

## **9 Property Management - Demolition**

### **9.1 General**

The Property Management Section is responsible for managing improvements acquired for transportation purposes on both State-Aid and Federal-Aid System Projects. This includes conducting an inventory and inspection of all real and personal property acquired by the Department. If the property is not vacant and has improvements on it (i.e. structures, wells, fences, signs or other trade fixtures etc.), Property Management is responsible for ensuring that these items are removed from the property and the land is clear and ready for the construction of the transportation facility.

### **9.2 Purpose**

Structures and improvements will be demolished or rented pending disposition by the demolition manager. These activities will be conducted in a manner so as to serve the best interest of the public, but still meet project schedules.

### **9.3 Policy for the Demolition of Structures and Improvements**

It is the Department's policy to demolish or remove structures and improvements within the required Right of Way as soon as practical after acquisition. Policy is to permit the demolition contractor to take possession immediately after the property becomes vacant in order to discourage vandalism and eliminate property management cost in connection with vacant properties. The following process and procedures should be used in the handling of surplus improvements:

### **9.4 Procedures**

#### **A. Preliminary Data and Inspection**

During the initial owner contact, the pre-acquisition agent should obtain all necessary information concerning improvements. This information must be furnished to the State Right of Way Property Demolition Manager in the General Office along with the following:

1. Property Management Initial Inspection Form
2. Photographs of all affected improvements including wells, outbuildings, fences, liquid propane storage tanks and Underground storage tanks (UST's).
3. Improvements shall include any building on the parcel, regardless of its' size, function or age. For example, on a parcel, there may be a house, a well, a

detached garage or carport, a barn, a storage shed that are in the required Right of Way and will be demolished.

4. Include floor plan sketches of all improvements complete with dimensions. Include location of wells and affected septic systems.
5. Underground Storage Tanks are to be identified and the EPD form 7530 must be submitted. If this form is not available, then the pre-acquisition agent shall contact the Georgia Environmental Protection Division at 404-362-2697 for a copy. Ask for the Duty Officer, then provide them with the business name, county and complete street address. City/State/Zip code. They will send you an EPD form 7530 Tank Registration document.

## **B. Retention Value Appraisals**

A retention value is determined from the approved Appraisal and Review Appraiser Report "R/W 532" for the parcel. The Acquisition manager or negotiator will calculate the RETENTION VALUE by using the formula  $FMV \times .40$ . This is the salvage value of the improvements.

The PERFORMANCE BOND is established by the Acquisition Manager or Negotiator by using the formula  $FMV \times .20$

The Retention and Bond values will be used in the offer package.

All retention values are recorded in the Property Management Section of T-Pro Right of Way computer reporting system, and a copy should be maintained as the property inventory until all improvements are removed from the right of way.

## **C. Owner Retention of Structure**

1. If an owner desires to retain the improvements for the retention value established by the State Right of Way Property Demolition Manager. This method of disposal should be fully explained to the owner. If the owner indicates an interest, he may retain the improvements with the retention value and bond deducted at closing. A bond is not withheld for incidental structures (signs, lights, poles, fences, etc.) retained and the property owner should be advised that the improvements must be removed from the right of way within 30 days after the Department receives physical possession of the property.
2. A Sign Inventory form is sent to the Property Management Section by the ROW agent prior to the preparation of the appraisal contracts. It should be updated

and resubmitted upon the Final Field Plan Review and with the right of way certification package.

3. Property owners involved in condemnation cases may retain improvements by execution of a "Retention of Improvements" and payment of Retention Bond no later than 15 days after filing of the condemnation. Improvements may be retained at the retention value unless bids have been received for the demolition of improvements.

**D. Demolition of Structures by Sealed Bids**

1. The demolition of improvements located within the required right of way should be scheduled no less than 120 days prior to the project letting date. Bids will be accepted from Pre-Qualified Demolition and Removal contractors. No sale of improvements located within the right of way will be made to the general public. Parcels involving improvements should receive priority in the appraisal and negotiations process.
2. No bids will be accepted from Georgia Department of Transportation employees or from persons employed in connection with the appraisal and/or acquisition process on any right of way project.
3. Bid proposals are furnished to the approved list of bidders maintained in the Office of Procurement.
4. The Property Management Section prepares the bid proposal, by parcel, including all buildings within the required right of way. Bid proposals may be offered either as a group sale or on an individual basis with positive or negative bids accepted.
5. Bids are received by the Office of Procurement who has the responsibility of bid openings and tabulation of bids. A recommendation on award of the successful bids is forwarded to the State Right of Way Property Manager for approval by the Procurement Officer.

After approval of the bids by the Office of Procurement, successful bidders are notified of awards and requested to furnish the performance bond and insurance certificate to the Office of Right of Way as required in the bid proposal. In the event of a positive bid, the balance of payment will be requested after the vacancy of each building. Upon receipt of the payment, the buildings are released to the successful bidder for removal upon vacancy provided the required performance bond and insurance certificates have been received.

