

Right-of-Way Flexibilities EDC Webinar

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At this time, today's call will not begin for approximately 59 minutes. Again the call will not begin for approximately 59 minutes. We appreciate your patience.

Ladies and gentlemen, thank you for standing by. Welcome to the EDC exchange conference call. At this time all participants are in a listen-only mode and later we will conduct a question-and-answer session. Instructions will be given at that time. Today's conference is being recorded. If you should require assistance during the call, please press star 0. I would now like to turn the call over to your host. Please go ahead, sir.

Thank you, Ryan. Welcome everybody. Please use the chat box to ask a question or make a comment during the presentation followed by 20 minutes of local discussion. And then 15 minutes for a national question-and-answer forum. My name is Justin Luther and I am a realty officer with the Federal Highway Administration. I would like to start off today and have everybody remember this question throughout today's presentation. What is a day in your project schedule worth to your local agency and tribal governments? We hope today's discussion will spur your agency to deploy the use of these everyday initiatives to help your agency shorten project delivery times and reduce overall project delivery costs. We are here today to tell you to think inside the box. Everyday Counts is not about inventing the next big thing. It is about taking effective proven methods and may recollecting them better. The flexibilities we will talk about today are items already contained inside the box. So why don't we use them?

Likely everybody on the phone today has heard somebody in your right of way section talk about the Uniform Act. We aren't here today to talk to you in great deal about the Uniform Act but to show you to success story that is utilize flexibilities already available under the Uniform Act.

To start today, I would like to set the foundation for the successful projects you will hear about. I need to take a minute to explain to everybody what's inside the box. The flexibilities identified below are methods within the Uniform Act and are guaranteed to save you time and money. The first everyday initiative covered today is the use of conditional certification of right of way. Conditional certification allows for the project sponsors to proceed with physical construction of the project while the acquisition of a few remaining parcels is being completed. The second EDC flexibility discussed on a few of the projects today will with the use of waiver valuations. In accordance with the Uniform ACT, the valuation provision states an appraisal is not required if the agency determines the valuation problem is uncomplicated and the anticipated value of the property is less than \$10,000. The last flexibility we will cover today is the use of incentive payments. Incentive at payments are just what it sounds like. They're payments which are over and above what a property owner would be entitled to under the Uniform Act. They're payments made to incentivize the acquisition of

and/or relocation on projects. We are here to tell you today flexibilities we will talk about are available right now to utilize and are available -- these flexibilities can be utilized on all size projects from projects on new alignment to intersection improvements from capacity expansions to culvert replacements. Our goal is to show you a few success stories where these have been implemented on various projects around the country. Because they were used on the project, those projects were delivered quicker and at a reduced cost. Ultimately, we hope today's discussion starts the local dialogue to implement those flexibilities on your project. Today's presentations will be given by local experts who have been successful in the application of these flexibilities. You will hear success stories from Mississippi, South Carolina, Arizona and Oregon. Today's success stories comes from Pima county, Arizona. Rick Ellis has previously worked in Washington DOT for 12 years in a variety of positions. He's currently a Pima division manager and Rick is going give you first hand experience on how the EDC initiative can be successfully used at your agency.

Please join me in introducing, in welcoming Rick to the conversation.

Justin, thank you very much. Hopefully everybody can hear me okay, both at the local site as well as through the broadcast. I am coming at you today from more of a project owner perspective rather than just a right of way expert because I wanted to highlight things we ran into on the sample project. I wanted to highlight the importance of what we had to do as on owner agency in moving this forward and using these tools as well as then the success and what it really did for us: you can see if the tangible result will work for you as well. Project I want to use as our example is La Canada roadway and it is an existing two and three lane roadway in Tucson in the metro area. Our improvements we will provide two additional lanes in each direction, to bring us up to a four lane median separated including bike lane, sidewalk, landscaping, noise mitigation, basically all of the elements necessary for a full reconstruction. In addition, we were going to have significant drainage modifications, and this I will highlight because drainage because critical on this project. But it is necessary to provide the all access weather for mobility and those types of element that is we need to include on our project. Project constraints were numerous. For one we had tight right of way, typically for the roadway we go after 150 feet of right of way which depending on what you are building sometimes it is a lot and sometimes it is a little. In our particular case waive coupled with a lot of utility, 150 feet became a tight width. In addition, the utility element in there, we had a number of them that use this particular corridor as one of the main spines or connects for a lot of major facilities so it wasn't simply relocating a couple of conflicts. We had gas, power and electric all wanted to do major upgrades to facilities in addition to moving around conflicts. On top of that we had the Western Area Administration, the Federal branch of electrical power and that complicated things tremendously as to what we could and couldn't do. On top of all of that, if that wasn't enough to juggle we also had a lot of active public involvement.

