Section 6.1

APPRAISAL AND APPRAISAL REVIEW

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Section 6.1

APPRAISAL AND APPRAISAL REVIEW

PURPOSE

To set forth procedures, requirements and standards for the real property appraisal and appraisal review functions for the Department of Transportation, hereinafter referred to as the Department.

AUTHORITY

Section 20.23(4)(a), Florida Statutes (F.S.)
Section 334.048(3), Florida Statutes (F.S.)

SCOPE

The principal users of this document are Central Office and District Right of Way employees.

REFERENCES

5th and 14th Amendments to the U.S. Constitution
Chapter 475, Part II, Florida Statutes
Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal
Right of Way Manual, Section 7.2, Negotiation Process
Right of Way Manual, Section 7.6, Eminent Domain
Rule Chapter 60-A, Florida Administrative Code
Section 6, Article X, Florida Constitution
Section 73.071(4) and (5), Florida Statutes
Section 215.422, Florida Statutes
Section 287.057, Florida Statutes
Section 337.25, Florida Statutes
Section 337.27, Florida Statutes
Title 23, Code of Federal Regulations
Title 49, Code of Federal Regulations
Topic No. 625-010-021, Median Opening and Access Management Decision Process
Topic No. 375-040-020, Procurement of Commodities and Contractual Services
Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
Uniform Standards of Professional Appraisal Practice

TRAINING

None required.

FORMS

Sample documents, which are not official forms, have been included as attachments to Section 6.1 and Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal. These documents can be tailored to fit specific circumstances, such as column width, number of parcels represented, providing a starting point for users. However, existing language, such as certification statements, headings, etc., is required by this procedure.

ATTACHMENTS

Review Appraiser’s Statement

DEFINITIONS

Abbreviated Parent Tract: An abbreviated parent tract in an appraisal application is something less than the whole physical property. An abbreviated parent tract is typically an economic unit of land supported through a highest and best use analysis wherein a portion of the ownership is concluded to have a higher and better use than as an aggregate to the whole ownership. This term is used in the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal.

Administrative Review: Administrative review is work performed by clients and users of appraisal services as a due diligence function. It is typically nonconcurrent with the technical review. The intent of this function is to assist in making business decisions, evaluating appraisal reports for litigation purposes, procedural compliance monitoring, quality control, quality assurance, and assessment of training needs. A Certificate of
Value is not required. For the purposes of Section 6.1, administrative reviews are performed by the Deputy District Right of Way Manager - Appraisal, or staff.

Client Representative: The District Right of Way Manager and his/her select-exempt service designees.

Quality Control Program: A written plan by which a district regulates its activities based on compliance with Department policies and procedures to assure an acceptable level of products.

Recommended Compensation: The amount established by the Department’s staff reviewer which typically represents full compensation, excluding business damages, moving costs, attorney fees, and landowner costs, as required by the Florida Constitution. Recommended compensation is almost always equal to the approved market value.

Technical Review: Work performed by an appraiser in accordance with Standard 3 of the Uniform Standards of Professional Appraisal Practice (USPAP) for the purpose of forming an opinion as to whether the analyses, opinions and conclusions in the appraisal report are appropriate, reasonable and adequately supported.

6.1.1 Responsibilities of Deputy District Right of Way Manager - Appraisal

The following are the responsibilities of the Deputy District Right of Way Manager - Appraisal (DDRWM-A):

(A) Assign appraisals and appraisal reviews.

(1) Assess the level of contractual compliance of submitted appraisals or studies to determine the appropriateness of assigning the product to appraisal review.

(2) The DDRWM-A may find it necessary to return a significantly incomplete product to the consultant and consider invoking contract provisions for liquidated damages.
(B) Ensure appraisers and reviewers complete assignments in compliance with Departmental policies, procedures, and contract specifications.

(C) Resolve appraisal and appraisal review problems and issues.

(D) Monitor and suggest corrections to the work of staff and consultants to ensure procedural and contract compliance, reasonableness, uniformity, and quality of appraisal and appraisal reviews. A sampling of staff appraisal reviews must be administratively reviewed by the DDRWM-A for quality control to ensure recommended compensation is reasonable, appropriate and supported.

(E) Encourage staff reviewers to be proactive in their working relationships with consultant appraisers. The intent is not to guide or direct the appraiser regarding valuation issues and conclusions, but rather to deal with new information and potential time delaying issues and problems before the appraisal report is submitted.

(F) Ensure any increase or decrease in the value of any property to be acquired which occurs after the scope of the project for which the property is being acquired is known in the market, and which is solely a result of the knowledge of the project location, shall not be considered in arriving at the value of the property acquired. For the purpose of Section 6.1, the scope of the project for which the property is being acquired shall be presumed to be known in the market on or after the condemnor executes a resolution which depicts the location of the project. See Section 73.071(5), F.S.

(G) Ensure appropriate professional development for appraisal staff.

(H) Ensure proper interpretation of official instructions, contracts or agreements, and enforcement of such provisions are performed and documented by the employee assigned that responsibility.

