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IOWA DEPARTMENT OF
TRANSPORTATION
OFFICE OF RIGHT OF WAY

Appraisal Policy & Procedures Manual

September 1993

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APPRAISAL SECTION 5333

Revised 9-93 Effective 9-93

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HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
POLICY & PROCEDURES
MANUAL, PPM 2-79

SECTION 5333 APPRAISAL
SUBJECT: GENERAL DUTIES
REVISED 9-93 EFFECTIVE 9-93

B.02.a. GENERAL DUTIES

01. FUNCTION. The Appraisal Section is responsible for estimating the "just compensation" for property or property rights to be acquired by the Iowa Department of Transportation. Implicit in this responsibility is the necessity of maintaining a manual of established policy and procedures, a repository of up-to-date information on eminent domain law, and a staff of trained appraisers and review appraisers to accomplish the assigned duties within the allotted time periods.

The Appraisal Section is to report "just compensation" to the Acquisition Section and allocate it in accordance with State law. In all cases the Review Appraiser is responsible for the final estimate of value and allocation.

The Appraisal Section is to provide information on residential value, economic rent, building cost, fencing cost, costs to produce agricultural crops, marketable value of agricultural crops, and any other information relating to real estate requested by other offices and sections.

The Appraisal Section is to provide reports on the market value or economic rent of excess property and surplus right of way and will prepare economic studies, when requested by other offices and sections.

The Appraisal Section is to provide assistance to the General Counsel in the preparation of legal actions relating to real estate value.

The Appraisal Section is to provide advice and assistance to other governmental agencies in their efforts to comply with State and Federal land acquisition appraisal requirements.

02. ORGANIZATION AND STAFFING

- (a) Chief Appraiser (Right of Way Agent V). The Appraisal Section of the Office of Right of Way operates under the supervision of the Chief Appraiser who is directly responsible to the Manager, Right of Way Operations. The Chief Appraiser plans, directs, and coordinates all appraisal activities involved in the acquisition of property or property rights for right of way purposes and in the sale of excess and/or surplus land.

The Chief Appraiser is assisted by the Appraisal Production Manager and a staff of review appraisers and appraisers and is responsible for the employment of independent contract appraisers, when necessary, subject to administrative approval. The Appraisal Production Manager and review appraisers receive their assignments from and are directly responsible to the Chief Appraiser.

The Chief Appraiser, in coordination with office administrative personnel, is responsible for the establishment of position descriptions and qualifications for staff appraisers, making recommendations concerning applicants for employment and making recommendations for the promotion, demotion and termination of staff appraisers. The Chief Appraiser establishes qualifications, maintains a roster, and evaluates the performance of contract appraisers eligible for employment by the State. The Chief Appraiser evaluates the qualifications and performance of the staff appraisers and review appraisers. Such evaluations are made through regular consultation with the Appraisal Production Manager and review appraisers and through periodic personal inspection of completed appraisal reports.

The Chief Appraiser recommends approval or disapproval of all appraisal contracts and all requests for payment received from the contract appraisers.

The Chief Appraiser advises department management on appraisal problems, directs the training of appraisal personnel, is responsible for the design of appraisal forms, establishes and supervises office procedures, assists the General Counsel in securing witnesses for court appearances in condemnation cases, and other tasks as may be required relative to the appraisal function.

All appraisal review and contract appraisal assignments are made by the Chief Appraiser. The Chief Appraiser makes or causes to be made pre-bid estimates of fair appraisal fees on a parcel by parcel basis for all federal aid right of way projects, except when the contract appraiser is to be selected through the competitive fee proposal procedure.

- (b) Appraisal Production Manager (Right of Way Agent IV). The Appraisal Production Manager has direct supervision responsibility for the production of all appraisal reports for the Office of Right of Way. This manager works under the supervision of and is directly responsible to the Chief Appraiser.

The Appraisal Production Manager makes all staff appraisal assignments, establishes subordinate schedules to ensure timely project completion, supervises daily appraisal activities, determines the type of appraisal report required, maintains production records,

determines when an Appraiser shall also serve as a Negotiator/Relocation Assistance Agent when producing compensation estimates, writes technical guidelines, conducts technical training of Appraisers, develops appraisal forms, ensures proper appraisal documentation, establishes work standards for subordinates, conducts annual performance review and evaluation of subordinates, interviews for new hires, recommends hiring, firing, promotions, and discipline of subordinates, keeps abreast of current technical appraisal procedures, may act as a Review Appraiser, assists in administration of the Appraisal Section, and assumes supervision of the Section.

- (c) Review Appraiser (Right of Way Agent III). Review Appraisers are staff members selected by the Chief Appraiser from those individuals classified as Right of Way Agent III. They are responsible for conducting a thorough review of the appraisal reports of staff appraisers, fee appraisers and appraisers hired by property owners. They perform their reviews independent of both the field appraisers and department administrators, with the final value conclusion being their own finding. Their review is to insure compliance with State and Federal regulations, and that conclusions of value are supported by adequate data and documentation. The Review Appraiser is responsible for approving the estimate of just compensation to be used as the basis for the Agency's monetary offer for the purchase of required properties. The Review Appraiser must approve a value different from that shown in any appraisal report when he/she believes such is justified and appropriate. The reasons for that difference must be documented in the review appraiser's report. The Review Appraiser may adjust the previously approved estimate of value at any later date when additional information becomes available that warrants such change. The Review Appraiser must document the parcel file showing the reasons for any changes in the original approved values. The Review Appraiser may appear in court as an expert witness and assist the General Counsel in the preparation of court cases when requested.

A review appraiser's qualifications shall be consistent with the level of difficulty of the review assignment. A review appraiser shall understand how acquiring a part of a property can cause damage, destroy or reduce in value property which remains. Review appraisers shall have advanced knowledge of and the ability to apply the appraisal theories, practices and techniques necessary to render an informed opinion of the value defined, as the appraiser of the property being appraised, or of the loss in value or damages being estimated.

- (d) Senior Appraiser (Right of Way Agent III). Senior Appraisers are staff members selected by the Chief Appraiser from those individuals classified as Right of Way Agent III. They work under the

supervision of the Appraisal Production Manager and are responsible for appraising the more complex and difficult properties encountered on right of way projects. They are expected to maintain a competency level equivalent to those fee appraisers who hold professional appraisal designations. A Senior Appraiser shall understand how acquiring a part of a property can cause damage, or reduce in value property which remains. They shall have advanced knowledge of and the ability to apply appraisal theories, practices and techniques necessary to render an informed opinion of the value defined and to document the value opinion in accord with Agency Standards. A Senior Appraiser shall have advanced knowledge of how to identify, estimate and document cost to cure damages, and to determine the value of land to be acquired from available land sale market information. They shall prepare their appraisal reports independently of any other appraiser working on the same property.

The Senior Appraiser will appear in court as an expert witness when requested and will assist the General Counsel in the preparation of the court case. The Senior Appraiser will assist the Appraisal Production Manager and perform other related work as assigned. They may be called upon to perform the negotiation and relocation assistance functions on minor acquisitions when a "Compensation Estimate" (B.02.c.01.e) is used.

- (e) Journeyman Appraiser (Right of Way Agent II). Journeyman Appraisers are staff members selected from those individuals classified as Right of Way Agent II. They are responsible for appraising properties as assigned, furnishing appraisal reports using procedures in accordance with regulations. A Journeyman Appraiser shall understand how acquiring a part of a property can cause damage, or reduce in value property which remains. They shall have a working knowledge of and the ability to apply appraisal theories, practices and techniques necessary to render an informed opinion of the value defined and to document the value opinion in accordance with Agency Standards. They shall have a working knowledge of how to identify, estimate and document cost to cure damages and to determine the value of land to be acquired from available land sale market information. They shall prepare appraisal reports independently of any other appraiser working on the same property. The Journeyman Appraiser will appear in court as an expert witness when requested and will assist the General Counsel in preparation of the court case. The Journeyman Appraiser will perform other related work as may be assigned. They may be called upon to perform the negotiation and relocation assistance functions on minor acquisitions when a "Compensation Estimate" (B.02.c.03) is used.

- (f) Appraiser Trainee (Right of Way Agent I). Appraiser Trainees are staff members selected from those individuals

classified as Right of Way Agent I. They are responsible for appraising properties as assigned. Beginning with simple noncomplex appraisal problems, through satisfactory completion of professional appraisal courses and the assistance of experienced staff members they are expected to progress in technical ability and be able to complete assignments of increasing complexity. They are responsible for furnishing appraisal reports using procedures in accordance with regulations established by the Appraisal Section. They shall seek such assistance from experienced staff members as may be necessary, but are independently responsible for their final conclusions. The Appraisal Trainee may be called upon to appear in court as an expert witness and provide assistance to the General Counsel in the preparation of a court case. They may be called upon to perform the negotiation and relocation assistance functions on minor acquisitions when a "Compensation Estimate" (B.02.c.03) is used. The Appraisal Trainee is expected to seek out and assimilate the information and knowledge necessary to progress to Journeyman level competence.

- (g) Contract Appraiser. Contract Appraisers may be retained when staff is insufficient to complete the work load, when an assignment requires highly specialized knowledge and experience, or when an outside opinion is desirable or necessary. Their services may include appraisals, cost studies, estimates or consultations, etc. Local Public Agencies often retain contract appraisers for a full range of appraisal expertise, from very simple to most complex. These reports shall be prepared independently. Selection of an individual or firm shall be based on demonstrated expertise and ability to appraise required properties within the time frame. Preference may be considered for appraisers located in the project community or area.

A Contract Appraiser must possess working knowledge of State and Federal eminent domain law, policy and procedures pertaining to appraisal policy in the State of Iowa. They must understand how and why acquiring a part of a property can damage, or reduce in value property which remains. Advanced knowledge of and ability to apply appraisal theories, practices and techniques necessary to render an expert opinion of value defined together with documentation of value opinion in accordance with this manual is necessary.

The Contract Appraiser must communicate, in typed form, appraisal analysis and conclusions required to comply with Uniform State and Federal standards. The appraiser must satisfactorily demonstrate this ability, upon request, through submittal of sample appraisal reports.

A Contract Appraiser must respond promptly to requests for clarification or correction of the appraisal product. Unless arranged by prior agreement, requested clarifications and corrections are to be received by the

Chief Appraiser or Reviewing Appraiser within 10 working days of the request.

Each Contract Appraiser must be well informed of eminent domain law to qualify as an expert witness in real estate valuation in Iowa District Courts.

Contract Appraisers shall be retained by written contract subject to agency approval. They are not to begin assignments until such time as a copy of the approved contract has been returned. Individuals named in the contract, or signing on behalf of a company shall have primary responsibility for satisfactory completion of contract terms. Reimbursement for cost to cure estimates secured by contract appraisers must be cleared through the Chief Appraiser, or designee.

Any contract (Fee) appraiser employed to perform a detailed appraisal assignment must be State of Iowa certified in accordance with Iowa Code chapter 543D.

- (h) Contract Review Appraiser. Contract Review Appraisers may be retained when the agency review appraisal staff is insufficient to handle the workload, when the assignment requires highly specialized knowledge, or when an outside opinion is desirable or necessary. The Contract Review Appraiser is primarily used by governmental subdivisions and agencies who do not maintain a trained appraisal staff.

When a contract review appraiser is retained to review a detailed appraisal prepared by a contract appraiser who was required by B.02.a.02 (g) to be State of Iowa certified, that contract review appraiser shall also be State of Iowa certified.

A Contract Review Appraiser may provide appraisal acceptance and fair market value appraisal review determination, but the Agency remains responsible for making the final determination of the amount to be offered as just compensation.

The Contract Review Appraiser shall be able to demonstrate a high level of proficiency in State and Federal eminent domain law, policy and procedure as they pertain to appraisal practice in the State of Iowa.

The Contract Review Appraiser shall be an expert in current appraisal theory and technique, and have the ability to critique improper procedure in the work of others.

The duties of a contract review appraiser shall be consistent with those of the Staff Review Appraiser, section (c.) above.

The Contract Review Appraiser is hired for personal qualifications and therefore may not sublet the assignment to another individual. Selection shall be based upon expertise and the ability to appraise the kind of property involved in the assignment. They shall be retained by written contract.

- (i) Fixture and Equipment Appraisers. When fixture and equipment appraisals are necessary, personal property or machinery and equipment appraisers should be utilized to perform them. The specific appraiser should be chosen based upon their area of expertise and the type of property to be appraised.

In the event no appropriate staff appraiser is available, a contract appraiser is to be retained. Contract fixture and equipment appraisers are normally retained by the Chief Appraiser through direct hiring.

The fixture and equipment appraiser should be placed in contact with any real estate appraisers also working on the property. This will allow their efforts to be coordinated in producing a uniform division of reality and personalty.

The property to be appraised is to be inventoried by the appraiser. Unless otherwise agreed upon, the appraisal report is to show the reproduction cost, value in place and salvage value of each item or group of like items.

The fixture and equipment appraisal shall be incorporated into the real estate appraisal prior to the start of purchase negotiations. This shall be the duty of the real estate appraiser or the review appraiser.

- (j) Specialists. When reproduction, construction or cost-to-cure estimates are required to assist in the preparation of an appraisal, the appraiser may, with prior approval from the Appraisal Production Manager or Chief Appraiser, engage a specialist to furnish such an estimate. When the cost of the service is a minor amount, staff appraisers will reach an agreement with the estimator relative to the amount of the fee. On receipt of the specialist's bill the Chief Appraiser shall approve the amount of the charge on a voucher to be forwarded for payment. Contract appraisers will include such costs as a part of their fee, unless the Agency elects to provide the estimate. A copy of the estimate should be included in the appraisal report.

The specialist's report should show a breakdown of the costs of the various items of material, labor, and other items or duties involved. If subcontractors are to be used by the primary contractor, a similar breakdown of their estimates should be included.

03. CONFLICT OF INTEREST. The Chief Appraiser and Appraisal Production Manager shall oversee Iowa DOT assignments and other activities of both staff and fee appraisers to avoid either actual or perceivable conflicts of interest. Appraisal and appraisal review assignments are to be managed so that there is no present or contemplated future interest in any property or property rights being appraised by the individuals involved. The appraiser's compensation or employment may not be contingent on the appraised value, or on an action or event resulting from the analysis, opinions or conclusions in the report. Appraisers and review appraisers are to notify the Chief Appraiser or Appraisal Production Manager of any possible conflict of interest which may affect their participation on an assignment. The appraiser must decline acceptance of an assignment when there is such an interest.

Contract appraisers are encouraged to appraise for both the State and property owners, even though the properties are located on the same project. However, it is a conflict of interest to appraise for both parties on the same property, or part thereof, prior to final completion of the State's acquisition, and such is prohibited.

In cases where the public perception of a conflict of interest may arise from the use of staff appraisers and/or review appraisers, the Chief Appraiser shall determine whether to use staff appraisers or to hire contract appraisers to perform the appraisal work. These cases shall include, but not be limited to, properties owned by Iowa Department of Transportation personnel; Federal Highway Administration personnel; and local, state and federal elected or appointed officials.

04. DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The State of Iowa's goal for participation by Disadvantaged Business Enterprises (DBE's) is 10% on any federally funded contracts or projects for professional services. In addition, the State has established a 2 1/2% goal for Women Business Enterprises (WBE's) in these professional service contracts.

Recognizing that federal funded right of way acquisition contracts for appraisal services do not lend themselves to subcontracting, the following "good-faith effort" procedure is required.

1. Obtain the names of qualified DBE/WBE appraisers from the Office of Contracts or advertise in general circulation, trade association and minority-focus media. Qualification of DBE/WBE appraisers responding to advertisements must be determined by the Office of Contracts and the Office of Right of Way, if not on the approved list.
2. Notify qualified DBE/WBE appraisers of any future contracts for appraisal services. Preferably this should be on a personal basis, as in a telephone contact, and in sufficient time to allow the DBE/WBE's to participate effectively.

3. Solicit bids from these qualified DBE/WBE appraisers on each Federal aid right of way project.
4. Document all "good-faith effort" procedures for each Federal-aid right of way project by keeping a copy of correspondence and replies in the project general file. This should include written notes to document personal and/or telephone contacts with any DBE/WBE's.

This procedure replaces the need to set individual DBE/WBE goals on appraisal services for each project and replaces the need to request individual approvals from the Iowa DOT.

Cities with only an occasional federally funded appraisal service contract are to provide the Office of Local Systems a letter, after the appraisal contracts are awarded, certifying that they followed the "good-faith effort" procedure, and list the actual dollar amount awarded for these services and the amount (if any) awarded to DBE's or WBE's.

Cities who may be continuously involved in this process are to provide the letter of certification and the actual amounts on a semiannual basis prior to March 31 and September 30. The letter should document the individual Federal aid right of way projects and the actual total amount awarded to qualified DBE or WBE appraisers.

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY SECTION 5333 APPRAISAL
POLICY & PROCEDURES SUBJECT ADMINISTRATION
MANUAL REVISED 9-93 EFFECTIVE 9-93

B.02.b. ADMINISTRATION

01. RECEIPT OF PROJECT MATERIAL--Project plans and parcel files are delivered to the Appraisal Section with a letter of transmittal from the Right of Way Design or Acquisition Sections. Revisions, additions or deletions are to be similarly delivered.
02. TRANSMITTAL OF MINOR ACQUISITION PARCELS--Upon receipt of plans and parcel files for a project, the Appraisal Production Manager will desk review the proposed acquisitions. Those parcels where the probable compensation exceeds \$2,500 will be retained in the Appraisal Section for assignment. The Appraisal Production Manager and the Chief Acquisition Agent will then determine which of the remaining parcels will be retained in the appraisal section for assignment and which will be forwarded to the acquisition section for assignment.
03. PRELIMINARY PROJECT INSPECTION--Prior to assignment of a major project for appraisal, a field inspection shall be made by either the Chief Appraiser, the Appraisal Production Manager, or an assigned staff Appraiser. The purpose is to identify the appraisal problems, determine the number and type of appraisal reports required, estimate a realistic completion date, and estimate a reasonable fee for any anticipated contract appraisals.

When contract appraisers are to be hired, a signed, written estimate of an equitable appraisal fee is to be placed in the general file by the individual making the inspection, unless the competitive fee proposal system is used. The fee estimate shall be based on the complexity of the assignment, experience and ability required of the appraiser, specifications for the appraisal assignment, number of parcels involved, amount of information and data supplied, location and conditions pertinent to the project, and time allowed for completion of the assignment.

04. NUMBER OF APPRAISALS--At least one appraisal shall be prepared on each individual property involving a permanent acquisition where the estimated compensation exceeds \$2,500, exclusive of the \$5.00 per foot legislated payment for additional residential driveway length, growing crops, and right of way fence. Two real estate or fixture and equipment appraisals may be obtained, prior to negotiation when a significant acquisition is involved, when there is reasonable doubt as to the highest and best use, when the property improvements are complex or unusual, or when it is in the best public interest. Additional

appraisals may be obtained in special or unusual circumstances with the approval of the Chief Appraiser.

05. ASSIGNMENT AND SELECTION OF APPRAISERS--The Chief Appraiser and/or Appraisal Production Manager shall, based upon the preliminary project inspection, determine whether individual parcels are to be appraised by staff appraisers or contract appraisers. Contract appraisers are to be used to supplement the appraisal staff when the workload is too great for section staffing, when the assignment requires special knowledge or experience not available in the staff, or when an outside opinion is advisable. Selection of contract appraisers is to be based on qualifications, past performance and availability. When qualified staff appraisers are available, their use will be given preference, unless other factors are overriding.