The project to the north of us generated expectations, concerns, transition as we go from a rural to an urban setting. We had a lot of

people very actively engaged in a lot of we want to know what's going on, we want to tell you what we think. We want to see what you know. There was an on going dialogue but also a tremendous amount of pressure and expectations for us to deliver. Lastly, we had actually had a project to the north of us that was finishing out the section that is had started back in the early 2000's, and we had an incredible time frame to try to match in against that. We probably always heard please don't drag construction out-and-out. Once we got the northern portion under construction, we had to aggressively come in and match in southern one that gave us fixed time frames to operate in. The right of way on this particular project consisted of parcels throughout the whole corridor from simple easements for drainage or slopes up to full acquisitions. So we had an entire gamut on this project including the relocation aspects. One thing to emphasize, when we chose to use this tool and started looking at it. We had to make it a reasonable request. We couldn't stretch boundaries and interpretations so when we made a request for authorization to have a conditional certification, we had 85 of these parcels closed, with only 7 in escrow. As we had talked early on, we wanted to make sure we had like I said a reasonable one that didn't stretch the interpretations the too far. Coupled with that we began effort with Federal Highways and with ADOT on how we qualified to use the tool, what we needed to do to be ready, new nuances, understanding, we didn't want to be six months beforehand going we kind of thought we knew. We started the discussions with the key representatives two years in advance to we would be on is same track, same page without any surprises later on. We knew this tool was something we wanted to keep at our disposal, but we didn't want to spring it on anybody and say we want to go with it now what do we do. Key things we came out of those discussions with, we needed to emphasize that La Canada was going to be a good candidate project. We wanted to go on fast, we had compelling business reasons.

These were the key things to emphasize. First and foremost I talked about the project under construction to the north. We wanted to minimize the overlap so as that project finished up we wanted to start on our portion. We didn't want to open up operate it, let it go for a couple of years and come back and shut the next section down. That's a lot of real negative feedback and causes operational problems with the agency. Second of all we had financial obligations. We were using Federal funds on this project as you've heard and that has an allocation that we had to match expenditures, ongoing commitment that is have been made. We were part of that and we wanted to fulfill those obligations so those funds could not be jeopardized or taken away. We had in a competitive fitting climate as are all the agencies right now with very good pricing, high quality contractors and a high number of contractors. We have seen that continuing comment we did not want to get out of the cycle because it is giving us not only fantastic quality roadway projects. We are getting them done in record time, and we are also getting them done for lower cost than what we had budgeted. We are creating savings just by virtue of the timing we are around. Lastly we wanted to work force balancing to take advantage to avoid the peaks and valleys where I am understaffed and overstaffed. We had a very good sequence and flow of the capital project that is kept the work force occupied, busy effective and efficient. We didn't have to go through those to keep the timing on those.

Along with that, we needed to come back and look and say what chances are we taking and who's exposed to risks. We wanted to look not only from the benefits but who are we hanging out to dry. We wanted to look at the contractor perspective and wanted to minimize any risk. We put in all special processes. We outlined the status of all 92 parcels whether they're closed, what position they're in, we did this at the time we advertised and then half way through the advertising we issued an update on that so that the contractor always knew had is what you will see when you get out there and had is how much time you can reasonably expect or what may or may not complicate it. In addition, we came up with the timing of sequencing of all initial activities. We outlined our advertisement time frame, our utility relocation, the initial utility that's in the contract as well. We put all of that in to a time frame sequencing and a very comprehensive schedule as well as to the contractor so everybody knew where we were going to be, saw how the overlap was being managed and showed that there was no time frame in there that would cause or encroach into the work activities. Basically we were able to confirm number one that our Federal funds would not be jeopardized, that we weren't going to have any problems with them nor introduce a delay or a cost by our overlapping of these various activities. So was it worth it? I can tell you sitting here today, this was, it was worth every bit of it and for this project every single day that we could save was to our advantage to use the analogy that Justin kicked off with a day became critical no matter what day or time of the process we were in. We were able to advertise while the ongoing activities were being wrapped up. We had a lot of things occurring in parallel that our advertisement date was a big trigger especially for utility and partner relationships. That was allowed to go forward so those could kick off simultaneously. We got the advance utility work all well underway. We have got that coming up on the completion probably in about three weeks or so. We are able to also get our construction project going probably in about two weeks. So we will be now starting and kicking off everything in just a matter of days, as we speak. The key thing in there too is we were also able to avoid any outage windows. As you know, if you deal with gas and electric in particular down here in the desert southwest, they have outage windows in the peak seasons. And you sometimes have to plan things a year in advance and try to lay all of that out so that you are not interfering with those time frames. We put the entire thing together without any outage window encroachments or special adjustments. Lastly, because all of that worked to our advantage, to our benefit, we took the overall construction time frame from a projected 28 to 30 month duration for a project of this complexity: we knocked it down to 22 to 24 and the preliminary schedule 18 to 21 months. So in less than two years I will be at a dedication ceremony, if all goes well.

