

# Pre-Appraisal Conferences Are Beneficial

By Floyd Wise

I firmly believe that pre-appraisal planning is one of the most important and most neglected phases of the overall right-of-way effort. Pre-appraisal planning includes: Early recognition of the problems that will be encountered in the appraisal process, for the specific project, to permit their timely elimination or solution; proper consideration of the various courses of action that can be taken to assure accurate determinations of values and damages including, among other things, decisions concerning appraisal personnel assignments, requirements for proper appraisal of individual parcels, and legal aspects of the various takings; and the assembly, interpretation and dissemination of all factual information that will assist the appraisers in accomplishing their mission in a timely and proficient manner.

The use of planned conferences between those who know and those who need to know or, in other words, between the appraisers and the agency personnel who are best qualified to recognize problems, make decisions and dispense accurate information is without doubt the most effective way to assure compliance with the essential requirements for adequate pre-appraisal planning. Thus, the need for those involved in the valuation process to "confer" prior to the beginning of actual appraisal work is evident and, therefore, the term "Pre-Appraisal Conference" is injected into our right-of-way vocabulary.

I have several ideas concerning pre-appraisal conferences, which, to the best of my knowledge, have never been fully tried and proven in the field. I honestly feel that an exposure of these ideas through this article will almost equal a field test. First, let me say that I believe there is a need for three separate conferences for each right-of-way project before appraisal preparation. They are:

- Before approval of right-of-way plans
- Before appraisal assignment
- After appraisal assignment and before beginning actual appraisal work

If I were to name these conferences, I

would call the first one the "Critical Point Conference," the second, "Assignment Conference," and the third, "Appraisal Reconnaissance."

The first one which we will discuss is the "Critical Point Conference," which, as you will recall, is held before approval of right-of-way plans. The purpose of this conference is to locate critical points where minor changes in right-of-way lines (or major plan changes, if conditions warrant) will either: Save in right-of-way costs; improve public relations with landowners; improve the agency's position in condemnation; or eliminate unnecessary construction features that were provided for the owner's benefit, which cannot be justified by a savings in right-of-way costs.

Examples of so-called "critical points" which I am familiar with and which led to substantial savings in right-of-way costs without sacrifice in design standards, are as follows:

A right-of-way line was moved two feet to enable a building lot to retain its required 100 foot frontage to comply with zoning laws. The savings in right-of-way costs were approximately \$4,000.

The entrances to a filling station were being reduced in width from 60 feet to 40 feet, which seriously affected the value of the station. Upon investigation, we found that the entrances could be extended 10 feet and remain 50 feet in width without in any way affecting the design or engineering requirements for the highway. Again, a substantial savings was realized in right-of-way costs and now, on second thought, the general consensus is that the 40 foot entrances might have actually created a traffic hazard.

On another project, the right-of-way limits were reduced slightly to eliminate the necessity of removing a theatre marquee. If I remember correctly, it extended 18 inches over the right-of-way line and its removal would have necessitated the expen-

diture of several thousand dollars in rebuilding the front of the building. In another case, the taking was reduced by about a foot to "save" a portion of a brick building. There are numerous additional cases where slight changes were made, which in no way affected the design of the highway, to save wells, springs, valuable shade trees, etc.

Critical points of this type can be best recognized by right-of-way personnel—those where changes in plans can save in construction costs and sometimes prevent red faces in the design departments. For example, I know of a case where the plans called for construction of a \$2,600 entrance to serve a vacant lot which had a total value of only \$2,400. In other cases, the cost of outer roadways which have been built or extended to serve specific parcels could not be offset by savings in right-of-way costs.

There are other examples but I believe you now understand what I mean when I say "critical points." You may be asking yourself why the need for this conference, if all of the above examples were recognized and corrected in time to provide the savings in right-of-way cost. Let me remind you that they were recognized in time to enable us to make corrections and eliminate unnecessary right-of-way costs, *but too late* to avoid the necessity of obtaining new or adjusted appraisals which required additional appraisal fees, a second appraisal review, re-writing the deeds, obtaining re-approval of plans at various administrative levels, and a serious loss in the time allotted for negotiations. Such "late date" discovery and correction of this type problem also leads to poor public relations. Why cause an owner to get mad or upset and then later make a change which, if made prior to negotiations, would have avoided the "unfortunate ordeal" in the first place. Remember that changes in right-of-way lines made after negotiations have started—al-

though fully justified—enable other property owners who request changes which are not justified, and thereby denied, to cry "favoritism." Also, remember that if the locating of such critical points is left to "chance" they may be overlooked completely or discovered too late for correction.

The entire purpose of the first conference is to insure that critical points are located, in a timely manner, so that they can be given due consideration before the committing of any actions, either by the Design or Right-of-Way Departments that would be "wasted" if changes or corrections were made in the plans at a later date.

This conference should be conducted in two phases. The first phase is a plans in hand field inspection by agency right-of-way personnel followed by (second phase) a conference room meeting with the engineering and design personnel. In the first phase, the right-of-way personnel should obtain a copy of the unapproved plans from the Design Department—as soon after the right-of-way limits are established as possible—and, with those plans, inspect each parcel in the field to determine whether or not any so-called critical points exist and, if so, where. After determining that there are locations that deserve consideration, the meeting with the engineering and design personnel will be arranged. A list of the critical points will be given to those present, in writing, setting out the locations of such points, together with an explanation of the problem and a recommended "cure." If the changes are reasonable and do not affect the engineering features or minimum design requirements for the highway, they should be made. If the recommended changes are not desirable, or permissible, from an engineering point of view, all concerned and especially the negotiator, will learn of the reasons and be in a better position to defend the agency's position, if the same request is made at a later date by the landowner.

