

FEASIBILITY REPORT
AND
ENVIRONMENTAL IMPACT
STATEMENT

COASTAL STORM DAMAGE
REDUCTION PROJECT

SURF CITY AND NORTH TOPSAIL BEACH
NORTH CAROLINA

Appendix M

Real Estate

Contents

REAL ESTATE SUMMARY

SECTION 1. GENERAL

1.1	Guidance	
1.1.1	Engineer Regulations.....	2
1.1.2	Engineer Circulars.....	2
1.1.3	United State Code.....	2
1.1.4	Code of Federal Regulations	2

SECTION 2. THE REAL ESTATE REPORT

2.1	Statement of Purpose	3
2.2	Study Authority.....	3
2.3	Project Location	3
2.4	Project Description.....	5
2.5	Real Estate Requirements.....	9
2.6	Utility/Facility Relocation.....	15
2.7	Existing Projects.....	15
2.8	Environmental Impacts	15
2.9	Hazardous, Toxic, and Radioactive Waste (HTRW)	15
2.10	Project Sponsor Responsibilities and Capabilities	15
2.11	Government Owned Property	16
2.12	Historical Significance.....	16
2.13	Mineral Rights	16
2.14	Public Law 91-646, Relocation Assistance Benefits.....	17
2.15	Attitude of Property Owners.....	17
2.16	Acquisition Schedule	17
2.17	Estates for Proposed Project	17
2.18	Real Estate Estimate	18
2.19	Chart of Accounts	21
	Exhibits	23

SECTION 1. GENERAL

1.1. Guidance

1.1.1 *Engineer Regulations*

1. ER 405-1-12, Chapter 5 - Acquisition, 5 September 1978, Draft Revision, 9 June 2003
2. ER 405-1-12, Chapter 6 - Relocation Assistance Program, 23 March 1979, Draft Revision, 2 May 2003
3. ER 405-1-12, Chapter 12 - Real Estate Roles and Responsibilities for Civil Works: Cost Shared and Full Federal Projects, 1 May 1998, Draft Revision, 8 March 2003

1.1.2 *Engineer Circulars*

1. EC 405-1-11, Real Estate Acquisition, 30 December 2003

1.1.3 *United States Code*

1. 42 USC, Chapter 61 - Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs

1.1.4 *Code of Federal Regulations*

1. Code of Federal Regulations, Title 49, Part 24 - Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs

SECTION 2. THE REAL ESTATE REPORT

2.1 Statement of Purpose

This report is tentative in nature and is to be used for planning purposes only. The report is written based on specific data from Wilmington District and the tax assessor's office in Edgecombe County, North Carolina. There may be modifications to the plans that occur during Planning, Engineering and Design (PED) phase, thus changing the final acquisition area(s) and/or administrative and land cost. The Real Estate Appendix is intended to support the General Feasibility Report for the subject project. The author of this report has viewed the Project areas. This report pertains specifically to the Towns of Surf City and North Topsail Beach who are the non-Federal sponsors for the project.

2.2 Study Authority

Surf City and North Topsail Beach is a coastal storm damage reduction project. The project is authorized by the following resolutions:

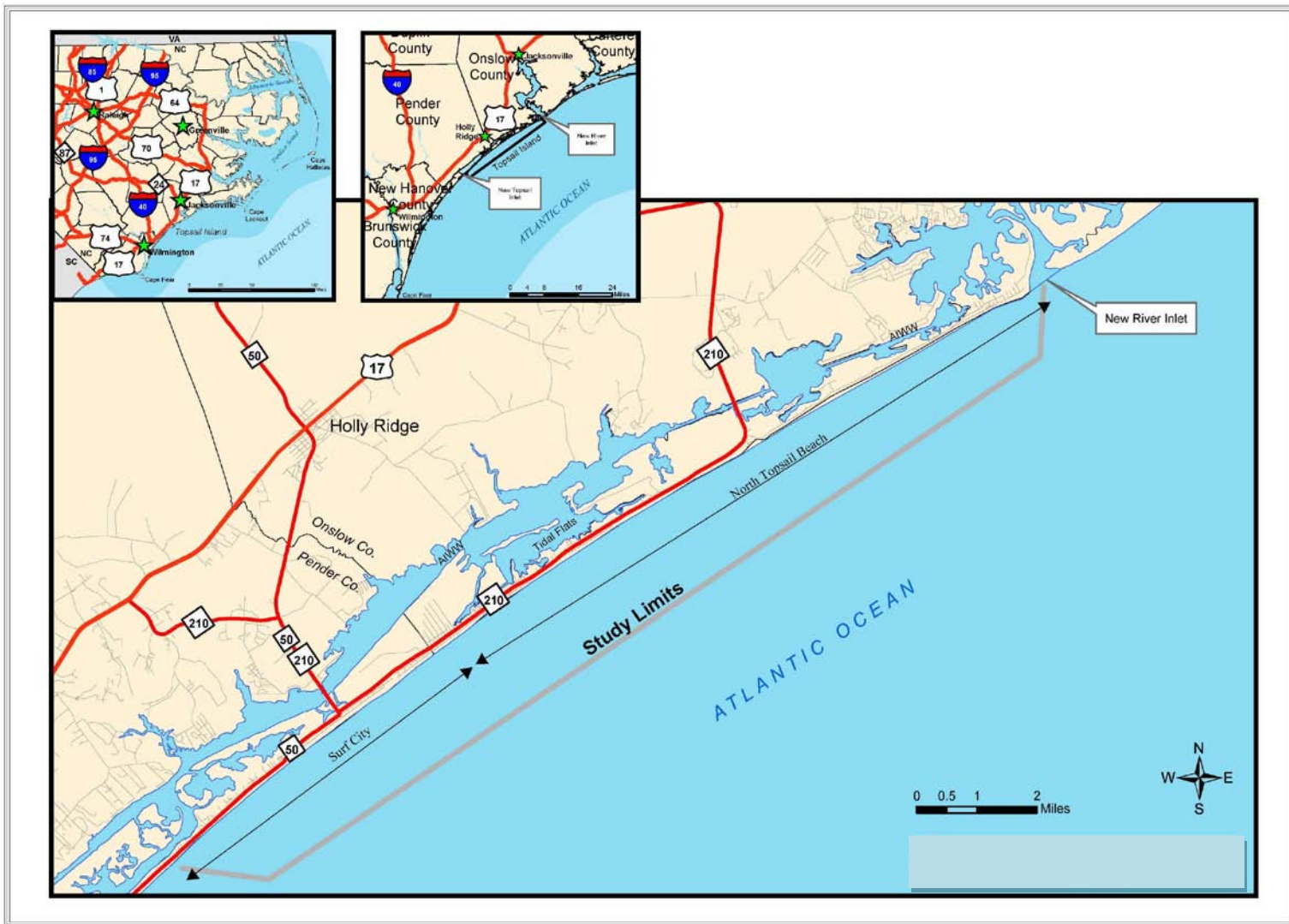
“Resolved by the Committee on Transportation and Infrastructure of the United States House of Representatives, That the Secretary of the Army is requested to review the report of the Chief of Engineers on West Onslow Beach and New River Inlet, North

Carolina, published as House Document 393, 102nd Congress, 2nd session, dated September 23, 1992, and other pertinent reports, to determine whether any modifications of the recommendations contained therein are advisable at the present time in the interest of shore protection and related purposes for Surf City, North Carolina; (Resolution Docket 2617, Surf City, North Carolina, adopted February 16, 2000)

“Resolved by the Committee on Transportation and Infrastructure of the United States House of Representatives, That the Secretary of the Army is requested to review the report of the Chief of Engineers on West Onslow Beach and New River Inlet, North Carolina, published as House Document 393, 102nd Congress, 2nd session, dated September 23, 1992, and other pertinent reports, to determine whether any modifications of the recommendations contained therein are advisable at the present time in the interest of shore protection and related purposes for North Topsail Beach, North Carolina; (Resolution Docket 2629, North Topsail Beach, North Carolina, adopted April 11, 2000).

