199
193	7.01	Township of Little Falls	-	0.433		-	0.072	No	0.505
194	5	Township of Little Falls	-	0.027	0.716	-	0.073	No	0.817
194	9	Private Owner	-	-	0.634	-	0.055	No	0.689
200	2	Private Owner	0.409	-	0.587	-	0.079	No	1.075
217	17	Private Owners	0.211	-	0.534	-	0.277	No	1.021
218	1	Township of Little Falls	-	-	-	0.374	0.329	No	0.703
218	10	Private Owner	-	-	-	-	0.048	No	0.048
218	11	Township of Little Falls	0.101		0.734	0.566	1.282	No	2.683
218	8	Private Owner				0.444	0.361	No	0.805
218	9	Private Owner					0.006	No	0.006
226	19	Private Owner					0.018	No	0.018

Harrison St ROW	Township of Little Falls					0.006	N/A	0.006
Passaic River ROW	State of New Jersey				0.394	0.061	N/A	0.455
Paterson Ave ROW	Township of Little Falls	-	-	-	0.072	0.064	N/A	0.136
Sindle Ave ROW	Township of Little Falls	-	-	0.024	-	.006	N/A	0.030
Willow Ave ROW	Township of Little Falls	-	-	-	-	0.030	N/A	0.030
Not Identified	Environmental Mitigation	5.120	-	-	-	-	N/A	5.120
Not Identified	Green Acres Mitigation	-	-	-	-	-	N/A	-

EXHIBIT "C" ESTATES



1) <u>FEE</u>

The fee simple title to the land described in Schedule A. Subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

[Where an outstanding interest in the subsurface mineral estate is part of a block ownership which is to be excluded from the taking in accordance with paragraph 5-289 (2), the following clause will be added:

"excepting and excluding from the taking all interests in the (coal) (oil and gas) which are outstanding in parties other than the surface owners and all appurtenant rights for the exploration, development and removal of said (coal) (oil and gas) so excluded."]

2) FLOOD PROTECTION LEVEE EASEMENT

A perpetual and assignable right and easement in the land described in Schedule A to construct, maintain, repair, operate, patrol and replace a flood protection [floodwall] [gate closure] [levee]; including all appurtenances thereto; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges in the land as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

3) CHANNEL IMPROVEMENT EASEMENT

A perpetual and assignable right and easement to construct, operate, and maintain channel improvement works on, over and across the land described in Schedule A for the purposes as authorized by the Act of Congress approved _______, including the right to clear, cut, fell, remove and dispose of any and all timber, trees, underbrush, buildings, improvements and/or other obstructions therefrom; to excavate: dredge, cut away, and remove any or all of said land and to place thereon dredge or spoil material; and for such other purposes as may be required in connection with said work of improvement; reserving, however, to the owners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements far public roads and highways, public utilities, railroads and pipelines.

4) <u>PIPELINE EASEMENT</u>

A perpetual and assignable easement and right-of-way in, on, over and across the land described in Schedule A, for the location, construction, operation, maintenance, alteration; repair and patrol of underground culvert together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions and other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without



interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

5) TEMPORARY WORK AREA EASEMENT

A temporary easement and right-of-way in, on, over and across the lands described in Schedule A, beginning on ______ and ending on ______, or when construction activities are completed, whichever is later, for use by the United States, its representatives, agents, and contractors as a work area, including the right to move, store and remove equipment and supplies, and erect and remove temporary structures on the land and to perform any other work necessary and incident to the construction of the Peckman River Basin, New Jersey Flood Risk Management Project, together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions, and any other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.



EXHIBIT "D" BASELINE COST ESTATE FOR REAL ESTATE



EXHIBIT "D"

BASELINE COST ESTIMATE FOR REAL ESTATE

PECKMAN RIVER BASIN FLOOD RISK MANAGEMENT FEASIBILITY STUDY TENTATIVELY SELECTED PLAN

	PROJECT REAL ESTATE COSTS DESCRIPTION	NON-FED	FEDERAL	TOTAL COSTS
01A	INCIDENTAL COSTS	\$604,500	\$698,500	\$1,303,00
01A1	Acquisition (Admin Costs)	\$453,000	\$302,000	\$755,00
)1A1A	By the Non-Federal Sponsor	\$453,000		
01A1B	By Government (Govt) on behalf of NFS			
01A1C	By Go√t		\$302,000	
)1A2	Land Survey	\$58,000	\$43,500	\$101,50
)1A2A	By NFS	\$58,000		
)1A2B	By Govt on behalf of NFS			
)1A2C	Product Review		\$43,500	
/// (20			\$10,000	
)1A3	Appraisal	\$51,000	\$25,500	\$76,5
01A3A	By NFS	\$51,000	ψ20,000	ψ/0,0
)1A3B	By Govt on behalf of NFS	\$01,000		
)1A3C	Product Review		\$25,500	
			+==,===	
)1A4	Title Services & Closing	\$42,500	\$25,500	\$68,0
)1A4A	By NFS	\$42,500		
)1A4B	By Govt on behalf of NFS			
)1A4C	Product Review		\$25,500	
)1A5	Other Professional Services	\$0	\$0	
)1A5A	By NFS			
01A5B	By Govt on behzlf of NFS			
01A5C	Product Review			
)1A6	Condemnation Proceedings	\$0	\$0	
)1A6A	By NFS		ψυ	
)1A6B	By Govt on behalf of NFS			
)1A7	Public Law 91-646 Relocation Assistance			
)1A7A	By NFS			
)1A7B	By Govt on behalf of NFS			
14 4 0	Audit		¢202.000	¢202.00
01A8 01A8A	BY NFS	\$0	\$302,000	\$302,0
)1A8B	By Govt		\$302,000	
			ψ002,000	
)1B	ACQUISITION COSTS	\$7,168,202	\$0	\$7,168,20
01B1	Land Payments	\$6,896,800	\$0	\$6,896,8
01B1A	By NFS	\$6,896,800		
)1B1B	By Govt on behalf of NFS			
)1B2	Damage Payments	\$271,402	\$0	\$271,4
)1B2A	By NFS	\$271,402	**	,
)1B2B	By Govt on behalf of NFS	, ,		
	Subtotal Lands & Damages (01A + 01B)	\$7,772,702	\$698,500	\$8,471,2
	Contingency (45%)	\$3,497,716	\$314,325	\$3,812,04
01	TOTAL LANDS & DAMAGES	\$11,270,417	\$1,012,825	\$12,283,24
02	TOTAL RELOCATIONS (Faciliteis / Utilities)	\$321,734	\$0	\$321,7

