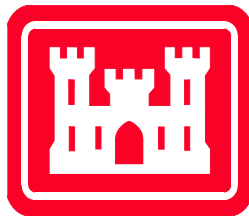




Border Patrol Facilities and Tactical Infrastructure (BPFTI) Program Management Office (PMO)

Real Estate Plan Proposed Pedestrian Fencing Segments O-1, O-2, O-3 Starr & Hidalgo Counties, Texas

As of:
30 November 2012



Prepared By:
The U.S. Army Corps of Engineers, Fort Worth District

REAL ESTATE PLANNING REPORT – O-1, O-2, O-3

REAL ESTATE PLANNING REPORT
PF225 Segments O-1-O-3; Rio Grande Valley Sector (Starr & Hidalgo Counties, Texas)

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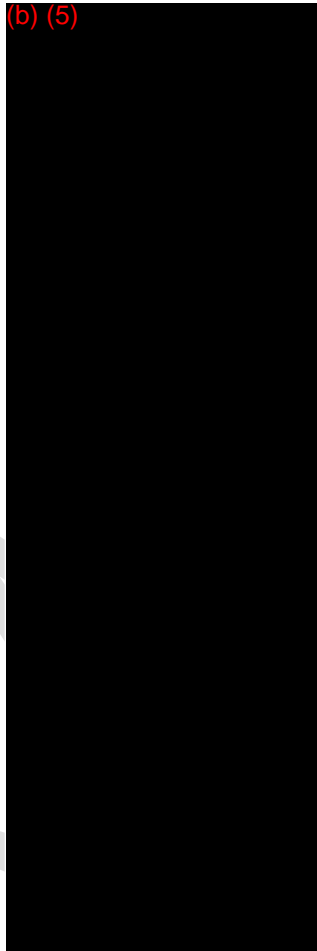
SUMMARY SHEET

PF225 Segments O-1-O-3; Rio Grande Valley Sector (Starr & Hidalgo Counties, Texas)

DATE: 30 November 2012

1. Fee Title (235 Acres)
2. Easements (86 Acres)
3. Improvements
4. Hazard Removals
5. Mineral Rights
6. Damages
7. Contingencies
8. Relocations
9. Uniform Relocation Assistance
10. Acquisition Administrative Costs

(b) (5)



TOTAL

ROUNDED

Estimated for Customs and Border Protection Planning Purposes:

DOJ Administrative Cost for Condemnation: (b) (5)

Estimate based on 95% of cases resulting in condemnation.

REAL ESTATE PLANNING REPORT

PF225 Segments O-1-O-3; Rio Grande Valley Sector (Starr & Hidalgo Counties, Texas)

1. AUTHORITY.

The request for this report, along with an analysis of the real estate status in project areas known as O-1, O-2, and O-3 was via phone conversation on September 5, 2012 with Facilities Management and Engineering (FM&E) and U.S. Custom and Border Protection's (CBP) Office of Chief Counsel (OCC).

Department of Homeland Security (DHS) authority for real estate acquisition is as follows:

Public Law 107-296, 116 Stat. 2311 and codified at 6 U.S.C. Sections 202, 251, 551, and 557, which transferred certain authorities to the Attorney General to the Secretary of Homeland Security; and by DHS Delegation No. 7010.3(II)(B), which delegated land acquisition authority from the Secretary of Homeland Security to the Commissioner of CBP; and by CBP Delegation 05-004, which delegated land acquisition authority to the Acting Executive Director, Facilities Management and Engineering.

2. PROJECT.

The Pedestrian Fence 225 (PF225) project involves constructing pedestrian fencing intended to deter illegal entry of persons and contraband into the United States. There are three proposed segments of fencing, referred to as Segments O-1 through O-3. Segments O-1 and O-2 are located in Roma and Rio Grande City, Starr County, Texas, respectively. Segment O-3 is located in Los Ebanos, Hidalgo County, Texas.

3. SITE SELECTION TEAM.

Alignment of the proposed PF225 fence segments is based upon a collaborative effort from CBP and the International Boundary and Water Commission (IBWC). IBWC was involved to analyze any potential impediment the fence might cause to the flow of the Rio Grande during flood events. Input from CBP was based on law enforcement and operational strategies of their agency. USACE is involved in the capacity of engineering, contractual services, project management, and real estate.