2.3 Project Location

Surf City, located in Onslow and Pender Counties, and North Topsail Beach, located in Onslow County, North Carolina, are on a barrier island located between New River Inlet to the north and New Topsail Inlet to the south. The barrier island is approximately 22 miles in length, with the Atlantic Ocean to the east and Topsail Sound, Stump Sound, Alligator Bay, Chadwick Bay, and the Atlantic Intracoastal Waterway to the west. From north to south, the communities of North Topsail beach (12 miles of ocean shoreline), Surf city (5.5 miles of ocean shoreline) and Topsail Beach (4.5 miles of ocean shoreline) are located on Topsail Island. Surf City was incorporated in 1949, and has a population of approximately 1,500 year round residents. North Topsail Beach was incorporated in 1990, and has a population of approximately 844 year round residents. A seasonal influx of tourists increases the population to thousands in the summer months. Each town has a fishing pier. A vicinity map of Topsail Island is at Figure 2.3-1 which also shows the study limits.



1
2

Figure 2.3-1. Project Vicinity/Location and Study Limits Map

2.4 Project Description

An array of plans were formulated and considered for the project. This Real Estate Appendix will focus on the recommended National Economic Development (NED) Plan, which is the 1550. A typical profile is shown for Surf City and for North Topsail Beach at Figure 2.4-2 and Figure 2.4-3. In concept, the project will consist of the construction and maintenance of a berm and dune system that will tie into the existing dunes and vegetation line. The 1550 plan is a beachfill plan with a 25-foot wide dune at elevation 15 feet National Geodetic Vertical Datum (NGVD), fronted by a 50-foot wide berm at elevation 7 feet NGVD. The project begins in Surf City with reach 26 and extends through the majority of reach 78 in North Topsail Beach. The total project is approximately 52,150 feet or 9.88 miles in length. Frequency of maintenance is estimated to be every four years. The constructed berm, will serve two primary purposes: as a stockpile of sand on the beach to serve as sacrificial material to reduce the erosion of the high ground beach during storm events and to provide storm damage reduction to beachfront structures by moving the point of erosion seaward, away from the structures.

Twenty offshore borrow areas have been identified as sources of sand for the project. They are shown at Figure 2.4-4. Detailed discussion on the borrow areas is found in the Geotechnical Analysis and in the Sand Compatibility Analysis. Some of the areas are within State waters which by definition are within three nautical miles of the shore, and some of the areas are outside the three nautical mile zone that defines the boundary. For those offshore borrow sites that are in the Outer Continental Shelf (OCS), a Memorandum of Agreement between the U. S. Army Corps of Engineers and Minerals Management Service (MMS) is necessary, and a noncompetitive lease between the sponsor and MMS must be negotiated. The OCS is a zone that generally extends from 3 nautical miles seaward of the coastal State boundaries out to 200 nautical miles. Any required permitting to borrow from sources within the OCS will be addressed during the National Environmental Policy Act (NEPA) and Environmental Impact Statement (EIS) process.