Where more than one appraisal is desired on a parcel, the second appraisal may be obtained from either a staff or a contract appraiser. The Chief Appraiser and Appraisal Production Manager may coordinate appraisal assignments in any manner that is deemed appropriate, this may include all staff appraisers, all contract appraisers, or a mix of staff and contract appraisers on any given project or parcel.

06. CONTRACT APPRAISER HIRING AND PAYMENT--The Chief Appraiser may elect to use either direct hiring or competitive proposal for the hiring of contract appraisers and may assess penalties for late completion of contract assignments.

- (a) Direct Hiring - The Chief Appraiser may contract directly with a specific appraiser for the service, when only one or a very few properties on a project are to be appraised by a contract appraiser, or when the particular qualifications of a specific appraiser are desired, or when project time constraints require it, or when the performance capabilities of a new contract appraiser are to be tested, or in other situations where the Manager of Right of Way Operations grants approval.

For the purposes of bidding the assignment, the contract appraiser shall be supplied plats and plan sheets and shall be given time to visit the project to determine the complexity of the assignment. The appraiser's fee proposal shall be sent to the Chief Appraiser in writing.

Prior to receipt of the contract appraiser's fee proposal, a signed written fee estimate made by the Chief Appraiser, or another member of the appraisal section, shall be placed in the general file.

On receipt of the appraiser's proposal it will be compared with the fee estimate. If the Chief Appraiser believes the proposal and fee estimate are within an acceptable range, an appraisal contract will be processed at the amount of the proposal. If the proposal and fee estimate variance is unacceptable, the Chief Appraiser will review the fee estimate to determine whether it excessively or

inadequately addresses the work to be done. If the fee estimate is found to be in error it will be adjusted. If the fee estimate is affirmed, the Chief Appraiser will reject the proposal. The Chief Appraiser then may either request a new proposal from the contract appraiser, or may request another contract appraiser to submit a proposal.

- (b) Competitive Proposal - The Chief Appraiser will select contract appraisers through competitive proposals, except in those situations listed under paragraph (a.) above. The steps to be followed are as follows:
- (1) Determine the appraisal problem, the type of report needed, the level of appraisal expertise required, and the number of appraisals needed on each parcel.
 - (2) Consult with the Appraisal Production Manager and Review Appraisers to determine which fee appraisers are capable of performing the service. Considering the requirements, develop a list of appraisers to be invited to submit a fee proposal.
 - (3) Mail an invitation to the pre-qualified contract appraisers containing the following information: Description of the features of the properties to be appraised; description of the appraisal problems and any special instructions regarding the reports to be provided; specification of the types of reports required; specification of what type of information will be provided and what will be required from the appraiser, e.g., title search; property plats; right of way plans; etc. The invitation must state the date that the fee proposals are due and the expected completion date of all appraisal work. The selected appraisers shall, if they so desire, be given time to visit the project, to determine the complexity of the assignment.
 - (4) Receive "fee proposals" up to and including the specified due date. The amount of any proposal shall be kept confidential prior to the contract award. The appraiser shall be allowed to make corrections in submitted proposals prior to the due date and may be asked for clarifications prior to the contract award.
 - (5) Prepare and submit to the Manager of Right of Way Operations a listing of the fee proposals received, together with a request for concurrence in awarding the contract to the appraiser(s) who submitted the lowest proposal(s).
 - (6) After receiving the Manager of Right of Way Operations' concurrence, notify the successful appraiser(s) and mail them 3 copies of the pre-typed appraisal contract (Form 633-001) for signature. All 3 copies are to be returned to the Chief Appraiser for further processing.

- (7) Prepare "Staff Action" documents for Iowa DOT Key Staff approval of the appraisal contracts. After staff approval of the appraisal contracts, the Chief Appraiser shall sign, code, and program all copies, then present them to the Right of Way Director for final signature.

The original copy of the contract is to be retained in the Appraisal Section and a copy forwarded to the Fiscal and Title Section.

- (8) A copy of the approved contract is to be mailed to the Contract Appraiser, together with a letter giving instructions to proceed with the assignment. A copy of this letter is also to be delivered to the Manager of Right of Way Operations, District Engineer, Resident Construction Engineer, and Office of Accounting. In those cases where a contract is not approved, no compensation will be paid the appraiser for any work already performed.
 - (9) Mail any supporting information such as plans, aerial photographs, etc. to the appraiser, which may be of assistance in the timely completion of the assignment.
 - (10) Mail a letter to all unsuccessful invitees notifying them of the results, including to whom the contract was awarded.
- (c) Payment of Contract Appraiser Fees--All requests for payment of contract appraiser's fees shall be submitted on the appraiser's normal billing form. Payment of the claims must be approved by the Chief Appraiser prior to processing for payment.
 - (d) Late Penalties--If any appraisal report is received by the Iowa Department of Transportation after the specified due date, a late penalty of 2 1/2% per working day will be assessed and deducted from the appraiser's fee as contracted for that property and, the appraiser agrees that the net payment constitutes full payment for services rendered. However, a grace period of 5 working days after the due date will be applied and the late penalty excused on any appraisal report received within that period but, if any appraisal is report received on or after the 6th working day then the full penalty, computed from the original due date, will be deducted from the appraisal fee prior to payment. Working days are defined as those days that the Iowa Department of Transportation offices are open for business.

Delays caused by the property owner, Iowa DOT revisions or interruptions, or other special circumstances may be cause to adjust the original due date for the assignment. Any adjustments in the contracted due date shall be made in writing by the Chief Appraiser.

- (a) Cost of installing fence with 38 inch woven wire plus three strands of barbed wire.
- (b) Extra costs for corners in case (a).
- (c) Cost of installing fence with four strands of barbed wire.
- (d) Extra costs for corners in case (c).

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
POLICY & PROCEDURES
MANUAL

SECTION 5333 APPRAISAL

SUBJECT: APPRAISAL CONTENT
REQUIREMENTS

REVISED 9-93 EFFECTIVE 9-93

B.02.c. APPRAISAL CONTENT REQUIREMENTS

01. INFORMATION FURNISHED TO APPRAISER--The appraiser will be provided a parcel file and other assistance consisting of the following:
- (a) Plat of Property which is a drawing of the entire ownership showing locations of major buildings and the proposed acquisition. (Not to be confused with a land surveyor's acquisition plat.)
 - (b) Summary of Proposed Acquisition which is a listing of the various property rights that will be acquired, the areas of the property before and after the acquisition and the areas of the various takings.
 - (c) Report of Record Ownership and Liens prepared by a local abstractor, if available.
 - (d) Right of way plans, on partial acquisitions, showing the details of the proposed acquisition from each property to be appraised, also showing property ownership lines and existing right of way lines.
 - (e) Required forms will be furnished to contract appraisers along with any other optional agency developed forms that the appraiser may use.
 - (f) Staking of Proposed Acquisition Upon request from the appraiser, the Department will arrange to have the proposed acquisition lines staked on the ground. This will be done when it is necessary to assist the Appraiser to determine the extent of the acquisition. Staking requests from property owners should be made through the Manager of Right of Way Operations or the Chief Acquisition Agent.
 - (g) Legal assistance regarding the appraisal problem will be furnished to the Appraiser when necessary.
02. APPRAISAL REPORT FORMATS--The format and level of documentation for an appraisal depends on the complexity of the appraisal problem. There are three appraisal report formats and one compensation estimate format that will satisfy Department standards. The appraiser is expected to use the most appropriate format. The format to be used may, in some instances, be

specified in the appraisal assignment. On each of the following formats the Appraiser shall offer the property owner, or their designated representative, a reasonable opportunity to be present during the inspection of the property. All appraisals are prepared in conformity with the "Uniform Standards of Professional Appraisal Practice" as promulgated by the Appraisal Foundation, except as they may conflict with state and federal requirements for eminent domain. The accepted formats are:

- (a) DETAILED APPRAISAL REPORT--Detailed Appraisal Reports are used on either total or partial acquisitions of properties when the less detailed formats which follow are not applicable. They shall include all applicable approaches to value. The reasons for omitting any traditional approach to value should be clearly stated in the report.

The Appraiser may be instructed to limit the appraisal analysis to a specific valuation approach or approaches. This may be done when inclusion of additional approaches to value would not significantly add to the reliability and support of the final value estimates, or when recommended by legal counsel or the Chief Appraiser.

A "Donation", Form 633-220, together with an "Appraisal Record of Contacts", Form 634-052, must be completed for each appraisal parcel.

- (b) VALUE FINDING APPRAISAL REPORT - No before and after value. This format incorporates the former "Narrative Severance" format - This report format is to be used for simple total or partial acquisitions when damages to the remainder are non-existent or are relatively minor, are easily measured or explained, or are measurable by cost-to-cure.

An example of a "simple total" acquisition would be a small commercial or industrial building in a large urban area where there are many sales of comparable commercial or industrial buildings. It is highly unlikely that any total acquisition in a rural or small urban area would be a "simple" acquisition due to there generally being a very limited number of comparable sales. An example of a "simple partial" acquisition would be a strip acquisition from a large property, which does not at any place come close enough to any improvements to cause possible proximity damages. Any partial acquisition which necessitates reconfiguration of improvements or which damages improvements could not be appraised using this format. Any partial acquisition which changes the highest and best use of the remaining property also could not be appraised using this format.

There is no limit to the total value of land and damages when using this format. The use of the format is limited only by the complexity of the acquisition or of the property being appraised. This type of report does not express before and after values, but only indicates the

compensation due the property owner and/or lessee. The value of land and/or improvements acquired must be supported by applicable data. Any large cost-to-cure items must also be appropriately supported.

A brief narrative discussion must be included covering the overall property, the acquisition, and the acquisition's effect on the remainder. The extent of documentation is to be commensurate with the significance of the appraisal problem, and the values involved. In the event of condemnation, the appraiser may be requested to provide before and after values for the property.

The standard three approaches to value as discussed in B.02.C.04. (b) (9) through (11) will be considered, but in most cases a Market Approach only will be requested. Appraisal management or Agency management may determine that the value determination may be based on any of the following specified examples. They are presented in descending order of acceptability.

(1) The identification and analysis as necessary of two or more specific sales of similar property in the general community. These sales must be identified in such a way that the property can be located by the reader.

(2) Reference to two or more specific sales and analysis as necessary or a value analysis found in a "Project Data Book" recently prepared on any project in the general community. If a data book is used on a project different from subject, the project number must be listed.

(3) A listing of a similar property, provided that adjustments are analyzed to estimate a current cash sale price. These may be supported by a percentage adjustment from a past history of sales versus listing. An appraiser may interview local real estate brokers, bankers, etc. to ascertain listing adjustments. Names of the persons interviewed and the city in which they are located must be reported.

All items of acquisition are to be listed on Form 633-201, even those for which the compensation value is zero. Access control, when acquired, should be listed as "Access Rights" under "Damage to the remaining property" on this form.

A "Donation", Form 633-220, together with an "Appraisal Record of Contacts", Form 634-052, must be completed for each appraisal parcel.

- (c) RESIDENTIAL APPRAISAL REPORT--This is a four page form report which may be used for appraising residential properties when a "Total Acquisition" is involved, or when a "before value" must be developed for a partial acquisition. The Department's Residential Appraisal Report consists of Form 633-401. All or part of this form

may be used to value the residential portion, as defined, of a multi-use property and incorporated in the larger report covering the entire property.

The residential appraisal format normally used by a contract appraiser may be provided in lieu of the Form 633-401 however, Forms 633-204 and 633-205 would need to be completed and attached.

A "Donation", Form 633-220 together with an "Appraisal Record of Contacts", Form 634-052, must be completed for each appraisal parcel.

03. COMPENSATION ESTIMATE--The compensation estimate is not an appraisal. It is a one page estimate, which uses Form 633-402 in minor, uncomplicated acquisitions where compensation to the property owner does not exceed \$2,500, exclusive of payments for the cost of tillage, fertilizer, growing crops, agricultural right of way fence, and legislated \$5/lineal foot of lengthened residential driveway. The estimator need not offer the property owner, or the owner's representative an opportunity to be present during the property inspection. A "Donation", Form 633-220 must be completed for all Compensation Estimate acquisitions.

All items of acquisition are to be listed on Form 633-402 including those for which compensation is zero. Access control, when being acquired, should be listed as "Access Rights" under "Damage to the remaining property."

Land value estimates will be maintained on a separate sheet attached to the Records Center file copy of the Form 633-402.

The basis for land value estimates shall be any one of the following in descending order of acceptability.

(1) Identification of at least one specific sale of a similar property in the general community. This sale must be identified so that the property can be located by the reader. Sales price per comparable unit must also be stated.

(2) Reference to at least one specific sale or a value analysis indicated in a "Project Data Book" recently prepared on any project in the general community. If a data book is used on a project different from the subject, that project number must be listed.

(3) A listing of a similar property, provided that adjustments are analyzed to estimate a current cash sale price. These may be supported by a percentage adjustment from a past history of sales versus listing. An appraiser may interview local real estate brokers, bankers, etc. to ascertain listing adjustments. Names of the persons interviewed and the city in which they are located must be reported.

The estimator will normally acquire necessary right of way upon completion of this estimate. However, an administrative

approval must be obtained before the "Offer to Purchase" is extended to the property owner. This administrative approval must be provided by someone other than the person preparing the compensation estimate.

Administrative approval may be granted by the Chief Acquisition Agent, Acquisition Production Supervisor, Review Appraiser, Appraisal Production Manager, or the Chief Appraiser. Their responsibilities in this capacity are to prevent gross inconsistency on a project and insure that there has been an adequate investigation of the local market to support the estimate.

A log of approved compensation estimates shall be maintained by each approval authority.

No acquisition offer will be proposed until the compensation estimate has been reviewed and approved. The review and approval may be accomplished by telephone.

When a review and approval are accomplished, either by telephone or in person, such action shall be recorded in both the parcel file and the approval authority's log.

An "Appraisal Record of Contacts", Form 634-052, must be completed for each Compensation Estimate.

04. DATA REQUIRED IN APPRAISAL REPORT OR PROJECT DATA BOOK

(a) ALL APPRAISAL REPORTS

- (1) Form 633-101--"Appraisal", furnished by the Department, must be included in each Detailed appraisal report. An additional unbound copy must also be provided.

In those instances where the assignment was to appraise a "Partial Acquisition", and the acquisition results in either a "change in highest and best use" away from its existing use, or where the "estimate of just compensation" approaches or exceeds half of the before value, the appraiser is to provide a Form 101 for each of the "Partial Acquisition" and "Total Acquisition" situations. In this situation, the Department's initial "offer to purchase" may be made on either premise.

OR

Form 633-201--"Appraisal", furnished by the Department, is intended for use in all "Value Finding" appraisals.

OR

Form 633-401--"Residential Appraisal", furnished by the Department, is intended for use in the appraisal of single family residences where a total acquisition or before value is required.

- (2) Form 633-102--"Allocation of Just Compensation", furnished by the Department, must be completed and included in all appraisal reports where a partial acquisition is involved, except when a Value Finding format is used. The total estimate of just compensation shown on this form must be the same as that shown on Form 633-101 or 401.

When acquiring a residence, the house, attached garage, septic system and well should be listed together under "Buildings to be Acquired".

- (3) Form 633-204--"Certificate of Appraiser", furnished by the Department, or its equivalent, is required on all appraisal reports except those prepared on Form 633-401.
- (4) Form 633-205--furnished by the Department, or its equivalent, is required in all appraisal reports, except those using Form 633-401. It includes "Purpose of the Appraisal", "Definition of Market Value", "Definition of Highest and Best Use", "Hazardous Substance Contamination", "Five Year Delineation of Title", "Leases", and "Date of Inspection and Invitation".
- (5) If the subject property has sold during the last five year period, the appraiser must use it as a comparable sale in the Market Approach, or explain the reason for the omission.
- (6) Statement of contingent and limiting conditions, if any.
- (7) Identified photographs of the subject property including principal above ground improvements, or unusual features, affecting the value of the property to be acquired or damaged. Photographs of improvements and land within a partial acquisition area are required. Original photographs should be included in the permanent file copy.
- (8) Sales Data Sheets, containing the following information, are required as part of all appraisal report formats except the Value Finding Report: sale number; grantor and grantee; type of instrument and date; date of transaction if significantly different from instrument date; book and page of record (if not recorded so state); sale price confirmed by a party to the transaction; name of confirming individual; conditions of sale and financing; simplified legal description; description of land and improvements; neighborhood or location factors; zoning; date of inspection; location; street address or directions; photographs of improvements and any special features; rental and expense information; cash equivalency

calculations; and any other pertinent information or calculations.

CASH EQUIVALENCY - All sales must be reduced to their cash equivalent values. When a cash equivalency adjustment is required, the calculations or logic must be shown on either the sale data sheet, or in the appraisal report.

CONFIRMING AND INSPECTING SALES--Any sale that is used as a primary comparable in an appraisal report must be both confirmed and physically inspected by the appraiser. It is not necessary to confirm or inspect sales that the appraiser is not using as primary comparables, unless the information gained could reasonably be expected to have a significant impact on the value conclusion. The appraiser will only rely on confirmations from parties that were directly involved in the sale, such as the grantor, grantee, or broker. Confirmation gained from persons not directly involved is unacceptable, unless the appraiser explains any special circumstances involved. When unusual conditions or questionable values are discovered, it is recommended that the appraiser interview more than one of the parties involved in the transaction to insure reliability of the data.

When two or more appraisers are working on a project, both preparing appraisals on the same parcels, it is acceptable for them to exchange factual data and to jointly confirm and inspect the sales; however, these cooperative activities are specifically limited to the gaining of factual data. Each appraiser must develop an independent analysis of the sales. Any exchange of opinion or analysis, regardless of form, is prohibited.

- (9) Location Maps should be provided showing sales locations relative to streets or major roadways. If a project data book is used, a single area map showing all of the sales is acceptable. Subject properties may also be located on the maps.
- (10) Form 633-220, "Donation", furnished by the Department is to be included along with all appraisal reports. See B.02.d.02(o).
- (11) Form 634-052, "Appraisal Record of Contacts", furnished by the Department is to be included along with all appraisals. It is not a part of an appraisal. Its provisions are not subject to the Appraisal Standards of Iowa Code chapter 543D. This is an internal working document and should not be subject to disclosure, as might be an appraisal, in the event that the property is acquired through eminent domain.

The purpose of the form is to record any information found by the appraiser which is different from or in addition to that which was provided as a part of the appraisal assignment. Any information which might be helpful to those who will be subsequently working with the property owner or tenants should be provided. Examples of such information are as follows.

- a. Directions to the location of an owner or tenant's property if that property is not easily located from information in the parcel file. Also, place of employment, work hours, and work phone number of the owner or tenant if that is where the individual might best be contacted.
- b. Information regarding any unusual or unique characteristics of the property which might have been noted during the site visit but which were not discussed within the body of the appraisal.
- c. Information on any foreign language needs, hearing or vision difficulties, or any other special needs of an owner or tenant which will need to be addressed by subsequent visitors.
- d. Information for the safety and well being of subsequent site visitors such as the presence of an unfriendly animal.