**E. Demolition Authorization**

The Property Management Section will authorize removal of buildings only after receiving notification from the Acquisition Team that the Department has obtained legal title and legal possession. The removal form shall be used to report this information. All structures within the required Right of Way must be listed and specified for removal on this form. A sketch should be attached showing the location of outbuildings, wells, underground storage tanks and septic systems to be removed.

**F. Inspection of Sites**

It is the Acquisition Team's responsibility to keep current visual inspection on all improvements that have been retained by the owner or authorized for removal by demolition contractors. The following process and procedures should be employed in handling site inspection and clearance reporting.

**G. Clearance Reporting**

The Acquisition agent will forward a completed Clearance Report to the Right of Way Property Management Section upon satisfactory clearance of each parcel.

**H. Bond Released and Payment to Clear Right of Way**

1. If the owner retains an improvement, payment of the cash bond withheld at closing will be made by the Department Designated closing attorney after the Clearance Report has been approved by the Property Management Section and returned to the Owner.
2. The Acquisition Team will forward a copy of the executed Option, a copy of the Settlement & Disbursement Statement, a copy of the original check for the Performance Bond and an original of the Clearance Report to the State Right of Way Property Demolition Manager.
3. If the improvements are to be removed by a Demolition Contractor, The Property Management Section will request from the Right of Way Accounting Section payment of the contract price or cash bond on receipt of the clearance report.
4. Payments withheld at closing for the demolition or removal of buildings or other improvements within the required right of way by the property owner (normally referred to a Performance Bond or Cost to Cure), will be returned to the property owner by the Department's designated closing attorney.

## **I. Bond Forfeiture and Penalties**

Any necessary bond forfeitures and penalties placed upon the Demolition Contractor will be at the discretion of the Department under the guidelines set forth in the bid proposal.

All improvements not receiving either a positive or a negative bid will be declared abandoned property and removed by the property management office.). Approval is authorized on a project parcel-by-parcel basis by the Office of Engineering Services prior to certification for project letting.

The Department has the option of retaining any improvements that could be used for Departmental purposes. Any improvement that is determined useable by another section of the Department is coordinated with that section for removal through the Office of Maintenance. All retained improvements should be removed prior to project certification except in instances where the structure is to be utilized for project purposes.

## **9.5 Protection of Improvements**

The following procedures should be used in the security and protection of all improvements acquired by the Department.

### **A. Initial Security Measures**

It is the acquiring Team's responsibility to collect all keys and secure all improvements when they become vacant. Any condition considered to be a fire or safety hazard will be corrected immediately by coordination between the Acquisition Team and the Right of Way State Property Manager. The appropriate public protection agencies should be notified and property management signs posted on the structures.

### **B. Additional Security Measures**

In certain instances the use of enforcement personnel will be used to provide security and protection of the improvements until they are released for demolition and removal. The acquiring Acquisition Manager should contact the District Maintenance Engineer to obtain these services if they are deemed necessary.

## **9.6 Rodent Control Measures**

On all Federal-Aid Highway projects, the Property Management Section determines if conditions warrant the use of rodent control measures. Should treatment be required,

assistance is received from the State Property Manager and the following procedures will apply:

**A. Finding Repeated on PM-9**

The Property Management Section will report their finding on Form PM-9. When rodent control is determined to be required, Property Management will obtain two (2) estimates from licensed contractors for the required treatment. These estimates will be forwarded to the Office of Procurement for review and approval, and a Notice To Proceed will be sent to the low bidder. The Acquisition Manager will be notified and will note on the project certification that Rodent Control Measures were taken.

**B. Inspection, PM-9 upon Completion**

The Property Management Office will complete Form PM-9 when the treatment has been satisfactorily completed. The completed Form PM-9 and invoice for payment will be sent to Property Management for documentation purposes and payment.

**C. Treatment completed Prior to Demolition**

If rodent control measures are required, treatment must be completed prior to demolition or removal of improvements. Acquired right of way shall be maintained in a manner, which will prevent or correct problems such as illegal dumping or disposal of rubble, debris, high grass/weeds, and garbage until needed for construction.

**9.7 Asbestos Inspection**

After receiving the Notice of Final Vacancy Inspection Form and prior to releasing an improvement to the demolition contractor, an asbestos inspection must be made by a certified Asbestos Inspector. If it is determined that an improvement contains asbestos, it must be removed by a certified abatement contractor prior to demolition. The EPD must be notified ten (10) business days prior to any asbestos abatement and ten (10) days before any demolition is performed.

**9.8 Underground Storage Tanks**

The Department does not acquire title to Underground Storage Tanks. The Department will remove tanks from the required Right of Way as the agent for the owner if the tank owner cannot be identified or refuses to authorize removal. Any tanks within the limits of construction must be removed by a qualified Underground storage tank removal contractor in accordance with Georgia Environmental Protection Division policies and guidelines. The Department assumes no liability for any contamination related to the UST's.