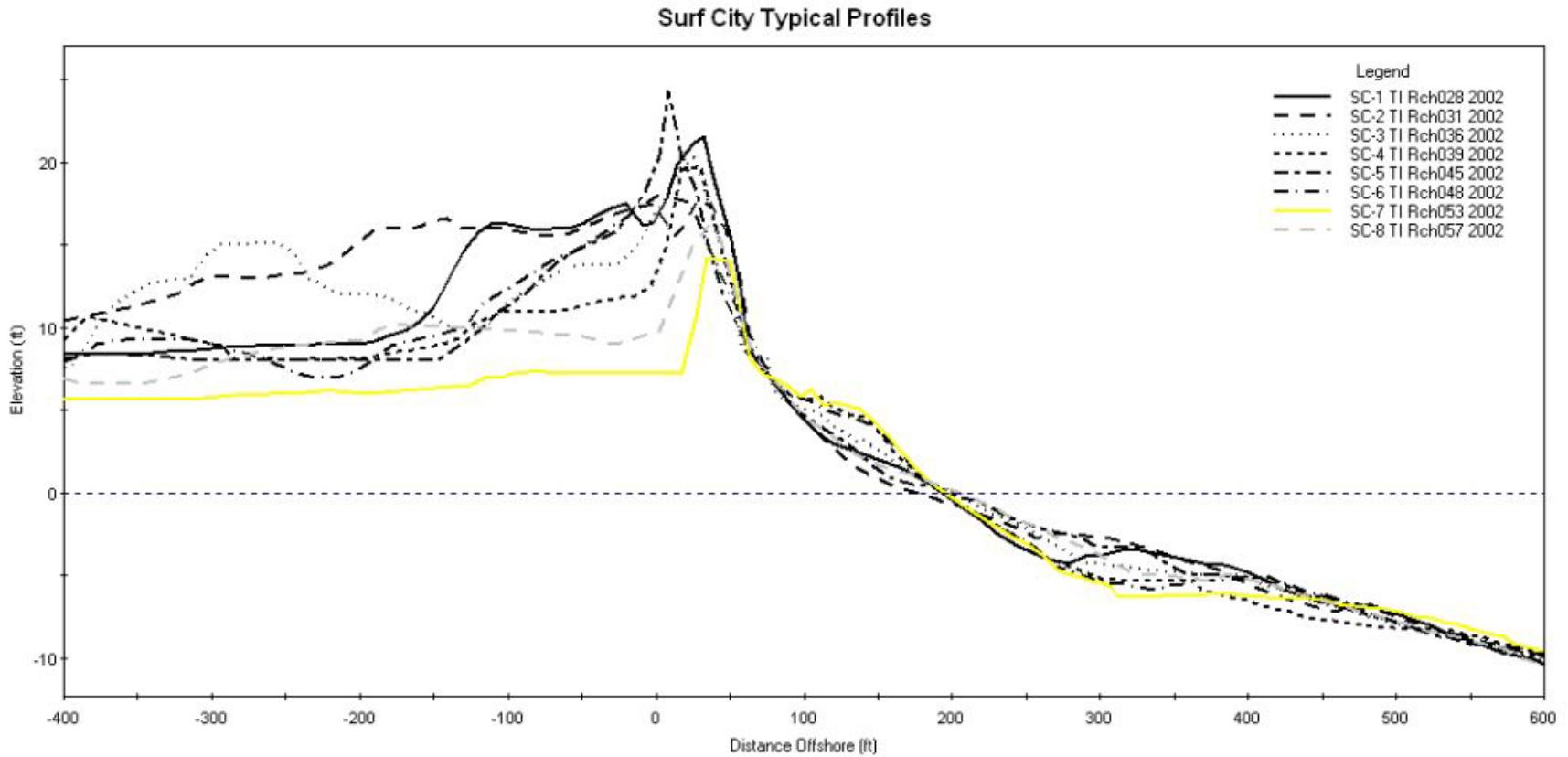


Figure 2.4.2 Surf City Typical Profile

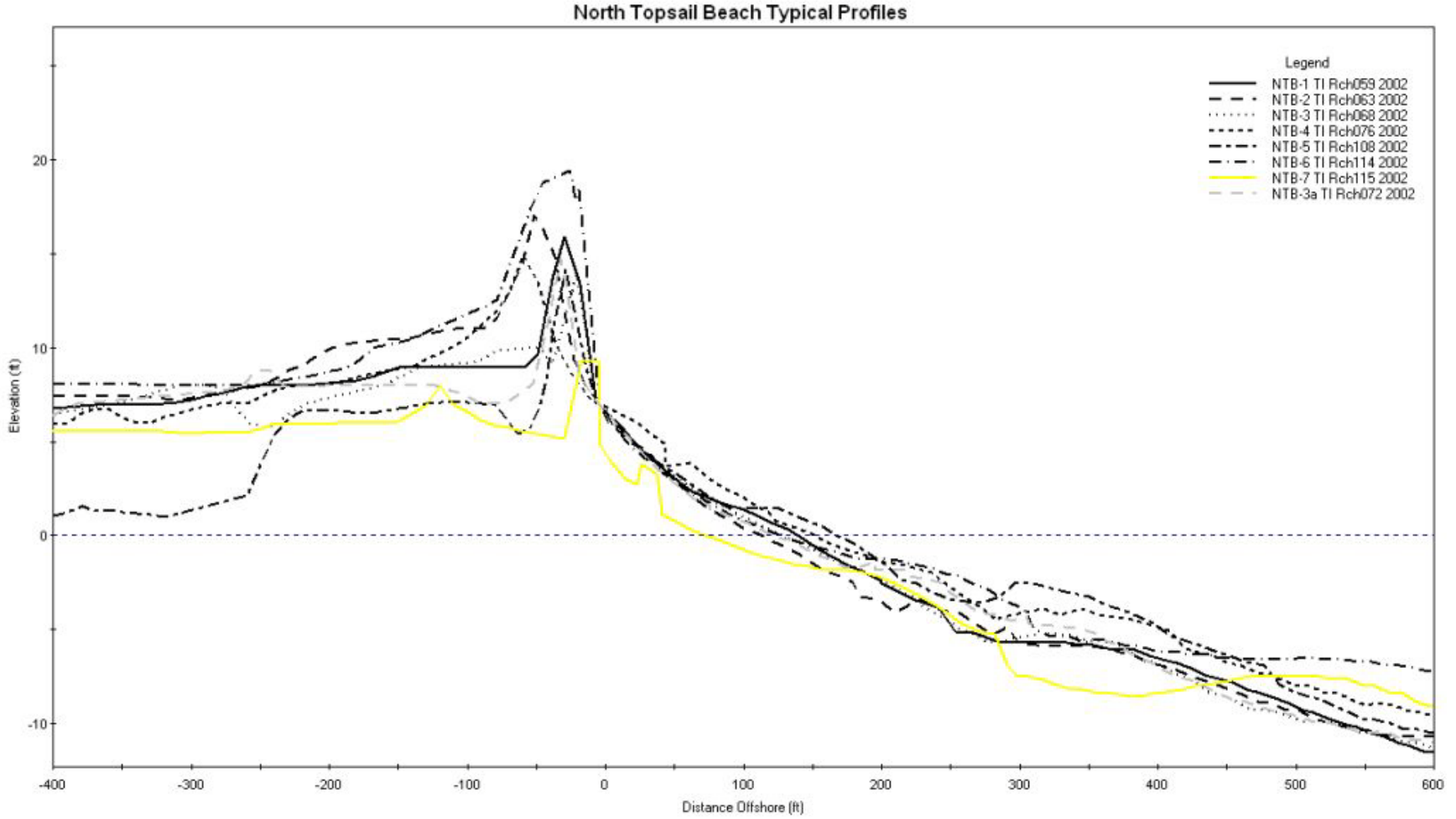


Figure 2.4-3 North Topsail Beach Typical Profile

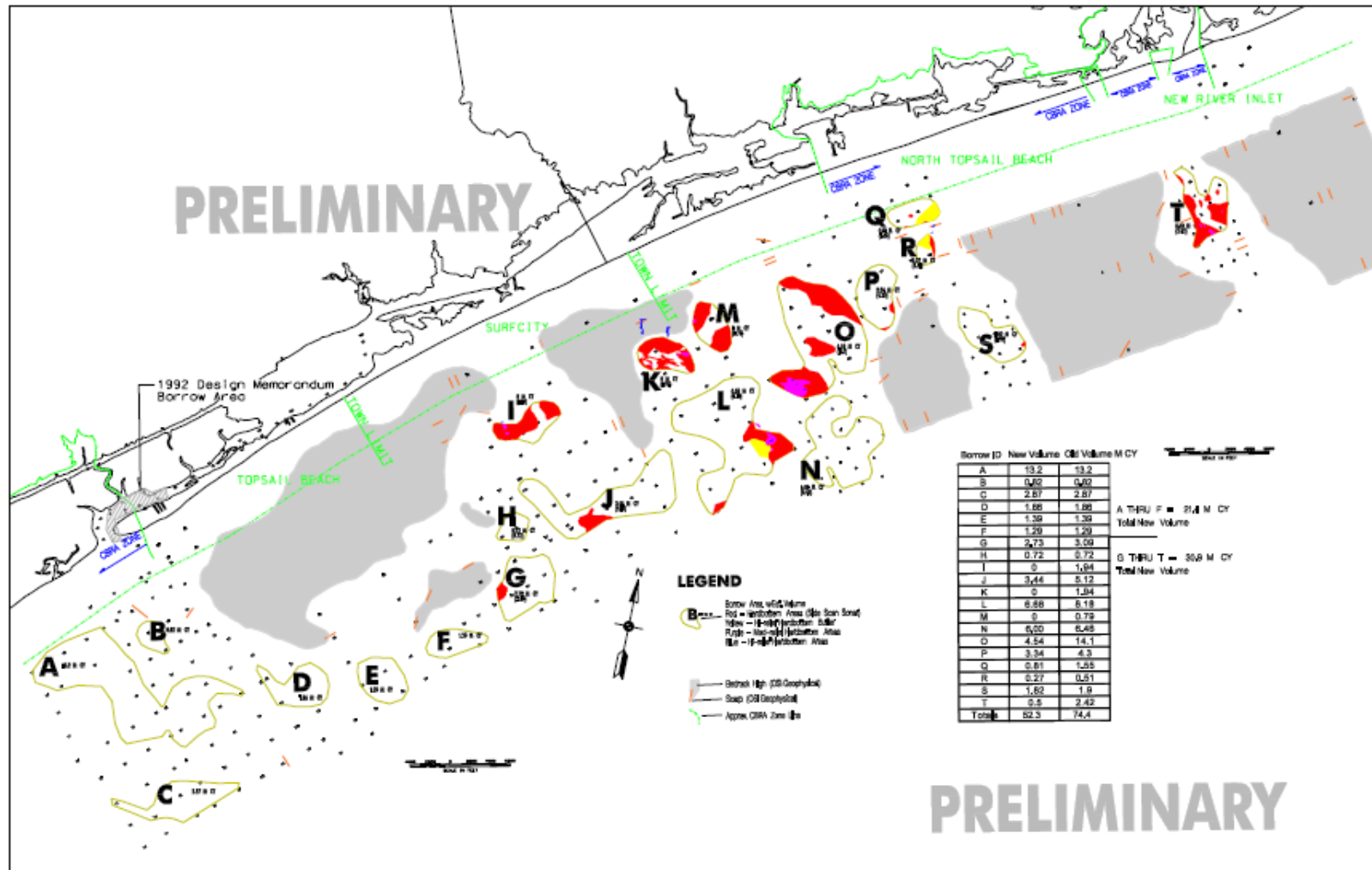


Figure 2.4-4 Offshore Borrow Areas

2.5 Real Estate Requirements

The requirements for lands, easements, rights-of-way and relocations, and disposal/borrow areas (LERRD's) include the right to construct a dune and berm system along the shoreline of Surf City and North Topsail Beach northward to reach 78. The Coastal Barrier Resources Act (CBRA) protects numerous zones along the North Topsail Beach shoreline. A CBRA zone begins at the northern part of reach 78 and the project will stop at that point. Privately owned properties included in the Project are considered to be in fee simple ownership. Included within the project limits are single family residential units, multi family and condominium units, and commercial properties, including the fishing piers. Exercise of Navigation Servitude is not applicable to the subject project as the focus of the project is for storm damage rather than for commerce related purposes and there is no nexus to navigation.