This list is far from exhaustive. It is incumbent upon the appraiser to record for the benefit of those who follow any information which might be helpful in the process of acquiring the necessary rights-of-way.

The form "Appraisal Record of Contacts" must be placed behind the "APPRAISAL SECTION" Parcel File Check Sheet and then submitted to Central Files by the Review Appraiser. A copy of this form should be inserted in the brown or field file.

- (b) THE DETAILED NARRATIVE APPRAISAL REPORT--In addition to the applicable forms and inclusions mentioned in (a) above, the following information and analysis appropriate to the type of property under appraisal must be included in a Detailed Narrative Appraisal Report, unless specific instructions to the contrary have been given.

- (1) Identification and Legal Description of the Property Appraised

This description provides an unqualified identification of the property being described, in such a manner as to prohibit its confusion with any other property. This is important because it

provides unequivocal identification of the property being appraised.

Real estate may be identified in the following ways:

- a. Street or Rural Address--This is easy to obtain, but least satisfactory because it is least precise. However, it can be useful in a community where a formal and official street numbering system has been established. Where available, the street or rural address should be given.
- b. Government Survey--A ground survey authorized by the Continental Congress in 1785 and by subsequent Congressional acts, encountered in Florida, Alabama, Mississippi and all States (except Texas) north of the Ohio and west of the Mississippi Rivers. The land is divided into townships approximately six miles square, each township normally containing thirty-six sections and each section normally containing 640 acres. This is the most typical rural legal description in Iowa.
- c. Map and Lot Number--This is legally or technically precise, but is often difficult to translate to clear identification in the field, especially in undeveloped or rural areas. It is based on recorded Subdivision Plats. This is the most typical urban legal description in Iowa.
- d. Monuments--This is a legal description by reference to natural or manmade objects. If the monuments are permanently fixed and unequivocally identifiable, description by monuments is satisfactory. It is found in some Iowa rural areas.
- e. Metes and Bounds--A description of a parcel of land by reference to the courses (the angles east or west of due north or due south) and distances (usually in feet or chains) of each straight line which forms its boundary, with one of the corners tied to an established point, such as a section corner, or the intersection of the center lines of two roads, etc. In Iowa it is normally used in conjunction with a government survey or map or lot number description.
- f. Land Grant Description--A description of land resulting from French or Spanish land grants. These areas are exempted from the Governmental Survey and exhibit descriptions similar to (d) and (e) above. A few areas of this type can be found in Iowa.

- g. Recorded Plat--A description of a parcel of land by reference to a survey plat which has been filled in the office of the County Recorder.

Non real estate property may be identified in the following ways:

- a. Personal Property--Personal properties may be identified in a number of ways, relative to the property category. Applicable factors include: function, manufacturing materials, condition, restoration record, quality, dimensions, etc. Ownership of the items should be noted.
- b. Machinery and Equipment--The identification criteria involved in M/E appraisals include:
 - (1) Machine Unit Data: manufacturer's name, location, specifications; serial and model numbers; size or capacity; machine name; standard or auxiliary attachments; drive arrangement type; etc.
 - (2) Prime Mover Data: electric, hydraulic, pneumatic, steam, etc.
 - (3) Installation Data: controls, millwright work, foundations, etc.
 - (4) Owner's Identification or inventory number.
 - (5) Record Data: physical, functional, economic.
 - (6) Ownership.
- (2) Date of Value Estimate--the date at which the value estimate applies.

Value is always estimated as of a given date. The date of the value estimate specifies the market and environmental conditions under which the analysis is made.

- a. Most frequently, for purposes of appraisal, the date of inspection, is used as the valuation date, though often it may be fixed at some prior time or at some future time. Appraisals for condemnation appeal shall be as of the date of the condemnation hearing. The Appraiser is responsible for valuing a property in its actual condition as of the stated date of valuation.
- b. All value estimates are affected by existing market conditions regardless of the nature of the value being estimated. Market Value is a direct function of the forces of supply and demand

prevailing on the market at the time of the appraisal.

- c. If the appraisal preparation date and the valuation date are substantially different, both dates should be clearly stated.

(3) Description of the "Community and Neighborhood".

A description of the physical, amenity, and economic factors of the community and neighborhood must be included. The description should concentrate upon those factors which have an affect upon the current market value of the property or properties being appraised. An analysis of how and why these factors are affecting value should be included.

(4) Description of the Characteristics of the Property Being Appraised.

- a. Physical description of the tract including, but not limited to: Size, shape, topography, drainage, agricultural suitability, soil characteristics, and accessibility.
- b. Physical description of the improvements, including, but not limited to: type of improvement, use or occupancy, size, shape, style, construction materials, finish materials, quality, condition, obsolescence and adequacy factors, location on the tract and, if appropriate, the recent rental history.
- c. A careful detailed and accurate description of all property attributes is necessary. Items of depreciation or obsolescence should be detailed. All items of importance in the valuation sections should be introduced and discussed.
- d. All buildings, structures and other site improvements must be identified and described, even though they may not significantly contribute to the value of the property.
- e. All fixtures and personal property included in the valuation must be listed and described in such a manner as to facilitate their identification by others.

(5) Discussion of Existing Limitations to Fee Ownership.

- a. Zoning restrictions.
- b. Existing easements, both recorded and obvious adverse possessions.

c. Leases and tenants. Terms for both written and verbal tenancies should be noted. Copies of written leases should be included.

d. Lack of other ownership rights such as mineral rights or the right to conduct certain types of business, etc.

(6) Possible Health Hazard Alert--A positive statement as to knowledge, suspicion, or presumed existence of: ground water contamination, petroleum storage tanks, chemical storage or other possible contaminants in or on the property, or, a positive statement that the property appears to be uncontaminated, is required. See also B.02.d.02(u).

(7) An Analysis and Statement of the Highest and Best Use of the Property Appraised, Both if Vacant and as Improved.

HIGHEST AND BEST USE--The utilization of a property to its best and most profitable use. It is that use, chosen from among the reasonably probable and financially feasible alternative uses which is found to be physically practical, legally acceptable, and which results in the highest present value, as defined, as of the effective date of the appraisal.

It is recognized that, in cases where a site has existing improvements on it, the highest and best use, if vacant, may be different from the existing use. The existing use will continue unless and until the value of the land in its highest and best use exceeds the total value of the improved property in its existing use.

In appraisal practice, the concept of Highest and Best Use represents the foundation upon which value is based. No valuation may proceed without this determination, as the appraiser would not know what data to use for comparative analysis.

(8) A Statement as to the Property Rights Being Appraised.

Property rights to be appraised for eminent domain purposes usually are of the following types:

a. Fee Simple--An absolute fee; a fee without restrictions or limitations to any particular class of heirs, but subject to the limitations of eminent domain, escheat, police power and taxation.

b. Leased Fee--A property held in fee with the right of use and occupancy conveyed by lease to others. An ownership consisting of the right to receive

rentals over a period of time, plus the right of ultimate repossession at the termination of the lease.

- c. Leasehold--A property held under tenure of lease. The right of use and occupancy of real property by virtue of a lease agreement; the right of a lessee to use and enjoy real estate for a stated term and upon certain conditions, such as the payment of rent.
- d. Easement--An interest held by one person in the land of another, whereby the first person is accorded partial use of such land for a specific purpose. An easement restricts the rights of the fee owner in the use and enjoyment of those rights extended to the easement holder. Easements fall into three broad classifications: surface easements, subsurface easements and overhead or aviation easements.

(9) A Cost Approach and Analysis, if Applicable.

Definition: The Cost Approach is that approach in appraisal analysis which is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. In Eminent Domain appraisal the "Cost Approach to Value" is considered valid in only three situations:

- a. When the improvements are nearly new, and functional.
- b. When the property has a "special purpose" use, and is of a type seldom sold in the open market.
- c. When the proposed acquisition includes or affects only part of the improvements on a property.

The cost approach to value is not needed in any other situation. When the appraiser furnishes a cost approach, the approach must meet the following preparation and documentation standards.

- a. Land Value - The estimate of land value is to be developed from comparable sales as outlined in the Market Approach to Value. The land value must be estimated on the basis of what would be the tract's highest and best use if it was unimproved and ready for development.
- b. Cost New Estimate - The appraiser may arrive at a cost new estimate for each improvement on the property basing computations on updated actual cost, cost of similar new construction, computerized cost services, published cost manuals, or contractor's estimates. The source

and development of that data must be documented in a manner that allows the review appraiser to confirm and check the computations.

c. Accrued Depreciation - Four methods of measuring accrued depreciation are acceptable.

(1) Breakdown - When used, this method is to be applied using generally accepted methodology to produce estimates on physical deterioration, functional obsolescence and economic or external obsolescence.

(2) Market Analysis - When using this method, the appraiser must show the following: the development and documentation of land value from comparable sales and its deduction from total sale price to ascertain the contribution value of improvements; cost new estimates of improvements on those comparable sales; the comparison of contribution value and cost new to establish the percentage of accrued depreciation on the sale improvements. To be valid the comparables should be relatively similar to the subject in age, construction, function and size.

(3) Commercial Cost Service - If the cost new estimate is developed by such a service, the appraiser may also use that system's estimate of depreciation, furnishing a copy of the computation or computer output as a part of the appraisal report. The Appraiser should ascertain whether economic obsolescence, as included in the system, is relevant to the community.

(4) Economic Age-Life - When using this method, the appraiser must adequately explain and justify the estimates of effective age and anticipated economic life.

d. Value Indication - The final value indication by the cost approach represents the total of the market value of the land plus the depreciated cost of all improvements. It must be clearly stated at the conclusion of the approach.

(10) An Income Approach and Analysis, if Applicable.

Definition: The Income Approach is that procedure in appraisal analysis which converts anticipated benefits (monetary income or amenities) to be derived from the ownership of property, into a value estimate. The income approach is widely applied in appraising income producing properties. Anticipated

future income and/or reversions are discounted to a present worth value through the capitalization process.

- a. The appraiser shall collect, inspect, verify, analyze, and reconcile such comparable income data as are available to indicate an appropriate estimate of the gross income of the property being appraised.
- b. The appraiser shall collect, verify, analyze, and reconcile such data on comparable operating expenses as are available to support an estimate of all operating expenses pertinent to the property being appraised.
- c. The appraiser shall collect, verify, analyze, and reconcile such data as are available to support an appropriate capitalization rate or rates to be applied to the estimated net operating income.
- d. The method, process, and technique of capitalization used shall be appropriate to the type and characteristics of the property being appraised.
- e. A final value indicating by the income Approach shall be reached and clearly stated at the conclusion of the approach.

(11) A Market Approach and Analysis, if Applicable.

Definition: The Market Approach to Value is a direct sales comparison and analysis. The Market Approach in appraisal analysis is based on the proposition that an informed purchaser would pay no more for a property than the cost of acquiring an alternate property with similar utility. This is the approach to value normally relied upon in Eminent Domain appraisal valuations.

- a. The appraiser shall collect, inspect, verify, analyze, and reconcile such comparable sales information as is available to produce a value conclusion. The comparable sales data must be contained in the appraisal report.

Sales of properties under threat of condemnation may not be used. Sales in areas showing value effects from the highway project under appraisal may not be used.

- b. The appraiser must analyze available market information and explain how that data related to the subject property. The means for expressing that analysis covers a broad spectrum of

qualified skill depending on the property and market being analyzed.

The appraiser needs to present available market information and supply comparative adjustments, using quantitative and/or qualitative techniques, between that information and the subject property to arrive at a final indication of market value. Quantitative techniques include paired data analysis, statistical analysis, graphic analysis, trend analysis, cost related analysis and secondary analysis. Qualitative techniques include relative comparison analysis, ranking analysis, and personal interviews.

In any case, the appraiser must clearly and accurately present these analyses, opinions, and conclusions in sufficient depth and detail to convince a reader of the report that they are appropriate and reasonable.

(12) Final Value Conclusion.

- a. The evaluation and reconciliation of the value indications previously reached from the approaches to value to arrive at a final estimate of value. Appraisers are to reconcile the facts, trends, and observations developed in their analyses and review their conclusions and the validity and reliability of those conclusions. The relative significance, applicability, and defensibility of each indication of value is weighed and analyzed, placing greatest reliance on the ones which are the most authoritative in indicating the value of the property or rights under appraisal.
- b. The Final Value Estimate is that value which most nearly represents what the typical informed rational purchaser would pay for the subject property if it were available for sale on the open market as of the date of the appraisal, given the data developed in the analysis.

(13) Signature by the Responsible Appraisers

All appraisers making a significant contribution to the valuation process must sign the report and all required certifications.

Fixture and equipment appraisers who have provided appraisals of personalty under their own signature are required to sign and include certificates only as to those conclusions, even though they may be incorporated into the larger report by the real estate appraiser.

(14) Supportive Material.

The appraisal should include any supportive material which the appraiser believes would assist in explaining or justifying the observations and conclusions. This material may consist of: maps, charts, plans, photographs, cost estimates, sketches, hazardous material inspection reports, traffic count charts, community ordinances, sale contracts, offers to purchase, leases, etc.

(15) Division of Interests.

- a. The appraisal shall contain an investigation of possible leasehold interest when a lease is found. If a leasehold interest exists, the appraiser must analyze and develop a suggested division of interests. The final value report on forms 633-101, 633-201 or 633-401 shall include both fee and leasehold interests, undivided, with all parties of interest named. The suggested division of interests shall be developed and reported separately within the appraisal report.
- b. Tenant owned structures and fixtures shall be noted and an allocation of value set out for them. If both landlord and tenant have signed an agreement denoting tenant owned fixtures and equipment, the appraiser shall develop and report the division of interest in accord with that agreement. See also "Tenant Owned Improvement Appraisal" B.02.c.03.(i) on page 32.

(c) APPRAISAL OF MAJOR PARTIAL ACQUISITIONS -- Where a substantial portion of a property is to be acquired, a "Before Value" and "After Value" appraisal report is required. Elements of this type of report are as follows:

- (1) All of the appropriate forms and inclusions noted in (a) above.
- (2) A valuation of the entire property as in (b) above, as it exists prior to the proposed acquisition.
- (3) A discussion of the real property, personal property and/or rights to be acquired.
- (4) A discussion of the physical and functional effects of the loss of those items noted in (3) above.
- (5) A reiteration of the property description, in abbreviated form, as it exists after the removal of the acquisition. Where no changes have occurred, reference may be made to earlier descriptions.
- (6) An analysis of Highest and Best Use of the property after the acquisition. Both an analysis of the land

as if vacant and an analysis of the property as improved is required.

- (7) A valuation of the property as it exists after the acquisition, normally utilizing the same valuation approaches as developed in the before acquisition analysis. A complete analysis must be shown. It is unacceptable to simply value the part taken and subtract the result from the before value to produce an after value. Use of Costs to Cure, where such costs are less than the reduction in value if not cured, is acceptable. Such costs should be based upon documented estimates.
- (8) A statement as to the conclusions reached. (See (b)(12) above)

IT IS NOT ACCEPTABLE TO PRODUCE THE AFTER ACQUISITION VALUE BY SUBTRACTING THE ESTIMATED VALUE OF THE ACQUISITION AND DAMAGES FROM THE BEFORE ACQUISITION VALUE CONCLUSION.

- (d) THE VALUE FINDING APPRAISAL REPORT -- The basic elements of this type of report are as follows:
 - (1) All of the appropriate forms and inclusions noted in (a) above.
 - (2) A brief community and neighborhood discussion, unless contained in a Project Data Book.
 - (3) A brief discussion of the subject, its use and type of improvements. The description detail should be commensurate with its importance to the damage analysis.
 - (4) A brief discussion and conclusion of the Highest and Best Use of the property, both as if vacant and as improved.
 - (5) An explanation of the acquisition.
 - (6) A discussion of the land, improvements and rights to be acquired.
 - (7) The data and analysis, or reference to the same in a Project Data Book, to explain, substantiate, and thereby document the estimate of Just Compensation. The extent of this data should be commensurate with the appraisal problem.

Land Value - The estimate of land value is to be developed from comparable sales as discussed in the Market Approach to Value.

- (8) A summary of the conclusions reached.
 - (9) Signature by the responsible appraisers.
 - (10) Supportive material.
- (e) THE RESIDENTIAL APPRAISAL REPORT -- See B.02.c.02.(c). The basic requirements of this type of report are as follows:
- (1) Form 633-401 Residential Appraisal Report.
 - (2) Sales data sheets, 03.(a)(8) above; sales location maps; and exterior photographs of the major improvements.
 - (3) A sketch of the first floor perimeter of the house, with dimensions.
 - (4) Interior photographs may be included, but are not required.
 - (5) If specific or unique features affect the value of the property, then the appraiser should describe and furnish photographs of those features. Other material which the appraiser feels is necessary to support or develop the valuation of the property. These may include: floorplans, plats, additional commentary, additional adjustment documentation, flood hazard maps, etc.

(f) ADVERTISING DEVICE APPRAISAL

The Appraiser shall identify all advertising devices located within the proposed acquisition area. During inspection, ownership of these advertising devices will be determined. A copy of the lease or lease terms will be secured when applicable.

In most instances, advertising devices will be considered as personal property and will be moved, or acquired, by the Relocation Assistance Section of the Right of Way Office.

*Need for an Appraisal of advertising devices will be rare. Exceptions will be considered on an individual basis. When the appraiser determines that a compensable leasehold interest exists, that may be affected by the proposed acquisition, compensation will be appraised accordingly. See (g) LEASEHOLD APPRAISAL and (h) TENANT OWNED IMPROVEMENT APPRAISAL immediately following.

(g) LEASEHOLD APPRAISAL

In those cases where the property to be acquired is subject to a written or verbal lease, except month to month tenancies, the appraiser must describe and analyze the lease. In those cases where the analysis shows that a

leasehold exists, the appraiser must include the tenant's name and address along with the fee holder's name and address on Forms 633-101, 633-201 or 633-401 and, on a separate page, include a suggested allocation of interests in the before and after acquisition values of the property and the difference conclusion.

Month to month rents and annual farm leases are not to be appraised unless other instructions are given on a specific property. All other leasehold interests, including written options to renew, shall be explained and valued. Copies of all leases are to be included in the appraisal report. If both owner and tenant agree to the presence and terms of an oral lease, that lease is assumed to be valid, but limited to one year duration.

The value of the lessor's and lessee's interests shall be appraised as a part of the whole property with the final conclusion of value including both interests. However, the appraiser is to show an allocation of the lessor's and lessee's interests within the body of the appraisal report.

If a leasehold is found, and is affected by the right of way acquisition, the tenant is entitled to a reasonable opportunity to accompany the appraiser during an inspection of the property.

(h) TENANT OWNED IMPROVEMENT APPRAISAL

When appraising any interest in real property, the appraiser shall appraise at least an equal interest in all buildings, structures, or other improvements located upon the real property to be acquired, which is to be removed or which it is determined will be adversely affected by the highway or transportation project. This shall include any improvement of a tenant-owner who has the right or obligation to remove the improvement at the expiration of the lease term.

Any building, structure, or other improvement, which would be considered to be real property if owned by the owner of the real property on which it is located, shall be considered to be real property for purposes of appraisal analysis of tenant owned improvements.

Compensation for a tenant-owned improvement is the amount which the improvement contributes to the fair market value of the whole property or its salvage value, whichever is greater.

