Appendix K. Real Estate Plan

REAL ESTATE PLAN

DELTA ISLANDS AND LEVEES FEASIBILITY STUDY (DELTA STUDY)

20 June 2018

PREPARED BY THE SACRAMENTO DISTRICT U.S. ARMY CORPS OF ENGINEERS

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DELTA ISLANDS AND LEVEES REAL ESTATE PLAN

1. Introduction

This Real Estate Plan, prepared in accordance with ER 405-1-12, Sections 12-16, supports the revised Delta Islands and Levees Feasibility Study. The purpose of the revised study is to determine the Federal interest in providing Ecosystem Restoration (ER) improvements to the Sacramento – San Joaquin Rivers Delta (Delta) in Northern California.

The purpose of this Real Estate Plan is to define and describe the minimum real property interests needed to construct the project's Recommended Plan. This Plan includes restoring habitat value in the Delta to native species through subsidence reversal and subsequent restoration of intertidal habitat in the flooded Big Break region and is to be used for planning purposes only. Modifications to the Recommended Plan may occur during the project's Preconstruction, Engineering and Design (PED) phase which could require adjustments to the real property rights needed, the scope of the acquisition area(s), and estimates of the real property acquisition and administrative costs.

Non Federal Sponsor

The USACE initiated the Feasibility Study at the request of the California Department of Water Resources (DWR), the non-Federal sponsor for the study. The USACE and DWR discussed various acquisition options with the main land owner in the study area, East Bay Regional Park District to provide their lands for the project. However, East Bay Regional Park District cannot convey fee title or a permanent easement due to legal restrictions (California Pub. Resources Code, §§ 5540, 5540.5.) They indicated that they were interested in becoming a second non-federal sponsor, along with DWR. That will require a modified Project Partnership Agreement after project authorization to limit East Bay Regional Park District's responsibilities to those associated with the provision of some of the land for the project

2. Project Authority

The study is authorized by the Flood Control Act of 1936, Pub. L. 74-738 and the Water Supply, Reliability, and Environmental Improvement Act, Pub. L. 108-361 (2004) as modified by the Water Resources Development Act of 2007, Pub. L. 110-114. Detailed information regarding the project authority, including interim studies and reports is contained in Chapter 2 of the Feasibility Report.

3. Project Description

This project will help a declining but critical Delta ecosystem by restoring and maintaining aquatic and riparian habitats in an area called Big Break, near Jersey Island in the western Delta, where erosion and subsidence have caused the loss of fast lands and marshes to

shallow open water. Restored intertidal marshes at Big Break will provide habitat for native plants and wildlife, including species designated as endangered, threatened and special-status by federal and state resource agencies, and will marginally improve floodplain functions and Delta water quality.

The project will use dredged materials produced by maintenance dredging of the nearby Stockton Ship Channel and conveyed as a slurry through a temporary floating pipeline to form a base on which new marsh habitat can form. The project will place approximately 100,000 cubic yards of material within the target area during each annual dredging cycle; over its ten-year construction period a total of 1,000,000 cubic yards of dredged will be placed at Big Break, creating about 340 acres of new marshlands. Vegetation will be planted incrementally during each dredged material placement cycle, so that marsh grasses and aquatic plants will take root as of the first year of dredged material placement.

4. <u>Description of Lands, Easements, Rights-Of-Way, Relocations, and Disposal Areas</u> (LERRDs) required for project construction

The District's Cadastral Section identified four property parcels within which real estate rights will need to be acquired to construct the project: two tracts of shallow open water apparently owned in fee by the East Bay Regional Park District, where the project's 340 acres of new intertidal marsh would be created, and two nearby parcels of marsh and fast lands on Jersey Island owned in fee by the Ironhouse Sanitary District, a sewage treatment and water purification agency serving Oakley and Bethel Island. On Jersey Island the project will need to acquire a 10-year right to run a temporary pipeline alongside an agricultural ditch, a 10-year right to create and use a one-acre temporary construction and laydown yard at the south end of this pipeline for storage of project equipment and materials during each annual dredging cycle (a period of about two months each year), and a 10-year right of vehicular use of existing unpaved private roads on Jersey Island for delivery of materials and construction equipment (also for about two months each year); as shown in the Cadastral Map and Tract Register (Exhibit B)