According to the project maps, and on the ground examination, one structure in Surf City, and two structures in North Topsail Beach may possibly be impacted by the project. There is precedence for allowing part of a structure to remain in the project foot print. However, based on ground inspection, it appears that the structures will impact the integrity of the proposed dune system and will need to be acquired. Based on data found in public records, these structures appear to be seasonal residences or possibly rental units, so if the lands must be purchased the project will not displace owners from permanent residences. This will have to be confirmed. The value of the land and improvements to be acquired at Surf City is estimated at \$594,078 and the value of land and improvements to be acquired at North Topsail is estimated at \$701,410.

Figure 2.5-1 shows a typical reach of oceanfront where structures are present. Widths of lots vary within the project, but an average lot width is estimated to be 50 feet. The average distance from the landward toe of the existing dune to the existing Mean High Water (MHW) line is 60 feet. Based on a ground examination, it appears that there will be no adverse impact to the upland portion of ownership. Improvements other than those noted above in the proposed easement area are walkways, beach access crossovers and the fishing piers. Private landowners have the option to remove their walkways to the beach prior to the start of project construction if they so desire in an effort to avoid damage to the walkways during construction. However, after construction of the project, the landowner would have to obtain a permit from the local authority to replace the walkway. It is noted that any walkway that may be damaged during construction would most probably be at least partially located within the proposed easement area. Within the easement area we have the right to remove any structures if necessary that may impact construction of the project. While every effort will be made to avoid damage to an existing walkway, no guarantee can be made that no damage will occur. Should damage occur to a walkway, a landowner is not entitled to any compensation for such damage and repair to a walkway is not considered to be a creditable item. The Storm Damage Reduction Easement does allow owners to build and maintain walkover structures subject to sponsor approval. It is noted that walkovers constructed by landowners after project construction may be subject to impact by subsequent nourishment events.

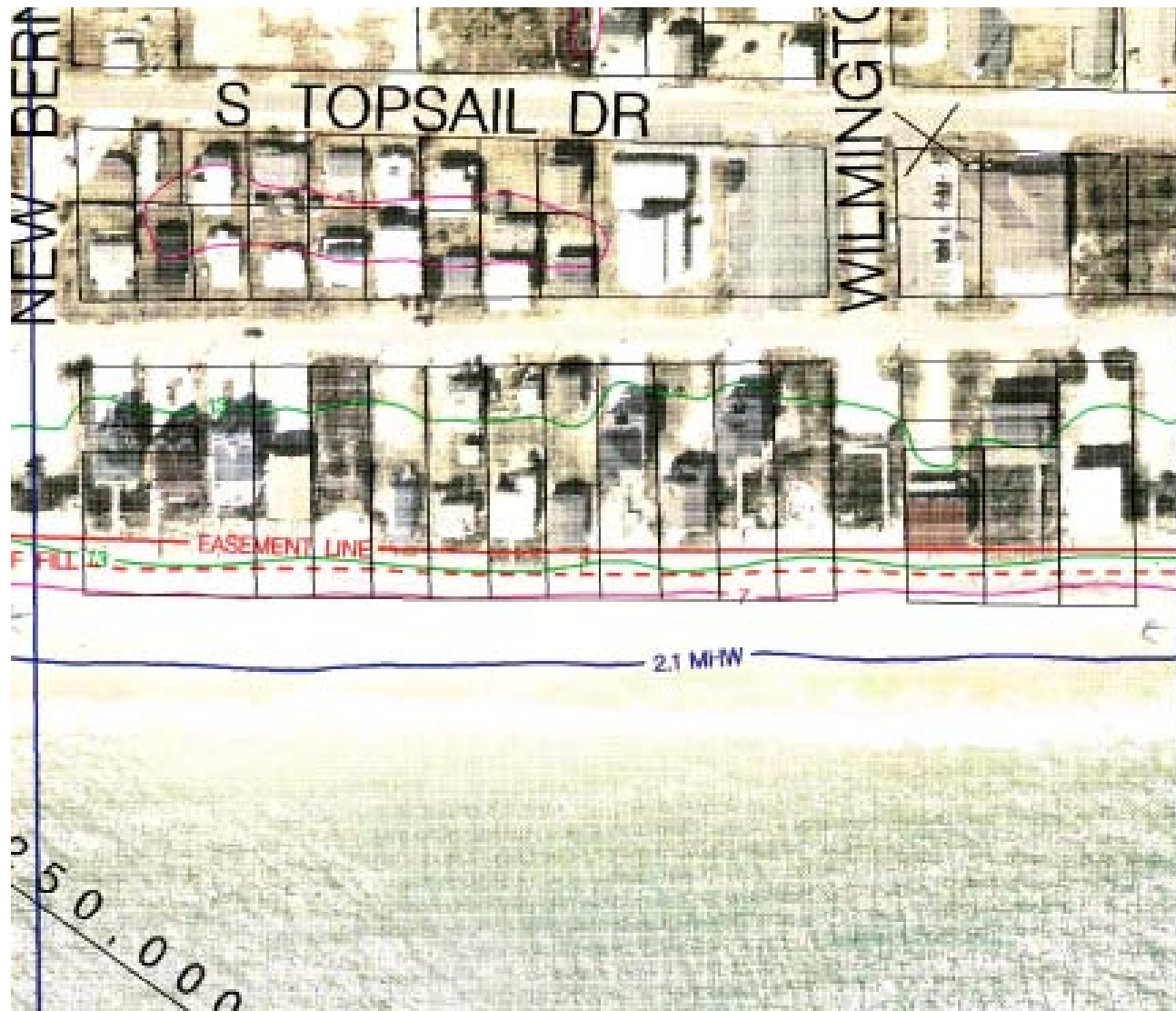


Figure 2.5-1 Typical Reach

Several parcels have been identified in North Topsail Beach as being available for use as staging areas. Some are owned by the town and an oceanfront parcel owned by the County may be available for use as well. These parcels are identified on Figure 2.5-2. Specific parcels have yet to be identified for Surf City, but the Town is aware that it will have to provide a site. If the Town does not provide a site owned by the Town, the Town will have to obtain a staging area site from a private landowner. Final site selection will be determined based on needs of the contractor. For planning purposes, an average cost of \$29,000 was estimated as being a fair rental for staging/work area use for a period of 18 months to 2 years. The Federal rules of valuation were applied in determining value. It is possible that a proper valuation under the Federal rules may conclude that the benefits do not fully offset the value of the easement. Due to environmental windows, Temporary Work Area Easements will be necessary over 3.5 construction periods for purposes of project construction and for mobilization and de-mobilization of equipment.