In the case where tenant owned improvements are involved, the appraiser shall secure both the owner's and tenant's signatures on a written agreement listing the items owned by the tenant. A copy of that agreement must be included in the appraisal report. A blank agreement form will be furnished by the Chief Appraiser upon request. The

appraiser shall then appraise the separately held interests of the owner and tenant based on that agreement and furnish separate Form 633-101, 102, 204 and 205, for each interest. If the owner and/or tenant refuse to sign the agreement, the appraiser is to include the total value, without allocation, on Form 633-101, 633-201, or 633-401 listing both the owner's and tenant's names and address' on the form. If tenant ownership of improvements is found, the tenant is entitled to an offer to accompany the appraiser during an inspection of the property.

(i) FIXTURE AND EQUIPMENT APPRAISAL

(1) Small Quantities of Common Items--If the completion of an appraisal requires the valuation of small quantities of common items, the real estate appraiser may estimate their values based upon experience, observed condition or any other support which can readily be developed. The items shall be identified and described in the report.

(2) Large Numbers of Items and Speciality Items--An experienced appraiser of the appropriate type of fixture and equipment shall be retained when either the number of items are significant or the items would appear to have significant value.

(3) A Fixture and Equipment Appraisal shall consist of:

- a. Appraiser's Letter of Transmittal
- b. Form 633-204, "Certification of Appraiser".
- c. Form 633-205, or the following certification:
I personally inspected the Fixtures & Equipment on _____, 19__ , and interviewed

_____ who is the _____. I offered _____ an opportunity to accompany me on my inspection of this property and he _____ that invitation.

This invitation was extended by (personal contact, telephone or letter

_____ on _____, 19__ .

- d. An identified listing of the items appraised.
- e. A listing of replacement cost by items or groups of like items.
- f. A listing of value-in-place by item or groups of like items.
- g. A listing of salvage value by item or groups of like items.
- h. An identification of the sources of the cost data used, including publication titles, or individual's names and addresses.

(j) APPRAISAL OF EXCESS OR SURPLUS REAL ESTATE

- (1) Small Uneconomic Remnants--The market data for these small tracts may be obtained from the records of previous sales of comparable state owned tracts. The appraiser should consider the number of bordering owners that may be potential purchasers and the desirability of the excess tract as an addition to their present holdings. In those cases where demand by adjacent owners exists, the appraiser may consider the enhanced value which would result from a plottage addition to adjacent land.

This type of appraisal is usually submitted in the form of a memo addressed to the Property Management Supervisor. It is to include a brief narrative description of the subject tract and an estimate of its value. Specific supporting data is not needed unless it is readily available, or requested by Property Management. Conditions and restrictions attached to the sale of the property shall be considered, and noted in the memo.

- (2) Economic Tracts--If the excess tract has sufficient size, access or potential for use, open market comparable sales should be considered in addition to comparable state excess land sales for supporting the appraised value. Any conditions and restrictions attached to the sale of the subject property or the comparable sales shall be considered. The report should be in memo form and include market data adjusted to support the value conclusion.

(k) THE PROJECT DATA BOOK

In those cases where several properties are to be appraised in an area or on a project, the appraiser may utilize a project data book to hold commonly used data. When one is used, each appraisal report must contain a reference of inclusion tying it to the project data book. A project data book may be used for more than one project, if it is so noted on the cover. Items which may be contained in a project data book include, but are not limited to: Community and Neighborhood Descriptions; Project Description; Cost Data Information; Soils, Zoning and Flood Hazard Maps; Sales Data Sheets; Location Maps; Sales Analysis and Conclusions by type or class, e.g. by land quality and use as in farmland and development land or lots; Assumptions and Limiting Conditions; Definitions; and Appraiser Qualification Information. The "Project Data Book" is to have a title page identifying the county, project, purpose, and appraiser. It is to be signed and dated, but, additions may be made as future reports are developed and submitted on the project.

05. REVISING THE APPRAISAL REPORT

- (a) Minor Revisions--When the change causing a revision of an appraisal report is of a minor nature, the revision may be prepared by either the review appraiser or the appraiser.

When the Chief Appraiser designates the review appraiser to prepare the revision, it shall be prepared on Form 633-501. When assigned to the appraiser a completed Form 633-301 will be prepared. The revision should identify the project and parcel, give the date of the appraisal being revised and explain the revision and its effect. The supplement should also state the before and after value as revised, the date of revision and be signed by the appraiser. The review appraiser will attach this supplemental revision to the front of the original report. If before and after values have changed, or if individual damage items have changed, new Appraisal, Allocation and Certification forms will be submitted by the appraiser or review appraiser. The revision shall be prepared in duplicate and submitted to the Review Appraiser for review.

- (b) Major Revisions--When a change causing the revision is major, the appraiser will revise the original appraisal. The appraiser will submit new sheets for those parts of the original report that require a change. Revised sheets will include new Appraisal, Allocation and Certification forms. The review appraiser will insert revised sheets in the proper order in each copy of the previous report. If a revision requires reinspection of the property, the appraiser shall offer the owner an opportunity to accompany on the reinspection.
- (c) Voided original sheets may be discarded, when supporting information for the revision is contained elsewhere within the file.

06. UPDATING THE APPRAISAL REPORT

The Chief Appraiser or Manager of Right of Way Operations may determine that material changes in the character or conditions of a property, information received from its owner, community or neighborhood events, or a significant delay since the time of the appraisal of the property, warrant obtaining an update of the appraisal, or obtaining a new appraisal. If the new information, revised appraisal, or new appraisal indicates a change in the estimate of just compensation approved by the Review Appraiser is warranted, the Review Appraiser shall conduct a new review, producing a revised analysis and estimate of just compensation.

When the appraiser is requested by the Chief Appraiser to update an appraisal to reflect possible changes in value since the date of the original report, revised values are to be supported by appropriate data and analysis furnished as an addendum to the

original appraisal. Revised Appraisal, Allocation and Certification forms shall be prepared as necessary.

At the discretion of the Chief Appraiser, a review appraiser may be instructed to reexamine the appraised values. This report may be in the form of a memorandum addressed to the Chief Acquisition Agent indicating the updated values together with the data and analysis to support any changes. The memorandum must include a breakdown of the estimate of just compensation to show values for land, buildings, damage to the remainder, etc.

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
POLICY & PROCEDURES
MANUAL

SECTION 5333 APPRAISAL
SUBJECT DEFINITIONS, GUIDELINES &
REQUIREMENTS
REVISED 9-93 EFFECTIVE 9-93

B.02.d. DEFINITIONS, GUIDELINES & REQUIREMENTS

01. STANDARD DEFINITIONS

- (a) Appraisal--A written statement, independently and impartially prepared by a qualified appraiser, setting forth an opinion of defined value, of an adequately described property, as of a specific date, supported by the presentation and analysis of relevant market information.
- (b) Contributory Value--The contributory value of an improvement, fixture, tract of land or portion thereof is the amount by which the total value of a property is changed either due to its presence or its absence.
- (c) Eminent Domain--The Iowa Constitution in Article 1, Section 9 provides that "no person shall be deprived of life, liberty or property without due process of law". Article I, Section 18 further provides that "private property shall not be taken for public use without just compensation first being made, or secured to be made, to the owner thereof, as soon as the damages shall be assessed by a jury, who shall not take into consideration any advantages that may result to said owner on account of the improvement for which it is taken".
- (d) Equipment--Readily relocatable personal property not specifically designed or adapted to the function of the real estate. These items may be attached, but their removal would not impair the function or use of the realty.
- (e) Fixtures--Additions to the real estate by reason of their attachment and the specific purpose which they serve. Fixtures are usually permanently affixed to the building or land and contribute to the purpose or use of the basic realty.
- (f) Just Compensation--Iowa courts have translated the constitutional term "fair and just compensation" into a formula which defines it as the "measure of damage" to be used in determining the amount to be paid when private property is taken for public use. This is expressed in terms of market value and states that the measure of damage is the difference between the fair and reasonable market value of the whole tract immediately before taking

and the fair and reasonable market value of the remaining portion immediately after the taking, without consideration of any advantages that might accrue to the remainder from the proposed improvement. Likewise, in the case of whole takings of property, it is the fair and reasonable market value that is considered the basis for "just compensation".

(g) Market Value - Fair Market Value

STATE OF IOWA DEFINITION--The term fair and reasonable market value means the cash price which would be arrived at as between a voluntary seller willing but not compelled to sell and a voluntary purchaser willing but not compelled to buy, both of whom are acting freely, intelligently and at arm's length, bargaining in the open market for the sale and purchase of the real estate in question. Such term does not mean the value under peculiar circumstances where greater than its fair price could be obtained, nor does it mean the price which the property would bring at a forced sale. It does not mean what the property is worth to the plaintiff nor what the defendant can afford to pay, but what it is fairly worth in cash on the open market, as above stated. (Uniform Jury Instruction No. 14.4).

In short, the fair and reasonable market value of a property is to be considered in the same manner that a knowledgeable, voluntary buyer determines the fair and reasonable market value of a property -- what are its capabilities, what are its detriments, what is it fairly and reasonably worth in the market place? The jury and/or Compensation Commission is entitled to be informed of all the factors which (1) the willing seller would impress upon a willing buyer that tend to show value, and (2) the willing buyer would impress upon the willing seller that tend to show lack of value -- including sales of comparable properties and evidence of its highest and best use. (Uniform Jury Instruction No. 14.6 and annotated authorities). See also Bellew v. ISHC, 171 N.W.2d 284, 288, 289 (Iowa 1969) and In Re Primary Road No. 141, 124 N.W.2d 141, 147 (Iowa 1963).

The determination of "Market Value" may not consider or reflect any enhancement or diminution in value of the subject, caused by the building of the project which has prompted the taking. (No sales exhibiting these effects may be used as a comparable in arriving at the value of the subject property, either before or after the date of condemnation.) Uniform Jury instruction 14.3 and Socony Vacuum Oil Co. v. State of Iowa, 170 N.W.2d 378. (Iowa 1969).

(h) Salvage Value--The value inherent in fixtures and personal property to a purchaser who must remove them from the premises for transport to another location allowing a

reasonable period of time to find a purchaser with knowledge of the uses and purposes for which they are adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis.

- (i) Value in Place--The value inherent in fixtures and equipment from the fact of their installation and/or use within an operating facility. The value is based upon installed cost less depreciation. Installed cost includes the cost of the item plus the costs of any foundations, wiring, plumbing, permits, etc., necessary for the item to be in its existing operational condition.

02. APPRAISAL, GUIDELINES & REQUIREMENTS

- (a) Access--Access to an established roadway is considered a property right. Every property has the right to free and convenient access to the public road system. However, right of access associated with a property abutting a public roadway does not include the privilege of unrestricted entry at each and every point along the frontage. Through the exercise of police power, state and local governments are authorized to control access. Abutting owners are not entitled to compensation if their property retains or is provided with reasonable access compatible with its highest and best use.

Valid exercises of police power by a governmental authority and which do not entitle the abutting landowner to compensation for damages may include:

- (1) Insertion of median dividers separating lanes of travel.
- (2) Changing traffic from two-way to one way.
- (3) Increase or decrease in traffic volume, or a change in the nature of traffic on the roadway.
- (4) Limitations of size, weight, and class of vehicles authorized to use the roadways.
- (5) Limiting access to defined entrance locations.

A landowner is not entitled to damages for denial of access to a highway being constructed in a new location where a public road did not previously exist.

When a property presently has frontage on two or more roads and access is denied or substantially impaired on one of the roads, the availability of the alternate does not necessarily eliminate damages to the remainder.

Frontage roads present an additional access question. If direct access is impaired, the property may be damaged even though the frontage system is a substitute for the loss of direct access, although the frontage road may reduce or eliminate such damage.

Access is one of the areas in which there is a limited judicial record. Many areas are still subject to additional judicial review and ruling. Therefore, when a special problem is encountered, the appraiser is advised to consult with the Chief Appraiser.

It may be assumed that when frontage road right of way is purchased by either warranty deed or permanent easement, public maintenance will be provided. A frontage road or entrance constructed on a temporary easement will not have public maintenance.

Right of way plans on some highways will include predetermined access locations (PDA). Most PDA Accesses will be built during project construction. Construction of entrances at predetermined access locations which are not built until after project completion will be by the Department of Transportation. These unbuilt PDA entrances will be constructed in response to the property owner's request.

- (b) Adverse Possession--The taking of property rights through the legally prescribed process of "open and notorious occupancy". No private individuals may acquire property rights to government owned lands through adverse possession. Therefore, no compensation may be paid for the taking of private improvements located on public lands or the reclaiming of public lands from private occupancy.
- (c) Allocation of Just Compensation--Form 633-102. **Iowa Code section 6B.45** requires that the property owner be provided an "itemization of the appraised value of the real property or interest therein, any buildings thereon, all other improvements including fences, severance damages and loss of access". The appraiser is to allocate the estimate of just compensation, concluded in a before and after or a Value Finding appraisal report, into the categories noted on the form. The allocation is to be based upon the conclusions and opinions stated in the report. The Review Appraiser may adjust the appraiser's allocation when filling out form 633-103, based upon his/her own interpretation of the market data.
- (d) Appraisal Confidentiality Requirement--Except as required by due process of law or written consent, it shall be considered improper for the appraiser to disclose to the property owner or a third party any of the observations or conclusions reached during the completion of an appraisal assignment.
- (e) Appraisal Objectivity--The appraiser's duty in preparing an appraisal is to provide an unbiased opinion of the "fair market value" of a specified property and an estimate of "just compensation" for a proposed acquisition of or from it. The value conclusion is to be objective and unrelated to any perceived desires, wishes or needs of the Agency or property owner. The appraiser is neither to

withhold or to overemphasize any of the facts, data or opinions concerning the subject, or in any other particulars to become an advocate. It is the appraiser's obligation to present the data, analysis, and value conclusions without bias, regardless of their effect on any party to the action.

- (f) Approaches to Value--The appraisal report should include only those approaches to value that are pertinent to the property being appraised. Any approach to value that is not applicable to the solution of the appraisal problem may be omitted. When sufficient market sales data are available to support the fair market value for the appraisal problem, the appraiser should include only the market approach to value in the appraisal report. When appraising properties with older improvements, the cost approach to value should be omitted. When appraising properties that are not normally leased, the income approach to value should be omitted. The market data approach to value should be examined in all cases where market sales exist.
- (g) Assumptions and Limiting Conditions--The following is a partial list of assumptions and limiting conditions which are acceptable in appraisals for the Iowa Department of Transportation. Some of the assumptions may not be applicable to all appraisals. The appraiser may assume:
- (1) The Appraiser's "Project Data Book", on projects where one is prepared, is submitted as an integral part of each appraisal report on the project.
 - (2) Photographs contained in the individual appraisal reports were taken by the appraiser on the date the property was inspected. Any photo taken on a different date or by another person are appropriately labeled.
 - (3) The title to the property is good and merchantable, free and clear of all liens. There are no encumbrances other than those mentioned in the appraisal report.
 - (4) The plans, plats, legal descriptions and other data furnished by others are assumed to be correct and reliable, but the appraiser assumes no responsibility for their accuracy.
 - (5) Individual appraisals are made in accord with the Code of Iowa and do not reflect any benefits or diminution of value caused by the proposed improvement, and do not include noncompensable items of damage.
 - (6) Any temporary easement area acquired will be retained by the State until completion of the construction

project and will be returned in the condition indicated by the project plans.

- (7) The existing drainage will not be adversely affected by highway construction unless otherwise specified in the data furnished. Tile lines on the remaining property will function properly after highway construction is completed, unless otherwise noted.
 - (8) The property is appraised as though under responsible ownership and typical management.
 - (9) In those cases where the State does not erect a right of way fence, and fencing is needed, the property owner will be paid separately for the cost of fencing the new right of way line. The property owner has a right to pasture livestock adjacent to any State erected fence but must assume all responsibility for restraint of such livestock. Any project effect on fencing other than right of way fence or temporary fence will be considered in the individual appraisal reports.
 - (10) The property owner or lessee will be paid separately for loss, if any, of growing crops or completed field work.
 - (11) The Department of Transportation may use any or all of the contents of the appraisal reports only for its normal business functions.
- (h) Benefits Offsetting Damages--Iowa is one of only two states in which project benefits may not be used to offset either damages or land costs during eminent domain acquisition, the other is Oklahoma.
- (i) Benefits or Diminution of Value--Benefits may be defined as "A significant market advantage which has resulted, or which may result in the future, from the public improvement for which the land is sought to be acquired." Diminution in value may be defined as "A significant reduction in value resulting from anticipation of the impending project or any other public project".

No consideration may be given to the changes in value resulting from speculation based on knowledge of the project. This speculation may result in either an increase or decrease in property value. A highway project property appraisal must reflect the value the property would have had if the project did not exist.

The appraiser may consider comparable sales of properties located in the vicinity of the property being appraised. However, when the sale prices of these properties reflect significant enhancement or diminution of value caused by anticipation of the proposed project, the appraiser shall

reject the use of such sales and substitute sales in unaffected comparable locations.

- (j) Closing Costs--Costs associated with the closing of real estate transactions such as future abstracting, mortgage release, etc. shall not be considered in the appraisal. These are handled under separate payment during the negotiation process.
- (k) Contacts With Property Owner and Tenants--When preparing an appraisal, the appraiser must contact the property owner, or their designated representative, before making an on site physical inspection of the subject property. Permission to inspect the property must be requested and the owner or their designated representative must be invited to accompany the Appraiser on the property inspection. The appraiser is to interview that person in order to gain such information as is needed to properly complete the assignment.

Any questions the owner may present concerning the proposed acquisition are to be researched and answered if possible.

All contacts with the owner are to be in a helpful, non-argumentative manner. In the case of a leased property (except residences month to month and annual farm leaseholds) the appraiser should also interview the tenant and provide an opportunity to accompany on a property inspection. Copies of the property plat and summary of proposed acquisition may be presented to the owner and tenant.

- (l) Contacts With The Public--Appraisers are to promote good public relations for the agency through professional conduct and the exercise of discretion in their contacts with the public. Individuals should make no statements to the news media without administrative approval.
- (m) Cost to Cure--When appraising a partial acquisition where monetary damages, due to the acquisition, may be substantially reduced through some action on the part of the property owner, and the cost of that action is less than the damages would otherwise be, the appraiser is to consider "cost to cure", or the actual cost to solve the problem, in the report. The total of the cost to cure and damages as cured, must not exceed the total damages as if not cured. Significant costs to cure must be supported by written contractor's estimates, attached to the appraisal report or included in the "Project Data Book". "Cost to Cure" is considered an appropriate technique, as it reflects the actions of purchasers in the market when they examine deficient or damaged property.
- (n) Crop Loss--Appraisals prepared prior to condemnation are not to consider crop loss in the acquisition area.

Compensation will be provided separately at the time of negotiation or condemnation.

In case of an appraisal for court testimony where the crop was not harvested by its owner, the appraisal shall consider its value as of the condemnation date.

- (o) Donations--Title 23 of the United States Code of Highways, Section 323, provides that a person whose real property is being acquired in connection with a Federal-aid highway project may offer a gift or donation of such property, or any part thereof, or of all or part of the "just compensation" paid for the property, to a Federal Agency, a State or a State Agency, or to a Political Subdivision of a State, as determined by that person. Such donation may only occur after the person has been fully informed of their right to receive "just compensation" for acquisition of the property.