- a) Accordingly the Non-Federal Sponsor East Bay Regional Park District will provide the following real property interests of the submerged lands at Big Break:
 - i. EBRPD will provide through agreement/MOU 340 acres of submerged lands for real property use within the project's proposed footprint,
 - ii. A lease executed by the NFS may also be required from the State Lands Commission pending their investigation on their jurisdiction in the proposed project area. To summarize, the lease application may include:

Standard Application for Lease of State Lands Project information (Scope of work, technical data, timeline, map, etc.) SAP (Sample & Analysis Plan) SAR (Sample & Analysis Report) DMMO authorization letter to dredge Bathymetric survey Permits from other regulatory agencies Minimum expense deposit: \$3,000+ (may vary, based on environmental and engineering review needs) Non-refundable filing fee: \$25 Recent photos (approx. 5 or 6 photos taken within the past 6 months)

- b) The Non-Federal Sponsor will need to obtain the following real property interests from the Iron house Sanitary District:
- c)
- i. A ten-year .70 acre pipeline easement for placement and operation of a temporary 18"diameter dredged material pipeline across Jersey Island, on a run of about 1,000 linear feet, to remain in place for the ten-year construction phase of the project, or until all dredged material is conveyed to the restoration site*; *and*

*(The sections of pipeline that will cross the levee maintenance roads on the north and south levees of Jersey Island will be covered with dirt to avoid obstructing vehicle passage and will be removed at the conclusion of the two-month construction cycle each year.)

- ii. A ten-year easement over a rectangle of land approximately 1.00 acre in size at the south side of Jersey Island adjacent to the point the temporary pipeline crosses over the island's south-side levee, for construction of a fenced equipment and materials staging yard to use for approximately two months each year during the Project's ten-year period of construction; *and*
- A ten-year, vehicular easement or right of entry over approximately 5.20 acres of existing unpaved levee roads and an agricultural access lane bisecting Jersey Island adjacent to the proposed pipeline location, for use by construction vehicles and equipment belonging to the project's contractor and by vehicles belonging to the Corps and the non-federal sponsor, primarily during each year's two-month dredging cycle.

No structures presently exist within the project footprint that would require relocation during project construction.

Upon execution of a Project Partnership Agreement (PPA) the Sacramento District Engineering Branch will prepare final designs for project construction. The tract register and tract maps will reflect any final modifications to project designs for staging areas, access requirements, and restoration features and a take letter will be provided to the Non-Federal Sponsor for acquisition of the appropriate real property rights and interests.

Real Property Features of Plan	Real Property Requirement	Acreage	Duration
Big Break Island Submerged lands for intertidal marsh habitat restoration (Sponsor owned lands)	(Sponsor owned Fee Title)	340	Perpetuity
Pipeline easement crossing Jersey Island	Temporary pipeline easement for pumping dredged material	.70	10 years
Haul Route for construction and dredging activities	Temporary Road Easement	5.20	10 years
Staging and Equipment Storage Yard on Jersey Island	Temporary Work Area Easement	1.00	10 years

Table 1 – Summary Plan Features and Real Property Requirements

5. <u>LERRDs Owned by the Non-Federal Sponsor</u>

The East Bay Regional Parks District owns 340 acres of fee title lands in the proposed project area. The District would be obligated to contribute to the partnership all LERRD in its possession that may be required for project construction and maintenance.