Additionally, it is estimated that 501 Perpetual Beach Storm Damage Reduction Easements will be acquired within the Surf City portion of the project and 327 Perpetual Beach Storm Damage Reduction Easements will be acquired within the North Topsail Beach portion of the project for a total number of 828 easements to be acquired for the project. When final plans and specs are completed and the ground survey is completed, a definitive decision will be made if the three ownerships will have to be acquired. If not, this will increase the number of easements by three. All lands lying below MHW are lands of the State, and easements are not required to place fill below MHW. General procedure is to obtain a letter permit from the North Carolina Department of Administration State Property Office for those lands below MHW.

In summary, approximately 71.83 acres will be required in Perpetual Storm Damage Reduction Easements and approximately $2 \pm$ acres will be required for Temporary Work Area Easements for staging areas. Approximately 0.41 acres may be acquired in fee simple.

Surf City and North Topsail Beach both have condemnation authority. Also NC law makes provision for towns to acquire and perform maintenance on real estate interests outside their boundaries for certain reasons. (North Carolina General Statutes (NCGS) 40A-3(b1) "Local Public Condemnors – Modified Provision for Certain Localities. – For the public use or benefit, the governing body of each municipality or county shall possess the power of eminent domain and may acquire by purchase, gift or condemnation any property or interest therein, either inside or outside its boundaries, for the following purposes. (10) Engaging in or participating with other governmental entities in acquiring, constructing, reconstructing, extending, or otherwise building or improving beach erosion control or flood and hurricane protection works, including but not limited to, the acquisition of any property that may be required as a source for beach renourishment.")) As a point of interest, in October 2004, local governments of Topsail Island joined together to form the Topsail Island Shoreline Protection Commission. The participants are the Towns of North Topsail Beach, Surf City, and Topsail Beach, and the Counties of Pender and Onslow. The purpose of the Commission is to establish cooperation among the members to plan and implement programs and projects directed toward the preservation and maintenance of the ocean beaches. The Topsail Island Shoreline Protection Commission is noted in this report to show the strong desire of the members to work in unison to protect and preserve Topsail Island.

There are no easements for public water or power located within the proposed Project area. Surf City, North Topsail Beach and the State of North Carolina have lands located within the project boundaries. The Town interests include the ends of roads, maintained by the Town, which extend to the ocean, Coastal Area Management Act (CAMA) access points and beachfront properties maintained for public use. The State of North Carolina lands include the ends of dedicated roads and lands located below the mean high water line.



Figure 2.5-2. Potential Staging Areas in North Topsail Beach

An assumption is made that the town interests include all road ends within the project area, so street ends and public access points are not included in the estimated number of easements required for the project. According to the tax maps and verbal information from the towns, Surf City has 30 public access points, 25 of which are at street ends within the project limits, and North Topsail Beach has 29 public access points with 24 of those being at street ends in the project limits. In the event that it is determined that a road end or public access should be privately owned, an easement would have to be obtained thus increasing the estimated number of easements.

Access to the Project will be by public roads and rights of way. There are sufficient access areas along the beach at the ends of public streets and at public access areas for contractors to move pipe and construction equipment onto the beach. All staging and placement of pipe is expected to be within public areas or acquired easements. Permits and/or consent agreements for sand removal from borrow areas will be from appropriate state and/or federal agencies.

There are two piers, Surf City Ocean Pier (Surf City) and Seaview Fishing Pier (North Topsail), located within the study area. Only the Surf City Ocean Pier is within the limits that will receive fill. Pictures of the Surf City Ocean Pier are at Figures 2.5-3 and 2.5-4. Historically, in prior projects in North and South Carolina, fishing piers and their associated buildings have not been acquired, regardless of their location in relation to project lines. The primary reason is the significant economic impact that it would have on the community. Traditionally easements are acquired up to the face of the structures and beneath the pier. For purposes of this report, it is assumed that neither the pier nor appurtenances will be acquired. No values have been estimated for these structures. Some pier support cross-bracing may need to be removed to facilitate equipment shaping the beachfill and to improve longshore pedestrian access after construction.



Figure 2.5-3. - Surf City Ocean Pier



Figure 2.5-3 - Surf City Ocean Pier

Acquisition of lands under the proposed Perpetual Beach Storm Damage Reduction Easement will be along the existing dune system. In the absence of such a system, such as in areas of high erosion, the property has already been damaged by nature. No damages will likely result from the construction of the proposed dune and berm in conjunction with this project. Improvements (other than the Surf City Ocean Pier and the three structures mentioned as possibly being impacted) within the project include walkover structures that allow beach access from private and public property. It is noted in the easement that walkovers will be allowed, once the project is in place. It is common in the area that landowners have private walkovers from residences over the dunes to access the beach. In cases where new walkovers need to be constructed, the owners will have to obtain the necessary approvals from the Towns of Surf City and North Topsail Beach to construct an approved walkover upon completion of the project.

Project maps were used to identify the number of easements that may be required to construct the project. After careful consideration a determination was made to count each parcel within the project limits as a potential easement acquisition. The project maps show parcel lines based on subdivision plats. In randomly pulling deeds on different tax parcels, it is noted that some deeds reference ownership based on reference to a lot and block number as shown on a recorded subdivision plat or an actual metes and bounds description and reference to a particular plat map. They do not specifically state ownership to MHW of the Atlantic Ocean. However, some parcels are indicated on the project maps or tax maps as having lot lines as shown by a subdivision line but the deed references ownership to MHW of the Atlantic Ocean. Without searching title to each oceanfront parcel it cannot be determined who actually owns the property to MHW. In view of this, it seems prudent for planning purposes to assume that an easement may be needed from each property owner in the project. Although this may inflate the real estate acquisition cost, there is the possibility that the actual cost may be lower, but should not exceed the projected cost.

The North Carolina Coastal Area Management Act enacted in 1974 and amended 1 April 1987, designated sensitive environmental areas within its 20-county coastal jurisdiction as Areas of Environmental Concern (AEC). Within an AEC, development must conform to specific regulations, which are designated to promote and protect environmental values as set out in CAMA and in the AEC development regulations. There are four categories of AECs: the estuarine system, the ocean hazard system, public water supplies, and natural and cultural resource areas. All of the properties within the project boundaries will probably fall within the ocean hazard system AEC. The most important requirement of this AEC is that no construction is permitted within 60 feet of the first line of stable natural vegetation. The effect of the 60-foot CAMA (rear) setback coupled with the zoning setback for front yards has effectively rendered some lots undevelopable since the remaining buildable land is too small to permit construction of most structures.

Local sponsors must meet requirements for public access to participate in cost sharing with the Federal Government. Public access must be available every one-half mile, and parking must be within one-quarter mile of any access for which the sponsor desires to take credit. Engineer Regulation 1165-2-130 sets forth the requirements for public access. Surf City and North Topsail Beach currently do not meet this requirement. The sponsors are working toward meeting this requirement and understand that they must provide additional access points/ parking prior to signing the Project Partnership Agreement (PPA) to be eligible for full Federal cost sharing. These areas should be acquired either in fee or perpetual easement. Acquisition of public beach access points that are necessary for compliance in cost sharing is strictly a sponsor responsibility and is not considered a project cost. Accordingly, any cost incurred with the acquisition of public access points is not considered a creditable expense towards project cost.

2.6 Utility/Facility Relocation

There will be no utility relocations.