At this time I can turn it back to you, Justin.

That was a great project, a great example of how Everyday Counts has worked. Our second presenter today is the President of the right of way firm who specializes in doing work for local governments and state DOTs. His company was recently awarded the largest right of way contract ever awarded by South Carolina DOT, which included the acquisition of over 425

parcels. It is my pleasure to introduce to everybody today, Mr. David Link.

Justin, thank you: I am David Link, Property Acquisitions, Incorporated, better known as PAN Ink and I have been asked to speak to you today on appraisal waiver valuations. I will talk to you about what they are and how they can benefit your program. We do a good bit of work for an LPA school district, counties and cities. So we have some direct knowledge on how appraisal waiver valuations have been used to reduce the time it takes to secure right of way, to expedite the right of way process; and to reduce the services costs.

In our ever-changing climate we have today of shrinking budgets, Everybody is trying to do more with less. I have seen the look on an LPA manager's face when he realizes that the right of way services will cost more than the right of way he needs to acquire. So we have a responsibility to look at ways that we can reduce those costs. Appraisal waiver valuations are a key to doing that. We just finished some intersection safety improvement projects where we the fees for appraisal and appraisal review were \$1,100 per parcel. The appraisal valuation costs were \$100 per parcel. Therefore for any parcel we settled on an appraisal waiver valuation and eliminated the need for an appraisal, we were able to have a project saving of a thousand dollars per parcel. On this particular project, we had a total of 87 parcels, we settled 65 of those based on appraisal waiver valuations, and we were thus able to save the project \$65,000. On US route 17, this was a project of 65 parcels, 40 of those were eligible for appraisal waiver valuations, and we were able to settle 35 based on appraisal waiver valuations and therefore having a project savings of \$35,000. Now in going back and looking through the files on my LPA projects, I realized that most LPA projects we do in this area are not that large. They range anywhere from 10 to 25 parcels, so I wanted to bring some of those in and show you how those can be cost savings also. We did a project in Pickens County, Route 28. It only had 12 parcels and we were able to secure 10 via the waiver valuation. With that we had a total cost savings of \$6,500 in the right of way services cost or 11% of the right of way services fee. We also did a project in Laurens called Laurens Road. It had 5 parcels on it and we were able to settle 3 of those using the appraisal waiver valuation, a total cost savings of right of way services cost of \$1,950 or 10% of the right of way services cost fee. Now, I know in the grand scheme of thing, \$6,500 does not seem like a huge a large amount of money, but when you start looking at it at 10 or 11% of the services fee you can see that it does show cost savings. So we have got the first section here which is cost savings, but equally important is time saving. We have found that right of way is typically the last item to be done before construction begins. Inevitably other areas run there a lot of time but the construction date is rarely moved. Therefore once a get a project to right of way the schedule has been compressed already so it is crucial to find ways to expedite the right of way process. In looking at a typical project of 80 to 100 parcels we see that preparing an appraisal waiver valuation takes about 10 to 30 days compared to an appraisal report where you have the full sales analysis procedure, then appraisal and appraisal review can take up to 104 days. Therefore you can experience two to two and a half months in savings by using appraisal valuations. Now, as I

said before most of the LPA projects are not as large as this so we went back and looked at some of the examples that we have on other projects. The Route 28 project I spoke of a minute ago, that was an intersection improvement project for the construction of a new technical college. The improvement had to be completed and ready by September. We were given the project in March with a 90 day window to conclude right of way activities. Really through the use of appraisal waiver valuations we were able to get that project to construction. We have recently completed a project in Aiken county, there were nine parcels associated with that. All were eligible for appraisal waiver valuations. We settled all of them on the appraisal waiver valuations and was able to secure the right of way within 60 days of notice to proceed. When we talk about time savings if you look in an area where you have a limited construction season, it can be the difference between getting your construction project this season or having to wait until the next. So it is critical we save as much time as we can, an appraisal waiver valuation assists in doing that. What I would like to leave you with today is that the appraisal waiver valuation is a very useful tool in our right of way services tool box. It should only be used when the situation is appropriate, when the acquisition is simple with no damages to the remainder. And it is not complicated. If these are met it is appropriate to use this and when used appropriately you should see cost and time savings. Thank you very much.

Thank you, David. We will take this time to go ahead and turn this over to the local facilitators to discuss how these flexibilities might be more widely deployed in your local areas. We will transition back to the national Q&A in about 20 minutes. Thank you, guys. [Local discussions]

Hi. This is Maria with the application team. I am trying to get the operator to mute your lines. We can hear you. [Local discussions]

We're going to bring it back to Q&A. Did you approach FHWA prior to the beginning of acquisition or did you approach them toward the end of the project when you realized there were seven parcels left?