When property is acquired by donation, no appraisal is required. However, owners must also be fully informed that they are entitled to an appraisal of the property along with an offer of just compensation. It is not unusual for an owner to insist upon receiving an appraisal, even though the property is ultimately to be donated, for accounting and tax reasons.

Either or both of the agency's obligations to appraise and offer just compensation for the acquisition of property may be waived by the property owner's written release. Form 633-220 provides for the property owners' written release. This form must be completed for every proposed acquisition. In many cases, this will be the responsibility of the appraiser. When a Compensation Estimate is prepared, the estimator will have the form completed.

The form "Donations" must be placed behind the "APPRAISAL SECTION" Parcel File Check Sheet and then submitted to Central Files by the Review Appraiser. A copy of this form should be inserted in the brown or field file.

- (p) Driveways--Additional Maintenance--State law provides that the Department shall pay the property owner \$5.00 per lineal foot for the additional length of any driveway, to a remaining residence, requiring private maintenance, that is relocated as a part of a highway construction project. The purpose of this payment is to reimburse the property owner for future maintenance costs of the additional driveway length. The additional length will be specified on the summary sheet provided in the parcel file. This item of damage shall be allocated under access control on Form 633-102.
- (q) Duplication of Damages--Highway construction plans often provide for the replacement of drives, walks, parking surfaces, retaining walls, etc., or specify that certain

trees or shrubs will not be disturbed during construction activities. The appraiser shall exercise care to avoid payment for these items in the after valuation. Damage for items replaced shall not appear in the after valuation unless their utility is diminished.

(r) Easements

- (1) Temporary Easements--Temporary easements are for stated purposes and limited time periods, which vary with the requirements of the easement. When appraising the after value of temporary easement areas, the appraiser shall consider the condition in which the tract will be left after completion of the construction project, the length of time the easement will be in force, and whether the owner will have any rehabilitation expense after it is released.

Temporary easements are taken for many specific purposes such as: borrow, haul road, shaping slopes, ditching outlets, removing acquired improvements, driveway construction, utility construction, etc.

- (2) Temporary Easement Haul Roads--A road grade will normally be constructed for haul roads. It can be assumed that this grade will be removed and the ground elevation returned to its approximate original contour, prior to abandonment. A haul road easement will be released following completion of the construction project.

- (3) Temporary Easement Borrows--A temporary easement borrow is normally purchased when a quantity of fill material is required for the construction of a specific highway project. The appraiser is to be provided a surface drawing of the limits of the easement and the limits of the actual borrow area within the easement. A cross section plan or topographic map showing the final slope of the borrow is also to be provided by the Agency.

In cases where the plans and "Summary of Proposed Acquisition," furnished by the Agency, state that topsoil is not to be replaced, only that after condition for the borrow is to be valued.

In cases where the plans and "Summary of Proposed Acquisition" state that topsoil is to be replaced, the appraiser is to value the borrow as assuming the replacement of 8" of topsoil throughout the borrow area. If during the property inspection or analysis, the appraiser should conclude that the soil quality, topographical features, change of highest and best use, or use for commercial, industrial or residential development, precludes the need for topsoil replacement, the appraiser could contact the Chief Appraiser for instructions on how to proceed.

When topsoil is to be replaced, the owner must provide an area outside the limits of the borrow, on which to store it during borrow operations. This area is to be provided at no cost to the State. No costs or damages may be assessed in the appraisal, relating to the storage area.

The appraisal must reflect the market values of the property in its highest and best use, before and after the borrow acquisition.

It is considered improper to value a borrow based upon the volume of material removed, e.g. price/unit volume.

Stabilized crop seeding and fertilizing will be applied to all areas except the water covered areas of lake-type borrows and borrows where topsoil is replaced.

Temporary borrow easements will normally be released after the completion of grading, paving and erosion control work on the project.

If field tile lines are severed by the removal of borrow material the state's road contractor will perform whatever work is necessary to assure the continuing function of any tile remnant draining on the remaining land. Therefore, this issue is not an appraisal problem except that the borrowed portion will not be retiled.

Costs for temporary perimeter fencing around a borrow easement will be reimbursed as part of the negotiation process and not as part of the appraisal.

The after value of borrow easement areas shall be supported by market or income analysis. Sales of former borrow areas may be used for documentation of values.

- (4) Permanent Easement Borrows--Iowa DOT policy is to vacate permanent easements for borrow one year after all construction for which it was obtained has been completed. Because permanent easement borrows are usually acquired for use on more than one project or for use at different stages of a single project, it can not be known when its required use will cease. Therefore, it should be appraised as though the easement right will permanently encumber the property.
- (5) Permanent Easements for Ponding--Ponding rights are obtained by a permanent easement covering a specific area. They are typically obtained when drainage structures are proposed with a raised entrance flow line.

When ponding is required, a specified easement area will be shown on the plans. The appraiser will consider its effect on the remaining property. A ponding easement includes the purchase of the single right only. The appraisal is to recognize the value remaining as it derives from the property rights not acquired. The property fence can usually be reconstructed along the right of way line, leaving the owner in protected physical possession of the ponding easement area. A fence berm, along the right of way, will normally be constructed to facilitate fence construction.

If a previous ponding agreement has been obtained from the property owner, the existing ponding area normally will not be designated on the highway plans or summary sheet, but a copy of the agreement may be included in the parcel file. These prior agreements shall be considered as an existing limitation to the rights of ownership. Care is to be exercised so as to avoid duplication of payment when considering the value of a subsequent acquisition.

If only the proposed ponding elevation is shown on the highway plan, the appraiser will consider the property to be undamaged. In that case it can be assumed that ponding conditions which are not desired by the property owner will be eliminated during negotiations. The elimination of unwanted ponding easements should not be initiated by the appraiser.

- (6) Permanent Easements for Road Purposes--When a permanent easement for road purposes is being acquired, the method of appraising the property shall be the same as if the acquisition were by fee title. The use of the easement area is assumed to be permanently lost to the remaining property.
- (7) Permanent Easements for Special Purposes--Permanent easements are purchased for such special purposes as to construct and maintain a berm, backslope, drainage structure or flowage. They may also be purchased for utility locations, scenic preservation and other purposes. In these instances, the easement is for a single purpose and usually does not result in the total loss in value of the described area. Each easement of this type should be considered according to its individual purpose and the limitations placed upon the property owner's future use of the affected area. It is to be assumed that any fencing which may be required, may be erected along the new right of way line.

(s) Fencing

- (1) Partial Acquisitions--The appraiser shall not consider the loss of Right of Way fence as a damage

item in pre-condemnation appraisals. It may be assumed that separate payments will be made for the replacement of existing fence, and for the construction of new fence along relocated highways. The appraiser will not consider any extra fencing damage such as additional fence corners or water gap fencing along the new right of way line, as these costs will also be compensated for separately. All other fence located within the area purchased, whose utility is not replaced by the new right of way fence, shall be considered in the appraisal. This may include interior field, lot or lane fencing.

- (2) Total Acquisitions--On all total acquisitions, fence need not be separately valued. Fence should be considered as it contributes to overall value of the property.
- (3) Agency Erected Fence--The Agency will construct a line fence along freeway right of way. Such fence will be maintained for access control purposes only. The adjacent owner is permitted to use the fence as a property line fence; however, the owner must assume full responsibility for restraint of livestock. If special fencing is required by the property owner, it must be installed and maintained on their side of the agency maintained fence at their own expense.
- (4) Temporary Fence--Any temporary fence that may be required, during the period of highway construction, shall not be considered as a part of the pre-condemnation appraisal. Such fence when erected will be compensated for by the Resident Construction Engineer.

In appraising for condemnation or court appeal, the appraiser shall consider any temporary fence that may have been required.

- (t) Haul Roads--See (r) Easements.
- (u) Hazardous Substances/Contamination--Defined as contaminants of buildings and/or grounds which are recognized as potentially hazardous to the public health. Materials may include but are not limited to: asbestos, petroleum, farm and industrial chemicals, urea formaldehyde foam insulation (UFFI), etc. The appraiser is to note their suspected presence, and immediately notify the Chief Appraiser. The appraiser will be instructed as to how to proceed. The appraiser should be especially aware of the implications of ground stains, lack of vegetation, underground storage tank filler caps and vents, improperly stored or disposal of chemical bottles, cans and drums.
 - (1) Underground gasoline and oil tanks--The appraiser is to identify their age, condition, location, size, and

contents if possible. The Chief Appraiser is to be notified immediately of their existence. The Iowa DOT will ascertain whether or not they are a contaminate. Legal tanks are registered with the Iowa Department of Natural Resources. Illegal tanks are subject to fine by the DNR.

- (2) Asbestos--The appraiser will identify the type, location and condition (friability) if possible. Asbestos is most commonly found in furnace and pipe wrap, house siding floor tile, and sound absorption sprayed ceiling texture.

The following information is required by the Environmental Protection Agency as part of their notification policy on asbestos removal.

1. Parcel Number
2. Property Address
3. Description and Type
4. Size or Amount
5. Age
6. Previous Use
7. Present Use

- (3) Chemical Waste--The appraiser is to note any chemical disposal sites or spill areas and if possible identify the chemical. These may include old barrel storage areas and improperly disposed of chemical cans in farm dump sites. The Chief Appraiser is to be immediately notified of their existence.

WARNING--The appraiser is to take proper precautions when inspecting properties with suspected chemical or asbestos contamination. You are not expected to be an expert in this field, and thus should protect yourself in situations in which it is possible to inhale or come in physical contact with dangerous substances.

- (v) Inspection Of Subject Property--When preparing an appraisal, prior to inspecting the subject property, the owner or the owner's designated representative shall be given an opportunity to accompany the appraiser during the appraiser's inspection, unless the owner cannot be located. The appraiser will conduct the inspection in a manner that will fully reveal and yield the data needed to properly complete the appraisal. All buildings that are included in the proposed acquisition, or are being substantially affected, will be entered for inspection. The inspection will include viewing all required portions of the property, making necessary measurements and taking applicable photographs. The inspection will be conducted in a manner that will avoid any unnecessary disturbance of livestock, crops, operations of the business, customers, etc.

question as to what constitutes the property unit has become: What properties have a special value because of their unification? Generally, a property unit shall incorporate all contiguous real estate, or real estate in reasonable proximity thereof, that is under the same ownership, leasehold, and operating unit. A husband and wife are considered as one entity. All properties that are recorded as owned either individually or in combination by either of them, and operated as a single unit, shall be incorporated into the appraisal, provided that all of the other requirements of a unit are present.

If a leasehold and/or operating unit is partially owned in fee title and partially by contract to purchase (or life estate) they shall be appraised as one combined parcel. In this case the appraiser and review appraiser must each include an allocation of value to the various tracts in their respective reports.

Due to the fact that the ownership and leasehold data furnished may be incomplete or outdated, it is the appraiser's responsibility to determine the actual extent of the unit to be appraised. If any doubt exists as to what constitutes the unit this shall be discussed with the Chief Appraiser.

The Chief Appraiser, in instances where the extent of the property unit are unclear, may provide instructions as to what constitutes the property unit to be considered.

- (hh) Public Utility Lines--Required relocation of water, gas, sewer or electric lines owned by a utility company or public body and located in existing or future right of way will not be considered in the appraisal.
- (ii) Relocation Assistance and Payments--Relocation Assistance and Payments are provided pursuant to Iowa Code chapter 316. This chapter applies to all federal and federally assisted activities that involve the displacement of persons.

The Iowa DOT's Relocation Assistance Program provides reimbursement of expenses incurred by a person for moving personal property that must be relocated as a result of a project. In addition, homeowners may be eligible for additional financial assistance if it is determined that it is necessary for them to pay more for replacement housing than the fair market value of the housing purchased by the public agency. In order to prevent unjust enrichment or duplication of payments, no consideration of items and situations covered by Relocation Assistance should be given in the appraisal.

For additional clarification, or further information, contact the Chief Appraiser.

(jj) Residential Portion--When acquiring a residence, the house, attached garage, septic system and well should be listed together on form 633-102 and 103 under "Buildings to be Acquired."

-- for Relocation Assistance -- The Appraiser or Review Appraiser may be requested by the Relocation Assistance Supervisor to determine the portion of the appraised value which is actually attributable to the displacement dwelling. This most often occurs when an owner resides in a mixed use or multi-family property. THIS IS A CHANGE FROM THE WAY THESE VALUES WERE PREVIOUSLY DETERMINED. The appraiser is no longer to estimate the value of the residential portion of the acquisition (building, septic system, and well) on a typical lot. The appraiser must determine "that portion of the acquisition payment which is actually attributable to the displacement dwelling".

If the displacement property is appraised and acquired based on a highest and best use other than residential, such as vacant commercial, the acquisition price of the residential portion is the per unit price applied to the square footage that is considered to be typical for a residential site.

Examples: If the displacement dwelling is located on a 30,000 square foot lot that is appraised based on the determination that the property has a highest and best use that is vacant commercial development and is purchased for \$3.00 per square foot. Also assume that the typical residential site size in the area is 10,000 square feet. The acquisition price of the residential portion in this case would be 10,000 (sq. ft.) x \$3.00 per sq. ft., or \$30,000.

If the displacement dwelling is part of a commercial building which is valued at \$25 per square foot of building including land, the value of the residential portion is determined by multiplying the residential square footage by the determined per square foot value of \$25. Say, the displacement dwelling contains 1,000 square feet and is a part of a commercial building which is 5,000 square feet. The total building value, at \$25 per square foot of building including land, is \$125,000. The value of the residential portion is \$25,000.

If you are unsure of any of these determinations, consult with the Chief Appraiser or the Relocation Assistance Supervisor.

(kk) Revisions (Design and Title)--When minor changes in right of way or construction design are desired, parcel division is required, or a change in ownership is to be reported, the appraiser shall file a form 633-021, "Request for R.O.W. Design Revision" with the Supervisor of Right of

Way Design. The request should be supported by explanatory materials.

(ll) Rounding of Values--Appraisers should minimize rounding within the calculations of an individual approach to value, however, the FINAL VALUE ESTIMATE SHOULD REFLECT A REASONABLE DEGREE OF ROUNDING. The conclusion of value should reflect common pricing practices in the market area for that type of property. (eg. Do not use hundreds, tens, ones, or cents as the rounding point unless typical market sales indicate that this is in fact where purchasers are themselves rounding.)

(mm) Septic System--In any situation where the proposed right of way acquisition, either permanent or temporary, interferes with the function of a septic system, the appraiser is to determine and document necessity and degree of cure required. The appraiser will investigate local health rules, interview the local health officer and document the position taken.

The Iowa DOT does not assume responsibility for, or pay damages to correct illegal septic systems. The State of Iowa should not be held financially responsible for costs to bring systems into compliance if a system is illegal or non-conforming under current regulations.

Any cost to cure for a legal conforming system shall be documented by a detailed contractor's estimate and clearly set out in the appraisal report. This estimate becomes a maximum amount to be paid by the Agency for correction of the septic system. The owner will be reimbursed for actual costs, upon receipt by the Agency of a contractor's statement, following completion of the cost to cure.

Each septic system situation must be considered on individual given conditions as determined by the appraiser. As required, advice and assistance will be provided in order to seek an appropriate solution.

(nn) Title and Ownership Verification--Due to the fact that ownership and leasehold data furnished to the appraiser in the parcel files may be incomplete or outdated, it is the appraiser's responsibility to determine the true extent of the unit that will be appraised and a complete and accurate listing of the title holders and lessees and their addresses. This can best be accomplished during the interview of the property owner and/or operator. If during this interview it is found that the unit or title is different from that furnished in the parcel files, the appraiser shall secure the proper data from available records. This data is to be delivered to the Right of Way Design Supervisor for use in correcting office records. If the appraiser has any doubt as to what constitutes the property unit, the Chief Appraiser should be consulted before proceeding with the appraisal.

- (oo) Underground Lines--All privately owned water lines, utility lines or other service lines crossing existing primary road, county road or city street right of way, either with or without a permit, shall be relocated or re-laid at the owner's expense. This includes those parts of crossing lines which lie in the additional right of way to be acquired.

In those cases where lines lie totally on private property and run approximately parallel to the existing right of way, their acquisition shall be considered as an element of damage and compensation may be based upon a "cost to cure" to relocate them.

Where a relocated highway crosses existing private lines, and when regulations will permit such continued line crossing, the cost of relaying the lines in compliance with Department specifications shall be considered as an element of damage. If it is not possible to allow the lines to remain or be reestablished, damages caused by their loss shall be considered.

Privately owned underground lines located in temporary easement areas shall be compensated for on the basis of cost-to-cure, if they are damaged.

- (pp) Uneconomic Remnant--A remainder or portion of a remainder of real property, that the Agency has determined has little or no value or utility to the owner after a partial acquisition. It is not economically feasible to continue use of this tract by itself, or as a part of a larger separated remainder, because of its size, shape, access, change of use, or other detrimental characteristics resulting from the acquisition. The Appraiser should notify the Chief Appraiser, or Manager of Appraisal Production, when an unidentified uneconomic remnant is found. The Manager of Right of Way Operations will be informed and decide whether to acquire the remnant. If so, appropriate revised property plats will be furnished to the appraiser and placed in the parcel file.

- (qq) "Uniform Standards of Professional Practice"--Appraisals are to be written in conformity with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation incorporated as an Illinois Not for Profit Corporation on November 30, 1987, except as they may conflict with state and federal requirements for eminent domain, or the requirements of this manual.

- (rr) Valuation of Minor Items--One area of significant difficulty in appraisal of partial acquisitions is the valuation of minor items. When determining value of any realty improvements to be acquired, the appraiser is to determine a value which those items contribute to the overall value of the property. With some items of realty, the item's cost (less depreciation) can be a valid measure of its contributory value.

Properties with varying numbers of trees do not sell for amounts which vary in direct relationship to the difference in the number of trees. Differences in landscaping, unless they are highly significant, (such as none as compared to a property with beautiful, manicured professional site improvements) are virtually not recognized by the market. It is extremely difficult to measure contributory value of various items of landscaping.

The cost of a replacement tree (or other type of site improvement) of equal size and growth, installed on the remainder property, as determined from a nursery, is not a reasonable measure of a tree's value in place. No value at all, as generally indicated from the market, is not a reasonable value either when the improvement is being acquired and will no longer provide its presence and enhanced beauty to the property owners.

The appraiser needs to determine a value of site improvements to be acquired, which is probably somewhere in between the two extremes just stated. That value will ultimately be supported primarily by the appraiser's experience, sound judgement and reason.

- (ss) Wagon, Tractor and Stock Passes--When acquired and not replaced in the new construction, passes shall be valued as to their contribution to the market value of the property before the taking. Passes are not typically included in new construction, except as an alternate use of a necessary drainage or bridge structure. New passes may be constructed only at no cost to the state.
- (tt) Wells, Primary--When a well that is the primary water supply for the subject is to be acquired or otherwise rendered unusable by the right of way acquisition, it shall be appraised on a cost-to-cure basis. The replacement well shall be one that will produce potable water in sufficient quantity to adequately supply the needs of the remainder property. This may require a new well differing in type, depth and/or quality as compared to the existing well.
- (uu) Wells, Secondary--If the property being appraised has more than one well and the well being acquired is a secondary water supply, the appraiser must determine whether the remaining water supply is adequate for the continued use of the remainder property. If the water supply is not adequate, the appraisal shall be based on cost-to-cure to replace the well with one that will produce potable water in sufficient quantity to supply the unmet needs of the remainder property. If the remaining water supply is adequate the appraisal shall only include the contributory value of the well being acquired.