(I) Ensure proper distribution of reports and correspondence. Distribution of reports and correspondence should be as follows:
(1) The original Review Appraiser’s Statement (RAS), appraisal report, and related documentation are routed to the district official file and electronically uploaded. All such documents shall be uploaded into the Electronic Data Management System (EDMS) through the Right of Way Management System (RWMS) in a timely manner.

(2) A copy of both the RAS, appraisal report, and other correspondence are routed to the District Acquisition Section, Legal Office and others as appropriate.

(3) Paper or electronic copies of specifically requested appraisals be sent, without delay, to the Manager, Appraisal and Appraisal Review Office.

(J) Ensure proper procurement processes for appraisal services contracts are followed in accordance with Section 287.057, F.S., Rule Chapter 60-A, Florida Administrative Code and Topic No. 375-040-020, Section 4.13.1, Procurement of Commodities and Contractual Services.

(1) For district-wide contracts with unknown scope of services, Method B of the Invitation to Negotiate procurement process should be determined and used. When this determination is made, written justification is required. Procurement Form 375-040-067 Determination to Use Invitation to Negotiate (ITN) Method of Procurement must be submitted through the District Procurement Office to the Department Secretary.

(2) For project-specific contracts with known scope of services, the Request for Proposal (RFP) procurement method should be used.

(3) In accordance with law and rule, written justification for not using an Invitation to Bid (ITB) is required and shall be maintained in the procurement file.

(K) Ensure accurate and timely, within five (5) days of an event, entry of all available appraisal data into the Right of Way Management System.

Be proactively involved in all phases of the project pertaining to appraisal and appraisal review. This shall include interaction during the pre litigation negotiation process as well as with eminent domain legal counsel. This may also include interaction during the pre production process.

Develop and administer the district’s written Quality Control Program as it relates to right of way appraisal and appraisal review activities. This shall include the identification of the primary customers of the district appraisal and appraisal review process and ensure satisfaction of the customer's valid requirements.

6.1.2 Responsibilities of the Reviewer

The following are the responsibilities of the reviewer:

(A) Establish proactive communication with the appraiser that should include:

(1) Establishing communication with the appraiser and others involved in the valuation process well in advance of appraisal submission;

(2) Inspecting the subject property and comparable sales with the appraiser;

(3) Reviewing rough drafts of reports prior to contract delivery dates;

(4) Attending scope of services meetings and post award meetings.

(B) Proactively coordinate and consult with the supervisor or project manager, the agent, the assigned attorney, engineer and other professionals of the Department involved with the project, as needed.
(C) Be familiar with the real estate market in the project area, the appraised parcel, and the methods and techniques appropriate to the appraisal assignment.

(D) Review all assigned appraisal reports and other reports to ensure:

(1) Conclusions are reasonable and adequately supported;

(2) Appraisals have been made in conformity with state laws, rules, policies and procedures applicable to valuation under eminent domain for transportation purposes, and no portion of the market value consists of items which are noncompensable under the established law of the State of Florida;

(3) The market value estimate is reasonable and adequately supported;

(4) Pertinent and relevant market data have been examined, analyzed, and considered.

(E) Examine the Right of Way Management System and official parcel file to obtain knowledge of previous reports and other applicable data.

(F) Provide appropriate attention to appraisal divergences and changes to appraised value by properly analyzing the divergence or change in light of its appropriateness, reasonableness, and supporting data.

(G) Recommend the compensation for the property rights being acquired and any damages. Report the compensation on a RAS, see sample document attached with other supporting information. All RAS must be in writing and retained in the official parcel file.

(H) Revise the RAS if, prior to final settlement, it becomes necessary to reflect other pertinent data such as a property owner’s appraisal or plan revisions.

(I) Recommend to the DDRWM-A whether appraisal services are acceptable for payment. Appraisal reports not authorized for payment shall be
considered rejected and must be processed in accordance with Section 6.1.8.

6.1.3 Preliminary Project Review

Projects should be field inspected by appropriate district staff prior to preparing for an appraisal service evaluation and negotiation. This review may be combined with the project coordination outlined in the Right of Way Manual, Section 7.6, Eminent Domain. The inspection team should, when possible, identify and document or track the following:

(A) Complex parcels or parcels where the market value is expected to exceed the value threshold established in Section 6.1.10.

(B) Unique appraisal problems, which may result in the need for variances, special exceptions, zoning waivers, or specialist reports, such as cost estimates, traffic studies, land planner, etc.

(C) Parcels eligible for appraisal waiver and notify the District Right of Way Manager.

(D) Parcels suspected of having hazardous materials or environmental management concerns and consults with the District Right of Way Manager for further action.

(E) Public or quasi public agency and operating railroad ownerships and consult with the District Right of Way Manager for future action relative to inclusion in the Request for Proposal.

(F) The need for and development of a request for legal opinions or legal advice.

(G) Possible trades or exchanges of surplus or excess properties.

(H) Unusual title situations where documentation of the ownership of various interests in the property needs to be further identified.
(I) Personal property and items that will be appraised and acquired as fixtures.