2.7 Existing Projects

A number of Federal navigation projects are near the study area. They are listed and briefly described at section **1.09 Existing Federal and Non-Federal Projects** in the main Feasibility Report.

2.8 Environmental Impacts

The project is not expected to have adverse environmental impacts.

2.9 Hazardous, Toxic and Radioactive Wastes (HTRW)

There are no documented active or inactive hazardous waste sites on Topsail Island. See Section 8.08.3 in the main Feasibility Report for a full discussion of HTRW.

2.10 Project Sponsor Responsibilities and Capabilities

The Towns of Surf City and North Topsail Beach will be the Project Sponsors (PS). The PS has the responsibility to acquire all real estate interests required for the Project. The PS shall accomplish all alterations and relocations of facilities, structures and improvements determined by the government to be necessary for construction of the Project. The sponsors currently do not have the staff

required for a large number of acquisitions. The sponsors are considering using the services of a contractor to perform the easement acquisitions required for the project. A presentation was made for the sponsors by SAS Real Estate that discussed the real estate acquisition process and set forth requirements for federal projects under P.L. 91-646. The sponsors have been advised of the possible risks of acquiring real estate prior to project approval and authorization of funding.

Title to any acquired real estate will remain vested in the Project Sponsor's name and will not be conveyed to the United States Government. Prior to advertisement of any construction contract, the PS shall furnish to the government an Authorization for Entry for Construction (Exhibit "B") to all lands, easements and rights-of-way, as necessary. The PS will also furnish to the government evidence supporting their legal authority to grant rights-of-way to such lands. Surf City and North Topsail Beach have specific condemnation authority for beach erosion control.

The PS shall comply with applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, approved

2 January 1971, and amended by Title IV of the Surface Transportation Uniform Relocation Assistance Act of 1987, Public Law 100-17, effective 2 April 1989, in acquiring real estate interests for the Project, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act(s). Assessments of the Non-Federal Sponsors' Real Estate Acquisition Capability are at (Exhibit C).

The non-Federal sponsor is entitled to receive credit against its share of project costs for the value of lands it provides and the value of the relocations that are required for the project. Generally, for the purpose of determining the amount of credit to be afforded, the value of the LER is the fair market value of the real property interest, plus certain incidental costs of acquiring those interests, that the non-federal sponsor provided for the project as required by the Government. In addition, the specific requirements relating to valuation and crediting contained in the executed PPA for a project must be reviewed and applied. For shore damage reduction projects, lands subject to shore erosion, that are required for project purposes and that must be provided by the non-federal sponsor must be appraised for crediting purposes considering special benefits in accordance with relevant Federal statutes and Department of Justice guidance.

2.11 Government Owned Property

There are no lands owned by the Federal Government within the proposed project.

2.12 Historical Significance

The area is rich in folklore which claims the name, Topsail, originated during the 1700's when pirate ships roamed the coastal waters. Historians explain that marauding pirates hid their ships in the channel behind the island and waited for passing merchant ships loaded with goods. The pirates would pursue and attack the merchants, claiming the cargoes as their own. Eventually the merchants became aware of this infamous hiding place and began to watch for the tops of the pirates' sails showing over the rolling dunes – hence the name Topsail Island. In the 1940's the island was a part of Operation Bumblebee, which was the beginning of the space program for the United States Government. Over 200 rocket launchings took place on the island between 1946 and 1948. Many of the original military structures are still standing today.

2.13 Mineral Rights

There are no known mineral activities within the scope of the proposed project.

2.14 Public Law 91-646, Relocation Assistance Benefits

Public Law 91-646, Uniform Relocation Assistance provides entitlement for various payments associated with federal participation in acquisition of real property. Title II makes provision for relocation expenses for displaced persons. If the proposed dune and berm system is constructed, there is a possibility that three (3) landowners may be impacted. According to public records, the structures appear to be seasonal residences rather than permanent residences. During acquisition phase this of course will have to be confirmed. Based on the assumption that the residences are seasonal, the landowners would not be entitled to replacement housing payments. The only benefit due to the landowners under Public Law 91-646 would be moving expenses for personal property. A landowner may choose a commercial move performed by a professional mover or a self-move that would be performed by the displaced person. The self-move may be based on the Fixed Residential Moving Cost Schedule (based on the number of rooms in the dwelling) or may be an actual cost move that would have to be supported by receipted bills for labor and equipment. If the self-move option is elected, the landowner would assume responsibility for the move. An estimate of \$4,000 for moving costs is made based on the Fixed Residential Moving Cost Schedule, published by the Federal Highway Administration.

2.15 Attitude of Property Owners

The overall attitude of the property owners within the Project area has been favorable toward the proposed project.

2.16 Acquisition Schedule

Provided that a contractor provides real estate services for the sponsor, it is estimated that the real estate acquisition will take approximately 18-24 months after completion of the survey. However, if the project sponsors decide to use their in house staffs to acquire real estate interests required for the project, it is projected that the acquisitions will take at least 36 months. This projection is made with the assumption that if in house employees should perform acquisition, they will be fully dedicated to the acquisition work. The sponsors are considering using the services of a private contractor to perform real estate acquisition. The Project Sponsor, Project Manager and Real Estate Technical Manager will formulate the milestone schedule upon project approval to meet dates for advertisement and award of a construction contract.

2.17 Estates for Proposed Project

The standard Perpetual Beach Storm Damage Reduction Easement will be used for those parcels where easements are required to construct the project. The Temporary Work Area Easement will be used for the staging areas. The Fee Estate will be used for the acquisition of any parcels where dwellings will be impacted by construction of the project. A non-standard estate (NSE) for use in the project if necessary has been approved by the Chief of Real Estate, Savannah District. The NSE and approval memorandum is at Exhibit A.

PERPETUAL BEACH STORM DAMAGE REDUCTION EASEMENT.

A perpetual and assignable easement and right-of-way in, on, over and across (the land described in Schedule A) (Tract No. ___) for use by the (Sponsor), its representatives, agents, contractors, and assigns, to construct; preserve; patrol; operate; maintain; repair; rehabilitate; and replace; a public beach a dune system, and other erosion control and storm damage reduction measures together with appurtenances thereto, including the right to deposit sand; to accomplish any alterations of contours on said land; to construct berms and dunes; to nourish and renourish periodically; to move,

store and remove equipment and supplies; to erect and remove temporary structures; and to perform any other work necessary and incident to the construction, periodic renourishment and maintenance of the **Surf City/North Topsail Beach Coastal Storm Damage Reduction Project**, together with the right of public use and access; to plant vegetation on said dunes and berms; to erect, maintain and remove silt screens and sand fences; to facilitate preservation of dunes and vegetation through the limitation of access to dune areas; to trim, cut, fell, and remove from said land all trees, underbrush, debris, obstructions, and any other vegetation, structures and obstacles within the limits of the easement (except *); reserving, however, to the grantor(s), (his) (her) (its) (their) (heirs), successors and assigns, the right to construct dune overwalk structures in accordance with any applicable Federal, State or local laws or regulations, provided that such structures shall not violate the integrity of the dune in shape, dimension or function, and that prior approval of the plans and specifications for such structures is obtained from the (designated representative of the Project Sponsor) and provided further that such structures are subordinate to the construction, operation, maintenance, repair, rehabilitation and replacement of the project; and further reserving to the grantor(s), (his) (her) (its) (their) (heirs), successors and assigns all such rights and privileges as may be used and enjoyed without interfering with or abridging the rights and easements hereby acquired; subject however to existing easements for public roads and highways, public utilities, railroads and pipelines.