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
POLICY & PROCEDURES
MANUAL

SECTION 5333 APPRAISAL
SUBJECT: APPRAISAL REVIEW
DUTIES AND PROCEDURES
REVISED 9-93 EFFECTIVE 9-93

B.02.e. 01. DEFINITIONS

- (a) Review Appraisal--A review appraisal is an examination and determination by a review appraiser that the form and content of an appraisal conforms with the requirements of law, rule and this manual; and that the estimates of market value and just compensation are comprehensive, supported by the real estate or personal property market data, and are a reasonable compensation for loss in property value and/or damages. It may include an independent analysis of data from the submitted appraisal report(s) and other gathered data, reaching an independent estimate of fair and reasonable "just compensation". When completed by a Staff Review Appraiser, it is also a final determination of the amount to be offered by the Agency as "Just Compensation".
- (b) Review Appraiser--A review appraiser is an individual with Agency delegated administrative responsibility to make final determinations to accept appraisals, to approve appraisal estimates of just compensation and, if an Agency staff review appraiser, to establish an amount to be offered by the Agency as just compensation.

For the required qualifications of a Review Appraiser see also B.02.a.02.(c) and B.02.a.02.(h).

02. FUNCTION AND PURPOSE OF REVIEW

- (a) To protect the interests of the public--A qualified review appraiser should examine all appraisals used to estimate the amount to be offered by the Agency as just compensation to assure that they are fair, reasonable and meet applicable appraisal requirements.
- (b) To provide an approved estimate of just compensation--An Iowa DOT or Local Public Agency Review Appraiser or Administrator using appraisals and other data as required, shall establish an estimate of just compensation to be offered for the purchase of property under eminent domain.
- (c) To provide consistency of values--In projects involving multiple properties and ownerships, the review appraiser is to maintain a logical consistency from property to property in the amounts paid for land, improvements and damages. Of special concern are projects using more than

one appraiser and the differences resulting from independent analysis of neighboring properties.

- (d) To maintain a high quality of appraisal product--Prior to acceptance of an appraisal, the review appraiser shall request the appraiser to make all necessary corrections and revisions. The review appraiser may provide technical advice and instruction, or other training, in order to improve the appraiser's technique and ability. The review appraiser may recommend reference material or courses of study to improve an appraiser's product. At the conclusion of a project the Chief Appraiser may request the review appraiser to issue a written critique of the appraiser's performance as an aide to the appraiser and to the Agency administration.

03. REVIEW APPRAISER'S DUTIES

- (a) REPORT REVIEW AND ACCEPTANCE--The review appraiser independently performs a review of all appraisals and other reports submitted to determine the soundness of the appraiser's opinion of fair market value, the adequacy of the appraiser's supporting data and documentation, the logic of the appraiser's analysis, whether the appraisal report conforms to the provisions of this manual, if adequate consideration was given to all compensable items of damage, and, to verify the exclusion of items non-compensable under law.

The review function consists of an all inclusive evaluation of appraisals. Factually presented data and calculations may be spot checked for accuracy (sometimes by a subordinate technician). Appraisal reports are to be critically evaluated in all respects with the validity and reasonableness of the estimate of just compensation being the principal focal point. Subject properties should be inspected by the reviewing appraiser along with comparable sales and other data presented in the appraisal report.

If additional documentation, correction, or revision to an appraisal report is needed, the review appraiser may return the appraisal report and require the appraiser to make appropriate changes before resubmitting it for continued review. When returning the appraisal report the appraiser must be made clearly aware of the problems found by the review appraiser and the clarifications, corrections or additions requested. This may be done either by letter or verbally with a memo to the file. If there is insufficient time to allow the Appraiser to make the changes or when the Review Appraiser and the Appraiser are not in agreement, the review appraiser shall provide the corrections or additions necessary, as part of the written review.

The review appraiser shall approve or disapprove the appraisals submitted and shall approve an estimate of just compensation for the property under appraisal. The

approved value may be the same or different from that shown on the appraisal report. When a value different from that shown is approved, the review report shall document the new estimate of value. Likewise, the reviewer may submit a different breakdown of the estimated just compensation. The reviewing appraiser may accept all or parts of one or more submitted appraisal reports or reject same depending upon his/her independent findings and conclusions. The reviewing appraiser may accept or reject the appraisal reports in total. When the reviewing appraiser establishes an independent value conclusion in lieu of approving the value conclusion of a submitted appraisal report he/she becomes the appraiser, but no subsequent independent review is required. The reviewing appraiser will discuss appraisal deficiencies with the appraiser prior to establishing an independent value estimate.

- (b) ESTIMATE OF JUST COMPENSATION--An Iowa DOT or Local Public Agency review appraiser has the authority and responsibility to independently approve an estimate of just compensation for the acquisition of property. The approved value may be the same or different from that shown on the appraisal report. When a value different from that shown on an appraisal report is approved, the review report shall document the new estimate of just compensation.

On the basis of additional information, the review appraiser may subsequently adjust the approved estimate of just compensation by preparation of a new review report giving the reasons for changes made. An appraisal prepared for the property owner and submitted to the Appraisal Section may also be considered when the reviewer reconsiders the approved estimate of just compensation.

- (c) WRITTEN REVIEW--The review appraiser shall prepare a written review for each parcel where compensation exceeds \$15,000. Review Form 633-501 shall be used. All information requested in that form shall be furnished, or be indicated as not applicable. Immediately following the written narrative portion of the report the form shall be signed by the reviewer and dated.

The reviewer's stamp (signed and dated) is sufficient concurrence on appraisals which do not require a written report. The Review Appraiser may concur in the "Appraiser's Allocation of Just Compensation" form 633-102 by use of the reviewer's stamp (signed and dated). In this case no form 633-103 is required.

A signed and dated "Certificate of Review Appraiser", Form 633-502 shall be furnished on all parcels except those where a "Compensation Estimate" Form 633-402 is used.

When one of two or more appraisal estimates or a value different from that shown on any appraisal report is approved, the review appraiser's report shall explain the estimate of just compensation. If the review appraiser's own value is approved, the reviewer shall prepare Appraisal Forms 633-101 and 633-103 or 633-201, sign them as review appraiser, and place copies in both the office and field files. No subsequent review is required.

When written reviews are prepared, an original and one copy of the review report together with the certification shall be furnished. The original copy is to be bound in the permanent office file and one copy placed in the field file.

At the completion of a parcel review, the review appraiser shall complete a "Parcel File Check Sheet", Form 633-503, bind together the original copies of all available appraisal information requested thereon, and deliver the package to the Records Center to be placed in the permanent file. A copy of the same appraisal information shall be placed in the field file and delivered to the Chief Acquisition Agent accompanied by a transmittal memo, Form 633-603.

- (d) PERFORMANCE CRITIQUE--Upon completion of an appraisal project, or following completion of a grouping of appraisals, the review appraiser may write a memo to the appraiser critiquing his/her performance. The memo is intended to be a tool to help the appraiser improve valuation techniques, analysis, and productivity on future assignments. The memo should address both the strengths and weaknesses that were noted by the reviewer. It should offer suggestions as to how the appraiser can improve in the future. In preparing the memo, the review appraiser is to keep in mind that an appraiser cannot be expected to correct deficiencies unless informed of them. A copy of the memo is to be placed in the Appraisal Section Project File.
- (e) MONTHLY REPORT--The review appraiser shall maintain a monthly record of the project number, parcel number, appraiser's name, number of appraisals reviewed, and date submitted. One copy of this report shall be furnished to the Chief Appraiser at the end of the month. Form 633-602 should be used for this purpose.

04. SUGGESTED REVIEW PROCEDURE

1. Check inclusion of required forms, addendas and exhibits.
2. Check calculations and mathematical procedure.
3. Physically examine the subject and all primary market comparables cited.

4. Analyze the data and conclusions for adequacy, logic and procedure.
5. Determine if the appraisal adequately addresses the problem.
6. Compare documentation and report requirements with those in the appraisal.
7. Determine if manual requirements and contract instructions have been fulfilled.
8. Determine if any noncompensable items have been included in the report.
9. Reach an independent opinion of the probable range of market value and just compensation, confirming or refuting the value(s) in the appraisal.
10. Seek clarifications or corrections. (Return all copies of the appraisal.)
11. Reexamine the corrected appraisal as in 1 thru 8.
12. Examine specialty reports concerning the same parcel as in 1 thru 10. Check for sufficient identification for each item noted.
13. Determine if monetary duplication between the appraisal and specialty reports exists.
14. Write the review confirming an amount to be offered as just compensation and noting the relationship between the specialty report and the appraisal. Complete a new Form 633-101 if required, to incorporate the appraisal and the specialty report.
15. Complete the required Review Appraisal Forms. When approving one of two or more appraisal reports, give the specific reasoning for choosing the one over the other(s).
16. Prepare residential portion breakouts for Relocation Assistance use and an estimate of economic rent, if requested.
17. Transmit the completed files to the Records Center and the Acquisition Supervisor.
18. Write the Appraiser's Critique, placing one copy in the Appraisal Project File, and mailing one copy to the Appraiser.
19. Retain copies of review notes, reports, letters and critiques for personal files. Retain copies of any item or document considered of crucial importance in the event of future reference need.

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
POLICY & PROCEDURES
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SECTION 5333 APPRAISAL
SUBJECT: COORDINATION WITH
GENERAL COUNSEL
REVISED 9-93 EFFECTIVE 9-93

B.02.f. COORDINATION WITH GENERAL COUNSEL

01. PRE-TRIAL CONFERENCES--The appraiser shall be available upon request from the General Counsel for conferences, field inspections, depositions, etc.
02. INTERROGATORIES--The Chief Appraiser or a designated representative shall answer in writing any interrogatories from the court that have been forwarded by the General Counsel. Only those questions pertaining to appraisal shall be answered by the Appraisal Section.
03. COURT TESTIMONY--The appraiser and or review appraiser shall be available for court testimony at the request of the General Counsel. Their presence may be required for the entire trial or only to testify.

Payment for contract appraiser's consultation and testimony shall be based on the rate established in the appraisal contract for the parcel. Request for payment shall be made directly to the General Counsel.

HIGHWAY DIVISION, DEPARTMENT OF TRANSPORTATION

RIGHT OF WAY
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SECTION 5333 APPRAISAL
SUBJECT: FORM EXAMPLES
REVISION 9-93 EFFECTIVE 9-93

B.02.g. FORM EXAMPLES

01. CONTRACTS

633-001 Contract For Appraisal Services

02. APPRAISAL FORMS--Staff and contract appraisers are not required to use the forms prepared and available from the Appraisal Section except for certain specified forms which are required and have previously been enumerated. However, the data presented in an appraisal report is expected to appear in the order listed, where applicable. Some of these forms are specifically designed for rural properties.

The forms available and those designated as required are as follows:

- 632-021 Request for R.O.W. Design Revision
- 633-101 Appraisal (Required in all Narrative Appraisal Reports)
- 633-102 Appraiser's Allocation (Required on Partial Acquisitions except in Value Finding Reports)
- 633-103 Review Appraiser's Allocation (Required on Partial Acquisitions except in Value Finding Reports)
- 633-201 Appraisal (Required in Value Finding Reports)
- 633-204 Certificate of Appraiser (Required in all Reports)
- 633-205 Purpose, Definitions, Date of Valuation, Title, Leases Inspection (Required except when using Forms 633-401 or 402)
- 633-207 Photographs
- 633-208 Cost Approach (Farm Buildings)
- 633-209 Cost Approach (Rural)
- 633-210 Comparable Sale Data (Rural)
- 633-215 Comparable Sale Data (Urban Residential)
- 633-220 Donation
- 633-301 Supplement to Appraisal (Minor Revision)
- 633-401 Residential Appraisal Report (Four page form)
- 633-402 Compensation Estimate (Values to \$2,500)
- 633-501 Review Appraisers Report
- 633-502 Certificate of Review Appraiser
- 633-503 Parcel File Check Sheet
- 633-602 Review Appraiser's Monthly Report
- 633-603 Log of Approved Compensation Estimates
- 633-604 Transmittal of Parcel Files for Negotiaton
- 633-701 Appraisal of Sign or Billboard
- 634-052 Record of Contacts
 - Tenant-Owned Improvements



Iowa Department of Transportation

OFFICE OF RIGHT OF WAY

REQUEST FOR R.O.W. DESIGN REVISION

Date _____ Project Number _____

Parcel Number _____ County _____

Ownership _____

Revision requested by: _____

Reason for revision: _____

Approved by: _____ ROW Design Supervisor Date _____

Approved by: _____ ROW Director/Manager ROW Operations Date _____

Approved by: _____ Access Supervisor Date _____

Approved by: _____ District Engineer Date _____

Revision made by: _____ Date _____



Iowa Department of Transportation

Highway Division

Office of Right of Way
Ames, Iowa, 50010

CONTRACT FOR APPRAISAL SERVICES

Contract Number _____
(For Department Use)

Code _____
Program _____
(For Department Use)

Project _____ in _____ County, Iowa

Contracting Appraiser or Firm _____

Address _____

City _____ State _____ Zip Code _____

THIS AGREEMENT, entered into this ____ day of _____, 19____, by and between the Iowa Department of Transportation, Ames, Iowa, (*hereinafter called the Department*) and _____ (*hereinafter called the Appraiser*).

WHEREAS, the Department requires adequate and competent appraisals for the purpose of acquiring property and/or property rights in connection with the above identified highway project; and

WHEREAS, the Appraiser certifies to be qualified and willing to prepare such appraisals in accordance with the standards and criteria hereinafter set forth, and pursuant to the terms, provisions and conditions hereof,

NOW THEREFORE, the parties hereto do mutually agree as follows:

- 1. **ASSIGNMENT AND PAYMENT** - The appraiser shall prepare, sign and furnish to the Department a separate, written appraisal report following accepted appraisal principles and techniques in accordance with Iowa law and the Department's "Appraisal Policy & Procedures Manual" (*previously furnished and made a part hereof*) for each parcel listed in the following Schedule of Properties and Fees:

<u>Parcel Number</u>	<u>Owner</u>	<u>Type of Property</u>	<u>Appraisal Fee</u>
----------------------	--------------	-------------------------	----------------------

And, the Department, except as otherwise herein provided, shall pay the Appraiser as itemized above for his professional services rendered under the terms of this agreement. Both parties agree that the amount of fee per parcel represents a fair payment for services rendered, based on the scope and complexity of the assignment, skills and qualifications of the Appraiser, number of parcels included, amount of information supplied by the State, time allowance for completion and other applicable criteria. The Appraiser agrees that the fee estimate is not based on a percentage of the appraised value of any property involved. Except as otherwise provided under the terms of this agreement payment shall be made for completed and delivered reports. Payment shall be requested in writing by the Appraiser.

2. **LATE PENALTY** - If any appraisal report is received by the Iowa Department of Transportation after the specified completion date a late penalty of 2½% per working day will be assessed and deducted from the appraiser's fee as contracted for that property and, the appraiser agrees that the net payment constitutes full payment for services rendered. However, a grace period of 5 working days after the completion date will be applied and the late penalty excused on any appraisal report received within that period but, if any appraisal report is received on or after the 6th working day then the full penalty, computed from the original completion date, will be deducted from the appraisal fee prior to payment. Working days are defined as those days that the Iowa Department of Transportation offices are open for business.
3. **PROPERTY UNIT** - Each parcel of property enumerated in Paragraph 1 intends to incorporate all contiguous real estate and real estate in reasonable proximity thereof that is under the same ownership, leasehold and operating unit, or shall incorporate the property specified by the Department in their definition of the appraisal problem. It is understood that the data provided to the appraiser is based on preliminary information and is subject to revision if the total property unit is subsequently determined to be different than that described in the accompanying Parcel Files. The Appraiser must verify in the field the true extent of the property unit and notify the Department's Chief Appraiser if it is found to be different than described in the furnished data. The Chief Appraiser may revise the assignment accordingly.
4. **ASSIGNMENT REVISIONS** - When changes are made in the extent of the property unit to be appraised or, when revisions are made in the proposed Right of Way acquisition or, when changes are made in the appraisal assignment for other reasons, the Department's Chief Appraiser may, after consultation with the appraiser, adjust the amount of the appraiser's fee, either increased or decreased, in accordance with the complexity of, and time allowed for, the revised appraisal assignment. Any adjustment made in either the appraiser's fee or the completion date shall be documented by the Chief Appraiser in the form of a letter to the appraiser.
5. **COMMENCE WORK** - The Appraiser shall not begin work on the appraisal assignment until after the contract has been approved by a proper representative of the Department and a completely executed copy has been returned to the appraiser with notice to proceed.
6. **COMPLETION DATE** - The delivery date for completed appraisal reports under the terms of this agreement shall be on or before _____, 19____. Reports shall be considered delivered when in the possession of the Appraisal Section of the Right of Way Office located in the Department's Highway Division headquarters in Ames, Iowa, or such other location as specified in writing by the Department's Chief Appraiser. In the event that the delivery date is extended for a given parcel, the report shall be delivered on or before the date specified in the extension. Any extension of the Appraiser's performance time shall be made in writing by the Department's Chief Appraiser and shall not entitle the Appraiser to any increase in the Schedule of Fees enumerated in Paragraph 1 unless otherwise authorized in writing.
7. **DOCUMENTATION** - No report shall be considered complete unless it is documented in a manner consistent with the appraisal assignment as specified in the Department's "Appraisal Policy & Procedures Manual" and submitted in duplicate (*original and one copy*). If the Department's Review Appraiser finds that the report is either deficient or incomplete, the Appraiser shall furnish all requested supplemental data necessary to correct any deficiency or to complete any report in a manner consistent with the documentation standard of the appraisal assignment. No additional payment shall be made for any supplemental data furnished by the appraiser to correct a deficiency or to complete a report.
8. **EXPERT WITNESS** - The Appraiser shall if requested by the Department confer, shall if required appear and shall if called testify either in court or before administrative bodies as an expert witness for the State of Iowa in support of any completed appraisal report contracted for herein. However, payment for such appearances shall not be included in the Schedule of Fees listed in Paragraph 1, but shall be made separately including any necessary preparation and travel time computed on the basis of \$_____ per hour for actual hours spent. Such payment will be made when the Appraiser delivers to the Department's General Council Office a signed request for payment in duplicate. All such requests for payment shall be identified in the manner provided for in Paragraph 1 herein, and in addition shall itemize the date, hours and travel time for which payment is requested.