We approached them actually very early in the design. We were still what I would call around the 30 percent design level if not sooner. Explaining to the folks here, we had identified several folks that we knew were very familiar with it. When I sat with all of them, we have slightly different answers and understandings of what the Federal process would entail and how the use of these tools would work. So we asked for a sit-down meeting with the state and Federal representatives to take sure that not only from a right-of-way aspect but also the environmental side, use of the funds, what was reimbursable, we wanted to cover everything to make sure we did not back ourselves into a corner and have to undo anything at the last minute. So it was well in advance of any of the right-of-way work. Or well in advance of completing, before we got to that point because to make sure we were heading down the right path.

Ryan, this is Justin Luther. Can you open up the phone lines?

If you would like to ask a question, press *1. You may remove yourself from the queue at any time by pressing the star key and then the number two. Once again, please press *1 at this time.

Thank you, Ryan.

We do have a question in the queue. Go ahead. Caller please check your mute button.

I am wondering if it would be of any value to inquiring from them as to whether or not they are inclined or disinclined to accept the appraisal waiver. If you will have to do an appraisal anyway. It seems there is a significant risk of not saving time. It will not save time over the entire project.

I did not get the first part of your question. I caught the part about not, the part about not saving time. What was the first part of your question?

I am wondering what your acceptance rate of these waiver of appraisals have been. Does the public generally use them as a market value offer or do they generally reject them?

This is David Link. We had a discussion here at the local discussion about that. This is not documented -- it is in the process of being documented. We were looking at around 75 to 80 percent of acceptance or being able to use the waiver evaluations. We all recognize here that you really have to look at the project to determine if it is eligible and if it will be beneficial. We do not tell the property owners at the beginning. I will say that the majority of the ones done in South Carolina have been prepared using already developed sales brochures and sales information by an appraiser. So when we go out, we first do an initial compact with the property owner and let them know they have the right to have an appraisal and then go forward with the offer and negotiate it based on whether they are agreeable. You are correct. If you do an appraisal waiver valuation, and then have to do the appraisal, then there is additional cost for the evaluation.

Okay.

One thing that needs to be mentioned is that the appraisal waiver valuation is set to a certain amount of money or less; and you do not have to go back and do an appraisal. Under condemnation, most agencies require appraisal. Due to these being lower value, most of the time it creates a settlement opportunity.

Thank you. We will take the next question. Your line is open.

We're in New York. Out of curiosity, where do you find these forms for the Certification of ROW acquisition?

A good place to look would be in the right-of-way forms. Here in Nebraska, we have them in the State DOT right-of-way manual. I would contact the local state DOT.

I am sitting right here with them now. And they are also wondering where they are.

Ours are in the right-of-way manual. We could probably get some examples from around the country.

That would be great.

I will make a note of that. And we will make sure to get back to you. If you would not mind, did you put that question in the chat pod?

No. I do not think so. We will put it in there.

Just put it in there and put in parentheses, "provide boiler plates, if possible."

That sounds great. Thank you.

If I may add another question, the appraisal waiver valuation, you still need to determine the value of the property, am I correct?

Yes. You are correct.

Therefore, you hire someone for a \$100 to give you a number, whether it is a local certified appraiser or a local broker, is that correct?

It is available and open to public agency staff to use.

Okay. In other words if I have a review appraiser and my office, they can determine if the appraised value is within appraisal waiver limitation?

That is one potential scenario. Yes.

And there is no review of that work?

Appraisal waivers are not required to be reviewed. Nationally, you may have to work with your DOT if there are any state laws.

In New York, for an offer to be made for a claim, you need it to be based on an approved appraisal value. That means reviewed.

FHWA allows you to create the appraisal value offer without officially calling in an appraisal. Once they do the evaluation, whatever the market conditions are, you are looking for fair market value of that property, based on numerous properties to get a range or value. Then you are able to set your compensation. It is the same way but just approved off the appraisal waiver and not having an appraisal done.

You mentioned a law.

It is 49 CFR 24.102(d). That is where you get the establishment of just compensation. The appraisal waiver section is located in 49 CFR 24.102(c).

Is the right of way certification the same as the design build certification?

No.

This is David Link. What we use in South Carolina, we modified the standard right-of-way certification for the design project and we take the standard template that they have for right-of-way certification and we modify it to be a partial certification. The short answer is, yes. It would probably be a modification of the same document.

Thank you. And we will take the next question.

This is also DOT in New York. Can you hear us?

Yes.

The question we have is, can Rick Ellis give us the reason for projecting the properties, the right-of-way certifications, what it occupies or what is the reason?

Can you ask that again?

The reasons behind the projection for the conditional right-of-way certification.

Why did we do that?

Yes.