TEMPORARY WORK AREA EASEMENT

A temporary easement and right-of-way in, over and across (the land described in Schedule A) (Tracts Nos. _____, _____, and _____), for a period not to exceed _____, beginning with date possession of the land is granted to the United States, for use by the United States, its representatives, agents, and contractors as a (borrow area) (work area), including the right to (borrow and /or deposit fill, spoil and waste material thereon) (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 **Surf City/North Topsail Beach Coastal Storm Damage Reduction 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.

Fee Estate

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

2.18 Real Estate Estimate

Due to offsetting benefits, the Perpetual Beach Storm Damage Reduction Easements are determined to have a \$0 value. As a matter of policy the Federal Rule of offsetting benefits is applied in determining credit for storm damage reduction projects. The North Carolina Court of Appeals in June 2000, held in NC Department of Transportation V. Rowe, (97-1470-2) that special project benefits may offset compensation due for a taking and that general project benefits may not offset compensation. This interpretation of North Carolina general statutes is consistent with the Federal Rule.

In the valuation of lands for the project, it is assumed that all lots are buildable in the before value. Since the before value and the after value of the lots will remain the same, or possibly increase due to an improved dune structure, the Before Value and the After Value are identical. In the after value, the lands will be subject to a perpetual beach renourishment easement. Though data at other beaches has shown an increase in value of lots once they were protected by a renourishment project, no local data was available which suggests the "After Value" of the land will be higher as a result of this project. There is an indication that the lots would have superior damage reduction from storm damage and, therefore, would not have a lower value.

The estimated real estate costs include land and improvement values, damages, mineral rights, resettlement cost, and federal as well as non-federal administrative costs. The land costs that are listed are due to the projected costs for staging areas. Costs are estimated individually for Surf City (Table 2.18-1) and North Topsail (Table 2.18-2) Beach, and then combined for a total project cost (Table 2.18-3). The administrative costs are based on historical costs of prior projects constructed along the east coast in South Atlantic Division. A 25% contingency is applied to the estimate. All costs are October 2008 price levels and are constant dollar.

Table 2.18- 1. Surf City Project Cost

a. Lands		
1 Ownership - Temporary Work Area Easement (Staging Area) - Estimated		\$ 29,000
1 Ownership - Purchase Fee		\$ 526,500
	subtotal	\$ 555,500
b. Improvements		\$ -
(Residential)		\$ 67,578
(Commercial)		\$ -
c. Mineral Rights		\$ -
d. Damages		\$ -
e. P.L. 91-646 Relocation costs		\$ 1,800
f. Acquisition Cost - Admin (502 ownerships)		\$ 1,706,800
1 parcel in fee, 501 in easement		
Federal	\$ 200,800	
Non-federal	<u>\$1,506,000</u>	
	\$1,706,800	
Sub-Total		\$ 2,331,678
Contingencies (25%)		\$ 582,920
TOTAL		\$ 2,914,598
ROUNDED TO		\$ 2,915,000

Table 2.18-2. North Topsail Beach Project Cost

a. Lands		
1 Ownership - Temporary Work Area Easement (Staging Area) - Estimated		\$ 29,000
2 Ownerships - Fee Purchase		\$ 631,800
	subtotal	\$ 660,800
b. Improvements		\$ -
(Residential) 2 ownerships in Fee		\$ 69,610
(Commercial)		\$ -
c. Mineral Rights		\$ -
d. Damages		\$ -
e. P.L. 91-646 Relocation costs		\$ 2,200
f. Acquisition Cost - Admin (329 ownerships)		\$ 1,118,600
2 parcels in Fee, 327 in easements		
Federal	\$ 131,600	
Non-federal	<u>\$ 987,000</u>	
	\$1,118,600	
Sub-Total		\$ 1,851,210
Contingencies (25%)		\$ 462,803
TOTAL		\$ 2,314,013
ROUNDED TO		\$ 2,314,000

Table 2.18-3. Total Project Cost

a. Lands		
2 Ownerships - Temporary Work Area Easement (Staging Area) - Estimated		\$ 58,000
3 Ownerships - Fee Purchase		\$ 1,158,300
	subtotal	\$ 1,216,300
b. Improvements		\$ -
(Residential) 3 ownerships in Fee		\$ 137,188
(Commercial)		\$ -
c. Mineral Rights		\$ -
d. Damages		\$ -
e. P.L. 91-646 Relocation costs		\$ 4,000
f. Acquisition Cost - Admin (831 ownerships)		\$ 2,825,400
3 parcels in Fee, 828 in easements		
Federal	\$ 332,400	
Non-federal	<u>\$2,493,000</u>	
	\$2,825,400	
Sub- Total		\$ 4,182,888
Contingencies (25%)		\$ 1,045,722
TOTAL		\$ 5,228,610
ROUNDED TO		\$ 5,229,000

2.19 Chart of Accounts

The cost estimate for all Federal and non-Federal real estate activities necessary for implementation of the project after completion of the feasibility study for land acquisition, construction, LERRD, and other items are coded as delineated in the Cost Work Breakdown Structure (CWBS). This real estate cost estimate is then incorporated into the Total Current Working Estimate utilizing the Microcomputer Aided Cost Engineering System (MCACES) and shown in the Chart of Accounts at Table 2.19-1.

Table 2.19-1. Chart of Accounts

01A	PROJECT PLANNING	FEDERAL	NON-FEDERAL	TOTALS
	Other			
	Project Cooperation Agreement	\$	\$	\$
01AX	Contingencies (25%)	\$	\$	\$
	Subtotal	\$	\$	\$
01B	LANDS AND DAMAGES			
01B40	Acquisition Review of PS	\$ 332,400.00	\$	\$ 332,400.00
01B20	Acquisition by PS	\$	\$ 2,493,000.00	\$ 2,493,000.00
01BX	Contingencies (25%)	\$ 83,100.00	\$ 623,250.00	\$ 706,350.00
	Subtotal	\$ 415,500.00	\$ 3,116,250.00	\$ 3,531,750.00
01H	AUDIT			
01H10	Real Estate Audit	\$	\$	\$
01HX	Contingencies (25%)	\$	\$	\$
	Subtotal	\$	\$	\$
01R	REAL ESTATE LAND PAYMENTS			
01R1B	Land Payments by PS PL91-646 Relocation Payment	\$	\$ 1,353,488.00	\$ 1,353,488.00
01R2B	by PS	\$	\$ 4,000.00	\$ 4,000.00
01R2D	Review of PS	\$	\$	\$
01RX	Contingencies (25%)	\$	\$ 339,372.00	\$ 339,372.00
	Subtotal	\$	\$ 1,696,860.00	\$ 1,696,860.00
	TOTALS	\$ 415,500.00	\$ 4,813,110.00	\$ 5,228,610.00
	ROUNDED TO			\$5,229,000.00

Exhibits

Project: Surf City and North Topsail Beach Coastal Storm Damage Reduction Project

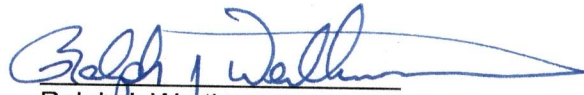
Non-Standard Perpetual Beach Storm Damage Reduction Easement Estate