(J) Modifications or revisions to right of way requirements or project design that may mitigate cost, business damages, and hardship situations. Significant issues should be discussed with the Design Project Manager or appropriate staff to ensure prudent expenditure of funds. Pursuant to Topic No. 625-010-021, Median Opening and Access Management Decision Process, early identification of access and median opening location in relation to individual parcels should be completed before appraisal. Access design and impacts to a right of way acquisition parcel should be determined prior to appraisal. Changes to access details or decisions must be coordinated with the DRWM, the Office of the General Counsel, and the Access Management Review Committee.

(K) Appropriate appraisal development and reporting option(s) as specified in USPAP.

(L) Property type category of each parcel.

(M) Possible uneconomic remnants.

6.1.4 Review of Appraisal Reports - General

Prior to their use, all appraisal reports contracted for by the Department are to be technically reviewed, except Value Findings, which, at a minimum, must be administratively reviewed by a qualified reviewer. Reviewers are to take a proactive role and consult with the appraiser during the fieldwork and report preparation periods. Contacts may include clarification of parent tracts, discussion of highest and best use, sales analyses, cost methods, and the review of draft segments of the appraisal reports. The district may find it appropriate for the appraiser to conduct a presentation to the district on critical valuation issues within the scope of the contract.

The reviewer shall avoid directing or the appearance of directing the appraiser. To the extent practicable, contacts with the appraiser should be made informally. If there is an impasse or debate concerning appraisal issues, the reviewer should formalize concerns in writing to the appraiser.
6.1.5 Review of Market Data

The reviewer shall take a proactive role and become familiar with the project area and real estate market and available data. Consultation with the appraiser during the fieldwork and report preparation periods is encouraged and may include clarification of parent tracts, discussion of highest and best use, sales analyses, cost methods, and the review of draft segments of the appraisal reports.

6.1.6 Review of Appraisal Reports

The reviewer shall:

(A) Complete an initial desk review to ensure:

(1) Proper project and parcel identification.

(2) The appraiser adequately addressed the assignment in compliance with the appraisal services contract and the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal.

(3) Completeness and mathematical accuracy.

(4) Consistency with previously approved reports on the subject parcel. The reviewer must be familiar with all reports and RAS previously prepared on an individual parcel and must explain any differences in the value estimate within the current RAS.

(5) Consistency of support for the existence or absence of estimated damages.

(B) Field inspect the subject project to ensure:

(1) Conclusions presented in the report are based on pertinent market facts and appropriate sources are used to substantiate statements of fact, such as, buyers, sellers, brokers, and governmental agencies.

(2) The appraiser properly analyzed and reported the impact of the
project on the property being appraised and has adequately described and addressed areas of concern on the subject property.

(3) The appropriateness of proposed cures, consultant analyses, and severance damage or lack of severance damage.

(4) The comparable sales used are similar and differences are properly addressed.

(C) Utilize other sources of information, if applicable, such as sales, listings, or pending contracts, and leases.

(D) Ensure all components of real and personal property are addressed. Personal property may be included within the transaction of certain commercial and special use properties as may be customary in the marketplace (i.e. motels, restaurants, certain industrial properties). This component, if any, should be addressed within the appropriate/applicable approaches to value. The sales data and rental sheets should include comments about the existence or non existence of such components that may have influenced the price and/or rents paid. Grids included within the analysis should include a line item to address these items.

(E) Complete a final desk review to ensure:

(1) Compliance with USPAP, the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal, the contract and written instructions.

(2) The appraiser has presented clear, convincing and logical facts and valuation techniques which lead the reader to the same or similar conclusion and that the report neither omits nor contradicts relevant factual data.

(3) Any inclusion of a subconsultant estimate or analysis is market supported, feasible, reasonable, and has been analyzed and adopted by the appraiser.

(4) The appraiser has sought and properly applied legal, engineering and title opinions.
(5) That in the case of tenant owned buildings, structures or other improvements, the appraiser has presented appraisal opinions reflecting both the contributory value to the parent tract and salvage value.

(6) Exclusion of noncompensable items and noncompensable damages through coordination with Department Counsel.

(7) Exclusion of personal property unless pertinent to the appraisal assignment.

(8) The report contains no inconsistencies, unsupported statements or conclusions or limiting conditions which are in conflict with USPAP, the **Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal**, the contract and written instructions.

(9) The report clearly presents support for the existence or absence of severance damages.

(10) The report presents a supported value estimate allocated to land, improvements, special benefits, and severance damages, as applicable.

### 6.1.7 Minor and Major Deficiencies

(A) Minor corrections, such as typographical and mathematical errors not affecting the value conclusion may be corrected, initialed and dated on the appraisal report by the reviewer, or, if there are many such errors, the reviewer may request corrections. The reviewer shall notify the appraiser of the changes made, then notify the DDRWM-A that the report is acceptable for payment of the appraisal fee.