The Park District was created by the California Legislature in 1934 to acquire, hold, and protect open space and park lands. The District's enabling statute allows the District's Board of Directors to "dedicate" lands for park and open space purposes in perpetuity. Once dedicated, the District is prohibited from any sale or other conveyance of those lands without a vote of the public. (California Pub. Resources Code, §§ 5540.) Consistent with the Park District's mission, the vast majority of the Park District's 120,000+ acres, including the lands at Big Break, are protected as parks and open space through this dedication process. While there are some narrow exceptions to the prohibition on conveyance for public agency partnerships, the Park District's policy and practice for nearly 85 years has been to not convey any property interest over dedicated parklands. Because the land at Big Break has been dedicated as permanent park and open space, any conveyance of a property interest in that land would be legally constrained, and would be contrary to District's core mission and policy.

While conveyance of fee title is not a legal option for the Park District, they are interested in working with the Corps to allow this project to proceed on Park District lands. The Park District is interested in exploring the option which would involve the Park District entering into a three party agreement with the Army Corps and Department of Water Resources to become a second non-federal sponsor of the restoration project.

6. Crediting for LERRDs

For purposes of crediting the Sponsor must provide a credit appraisal of the real property it contributes or obtains in performance of its obligations under the PPA.

The Sponsor's credit appraisal must conform to Uniform Appraisal Standards (USPAP) and must be prepared by a certified appraiser who is approved as a qualified appraiser by the USACE Sacramento District Appraisal Branch.

7. <u>Standard Federal Estates</u>

Temporary Work Area Easement

A temporary easement and right-of-way in, on, over and across portions of Jersey Island for a period not to exceed 10 years after the execution of the construction contract, for use by the State of California, 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 Delta Project, together with the right to trim, cut, fell and remove there from 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.

Temporary Well and Pipeline Easement

A temporary and assignable easement in, on, over and across portions of Jersey Island for a period not to exceed 10 years to locate, construct, operate, maintain, repair, replace, and/or remove pipeline(s) and appurtenances thereto; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

Non Standard Estates

Lease

The California State Land Commission may require a lease executed by the NFS for work on their jurisdictional lands prior to solicitation of a construction contract. The Commission is currently investigating the area to determine where and if a lease is required. The following items may be required to complete a lease.

- Standard Application for Lease of State Lands
- Project information (Scope of work, technical data, timeline, map, etc.)
- SAP (Sample & Analysis Plan)

- SAR (Sample & Analysis Report)
- DMMO authorization letter to dredge
- Bathymetric survey
- Permits from other regulatory agencies
- Minimum expense deposit: \$3,000+ (may vary, based on environmental and engineering review needs)
- Non-refundable filing fee: \$25
- Recent photos (approx. 5 or 6 photos taken within the past 6 months)

MOU/Agreement/PPA- will be required to construct the project on sponsor owned lands

8. Description of any Existing Federal Projects in or Partially in the Proposed Project

No existing federal projects have a scope of work or study area that would fully or partially overlap with the footprint of the proposed project.

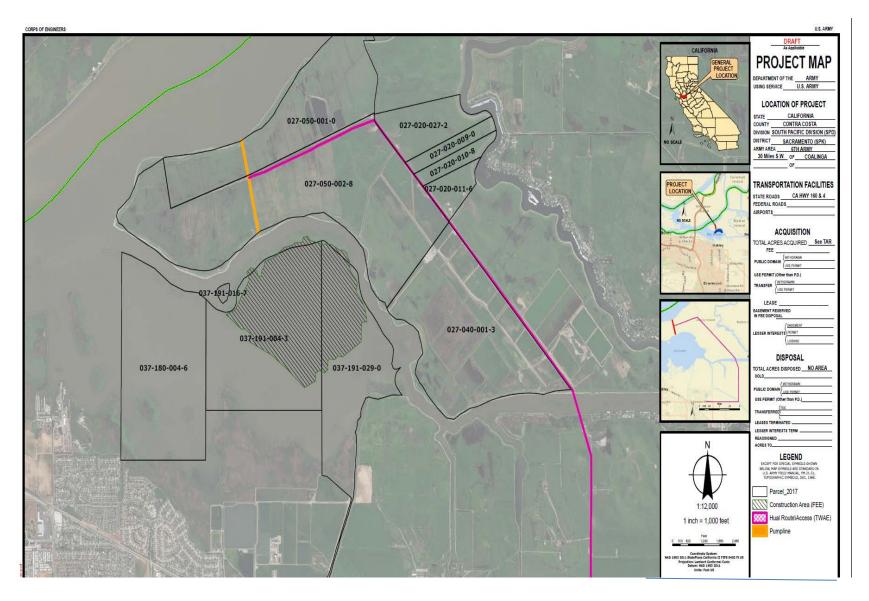
9. Description of any Federally-owned Land needed for the Project

