

Federal Transit Administration

Real Estate Requirements

Participant Workbook

Module 1: Introduction

Module 2: Real Estate Acquisition Management Plan and Relocation Plan

Module 3: Valuation

Module 4: Appraisal Review

Module 5: Acquisition and Negotiation

Module 6: Administrative Settlements

Module 7: Relocation

Module 8: Joint Development, In-Kind Contributions, Donations, and Dedications

Module 9: Disposition of Real Estate Assets

Appendices

Appendix A: The Uniform Relocation and Real Estate Acquisition Policy Act of 1970,
as amended

Appendix B: 49 CFR Part 24

Appendix C: FTA C 5010.1D

Appendix D: FTA Guidance on the Application of 49 U.S.C. 5324(c) to
Railroad Right-of-Way (ROW) Acquisition

Appendix E: Minimum Criteria for Real Estate Consultants and USPAP Q&A

Appendix F: Final FTA Guidance on the Eligibility of Joint Development
Improvements Under Federal Transit Law

Federal Transit Administration

Real Estate Requirements

Instructors

Robert N. Merryman

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Mr. Robert N. Merryman is the Senior Vice President of O.R. Colan Associates, a national firm specializing in land acquisition and relocation implementation for public agencies. He has been involved in all aspects of land acquisition and right of way for over thirty years. Mr. Merryman has been directly involved with many transit land acquisition projects including MetroLink, New York MTA, BART and New Jersey Transit. Bob also serves as an Oversight Contractor for FTA on various projects. He is the author of four texts used by the National Highway Institute of the Federal Highway Administration; and he is an author of two Guides for FTA transit projects. Mr. Merryman is a developer and co-instructor for the FTA Real Estate Requirements course offered nationally by FTA.

Ronald Fannin

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Mr. Fannin retired July 3, 2008 with 34 years of Federal service; 28 years with the Federal Highway Administration, 4 years as Real Estate Manager for the Federal Transit Administration and 2 years with the FBI. He retired from the Federal Transit Administration in July of 2008. From December 2002 through December of 2004 Ron was the FHWA Team Leader for the Professional Development and Training Team and Lead Agency coordinator for implementation and updating 49 CFR Part 24. Mr. Fannin was responsible for writing and instructing two courses for the Federal Highway Administration under the guidance of the National Highway Institute. Ron was the FHWA liaison to the 30th Anniversary Symposium and co-sponsor of the FHWA/IRWA Partnering Agreement.

In 2006, as the Real Estate Manager for the Federal Transit Administration, he initiated and assisted in the preparation of the Basic Real Estate course through the National Transit Institute (NTI). Mr. Fannin co-instructed eight (8) presentations of that course in 2007 and 2008. In 2005 Mr. Fannin orchestrated the FTA/IRWA Partnering Agreement giving additional training opportunities to FTA personnel and FTA Grantees.

Course Goal

To assist FTA grantees in understanding and complying with the Uniform Act and additional regulatory guidance pertaining to the acquisition of real estate and the displacement of persons for an FTA-assisted project.



Key Message: Grantees need to understand and comply with all of the requirements of the Uniform Act and the regulations.

Notes:

The Uniform Act was passed by Congress in 1970 to bring consistency and fairness to the acquisition process. If Federal funds are used in a project, it is a requirement. FTA cannot waive the law, so grantees must be aware of the requirements to protect their grant eligibility.

The implementation of the Uniform Act is accomplished through 49 CFR Part 24 and FTA has added its specific requirements in its Circular 5010.1D. So, both Part 24 and 5010.1D are important.

A copy of the regulations are located in the Appendix of the Participant Workbook, and can serve as a functional restatement of the Uniform Act requirements. Grantees are contractually bound to abide by these regulations through their Grant Agreements (or Sub-Grantee Agreements). If these requirements are not adhered to, the FTA may be obligated to withdraw financial support.



Course Objectives

- Review the elements of a Real Estate Acquisition Management Plan (RAMP) and a Relocation Plan
- Describe methods for determining the value of property
- Explain the appraisal review process
- Discuss the negotiations process and best practices



Key Message: Read the objectives, but no elaboration is needed.