(B) Major deficiencies, such as when the reviewer finds that the appraisal report needs clarification or contains substantive errors, the reviewer must initially attempt to resolve the issues informally, and if not successful, summarize the deficiencies in writing to the appraiser with copies to the DDRWM-A and official file. The reviewer shall meet with the appraiser, as necessary.
6.1.8 Rejecting the Appraisal Report

Having taken the actions specified in Section 6.1.7, if an acceptable report is still not obtained, the reviewer must prepare a memorandum to the DDRWM-A stating the reasons for rejection and the efforts made to obtain an acceptable report. The DDRWM-A must examine the appraisal report and the memo rejecting the appraisal. The DDRWM-A will:

(A) Upon concurrence with the rejection:

(1) Sign and date the appraisal rejected memorandum.

(2) Attach the original of the appraisal rejected memorandum to a reproduced copy of the appraisal report and place them in the official parcel file.

(3) Return all copies of the appraisal reports and appraisal invoices to the appraiser with a written notice stating the reason(s) for the rejection. Advise the appraiser that payment is not authorized and that while all copies of the reports and invoices are being returned, a photocopy is being retained by the Department for documentation purposes. Attach a copy of the notice to the appraiser and a copy of the appraiser’s invoice to the reproduced copy of the appraisal report in the official file. Send copies of the letter to the District Contracts Administrator.

NOTE: When rejecting and refusing to pay for a work product, all copies of the product should be returned to the appraiser and reproduced copies retained, unless the contract provides otherwise. The retained copies should be clearly marked as Reproductions - Original Copies Returned to Appraiser.

(4) Initiate action to secure an acceptable appraisal report from a different appraiser, if appropriate.

(B) Upon nonconcurrence with the rejection, return the memo rejecting the appraisal to the reviewer with a memo attached stating the action to be taken by the reviewer.
6.1.9 Review of Owner’s Appraisal Report

6.1.9.1 When received prior to Order of Taking the following applies:

(A) If the property owner submits an appraisal report for consideration by the Department during negotiations prior to Order of Taking, the DDRWM-A will assign it to a reviewer for a technical review for compliance with USPAP.

(B) If the property owner’s appraisal report has useful information the reviewer may either approve the report for negotiation, include information from the report in the RAS in support of the reviewer’s recommended compensation, or prepare a Review Appraiser’s Report (RAR) referencing information in the owner’s report.

6.1.9.2 When received during litigation, the following applies:

(A) Upon request of the assigned attorney, a property owner’s appraisal report received during litigation may be either administratively or technically reviewed.

(B) Upon request of the assigned attorney, the reviewer shall set forth strengths and weaknesses of a property owner’s appraisal report.

(C) Right of Way Management System entry is required for all property owner appraisal reports whether technically or administratively reviewed.

6.1.9.3 When received for surplus real property disposition, appraisals (which must comply with USPAP) may be reviewed administratively or technically. If technically reviewed, a determination must be made as to the level of compliance with USPAP. All reviews must be summarized in writing. Further, any review shall result in a determination of the adequacy of the report under review and the degree of reliance one can place on the report from which to base a business decision. Appraisal review of surplus property appraisals can be entered into the Right of Way Management System by selecting “Excess Parcels” within the Property Management business area.

6.1.9.4 Distribution and Right of Way Management System entry shall be as follows:
(A) Distribution of property owner appraisals and appraisal reviews shall be in accordance with Section 6.1.1(l).

(B) Right of Way Management System entry is required for all property owner appraisal reports whether technically or administratively reviewed.

6.1.10 Complex Parcels or Parcels Valued in Excess of $1,000,000

Two appraisals may be advisable when an acquisition presents complex appraisal issues and/or the value estimate of the parcel is, or is anticipated to be, in excess of $1,000,000. Using a different cost analyst for each appraisal is also advisable when primary reliance is placed on the Cost Approach to value.

6.1.11 Pre Litigation Coordination

During pre litigation negotiation on assigned parcels, the reviewer shall assist the right of way agent when questions arise regarding valuation concepts, support for conclusions, new information, or other relevant market data is presented by the negotiator. The reviewer shall take appropriate actions to resolve issues and/or answer inquiries.

6.1.12 Appraisal Review - Updated Reports and Litigation

6.1.12.1 The District Right of Way Manager shall assure that all written appraisal reports will be reviewed and, if appropriate, approved by a District Reviewer prior to use. The reviewer should be consulted in the mediation and trial preparation process. The reviewer must revisit all data, including that presented by the property owner (see Section 6.1.9). Sufficient time is to be allowed to perform an adequate review of each appraisal report, recognizing the constraints of the court schedule.

6.1.12.2 When assigned parcels are placed in suit, the reviewer shall, upon request of the assigned attorney:

(A) Contact and offer the assigned attorney any information or services which may be helpful in pre trial, mediation, or trial.

(B) Review Department appraisal reports not only according to requirements
of Section 6.1, but also to set forth strengths and weaknesses to assist in the negotiation and litigation process.

