

# **Local Public Agent's Training**

## **Section # 1: Development and Administrative Issues:**

This section consists of information about how projects are developed and delivered. Please keep in mind that these sections apply only to Federally Funded Projects. All sections are in conjunction with the Uniform Relocation Assistance and Real Property Acquisition Policies of Act of 1970 (Uniform Act). The purpose of this section is to provide an overview of the project development and delivery cycle, showing how right-of-way acquisition activities are intricately involved with planning, design, and construction. This section also addresses how these various functions are managed and completed to build capital transportation projects.

## **Section # 2: Appraisal / Valuation:**

The Uniform Act regulations direct that each agency develop appropriate abbreviated formats for appraisals that consider the complexity of the appraisal problem. Such formats can vary from fully documented appraisals using all three approaches to estimating value – sales, income, and cost to a simple report using only one valuation approach. The regulations also provide for an “appraisal waiver” valuation procedure for low value non-complex acquisitions.

The compelling issue for an LPA is not how to do an appraisal, but rather how to decide what the appraisal problem is. Once the appraisal problem is identified, the format and level of appraisal expertise required for the problem is usually obvious.

## **Section # 3: Acquisition and Negotiation:**

### **The Quick and Brief Steps in Acquisition:**

Property is identified as necessary for a public works project.

LPA orders a title report to determine property ownership and as a tool to help the appraiser.

Property is appraised, the appraisal is then reviewed and an opinion of value (“just compensation”) is made (Constitutional, statutory requirements).

LPA offers “just compensation” amount to owner. Offer letter must include a summary statement of the offer.

Negotiations ensue between owner and public agency, leading either to “Settlement” (willing seller and buyer,) or “Condemnation,” (unwilling seller, property taken by legal action, compensation settled by court action).

## **The private property acquisition process can be divided into five categories or work activities:**

### **A. Planning:**

Environmental, including flora and fauna, and archaeological impacts and public involvement

Right-of-way plan requirements

Ownership and title data

Lead time

Certification Requirements

### **B. Appraisals:**

Appraisal requirements

Appraisal report formats

Scope of work

Owner accompaniment

Appraiser qualifications

Appraiser certification

Review appraiser responsibilities

Review appraiser considerations

Review appraiser qualifications

Agency approval of appraisal

Agency official sets “Just Compensation”

**C. Acquisition:**

Written offer and summary statement of “Just Compensation”

Negotiations

Payment before possession (when negotiated or required)

Administrative settlements

Legal settlements

Condemnation

**D. Relocation Process:**

Planning

Advisory assistance

Notices, including 90-day notice to vacate (residential, comparable housing must be available at time of notice)

Payments

Residential:

Owner occupied

Tenant occupied

Housing of last resort

Business

Reconnect fees for utilities

Professional services

Impact fees

Reestablishment fees

Moving costs (actual or fixed)

E. Property Management:

Pre-construction

Post-construction

## **Section # 4 Relocation:**

There are four key items in relocation; Plan the relocation, Issue the required notices, Provide advisory services, and Make the benefit payments.

There are four (4) important aspects to all relocations, whether residential or non-residential (business):

**Planning;** who will be displaced? What replacements are available? Concurrent displacements; special needs.

**Advisory Services;** Personal interview; explanation of benefits/services; the needs of those being displaced; referral to available property; referral to services and transportation is needed.

**Notices;** General Information; notice of eligibility; ninety (90) day notice.

**Payments;** Replacement housing; moving costs (these are for residential); reestablishment costs; in-lieu payment (non-residential).

## **Section # 5 Property Management:**

### **Real Property Management:**

(49 CFR 23.710.401 & 403)

The purpose of this code is to ensure the prudent use of Federal Funds in acquisition, property management, and disposal of real property.

### **Definition: Property management is the administration of acquired lands and improvements, including:**

Maintenance and protection, such as the repair of dangerous conditions and preventing illegal occupancy.

Rental and leasing of acquired property; if property is not needed immediately, it can be used to produce income. Income must be applied to Title 23 Eligible Projects.

Disposal of property no longer needed for the project, such as excess parcels, remnants, old right-of-way and structures for salvage. Revenue must be applied to Title 23 Eligible Projects.

**This section introduces participants to property management activities the LPA may conduct after acquiring Real Property.**

A Property Management Plan **must** be prepared that outlines provisions for Maintenance, Protection, and Illegal Occupancy.

The Plan also needs to address the Disposal of unneeded property, Old Right of Way, and Structures to be salvaged, if appropriate.

The LPA **must** assure that all real property within the boundaries of a Federally Funded facility is devoted exclusively to the purpose of that facility and is preserved free of all other public or private uses; unless such uses are permitted by Federal regulation or the FHWA.

LPAs **shall** charge current market value or rent for the use or disposal of real property interests, including access control.

Any monies derived from the sale, rent or lease of excess real property or of any real property acquired with Federal Funds, the monies **must** be put into the project or another Title 23 project.

Project Property Management begins before and continues throughout the property acquisition process and continues after the project is constructed.

Activities include:

- Record keeping and inventory of the lands, buildings, fixtures, and other assets that are conveyed with the real property in the purchase agreement.
- Real property maintenance, including landscaping, clearing, demolition, security, pest control, etc.
- Post-acquisition property management continues after the LPA has purchased and taken title to the property. Activities include:
- Leasing or sale of surplus real property for short or long-term usage.
- Post-construction property management includes such activities as:  
Controlling and removing encroachments on the right-of-way.  
Approval of lease/ sale of highway airspace (joint use agreements), Access management

**Sale or Lease of Excess Land.**

- Occupant retention or carryovers of a tenant.
- Real property maintenance, including landscaping, clearing, demolition, security, pest control, etc.
- The sale of improvements is common when the improvement is not needed for the road project. The improvements can be “sold back” to their original owner or sold to a third party. The improvements are typically either moved or salvaged for materials.

**Most LPAs do not use Property Management, they usually only buy what they need.**

**The ROW sections of the ADOT/LPA manual do have procedures for determining when a real property interest is no longer needed.**

**The LPA should be reminded to coordinate with the State Department of Transportation's Right of Way Liaison, as the State Department of Transportation's approval may be required for joint use and access management agreements.**