4. SITES INSPECTED.

The proposed alignment has been strategically analyzed by CBP from a law enforcement perspective and by IBWC from a flood control perspective. The fence cannot be placed in an area that would potentially divert flood waters of the Rio Grande away from the United States and into Mexico, thus violating international treaty. As a result of the strategic location of the proposed alignment, the District has not performed a site inspection. This report will contain suggestions to consider repositioning the proposed alignment of the fence to affect fewer landowners, residences, and structures. However, these suggestions should be considered in conjunction with the functionality of the proposed tactical infrastructure.

5. DESCRIPTION AND LOCATION OF SELECTED SITE.

The project area is located near the Rio Grande River which serves as the international boundary between the United States and Mexico (see **EXHIBIT “A”**). All three project areas have a combination of native brush, commercial, and residential properties, as well as cropland in O-2 and O-3.

6. RELOCATIONS.

Depending on the final alignment of the fence, up to 25 residences could be impacted in O-1. There is a potential for three storage buildings a transmission tower which may or may not be part of a planned RVSS tower, and potentially one business, including 64 to 90 tenants, to be relocated in O-2, depending on final alignment. If the USACE-RE recommendation is followed in O-3 to shift the alignment west to follow the Felix Martinez Avenue Right-of-Way in order to avoid potential erosion and maintain functionality of the fence, there is the potential for nine residential relocations. The tracts potentially affected by relocation can be found in **“Exhibit C”**, Site Map. Alignment issues affecting possible relocations for all fence segments are discussed in section 19 of this report **“Summary and Recommendation.”** Residential and tenant relocations are discussed in section 11 of this report **“Uniform Relocation Assistance Costs.”**

It is recommended that the new approved swath avoid the transmission tower in order to avoid relocating it, unless the tower site is leased by CBP for its sole use. In that case, it could be beneficial to encompass the tower in a fee acquisition to avoid paying rent in the future. This tower is found in tract **(b) (7)(E)**.

The storage buildings mentioned above, also in project O-2, are on the Port of Entry property, tract **(b) (7)(E)**. It is recommended that alignment be shifted as well to not only avoid the buildings, but also avoid future erosion affecting the integrity and functionality of the proposed tactical infrastructure. To determine an amenable alignment, a discussion with the Port of Entry management team should be had. If the alignment is kept, there is an option to purchase the improvements within the swath and demolish them for construction of fence or relocate them on the Port of Entry property, if requested. In order to assist in the business decision to acquire the buildings in the acquisition and then demolish them for construction or relocate them if the landowner requests as such, a discussion of each option is below.

Using aerial imagery available on Bing and Google Earth, it appears that these buildings are Class S buildings, with frames, roofs, and walls made of incombustible metal, and a concrete slab foundation. One building is approximately 400 square feet, another is approximately 437 square feet, and the largest is approximately 5,400 square feet. The following map depicts the location of the improvements on the tract.

(b) (7) (E)

Marshall & Swift's *Marshall Valuation Service* © 2012, Section 66, Pages 10-11 discusses costs for demolition. Using this source as a guide, it is estimated that \$4.55 per square foot is required to demolish a Class S building. This cost includes loading and hauling, but does not include dump fees. The demolition cost for the concrete slab is \$19.75 per square foot. The total cost for demolition per square foot is \$24.30. The local multiplier for this area is .78 and the cost multiplier is 1.01. The total cost for demolition of these buildings is about (b) (5)

$24.30(400+437+5400) * 1.01 * .78 = \$119,398.25$. Rounded \$120,000.

The cost to relocate the buildings includes pouring of new slab foundations, and labor to disassemble and reassemble the buildings. The foundation cost includes labor, materials, equipment, plus overhead and profit for the installing contractor. Using Section 51, Page 2 of the *Marshall Valuation Service* manual as a guide for calculation, it will likely cost around (b) (5) adding the recommended 40% for preparatory work, a local multiplier of .78 and a cost multiplier of 1.02 for trenching, and concrete pouring.