No federally-owned lands are available or needed for this project.

10. Application of Navigational Servitude to the LERRDs Requirement

Use of the Navigational Servitude is not needed for this project. Contractors will have to obtain approvals from the Coast Guard and with the Sacramento District's Regulatory Branch for placement of temporary floating pipelines during dredging operations to ensure proper marking and signaling within navigable waterways.

11. Project Map



12. Anticipated Increased Flooding and Impacts

Hydraulic modeling and analysis show that the new intertidal marsh lands to be created by the project would not increase flooding risks and instead would tend to reduce the velocity of water flowing through the Big Break area.

13. Cost Estimate for Necessary Real Property Rights

A preliminary estimate of the costs of acquiring LERRDs necessary to support the project's Tentatively Selected Plan was prepared to assist in the calculation of a cost-benefit analysis for the purpose of quantifying the federal interest in the proposed Delta Islands project.

The cost estimate meets the intent of Real Estate Policy Guidance Letter (PGL) No. 31, Real Estate Support to Civil Works Planning Paradigm (3x3x3), which requires a less formal estimation of the cost of acquiring real property rights when these costs are expected to represent a small component of overall project costs. The PGL directs that "For projects in which the value of real estate (lands, improvements, and severance damages) are not expected to exceed **ten percent** of total project costs (total cost to implement project), a cost estimate (**or rough order of magnitude**) will be acceptable for purposes of the feasibility phase."

The table on the following page estimates the direct and administrative costs associated with acquiring real property interests necessary to construct, operate and maintain the proposed project. This estimate was prepared on March 16, 2018.

If the project's selected plan receives headquarters endorsement at the scheduled Agency Decision Milestone (ADM) meeting, real property acquisition costs will be updated thereafter to reflect current price levels.

See page 12, below.

Project Features	Cost	Contingency	Total Costs Rounded
Code of Accounts 01	FEDERAL		
Fed RE Admin labor	\$99,400	5% 4,970	\$104,370
01	NON FEDERAL	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	<i>\$104,370</i>
Lands and			
damages		5%	
Account 01	\$544,000	\$27,200	\$571,200
Non RE Fed			
Admin to			
Manage Leases			
and acquire		5%	
rights/permits	\$420,000	\$21,000	\$441,000
			Total LERRD's \$1,116,570

 Table 2- Real Estate Cost Estimate

14. <u>Relocation Assistance Benefits</u>

Not Applicable. Project area consists of shallow open water and open marsh or agricultural lands; no relocations will be necessary.

15. Mineral / Timber Activity

A prior grantor, Porter Estate Company Oakley Ranch, Inc., retains a perpetual right to enter the subsurface of the project's 340 acre marsh restoration area (at Parcel Nos. 037-191-004 and 037-191-029) below a depth of 250 feet from the surface "... to mine, excavate, drill, whip stock, explore, text, collect, produce and distribute" any oil, petroleum, natural gas, hydrocarbons or other minerals found therein. But the mineral deed holder retains no right of surface entry, nor any right to enter within 250 feet of the surface.

Because no interference with the project would arise in the event the mineral rights holder were to exercise its subterranean rights, no subordination of its real property interest is needed.