It is most important that someone with administrative authority be present to act as "judge," if a difference of opinion arises between right-of-way and design personnel. Sometimes "strongminded" right-of-way personnel hold out for changes in plans that are really not justified because such change would cause an unacceptable sacrifice in design standards.

If we are to gain and retain the respect of the engineering people, which is absolutely essential if the desired results are realized from this conference, we must convince them that we are aware of their problems and also be very sure that our so-called "critical points" and recommendations are truly worthy of consideration.

By the same token, you can expect the same "quality" of cooperation and understanding from them. It is not at all unusual for designers, simply because they fail to recognize what is at stake in right-of-way costs and public relations, to say "No" merely because they do not want to take the time and effort to make a recommended change in plans. This is partly due to the fact that, in the past, we have not held the critical point conference and, therefore, waited until the plans are completed, or practically so, before asking for the change. Not too long ago, one of our right-of-way agents asked a designer for a simple change in plans and explained that considerable money would be saved if it were granted. The designer's reply was, "Why that's right-of-way money—what do I care?" If an administrator who had

authority over both departments would have been present, I think the designer's attitude would have been considerably different. Let me quickly inject, at this point, that right-of-way people should be extremely conscientious in "educating" all engineering personnel and those in administrative positions of authority as to both the problems experienced in purchasing right-of-way and the requirements for accomplishing the right-of-way phase of the road building program in an efficient manner.

If this first conference is properly carried out, I am convinced that you will realize a savings in time, money, effort and public relations, and who could ask for anything more.

The second conference is the so-called "Assignment Conference" and its purpose is to determine which parcels will be appraised, the extent of the appraisal required and which of the "available" appraisers is best qualified for the project (or in some cases, best for specific parcels).

The conference will be attended by the right-of-way administrator and Reviewing Appraiser. It will require a field inspection

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and a discussion of the various choices in personnel and possible courses of action available. The type of project will dictate the extent of this conference. Urban projects with various types of properties and takings will require considerable inspection, thought and discussion, while rural projects may require only a minimum.

During this conference, an effort should be made to locate any parcel needing "specialist" type appraisals, and to spot any other "uncommon" appraisal problems that may need advance study or appraisal instruction. This is an excellent time to note the necessity for collection of specific factual information such as zoning laws, building restrictions, parking ordinances, etc., for interpretation prior to the beginning of actual appraisal work and to determine in advance the possible need for increased appraisal fees.

I think the need for this conference is apparent, however, I will state for you a few things that have happened which impressed me with the need for it. Persons have sometimes been assigned to appraise parcels who were not qualified. The

results are sometimes disastrous. Some appraisers are good on entire takings but poor on partials, others are good on residential appraisals, but may not know how to properly use the income approach for commercial properties, etc. Believe me, we should know "which is which" and make our appraisal assignments accordingly. There have been cases where real estate appraisers have tried to appraise specialized equipment and machinery, in lieu of an "expert." (Later we had to get the expert anyway—so why lose time and money.)

In several cases, we paid two fee appraisers a substantial fee to appraise obvious no damage takings and, in other cases, we paid them to appraise a simple temporary easement. If a conference such as I am recommending had been held, it would have been obvious that no appraisals were needed or, at most, a simple one prepared by a staff appraiser.

Without further ado, I will simply say that the "assignment conference" will result in the elimination of assignment of unqualified appraisers, eliminate unneces-

sary appraisals and unjustified assignment of one or more fee appraisers to very minor takings. A savings in time required for appraisal work will be enjoyed, in addition to a savings in appraisal fees. The quality of appraisals will be improved by having the best qualified appraiser assigned to the parcel.

The third, last, and possibly the most important conference is the "Appraisal Reconnaissance." We often find that appraisers, possibly because of our demand for speedy completion of their assignment, plunge into their work without obtaining the basic facts that affect or influence the values of parcels which are assigned to them for appraisal. Without accurate factual information, appraisers, regardless of the individual's ability and skill, obviously cannot arrive at reasonable determinations of values or damages—but, I'm sorry to say, many of them are perfectly willing to try.

It is not at all unusual to receive appraisals wherein the appraisers have stated "I assume the 20 foot blue spruce does not lie within the taking" or "I assume that the right-of-way line misses the corner of the house" etc. Often their assumptions are not correct and we have on our hands appraisals that must be corrected, rejected or ignored. Worse yet, if the erroneous assumptions are not detected, we find ourselves negotiating, or even condemning, on the basis of incorrect values and damages. It is not unusual for a parcel to be condemned on one premise and later when ready for trial, we find that our entire appraisal approach must be changed because of improper "assumptions" concerning legal aspects of the taking. Had the correct legal interpretation been applied in the first place, it is quite probable that condemnation could have been avoided.

This conference, as you can guess by now, is being recommended to provide appraisers and reviewers with all of the facts that will influence the value of the parcel, both before and after the taking. The chief appraiser should review, with the appraisers, the agency's requirements and instructions concerning appraisal work in general, instructions concerning specific parcels and, also, the expected conduct of appraisers. Explain, for example, what functions they can and cannot carry out together, what they should and should not discuss with landowners, etc.



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