Course Objectives

- Explain the administrative settlement process
- Identify the types of relocation and the agency obligations associated with each
- Review real estate requirements associated with Joint Development
- Describe dedication, donation, and in-kind contributions of property for transit projects
- Review requirements and methods associated with the disposition of excess property



Key Message: Read the objectives, but no elaboration is needed.

Course Outline

- Module 1 – Introduction
- Module 2 – Real Estate Acquisition Management Plan (RAMP) and Relocation Plan
- Module 3 – Valuation
- Module 4 – Appraisal Review
- Module 5 – Acquisition and Negotiation

Notes:

This is the outline for the course expressed by the title of each Module. It correlates with the Course Objectives.



Course Outline

- Module 6 – Administrative Settlements
- Module 7 – Relocation
- Module 8 – Joint Development, In-Kind Contributions, Donations, and Dedications
- Module 9 – Disposition of Real Estate Assets

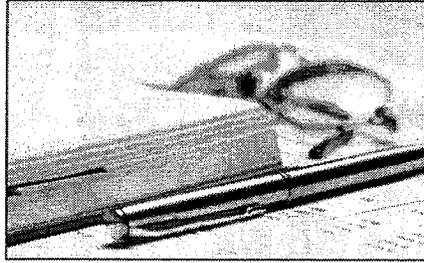


Notes: Continuation of previous slide.



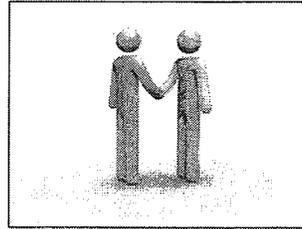
Participant Workbook

- Course slides and notes
- Learning Activities
- Appendix



Participant Introductions

- Who are you?
- Where do you work?
- Experience in real estate?
- Expectations?

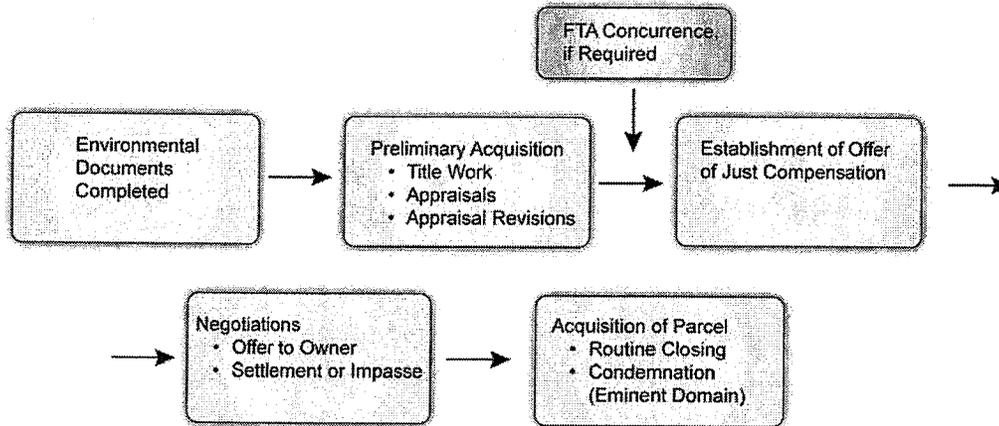


Key Message: Taking a few minutes for introductions will make everyone feel welcome. It will also determine the participants' general level of familiarity with the course subject matter, and discover the participants' expectations and what they wish to accomplish during the course.

Instructor Note:

While participants are introducing themselves and discussing both their experience in real estate and expectations for the class, maintain a list of any expectations mentioned. Tell them whether or not that subject will be addressed. Some expectations can be addressed as part of the introduction.

Property Acquisition Process



Key Message: This slide represents the most typical way that parcels will proceed through the acquisition process. It is not intended to represent the only or best way to handle acquisition.