No timber is present within the project footprint.

16. <u>Non-Federal Sponsor's Ability to Acquire</u>

The non-Federal sponsor possesses experienced real estate staff members capable of drafting real property instruments and professionally managing the acquisition of the real interests needed for the Delta Islands project. As an agency of the State of California the non-Federal sponsor also possesses condemnation authority.

17. Zoning Anticipated in Lieu of Acquisition

There is not an application or enactment of new zoning ordinances proposed in lieu of, or to facilitate, acquisition in connection with the project nor are such actions anticipated.

18. Acquisition Schedule

The non-Federal sponsor will be directed to begin real property acquisition for the Project only after a PPA is fully executed. A risk letter will be sent from the Corps to the State of California alerting the State, as non-Federal Sponsor, to the risks associated with purchasing project lands or obtaining easements, servitudes or rights-of-way in advance of the execution of a PPA. The project's proposed period of construction extends through ten annual dredging cycles, with an anticipated placement of 100,000 cubic yards of dredged material within the project area each year. Thus the construction phase of the project is expected to extend to ten or more years.

REAL ESTATE ACQUISITION SCHEDULE						
Project Name: Delta Islands and Levees	COE	COE	NFS	NFS		
	Start	Finish	Start	Finish		
Receipt of preliminary drawings from	2018	2019	2019	2020		
Engineering/PM						
Receipt of final drawings from	2020	2020	2020	2021		
Engineering/PM						
Execution of PPA/Finalize Chief's Report	October 20	020				
Formal transmittal of final drawings &	2020	2020	2020	2021		
instructions to acquire LERRDs						
Prepare/review mapping & legal			2020	2021		
descriptions						
Obtain/review title evidence			2020	2021		
Obtain/review tract appraisals			2020	2021		
Conduct negotiations			2020	2021		
Certify all necessary LERRDS are			2020	2021		
available for construction						
Prepare and submit credit requests			2021	2021		
Review/approve or deny credit requests	2021	2021				
Construction Duration						
Big Break material placement – year 1			2021	2022		
Big Break material placement – year 2			2022	2023		
Big Break material placement – year 3			2023	2024		
Big Break material placement – year 4			2024	2025		
Big Break material placement – year 5			2025	2026		
Big Break material placement – year 6			2026	2027		
Big Break material placement – year 7			2027	2028		
Big Break material placement – year 8			2028	2029		
Big Break material placement – year 9			2029	2030		
Big Break material placement – year 10			2030	2031		
Complete physical construction – year 10			2031	2031		
Complete plant establishment – year 12			2031	2033		
Complete project monitoring –			2033	2038		

19. Description of Facility and Utility Relocations

No facility or utility relocations will be required for project construction.

20. <u>Hazardous, Toxic, and Radiological Waste (HTRW)</u>

Naturally Occurring Hazards

None are anticipated

Hazards from Agricultural Practices

None are anticipated.

Hazards from Historical Mercury Mining

None are anticipated

Borrow Materials

Historic chemical and granular test results of dredged materials from the Stockton Ship Channel at existing placement sites indicate that the dredged materials are chemically cleaner than the existing baseline sampling from the project area footprint. Future materials from dredging operations would be sampled prior to operations and maintenance dredging. Materials meeting baseline criteria would be utilized for marsh habitat creation. Materials not meeting baseline criteria would be conveyed to alternative disposal sites.

Project construction activities are not expected to disturb existing HTRW sources that could lead to contamination of environmental resources. Therefore the tentatively selected plan is not expected to create any measurable HTRW effects.

21. Attitude of Landowners

Letters have been sent to the East Bay Regional Park District and to the Ironhouse Sanitary District to introduce the project and to request cooperation in providing necessary real property rights for project construction and operation. Two recent meetings have occurred with the land owners and the East Bay Regional Park District has indicated that they are interested in being a second non-federal sponsor and are not only supportive of the project but have joined us to participate as a sponsor.