Concrete cost @ \$7.25/cubic foot = \$337,444

Trenching in Medium Earth @ 17.35/linear foot = \$7,946.30

$337,444 + 7,946.30 = 345,390.30 * .4 = 138,156.12 + 345,390.30 = 483,546.42 * 1.02 * .78 = \$384,709.52$. Rounded \$385,000

When the slab has set, the buildings will need to be disassembled and then reassembled on the new slabs. It is estimated that a team of 10 laborers working 40 hours each at a rate of \$15 per hour will be required. Total for labor of relocating the buildings is \$6,000. The total cost of relocating the buildings is around (b) (5) 0. This cost is used in the cost estimate found on page three and is most likely the highest potential cost.

The cost of avoiding the buildings is dependent on the cost of fence construction and any additional length added to the proposed alignment. The estimated cost to build fence is about (b) (7)(E) per mile or about (b) (7)(E) per linear foot not taking into account slope stabilization. If slope stabilization is necessary, it is estimated to cost (b) (7)(E) per linear foot. These costs were a part of a 23 October 2012 Rough Order of Magnitude prepared by Michael Baker Jr. Inc for the purpose of this report.

7. ATTITUDE OF OWNERS AND NEIGHBORHOOD

Landowner opposition to the Border Fence is expected. It is understood that some landowners will accept the fence, although not necessarily support it, and work with the government. Others will resist and reject any offers made. In those cases, condemnation will be necessary. Still others could view the fence as beneficial, and will be supportive. IBWC held a landowner meeting the week of August 27, 2012 to inform landowners of the approved acquisition swath.

8. OUTSTANDING INTERESTS AND RESERVATIONS.

Any outstanding mineral rights will not be known until title evidence is obtained. The recommended fee estate will except mineral and water rights.

9. SALES AND SUPPORTING DATA.

USACE has identified two relevant sales comparables indicative of vacant land in the floodplain in Starr and Hidalgo Counties.

The first comparable is located in Rio Grande City, TX, south of Water Street. (b) (5)

(b) (5)

This tract is the parent tract of RGV (b) (7)(E)

The second comparable is located in Los Ebanos, TX, at the intersection of Felix Martinez Street and Heriberto Garcia Street on the south side of Los Ebanos. (b) (5)

(b) (5)

This tract is the parent tract of RGV (b) (7)(E)

Without the availability of residential comparables, an estimate of (b) (5) will be used as the fair market value estimate of each residential property that could potentially be affected by the real estate acquisition and thus requiring relocation assistance.

10. VALUATION

(b) (5)

According to the April 2012 edition of the Texas Rural Land Value Trends published by the Texas chapter of the American Society of Farm Managers and Rural Appraisers, volume and activity in the South Texas real estate market in 2011 has not rebounded to pre-2008 levels. The publication states “after the decrease in pricing of late 2008/early 2009, land prices for the most part have held steady.”

11. UNIFORM RELOCATION ASSISTANCE COSTS.

As discussed in section six “Relocations,” there is the potential for a (b) (5)

The potential relocations can be found in **Exhibit “C.”**

For the purpose of this report, it’s assumed that (b) (5)

The business located in segment O-2 is a (b) (7)(E) establishment. The tract number is (b) (7)(E) (b) (7)(E) If the decision is made to buy the tract out in its entirety, the business will need to be relocated along with 64 residents, potentially up to 90 residents if at 100% capacity. Each tenant will be eligible for relocation assistance. The maximum allowable amount of rental assistance is \$5,250. Tenants are also eligible for reimbursement of moving cost. Costs may vary from tenant

to tenant, but is estimated to be about (b) (5) tenant. The estimate is based a cost calculation of moving a studio apartment up to 50 miles (www.movesource.com). If the (b) (7)(E) capacity stays at 64 tenants, the cost to relocate all tenants would be (b) (5). If the (b) (7)(E) (b) (7)(E) reaches capacity, the total cost to relocate all tenants would be (b) (5).

The (b) (7)(E) business is also eligible for relocation assistance. The assistance available to a business includes reestablishment expenses not to exceed \$10,000 and moving costs not to exceed \$20,000. Total relocation expense for the business is \$30,000.