EXHIBIT "E" NON-FEDERAL PARTNER CAPABILITY ASSESSMENT



Draft Real Estate Plan

EXHIBIT "E"

ASSESSMENT OF NON-FEDERAL PARTNER'S REAL ESTATE ACQUISITION CAPABILITY

PECKMAN RIVER BASIN, NEW JERSEY FLOOD RISK MANAGEMENT FEASIBILITY STUDY

I. Legal Authority.

a) Does the sponsor have legal authority to acquire and hold title to real property for project purposes?

Yes. Through N.J.S.A. § 58:16A-5, the State of New Jersey, as the non-Federal Partner for a Federal Civil Works project, has the legal authority to acquire and hold title to real property for project purposes.

b) Does the sponsor have the power of eminent domain for this project?

Yes. The sponsor has the power of eminent domain under the authority of the Eminent Domain Act, N.J.S.A. § 20:3-1 et seq.

c) Does the sponsor have "quick-take" authority for this project?

Yes. The sponsor has quick-take authority.

d) Are any of the lands/interests in land required for the project located outside the sponsor's political boundary?

No. All lands required for the project are within the Sponsor's political boundary.

e) Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn?

No. The Sponsor has the legal authority to condemn, if necessary, any of the lands or interest in lands required for the project.

II. Human Resource Requirements.

a) Will the sponsor's in-house staff require training to become familiar with the real estate requirements of Federal projects, including P.L. 91-646 as amended?

No. The sponsor's has been the non-Federal partner, and has performed or ensured the performance of real estate acquisition, for several Federal civil works



EXHIBIT "E"

projects. At this time, the Sponsor does not require training to become familiar with the real estate requirements of Federal projects, including P.L. 91-646 as amended.

b) If the answer to II.a is "yes," has a reasonable plan been developed to provide such training?

Not applicable.

c) Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project?

Yes. The sponsor's in-house staff has real estate acquisition experience for Federal and non-Federal construction projects and can meet its responsibilities for the project.

d) Is the sponsor's projected in-house staffing level sufficient considering its other workload, if any, and the project schedule?

Yes. The sponsor's in-house staff level is sufficient considering its other workload. Additionally, the sponsor will be entering a partnership agreement with the local municipality to assist with real estate acquisition.

e) Can the sponsor obtain contractor support, if required in a timely fashion?

Yes. If necessary, the Sponsor can obtain contract support in a timely fashion to assist with real estate acquisition for the project.

f) Will the sponsor likely request USACE assistance in acquiring real estate?

No. It is unlikely the Sponsor will request USACE assistance in acquiring the real estate for the project. They maintain the professional capability to acquire the real estate needed and can reasonably obtain, if necessary, contracting services from sources other than the Federal Government. The Sponsor also has sufficient general and legal acquisition authority to acquire all the real estate required for the project. Additionally, the two-year acquisition schedule was coordinated with the Sponsor to allow sufficient time to secure the real estate. Further, the Sponsor will be entering into a partnership agreement with the local municipality to assist with real estate acquisition activities.

III. Other Project Variables.

a) Will the sponsor's staff be located within reasonable proximity to the project site?



EXHIBIT "E"

Yes. The sponsor's staff is located within a reasonable proximity to the project site. Additionally, its partnership with the local municipality on the project offers representatives within the immediate area.

b) Has the sponsor concurred with the project/real estate schedule/milestones?

Yes. The sponsor concurs with the project/real estate schedule/milestones.

IV. Overall Assessment.

a. Has the sponsor performed satisfactorily on other USACE projects?

Yes. The Sponsor has performed satisfactorily on other completed or on-going USACE projects, including but not limited project located at Elberon to Loch Arbor, Newark, Greenbrook, Union Beach and Port Monmouth.

b. With regard to this project, the sponsor is anticipated to be: highly capable/fully capable/moderately capable/marginally capable/insufficiently capable. If sponsor is believed to be "insufficiently capable," provide explanation. Highly capable.

The sponsor is highly capable of performing its real estate acquisition responsibilities.



V. Coordination.

a) Has this assessment been coordinated with the sponsor?

Yes. This assessment has been coordinated with the Sponsor.

b) Does the sponsor concur with this assessment? Yes.

As of this report, the Sponsor's concurrence to this assessment is still pending.

LYDIA H. WILLIAMS Chief, Real Estate Division New York District U.S. Army Corps of Engineers DAVE ROSENBLATT Assistant Commissioner State of New Jersey Department of Environmental Protection