9. **CONFIDENTIAL AND INDEPENDENT WORK** - The Appraiser will prepare all appraisals made hereunder independent of any other Appraiser employed by the Department in the same work and will not sublet, assign or otherwise transfer any of the work to other persons or firms except as otherwise provided herein. Where necessary the Appraiser may employ a specialist to furnish specific value or cost information. The Appraiser will not furnish to any other person, corporation, company or agency, except on proper order of court or authorized directive from the Department, a copy of any appraisal or any of the information contained therein.
10. **SUBLETTING WORK** - It is acceptable for the appraiser to use the talents and services of all employees, however, subletting the appraisal assignment to another firm or individual is prohibited.
11. **RESPONSIBLE CONDUCT** - It is understood that the Appraiser assumes full and unqualified responsibility for all claims and liability due to his activities or those of his agents, representatives or employees. The Appraiser hereby releases and agrees to save and hold the Department harmless from all loss and damage of whatsoever nature arising from or growing out of his activities under this agreement.
12. **CANCELLATION** - It is understood and agreed that the Department's Chief Appraiser may at any time cancel or terminate this agreement for any good and reasonable cause. Such cause includes, but is not limited to, failure of the Appraiser to fulfill or discharge any of the duties or obligations or to otherwise perform in accord with terms of this agreement. The Department's Chief Appraiser shall cancel the agreement by sending notice of cancellation to the Appraiser by certified mail. In the event the agreement is cancelled the sole claim or title to any work product either partially or fully completed shall vest in and shall be delivered to the Department. Upon the Appraisers delivery of the work product and a request for payment itemized by date and hours invested the Department's Chief Appraiser shall determine the amount of payment due. Payment will be made on the basis of the schedule of fees for completed appraisal reports and on the basis of prorated time for partially completed reports. In no case shall payment exceed the greater of either the schedule of fees specified in Paragraph 1 or revisions in Paragraph 4.
13. **NONDISCRIMINATION** - During the performance of this contract, the Appraiser (*hereinafter referred to as the "contractor"*), for itself, its assignees and successors in interest agrees as follows:
- (a) **Compliance with Regulations:** The contractor shall comply with the Regulations relative to nondiscrimination and Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Relations, Part 21, as they may be amended from time to time, (*hereinafter referred to as the Regulations*), which are herein incorporated by reference and made a part of this contract.
 - (b) **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of sex, race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
 - (c) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the ground of sex, race, color or national origin.
 - (d) **Information and Reports:** The contractor will provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Department of Transportation or the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the Department of Transportation, or the Federal Highway Administration as appropriate, and shall set forth what efforts it has made to obtain the information.
 - (e) **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department of Transportation shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
 - (1) withholding of payments to the contractor under the contract until the contractor complies, and/or
 - (2) cancellation, termination or suspension of the contract, in whole or in part.

(f) **Incorporation of Provisions:** The contractor will include the provisions of Paragraph (1) through (6) in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations, order, or instructions issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the Department of Transportation or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: provided, however, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the State to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

14. **DISPUTES** - Any dispute concerning a question of fact in connection with or relative to this Agreement or the performance of any contractual obligation by either the Appraiser or the Department's Chief Appraiser shall be referred to the Department's Right of Way Director. The Right of Way Director shall hear and consider all of the evidence and notify the Appraiser in writing of the decision. The decision of the Right of Way Director shall be final and conclusive unless, within 30 days from receipt of notification of such decision the Appraiser shall appeal in writing to the Department's Highway Division Director who will review and consider both the evidence and the decision. The Division Director shall make a final, conclusive and binding determination and furnish the Appraiser a written copy thereof.

15. **SIGNATURES** - In the event the Appraiser is a partnership or firm or corporation, this agreement shall bind that organization and every employee who will actually prepare an appraisal or render valuation information as a part thereof when appropriate officers have affixed their signature hereto. If a corporation is one of the parties to this agreement, then the date of incorporation and the State in which it is incorporated shall be indicated hereon.

Contracting Appraiser is an: (check appropriate box) Individual Partnership Firm Corporation

If a Corporation, indicate State in which incorporated _____ and date _____

Company Name _____

By _____

Title _____

Approved Recommended:

By _____
(Chief Appraiser)

Date _____

Iowa Department of Transportation
Highway Division

Approved:

By _____
(Right of Way Director)

Date _____



Iowa Department of Transportation

HIGHWAY DIVISION
OFFICE OF RIGHT OF WAY
Ames, Iowa 50010

APPRAISAL

Parcel No. _____ Project No. _____ County _____

Record Owner _____

Owner's Mailing Address _____

Address of Property being Appraised _____

This property is described as:

This property consists of _____ taxable	sq. ft. acres	before the acquisition
for highway purposes and _____ net	sq.ft. acres	will remain after the acquisition.

Present zoning is _____ Present use is _____

Appraised on the basis of highest and best use for _____

before the acquisition and _____ after the acquisition.

MARKET VALUE UNDER EMINENT DOMAIN LAW OF THE STATE OF IOWA

Value of the entire property before the acquisition is: \$ _____

Value of the remaining property after the acquisition is: \$ _____

The estimate of just compensation is: \$ _____

CERTIFICATION

I hereby certify that in the preparation of this appraisal I have personally inspected this property; that I have no present or contemplated future interest therein; that compensation to me for this appraisal service is not contingent upon any value conclusions herein set forth; and that all statements herein are true to the best of my knowledge and belief.

APPROVED
_____ Reviewing Appraiser
_____ Date
Iowa Department of Transportation

Date of Valuation _____

Signed _____
Appraiser



Iowa Department of Transportation

APPRAISER'S ALLOCATION OF JUST COMPENSATION

Project No. _____

Parcel No. _____

1. Land to be acquired by fee title: _____ sq. ft. acres \$ _____

2. Land to be acquired by permanent easement: _____ sq. ft. acres \$ _____

3. Reduction in value resulting to _____ acres temporary easement
for borrow and/or haul road: \$ _____

4. Buildings to be acquired: \$ _____

5. Other improvements to be acquired excluding right of way fence:* \$ _____

6. Control of Access: \$ _____

7. Severence damage to remaining property: \$ _____

Total estimate of just compensation \$ _____

APPROVED

Reviewing Appraiser

*Compensation for right of way fence to be by fixed schedule or in accord with Section 472.44 Code of Iowa



REVIEW APPRAISER'S ALLOCATION OF JUST COMPENSATION

Project No. _____

Parcel No. _____

1. Land to be acquired by fee title: _____ sq. ft. acres \$ _____

2. Land to be acquired by permanent easement: _____ sq. ft. acres \$ _____

3. Reduction in value resulting to _____ acres temporary easement
for borrow and/or haul road: \$ _____

4. Buildings to be acquired: \$ _____

5. Other improvements to be acquired excluding right of way fence:* \$ _____

6. Control of Access: \$ _____

7. Severence damage to remaining property: \$ _____

Total estimate of just compensation \$ _____

Signed _____

Review Appraiser

Date of Signature _____

*Compensation for right of way fence to be by fixed schedule or in accord with Section 472.44 Code of Iowa



Iowa Department of Transportation

HIGHWAY DIVISION
OFFICE OF RIGHT OF WAY
Ames, Iowa 50010

APPRAISAL

Parcel No. _____ Project No. _____ County _____

Record Owner _____

Owner's Mailing Address _____

Address of Property being Appraised _____

This property is described as:

Basis for land value estimate: _____

Land to be acquired:	Fee Title	_____	acres					
			sq. ft.	@ \$	_____	= \$	_____	
	Permanent Easement	_____	acres					
			sq. ft.	@ \$	_____	= \$	_____	

Value of improvements acquired (excluding R/W fence*): _____

Damage to remaining property: _____

Total Estimate of Just Compensation = \$ _____

Date of Valuation _____

Signed _____

Appraiser

APPROVED
_____ Reviewing Appraiser
_____ Date
Iowa Department of Transportation

*Compensation for R/W fence to be by fixed schedule or in accord with Section 472.44 Code of Iowa.

CERTIFICATION OF APPRAISER

Project No. _____

Parcel No. _____

I hereby certify:

That I personally made a field inspection of the property herein appraised and that I have afforded the property owner or his authorized representative the opportunity to accompany me at the time of inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs appropriately supplied.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.

That I understand this appraisal is to be used in connection with the acquisition of property by the State of Iowa.

That this appraisal has been made in conformity with Iowa law, regulation, and the Iowa Department of Transportation Appraisal Manual as is applicable to the appraisal of this type of property for the stated purpose; and that to the best of my knowledge no portion of the value assigned to this property consists of items which are noncompensable under the established law of the State of Iowa.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the Iowa Department of Transportation or officials of the Federal Highway Administration and I will not do so until so authorized, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That the conclusion set forth in this appraisal is my independent opinion of the difference between the fair market value of this property before and after the proposed acquisition.

As of _____, 19____ the estimate of just compensation is \$ _____

Signed: _____
Appraiser

Date of Signature _____



Project No. _____

Parcel No. _____

PURPOSE OF THIS APPRAISAL:

To estimate the market value of the ownership interest, and the leasehold interest if any, in this property before the proposed acquisition by the Department of Transportation and the market value of the same interest in the remainder property immediately after the proposed acquisition. In case the proposed acquisition causes only limited damage, the purpose is to estimate just compensation resulting from the acquisition, without reporting before and after values. This appraisal considers the loss in value, if any, of owner's rights in advertising signs being acquired and is made without consideration of any enhancement that might accrue from the proposed improvement.

DEFINITION OF MARKET VALUE:

The cash price which would be arrived at as between a voluntary seller willing but not compelled to sell and a voluntary purchaser willing but not compelled to buy, both of whom are acting freely, intelligently and at arm's length, bargaining in the open market for the sale and purchase of the real estate in question. (State of Iowa Uniform Jury Instruction No. 14.4)

DEFINITION OF HIGHEST AND BEST USE:

The utilization of a property to its best and most profitable use. It is that use, chosen from among the reasonably probable and financially feasible alternative uses which is found to be physically practical, legally acceptable and which results in the highest present value, as defined, as of the effective date of the appraisal.

HAZARDOUS SUBSTANCE CONTAMINATION:

The appraiser observed the following signs of possible contamination: None, As described _____

FIVE YEAR DELINEATION OF TITLE: (If none, so state)

<u>Grantor</u>	<u>Grantee</u>	<u>Type of Instr.</u>	<u>Date of Instr.</u>	<u>Book</u>	<u>Page</u>	<u>Sales Price</u>
----------------	----------------	-----------------------	-----------------------	-------------	-------------	--------------------

LEASES: (Lessee's Name, Address and Lease Terms)

DATE OF INSPECTION AND INVITATION:

I offered _____ who is the _____

an opportunity to accompany me on my inspection of this property by personal contact telephone letter

on _____, 19____ This invitation was Accepted Declined.

Telephone number of owner or representative contacted _____

I personally inspected the subject property on _____, 19____

Project No. _____

Parcel No. _____

PHOTOGRAPHS



**COST APPROACH
(Farm Buildings)**

Before After
 Proposed Acquisition

Project No. _____

Parcel No. _____

<u>No.</u>	<u>Bldg. or Improvement</u>	<u>Present Cost New</u>	<u>Phy. Deter.</u>	<u>Structural Value</u>	<u>Fct. & Ec. Obsol.</u>	<u>Contribution to Property</u>
<p>TOTAL VALUE OF BLDGS. & IMPROVEMENTS \$ _____ _____%</p> <p style="text-align: right;">Rounded to \$ _____</p>						

If other than reproduction cost new is used so indicate.

Discussion and support of estimated values and overall obsolescence, including source of cost new data:



**COST APPROACH
(Rural)**

Project No. _____

Parcel No. _____

<input type="checkbox"/> Before	<input type="checkbox"/> After
Proposed Acquisition	

LAND VALUE

() _____ ac. _____ @ \$ _____ = \$ _____

() _____ ac. _____ @ \$ _____ = \$ _____

() _____ ac. _____ @ \$ _____ = \$ _____

() _____ ac. _____ @ \$ _____ = \$ _____

() _____ ac. _____ @ \$ _____ = \$ _____

() _____ ac. _____ @ \$ _____ = \$ _____

Total Land _____ acres @ \$ _____ /acre = \$ _____

BLDGS. & IMPROVEMENTS, Value brought forward: @ \$ _____ /acre = \$ _____

TOTAL INDICATED VALUE OF THIS FARM: @ \$ _____ /acre = \$ _____

Rounded to \$ _____

Discussion and support of estimated land values:



Iowa Department of Transportation
Comparable Sale Data and Analysis
(Farm Property)

Sale # _____

Located in _____ County

Grantor _____ Grantee _____

Instrument Type and Date _____ Book _____ Page _____

Consideration \$ _____ Tax St. \$ _____ Gross Acres _____ Tax Acres _____

Confirmed Price \$ _____ by _____ (\$ _____ /tax acre)

Date Inspected _____ H & B Use _____ Zoning _____

Average CSR for this farm = _____ Sales price per CSR = \$ _____

Legal Description (abbreviated):

Conditions of Sale and Financing:

Location:

Discussion of Land and Improvements:

Analysis of Sale Price (after adjusting for time):

Time Adjustment: (Plus \$ _____ /acre) _____ % x sales price = \$ _____

Land:

_____ ac. of _____ @ \$ _____	= \$ _____
_____ ac. of _____ @ \$ _____	= \$ _____
_____ ac. of _____ @ \$ _____	= \$ _____
_____ ac. of _____ @ \$ _____	= \$ _____
_____ ac. Total Farm @ \$ _____	= \$ _____

Contribution of Improvements: (Remainder after land abstraction)

Estimated Obsolescence of Improvements:

Estimated Depreciated Replacement Cost	\$ _____	
Minus Contribution Value	_____	or \$ _____ / tax ac.
Amount of Obsolescence	= \$ _____	or _____ %

* Attach applicable photographs



**COMPARABLE SALES DATA ANALYSIS
(Urban)**

Sale No. _____

Grantor _____ Grantee _____

Instrument Type and Date _____ Book _____ Page _____

Instrument Consideration \$ _____ Tax St. \$ _____ Confirmed Price \$ _____

Confirmed Source _____ Date of Inspection _____

Zoning _____ Highest & Best Use _____

Property Address _____

Legal Description (*abbreviated*):

Conditions of Sale and Financing:

Site and Location Description:

Description of Improvements:

Sale Analysis:



Iowa Department of Transportation

Project No. _____

Parcel No. _____

As owners of real estate needed for the above referenced project and parcel, and acknowledging the fact that (I) (We) are entitled to just compensation based upon the States approved appraisal of the subject real estate, nevertheless, desire to donate the right of way. (I) (We) will execute the necessary conveyancing instruments to transfer said right of way. This donation to the Iowa Department of Transportation is made without any coercive action of any nature.

_____ Date

_____ Signature of Owner

As owners of real estate needed for the above referenced project and parcel (I) (We) are entitled to just compensation, nevertheless, desire to donate the right of way and waive the right to an appraisal. (I) (We) will execute the necessary conveyancing instruments to transfer said right of way. This donation to the Iowa Department of Transportation is made without any coercive action of any nature.

_____ Date

_____ Signature of Owner

Date of Proposal to Donate:

I offered _____ who is the _____

an opportunity to donate this property by personal contact telephone letter

on _____, 19____. This offer was accepted declined.



Iowa Department of Transportation
SUPPLEMENT TO APPRAISAL
(Minor Revision)

Project No. _____

Parcel No. _____

I previously appraised this property and prepared an appraisal report dated _____, 19 _____.
Since that time, the proposed acquisition has been changed in accord with the attached revised Property Plat and Summary of Proposed Acquisition. Therefore, I have revised my opinion of value to reflect this change as shown on the attached Form 633101 and 633102. The revision is discussed as follows:

EXPLANATION OF REVISION:

EFFECT OF THE REVISION:

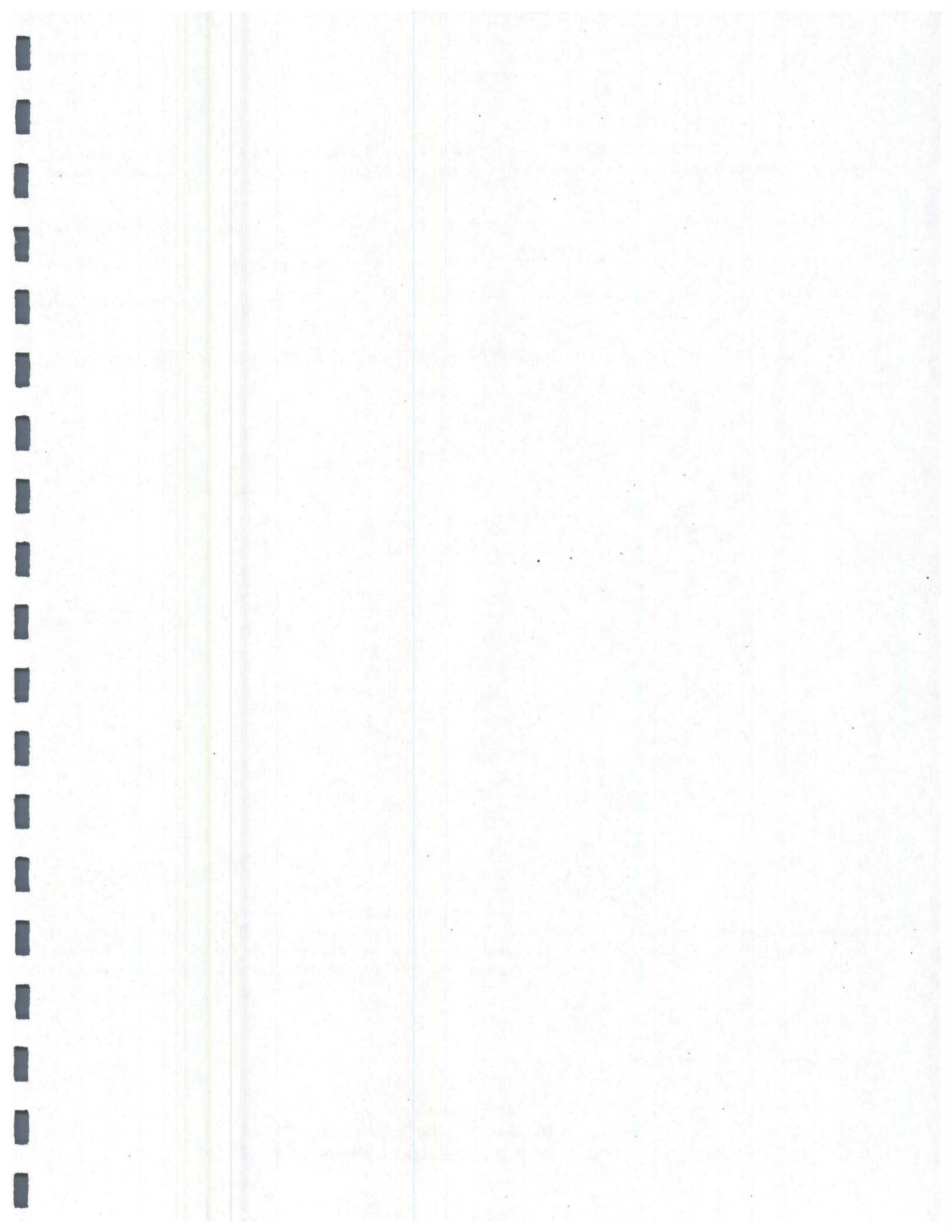
MARKET VALUE UNDER EMINENT DOMAIN LAW OF THE STATE OF IOWA:

	<u>Original</u>	<u>Revised</u>
Value of the entire property before the acquisition is:	\$ _____	\$ _____
Value of the remaining property after the acquisition is:	\$ _____	\$ _____
The estimate of just compensation is:	\$ _____	\$ _____

The revised values are based on and supported by my previous appraisal report, and no updating of previous sales data has been made. For this reason the date of valuation of this revision remains the same as the valuation date in the original report.