A perpetual and assignable easement and right-of-way in, on, over and across (the land described in Schedule A) (Tract No. ___) for use by the (Sponsor), its representatives, agents, contractors, and assigns, to construct; preserve; patrol; operate; maintain; repair; rehabilitate; and replace; a public beach a dune system, and other erosion control and storm damage reduction measures together with appurtenances thereto, including the right to deposit sand; to accomplish any alterations of contours on said land; to construct berms and dunes; to nourish and renourish periodically; to move, store and remove equipment and supplies; to erect and remove temporary structures; and to perform any other work necessary and incident to the construction, periodic renourishment and maintenance of the **Surf City/North Topsail Beach Coastal Storm Damage Reduction Project**, together with the right of public use and access; to plant vegetation on said dunes and berms; to erect, maintain and remove silt screens and sand fences; to facilitate preservation of dunes and vegetation through the limitation of access to dune areas; to trim, cut, fell, and remove from said land all trees, underbrush, debris, obstructions, and any other vegetation, structures and obstacles within the limits of the easement (except *); reserving, however, to the grantor(s), (his) (her) (its) (their) (heirs), successors and assigns, the right to construct dune overwalk structures in accordance with any applicable Federal, State or local laws or regulations, provided that such structures shall not violate the integrity of the dune in shape, dimension or function, and that prior approval of the plans and specifications for such structures is obtained from the (designated representative of the Project Sponsor) and provided further that such structures are subordinate to the construction, operation, maintenance, repair, rehabilitation and replacement of the project; and further reserving to the grantor(s), (his) (her) (its) (their) (heirs), successors and assigns all such rights and privileges as may be used and enjoyed without interfering with or abridging the rights and easements hereby acquired; subject however to existing easements for public roads and highways, public utilities, railroads and pipelines.

*** the right to remove or demolish the existing fishing pier and appurtenances thereto;**

In accordance with the provisions of paragraph 12-10c. of ER 405-1-12, I approve the use of the above non-standard estate for the Surf City and North Topsail Coastal Storm Damage Reduction project. The estate serves the intended project purpose, substantially conforms with and does not materially deviate from the corresponding standard estate contained in the Real Estate Handbook and does not increase the costs nor potential liability of the Government.

Date: 27 May 2010



Ralph J. Werthmann
Chief, Real Estate, Savannah District

AUTHORIZATION FOR ENTRY FOR CONSTRUCTION

I _____, _____ for the
(Name of accountable official) (Title)

(Sponsor Name) _____, do hereby certify that the _____ (Sponsor Name) has acquired the real property interest required by the Department of the Army, and otherwise is vested with sufficient title and interest in lands to support construction for (Project Name, Specifically identified project features, etc.). Further, I hereby authorize the Department of the Army, its agents, employees and contractors, to enter upon _____
(identify tracts)

to construct (Project Name, Specifically identified project features, etc.) as set forth in the plans and specifications held in the U. S. Army Corps of Engineers' (district, city, state)

WITNESS my signature as _____ for the
(Title)

(Sponsor Name) this __ day of _____, 20_____.

BY: _____
(Name)

(Title)

ATTORNEY'S CERTIFICATE OF AUTHORITY

I, _____, _____ for the
(Name) (Title of legal officer)

(Sponsor Name), certify that _____ has
(Name of accountable official)

authority to grant Authorization for Entry; that said Authorization for Entry is executed by the proper duly authorized officer; and that the Authorization for Entry is in sufficient form to grant the authorization therein stated.

WITNESS my signature as _____ for the
(Title)

(Sponsor Name), this _____ day of _____, 20_____.

BY: _____
(Name)

(Title)

Exhibit B

Assessment of Non-Federal Sponsor's

Real Estate Acquisition Capability Surf City

I. Legal Authority:

- a. Does the sponsor have legal authority to acquire and hold title to real property for project purposes? **Yes**
- b. Does the sponsor have the power to eminent domain for this project? **Yes-Condemnation Authority is granted by legislation with specific provision for improving beach erosion control or flood and hurricane protection works.**
- c. Does the sponsor have "quick-take" authority for this project? **Yes**
- d. Are any of the land/interests in the land required for this project located outside the sponsor's political boundary? **No**
- e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? **No**

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? **N/A Sponsor is considering hiring a contractor to perform acquisition of real estate for the project.**
- b. If the answer to II.a. is "yes", has a reasonable plan been developed to provide such training? **N/A sab.**
- c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? **No**
- d. Is the sponsor's projected in-house staffing level sufficient considering its other work load, if any, and the project schedule? **No**
- e. Can the sponsor obtain contractor support, if required in a timely fashion? **Yes**
- f. Will the sponsor likely request USACE assistance in acquiring real estate? **No**

Exhibit C Page 1

Surf City Continued

III. Other Project Variables:

- a. Will the sponsor's staff be located within reasonable proximity to the project site? **Yes**
- b. Has the sponsor approved the project/real estate schedule/milestones? **No – Real Estate Schedule and Milestones will be developed upon project approval as a joint effort among RE, project manager and sponsor.**

IV. Overall Assessment:

- a. Has the sponsor performed satisfactory on other USACE projects? **N/A**
- b. With regard to the project, the sponsor is anticipated to be: **Moderately Capable**

V. Coordination:


- a. Has this assessment been coordinated with the sponsor? **Yes**
- b. Does the sponsor concur with this assessment? **Yes**

Prepared by:



Belinda S. Estabrook
Realty Specialist

Reviewed and approved by:



Ralph J. Werthmann
Chief, Real Estate Division

Exhibit C Page2

Assessment of Non-Federal Sponsor's

Real Estate Acquisition Capability North Topsail Beach

I. Legal Authority:

- a. Does the sponsor have legal authority to acquire and hold title to real property for project purposes? **Yes**
- b. Does the sponsor have the power to eminent domain for this project? **Yes-Condemnation Authority is granted by legislation with specific provision for improving beach erosion control or flood and hurricane protection works.**
- c. Does the sponsor have "quick-take" authority for this project? **Yes**
- d. Are any of the land/interests in the land required for this project located outside the sponsor's political boundary? **No; However, several parcels identified as a potential staging area are owned by the County, but full cooperation is expected from the county.**
- e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? **Yes – The town cannot condemn county owned lands, but as stated above full cooperation with the county is expected**

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? **N/A Sponsor is considering hiring a contractor to perform acquisition of real estate for the project.**
- b. If the answer to II.a. is "yes", has a reasonable plan been developed to provide such training? **N/A sab.**
- c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? **No**
- d. Is the sponsor's projected in-house staffing level sufficient considering its other work load, if any, and the project schedule? **No**
- e. Can the sponsor obtain contractor support, if required in a timely fashion? **Yes**
- f. Will the sponsor likely request USACE assistance in acquiring real estate? **No**

Exhibit C Page 3

North Topsail Continued

III. Other Project Variables:

- a. Will the sponsor's staff be located within reasonable proximity to the project site? **Yes**
- b.
- c. Has the sponsor approved the project/real estate schedule/milestones? **No – Real Estate Schedule and Milestones will be developed upon project approval as a joint effort among RE, project manager and sponsor.**

IV. Overall Assessment:

- a. Has the sponsor performed satisfactory on other USACE projects? **N/A**
- b. With regard to the project, the sponsor is anticipated to be: **Moderately Capable**

V. Coordination:

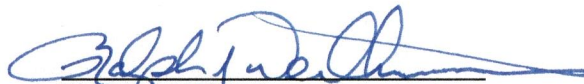
- a. Has this assessment been coordinated with the sponsor? **Yes**
- b. Does the sponsor concur with this assessment? **Yes**

Prepared by:



Belinda S. Estabrook
Realty Specialist

Reviewed and approved by:



Ralph J. Werthmann
Chief, Real Estate Division

Exhibit C Page 4