The reasons are compelling needs we had to achieve and the project. First and foremost, we had a project on the northern end so we did not want to have extended construction time frames. The second one is that we had Federal obligation commitments that we had to meet. The region had been allocated a certain amount of money. We needed to make sure we were fulfilling those commitments and not jeopardizing the funds. The simple fact of the matter is that we were seeing incredible bid pricing. We wanted to stay in the middle of all that. We wound up getting top-notch contractors at good prices. Lastly, it helped out with workforce balancing. The construction field division, we can avoid a lot of peaks in value if we get them coming out of the shop. This is an opportunity to continue that. It is tied in with several other jobs that we had actively going on.

Thank you.

And we will take the next question.

This is Hawaii DOT. We're wondering if we could get a copy of the conditional certification letter. We also have time frames and we're wondering how that works. We understand that everyone is not too keen on conditional certifications. We are wondering how that works.

Rick, do you want to take that?

I can take a stab at it. The conditional certification and part of our

discussions with FHWA as well as ADOT, we wanted to make sure we did not abuse the tool. The guidance that came along is that it is an available tool not meant to be relied on to circumvent process or to become the standard of always cutting time frames back and wind up gravitating towards always trying to cut down on stuff. So we had to make sure we had a good candidate project and a compelling business. That helped address their concerns. We got other Federal projects we're choosing not to use this on because we don't have the same advantages or opportunities. We did not want this to become our status quo when it is meant to be used as a tool when you can gain an advantage. That could make up for any design lags. I don't know that there is a boiler plate out there. I guess, to answer your question. It would be project dependent. Does that help?

This concludes the question-and-answer session. If you have any additional questions, please put them in the chat pod. I would like to clarify that if an appraisal waiver valuation is from \$10,000 to \$25,000, then you ask the owner if they want an appraisal. Also, if under \$10,000 then the one agent can prepare it and do negotiations. Let me introduce myself.

My name is Hugh Haddock. I am the FHWA right-of-way project manager in Utah. I am with the Federal Highway Administration. Our next speaker will share with you how to use in the appraisal waiver method of the Mississippi DOT. Also the use of incentive payments across the country. This method will cost you some money up front on the front end of a project, but as proven, it will save you time and money on the backend. Ultimately it will reduce cost to the public.

Every day has a value. What is a project they worth to your agency? Is it \$1 or \$10,000? Can you afford to miss the opportunities we are presenting today? In challenging times, it is a must that we pursue better, faster, and smarter ways of doing business. Let me reemphasize that. We must pursue better and faster ways of doing business. I believe JFK said it best, "Change is the law of life. Those who look only to the past or present are sure to miss the future." Our society and our industry is facing unprecedented challenges because of our economy. We need to work more efficiently. The public wants greater accountability from government agencies.

I would like to introduce our next guest speaker. Dan Smith is our next presenter today. He will begin speaking with us about the appraisal waiver evaluations. He began his career with the Mississippi Department of Transportation in 1997. He was appointed as Director of the right-of-way division in 2004. His current duties include the oversight of the several million-dollar real estate acquisition budget. It is my pleasure to introduce Dan Smith.

To begin, I want to tell you about an exchange between two people from my favorite book that helps us introduce today's presentation. This is not an exact quote, but a paraphrase. Here it is. A ruler asked him, good teacher, what must I do to inherit eternal life? And he answered, why do you call me good?

There are some real benefits for all of us that derive from those specific questions. The point for now is this. A person with responsibility has to ask questions. Questions are part of our routine. As the manager or owner of the right-of-way project, you will be asked or you'll ask yourself, when can this phase of the overall project be completed? How can I deliver the right-of-way efficiently, timely, and correctly? The answer is in the form of a question. Have you tried waiver valuations? The next question is, can we do waiver valuations? Yes, you can.

To put this in a context, in the business of right-of-way acquisition, there are two major functions. We buy real estate and we moved personal property. In measuring performance for a right-of-way project, how do we judge success? Don't we all look at time and money? Don't we do that in all aspects of government and business? In a standard procedure in a project setting, how much did it cost and how long did it take to complete? In other words, every day counts. What are the steps we can take to improve performance? In Mississippi, we have taken advantage of what the Federal Highway Administration has provided within the regulations. That is to improve our performance. We have used conditional right-of-way certifications. We have used incentives for displaced persons or businesses. And we have used appraisal waiver valuations.

Now let's ask a question about this picture (shows slide of very unusual house). Is this a piece of property where a waiver valuation is appropriate? (Answer is no.) There are some people in Mississippi who probably wouldn't pay a dollar and a quarter for the house on the slide. But that house is actually fairly valuable. That is what we call a complex appraisal. That is what we call an improved property. You can judge for yourself as to the value. But it is an improved property. A waiver valuation is not appropriate for unusual acquisitions.