12. RECOMMENDED ESTATE.

For tracts where fence is to be constructed, the recommended estate is (b) (5), more particularly described below. Perpetual easements will be acquired over access roads with a need for permanent use. Temporary (b) (5) easements will be acquired for temporary roads, and staging areas. A term of (b) (5) is chosen because during fence construction in Cameron and Hidalgo counties, it was learned that two years was not always a long enough term. Several temporary staging area easements had to be reacquired for the project.

Fee Estate Language Recommendation:

No access cure:

(b) (5)

Access cure:

(b) (5)

(b) (5)

(b) (5)

Perpetual Road Easement Estate Recommendation:

(b) (5)

Temporary Road Easement Estate Recommendation:

(b) (5)

Temporary Work Area Estate Recommendation:

(b) (5)

13. RECAPTURE RIGHTS.

There are four tracts in O-3 that have been re-vested and will require reacquisition. The eastern portion of (b) (7)(E) was re-vested, but the new alignment passes through the portion re-vested.

(b) (7)(E) was also re-vested. The new proposed alignment passes through this tract so reacquisition of the tract as-surveyed will be needed, in addition to an uneconomic remainder to the north. (b) (7)(E) was re-vested as well. The current proposed alignment passes through the re-vested tract and will require reacquisition if the current alignment is used. However, USACE is recommending (b) (5)

[REDACTED]

The status of (b) (7)(E) mirrors that of (b) (7)(E)

14. GOVERNMENT-OWNED PROPERTY.

Several tracts were acquired in 2008 based on an alignment other than the current plan. USACE recommendation (b) (5)

[REDACTED]

There will be tactical infrastructure located on other Federally owned property, namely U.S. Fish and Wildlife property in segments O-1 and O-3. (b) (5)

[REDACTED]

15. PROPOSED CONSTRUCTION.

The proposed use of the property is for construction of fencing intended to deter illegal entry of persons and contraband into the United States. This report assumes the type of fencing will be similar to that constructed in Cameron County, TX. Rough Order of Magnitude (ROM) costs from Michael Baker Jr., Inc. estimate the cost of proposed fencing in Starr and Hidalgo Counties to be (b) (7)(E) for approximately (b) (7)(E) miles of fencing. This cost does not include any slope stabilization required. If the fence is built on the slope of the riverbank in certain areas, a slope stabilization cost estimate of (b) (7)(E) mile should be figured in. These cost estimates were calculated without the benefit of development of design, as such, construction cost estimates will vary once design development begins.

16. POSSESSION DATE.

At the time of this report, there have been no funds set aside for construction of this project. As such, no possession date is required.

17. ADMINISTRATIVE COSTS.

Historical data available from fence acquisitions in Hidalgo and Cameron Counties shows that administrative costs including labor, travel, mapping, surveys, title evidence, valuations, and negotiating and closing are (b) (5) per tract. URA costs are discussed in section 11.

18. SCHEDULE OF ACQUISITION.

Upon satisfactory completion of the necessary environmental documentation, receipt of funds, and a directive to acquire, the District will proceed on the following schedule:

Survey	6 months
Obtain title evidence	12 months
Valuation	6 months
Negotiate	16 months
Process offer to sell	17 months
Close and obtain Final Title	16 months
Total:	24 months or 2 years

Some due diligence items will be able to occur concurrently. Please refer to **Exhibit “E”** for a graphic representation of the proposed schedule.

In the event a negotiated agreement cannot be reached with the landowner, a Civil Action can be filed in the U. S. District Court to obtain the necessary interests for the Government. The estimated administrative cost to condemn is (b) (5) tract. The estimated schedule to accomplish a condemnation is as follows:

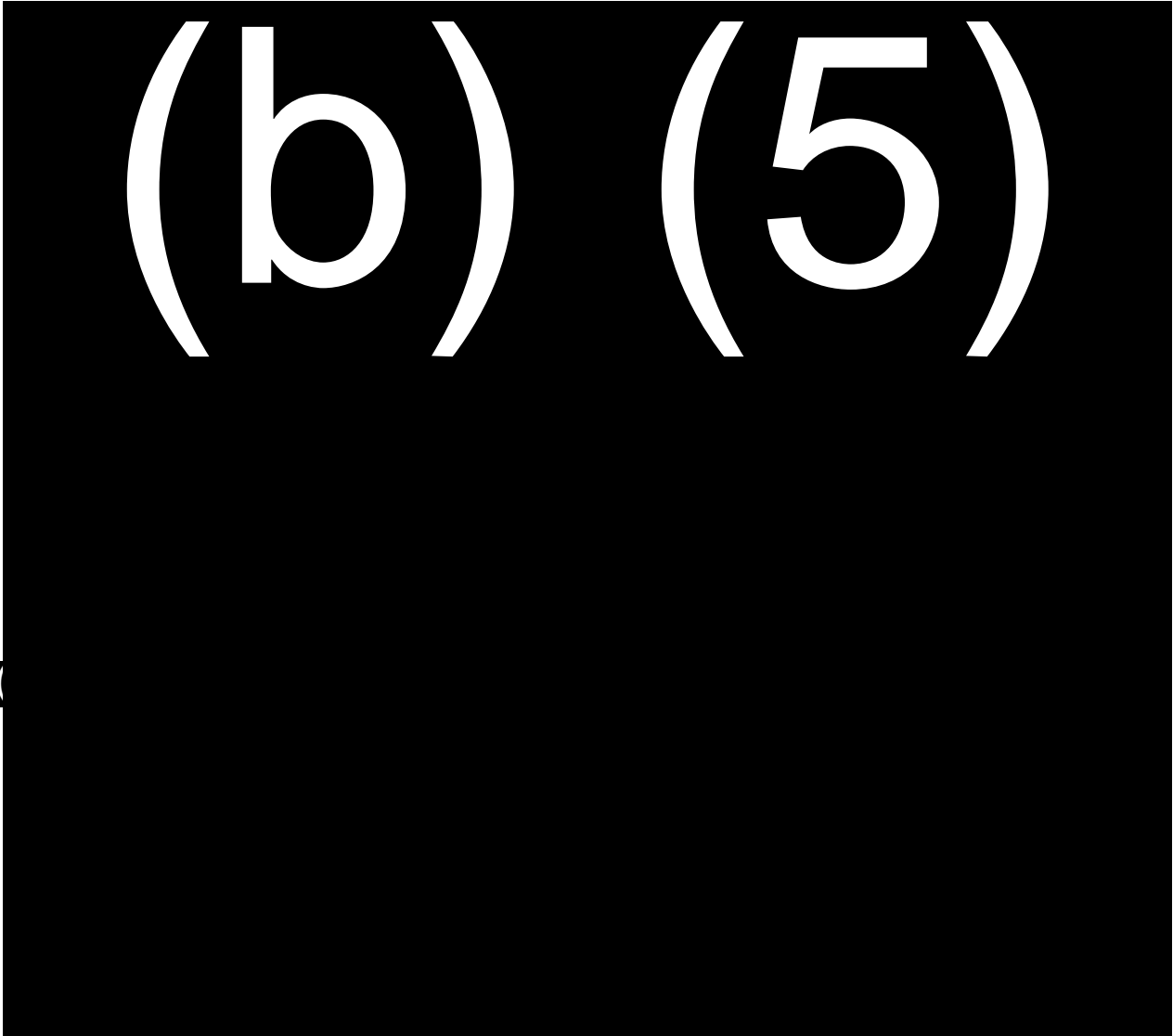
Condemnation preparation	15 months
Condemnation proceedings	20 months
Possession Granted	15 months
Final Judgment Rendered	15 months
Total time to condemn:	23 months

Every effort will be exercised to obtain a negotiated purchase. Condemnation is mentioned in this planning report as a last resort alternative. However, historical data shows condemnation is likely for 95% of the tracts due to title issues or an inability to reach an amicable agreement with the landowner.

19. SUMMARY AND RECOMMENDATION.

In this section, decision points required by the customer will be discussed as well as USACE recommendations. Decision points include gate locations, temporary work easements, and potential fence realignments which could affect construction costs and relocation assistance as deemed necessary by the URA.

