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February 20, 2014

City of Rochester Hills
1000 Rochester Hills Dr.
City of Rochester Hills, 48309-3033

Attn: Mr. Paul Davis P.E.
City Engineer

Re: Hamlin Rd. Improvements (Hamlin Ct. to Dequindre)
City File No. 12-028
Proposal for Right of Way Acquisition Services

HRC Job No. 20140086

Dear Mr. Davis:

As requested, we are pleased to offer our services to perform the acquisition of all required Rights-of-Way (ROW), Easements, Deeds, Pathway Easements and Temporary Easements for the above mentioned project. It is noted that Hubbell, Roth & Clark, Inc. (HRC) has been pre-approved to provide these services in accordance with our December 2012 agreement. Our scope of work is based on the preliminary list of ROW needs disclosed by the design engineer, Orchard Hiltz & McCliment, Inc, (OHM) and as shown in Table 1 attached and is summarized as follows:

SCOPE OF SERVICES

There are fifty-four (54) parcels anticipated to involve acquisition on this project as summarized below:

- 42 Highway Easements
- 10 Temporary Easements
- 2 Permanent Pathway Easements

This estimate includes up to two (2) more Permanent Easements and two (2) more Temporary Easements than what has been identified on the draft plans provided by OHM. HRC will provide all signature documents needed for the acquisition of Rights of Way, Highway Easements, Pathway Easements and Temporary Construction Easements. All legal descriptions and Right of Way drawings and revisions will be made by OHM with only name, amount of compensation and easement conditions added by HRC. The procedures for acquiring the necessary ROW/easements will comply with Michigan Department of Transportation rules and regulations and with Michigan Condemnation law. Title commitments will also be provided to HRC for all parcels. HRC will obtain independent Appraisals on most parcels where a Highway easement is required. Appraisal reviews will also be ordered to comply with MDOT guidelines. HRC will attempt to acquire all other easements using a simple easement valuation form and will only order appraisals when it is anticipated that Condemnation is possible or required to be in compliance with MDOT regulations. Should condemnation be necessary to meet the project schedule, HRC will be

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responsible for acquiring all Rights-of-Way (ROW), Easements, Deeds and Temporary Easements up to the point where the City obtains a Right of Entry through the Condemnation process.

The tasks HRC will perform during Acquisition and Execution of ROW/Easements are as follows:

- Coordination of acquisition activities with OHM and City officials.
- Recommending Right of Way documents and revisions.
- Defining appraisal problem and documenting contract.
- Ordering Appraisals as stated herein.
- Ordering Appraisal reviews per MDOT guidelines.
- Preparing Waiver of Appraisal and simple valuations as required.
- Contacting the property owner first by mail or by telephone to make an appointment for meeting them.
- Meet with property owner for preliminary interview to identify on design plans the proposed work and the effect on their property, and discuss their concerns.
- Discussing mitigation measures with design team if needed.
- Negotiation of Acquisition.
- Ordering Landscape Appraisals when applicable.
- Maintain a file for each parcel which includes all Title Work, Instrument of Conveyance, Appraisals as required, Record of Negotiations, and conversations, per MDOT regulations.
- Attend public meetings, informational meetings, open houses, etc. and provide display materials as required.
- Submit copies of all records to City in both digital and hard copy format.
- Keep the City informed of all negotiations and progress and shall copy the City on relevant correspondence.
- If any negotiations proceed in such a manner that it appears design changes are warranted, HRC shall notify the City and consult with the design Engineer, OHM, to minimize acquisition expense.
- Submit invoices to the City for payment of Right of Way compensation including W-9 form from owner and informal closing with owner as applicable.
- Record signed documents.
- Arrange for property owner payment through city procedure.

HRC will also provide limited assistance to City Legal Counsel, should Condemnation proceedings be necessary. This assistance would involve suggested revisions to documentation and design suggestions wherever possible, to minimize acquisition expense, providing additional copies of information previously provided in this scope of services, and providing limited support to City attorneys. All other services associated with Condemnation including matters such as legal proceedings, MDOT Right of Way audit, the sale or disposal of any fixtures acquired in takes of a property, or recording of executed conveyances are not included. Real Estate Appraisers will be available at a fixed hourly rate to assist the City and its Counsel in condemnation matters such as trial and pretrial assistance.

