



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

Date: November 3, 2014

To: Carol Calabresa, Chair
Land Preservation and Acquisition Committee

Bonnie Thomson Carter, Chair
Planning and Restoration Committee

Pat Carey, Chair
Finance and Administrative Committee

From: Alex T. Kovach, Executive Director

Subject: USACE Upper Des Plaines River Phase II Ecosystem Projects

RECOMMENDATION: For Information Only – at the May 5th joint committee meeting direction was given to engage a Real Estate Appraiser whose qualifications have been approved by USACE to get fee proposal to perform preliminary appraisals of LERRD values. District staff will meet with the USACE to review the fee proposals for compliance with the USACE Yellow Book process. The fees for the appraisals are not in our current budget.

BACKGROUND: In January 2014, the Board approved a resolution authorizing the Executive Director to send a Letter of Support to the US Army Corps of Engineers (USACE) for the proposed habitat restoration projects on Forest Preserve District property as part of the USACE’s Upper Des Plaines River Phase II Plan to address flooding and water quality issues in Lake County and the surrounding counties. Under that approval, the Plan identified several projects along the Des Plaines River that included six projects on District property including Dutch Gap, Prairie Stream, Raven Glen, Mill Creek, Sedge Meadow and Granger Woods Forest Preserves.

On March 13, 2014 at a meeting with the USACE’s, the District was informed that the estimated LERRD value for the District properties that were included in the Upper Des Plaines River Phase II Ecosystem Projects had changed from \$15,500 per acre to \$6,500 per acre. The District was also informed that when the overall project went to the USACE’s Division level for review, three of the above projects on District land were found to not be cost effective according to the USACE parameters. Consequently, the three remaining projects on District land were: Prairie Stream, Raven Glen and Sedge Meadow. In addition, the District was informed that the LERRD values will not be certified until after the Project Partnership Agreement (PPA) is approved. Without an independent appraisal prior to the PPA, the District has no way of accurately estimating our cost share for the project. The Land Preservation and Acquisition, Planning and Restoration and Finance and Administrative Committees reviewed a policy direction on March 31, 2014 and April 3, 2014 outlining the project and valuation changes listed above and authorized the Executive Director along with District’s Legal Counsel to send a second letter clarifying the District’s continuing support for the project.

At the May 5, 2014 joint meeting of the Land Preservation and Acquisition, Planning and Restoration and Finance and Administrative Committees directed staff to engage a Real Estate Appraiser whose qualifications have been approved by USACE to perform preliminary appraisal of LERRD values for the District's properties included in the project. While Dutch Gap is not currently included in the project, through further negotiation, District staff feels that this project could be added back to the list of restoration projects and should be included in the list of appraised property at this time. The District has received a Fee Proposal from Harrison & Associates, Inc. for the appraisals of Dutch Gap (\$11,000), Raven Glen (\$11,000), Sedge Meadow (\$12,500) and Prairie Stream (\$10,000) for a total of \$44,500.

REASON FOR RECOMMENDATION: If the District desires to continue to participate with the Upper Des Plaines River Phase II Plan, independent appraisals need to be completed prior to signing a PPA to ascertain a more accurate estimate of the District's local share cost commitment. It is all necessary to meet with the USACE to review our appraisal process to ensure it is aligned with the USACE's Yellow Book Appraisal Process.

REVIEW BY OTHERS: Director of Operations, Director of Finance, Director of Planning, Conservation and Development, Natural Resources Manager, and General Counsel.

FINANCIAL DATA: The 5-year Capital Improvement Plan (CIP) approved as part of the FY 2014-15 Budget includes \$3 million in 2015/2016 for District's local share of the project. The current Certified Cost Estimate from the USACOE for the three District properties included in the project show the District's local share at \$0. However the LERRD values are an estimate and will not be certified until after the PPA is signed. If we the District were to proceed with the appraisals this fiscal year it could be paid out of project savings or the Special Projects fund.

PRESENTER: Alex Ty Kovach