1. Location of gates - Locations need to be determined to plan for access to the remainders or buyout of the remainder.



2. Temporary Work Area Easements –

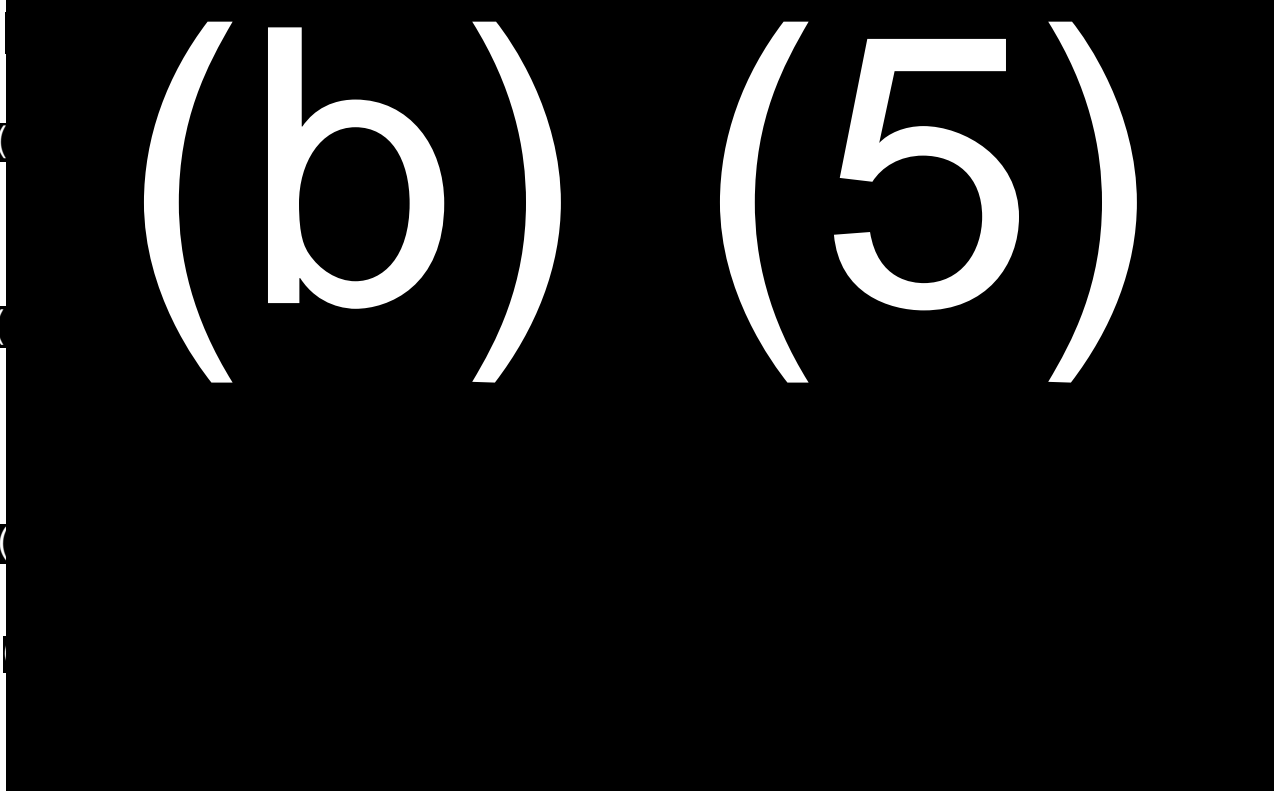
The list below reflects the temporary work area easements in the original project planning. A determination will be required as to if these or any new work area easement are required. Notes beside the tract list should assist with decision making.



3. Fence realignment:

The below list of tracts reflects USACE recommendation of deviation from the proposed IBWC-approved alignment. The information provided is to assist in the decision making process.

O-1 Roma, Texas:



O-2 Rio Grande City, Texas



(b) (5)

O-3 Los Ebanos, Texas

(b) (5)

SUMMARY

The construction of segments O-1, O-2, and O-3 is going to be high profile project for the Government in addition to the affected landowners and communities. USACE-RE has presented several outstanding issues and recommendations, as well as cost estimates to assist with CBP decision. CBP and DHS should review the recommendations provided and determine a final path forward.