What about this piece of property? (shows a simple acquisition slide). This is it. It is simple. It is unimproved. It is out in the country. The value is going to be low. This is a \$10,000 or less piece of property. It is inappropriate piece for a waiver valuation. In Attala County, Mississippi, we had a bridge project. Attala County is where some of Oprah Winfrey's relatives live in central Mississippi. We have this bridge project and you can see here that there were nine total parcels. You can see that we used waiver valuations on seven of them. You can see the time that we believed we saved in the appraisal process. You can see that the time of the negotiation on each parcel and how it averaged out. You can see that we took about three weeks to prepare these evaluations. We also saved time in a larger context. Our appraiser only had to do two of these parcels. Then he could move on to the next project. We see that using waiver valuations helps accelerate the entire program because you can move your human resources to other projects as this particular project is completed. The other advantage of using the waiver valuations is that the agent who prepared the value, also negotiated the acquisition of the parcel. And you heard during the discussion time, that this is appropriate on parcels that are under \$10,000. This agent, who is a member of our staff, recalls that he did the market research and recalls that he gained familiarity with the local real estate market. And was able to gain the trust and confidence of the land owner. Those of you in

the right-of-way business, once you have built the trust factor with the property owner, your negotiations will go well. And it is going to be reducing the time factor.

And that saves time right there. In a great way. It also builds the confidence of the public in your department or in your local agency. Selling a piece of property for right-of-way is one of the few times that the average citizen actively displays confidence in his government.

This slide here shows you that Attala County project or a portion of the Attala County project. And you can see that this is one way we use to evaluate whether or not the waiver valuations were appropriate. Those agricultural fields are cotton fields. You can see that there is a little bit of timber that was involved. Overall, these were very simple evaluations. And the property values, being agricultural, enabled us to use the waiver valuation process.

And Pike County, Mississippi, which is in the southwestern part of the state, the time factor was more important than just grading performance. Here in a town called Summit, it was discovered in late 2011, that a large culvert under the highway was severely deteriorating. It was in danger of collapsing.

On this aerial photo, you can see that US 51 and Rob Street is the intersection where the culvert was located. This is a Summit -- some it is a small town in a rural area of the State. They collapse would have been an obvious safety issue but it would have also caused an economic hardship on this community. The businesses that are located by that intersection or close to it certainly did not need to have a detour of traffic away from their business. Not to mention, the other problems that would have caused in a small area where you would have to detour traffic. The question again was, can you deliver the right-of-way? What was needed was simply construction easement on the various locations of the intersection. Because of the waiver valuation benefit provided by FHWA, we made every day count. We will go back to the first slide with this project. We had four parcels. The waiver valuations were prepared in one day. We were fortunate on this project that we had already been doing some other right-of-way work in the area. And therefore, we had a knowledge base of what the market was in this particular vicinity. There were no condemnations. The time savings are shown on the screen. We completed the right-of-way acquisition in just a few weeks. Once again, the owners of the businesses where the construction easements were necessary, place trust in our agent because of his knowledge, having him prepare these waiver valuations.

Here is the real point I want to make with this waiver valuation. On both of these projects, the Mississippi DOT and the other had something in common with a lot of you. They had not written waiver valuations previously. They had not negotiated waiver valuations previously. They were people who had a desire to accomplish a task and a willingness to learn. There are many of you out there who have the same qualities because you are participating in this webinar. This is something you can use. This is something you can deploy quickly. Waiver valuations are a measure that your agency, whether it be a state agency or local agency,

can use. We wish you the best as you continue to ask questions about your projects. Thank you.

Thank you, Dan. I appreciate the first-hand experience from Mississippi. Our next presenter, Tamara Benson, has many years of experience. She is with Universal Field Services. She is recognized as one of the real estate leading experts. I am excited to hear how they can help any size agency or project. These welcome Tamara Benson.

Thank you. Good afternoon everyone. Dan and David and Rick gave me some great insight into how appraisal waiver valuations and conditional certification of right-of-way can expedite the acquisition process and the resulting construction progression. Incentive payment is another tool that you have in your toolbox that should be looked at. The incentive payments we are talking about are not your incentive payments that you pay to your contractors. For example, to speed up the process of construction. These are incentive payments that are paid to property owners for the acquisition of property or to displacees, those people being displaced and relocated. I would like to give you some examples. This is where they have been successful. The city of Oregon City, Oregon, had a road widening project done by the city. In this particular case, there were no Federal funds used. However, they did follow the regulations of the Uniform Act. What we had here is a building that had a residential tenant and four tenant businesses. Because of design changes, as well as the amount of funding that had to be spent within a certain timeframe, they offered a \$1000 incentive payment to all of those people to get them to vacate the property within 45 days. This was in addition to their relocation benefits. Again, the reasoning behind this was the loss of funding appropriation. There was also an issue with once you have acquired the property, you have to go and demolished it. I think there were issues with that. They knew the work was going to be prolonged for time on that end of the project. They wanted everyone gone in 45 days. They paid \$1000 to each tenant. A total expenditure of \$5000. And all of the tenants vacated within that 45 days. And it was a great success.