6.1.12.3 Any changes in value from prior parcel appraisals must be discussed in the RAS. The RAS shall reference any legal advice concerning the appraisal with every attempt made to obtain such advice in writing.

6.1.13 RAS - General

The RAS shall be prepared as follows:

(A) Upon completion of the desk and field review of an appraisal, a RAS, see attached sample document, shall be prepared by the reviewer according to Section 6.1 and standards set forth in USPAP. A RAS shall be prepared for all technically reviewed reports. A RAS is not required for administrative reviews of owner's reports received during the litigation process, Value Findings, surplus property appraisals, or for administrative reviews for compensation purposes, such as, evaluations of contract fee reviewer's report or RAS in order for a state employee to determine recommended compensation in the amount suggested by the contract reviewer.

(B) Part A of the RAS shall identify the project and parcel reviewed and include all previous and current appraisal activity in chronological order. Part B should identify and briefly describe the parent tract and its location. It should be a clear, concise and logical presentation of facts. The RAS must contain the reviewer's analysis and conclusion as to the adequacy and appropriateness of the appraiser's analyses, opinions and conclusions. Part B must summarize significant issues and information necessary to assist acquisition agents, managers, and attorneys. The RAS should serve to bolster and reinforce the appraisal being approved. In some instances, the RAS may also state the reviewer's reasons for finding a specific report unacceptable, and for making recommendations to management of a solution to the appraisal problem. In either situation, the RAS is to be written in a professional objective manner.
6.1.14 RAS - Value Allocation, Changes, and Rounding

The reviewer shall report each allocation of the recommended compensation to land, improvements and damages, if any. A reasonable effort shall be made to identify tenant owned improvements to be acquired. The value of any known tenant owned improvements to be acquired shall be listed separately. In no instance should the value of the part to be acquired and severance damages exceed the before value of the property. Recommended compensation shall not include cost to cure amounts for work to be performed by the Department. Coordination with the Property Management Administrator is necessary to identify these instances.

For technical reviews, changes in analyses or value conclusions from previously approved reports shall be thoroughly explained by the reviewer in Part B as to reasonableness and appropriateness. Such discussion is to include the reviewer's evaluation as to the validity of the revised analysis or conclusion and an explanation as to why the superseded analysis or conclusion is no longer appropriate or reasonable. Such explanations may address, but are not limited to: modification of maps or plans, changes in costs to cure, comparable data selection, severance damages, highest and best use, and new data analyses.

The sum of the amounts allocated to land, improvements and damages must equal recommended compensation. The reviewer shall ensure that any rounded amounts are logical and reconciled to equal the recommended compensation. The Reviewer must ensure, to the extent practicable, that rounding decisions within an appraisal report do not inadvertently result in an offset of severance damage amounts or result in a conclusion of severance damages that would not otherwise exist. Downward rounding of compensation components (land, improvements, and damages) should be avoided.

6.1.15 Right of Way Management System

Before completing the RAS, the reviewer or designee shall examine the appraisal database screens in the RWMS system for the parcel. The reviewer shall report any inaccurate information to the DDRWM-A.

6.1.16 RAS - Uneconomic Remnant

An uneconomic remnant is property which, as a result of a partial taking, has little or no utility or value to the owner, as determined by the reviewer. An uneconomic remnant
may have value in the market but may have little or no utility or value to the owner. The test is whether the reviewer determines that the remnant has little or no utility to the owner, not whether there is value in the marketplace. A remnant or part of a severed ownership may be declared an uneconomic remnant, even though such was its status before the acquisition, because it has been further reduced in utility. The reviewer must complete the uneconomic remnant section in the lower left hand corner of Part A on the RAS, or if a Value Finding or the Certificate of Value, as appropriate. The following information is to be entered:

(A) Enter the land area. Land area should be the sum of the area of the taking and the uneconomic remnant.

(B) Under P/W, Partial/Whole, enter “P” if there is a remainder to the parent tract in addition to the uneconomic remnant plus the take. Enter “W” if the uneconomic remnant plus the take constitutes a whole taking of the parent tract.

(C) The allocation to land, improvements, damages and/or cost to cure, and the total estimate of value are to be completed considering that the area of taking includes the uneconomic remnant. When an uneconomic remnant results in the whole property being acquired, the allocation shall be for land and improvements only.

(D) The reviewer shall explain in the RAS why the remnant is uneconomic and shall conclude a total value for the part to be acquired, plus the value of the uneconomic remnant. The reviewer’s recommended compensation shall exclude the value of the uneconomic remnant. The final paragraph on the RAS shall clearly identify the uneconomic remnant, support its declaration as such, and state its value. If there are two or more remainders the reviewer must clearly identify which remainder(s) is/are being declared uneconomic. If the reviewer has reason to believe any portion of the uneconomic remnant is contaminated, a statement to this effect must be made to alert the acquisition agent.

(E) The DDRWM-A shall ensure that the value of the uneconomic remnant is properly entered into the Right of Way Management System.

(F) Unless otherwise authorized in writing by the DRWM, the RAS is the
acquisition agent’s sole authorization to offer to purchase an uneconomic remnant.