Notes:

Once environmental documents are completed for a project, the preliminary acquisition tasks can begin. These include title work (to determine ownership, legal descriptions, encumbrances, etc.); appraisal, to estimate the fair market value of the parcel to be acquired; and an appraisal review, recommending to the Transit Agency a dollar amount to be used in negotiations. In some cases, based on the amount of the appraisal/review, the recommended amount must be concurred with by FTA. This threshold amount, as set out in FTA Circular 5010.1D, is \$500,000.

The next step is for the Transit Agency to establish the amount to be offered as Just Compensation to the property owner. The Transit Agency will rely on the appraisal and review (along with the FTA concurrence, if needed) to establish this amount at a figure not less than the approved appraisal. This amount is then offered in writing to the property owner, who is free to accept, reject, or offer a compromise. The acquisition of the parcel is completed by either agreeing amiably with the property owner based on some type of settlement, or by filing a condemnation petition using the Transit Agency's power of Eminent Domain. A condemnation suit asks the courts to determine the value of the parcel through the process mandated by State law.

Note: In certain situations, preliminary acquisition work, shown here as title work and appraisals, may precede the completion of the environmental documents.

Fundamentals

- Pay for what is acquired or damaged
- Displaced residents require replacement dwelling

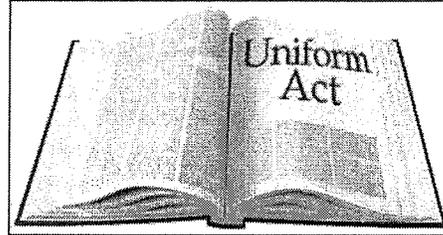
Key Message: This slide states two basic and fundamental rules.

Notes:

These statements are always true and are derived from Federal law or constitutional requirements, and should be kept in mind during the class. Over the next two days, the implementation of these concepts will be demonstrated.

FTA Materials

- Uniform Act Guide
- Project Development Guide
- www.fta.dot.gov
 - Planning and Environment
 - New Project Planning and Development
- www.fhwa.dot.gov/realestate



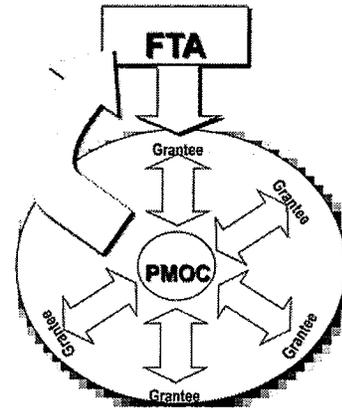
Key message: FTA is attempting to provide more guidance materials.

Notes:

Both of these Guide publications should be available shortly from FTA and can be downloaded from the FTA website. The two websites provide information on the implementation of the Uniform Act. The FHWA website is highway specific but contains good background information for FTA projects also.

FTA-Grantee: PMOC Relationships

- PMOC is an extension of FTA
- Does not direct work, but offers suggestions
- Real estate component is growing
- It is a team approach to deliver an efficient, timely transit project



Key Message: The FTA uses contractor Project Management Oversight Consultants (PMOCs) to extend their expertise.

Notes:

The use of real estate Project Management Oversight Consultants (PMOCs) has proved beneficial to FTA. However, the PMOC cannot do the transit agency's or the real estate consultant's work; they are in place to monitor work for the FTA. They may provide limited guidance but ultimately, the work product is the responsibility of the grantee. PMOC are most likely to be associated with major New Starts projects. Many projects may not have a PMOC structure.

This graphic is from the Project Development Guide of FTA. The PMOC may work with several grantees or may work on more than one of a grantee's projects.

FTA Experience

- Need for training
- Consultants need to be experienced
- Grantees must provide competent oversight
- PMOC consultant needs access to agency records



Key Message: FTA periodically reviews project work and gains insight into the difficulties faced by grantees.

Notes:

Experienced personnel may be lacking in grantee organizations. Therefore, basic real estate training is a way to provide a foundation for grantees.

Grantees need to select consultants based on their experience and capabilities. It is not a good area to base selection on the low bid, as it may ultimately cost more than it will save.

A grantee can rely on a consultant, but they must be able to independently evaluate the work and review the recommendations of the consultant. The grantee is responsible for their consultant's work quality.

For the PMOC process to function, access must be granted to records.