The one thing about incentive payments is that they are voluntary. You can't use it to circumvent the required timeframe. In this case because everyone accepted the incentive and everyone moved. They cut the normal time in half. We all know that 90 days is the minimum. For relocation, however, we know that generally it is longer than 90 days. It is usually six months to a year to actually relocate occupants. In this case, they usually say four to ten months.

The next project I would like to talk about is Allentown, Pennsylvania. They were building a new hockey arena. Again, this was not a Federally funded project. But they had a lot of political pressure to get this project underway. There was a late start to it because of some political pressure. What we had is buildings that contained 28 residential tenants. They had tenant and an owner occupied businesses and 500 self storage units. Again, this was not Federally funded. However, they did have to follow the Pennsylvania statute. They did not pay an additional payment. It was how they disbursed the payment. They issued half of the maximum rental assistance payments up front and the other half up on vacating. They cut the time that it normally takes to process the payments through

and got the money upfront to help with the moves. Rather than reimburse later. This was a hugely successful project.

They all vacated within 90 days. That was incredible. They estimated over a year is what it normally would have taken. They did this in 90 days! It was a lot of work on the agent's part because there was a lot of moving going on. But it actually paid off. It is my understanding that that arena is due to be constructed in September of 2013. It could not have been done now, had this not taken place.

In Mississippi, Dan said that they have used the waiver valuations and the conditional right-of-way certification. And they are also starting a Pontotoc County relocation incentive. Pontotoc County is located in northern Mississippi and you would not think there is a lot going on up there, but because it is a rural area, and plus the fact that they are building a Toyota car plant there, housing is very limited. To find housing, with this project, it is difficult to do. They are using this as a pilot project. As soon as housing becomes available, it quickly goes off the market. What they are offering is, the residential owners and tenants, there are 24 of them, and this is still in process, they have established an incentive program where they will pay \$5000 if the owners move within 30 days. \$3000 if they move in 60 days. \$2000 if they move in 90 days. So far, we have made 12 relocation incentive offers. Eight have qualified for \$5000. One for the \$3000 payment. One for the \$2000 payment. And two did not qualify. It does show that there is activity going on more quickly than normal.

Business owners, their incentive payment is under the same schedule. There are ten of those. We made one offer and they qualified for \$2000. They were gone within 90 days. Personal property only. We have made eight offers and all of them qualified for the maximum payment of \$1000. They all moved within 90 days. Landlords, again, there are 12. We are offering \$1000 if they are moved within 90 days. We have made two offers and they both moved. Again, in their program, the incentive notice is delivered at the time of the 90 day notice. Once again, you can't circumvent that 90 day notice. This is all voluntary. And a comparable has to be available. So delivering that on-time we are meeting that requirement. Also, when they developed this program, they determined that they did not have anything in place to pay protective rent to the landlords who may be losing their tenants because of our incentive payments and people moving quickly. So they wrote a different policy into their landlord incentive payments.

That is a little bit about relocation incentives. There is also acquisition incentives. I am going to give you a sample of a project that was done for the South Florida Water Management District. On this project, there were 330 tenant owned mobile homes. Incentives, acquisition incentives, were offered to all structure owners. And that was 25% of the offer amount up to \$5000 if they agreed to sell the property within 30 days. If it was within 60 days, that dropped to half, 12.5% or \$2500 maximum. What was amazing about this, is that 316 of the 330 mobile home owners qualified for the payment and it totaled \$1.4 million. However, the project was completed in six months which is just

amazing to me. That is a huge project time savings. And this results in a overall savings.

How do you rate success? That project was done with, I can't believe it, three agents and one project manager. And there was a 96% settlement rate. When you are talking about reducing the timeframe for a project, by almost two years, the estimated cost of savings is \$500,000. That is probably minimal when it comes down to it. If it is allowed by your state law, if it is allowed by the funding agency, and you are interested in this, I encourage you to talk with your funding agency. It can save time and money. Again, there is the initial outlay of funds upfront. But it comes back to you and that you have the property quicker and you can get construction underway. That is all for me. Thank you.

Thank you. We really appreciate that. I know Utah and Nevada are looking into this. I encourage everyone to look at it.

I would like to turn it back over to the local facilitators. We will go for about 20 minutes for local discussion. Then we will come back for some questions and answers. Then we will wrap up the presentation for you.

[Local Discussion].

Welcome back. I hope you have some good discussions in the last 20 minutes in your local group. We would like to change over and have a discussion on some of the ideas that you talked about in the last 20 minutes. I would like to start off. The first we had was, how do we speed up the time frame when some property owners do not accept incentive offers? If the deadline combination is included within the negotiation? We want to make a point that all of the incentive payments are voluntary and it is to increase and enhance project delivery. Otherwise, you revert back to the normal acquisition process. So a normal time for negotiations is recommended as 30 days. Another one of the quick questions that came out is, are they eligible for Federal funds reimbursement?

Yes. They incentive payments are reimbursable with federal funds. We determined that if we can pay contractors incentive payments, we can pay property owners.

Operator, can you open the lines?

If you would like to ask a question, please press *1 on the keypad. You'll be placed in the queue. Once again, that is *1 to ask a question. As a reminder, if you would like to ask a question, please press *1.

While we're waiting on some questions coming in, one comment had a question about incentive payments and was related to the slide with the mobile homes. A lot of states out there are handling mobile homes differently. Some treat them as real property and some treat them as personal property. On the particular situation on Florida, they were treated as real property. That is why it is acquisition incentive, not relocation.

We have no questions in the queue.

Either we are that good or resolved everything in the presentation. The best way I can say this is, when you go start any project and want to finish it, ask yourself, were you on schedule? Or did it cost you time and money? The point we're trying to make here is, everyday counts and everyday has a value. What is getting in your way? Here is what I believe. A previous success is one of the greatest ways to future success. Experience can convey to us convincing us that we know how things work. This is because we had to learn the hard way. And we think we're pretty good at it. I would like to ask you, how can I acquire right-of-way better, faster, and smarter? One of the ways we can do this is partnering. Local governments need to talk with state partners to see if the method can be used.

Be thinking to yourself, why not be the first one? Think to the future as JFK said. Another way to achieve success is having knowledgeable staff. Items we have talked about, talk to our appraisers and negotiators about how we come up with value. We would like to provide some websites to help you with some of these areas that offer specific training with the methods we talked about today. The National Highway Institute and the International Right-of-Way Association and Appraisal Institute have real estate courses around the country that will help you.

A colleague in my office once told me, if we are not building roads, then we are building roadblocks. EDC is all about knocking down the roadblocks.

To show how strong we feel about EDC, FHWA created two great resources. The EDC website and the EDC community of practice. Both of these sites have a ton of information that will help you with your local programs.

If you have a question, we encourage you to use the EDC communities of practice. You can have questions 24/7 and someone will respond to it. I would just like to reemphasize that all of the questions you put in the chat pod today will be answered and posted on the EDC website. Don't just go after today's presentation, continue to look. The partners will offer questions out there continuously. So we would like to use this as another tool. The community of practice is a great tool to see what everyone else is dealing with.

As we close out the presentation, there is one question you need to ask Yourself: Does everyday have a value to your agency? The answer should be, yes. These flexibilities will save you time and money. We would like for you to go back to your local state partners and governments, these tools can be valuable and save you time and money.

We still have a few minutes. We can answer some questions from the chat pod if anyone has questions. Operator, will you check again. As a reminder, if you would like to ask a question, please press *1 at this time.

One of the questions that came in, how is offering an incentive different than coercion? As I stated earlier, it is a strictly voluntary system. Coercion is when you are forcing them to do it and move. Here, they do not have to move within that time period for their regular benefits. This is just an extra benefit that will help them to move prior to their normal process that is being provided to them.

Do you need advanced approval from the FHWA for appraisal waivers?

We recommend that the local agency needs to talk with their partner, the partnering state DOT is to make sure it is permissible and what type of restrictions they may place on you. If they do, what I am recommending to the DOT in Utah and working with the local government, we are creating a program where you can come up with a management plan of how you want to present it to your DOT to show how you will manage that situation. With that, they have a lot more trust in mitigating the risk factors there.

This is Justin Luther, this is in the state ROW manual. The ROW manual is a good resource to go to.

Thank you. I appreciate that.

This is David. We have been trying to get a question in. Mike has a question. Have incentives been allowed on a design build contract where the contractor is responsible for buying the right-of-way and the expense associated with buying the right-of-way, as well as paying the landowner?

I'm not aware of one off the top of my head. However, whatever you agree to has to be documented up front with procedures in place and approved ahead of time.

Any other questions? Operator, can we open the lines one more time.

As a reminder, if you would like to ask a question, please press *1.

We would like to reemphasize, the message we are putting out today, there are a lot of nuts and bolts to making these things work. But the point is that the presentation is showing you tools already inside the box that you can use. We are not reinventing the wheel. These are benefits that you need to pull out and use because the accountability of money in today's market, we need to do it faster and better and smarter. These are ways within the regulations that are allowing us to do that.

And we have no questions in the queue.

Alright. I would like to take this opportunity to thank everyone again for attending. We encourage you to use the EDC website. You can check and see how we have answered questions there. Thank you everyone for attending. Have a great day. That concludes the conference for today. Thank you for your participation. You may now disconnect.
[Event Concluded].