The property impacted along Hamlin Road is primarily zoned residential with some commercial. The attached Table 1 shows the estimated hours and fees associated with the various tasks. The rates and fees are in accordance with the approved December 2012 Cost Proposal for Right of Way Acquisition Services. As shown, the fee per parcel is \$3,357.00 for the Permanent Easement parcels, which equates to a total cost of \$147,686.00. The fee per parcel for the Temporary Easement parcels is \$1,963.00, which equates to a total cost of \$29,449.00.

In addition, there are a number of Appraisals necessary that would be subcontracted by HRC. Based on our review of the proposed acquisitions with our Appraiser, we have identified several various types of Appraisals required for acquisition and have obtained estimates of these services based on a lump sum per parcel fee. MDOT rules require an appraisal for all takes which could exceed \$10,000.00. When we get more involved into the project, more Appraisals may be required because of this limitation. However, for the purposes of this proposal it is assumed that four (4) appraisals will require establishing original comparables of the different zoning and lot size parcels involved at a cost of \$3,500 ea. for a total cost of \$14,000.00. Similarly twenty (20) Comparable Appraisals, which are anticipated to be value of the part taken Appraisal, are estimated at a cost of \$2,500 ea. for a total cost of \$50,000. Of these initial Real Estate Appraisals, 4 are anticipated to be before and after appraisals, at a cost of \$5,500.00 each for a total cost of \$22,000.00. Initially (28) Real Estate Appraisal reviews will be required, complying with MDOT rules at a cost of \$800.00 ea. for a total cost of reviews of \$22,400.00. We have also included twenty (20) Landscape Appraisals at a unit cost of \$220 for a total cost of \$4,400.00 in an effort to purchase the Landscaping removed and not have it replaced by your contractor. The total direct cost of Real Estate appraisals, Landscape appraisals and reviews equates to \$112,800. As identified in our 2012 ROW Services Agreement, reimbursable costs include a 10% mark-up for Administrative Overhead for a total cost of subcontract services of \$124,080.00.

The HRC team will work expeditiously and coordinate with the City and OHM working to secure the needed right of way to meet the end of November 2014 Right of Way certification date for a February 2015 letting (9) months, following authorization to proceed. It is important for HRC to receive the title work, legal description and drawings for the currently identified parcels when authorized to proceed in order to maintain the proposed schedule. It is noted that in order to maintain the existing project schedule for the Hamlin Road Reconstruction Project, it is anticipated that all ROW/easements will have been obtained by the MDOT final plan date.

Specific items not included in this proposal are:

1. Extensive design changes to offset acquisition costs
2. Obtaining Mortgage releases or subordination of liens from banks or lending institutions
3. Obtaining Zoning Variances from the City
4. Actual recording fee charged by the Oakland County Register of Deeds. These vary according to the value of the Easement
5. All title work which is being supplied.

It is noted that the effort to obtain these acquisitions is difficult to predict, as property owners are unpredictable, and therefore additional Appraisals and reviews may be required. The total project cost is estimated at \$301,215.00. This cost will not be exceeded without prior authorization from the City. As identified in our December 2012 Service Agreement the work would be invoiced monthly on a time basis and will not be exceeded without prior authorization.

Attached as Figure 1 is a timeline detailing the acquisition process. As shown, it is estimated that these services will require approximately nine (9) months following authorization to proceed. It is noted that in order to maintain the existing project schedule for the Hamlin Road Improvement Project, it is anticipated that all ROW/easements will have been obtained by December 1, 2014. Condemnation parcels will be turned over to the City for legal action 4 months prior to the certification date. In addition, we would propose to utilize the same procedures previously used for paying property owners and recording these documents once the easements have been executed.

We hope this Proposal meets with your approval. If desired, we are available to meet and discuss any aspect of this proposal with the City. If you have any questions or comments, please do not hesitate to contact our office.

Very truly yours,

HUBBELL, ROTH & CLARK, INC.

A handwritten signature in blue ink that reads "Daniel W. Mitchell". The signature is written in a cursive, flowing style.

Daniel Mitchell, P.E.
Vice President

Jl/ji

Enclosure; timeline, budget

Pc: HRC; J. Isaacs, J. Jones, File