Improving the Process

• Issues arise from time to time in our quarterly Appraisal/Review Technical Council calls and in VDOT’s annual workshops

• We want to explore some of them together this afternoon and hear some of your ideas as well

• We’ll also look at how VDOT used existing software and GIS to facilitate a sales database
Topics

• Consistency
  • Why?
  • How?
  • Clarifying purpose

• Real vs. Personal Property
  • Avoiding confusion
  • Making appraisal and relocation part of the same team

• Planning Ahead
  • A critical step in every element of program delivery
Consistency

• We have an obligation to maintain a relative internal consistency in values throughout the project
• Reviewers and Project Managers play a key role in maintaining a credible and objective appraisal process in the midst of striving for that consistency
• After research and coordination, maps of value ranges can be utilized
Consistency Challenges

- Appraiser Resistance
  - Appraisal by committee
  - Agency Directing value

- It is critical to clarify this is not directing value but rather coordinating efforts to avoid conflict

- Simply a tool to align the commonality of standard property types
Consistency Challenges

• Properties not in the mainstream certainly should be appraised in the manner required to produce a credible result

• It is simply not fair for adjoining owners with similar properties to receive widely divergent offers
Consistency Challenges

• Staging Waivers prior to Appraisals
  • Ideally, the appraisers’ sale data is used for the waivers (or is at least consistent)

• Multiple appraisers or appraisal companies
  • This is common area of conflict
Project Consistency: Approaches

• Unit Values
  • Reaching agreement on acceptable ranges

• Subdivision Lots
  • Using typical value and size, establish a typical unit value
  • Minor adjustments could be made for overall quality

• Coordination of appraisal team
Consistency (Cont.)

- **Approaches**
  - As much as possible, assemble all valuation personnel early for coordination even if work is staged
  - Ideally, have one appraiser or appraisal team assigned to each property type
  - This alone can prevent obvious opportunity for inconsistency
Real vs. Personal Property in Relocation Properties

• AASHTO Conference 2014
• Appraisal/Relocation interface
• Appraisers were not addressing specifics of real v. personal property
• Relocation agents were in the dark
• Appraisers not interested in going back to address this problem
Real vs. Personal Property in Relocation Properties

- Relocation process will move personal property
- Owner must be compensated for contribution (if any) of fixtures
- Ideally, the relocation agent should accompany the appraiser on inspection
Real vs. Personal Property in Relocation Properties (cont)

- Talk to owner about their opinion
- If there are gray areas and the owner has a preference (relocation or compensation), this is the time to make note
- Worksheet is useful tool for all involved and provides convenience of notation and signatures of parties present
### Description of item

### Who owns it?
(Property Owner or Tenant)

### Is it Real or Personal?

### And EVERYBODY signs it!

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**Real vs. Personal Property Relocation Worksheet**

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<th>Quantity</th>
<th>Item</th>
<th>O/T</th>
<th>N/P</th>
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*I declare the statements made on this document are true and complete to the best of my knowledge*

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<thead>
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<th>Date</th>
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<td>Signature of Appraiser:</td>
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<td>Signature of Owner:</td>
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</tr>
<tr>
<td>Signature of Tenant:</td>
<td>Date</td>
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</tbody>
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Taco Bell Case Reference

282 Va. 127
Supreme Court of Virginia.
TACO BELL OF AMERICA, INC.
v. COMMONWEALTH TRANSPORTATION COMMISSIONER of Virginia.
Record No. 092465. June 9, 2011
Measure Twice, Cut Once

• Wise sayings persist because they convey information that has real meaning and has stood the test of time

• Ex Sound-man in Austin, Texas relates these from film sets:
  • Why don’t we slow down and get done quicker
  • Why is it that we don’t have time to do it right but we have time to do it over?
Planning on the Front End

• What are examples of proactive planning?

• We have just named two
  • Consistency - deciding on what steps to take
  • Relocation - coordination at outset leads to efficient relocation

• While these two relate to the broader process, one theme has been stressed by FHWA even before USPAP picked it up - **Scope of Work (SOW)**
Scope of Work

• What happens without defining Scope?
  • Appraiser turns in a stack of appraisals, all lacking compliance with agency directives
  • Questions arise as to who is responsible for sign or equipment estimates
  • Disagreements arise as to extent of treatment of specific issues on this project
  • Egos bruised all around
Scope of Work

• What happens when Scope is defined?
  • Everyone understands the issues
    • Which properties need special consultant (sign, M&E appraisal, turn radius study, etc.)
  • and who is responsible for hiring and paying
  • Which properties should be scheduled with a relocation agent
Example

- Stephen City
  - Project included
    - Change of Access (constitutional issue) with possible change of use for fast food
    - Several special purpose properties (including convenience store)
    - Special appraisal requirements e.g. engineering, M&E appraisals, turn radius study, etc.
Example

• Stephen City
  • VDOT assembled sales database and arranged for all sign appraisals
  • Regional Appraisal Manager, CO Contract Manager, and Relocation agent all met with appraisal candidates at pre-proposal meeting
  • Discussed specific concerns, depth of treatment, expertise, etc. and who would be contractually responsible for what
Summary
• This is all really just about thinking ahead and having effective communication with your team
• Supporting each other and everyone understanding expectations really does go a long way toward eliminating surprises and set-backs that will just delay project delivery in the long run.