In February 2013 when the project included flood risk features that were subsequently eliminated, two scoping meetings were held to educate the public about the study efforts and to request comments, in accordance with NEPA and CEQA. Results of these outreach efforts

were favorable. Numerous agencies, organizations, and individuals, including the U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration (NOAA Fisheries), U.S. Environmental Protection Agency, California Department of Fish and Wildlife, Sacramento County, San Joaquin County, Contra Costa County, Yolo County, Alameda County, Solano County, various levee maintenance agencies, local landowners and residents expressed support for marshland creation and habitat restoration in the area of the project site.

-----Exhibit "A" Follows-----

EXHIBIT A

ASSESSMENT OF NON-FEDERAL SPONSOR'S REAL ESTATE ACQUISITION CAPABILITY DELTA ISLAND AND LEVEE FEASIBILITY STUDY

SPONSORS: The State of California, Department of Water Resources

I. Legal Authority:

a. Do the sponsors have legal authority to acquire and hold title to real property for project purposes? **Yes State of California, Department of Water Resources**

b. Do the sponsors have the power of eminent domain for this project? Yes State of California, Department of Water Resources;

c. Do the sponsors have "quick-take" authority for this project? Yes State of California, Department of Water Resources

d. Are any of the lands/interests in land required for the project located outside the sponsor's political boundary? **No State of California, Department of Water Resources**

e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? **No State of California, Department of Water Resources**

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? **Yes State of California**, **Department of Water Resources**

b. If the answer to a. is "yes," has a reasonable plan been developed to provide such training? **Yes State of California, Department of Water Resources**

c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? **Yes State of California, Department of Water Resources**

d. Is the sponsor's project in-house staffing level sufficient considering its other workload, if any, and the project schedule? **Yes State of California, Department of Water Resources**

e. Can the sponsor obtain contractor support, if required, in a timely fashion? Yes State of California, Department of Water Resources

f. Will the sponsor likely request USACE assistance in acquiring real estate? No the State of California, Department of Water Resources is capable.

III. Other Project Variables:

a. Will the sponsor's staff be located within reasonable proximity to the project site? Yes State of California, Department of Water Resources

b. Has the sponsor approved the project real estate schedule/milestones?

Response: No, the approval occurs during the preconstruction, engineering and design phase.

IV. Overall Assessment:

a. Has the sponsor performed satisfactorily on other USACE projects? Yes State of California, Department of Water Resources

b. With regard to this project, the sponsor is anticipated to be: The State of California, Central Valley Flood Protection Board

V. Coordination:

a. Has this assessment been coordinated with the sponsor? Yes State of California, Department of Water Resources

b. Does the sponsor concur with this assessment? Yes State of California, Department of Water Resources

EXHIBIT A

ASSESSMENT OF NON-FEDERAL SPONSOR'S REAL ESTATE ACQUISITION CAPABILITY DELTA ISLAND AND LEVEE FEASIBILITY STUDY

SPONSORS: East Bay Park Regional Park District

I. Legal Authority:

a. Do the sponsors have legal authority to acquire and hold title to real property for project purposes? Yes. Land Owner: East Bay Regional Park District.

b. Do the sponsors have the power of eminent domain for this project? **Yes-East Bay Regional Park District**

c. Do the sponsors have "quick-take" authority for this project? Yes – East Bay Regional Park District

d. Are any of the lands/interests in land required for the project located outside the sponsor's political boundary? **No – East Bay Regional Park District**

e. Are any of the lands/interests in land required for the project owned by an entity whose property the sponsor cannot condemn? **No – East Bay Regional Park District**

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? **Yes – East Bay Regional Park District.**

b. If the answer to a. is "yes," has a reasonable plan been developed to provide such training? Yes - East Bay Regional Park District would rely on State of California, Department of Water Resources

c. Does the sponsor's in-house staff have sufficient real estate acquisition experience to meet its responsibilities for the project? **Yes – East Bay Regional Park District.**

d. Is the sponsor's project in-house staffing level sufficient considering its other workload, if any, and the project schedule? **Yes – East Bay Regional Park District.**

e. Can the sponsor obtain contractor support, if required, in a timely fashion? Yes – if through State of California, Department of Water Resources – East Bay Regional Park District

f. Will the sponsor likely request USACE assistance in acquiring real estate? No the State of California, Department of Water Resources is capable.