(G) When the DDRWM-A or staff is notified that a request has been made for a revised instrument, or a revised instrument has been received, indicating the property owner has accepted the Department’s offer to purchase the uneconomic remnant, an RAR shall be prepared and entered into the Right of Way Management System to ensure databases accurately reflect the last approved compensation.

6.1.17 Sign and Date RAS

The reviewer shall sign and date the RAS. The original RAS, appraisal, and related documents shall be delivered to the DDRWM-A for review, distribution, and coordination of database entry, as applicable.

6.1.18 Delivery of RAS

The RAS should not be inserted into the appraisal report, nor given to the property owner or owner’s representative as part of the appraisal unless the statement is specifically requested through a public records request, discovery request, or ordered by the court. Any such requests shall be coordinated with the Office of the General Counsel to ensure that the requested information has not been specifically prepared at the demand of the assigned attorney in preparation for litigation.

6.1.19 Review Appraiser’s Report (RAR) - General

6.1.19.1 An RAR is supplemental to the report(s) under review and is not intended to be a stand-alone document. Parts A and B of the RAS, see attached sample document, shall be completed for each RAR. An RAR is an appraisal and must comply with USPAP and the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal, and requires concurrence by the DDRWM-A, except for minor alterations which result in a clearly apparent, or unequivocal reason for the changes in value. A reviewer may prepare an RAR to avoid additional fees and costs, delays, or for other management purposes.

6.1.19.2 The reviewer shall be consistent with USPAP and the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal, when performing an RAR. There
may be situations where the reviewer believes that a jurisdictional exception must be disclosed. In such an instance, the reviewer must obtain the concurrence of the DDRWM-A prior to the use of a jurisdictional exception.

6.1.19.3 A separate Certificate of Value need not be completed as the certification language on Part A of the RAS serves as the reviewer’s certification.

6.1.19.4 The reviewer shall notify the appraiser of the action taken so that future updates may reflect the change. Notification is not necessary when the RAR is written solely to reflect the property owner’s acceptance of the Department’s offer to purchase an uneconomic remnant.

6.1.19.5 An RAR may be completed for any reason deemed valid by the DDRWM-A.

6.1.20 RAR - Partial to Whole Acquisition

When the reviewer is advised that the Department elects to acquire the whole property, the reviewer will prepare an RAR concluding the value of the whole property. The DDRWM-A shall ensure that the value of the whole acquisition is properly entered as an additional entry into the Right of Way Management System.

6.1.21 RAR - Significant Changes to Reported Value

Prior to making significant changes, the reviewer shall consult with the DDRWM-A. In arriving at an estimate of value, the reviewer may include data contained in any appraisal. Reviewers should personally verify any data and provide written analyses of the data plus reasoned justification or explanation in support of the conclusion. The RAR, in conjunction with the report under review, must contain sufficient documentation to support the opinion of value. Differences in analyses between the reviewer and appraiser or wide divergences among appraisals may necessitate an RAR. These differences may involve highest and best use premise, selection and analyses of approaches to value, selection of most appropriate approach to value, selection of data used, or support for the appraiser's opinion of damages.

6.1.22 Appraisal Waivers

When DDRWM-A has determined that the valuation problem is uncomplicated and it is estimated the recommended compensation of all parcels pertaining to a single parent
tract, fee, temporary and permanent easements, is not expected to exceed approved thresholds, a notification memorandum may be sent to the District Right of Way Manager indicating that an appraisal is not necessary for negotiations.

If an Agent’s Price Estimate is prepared pursuant to Right of Way Manual, Section 7.2, Negotiation Process, appraisal data shall be entered into the Right of Way Management System. The Appraisal section will make accessible any data regarding unit values for land and costs for site improvements when requested. When the appraisal waiver provision for parcels not expected to exceed approved thresholds is utilized, it is not necessary to afford the property owner the opportunity to accompany the Department employee on a property inspection. If the parcel cannot be negotiated, the DDRWM-A shall be notified that an appraisal report and review are required in order to proceed to an Order of Taking hearing.

6.1.23 Value Finding Format

6.1.23.1 When considered appropriate by the District, the value finding format can be used on vacant or land only, non-complex appraisals. The Value Finding format must comply with USPAP reporting requirements for a Restricted Appraisal Report. The Value Finding format, Certificate of Value, and instructions are referenced in the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal.

6.1.23.2 The scope of the assignment may be limited to analysis of available market data and a conclusion of value. Market analysis may be based on information from appraisal reports or studies done by others for the Department, which are believed to be reliable.

6.1.23.3 The following are minimum requirements and may be placed in the appraiser’s working file: extent of investigation, collecting, confirming and reporting data, assumptions and limiting conditions may be attached, purpose and intended use, summary and brief supporting data for appraisal procedures used, exclusion of any of the usual valuation approaches, and explanation for highest and best use. In accordance with USPAP Advisory Opinion 11, the report must reference the existence of specific workfile information in support of the appraiser’s opinions and conclusions. The contents of the workfile must be sufficient for the appraiser to produce an Appraisal Report.