## **9.9 Rental and Occupancy of Improvements**

Under the ordinary servicing of projects, right of way lead-time normally will not permit the rental of improvements. Projects are usually advertised for construction contract promptly upon the completion of right of way clearance. When right of way is acquired under advanced acquisition and on projects where right of way is acquired in stages, the renting of improvements may be considered appropriate. Rental rates are determined as specified under Official Code of Georgia Annotated, Section 32-7-5. The collection and recording of rents are administered by the Property Management Section and such rates will be reviewed periodically and revised as necessary to reflect market conditions.

### **A. Owner Occupant Rental Procedures**

The owner occupant is permitted to occupy the premises for a period of up to sixty (60) days rent free from the date the notice to vacate is transmitted (normally the date payment is made and the deed is executed and delivered to the Department or its agent). If the property is tenant occupied, the tenant is also permitted continued occupancy for a period of up to sixty (60) days before being required to vacate. The owner is not permitted to collect rent from any tenant subsequent to the date the title passes to the Department of Transportation. If the tenant has prepaid one month's rent, the Department does not require the owner to refund the amount to the Department of Transportation. The same policy applies to property acquired by eminent domain proceedings. The Acquisition Team will deliver the notice to vacate upon acquisition of the property and forward a copy to the Property Management Section. The Notice to Vacate will include a rental rate and the termination date of the sixty (60) days free occupancy period. Immediately following vacancy, the Acquisition Team will forward the Notice of Final Vacancy Inspection (PM-10A) to the Property Management Section. If improvements are not vacated prior to the required vacancy date, the Acquisition Team, in coordination with the Property Management, should determine if the project schedule would allow sufficient time for rental. Based upon this determination, the Acquisition Team should proceed with eviction procedures or obtain payment for rental and forward it to the Property Management Section.

\*An Extension Request may be requested by an Owner still in occupancy that has for some reason not been able to relocate from the acquired property. Reference 49 CFR 24.102(m). In such an instance, the Owner(s) must request a hardship extension in writing to the Acquisition Manager. The Acquisition Manager will forward the hardship letter along with a copy of the original Notice to Vacate to the Assistant State Right of Way Administrator along with the completed Extension Request form. The Assistant State Right of Way Administrator will ensure the Let Date of the project to make certain the project delivery will not be compromised. This may be done by printing out the electronic TPro Project Status Report to

establish the Let Date. The information for the request will be reviewed and a decision made. Rent may be waived for no more than a three-month period at the discretion of the Assistant State Right of Way Administrator or the State Right of Way Administrator. The request letter, Extension Request form, Notice to Vacate and the electronic TPro sheet are signed and any comments made before being sent to the State Right of Way Administrator for final approval. Once the request has been finalized, the information is forwarded to the State Right of Way Property Demolition Manager who will draft a letter to the Owner. The letter is signed by the State Right of Way Administrator and mailed to the Owner, with copies to the Acquisition Manager and Assistant State Right of Way Administrator.

**B. Rental Ledger**

The Property Management Section will maintain a ledger indicating project, parcel, rental rate, and amount of rent accrued and collected. If an occupant is delinquent in rent, the Property Management Section will advise the Acquisition Team to attempt to collect the delinquent rent or proceed with eviction proceedings acting through the Special Assistant Attorney General assigned to the project.

**C. Long Term Rental**

When improvements are not immediately needed for construction purposes, the Department may require the tenant to execute a lease agreement depending upon the circumstances. This may or may not involve a free sixty (60) day occupancy period on the part of the lessee. If the improvement is leased to the owner occupant or tenant, the free occupancy would apply. If leased to a non-interested party, there would be no free occupancy period. In either event, Property Management will coordinate this procedure with the Acquisition Team.

**D. Rental Maintenance**

Consideration should be given to an expenditure of funds in the maintenance of rental property only when it appears that the time of rental and proceeds will justify the expenditure. The Acquisition Team should assist in making property inspections and repairs as needed.

1. Rental Payment

- a. Rental payments are collected by the Acquisition Team while assigned to a project and forward to Property Management. Upon completion of a project acquisition, tenants should be advised to forward rental payments directly to the Property Management Section.

- b. With concurrence of the property owner, unpaid rent obligations may be satisfied through deduction from relocation payments. This method of collection will be utilized only when prior efforts to obtain payment have failed. The Department shall not make any deduction, which will prevent the displaced person from obtaining comparable replacement housing.
- c. The Property Management Section will review each case involving rentals which are unpaid and determine if waiver of payment is justified. Waiver of rental payment exceeding thirty (30) days will require approval of the State Right of Way Administrator.

### **9.10 Temporary Work Easements**

The Property Management Section will provide technical assistance to the Acquisition Teams in determining the easement area needed to remove encroachments. The Acquisition Teams shall provide the Property Management Section with ½ size plans and any cost to cure reports involving septic tanks and/or wells. Once the easement area has been determined, it will be up to the Acquisition team to get with the designer for any plan revision.

**Policies and Procedures of the Department in this chapter may be waived, altered, or modified at any time and at the full discretion of the Department and FHWA as necessary to accomplish the overall goals and objectives of the Department and FHWA, and as long as any waivers, alterations, and modifications of said policies and procedures are not in direct violation or contradiction with state and federal codes, of which will rule over any recommended waivers, alterations, or modifications.**