Date of Revision _____

Signature _____





Iowa Department of Transportation

RESIDENTIAL APPRAISAL REPORT

Parcel No. Project No. County

Ownership:

Address of Property being Appraised:

This property is described as:

Present zoning is Present use is: RESIDENCE

Appraised on the basis of highest and best use for RESIDENCE

PURPOSE OF THIS APPRAISAL: To estimate the market value of the ownership interest, and the leasehold interest if any, in this property, pursuant to an acquisition in whole or in part by the Iowa Department of Transportation.

DEFINITION OF MARKET VALUE: The cash price which would be arrived at as between a voluntary seller willing but not compelled to sell and a voluntary purchaser willing but not compelled to buy, both of whom are acting freely, intelligently and at arm's length, bargaining in the open market for the sale and purchase of the real estate in question.

DEFINITION OF HIGHEST AND BEST USE: The allowable use, for which sufficient demand can be shown, which at the date of the appraisal is most likely to produce the greatest net return to the property over a given period of time.

DATE OF VALUATION: The values of this property, both before and after the proposed acquisition, are estimated as of

MARKET VALUE UNDER EMINENT DOMAIN LAW OF THE STATE OF IOWA \$

Value of the remaining property (if applicable): \$
Difference or legal measure of damage (if applicable): \$

CERTIFICATE OF APPRAISER

I hereby certify:

That I personally made a field inspection of the property herein appraised and that I have afforded the property owner or his authorized representative the opportunity to accompany me at the time of inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs appropriately supplied.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.

That I understand this market value appraisal is to be used in connection with the acquisition of right-of-way for a highway to be constructed by the State of Iowa with the assistance of Federal-aid highway funds, or other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, regulations and policies and procedures applicable to appraisal of right-of-way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the State highway department of said State or officials of the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That the conclusion set forth in this appraisal is my independent opinion of the difference between the fair market value of this property before and after the proposed acquisition.

RESIDENTIAL APPRAISAL REPORT

Owner (or C.P.)
Property Address
City

Project No.

Parcel No.
Zip Code

County

State

Occupant(s)

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	<table border="1"> <tr><th>Good</th><th>Avg.</th><th>Fair</th><th>Poor</th></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </table>	Good	Avg.	Fair	Poor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Built Up	<input type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%																																																	
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input type="checkbox"/> Steady																																																	
Property Values	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining																																																	
Demand/Supply	<input type="checkbox"/> Shortage	<input type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply																																																	
Marketing Time	<input type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.																																																	
Present Land Use	<input type="checkbox"/> % 1 Family	<input type="checkbox"/> % 2-4 Family	<input type="checkbox"/> % Apts. <input type="checkbox"/> % Condo <input type="checkbox"/> % Commercial																																																	
	<input type="checkbox"/> % Industrial	<input type="checkbox"/> % Vacant																																																		
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (-)	<input type="checkbox"/> Taking Place (-)																																																	
	(-) From _____	To _____																																																		
Predominant Occupancy	<input type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<input type="checkbox"/> % Vacant																																																	
Single Family Price Range	\$ _____ to \$ _____		Predominant Value \$ _____																																																	
Single Family Age	_____ yrs. to _____ yrs.		Predominant Age _____ yrs.																																																	

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise)

SITE

Dimensions _____ = _____ Sq. Ft. or Acres Corner Lot

Zoning classification _____ Present improvements do do not conform to zoning regulations

Highest and best use: Present use Other (specify) _____

Public	Other (Describe)	OFF SITE IMPROVEMENTS	Topo _____
Elec. <input type="checkbox"/>	_____	Street Access: <input type="checkbox"/> Public <input type="checkbox"/> Private	Size _____
Gas <input type="checkbox"/>	_____	Surface _____	Shape _____
Water <input type="checkbox"/>	_____	Maintenance: <input type="checkbox"/> Public <input type="checkbox"/> Private	View _____
San Sewer <input type="checkbox"/>	_____	<input type="checkbox"/> Storm Sewer <input type="checkbox"/> Curb/Gutter	Drainage _____
<input type="checkbox"/> Underground Elect. & Tel.	_____	<input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights	

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions)

IMPROVEMENTS

Yrs. Age: Actual/Estimated	No. Units: No. Stories	Type (det, duplex, semi/det, etc.)	Design (rambler, split level, etc.)	Exterior Walls
Roof Material	Gutters & Downspouts <input type="checkbox"/> None	Window (Type): <input type="checkbox"/> Storm Sash <input type="checkbox"/> Screens <input type="checkbox"/> Combination	Insulation <input type="checkbox"/> None <input type="checkbox"/> Floor <input type="checkbox"/> Ceiling <input type="checkbox"/> Roof <input type="checkbox"/> Walls	
<input type="checkbox"/> Manufactured Housing	<input type="checkbox"/> % Basement	<input type="checkbox"/> Floor Drain	Finished Ceiling _____	
Foundation Walls	<input type="checkbox"/> Outside Entrance	<input type="checkbox"/> Sump Pump	Finished Walls _____	
<input type="checkbox"/> Slab on Grade <input type="checkbox"/> Crawl Space	<input type="checkbox"/> Concrete Floor	<input type="checkbox"/> % Finished	Finished Floor _____	
Comments	Evidence of: <input type="checkbox"/> Dampness <input type="checkbox"/> Termites <input type="checkbox"/> Settlement			

ROOM LIST

Room List	Foyer	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bedrooms	No. Baths	Laundry	Other
Basement											
1st Level											
2nd Level											

Finished area above grade contains a total of _____ rooms _____ bedrooms _____ baths. Gross Living Area _____ sq. ft. Bsmt Area _____ sq. ft.

INTERIOR FINISH & EQUIPMENT

Kitchen Equipment:	<input type="checkbox"/> Refrigerator	<input type="checkbox"/> Range/Oven	<input type="checkbox"/> Disposal	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Fan/Hood	<input type="checkbox"/> Compactor	<input type="checkbox"/> Washer	<input type="checkbox"/> Dryer																																																	
HEAT:	Type _____	Fuel _____	Cond. _____	AIR COND:	<input type="checkbox"/> Central	<input type="checkbox"/> Other	<input type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate																																																	
Floors	<input type="checkbox"/> Hardwood	<input type="checkbox"/> Carpet Over _____							<table border="1"> <tr><th>Good</th><th>Avg.</th><th>Fair</th><th>Poor</th></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> <tr><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td><td><input type="checkbox"/></td></tr> </table>	Good	Avg.	Fair	Poor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Walls	<input type="checkbox"/> Drywall	<input type="checkbox"/> Plaster	<input type="checkbox"/>																																																						
Trim/Finish	<input type="checkbox"/> Good	<input type="checkbox"/> Average	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor																																																					
Bath Floor	<input type="checkbox"/> Ceramic	<input type="checkbox"/>																																																							
Bath Wainscot	<input type="checkbox"/> Ceramic	<input type="checkbox"/>																																																							
Special Features (including energy efficient items)																																																									
ATTIC:	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Stairway	<input type="checkbox"/> Drop-stair	<input type="checkbox"/> Scuttle	<input type="checkbox"/> Floored																																																				
Finished (Describe)					<input type="checkbox"/> Heated																																																				
CAR STORAGE	<input type="checkbox"/> Garage	<input type="checkbox"/> Built-in	<input type="checkbox"/> Attached	<input type="checkbox"/> Detached	<input type="checkbox"/> Car Port																																																				
No. Cars	<input type="checkbox"/> Adequate	<input type="checkbox"/> Inadequate	Condition _____																																																						

PROPERTY RATING

FIREPLACES, PATIOS, POOL, FENCES, etc. (describe)

COMMENTS (including functional or physical inadequacies, repairs needed, modernization, etc.)

Parcel No. _____ Project No. _____ County _____

FIVE YEAR DELINEATION OF TITLE: (If none, so state)

GRANTOR	GRANTEE	TYPE OF INSTR.	DATE OF INSTR.	RECORD	SALE PRICE

INVITATION AND DATE OF INSPECTION

On _____, the undersigned appraiser, by _____, extended to _____ who is the _____, an offer to accompany the appraiser on the inspection of the subject property. The appraiser inspected the subject property on _____ and was accompanied by _____.

VALUATION SECTION

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than, the subject property, a minus (-) adjustment is made, thus reducing the indicated value of subject; if a significant item in the comparable is inferior to, or less favorable than, the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

MARKET DATA ANALYSIS

ITEM	Subject Property			COMPARABLE NO. _____			COMPARABLE NO. _____			COMPARABLE NO. _____		
	Total	B-rms	Baths	Total	B-rms	Baths	Total	B-rms	Baths	Total	B-rms	Baths
Address												
Proximity to Subj.												
Sales Price	\$			\$			\$			\$		
Price/Living area	\$			\$			\$			\$		
Data Source												
Date of Sale and Time Adjustment	DESCRIPTION			DESCRIPTION			DESCRIPTION			DESCRIPTION		
Location												
Site/View												
Design and Appeal												
Quality of Const.												
Age												
Condition												
Living Area Room Count and Total	Total	B-rms	Baths	Total	B-rms	Baths	Total	B-rms	Baths	Total	B-rms	Baths
Gross Living Area	Sq Ft			Sq Ft			Sq Ft			Sq Ft		
Basement & Bsmt. Finished Rooms												
Functional Utility												
Air Conditioning												
Garage/Car Port												
Porches, Patio Pools, etc.												
Special Improvements												
Other												
Sales or Financing Concessions												
Net adj. (Total)												
Indicate Value of Subject												

Reconciliation and comments:

This appraisal is based upon the requirements of the State of Iowa and the Federal Highway Administration, as reflected in the certification, contingent and limiting conditions and definitions stated herein or as attachments.

I conclude the market value, as defined, of subject property as of _____ to be \$ _____

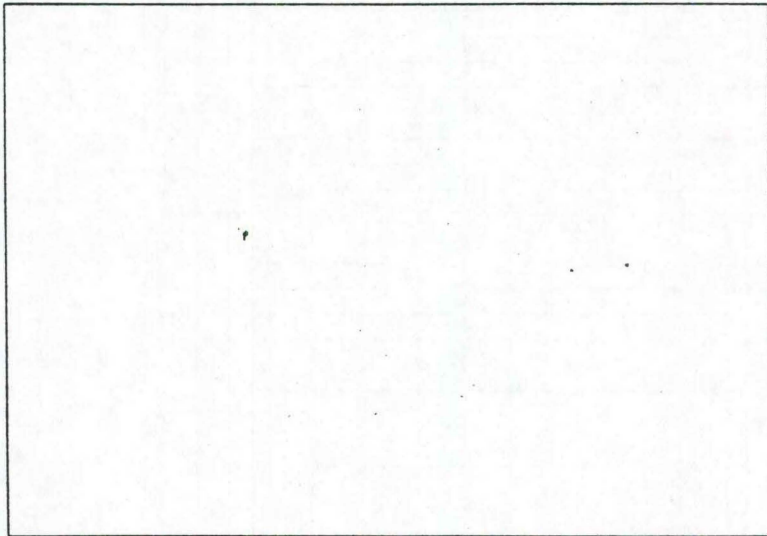
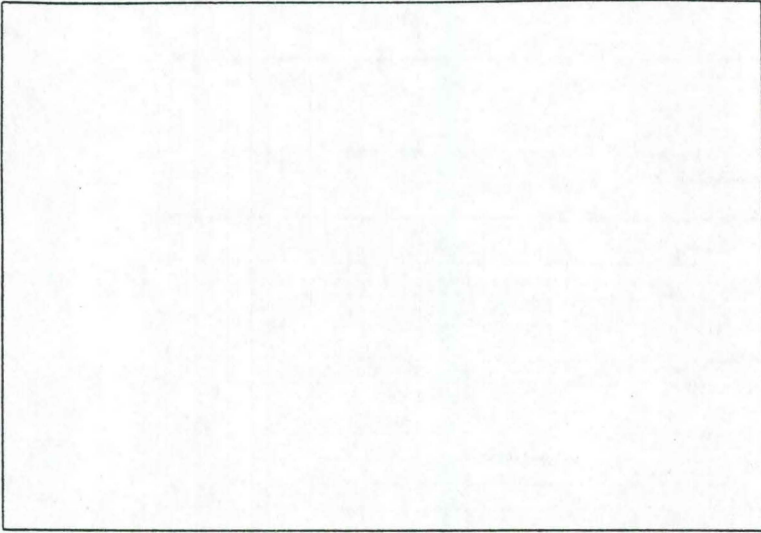
Appraiser: _____

PHOTOGRAPHS

Parcel No.

Project No.

County



ASSUMPTIONS AND LIMITING CONDITIONS

The Appraiser's "General Project Report", on projects where one is prepared, is submitted as an integral part of each appraisal report on the project. The individual appraisal reports cannot be used unless that Project Report is considered and used as a part thereof.

The photographs contained in the individual appraisal reports were taken by the appraiser on the date the property was inspected. Any photo taken on a different date or by another person will be appropriately labeled.

It is assumed that the title to the property is good and merchantable, free and clear of all liens and, there are no encumbrances other than those mentioned in the appraisal report.

The plans, plats, legal descriptions and other data furnished by others are assumed to be correct and reliable but the appraiser assumes no responsibility for their accuracy.

The individual appraisals are made in accord with the Code of Iowa and do not reflect any benefit from the proposed improvement or non-compensable items of damage.

The property is appraised as though under responsible ownership and typical management.

The Department of Transportation may use any or all of the contents of this appraisal report for its normal business functions.



COMPENSATION ESTIMATE

Parcel No. _____ Project No. _____ County _____

Record Owner(s) _____

Owner's Mailing Address _____

Tenant(s) _____

Tenant's Mailing Address _____

Address of Subject Property _____

This property is described as:

Land to be acquired: Fee Title _____ acres
sq. ft. @ \$ _____ = \$ _____

Permanent Easement _____ acres
sq. ft. @ \$ _____ = \$ _____

Value of improvements acquired (excluding R/W fence*): _____

Damage to remaining property: _____

Total Estimate = \$ _____

Certification:

I hereby certify that I am familiar with the property which is the subject of this estimate, that the estimate is based on data contained in the files of the agency, that I have no direct or indirect present or contemplated future personal interest in this property or in any benefit from the acquisition of this property.

*Compensation for R/W fence to be by fixed schedule or in accord with Section 472.44 Code of Iowa.

ADMINISTRATIVE APPROVAL

DATE _____

Date of Estimate _____

Signed _____

Estimating Agent



Iowa Department of Transportation

REVIEW APPRAISER'S REPORT

County _____ Project No. _____ Parcel No. _____

Appraiser	Value Before	Value After	Compensation
1. _____	\$ _____	\$ _____	\$ _____
2. _____	\$ _____	\$ _____	\$ _____
3. _____	\$ _____	\$ _____	\$ _____

Recommended just compensation and allocation among interests:

Owner _____ \$ _____
Lessee _____ \$ _____
Sublessee _____ \$ _____

Date of review appraiser's inspection: _____, 19 _____



Iowa Department of Transportation

CERTIFICATION OF REVIEW APPRAISER

Project No. _____

Parcel No. _____

I certify the following to be correct:

1. I am a: Governmental staff review appraiser with the authority to determine the amount to be offered as "Just Compensation".
 Contract review appraiser with the duty of recommending an estimate of "Just Compensation" to a governmental administrative authority.
2. That I understand that this recommendation or determination of "Just Compensation" is to be used in connection with the acquisition of property utilizing Governmental funds.
3. That I (*have*) (*have not*) made a visual inspection of the subject property and the comparable sales used in its valuation.
4. That my review has been made in conformity with the requirements of Iowa law, regulation and the Iowa Department of Transportation Appraisal Policy and Procedures Manual.
5. That to the best of my knowledge no items not compensable under the established law of the State of Iowa have been included in the final value recommended or approved to be offered as "Just Compensation" for the proposed acquisition from this property.
6. That neither my employment nor my compensation for making this review and "Just Compensation" determination or recommendation are in any way contingent upon the values concluded.
7. That I have no direct or indirect present or contemplated future personal interest in this property or in any benefit from the acquisition of the property appraised.
8. That the recommendation or determination has been reached independently based on appraisals and other factual data of record without collaboration or direction.

Date of Signature _____

Signature _____

Review Appraiser

APPRAISAL SECTION

Parcel File Check Sheet

Project No. _____ Parcel No. _____

I. Review Prior to Negotiation

- _____ A. Number of Appraisal Obtained
- _____ B. Appraisal 633-101
- _____ C. Appraiser's Allocation 633-102
- _____ D. Review Appraiser's Allocation 633-103
- _____ E. Appraisal 633-201
- _____ F. Appraiser's Certification 633-204
- _____ G. Invitation 633-205
- _____ H. Donations 633-220
- _____ I. Appraisal 633-401
- _____ J. Review Appraiser's Report 633-501
- _____ K. Review Appraiser's Certification 633-502
- _____ L. Appraisal Record of Contacts 634-052

Comments:

Review Appraiser's Signature

Date

II. Preliminary Inspection

- _____ A. Order for Preliminary Inspection
- _____ B. Prior FHWA Approval
- _____ C. Assignment of Preliminary Inspection
- _____ D. Completion of Preliminary Inspection

Signature

Date

III. Review of Subsequent Appraisal

- _____ A. 633-101 and 633-102
- _____ B. Appraiser's Certification - 633-204
- _____ C. Review Appraiser's Report - 633-501
- _____ D. Review Appraiser's Certification - 633-502

Comments:

Review Appraiser's Signature

Date

REVIEW APPRAISER'S MONTHLY REPORT

Month & Year _____

Date*	County & Project	Parcel Numbers	Appraiser's Name & Number of Appraisals			
			Staff	No.	Fee	No.

* Date turned over for negotiation

Signature of Review Appraiser





Iowa Department of Transportation

To Office: _____

Date: _____

Attention: _____

County: _____

From: Appraisal Section

Project: _____

Office: Appraisal

Subject: Transmittal of parcels for negotiation

Reviewed appraisal reports together with appropriate files are attached for the following parcels on the above referenced project:

Attach:
cc: D. D. Shirley

Review Appraiser



Iowa Department of Transportation

HIGHWAY DIVISION
OFFICE OF RIGHT OF WAY
Ames, Iowa 50010

APPRAISAL OF SIGN OR BILLBOARD

Parcel No. _____ Project No. _____ County _____

Land Owner _____

Sign Owner _____

Address _____

City _____ State _____ Zip Code _____

Permit No. _____

Location _____

Identification _____

Photographs

VALUE UNDER EMINENT DOMAIN LAW OF THE STATE OF IOWA

Sign value before the acquisition \$ _____

Sign value after the acquisition \$ _____

Estimate of just compensation \$ _____

CERTIFICATION

I hereby certify that in the preparation of this appraisal for highway purposes I have personally inspected this property; that I have no present or contemplated future interest therein; that compensation to me for this appraisal service is not contingent upon any value conclusions herein set forth; that Federal-aid highway funds are involved; and that all statements herein are true to the best of my knowledge and belief.

APPROVED
_____ Reviewing Appraiser
_____ Date
Iowa Department of Transportation

Date of Valuation _____

Signed _____ Appraiser



Iowa Department of Transportation

OFFICE OF RIGHT OF WAY
APPRAISAL

RECORD OF CONTACTS

Contact No. _____ County _____

Owner Tenant Other _____ Project _____

Personal Contact Telephone _____ Parcel _____

Type of Property AG COM Other _____

RES IND

Anticipated Appraisal Format _____

Persons Present _____

Discussion of Activities _____

Appraiser _____

Date _____

STATE LIBRARY OF IOWA



3 1723 02090 4041