III. Other Project Variables:

a. Will the sponsor's staff be located within reasonable proximity to the project site? Yes - Local staff available - East Bay Regional Park District.

b. Has the sponsor approved the project real estate schedule/milestones?

Response: No, the approval occurs during the preconstruction, engineering and design phase.

IV. Overall Assessment:

a. Has the sponsor performed satisfactorily on other USACE projects? Yes - East Bay Regional Park District.

b. With regard to this project, the sponsor is anticipated to be: East Bay Regional Park District as co-sponsor with State of California, Department of Water Resources

V. Coordination:

a. Has this assessment been coordinated with the sponsor? Yes State of California, Department of Water Resources

b. Does the sponsor concur with this assessment? Yes State of California, Department of Water Resources

Prepared by:

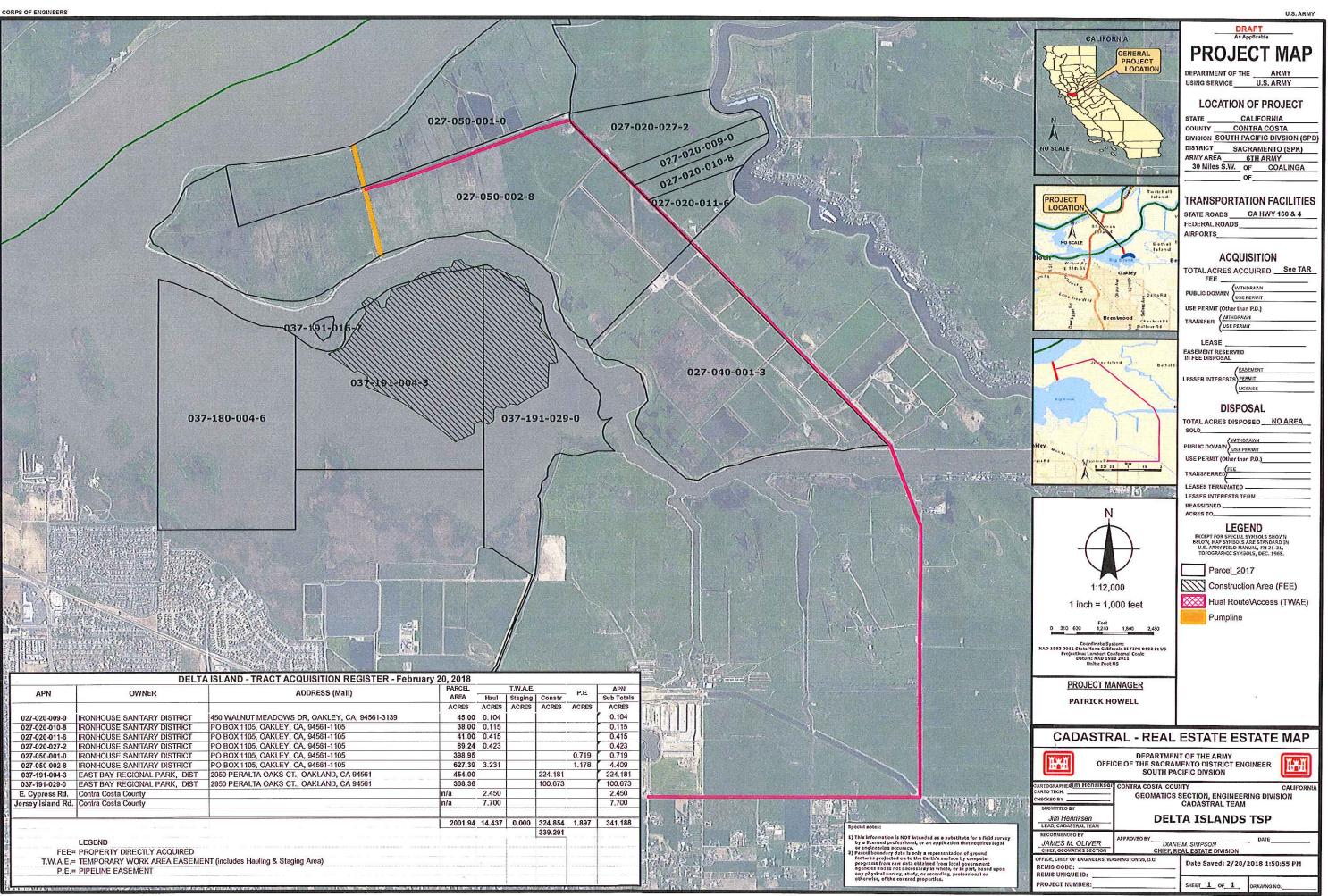
Laurie Parker

Laurie Parker Realty Specialist

Reviewed and Approved by:

Lisa Ng Acting Chief, Real Estate Division EXHIBIT B CADASTRAL MAP





EXIHIBIT C STANDARD RE RISK LETTER



DEPARTMENT OF THE ARMY U. S.ARMY CORPS OF ENGINEERS SACRAMENTO DISTRICT 1325 J STREET SACRAMENTO, CALIFORNIA 95814-2922

May 29, 2018

Acquisition Branch

State of California Central Valley Flood Protection Agency Attention: Ms. Leslie Gallagher, General Manager 3310 El Camino Avenue, Room LL40 Sacramento, California 95821

East Bay Regional Park District Attn:Mr. Michael Reeves, Land Agent 2950 Peralta Oaks Ct. Oakland CA 94605

Dear Ms. Leslie Gallagher and Mr. Michael Reeves:

It is the Sacramento District, Corp of Engineer's understanding that the Central Valley Flood Protection Agency's (CVFPA) representing Department of Water Resources, State of California and the East Bay Regional Park District plan to partner in the construction required for the Delta Island Feasibility Project. Any land acquisitions that may occur prior to the Project Authorization and execution of the Project Partnering Agreement (PPA) and prior to the Government's formal notice to proceed with acquisitions and performance involve risks.

The Corps must caution and advise that there are risks associated with acquisition under such circumstances and that, as the non-Federal sponsor, your agency assumes full and sole responsibility for any and all costs, or liability arising out of the acquisition effort. Generally, these risks include, but may not be limited to the following:

- a. The Congress of the United States may not appropriate funds to construct the proposed project.
- b. A Project Partnership Agreement mutually agreeable to the Sponsors and the Federal Government may not be executed and implemented.
- c. The Sponsors may incur liability and expense 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), 42, U.S.C. 9601-9675.

- d. The Sponsors may acquire interests or estates in real property that are later determined by the Government be inappropriate, insufficient, or otherwise not required for the project.
- e. The Sponsors may initially acquire insufficient or excessive real property acreage which may result in additional negotiations, payment of Public Law 91-646 (as amended) benefits, or payments of fair market value to affected landowners which could have been avoided by delaying acquisition until after PPA execution and the said formal notice by the Corps to commence acquisition of land and right of way.
- f. The Sponsors may incur costs or expenses in connection with its decision to acquire or perform acquisition activities in advance of the Project Authorization, an executed PPA and the Government's notice to proceed which may not be creditable under the provisions of Public Law 99-662, The Water Resources Development Act of 1986.

Should you have any questions, please contact Realty Specialist, Laurie Parker, of my staff at (916) 557-6741.

Lisa Ng Chief, Real Estate Division