6.1.23.4 The Certificate of Value pertaining to Value Findings is to be signed and
dated by the appraiser and DDRWM-A, or designee (who must be a qualified reviewer), indicating Departmental administrative review. The completed Value Finding and signed Certificate of Value pertaining to Value Findings will constitute the appraisal. All other information should be placed in the appropriate file. Right of Way Management System data entry is required. Distribution shall be in accordance with Section 6.1.1 (I). If the parcel cannot be negotiated, the Acquisition Administrator or assigned attorney shall provide adequate notification to the DDRWM-A, who will confer with the Office of the General Counsel and determine the appropriate appraisal format for the Order of Taking hearing.

6.1.24 Payment of Appraisal Fees

Acceptance of an appraisal report by the DDRWM-A, or designee, as meeting the terms of the contract and the Right of Way Manual, Section 6.2, Supplemental Standards of Appraisal, constitutes approval for payment of the appraiser’s invoice for appraisal fees in accordance with contract terms. A completed, signed RAS, constitutes acceptance for payment of appraisal fees in accordance with contract terms.

6.1.25 Contract Review Appraisers & Central Office Contracting

6.1.25.1 Contracted appraisal review activities will be conducted in the same manner as when a staff reviewer is assigned to a project, except the contract reviewer must conclude to a suggested but not recommended compensation amount.

6.1.25.2 A Department reviewer must evaluate the contract reviewer’s RAS, to monitor the quality of the review, and must establish recommended compensation, as appropriate, by certifying to the following:

(A) I certify that, to the best of my knowledge and belief:

(1) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

(2) My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
(3) I have or have not made a personal inspection of the property that is the subject of this report.

(4) No one provided significant professional assistance to the Department employee signing this certification.

(5) I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.

(B) Based on my analysis of the suggested compensation of items compensable under State law, I recommend compensation in the amount of: $________________, allocated as Land $__________________, Improvements $__________________, Damages $__________________.

Signature, Department Reviewer  Date

6.1.25.3 Supplemental certification statements required by professional organizations may be added on a separate, signed page.

6.1.25.4 If the Department reviewer cannot determine recommended compensation based on the contract reviewer's conclusions, the official file must show why and what action is to be taken to reach an acceptable recommended compensation.

6.1.25.5 No Central Office or District personnel shall have any interest, direct or indirect, in the real property being appraised or reviewed for the Department that would in any way conflict with the preparation or review of the appraisal report. Should the need arise for Central Office to order an appraisal and/or appraisal review or otherwise engage an appraiser, such engagement should be memorialized in writing. Verbal communication should be avoided. All appraisals ordered by Central Office must be reviewed unless an exception is granted by the Director, Office of Right of Way, or designee.

6.1.26 Nonparticipation in Negotiations

No appraiser or reviewer shall have any interest, direct or indirect, in the real property being appraised for the Department that would in any way conflict with the preparation
or review of the appraisal report. No appraiser or reviewer shall act as a negotiator for real property which that person has appraised or reviewed, except that the Department may permit the same person to both establish an offer price and negotiate an acquisition for parcels wherein an appraisal waiver has been employed.

The DDRWM-A may be delegated settlement authority except in those cases where the DDRWM-A has had direct or indirect involvement in the appraisal and/or review of the parcel being negotiated.

The DDRWM-A or a reviewer who is responsible for review and approval of appraisal(s) for parcel(s) which are the subject of a mediation, hearing or trial may assist in such court proceedings.

6.1.27 Administrative Reviews

The performance of an administrative review does not require compliance with Standard 3 of the USPAP for the Department’s intended use. The following are examples of administrative reviews:

(A) Quality Assurance Reviews.

(B) Evaluations of appraisal reports prepared for an owner, which have been submitted to the Department for invoicing or litigation purposes.

(C) Evaluations of contract, fee, review appraiser’s report or RAS in order for a state employee to determine recommended compensation in the amount suggested by the contract reviewer.

(D) Evaluations or analysis of appraisal work products solely for the purpose of quality control monitoring, rating or preparing a critique.

(E) Performs a review of a Value Finding.

(F) Evaluations of surplus property appraisal reports to determine compliance to USPAP, the adequacy of the report under review, the degree of reliance one can place on the report from which to base a business decision, and whether the report is a satisfactory appraisal.
6.1.28 Technical Reviews

The performance of a technical review must comply with Section 6.1, which includes compliance with Standard 3 of the USPAP. If the employee is a state registered, licensed or certified appraiser, he or she must so indicate according to the requirements of Chapter 475, Part II, F.S. The following are examples of technical reviews:

(A) Reviews for the purpose of forming an opinion as to whether the analyses, opinions and conclusions in the appraisal report under review are appropriate, reasonable, and adequately supported.

(B) Reviews where the reviewer has the prerogative of reporting a properly developed value in lieu of the value estimate set forth in the appraisal report under review.

HISTORY

4/15/99; 6/1/99; 11/30/00; 9/30/02; 8/28/03; 4/12/04; 7/1/06; 11/30/07, 3/20/09, 7/7/10, 3/29/11, 1/1/12, 4/15/13, 1/1/14.
(SAMPLE) REVIEW APPRAISER'S STATEMENT
State of Florida Department of Transportation

<table>
<thead>
<tr>
<th>PARCEL NO.</th>
<th>ITEM/SEGMENT</th>
<th>F.A.P. NO.</th>
<th>MANAGING DISTRICT</th>
<th>COUNTY</th>
</tr>
</thead>
</table>

Part A.
I certify that, to the best of my knowledge and belief:

The statements of fact contained in this review are true and correct.
The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions. I have no (or the specified) present or prospective interest in the property that is the subject of the work under review, and no (or the specified) personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
I have performed no (or the specified) other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
My engagement in this assignment was not contingent upon developing or reporting predetermined results.
My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use. Further, my compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
My analyses, opinions, and conclusions were developed and this review was prepared in conformity with the Uniform Standards of Professional Appraisal Practice. I did personally inspect the subject property and appropriate comparables as used in the report under review. Field inspection of the subject property took place on ______. I was accompanied during the inspection by the following named person(s) ____________________.

<table>
<thead>
<tr>
<th>PURPOSE *</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPRAISER</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>DATE OF REPORT</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>DATE OF VALUE</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>AREA OF TAKE – (P or W)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>LAND</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IMPROVEMENTS</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>DAMAGES</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>APPRAISAL TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAND USE**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REVIEWER</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*Purpose: Indicate whether FDOT or Owner’s report and which purpose: Negotiation, Order of Taking, Date of Deposit, Surplus (i.e. FDOT Neg.)
**Land Use: Identify the highest and best use as vacant as reported by the appraiser.

RECOMMENDED COMPENSATION: $

ALLOCATION: LAND: $ __________ IMPROVEMENTS: $ __________ DAMAGES $ __________

<table>
<thead>
<tr>
<th>Value of Acquisition Including Uneconomic Remainder</th>
<th>Reviewer Signature: Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Area:</td>
<td>Partial/Whole (P/W)</td>
</tr>
<tr>
<td>Land: $</td>
<td>□ Adm. Reviewer: Date:</td>
</tr>
<tr>
<td>Improvements: $</td>
<td>Field Inspection by Adm. Reviewer: Yes ___ or No ___</td>
</tr>
<tr>
<td>Damages and/or Cost to Cure: $</td>
<td>Comments:</td>
</tr>
<tr>
<td>Total: $</td>
<td>□ DDRWM-A Concurrence:</td>
</tr>
</tbody>
</table>
### Part A. (continued)

#### Review Appraiser’s Statement

Parcel No.:________________

<table>
<thead>
<tr>
<th>RWMS DATA ENTRY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Restricted Appraisal Report? (Y/N)</strong></td>
<td>If No, choose Appraisal Report in RWMS.</td>
</tr>
<tr>
<td><strong>Size (Ac./sq. ft) of Uneconomic Remnant(s), if any.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Value of Uneconomic Remnant(s), if any.</strong></td>
<td>$</td>
</tr>
<tr>
<td>**Complexity Scale (Optional) *</td>
<td></td>
</tr>
</tbody>
</table>

Indicate the amount between this recommended compensation and the previous, if any:

Divergence: $

Brief reason for divergence:

Relate to Real Estate Interests: Review Appraiser to check applicable statement(s):

- [ ] Appraised amounts include all interests (including the fee owner’s, easement holder’s and any tenant owned improvements for this parcel.)
- [ ] Appraised amounts exclude certain tenant owned improvements or other real estate interests for this parcel. Excluded interests are: _______________________
- [ ] This appraisal is not recommended for compensation. Leave appraisal review amounts blank in the RWMS system. Leave compensation determined date blank in RWMS system.
- [ ] This appraisal is approved for payment only.

Note: Enter the size and value of the uneconomic remnant itself, if any. (This is not a summation of the acquisition and the remnant.) Just the remnant area and value should be shown in the RWMS data entry box. The sum of the acquisition and the remnant(s), if any should be shown on the previous page.

* See RWMS User’s Manual for complexity scale & descriptions.

<table>
<thead>
<tr>
<th>RWMS DATA ENTRY</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
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</tr>
<tr>
<td><strong>Appraiser</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Date of Report</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Date of Value</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Area of Take (P or W)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Land</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Improvements</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Damages</strong></td>
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</tr>
<tr>
<td><strong>Appraisal Total</strong></td>
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</tr>
<tr>
<td><strong>Land Use</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Reviewer</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Purpose: Indicate whether FDOT or Owner’s report and which of the following purposes: Negotiation, Order of Taking, Date of Deposit, Surplus (i.e. FDOT Neg.)

**Land Use:** Identify the highest and best use as vacant as reported by the appraiser.

### Part B. Reviewer’s Statement of reasoning in conformance with current R/W Procedures: