



GUIDELINES FOR APPRAISERS

**State of Tennessee Department of
Transportation Right-of-Way Division
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GUIDELINES FOR APPRAISERS

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I. INTRODUCTION

The purpose of these “Guidelines for Appraisers” is to set forth the requirements for the preparation of appraisals and appraisal reports for the Tennessee Department of Transportation’s Right-of-Way Division in its acquisition of real property using State and/or Federal tax dollars. In spite of the occasional appearance to do so in areas deemed critical, it is not the intent of this document to dictate appraisal practice or teach fundamental valuation techniques/principles. Virtually all of the appraisals conducted for the Department of Transportation are prepared for eminent domain use and are subject to scrutiny by landowners and the public, and therefore require a level of completeness, and occasionally, complexity seldom found in general appraisal reporting.

These guidelines for appraisers are subject to periodic revision. It is the appraiser’s responsibility to prepare and complete TDOT assignments based on the revision in force as of the appraisal **contract date**.

Appraisal products prepared for the Tennessee Department of Transportation (TDOT) shall be prepared in accordance with the following:

(1) *Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act* and amendments (Uniform Act)

<http://www.fhwa.dot.gov/realestate/act.htm> and
<http://www.fhwa.dot.gov/realestate/apprgd.htm>;

(2) *Uniform Standards of Professional Appraisal Practice (USPAP)*.
For order form, see <http://www.appraisalfoundation.org>

(3) These TDOT *Appraisal Guidelines*: www.tennessee.gov/tidot

Where questions arise regarding basic valuation procedure, reference should be made to current editions of recognized appraisal texts such as *The Dictionary of Real Estate Appraisal*, *The Appraisal of Real Estate*, and *Real Estate Valuation in Litigation*. Due to the unique nature of partial acquisitions and eminent domain, further clarifications may be required. In such cases, questions should be directed to TDOT for guidance and final determination. Furthermore, TDOT valuation requirements must comply with law – statutory and common, and may from time to time differ from conventional

methodologies or techniques. Each TDOT Right-Of-Way office is staffed with appraisers, engineers and attorneys to assist should questions arise.

Unless otherwise contracted, all appraisals prepared for TDOT shall be “Complete Appraisals” reported in either a “Summary” or “Self-Contained” format, and shall reflect a 100% ownership position in fee-simple.

II. LEGAL BASIS & INSTRUCTION

EMINENT DOMAIN

A sovereign’s right to acquire private property for public use is undisputed. The U. S. and State Constitutions address the issue of “just compensation”. Specifically, the Fifth Amendment to the U. S. Constitution states in part “nor shall private property be taken for public use, without just compensation.” Article I, Section 21 of the Tennessee Constitution states “No man’s particular services shall be demanded, or property taken, or applied to public use, without the consent of his representatives, or without just compensation being made therefor”.

Just Compensation means the full and perfect equivalent in money of the property acquired, whereby the owner is put in as good a position pecuniarily as he would have occupied if his property had not been taken.

Chapters 16 & 17 of Title 29 of the Tennessee Code Annotated (found at <http://www.michie.com/resources1.html>) deal with matters of eminent domain. More specifically TCA 29-16-114 addresses the issue of “Elements of Damages”.

The *Tennessee Pattern Jury Instructions (TPI)* was prepared as an aid to bench and bar in an effort to promote “uniformity, certainty, clarity, brevity, and many other desirable qualities”. Chapter 11 of the Civil section provides jury instructions pertaining to eminent domain. Among the various issues discussed in T.P.I.—Civil, Chapter 11, the terms “just compensation” and “fair market value” are introduced. It is the court’s responsibility to deal with “just compensation”, and it is the appraiser’s responsibility to estimate “fair market value”. Notwithstanding the existence of various economic definitions of “market value”, it is within T.P.I –Civil, 11.03 that the court-accepted definition is found. It reads as follows:

“Fair market value means the amount of money which a purchaser, willing but under no compulsion to buy, would pay, and which a seller, willing but under no

compulsion to sell, would accept, taking into consideration all the legitimate uses to which the property was adaptable and might in reason be applied.”

The above must be the underlying basis for all appraisals prepared for TDOT, and must be cited in each appraisal report.

DAMAGES/BENEFITS

The constitution and law of the State of Tennessee provides that just compensation must be made for property acquired and, in addition, that in the situation where only a part of the property is acquired there shall be paid compensation for the damage, if any sustained by the remainder of the property. The law likewise provides and charges the appraiser with the responsibility of determining benefits that may offset damages.

In Tennessee, eminent domain appraisals must be prepared in accordance with the “State Rule” as opposed to the “Federal Rule”. That is to say, the part acquired shall be paid for without exception and should **special (incidental) benefits** be expected to accrue to the remainder as a result of the proposed acquisition, these can only offset incidental damages.

That part of the law alluded to above reads as follows:

“In estimating the damages, the jury shall give the Value of the land or rights acquired without deduction, but incidental benefits which may result to the owner by reason of the proposed improvement may be taken into consideration in estimating the incidental damages.”

[Within the following discussion on Damages and Benefits, *Real Estate Valuation In Litigation*, 2nd Edition by J.D. Eaton, MAI, SRA is referenced as a substantial research source. To the extent that there are direct quotes of phrases or complete sentences from his text, we so acknowledge and hereby give full credit to Mr. Eaton.]

Damages

Damages can only result from a partial acquisition. The acquisition need not be physical but may be the acquiring of a property right (i.e. easement). In this regard the appraiser must fully understand what rights are being acquired. The estimate of damages should be no more conjectural or speculative than the appraiser’s estimate of market value before and after the acquisition. Damage estimates must exclude highly improbable damages, but reflect those damages that would be considered significant by prudent buyers and sellers. Strict proof of the loss in market value to the remaining parcel is necessary. The extent to which the utility of the property has been destroyed and its market value

diminished must necessarily be established by factual data having a rational foundation in support of such a claim.

Depending on the type of acquisition and the availability of data, the appraiser may pursue the estimate of damages “directly” or “indirectly”. “Direct” measurement of damages can be accomplished through analysis of “matched pair” sales, capitalization of rent loss, or cost-to-cure analysis to include administrative charges. In no event can the cost-to-cure measure of damage be applied if the cost to cure exceeds the reduction in value that would result if such a cure were not undertaken. However, if the cost to cure is less than the reduction in the value of the remainder, the cost to cure measure of damage must be used.

The “indirect” measurement of damage is a complete “before” and complete “after” appraisal of the property. Damage is estimated by deducting compensation for the proposed acquisition (land, easements, and improvements) from the difference in the before and after value. Any excess would be damages, but shall not exceed the cost-to-cure.

Unless the alleged damage has a demonstrable impact on the market value of the remainder property being appraised, the appraiser cannot consider it. Some items of damage are considered too remote and speculative to merit consideration. It is simply impossible to develop an all-inclusive list of potential damages but some forms of damage do occur regularly.

The following is a list of conditions for consideration BUT is not all-inclusive.

- A remainder without access often has a limited number of potential buyers and cannot, for all practical purpose, be placed on the open market.
- A change in the shape of a tract might make it physically or economically impossible to develop. If the property is farmland, inefficiencies may be created by changing the areas of cultivation or irrigation.
- A reduction in size may transform the remainder property into a nonconforming use.
- Topographic alterations, acquisition, and/or alterations of access rights could result in damages. A change in street grade could alter the slope(s). This would require the appraiser to examine the slope for the effect to the remainder and possible loss of usable area due to fills or cuts.
- Proximity damages may result in a change in the remainder’s proximity to the improvement being constructed.

Following is a list of conditions for which no compensation is provided by Tennessee law. This list is not all-inclusive, but should cover most of the situations with which appraisers could come in contact with during the appraisal process.

Non-Compensable

- Decrease in traffic volume in front of the premises (which might be caused by moving the main travel-lanes away from a business or by a re-routing or diversion of traffic or by the conversion of a two-way street to a one-way street).
- Circuity of travel to achieve access to main travel-lanes or roads.
- Personal annoyance due to interference with peaceful living conditions caused by traffic noises, fumes, and/or vibrations.
- Any modification within the existing right-of-way --which the property in question is adjacent to-- which may come about by regulation pursuant to the exercise of police power.
- Loss of business or good will, or the interruption of business.
- Anticipated losses from intended uses or purposes that the owner had in mind, and all other speculative losses.
- Loss of and diminution of access in the situation where property is being acquired for a controlled-access project, where the same is to be constructed on a new location. The principal of vested right to an existing highway entrance is not present under such circumstances.
- The removal of the parking privilege on the right-of-way in front of premises, a portion of which is being acquired.
- Any value or necessity which is peculiar to the owner of the involved property.
- Any element which is classified as remote or speculative.

- Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, shall be disregarded in determining the compensation for the property. (See page 9-Jurisdictional Exception)

Excluded

- The law provides for other elements of damages in applicable circumstances. The internal procedure of the Right-Of-Way Division provides for the estimate of such damages to be furnished by its personnel. Appraisers are advised as to the method employed to arrive at total just compensation in each instance. That part of the law that TDOT right-of-way personnel administer is as follows: Where the removal of furniture, household belongings, fixtures, equipment, machinery, or stock in trade is made necessary by the acquisition, the reasonable expense of such removal shall be considered in assessing incidental damages. The reasonable expense of the removal of such chattels shall be construed as including the cost of: any necessary disconnection, dismantling or disassembling, the loading and drayage to another location not more than fifty miles distant, and the reassembling, reconnecting, and installing in such new location.
- Moving expenses of owners and tenants rightfully in possession are compensable. However, the investigation of moving expenses is made by the State's Property Manager and not by the appraiser. Therefore, the appraiser is not to include any moving expenses in the appraised value(s).
- Also excluded from the appraisal report is the estimated cost of relocations, adjustments, or repairs of underground installations such as utility service connections (water lines or sewer lines, septic tanks, field lines, etc.) which will be caused by partial acquisitions.
- Appraisers shall not give consideration to, nor include in their appraisals, any allowance for relocation assistance benefits.
- The appraiser shall not, unless specifically requested to do so, make any appraisal or determination of salvage value of improvements.

Benefits

Benefits like damages, relate only to partial acquisitions. Benefits, as used herein, are defined as “the advantageous factors that arise from a public improvement for which private property has been acquired in eminent domain.”¹ There are two classifications: general and special (incidental) benefits. *General benefits* accrue to properties on/and outside the project area as opposed to *special benefits* that accrue to specific properties on the project.

General benefits accrue to the community at large, to the area adjacent to the improvement, or to other property situated near the property acquired. These benefits affect the value of properties that have not been acquired or damaged as well as the value of properties that are directly involved in the acquisition. **General benefits may not be used to offset incidental damages.** The reason for this rule is that basic unfairness would result if an owner, whose property was directly affected by a public improvement project were compelled to have incidental damages offset by such a benefit that would also enhance properties not acquired in connection with the proposed improvement.

Special benefits can accrue to property remaining after a partial acquisition. Value accruing to the remainder of a property by reason of acquisition and use by the state of a portion of such property where such value is special to said remainder and not enjoyed by the general public. Benefits may be special although other owners on the project receive similar benefits. **Special benefits can offset damages, but not direct acquisitions.**

The procedures used in appraising a property that may be benefited are no different than the procedures used to value properties that have been damaged by a partial acquisition. Benefits, like damages, cannot be speculative or conjectural. A benefit, to be considered at all, must not be so remote or speculative as to be incapable of a reasonably accurate monetary measurement. The benefit must affect the particular parcel of land from which the acquisition was made. The appraiser must provide market evidence and appraisal report documentation that is extensive and convincing.

NOTE: Regardless of the methodology used or the specific rules applied, the estimation of compensable damages and benefits in the appraisal must be done thoroughly and logically. Questions should be directed to the Regional Chief Appraiser.

¹ The Dictionary of Real Estate Appraisal, 3d ed. (Chicago: Appraisal Institute, 1993), 32.

JURISDICTIONAL EXCEPTIONS

Although it is mandated herein that appraisals prepared for TDOT be prepared in accordance with USPAP, there are situations whereby federal and/or state regulations take precedence. Two of the more common exceptions that apply in all eminent domain appraisals in Tennessee are shown below:

- **Proposed Public Improvement Influence:** Standards Rule 1-4(f) states “An appraiser must analyze the effect on value, if any, of anticipated public or private improvements, located on or off the site, to the extent that market actions reflect such anticipated improvements as of the effective appraisal date.”

However, Code of Federal Regulations, Title 49, Subtitle A, Part 24, Subpart B, Sec. 24.103 (b), specifically prohibits consideration of project influence with regard to the “before” valuation. Project influence must be considered in the after situation.

- **Exposure Time:** Statement 6 of USPAP states “When the purpose of an assignment is to develop an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion.”

Contrary to Statement 6 of USPAP, the definition of market value to be used in all appraisals prepared for TDOT does not call for the estimate of value to be linked to specific exposure time, but rather only that exposure to the market be for a reasonable length of time. Therefore, all value estimates prepared for TDOT shall not be linked to a specific exposure time.

It is misleading for an appraiser to regard a part or parts of USPAP as void and of no force and effect in a particular assignment without identifying in the appraiser’s report the part or parts so regarded and the legal authority justifying this action²

² USPAP : THE APPRAISAL FOUNDATION

III. DEPARTMENT POLICIES

ACCOMPANIMENT

An owner must be provided the opportunity to accompany the appraiser. This is not just a Right-of-Way policy, *IT IS THE LAW*. AMENDMENTS TO PUBLIC LAW 1- 646 AND TITLE IV of the UNIFORM RELOCATION ACT provide: THE OWNER OR THE OWNER’S DESIGNATED REPRESENTATIVE SHALL BE GIVEN AN OPPORTUNITY TO ACCOMPANY THE APPRAISER DURING THE APPRAISER’S INSPECTION OF THE PROPERTY.

In all cases, property owners or their designated representative(s) must be offered the opportunity to accompany the appraiser at the time of property inspection. This opportunity to accompany the appraiser must be reasonable, giving adequate notice of the date/time of the proposed inspection. **If someone other than the owner of record is the appraiser’s contact person, the relationship of that individual to the owner of record shall be ascertained by the appraiser and stated in the report.**

Any owner of any legal interest in the property shall have the right to accompany the appraiser. (This includes tenant owners of buildings, structures, and improvements upon the property to be acquired.)

All contacts shall be conducted in a professional manner, and all courtesy shall be extended to the land-owner.

Should initial contact efforts fail, the appraiser will send a certified letter to the owner(s) of record in the county property assessment office. A copy of the certified letter and receipt should be attached to the report. If a valid address for ownership is unobtainable, the appraiser may, with documentation of the efforts made, proceed with other avenues of contact and/or inspection.

CONFIDENTIALITY

Communication with a landowner or landowner’s representative must be limited to discussions of the appraisal process and/or an explanation of TDOT’s right-of way plans. All other information is considered confidential. Appraiser discussions as to values, damages, or benefits are strictly prohibited. Disclosure of confidential information is considered a material breach of agreement, and may result in removal from the TDOT Appraisal Panel and legal action.

DEPARTMENT POLICIES

APPRAISAL DISCLOSURE

Prior to the passing into law of Public Acts 2000, Chapter No. 940 on June 21, 2000, state law provided that “*State agency records containing opinions of value of real and personal property intended to be acquired for a public purpose shall not be open for public inspection until the acquisition thereof has been finalized*” (TCA 10-7-504 (a) (6)).

The new law (TCA 54-5-110 (c)) states in part as follows: “*the state through the Department Of Transportation, or any agent thereof, shall, upon the request of the landowner, allow the landowner or the landowner's representative to examine the entire appraisal*”.

DOCUMENTATION REQUESTS (Form 39)

If the market data brochure or any appraisals require additional data, explanation, corrections, etc., a R.O.W. Form 39 "Appraisal Documentation Request", will be issued by the reviewer.

The Issuing Authority will not accept a general answer to multiple tract questions. The appraiser’s answer(s) must be directed to each tract separately.

Four copies of each answer and/or revised page must be sent to the authority issuing the Form 39.

All correspondence **must** include a letter of transmittal with the answers and/or additional documentation, and identify in this letter:

- Date of Form 39 Request.
- Project Number(s).
- Tract Number(s).

Unsatisfactory responses or failure to respond in a timely manner could result in delay of payment for the market data brochure or for an appraisal, and/or could inhibit employment on future projects.

PERSONAL OBLIGATION

The contracted appraiser must **personally** perform, be responsible for, and certify to the following:

- The appraiser of record must make a personal inspection of the subject property. If structures are acquired or affected, both interior and exterior inspections are required.

- Comparable sales must be inspected.

- Right-of-way acquisition limits are to be visualized on the ground and the effects personally noted by the appraiser of record.

The quantity of appraisal products prepared for TDOT may require the appraiser to seek assistance from fellow appraisers, associates, engineers or other professionals. Significant professional assistance must be acknowledged in preparing both the Market Data Brochure and individual appraisal reports. The appraiser contracting with TDOT accepts full responsibility for the Market Data Brochure, appraisal analyses/conclusions and appraisal reports.

ENGINEERING ASSISTANCE

In instances where engineering assistance is needed, the Regional Right-of-Way Engineering Staff will provide consultation at no cost to the appraiser. The appraiser should contact the Regional Chief Appraiser to arrange a meeting.

CONTAMINATION

It is the policy of TDOT that all appraisals for right-of-way acquisition shall be made under the assumption that project properties are free and clear of contamination from hazardous substances. However, it is incumbent on the appraiser to notify the Chief Regional Appraiser of any appearance of contamination and specifically so state in the appraisal report.

APPRAISAL UPDATES FOR COURT

Appraisals prepared for a condemnation action shall have an effective valuation date as of TDOT's date of possession. The date of possession will be supplied to the appraiser by TDOT.

When an appraisal is being updated in preparation for trial, the appraiser should investigate and consider any comparable transactions that have occurred between the date of the original appraisal and the date of possession, address any appraisal weaknesses, and review all analyses. In some instances, an entirely new appraisal report will be required. Because the date of possession has already occurred, the update appraisal is considered a retrospective opinion of value. Although unique market conditions may require unique solutions, the cut-off date for market comparables is typically the effective date of the appraisal.

IV. ACQUISITION RIGHTS/IMPROVEMENTS

PROPERTY RIGHTS

Fee Simple: Fee Simple Title has been defined as "Absolute ownership unencumbered by any other interest or estate subject only to the limitations of eminent domain, escheat, police power and taxation" (The Dictionary of Real Estate Appraisal, published by the Appraisal Institute). The appraisal shall show a total value as though there is a single interest held. No breakdown of separate interests held in a tract shall be shown except when requested by TDOT in special cases. In most right-of-way acquisitions, the State deals only with the fee owner, and along with the conveyance obtains a release of all other interests involved.

The appraiser is to investigate and report any leases, easements or similar encumbrances on properties being appraised. If it is discovered that a lessee owns real property improvements, the appraiser shall contact the field-office chief appraiser for further instructions in completing the appraisal.

The appraiser shall secure copies of all leases and similar encumbrances and include these copies with the appraisal report. (IF COPIES CANNOT BE SECURED, THE APPRAISER MUST INCLUDE A LIST OF ALL TERMS AND CONDITIONS OF THE LEASE, OR SPECIFICALLY STATE THAT OWNERSHIP REFUSED TO DISCLOSE SAID TERMS AND CONDITIONS.)

Easements: The underlying land upon which easements are acquired remains the property of the fee holder and may be used by the fee holder for any purpose desired, provided such use does not damage, destroy or weaken the support of said road after it is constructed or interfere with the drainage or maintenance of same.

Compensation for these easements should be based on a consideration of the before and after utility of the area in question. In some cases, these easements are a benefit to the property and would cause an enhancement in property value. These benefits should be appropriately considered. The appraiser must use sound judgment and good appraisal practice in estimating the value of easements, taking into consideration the type of easement acquired, the time limit of the easements, the purpose and use for which said easement is acquired, the impact of the easement on the remainder (easements can cause remainder damage), and what property rights are retained by the owner. The easement area(s) acquired (as shown on the plans) shall be reported and fully described in the appraisal report whether or not value is assigned to the area. Each easement must be considered on an individual basis. A

standard percentage value included in the brochure is not acceptable. **The method of valuation must be explained.**

The types of easements normally acquired by TDOT are as follows:

Permanent Drainage Easements (PDE): The appraiser may value the area(s) encumbered by these easements up to and including 100% of fee-simple value and must consider any damages or benefits to the remainder(s). In most cases 100% will be paid for the PDE.

Slope Easements (Cut or Fill): The appraiser may value the area(s) encumbered by these easements up to and including 100% of fee-simple value and must consider any damages or benefits to the remainder(s). When considering the impact of a proposed slope, the existing slope must be considered.

NOTE: Slope easements are obtained for the proposed roadway construction. TDOT does not purchase easements for the slopes on driveways. The driveway slopes are not included in the slope easements in the acquisition table. However, there may be instances where slopes for driveways could affect landscaping or other improvements or cause a loss in value to the property. The appraiser should take notice of the driveway slopes on the present layout sheet(s) and consider them in the appraisal report.

Construction Easements: Construction easements are acquired outside of other acquisition areas. These are footnoted as appropriate, i.e., channel improvements, detour road, pollution control, working room for constructing retaining walls, etc. These easements are temporary in nature, but could make permanent changes to the property in some instances. However, in most cases, the areas are to be reinstated to their previous condition. The appraiser should always check the notes on the Plans before estimating the value of these areas. These easements will be valued considering the time frame (typically three years) of the easement, purpose for which the easement is acquired and consideration of the before and after utility of the area in question. These easements may be valued up to 100% of fee-simple value, or a percentage may be assigned as an annual rental rate for the period of construction depending on the purpose of the easement and the before and after utility of the area. The appraiser shall also consider damages and/or benefits, if any, to the remainder.

Other Interests: When encountered, each appraiser should contact the Regional Chief Appraiser for clarification as needed.

IMPROVEMENTS

Improvements located within the Existing R.O.W.: Generally, TDOT does not pay for improvements located within the existing right-of-way. Questions concerning such items should be directed to the Regional Chief Appraiser.

Improvements within the Proposed R.O.W.: TDOT shall acquire all buildings and other improvements located upon the land acquired in fee and/or easements.

EXCEPTION: Items where compensation is based on the cost-to-cure. Example would be frontage fence that will have to be replaced in the after situation for security.

Improvements partially within the Proposed R.O.W.: Typically, when a building is located partially within the proposed right-of-way it is TDOT's policy to acquire the entire building. Occasionally, TDOT acquires only that portion of the building within the proposed right-of-way and re-faces the remaining portion. In the latter situation the appraiser is to value (1) the entire building in its original condition and (2) the cost of cutting off and removing that portion of the structure within the proposed right-of-way and refacing the remaining portion. Should the appraiser encounter a situation in which this procedure may be utilized, please contact the Regional Chief Appraiser. For more details see Section VII, Supplemental.

Tenant-Owned Improvements:

The fee simple value of the tenant-owned improvements is to be reported as "tenant-owned" but included in the estimate of fair market value of the subject property. If it is determined that the tenant-owned improvement(s) has a zero value due to nonconforming use because of the highest and best use for the land, then the appraiser is to value the improvement as if it is in conformity. The intent of this procedure is to protect the tenant's interest. Any questions should be directed to the Regional Chief Appraiser at TDOT.

V. MARKET DATA BROCHURE

The Market Data Brochure is an integral part of the TDOT appraisal assignment. It is incorporated into and made a part of each appraisal report prepared for TDOT, and should be referenced as such.

The brochure should demonstrate the appraiser's knowledge of the appropriate market(s). The brochure is primarily compiled for the presentation of sale/lease/listing/cost data as well as analyses and conclusions specific to a project area's real estate market trends, nuances, and conditions. It is also the appropriate place in which the appraiser can and should discuss his/her understanding of the proposed public improvement project.

A balanced and proportional discussion of areas beyond the project or neighborhood bounds shall be included when beneficial to a clear and complete understanding of the market dynamics that have an effect on project tracts. When properly and effectively narrated, these discussions ---in part--- replace such discussions ordinarily found within individual appraisal reports.

The initial brochure submission must include specific market data in sufficient quantity to constitute a satisfactory and meaningful sample, and must be representative of all property types affected by the proposed public improvement. Supplemental data is encouraged, particularly when more complex issues arise. However, the opportunity to submit such data should not be used by the appraiser as a crutch for a poorly prepared initial brochure.

Depending on the specific property type, the research effort may extend beyond the bounds of the project area. For example, instead of being confined simply to the immediate neighborhood, the competitive market area for various types of properties on a particular project may be county-wide or state-wide, or in some cases even regional. It is the appraiser's responsibility to seek out satisfactory pertinent data wherever it may be.

With specific regard to market listings, those found within the project area and judged to have a bearing on the value of any subject tract should be investigated and included in the brochure.

Typically, the Market Data Brochure is required for assignments containing five (5) or more tracts; otherwise, all data, analyses and conclusions must be contained within each individual appraisal report. TDOT appraisal forms 2C, 2C-1, 2C-2 (comparable data) and 2C-4 (photographs and sketches) are suggested as a basic transaction reporting framework.

The brochure must be bound and sufficiently covered to withstand substantial handling over a protracted period of time. While the binding must be secure, it must also allow for quick and easy disassembly/re-assembly. **Example would be the ACCO Prong Fasteners.**

The front cover must provide the following information:

Federal Project Number (if applicable)
State Project Number
County
Appraiser

NARRATIVE SECTION

- A statement setting forth the scope of the process in developing the Market Data Brochure.
- Market data discussions/analyses in support of appropriate adjustments per property type for price differentiation found to be present in the competitive market, i.e., market conditions (time), size, terrain, construction features, etc. **(AS AN EXAMPLE, A MARKET CONDITIONS (TIME) ADJUSTMENT BASED ON RESIDENTIAL PROPERTIES MAY NOT BE USED FOR NON-RESIDENTIAL PROPERTIES, NOR MAY ONE FOR VACANT PROPERTIES BE USED FOR IMPROVED PROPERTIES.)**
- Pertinent Area and Neighborhood Analyses.
- Include a copy of the appropriate sections of the controlling zoning ordinance, or an explanation of all zoning classifications encountered (subjects and market data).
- Market Data location map(s) with sufficient legible detail to allow for third party readers to locate and inspect all data in the field.
- Any other repetitive data to be referenced in individual appraisal reports. (i.e. Cost for fencing, landscaping, wells, septic systems, etc.)

MARKET DATA FORMS

(segregate as to property type --residential, commercial, etc.)

All market data used by the appraiser to validate, in any way, his/her market value opinions shall be included on the appropriate data form. As an example, if the appraiser uses a double sale in support of a time adjustment, each sale must be included on a

separate data sheet. All market data sheets (R.O.W. Forms 2C, 2C-1 and 2C-2) shall be accompanied by a sketch and photographs of the property.

Listings are very useful in an analysis of the local market and should be included in the brochure. They give the appraiser and/or reviewer a better feel for the current market and set an upper limit on time-trended values. All Listings in the vicinity that are similar to the properties being appraised should be included in the market data brochure. Listings should be provided on the appropriate data sheet and should be designated as such in the grantee space. The list price should be shown in the space for sale price. Listings are useful in establishing the upper limits of the market, but cannot be used as comparable sales.

Any or all of the following forms may be required for completion of a report depending upon the appraisal assignment. (Detail guidelines for completing these forms are found on the following pages.)

- R.O.W. FORM 2C VACANT LAND
- R.O.W. FORM 2C-1 RESIDENTIAL AND RURAL
- R.O.W. FORM 2C-2 COMMERCIAL/INDUSTRIAL/MULTI-TENANT PROP.
- R.O.W. FORM 2C-3 PHOTOGRAPHS AND SKETCHES

GUIDELINES FOR COMPLETING R.O.W. FORM 2C:

This form is to be utilized to describe any vacant land sale, regardless of the type of land involved --agricultural, residential, commercial, industrial, etc.

- Address & General Location of market transaction
- DIRECTIONS TO PROPERTY: The directions should be detailed enough to allow the reader to locate the property. The appraiser should show distance/direction from the nearest major street to clarify the location of the sale. EXAMPLE: From State Route 50, go approximately one-half mile north on Smith Road -- subject on the left just past the white frame church.
- Tax Map & Parcel Number- Self-explanatory
- DEED BOOK & PAGE NOS. - Self-Explanatory (Instrument Number in some locales)
- GRANTEE and GRANTOR - Self-Explanatory.
- PROPERTY RIGHTS CONVEYED - Indicate Fee-Simple, Leased Fee, etc.

- DATE of SALE - Show the date of the deed signatures.
- VERIFIED CONSIDERATION - Actual transaction price.
Comparable transactions must be verified with a party to the conveyance such as grantor, grantee (or one of their legal representatives), or the real estate broker who was involved in the transaction. In the event personal verification with a party to the transaction is not possible, reliance on deed affidavit is acceptable if and when the transaction is justified by other verified transactions in the area. Confirmation Source & phone number (in addition to reading each deed on sales, TDOT requires a party to each transaction be interviewed except as otherwise note above.)

(NOTE: If verification is from another source, an explanation of why the data was verified in this manner and an opinion of the accuracy of the data must be included).

- FINANCING - This should contain the terms of all financed sales including amount of the loan, loan period, and interest rate. These terms should be provided for all sales used as comparables –particularly in the event that financing is other than “market”.
- MOTIVATION/CONDITIONS of SALE - The motivations of the parties to the transactions should be outlined here. In the verification process, if it is discovered that either buyer or seller was unduly motivated to the extent that the price was compromised or enhanced, use of the sale in an actual appraisal should be avoided. This is especially important when transactions such as assemblages, purchases by adjacent owners, speculative purchases, or when the parties to the sale have a family or business relationship. Some arm's length transactions may reflect atypical sale conditions such as unusual tax considerations, or lack of exposure on an open market. A property may sell below market price if the seller needs cash in a hurry.
- Land Area: Show the total area in the appropriate unit.
- Dimensions: Show the linear feet of road frontage and also the depth, where appropriate.
- Shape: Indicate whether rectangular, triangular, irregular, etc.
- Site/View: Lake, mountain, river etc.
- Topography: Indicate whether level, sloping, hillside, etc.
- Access (Legal access may not equate to physical access): Type of access, e.g. road frontage & elevation, easement, etc. Show type of road access, two-lane, four-lane, etc.

- ❑ On-site Improvements: Paved parking, septic system, etc.
- ❑ Encumbrances: Powerline easements, gas pipeline easements, flood plains, etc.
- ❑ Off-Site Improvements: Check appropriate spaces.
- ❑ Utilities Available: Check appropriate spaces.
- ❑ Zoning: Identify the zoning, reporting it in descriptive terms (e.g. multiple family residential, 5,000 sq. ft. of land per unit). If property was recently re-zoned it should be reported. If space does not permit an explanation of the different types of property included in the zoning district, it can be attached or discussed in the comments section.
- ❑ Highest & Best Use: Current utilization of the property and how said use corresponds to highest and best use of the land.
- ❑ Comments: Use this space where additional space is needed to describe land features or to explain any items of comparison.
- ❑ Verified Sale Price: Actual transaction price of the property.
Adjustment for Property Rights Conveyed: Typically, when appraising property for the Department of Transportation, the appraiser is requested to appraise the fee-simple interest. When appraising residential or rural type property, it is seldom that an adjustment for property rights would be necessary. However, if less than fee-simple title was transferred and an adjustment is indicated, the amount of the adjustment should be shown in the first column. This amount is either added to or subtracted from the verified sale price and the adjusted amount indicated in the second column.
Adjustment for Financing Terms - If the sale reflects atypical market financing, such as installment sale contracts, wrap-around loans, loan assumptions with favorable interest rates, seller financed loans, discount points paid by the seller, etc., an adjustment must be made to indicate the difference in the sale price of the property and that which is typical of the market. The amount of the adjustment for financing should be shown in the first column. It is then added to or subtracted from the adjusted price after the adjustment for property rights has been made. The adjusted amount should be placed in the second column.
Adjustment for Conditions of Sale - The adjustment made here reflects the motivations of the buyer and seller. If non-market conditions of sale are detected, the appraiser should exercise great caution in using the sale as a comparable. The

amount of this adjustment should be shown in the first column and applied to the adjusted price after adjusting for financing concessions.

- ❑ Cash Equivalent: Sale Price of Comparable Sale-Verified Sale Price after adjustments have been made for property rights conveyed, financing concessions, and conditions of sale.
- ❑ Unit Value of Land: Fill in appropriate units of comparison.

NOTE: All individual transaction write-ups shall discuss the need for adjustments, and make those necessary to bring the transaction into a usable and meaningful state. Transaction adjustments may include consideration of the following: (1) property rights conveyed; (2) conditions of sale; (3) after-purchase expenditures; (4) “excess-land” extraction; (5) non-realty item extraction; (6) market conditions (time); (7) any other adjustments needed to bring the transaction into a state of normalcy. Should any or all of the above referenced adjustments or any of similar kind be found appropriate, an explanation and calculation of each shall accompany the individual transaction write-up. Only after the above adjustment categories have been appropriately considered can a sale/lease/listing be compared to and contrasted with the subject in terms of physical characteristics.

ALL adjustments made to the sale price must be explained and supported.

GUIDELINES FOR COMPLETING R.O.W. FORM 2C-1, RESIDENTIAL AND RURAL

This form provides for the data required for single family residential properties, duplexes and other small multi-family property sales and listings. Also, it can be used for improved rural or farm properties.

- ❑ Complete the top section of the form according to the detailed guidelines for 2C.
- ❑ Structure No.: Major improvement structures should be numbered to correspond with the numbering sequence used on the sketch sheet in order to easily identify the improvements. If there is more than one major improvement on the comparable property, then each one must be described individually either by using another form for the description or attaching a separate sheet that gives detailed information about the improvement.
- ❑ No. Stories: Self-explanatory.
- ❑ Function: Self-explanatory.

- ❑ Construction: Indicate type, i.e., wood frame, masonry, etc.
- ❑ Condition: Indicate whether excellent, good, fair, etc.
- ❑ Age - Actual, Effective: Show the actual and effective age.
- ❑ No. Rooms: Show total number of rooms in the residence.
- ❑ Baths: Indicate how many.
- ❑ Fireplace: Single, Double, none, etc.
- ❑ Heating System: Show type, i.e., central gas, heat pump, etc.
- ❑ Air Conditioning: Show type, i.e., central, window unit, etc.
- ❑ Plumbing: Indicate condition.
- ❑ Electrical: Indicate condition.
- ❑ Insulation: Fill in appropriate spaces.
- ❑ Area: Indicate the living area on each floor level and the total living area for the residence, excluding the basement and attic areas.
- ❑ Basement: Show the sq. ft. area, both finished and unfinished.
- ❑ Attic: Indicate the finished and the unfinished areas.
- ❑ Garage: Show size and fill in the appropriate spaces provided for describing the garage.
- ❑ Carport Area: Show size.
- ❑ Porches/Patios/Decks: Describe and show the areas.
- ❑ OTHER IMPROVEMENTS: This section should be used to describe any minor appurtenant structures or improvements that are not explained or described elsewhere. List the function of each improvement, show the type of construction (wood frame, masonry, etc.), indicate the condition and give the contributing value. The following

are examples of the types of improvements that might be included: sheds, barns, barbecues, patios, etc. **If a structure contributes value, it should be described in the Comments Section.**

NOTE: Description of Improvement(s) (if applicable). For improved properties (Sales/Leases/Listings), the descriptors pertinent to the type of property must be included and in sufficient detail such that the improvement(s) can be meaningfully visualized, analyzed and compared. Include a statement as to the highest and best use of the property as improved.

- ❑ COMMENTS OTHER THAN ABOVE - Use this section to provide information not shown elsewhere on the form.
- ❑ VERIFIED SALES PRICE-Complete this section of the form according to the guidelines set out for the same section in Form 2C.

GUIDELINES FOR COMPLETING R.O.W. FORM 2C-2, COMMERCIAL, INDUSTRIAL, MULTI-TENANT PROPERTY

This form provides for the data required for commercial, industrial, multi-tenant properties such as apartment buildings, office complexes, and shopping centers. In addition to the physical property description, it provides for income and expense data as well.

- ❑ The top portion of the form can be completed following the detailed guidelines for Form 2C-1.
- ❑ Function/Use: State whether building is used as grocery store, service station, motel, apartment bldg., office bldg., etc.
- ❑ Construction: Show type, masonry, frame, etc.
- ❑ Condition: Excellent, good, average, fair, etc.
- ❑ Stories: Indicate the number of stories.
- ❑ Age -- Actual & Effective: Show both the actual and effective age.

- ❑ Gross Area: Show the total sq. ft. in building.
- ❑ Office: Show the area of the office.
- ❑ Basement: Show area of the basement.
- ❑ Storage: Show area of the storage.
- ❑ Garage: Show the garage area.
- ❑ Rental Area: Show the net rentable area.
- ❑ No. Apts.: Total number of apartment units.
- ❑ No. Rooms: Indicate total number of rooms for apartments, motels, hotels, etc.
- ❑ No. Stores/Shops: Self-explanatory.
- ❑ Price Per Unit: Indicate the appropriate unit price(s) for the type property being appraised.
- ❑ Land/Building Ratio: Show the size ratio of the land and building.
- ❑ On-site Parking: Show number of spaces and/or square feet.
- ❑ Building Area/Parking Ratio: Especially important when appraising strip centers, super markets, etc.
- ❑ Potential Gross Income: Show the potential gross rental income.
- ❑ Vacancy & Collection Loss: Show percentage.
- ❑ Effective Gross Income: Potential gross rental income less the vacancy and collection loss.
- ❑ P.G.I.M./E.G.I.M.: Indicate both the potential and effective gross income multipliers.
- ❑ P.G.I./E.G.I. Per S.F. of Leasable Area: Show the breakdown of the potential and effective gross income per sq. ft. of leasable area.

- ❑ Expenses: Estimated total allowable expenses.
- ❑ Net Income: Estimated total net income.
- ❑ Capitalization Rate: Show the indicated capitalization rate for each comparable.
- ❑ NARRATIVE DESCRIPTION
 - Use this section to describe other building improvement and/or land improvement features not included in the other sections of this form. State any changes made since the date of the sale.
- ❑ VERIFIED SALES PRICE
 - Complete this section of the form according to the guidelines set out for the same section in Form 2C.

NOTE: The appraiser should keep in mind that if a property encumbered with leases is sold, it must be determined whether the contract rent of the sale property was above, below or equal to market rent. Market rent is used to estimate value in Fee-Simple. A property sold subject to existing leases, reflects the contract rent it will generate during the term of the leases and the market rent it should generate thereafter. Therefore, if the leases do not reflect market rent at the time of sale, the real property interest sold was the leased fee estate, and the sale should be adjusted to reflect the fee-simple estate.

GUIDELINES FOR COMPLETING R.O.W. FORM 2C-3, PHOTOGRAPHS AND SKETCHES

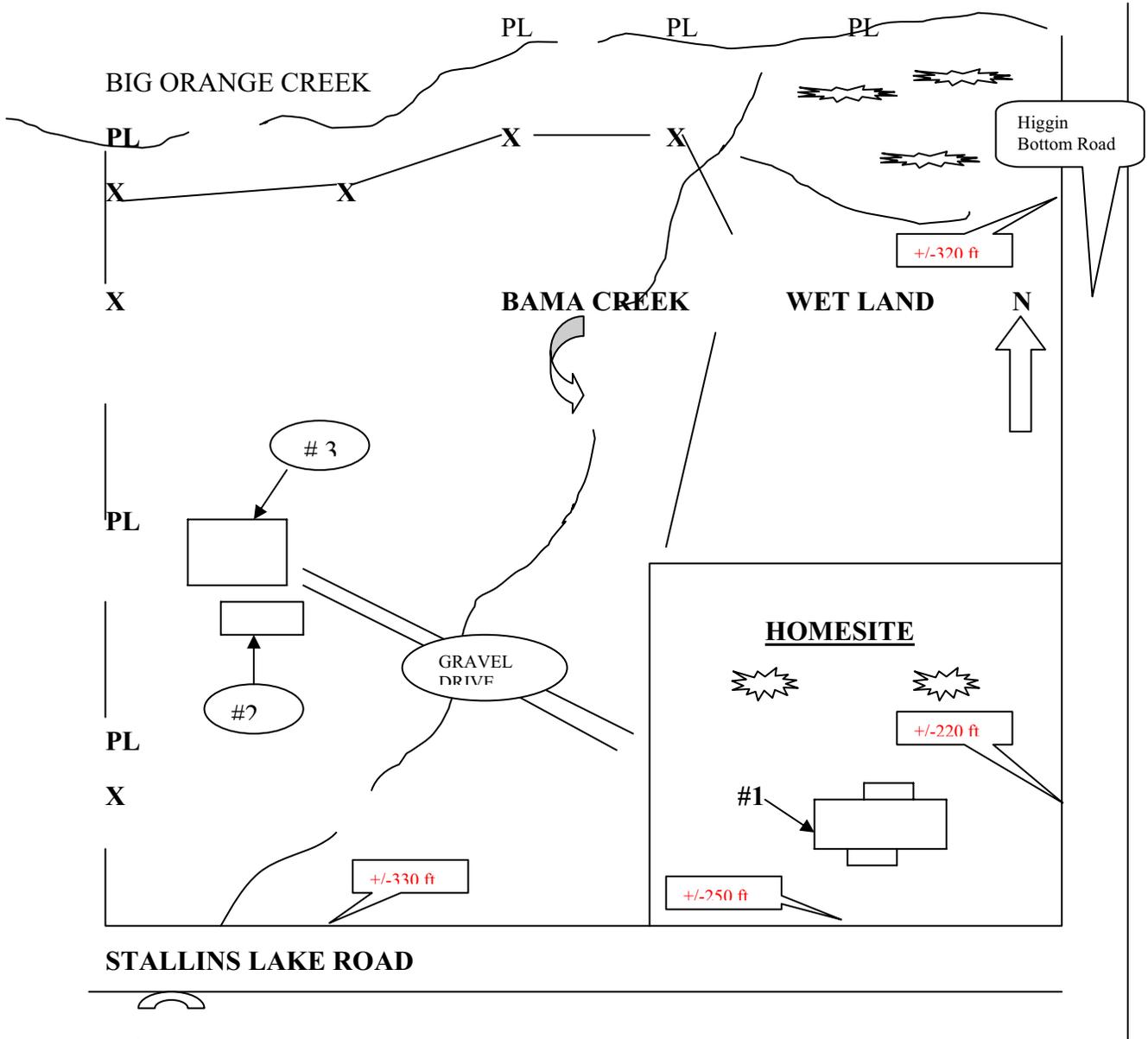
- ❑ This form is to be included with all sales, rentals, leases and listings in conjunction with Market Data Forms 2C, 2C-1, and 2C-2 whichever is applicable. All individual transaction write-ups shall include a meaningful photograph and site sketch relating the property to its environment; be assigned an appropriate identifying number; recite the state and applicable federal project numbers; identify the county, the appraiser, and the date of the brochure.
- ❑ PHOTOGRAPHS – (COLOR PHOTOGRAPHS ARE REQUIRED)
 - In the space provided, attach traditional photographs or insert digital photographs of all principal above-ground improvements or unusual features affecting the value. (Even if there are no unusual features that would affect the value, a minimum of one photograph is required for vacant land). Each photograph should be identified.
- ❑ SKETCHES

In the space provided, draw a sketch (property tax map acceptable*) of the lot or tract and show dimensions, distances from cross streets, access, etc. Also show the approximate location of all improvements by number to correspond with numbers on Forms 2C, 2C-1, or 2C-2. The sketches do not have to be drawn to scale. If parts of the property are of different uses or zoning, identify the areas. If additional space is needed, add a sheet or plat.

*Examples are as follows on the next two pages.

EXAMPLE #1

FARM PROPERTY- In the space provided, draw a sketch or insert a plat, etc. of the boundary lines of the property . Also show dimensions (where practical) of access roads, water sources, or other features that may be of help in the analysis of the sale. Show approximate location of improvements by numbers to correspond with the assigned structure number(s). **If the property is of different uses or zoning, identify the areas.**

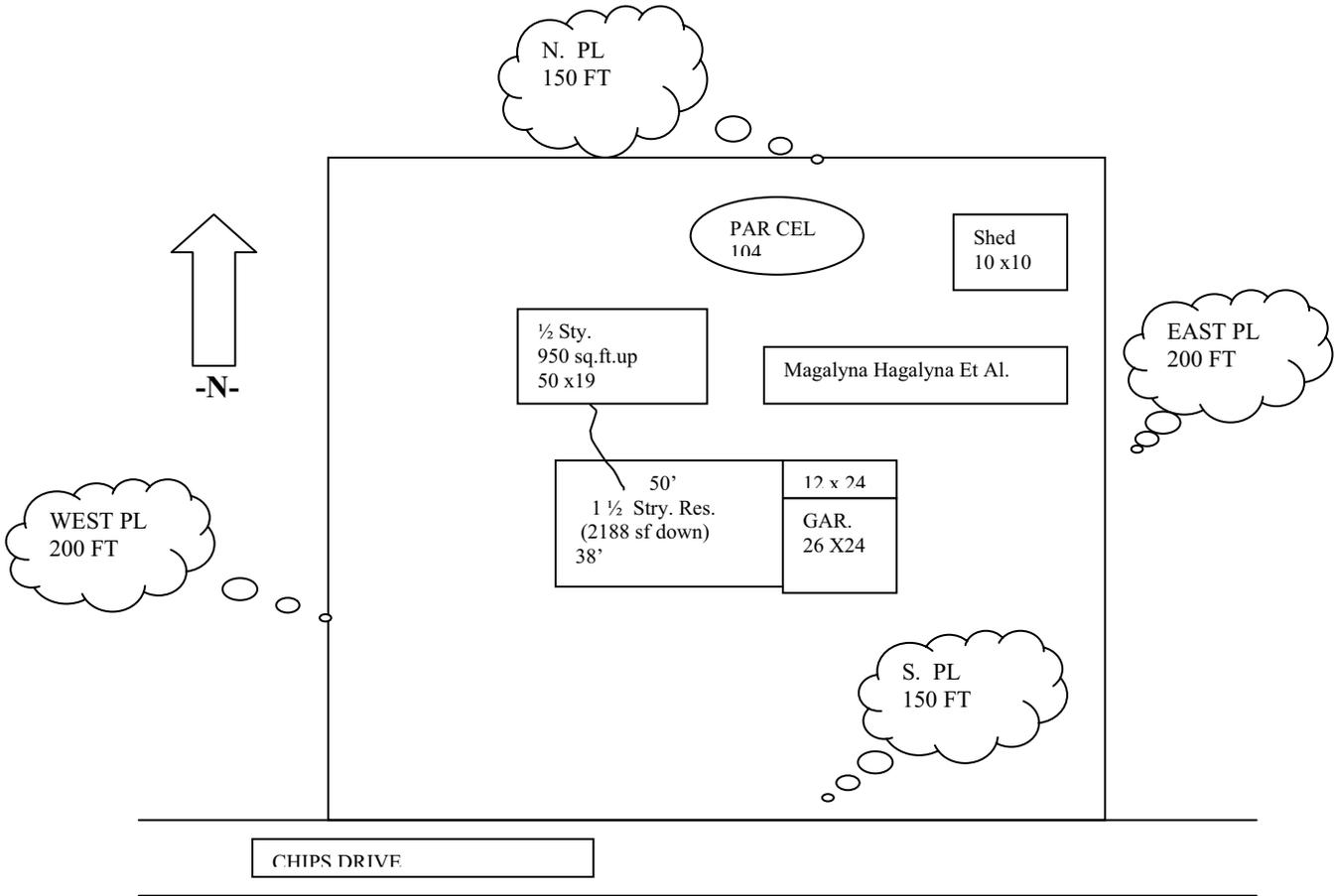


MARKET DATA BROCHURE

NOTE: This sale could be viewed as having at least two “larger parcels” –the Homesite, and all other.

EXAMPLE #2

Note: If the square foot areas of the improvements can be obtained from other sources, e.g., tax records, multiple listing services, etc. the dimensions do not have to be shown on this sketch. However, the appraiser is responsible for the reasonable accuracy of the areas in the brochure.



MARKET DATA BROCHURE

VI. TYPES OF APPRAISALS / REPORTS

The Department of Transportation contracts for two (2) types of appraisal reports, Formal and Formal Part-Affected. The type of report required for any given tract depends on the complexity of the valuation problem and the severity of the effects of the acquisition on the remainder(s). TDOT Personnel often make the assignment without complete knowledge of the individual tract. It is the appraiser's responsibility to determine, after inspection of the subject tract, if the assigned type of appraisal report is appropriate for that particular tract. If not, the appraiser **MUST** contact TDOT (Regional Chief Appraiser) to discuss a change in the type of report. Under no circumstances, may appraisal standards be set at a level below the minimum required under USPAP unless, jurisdictional exception is invoked.

The appraiser should prepare each appraisal report recognizing that there is a possibility that any tract might have to be litigated in court. It is impossible to predetermine how many tracts will be subject to litigation. Therefore, the appraiser should prepare a thorough, detailed, and comprehensive report on every tract. All appraisals are subject to discovery in court; thus the appraiser may be embarrassed and the government's case weakened by poorly prepared initial appraisals.

In making all appraisals, a complete and detailed inspection of the property and full consideration of applicable principles are necessary. The appraisal report should be documented and supported so as to convince an impartial reader of the soundness of the appraiser's estimates. The appraiser should make every attempt to clarify and project into the report -even if takes more work to do so- what is in his/her mind.

The appraiser must describe the scope of investigation and analysis that was undertaken in making the appraisal. (Because the TDOT Review Staff may find it necessary to disassemble various reports, all reports should be stapled only.)

FORMAL

A complete before and after appraisal of the entire tract including all land and improvements and considering damages and benefits to the remainder(s) where applicable. The appraisal must include all three approaches to value where appropriate. The exclusion of one or more approaches must be adequately explained and justified. The "Formal" appraisal is most appropriate for use when one or more of the following conditions exist:

- The property is complex
- The highest and best use is in transition or different from the existing use, either before or after the acquisition
- Damages and/or Special Benefits may accrue to the remainder(s)
- The property is special-purpose

The entire parcel, which may include one or more "**larger parcels**" and improvements, must be considered.

FORMAL PART-AFFECTED

In certain cases, often but not exclusively where minor or strip acquisitions are involved, TDOT and the appraiser may determine that a Formal Appraisal of the "part-affected" is all that is required, and will contract for a Formal Part-Affected (F.P.A.) appraisal. In this case, the appraiser is required to identify and appraise the "larger parcel(s)" and any improvements affected. It is the appraiser's responsibility to determine what is affected. Preparation of and FPA appraisal does not preclude consideration of Damages and/or Special Benefits.

Although it is not entire impossible, it is highly unlikely that the acquisition area would be equal to a "larger parcel". (Any "larger Parcel" must be an independently developable and marketable unit of land.) An appraisal of just the acquisition area will not be accepted by TDOT. Acquisition areas must be considered in terms of their contribution to the defined "larger parcel".

If the value of the whole is not considered, the appraisal must clearly reflect that the value of the property being appraised cannot be used to estimate the value of the whole by mathematical extension. (See "Concept Of The Larger Parcel beginning on page 36.)

Appraisal reports must be made in accordance with Standard Rule 1 and written in compliance with Standard Rule 2 of the Uniform Standards of Professional Appraisal Practice.

FORMS: Any or all of the following forms may be required for completion of a report depending upon the appraisal assignment. (Detail guidelines for completing these forms are found on the following pages.)

- R.O.W. Form 2A-1 General Property Description
- R.O.W. Form 2A-2 Description of Residential Improvement
- R.O.W. Form 2A-2.1 Other Improvements
- R.O.W. Form 2A-3 Commercial/Industrial/Multi-Tenant Improvement.
- R.O.W. Form 2A-4 Cost Approach
- R.O.W. Form 2A-5 Land Analysis
- R.O.W. Form 2A-5.1 Residential Property Analysis
- R.O.W. Form 2A-5A Explanation of Adjustments and /or Reconciliation of Values
- R.O.W. Form 2A-6 Income Approach
- R.O.W. Form 2A-7 Breakdown of Land Value
- R.O.W. Form 2A-8 Partial Acquisition
- R.O.W. Form 2A-9 Summary of Remainder
- R.O.W. Form 2A-10 Photograph Sheet

- R.O.W. Form 2A-11 Sketch Sheet, Floor Plan, Tract Map
- R.O.W. Form 2A-12 Certificate of Appraiser
- R.O.W Form 2A-13 Other Addenda Items (General Assumptions & Limiting Conditions, etc.)

GUIDELINES FOR COMPLETING R.O.W. FORM 2A-1

ITEM 1: OWNER(S) NAME AND ADDRESS(ES)

(a) The current owner's name(s), address(es) to include zip codes, and phone numbers are to be provided. If the name differs from the one on the right-of-way plans, show the reported new ownership also, and notify the Regional Chief Appraiser of the discrepancy.

(b) **TENANT(S) NAME AND ADDRESS(ES)** If there are multiple tenants (residential, commercial or industrial) and additional space is needed, attach a sheet to Form 2A-1 listing the tenants.

(c) **ADDRESS AND/OR LOCATION OF SUBJECT:** If the property has a street address, that alone is sufficient. If the property has only a rural route or box number, the location must be described in enough detail to enable the reader to easily locate the property.

ITEM 2: DETAILED DESCRIPTION OF ENTIRE TRACT

The appraiser must, in all instances, provide a narrative description of the entire property. This description should be concise, but complete enough to provide a good mental image of the property. The property should be described by its present use and physical appearance, listing such factors as area, dimensions, access, major topographical features, etc. The description should list all improvements and identify each one by number. The same numbering sequence applied here should be referenced throughout the appraisal report when identifying improvements. Tenant-owned improvement(s) should be identified as such.

EXAMPLE OF PROPERTY DESCRIPTION: The subject is a pie-shaped residential tract containing 37,200 sq. ft. with 155 ft. of frontage on the north side of Grove Street and 500 ft. of depth at the apex of the triangle. The frontage is at grade rising moderately to the rear for +250 ft. This home-site position is well maintained with adequate landscaping. The rear 250 ft. slopes sharply upward and is very rugged, wooded terrain. The property is improved with a residence (1), detached garage (2), and utility shed (3).

TYPE OF APPRAISALS / REPORTS

ITEM 3(A): TAX MAP & PARCEL NO: This information is furnished on the acquisition table in the R.O.W. Plans, but should be verified with the county tax assessor's office.

ITEM 3(B): FEMA FLOOD HAZARD AREA: Check appropriate space.
FEMA MAP NO. & ZONE - If property is located in a FEMA flood hazard area, show the map number and zone and attach copy of flood plain map.

ITEM 4: INTEREST ACQUIRED: Mark the appropriate space identifying the interest acquired as shown on the right-of-way plans.

ITEM 5: ACQUISITION: Mark the acquisition as total or partial.

ITEM 6: TYPE OF APPRAISAL REPORT: Identify the type of appraisal report being made, either Formal or Formal Part-Affected (FPA).

ITEM 7: DETAILED DESCRIPTION OF LAND ACQUIRED: The appraiser must provide a complete description of all interests being acquired. Identify all improvements being acquired by the numbering sequence set up in Item 2 above.

EXAMPLE OF DESCRIPTION OF LAND ACQUIRED: The fee acquisition is from the rear +300 ft. of the property containing 10,000 sq. ft. It includes all of the wooded portion and 50 ft. of the home-site. To be acquired also is a 500 sq. ft. Permanent Drainage Easement in the west corner of the property. Improvement #3 is included in the acquisition. The controlled-access facility will be on a +30 ft. fill at this location. The right-of-way line and access control fence will come to within 140 ft. of the rear of Improvement #1. The nearest edge of the roadway will be approximately 200 ft. from the rear of Improvement #1.

ITEM 8: SALES OF SUBJECT: If the property changed ownership in the five (5) year period preceding the date of appraisal, the appraiser must include a record of each transaction including date, grantor, grantee, deed book and page, verified consideration and how verified. A recent sale of the subject can be a significant indicator of value. If the sale of the subject is not considered in the valuation process, the appraiser must explain why it was not used. If there have been no sales of the subject in the past five years, the appraiser must show the last sale of record. The property features such as existing use, zoning, available utilities, and major off-site improvements (such as types of streets, interstate access, etc.), and the total property size must be included.

ITEM 9: HIGHEST AND BEST USE: The determination of highest and best use is one of the most important elements of the entire appraisal process. The appraiser must consider ALL USES for the property, and report and clearly justify his conclusion as to the highest and best use before the acquisition, giving no consideration to the influence of the proposed construction. In doing so, the appraiser must first estimate the highest and best use of the land as if vacant and available for development to its highest and best use. If the land is improved, the highest and best use of the property as improved must also be estimated.

Before a conclusion of the highest and best use can be reached, that use must be physically possible, legally permissible, financially feasible, and must result in the highest value. These four criteria must be addressed in the appraisal report.

The highest and best use must be fully explained and substantiated by providing the factual data and analysis that support the appraiser's conclusion. **Merely a definition and comment on the process will not suffice.** The appraiser must show that the property meets the following requirements:

- The property is suitable and available for the proposed use.
- There is existing demand evident in the present market.
- The property could be sold, within a reasonable time period, at the appraised value based on the proposed highest and best use.

The opinion of such use may be based on the highest and most profitable continuous use to which the property is adapted, needed or likely to be in demand in the reasonably near future. Offsetting value elements that depend upon events or a combination of occurrences which, while in the realm of possibility, are not shown to be reasonably probable, should be excluded from consideration. If a property has more than one use or value-sector (see the following section concerning the "Larger Parcel"), **each sector must be shown on the tract map**, and the appraiser must value each part separately, but as part of the whole, and these values must be documented and supported. The degree of support and analysis required depends on the situation and the complexity of the problem. If the appraiser concludes that the property has some value as an interim use or if existing improvements contribute value to the changed highest and best use, an analysis and explanation in support of his or her conclusion must be provided.

If the appraiser concludes a highest and best use that will require a rezoning of the property, the probability of that rezoning must be investigated, analyzed and discussed.

Concept Of The "Larger Parcel"

Within highest and best use analysis, eminent domain assignments require an extra step -- determination of the "larger parcel". This determination, like highest and best use, is the appraiser's responsibility, and is most appropriately determined in concert with highest and best use analysis. The appraiser's opinion of each is of critical importance in the preparation of a credible eminent domain appraisal report. The word "larger" is not in this instance synonymous with "bigger". Rather, it refers to "scope of consideration".

Various definitions of the *larger parcel* are found in *The Dictionary of Real Estate Appraisal*

("In condemnation, that tract or tracts of land which are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use.")

and *Black's Law Dictionary*.

("A term used in eminent domain proceedings, signifying that the parcel taken is not a complete parcel but part of a "larger parcel"; the owner, therefore is entitled to damages from the severance as well as the value of the parcel taken. Unity of ownership, use, and contiguity must be present, although federal courts and some states do not require contiguity where there is a strong unity of use")

As found in *Real Estate Valuation In Litigation* Second Edition by J. D. Eaton, the position set forth is that the "larger parcel" could be equal to, smaller than, or larger than a particular tract shown on a set of right-of-way plans.

The "Larger Parcel" equals the defined tract when existing improvements fully develop the site, and/or when there is insufficient market evidence in support of subdivision or assemblage.

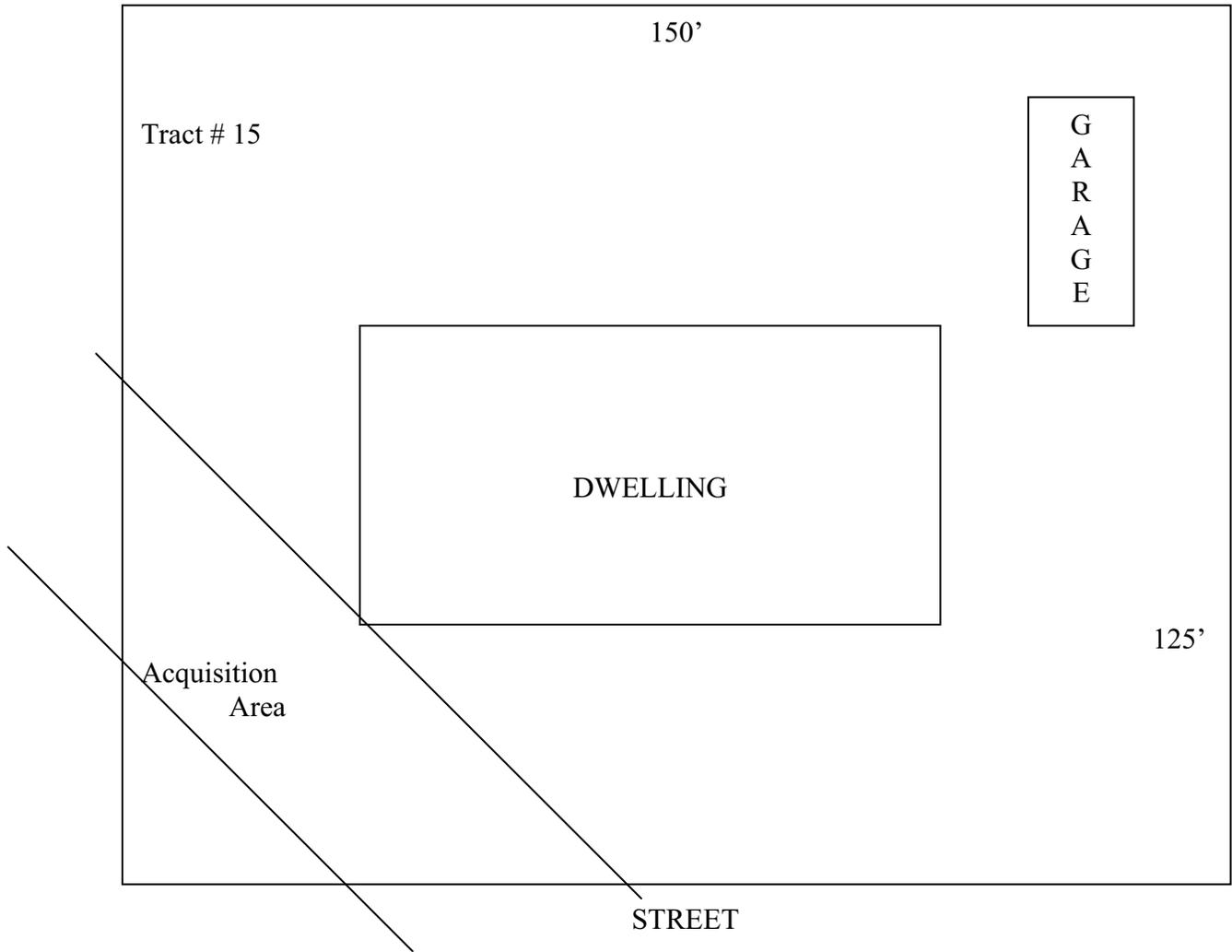
The "Larger Parcel" is smaller than a specifically defined tract when two or more use-class³ areas can or do economically exist simultaneously on a specific tract. It is, however, important to recognize that if it is determined that a "larger parcel" exists within a defined parent tract that does not encompass the entire tract, there must be a total of two or more "larger parcels" (Larger Parcels A, B, C). Each and every "larger parcel" must have its own independent highest and best use and must be independently marketable. The value-sum of the parts shall not exceed the value of the whole. The "larger parcel" concept is not a methodology that was developed to artificially inflate the value of any property. Theoretic physical division of a parent tract into two or more "larger parcels" is simply an allocation of value assets in an effort to insure equitable treatment of a particular eminent domain acquisition as it relates to a specific area of land use.

The "Larger Parcel" may be larger than a specifically defined tract when two or more properties are conjunctively utilized or have an assembled highest and best use that exceeds individual tract highest and best uses. Unity of use or highest and best use, and unity of ownership or legal control (i.e. through long-term lease) must be present. Contiguity must be considered, but need not necessarily be present.

³ "Use-Class" Area: Any area within a tract of land that has a market-supported highest and best use that is distinctly different from the balance of the tract.

Example Number One: “Larger Parcel” equals total tract.

Tract #15 is an 18,750 square foot residentially zoned building site that is improved with a single-family dwelling and one-car detached garage. The improvements are relatively new, in good condition, fully develop the site in accordance with zoning and neighborhood trends, and compare favorably with adjacent properties.

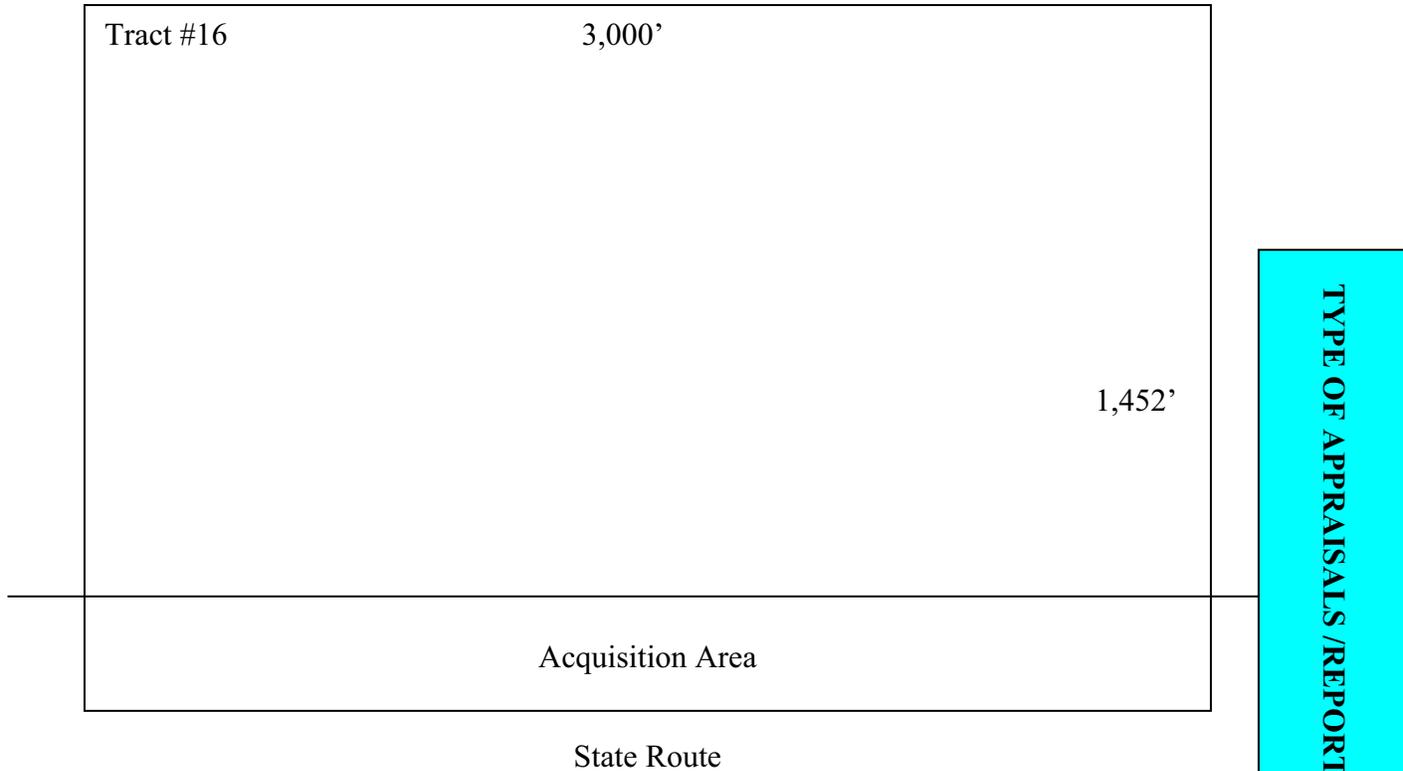


TYPE OF APPRAISALS REPORTS

This tract is neither dependent on another tract nor capable of re-subdivision. The site is fully developed in accordance with market demands. Thus, the entire site is the “larger parcel”. (In this instance, the scope of a “Formal” appraisal and a “Formal Part Affected” appraisal would be the same and render the same value conclusion. The entire site which in this case is the “larger parcel” is the part-affected.)

Example Number Two: “Larger Parcel” equals total tract.

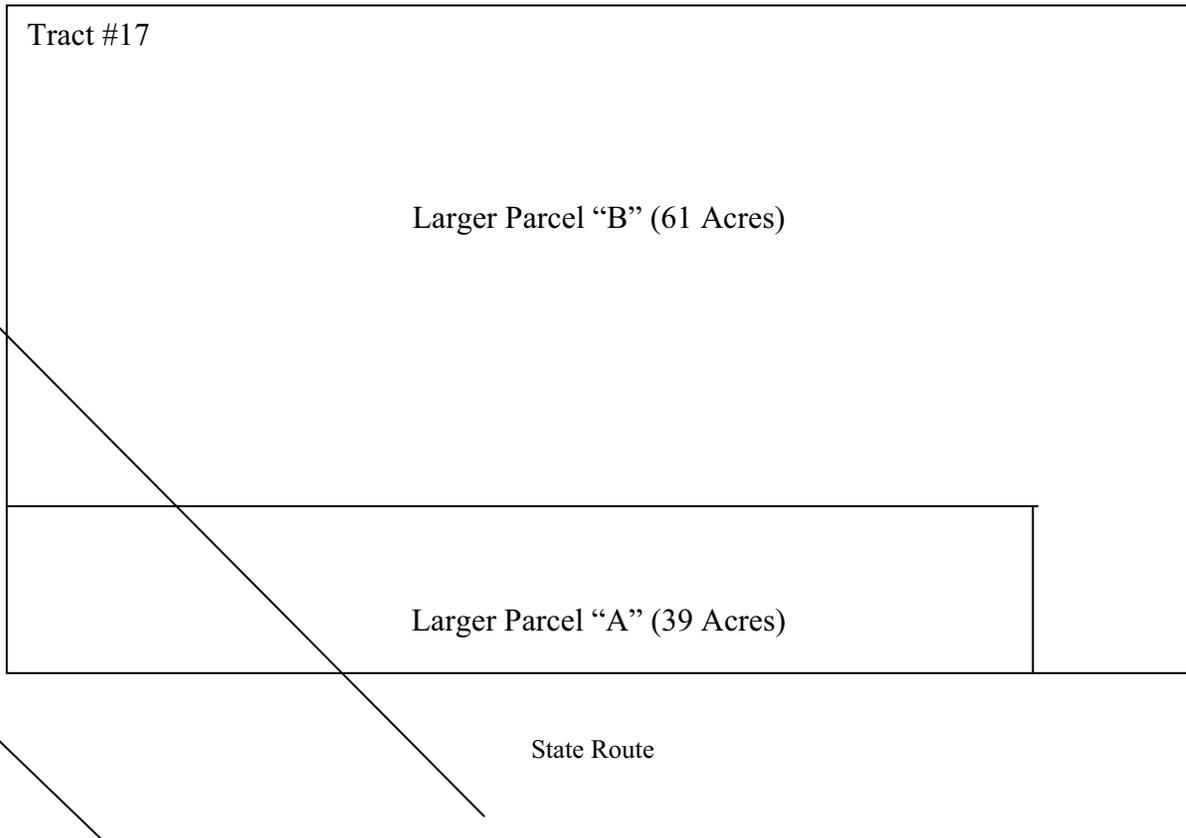
Tract #16 is a 100-acre vacant tract of land with 3,000 linear feet of frontage on a State Route in a generally rural sector of the state. The area is characterized by large-acreage tracts, and only occasionally is there a residence structure. Zoning for the area is agricultural which seems entirely appropriate. Public utilities include water, electricity and telephone. Tract #16 is road-grade and has gently rolling contours throughout.



Even though the subject has extensive road frontage on a good county road, and terrain is favorable, there is insufficient evidence of road-frontage out-parceling. (This particular neighborhood characteristic will have been discussed in the Market Data Brochure.) Consequently, the “larger parcel” is the entire tract. (In this instance, the scope of a “Formal” appraisal and a “Formal Part Affected” appraisal would be the same and render the same value conclusion. The entire site, which in this case is the “larger parcel”, is the part affected.)

Example Number One: “Larger Parcel” is **smaller than** the entire tract.

Tract #17 is a 100-acre vacant tract of land with 2,050 feet of road frontage in an area of the state that is generally rural, but transitioning to residential as evidenced by the numerous road-frontage out-sales for single-family dwelling construction. (This particular neighborhood characteristic will have been discussed in the Market Data Brochure.) The tract is road-grade and has gently rolling contours throughout. Zoning is agricultural which is appropriate. Public utilities include water, electricity and telephone. The property fronts a good secondary public road. Home-site out-sales most typically range in size from 3 to 5 acres and have varied frontages and depths. However, on average, frontage is about 200 feet, and depths approximate 850 feet.

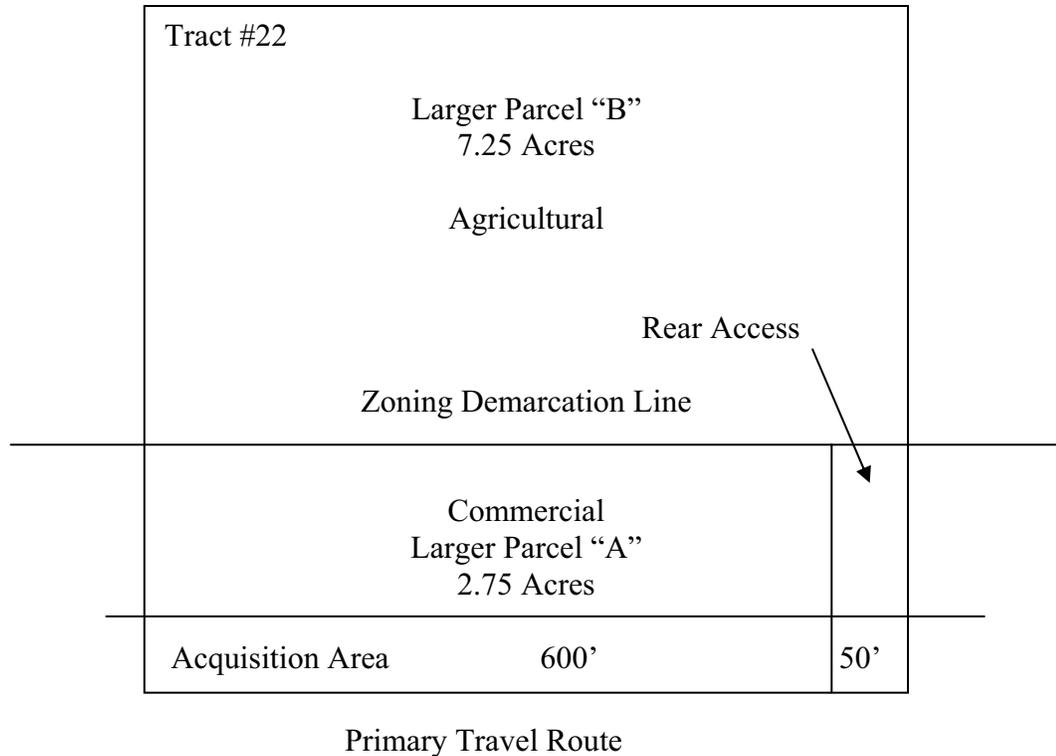


TYPE OF APPRAISALS /REPORTS

Larger Parcel “A” represents the land area that has out-parcel potential, as supported in the Market Data Brochure. Instead of just seeking comparable sales with approximately 100 acres, the appraiser should also seek comparable sales of tracts approximating the size and use potential of Larger Parcel “A”, and/or comparable sales of tracts approximating the size and use potential of Larger Parcel “B” as a “backland” tract. “A” should be recognized for its extensive frontage, and “B” should be recognized for its limited frontage. (Notice that Larger Parcel “A” is not subdivided into 10 lots with 200 feet of frontage each. The lots do not yet exist. Just their potential should be recognized.) All considered, if the entire 100 acres has a market value of \$250,000, and “larger parcel” “A” has a market value of \$175,000, then “larger parcel” “B” should have an allocated market value of \$75,000. In this example, both “larger parcels” are affected. A “Formal” appraisal is required. On the other hand, if the acquisition area impacts either one or the other use-class area (“larger parcel”), a “Formal Part Affected” appraisal could be prepared.

Example Number Two: Larger Parcel is **smaller than** the entire tract.

Tract #22 is an interior 10-acre tract with 650 feet of road frontage. It is located on a primary conventional traffic artery just inside the city limits of a large but rural community. Zoning is commercial back to a depth of 200 feet and the balance is zoned agricultural. The zoning demarcation line is fixed along a creek line and change in grade. The creek is about 200 feet from existing right-of-way. While the front of the tract is road-grade and generally level back to the creek, the rear area across the creek is on an elevated plateau about 15 feet above the road. There is a light bridge across the creek at the sideline that gives access to the rear. Public utilities include water, sewer, electricity and telephone.



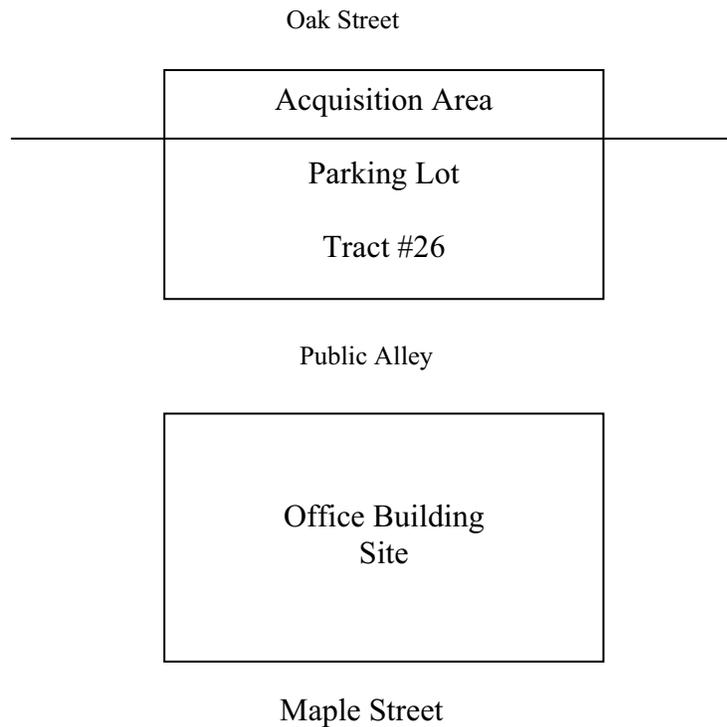
Because the zoning demarcation line is fixed at the creek line, and because the local zoning authority has indicated that the zoning line will not be moved, Larger Parcel "A" is substantially affected, and "Larger Parcel" "B" is only slightly affected at its access point. The acquisition area is mostly commercial. Compensation due the owner should be based on comparable sales that reflect the contributory value of each affected parcel. (If the entire tract is valued at \$300,000, and "Larger Parcel" "A" is valued at \$225,000, then "Larger Parcel" "B" is worth \$75,000.) (In this instance, the scope of a "Formal" appraisal and a "Formal Part Affected" appraisal would be the same and render the same value conclusion.

Alternatively, if the creek and elevation change were not present, the tract would be essentially road-grade and level front to rear. Then, if the local zoning authority indicated that the zoning demarcation line would float 200 feet back from the right-of-way, only Larger Parcel "B" would be affected (diminished). Economically, this is a real land acquisition of property rights.

Example : Larger Parcel is **larger than** the entire tract.

Tract #26 is a vacant commercial site that provides all the parking for an office building that is across a public alley. The office building is developed on a 25,000 square foot site, and the building is a two-story 40,000 square foot office building. This building was constructed 15 years ago in conjunction with the vacant lot (Tract #26) that provides the parking. The building is owned by Smith and the parking lot is owned by Jones. At the time Smith developed his lot with the office building, he was able to negotiate a 60-year ground lease with Jones. The local zoning authority approved the construction of Smith's building contingent on the ground lease from Jones.

The office building fronts on Maple Street and the parking lot fronts on Oak Street. Both are two-lane public streets just off the square in a growing metropolitan community. Oak Street is proposed for widening.



TYPE OF APPRAISALS/ REPORTS

The site identified as Tract #26 is shown on the Right-of-Way plans. The office building site is not shown. Even though the parking lot site is titled to Jones and not Smith, Smith has beneficial use of the site for another 45 years. For eminent domain appraisal purposes, the “larger parcel” is the parking lot site and the office building site together. The three tests of unity of use, unity of ownership or legal control, and contiguity are satisfactorily met.

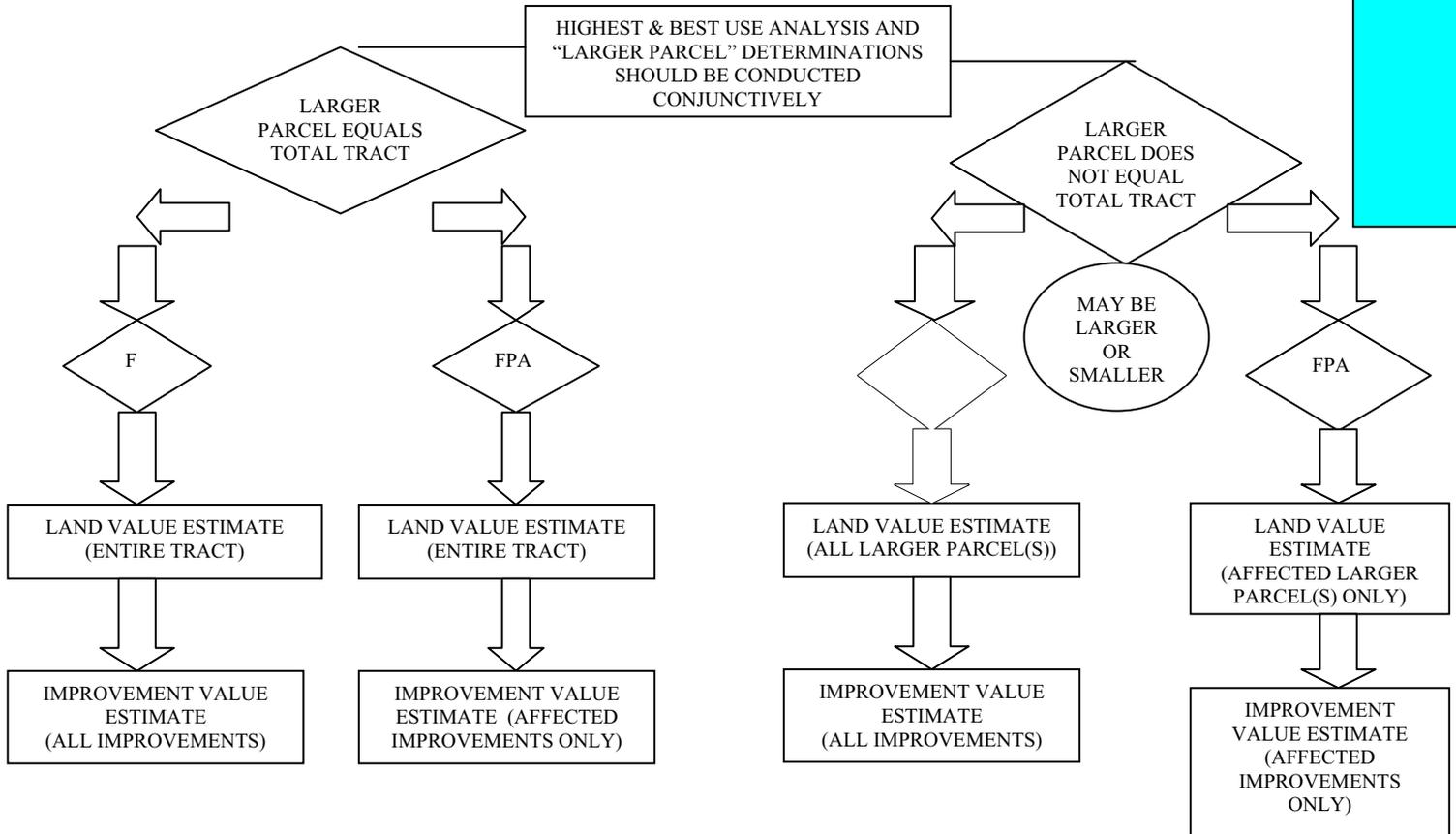
Clearly, the above is a special circumstance valuation situation. Discussion as to special instructions is required between TDOT, the appraisal, and Smith and Jones.

The following flow chart of procedure outlines what real property assets must be considered depending on the appraiser's determination of the "larger parcel(s), and TDOT's appraisal request as to "Formal" or "Formal Part-Affected" appraisals.

TYPE OF A

EMINENT DOMAIN

APPRAISAL GUIDE TO WHAT MUST BE VALUED



**GUIDELINES FOR COMPLETING R.O.W. FORM 2A-2
DESCRIPTION OF RESIDENTIAL IMPROVEMENTS**

ITEM 10: This entire page provides an outline for a basic description of residential improvements. Any additional feature for which space has not been provided should be listed in the “Comments” section.

SPECIAL NOTE: Where two or more residences are appraised on the same tract, each must be described separately on a Form 2A-2.

Most of the information that is required on this form is self-explanatory. The following guidelines are shown for clarity.

STRUCTURE NO.

Show the number used to identify this improvement in Item 2 on Form 2A-1, 2A-11 and Strip Map.

GENERAL DESCRIPTION

- Units - Single family (one), duplex (two), etc.
- Stories - Self-explanatory
- Design - Style
- Construction - Type, wood frame, masonry, etc.
- Mfg. Housing - Mobile homes, modular homes
- Age -- Actual & Effective - Show both actual & effective age. If the appraiser indicates a major difference in the actual age and the effective age of the residence, the reasoning must be discussed.

EXTERIOR DESCRIPTION

- Foundation - Type, concrete block, slab, etc.
- Exterior Walls - Brick Veneer, masonite, etc.
- Roof Surface - Composition shingle, cedar shakes, etc.
- Gutters & Downspouts - Aluminum, galvanized, etc.
- Window Type - Wood sash, aluminum, insulated, etc.
- Storm Sash - Indicate, yes or no.
- Crawl Space - Indicate, yes or no.

BASEMENT

- Area - Total Area
- Finished Area - Self-explanatory
- Ceiling - Show type
- Walls - Show type
- Floor - Show type
- Outside Entry - Indicate yes or no

ROOM LIST

- Indicate in the columns showing the different room types, the number of rooms on each floor, i.e., if there are bedrooms in the basement show the number under bedrooms.
- Show the area on each floor.
- Show total number of rooms, bedrooms, and baths and the total finished living area.

KITCHEN

Check the appropriate spaces and itemize any other special features not listed.

INTERIOR FINISH

Check the appropriate spaces and list any special features.

HEATING AND COOLING

Indicate type and condition of each.

INSULATION

Check appropriate spaces.

IMPROVEMENT ANALYSIS

- Check appropriate spaces.
- Estimated Remaining Economic Life - Show the estimated period of time the improvement is expected to contribute value to the property.
- Estimated Remaining Physical Life - Self-Explanatory

CAR STORAGE

- Garage - Show area.
- Carport - Show area.
- No. Cars - Single, Double, etc.
- Attached - Show area.
- Detached - Show area.
- Built-in - Show area.
- Condition - State condition, good, average, poor, etc.

PORCHES/DECKS/PATIOS

Describe and show the dimensions. Show any additional features for which no space has been provided that might add value to the residence.

COMMENTS

Use this section to make any explanations or clarifications necessary.

GUIDELINES FOR COMPLETING R.O.W. FORM 2A-2.1 OTHER IMPROVEMENTS

ITEM 11: This entire page provides a format for describing appurtenant structures. This form should be used to describe all other improvements that are not listed on R.O.W. Form 2A-2 or 2A-3. Although the discussion of cost and depreciation does not have to be in the detail required for major improvements, acceptable cost data must be supplied or referenced and depreciation explained. (Examples of improvements that might be included here are barns, sheds, driveways, swimming pools, septic tanks, detached garages, landscaping, fences, etc.)

NOTE: If landscaping exceeds \$1,000 in value, it should be itemized and each item valued separately in the Comments Section.

- Structure No. (List in numerical order identifying the improvement in Item 2 on Form 2A-1, 2A-11 and the strip map.)
- No. Stories: Self-explanatory.
- Age: Self-explanatory
- Function: For example, barn, shed, garage, etc.
- Construction: Indicate type, frame, masonry, etc.
- Condition: Good, average, poor, fair, etc.
- Sq. Ft. Area: Self-explanatory

- **Reproduction Cost:** Indicate estimated cost new.
- **Depreciation:** Show the percent of depreciation, and explain in the comments section.
- **Indicated Value:** Reproduction cost minus depreciation.
- **Other Comments & Explanations, etc.**

NOTE: This form provides space for four improvements. If more space is needed for additional improvements, use as many Form 2A-2.1's as necessary, listing the improvements consecutively.

**GUIDELINES FOR COMPLETING R.O.W. FORM 2A-3
DESCRIPTION OF COMMERCIAL, INDUSTRIAL, MULTI-TENANT IMPRS.**

ITEM 12: The first section of this form provides for an overview of the major improvement. The second section provides space for the appraiser to make a complete narrative description of the improvement. This description should include all elements, not described in the first section, that are necessary to provide a good total image of the property.

When determinable, state briefly the purpose for which the improvements were designed, dates of original construction and major renovations and/or additions. Report the historical rental or lease history of the property for at least the past three years, if this information can be ascertained. All current leases should be reported, including the date of the lease, name of the tenant, rental amount, term of lease, parties responsible for property expenses, and other pertinent lease provisions. The appraiser shall state his/her opinion as to whether the existing leases of the property represent the property's current market, or economic rent. If not, the appraiser should state his/her reasons for the conclusion. If there is more than one major improvement, each one must be described in detail on a separate R.O.W. Form 2A-3.

NOTE: All tenant-owned improvement items included in the appraisal report should be identified as such. These items might include: pumps, machinery, underground tanks, air or water lines, pump island, MPD's, out-door lighting, etc. Any questions on these types of improvements should be directed to the Regional Chief Appraiser. (Additional comments found in section Entitled "Acquisition Rights/Improvements, Tenant Owned".)

NOTE: *Fill in the applicable spaces for the type property being appraised.*

TYPE OF APPRAISALS /REPORTS

STRUCTURE NO.

Show the number used to identify the improvement in Item 2 on Form 2A-1.

FUNCTION OR USE

Identify the use of the building.

CONSTRUCTION:

Show type of construction.

STORIES

Number of stories.

CONDITION

State condition, i.e., good, average, fair, etc.

AGE -- ACTUAL AND EFFECTIVE

Show both.

REMAINING ECONOMIC LIFE

Show the estimated remaining time the improvement should continue to contribute value to the property.

EXTERIOR FINISH

State type, brick, steel, etc.

ROOF TYPE & COVER

Self-explanatory.

ELEVATORS

Self-explanatory.

BATHS

Show number of restrooms for the building if appraising commercial or industrial property. Show number of baths and partial baths per unit if appraising apartment buildings.

HEATING SYSTEM

Show type.

AIR-CONDITIONING SYSTEM

Show type.

ELECTRICAL

Indicate condition and when applicable, type.

PLUMBING

Indicate condition.

FIXTURES

Show any special features that might contribute to the value.

INTERIOR FINISH

Show the type of finish for walls, ceiling, and floors.

GROSS AREA

Indicate the total building area.

OFFICE, BASEMENT, STORAGE

Show the areas for each.

FLOOR AREAS

Self explanatory.

NET RENTAL AREA

Show the net rental area in sq. ft.

NO. APARTMENT UNITS

Indicate the total number of apartment units in the building.

ROOMS

Show total number of rooms. Would apply to apartment bldgs., motels, hotels, etc.

OTHER

List any other applicable units of comparison for the subject improvement.

PARKING SURFACE

Show type.

PARKING AREA

Either sq. ft. or spaces, whichever is applicable.

BUILDING AREA/PARKING RATIO

Self-explanatory.

ADDITIONAL FEATURES

Self-explanatory.

**GUIDELINES FOR COMPLETING R.O.W. FORM 2A-4
COST APPROACH**

ITEM 13: VALUATION OF MAJOR IMPROVEMENT(S)

This form provides a format for computational data, arranged in sequence, beginning with reproduction/replacement cost, and spaces for the applicable forms of depreciation. There is also space provided to show explanations and support of the cost data and the depreciation.

Note: The form actually calls for “reproduction” cost. “Replacement” cost is acceptable; however, it should be noted on the form if “replacement” cost has been utilized. Often the terms "reproduction" and "replacement" are incorrectly used interchangeably. The appraiser should recognize the distinction between the two. Reproduction cost has been defined as the present cost of reproducing the improvement with an exact replica, and replacement cost is the present cost of replacing the improvement with one having the same utility using modern materials and current standards, design and layout.

Construction cost new (whether reproduction or replacement) plus land value generally tends to set the upper limit to value. The cost approach is generally recognized to have good application when dealing with new or virtually new construction, or with highly specialized construction. The estimate of reproduction or replacement costs of the

improvements must be based on current local market costs of labor and materials for construction of the improvements.

STRUCTURE NO.

Use the same number(s) used to identify the improvement(s) in Item 2 on Form 2A-1.

PART OF BUILDING

List the parts of the building with different reproduction costs, i.e., main, basement, garage, porches, decks, patios.

AREA

Show the sq. ft. area of each part of the building.

UNIT PRICE

Show the unit price indicated either by contractor's estimate or cost service manual.

TOTAL

Multiply the sq. ft. area of each building part times the unit price for that part. Enter the result here.

TOTAL COST NEW

Add the total for each part of the building to show the reproduction/replacement cost new of the whole structure.

DEPRECIATION

Indicate the percentage attributable to each of the three types of depreciation -- physical, functional and external. Show the dollar amount in the adjacent column. Total the three types to show the total depreciation for the structure.

DEPRECIATED VALUE

Total cost new less depreciation.

VALUE OF OTHER IMPROVEMENTS (Line A)

This is the total value of all improvements appraised, except the one calculated on this form. It includes all improvements on Forms 2A-2.1, and/or from Forms 2A-2, 2A-3, or 2A-4, when more than one major improvement is appraised.

TYPE OF APPRAISALS /REPORTS

INDICATED VALUE OF ALL IMPROVEMENTS (Line B)

The total depreciated value of the major improvement plus Line (A).

INDICATED LAND VALUE (Line C) (Taken from Form 2A-5)

INDICATED VALUE OF ENTIRE TRACT (Line D)

This is the sum total of land and all improvements (Line B and C)

EXPLANATION TO SUPPORT ITEM 13 (Line E)

This section should be used to show support for cost data. The following are considered acceptable sources of reproduction/replacement cost data:

- Cost service manuals
- Builder's and Contractor's Estimates
- Architect's and Engineer's Estimates
- Analysis of "new construction" transfers

If a national cost manual is used, the book, page, and last date of page revision should be shown. The appraiser should use considerable care when selecting class and quality of the improvement. Quality should not be confused with condition. If computerized cost services are utilized, all units of cost must be itemized and described so the reviewer can verify by the appropriate cost manual.

When estimates from contractors, builders, architects, etc. are used, the original of the cost estimate must be attached to the appraisal report or included in the market brochure. Estimates must include a description of the improvement on which the cost is based and a detailed breakdown of cost figures. A LUMP SUM ESTIMATE IS NOT ACCEPTABLE.

New construction transfers during periods of reasonable market balance can be reflective of current construction cost. If underlying land value can be reliably isolated, the residual of the sale's price must be improvement contributory value. This method can be used as a cross-check of all-inclusive cost estimates.

DEPRECIATION (Line F)

All forms of depreciation (physical, functional, and external) where present must be fully explained, supported and measured by an acceptable method. The preferred method of estimating physical depreciation is the sale analysis method. Methods that require appraiser-estimates of age and remaining life are, however, acceptable. The estimation of

depreciation by the use of published tables is strongly discouraged because such tables are not reality-based with respect to a particular project area.

- Market Extraction - Sale Analysis Technique.
- Breakdown Method - Generally, the amount of detail involved in this method is not required for most valuation assignments.
- Modified Age-Life Method - This method recognizes the effect of curable items of accrued depreciation.
- Age-Life Method - A major weakness of this method is that curable items are not treated separately. It pertains only to overall depreciation.

Estimates of varied forms of obsolescence are best supported by sale or rent analysis.

SALES COMPARISON APPROACH

The strength in this approach lies in the selection of sales. Whether dealing with vacant land or an improved property, the fundamental criteria for comparable sale selection are competitive market identification and similarity of highest and best use. The question must be asked, "Is this sale a reasonable competitive alternative to the subject property?"

The following discussions pertain to the forms typically utilized in the preparation of reports for TDOT. At the discretion of the appraiser, a narrative discussion of the sales may be substituted for Forms 2a5 and 2a5.1. However, use of these forms does not relieve the appraiser from relating the sales to the subject.

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-5

ITEM 14: LAND VALUE ANALYSIS: An estimate of land value must be developed by the appraiser anytime it involves a tract with a partial acquisition, a total take which is vacant land, or a tract where the cost approach has been used. The sales comparison approach must always be utilized in arriving at land value estimates when there is available market data. Sales comparison is the most common technique for estimating land value and is the preferred method. Extraction, allocation, and subdivision development methods should only be used as a last resort, or when special circumstances dictate.

This form provides a grid for comparative purposes and is basically self-explanatory. When a property has more than one type of land with different values, the appraiser must attach a strip map identifying each area and provide a separate grid sheet for each type of land. The sales selected as comparables are to be taken from the market data sheets, R.O.W. Form 2C in the Market Data Brochure.

Although the grid provides space for the comparison of three (3) sales, there is no limit on the number of sales that may be used. It is preferable that at least three good comparable sales be used.

The market data grid helps to identify the similarities and/or differences between the subject and the comparable sales. If utilized, any adjustments made to the comparables should be made in a consistent manner.

GUIDELINES FOR COMPLETING THE GRID

ANALYSIS OF COMPARABILITY

The first six lines of the grid sheet pertain to the comparable sales only, not the subject. There are three columns provided, each one labeled with a comparable sale number to be taken from the market data brochure. After the appraiser has determined the unit breakdown appropriate for appraising the subject property, a unit value based on the current cash equivalent sale price is entered.

The next twelve lines of the grid sheet provide space for comparing the subject to the three sales on the basis of their physical characteristics. This section of the grid is broken down into seven columns. The first column provides space to describe the subject property. There are two columns provided for each of the three sales, one for describing the sale and one for making the appropriate, plus or minus, dollar adjustments, if required, to make the sale equal to the subject property.

The bottom of the grid provides space for the total adjustments and the adjusted price of each sale. Collectively, these indicate a value range for the subject property. As a general observation, sales that occur nearest the appraisal date and require the least total adjustment should be given the most weight in reconciling the value of the subject.

- Cash Equivalent Sales Price - This figure is to be taken from the bottom line of Form 2C. This figure indicates the Adjusted Sale Price after adjustments have been made for property rights, financing, and conditions of sale.
- Date of Sale/Market Conditions - Show the date of the sale in the first column. If the market reflects a change in value between the dates of sale of comparable properties and the date of the value estimate of subject property, then the sales prices must be adjusted to reflect that change using the percentage rate developed and supported in the Market Data Brochure or the individual appraisal report. If an adjustment for market conditions is indicated, the amount should be inserted in the second column.
- Current Cash Equivalent Sale Price - This figure indicates the cash equivalent sale price had the sale occurred on the date of the value estimate of subject property. Either add or subtract the time adjustment to/from the cash equivalent sale price to arrive at this figure.
- Proximity to Subject - State the approximate distance between the subject and the comparable.
- Land Area - Show the area of each comparable in the appropriate unit of measurement, square feet or acres.
- Unit Price - The units of comparison may be acres, square feet, front feet, lots or any other unit used by the market. The current cash-equivalent sale price will be used to develop the appropriate unit price.

NOTE: The appraiser must indicate whether adjustments are plus or minus on each adjustment made. Use (+) PLUS if the subject is superior to the sale, (-) Minus if the subject is inferior to the sale. Adjustments may be expressed as a percentage or a dollar amount depending on the manner in which it is derived from the market. However, percentages are to be converted to dollar amounts so that they can be added or subtracted from the price of the comparables on the market data grid sheet.

TYPICAL ELEMENTS OF COMPARISON

- Location: Show location of subject and sales, e.g., if corner influence makes a difference, sales are from different subdivisions, or different streets where values might be higher or lower. Make necessary adjustments in adjacent column.
- Size: Self-Explanatory

- Shape: Rectangle, triangle, irregular, etc.
- Site/View: Lake, river, etc.
- Topography: Level, hilly, below or above road grade, etc.
- Access: Road frontage, easement, etc.
- Zoning: Show zoning of subject and sales.
- Utilities Available: Electric, gas, public sewer, etc.
- Encumbrances: Flood plains, power line easements, gas pipeline easements, private driveway easements, air rights, etc.
- Off-site Improvements: Paved street, sidewalks, etc.
- On-site Improvements: Grading, paved parking, etc.
- Other Adjustments: Any adjustment deemed necessary that is not listed on the grid must be identified.

NET ADJUSTMENT: This is the net amount of line (1) Location through line (12) Other adjustments. Always show on this line whether the net adjustment is plus (+) or minus (-) in dollar amounts.

ADJUSTED INDICATED UNIT VALUE: Indicates the unit value indicated by each comparable.

INDICATED VALUE OF SUBJECT LAND: Show the reconciled unit value from comparables times the number of units in subject.

COMMENTS: Use this space for your reconciliation, and explain the basis for your value determination (Use extra pages if necessary). Explain how each sale used relates to the subject and which sale(s) received the most weight and why. The final estimated value of the subject land should fall within the range of adjusted indicated values of the sales. **If not, then further explanation is required.**

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-5.1

ITEM 15: RESIDENTIAL PROPERTY ANALYSIS: The Sales Comparison Approach is generally considered to be the strongest for appraising improved residential property. This approach is generally better understood by the public as a whole, and is more acceptable to the courts. The Sales Comparison Approach must be utilized when appraising residential improved properties. Sometimes the geographic limits of the market search may have to be extended to similar neighborhoods or market areas if there are no comparable sales found in the same neighborhood with the subject.

GUIDELINES FOR COMPLETING THE GRID

ANALYSIS OF COMPARABILITY

This form provides a grid for a property-to-property comparative analysis and is generally self-explanatory. The grid provides space for subject property description and three (3) sales. Although there is no limit on the number of sales that may be used, it is preferable that at least three good comparable sales be used. If additional sales are desirable, other grid sheets can be added.

- Cash Equivalent Sales Price - This is the actual sale price adjusted for property rights, financing, and conditions of sale, and is the total from the bottom line of R.O.W. Form 2C-2.
- Date of Sale/Time Adjustment - If the market reflects a change in real estate values between the date of sale of comparable properties and the date of the appraisal of subject property, then the sales price must be adjusted to reflect that change using the percentage rate developed and supported in the Market Data Brochure or individual appraisal report.
- Current Cash Equivalent Sale Price - This should indicate the current cash equivalent sale price of each comparable sale. All remaining adjustments must be made to these figures.
- Proximity to Subject - Show approximate distance between subject and comparables.

TYPICAL ELEMENTS OF COMPARISON

- Location: Show location of subject and sales. Make necessary adjustments in adjacent columns. These adjustments must be explained and supported.
- Construction: State type, e.g. brick veneer, frame, etc.
- Quality: Show the quality of construction, e.g., poor, fair, average, good, excellent. Must be explained.
- Actual Age/Effective Age: If an adjustment is made here, it must be explained. The adjustment should be based on the effective age of the residence.
- Condition: Based on appraiser's observation of the physical condition of subject and comparable sales.
- Finished Living Area: Self-Explanatory.
- Basement Area, Finished/Unfinished: Show both areas.

- Total Finished Living Area: Include the finished living area in the basement as well as the above ground finished area.
- No. Baths: Self-Explanatory.
- Garage/Carport: Identify and show type and size, single, double, attached, detached, etc.
- Heating/Cooling: Self-Explanatory.
- Fireplace: Self-Explanatory.
- Kitchen Built-ins: Range, Dishwasher, Garbage Disposal, Hood/Fan, Oven, etc.
- Functional Utility: Must be explained.
- Porches, Patios, Pools: List and specify differences.
- Other: Any items of comparison for which a space has not been provided.
- Land Area: Self-Explanatory.

NET ADJUSTMENT: This is the net adjustment of line (1) "location" through line (17) "land area". Always show on this line whether net adjustment is plus (+) or minus (-) in dollar amounts.

INDICATED VALUE RANGE OF SUBJECT PROPERTY – These are actually individual indications of value for the subject based on the individual sales. If good comparable sales are used and the adjustments made properly, the value estimate for subject residence should be within the indicated range.

INDICATED MARKET VALUE OF SUBJECT PROPERTY – This is simply the reconciled final estimate of value for the subject property.

DETAILED GUIDELINES FOR COMPLETING ROW FORM 2-A5A

Sales comparison approach for commercial, industrial, multi-tenant property. Use this form for both your analysis and your reconciliation. Explain the basis for your value determination (Use extra pages if necessary). Explain how each sale used relates to the subject and which sale(s) received the most weight and why. **The final estimated value of the subject should fall within the range of adjusted indicated values of the sales. If not, then further explanation is required.**

It is recommended that the appraiser develop the appropriate unit(s) of comparison --- after economic adjustment(s)---and apply it/them to the subject with appropriate explanations to include a discussion of the sales and a reconciliation of a final indication of value.

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-6

ITEM 16: INCOME APPROACH:

TDOT requires that:

- Comparable rentals must be in the report or in the market data brochure.
- A reconstructed operating statement to include rent, vacancy allowance, and expenses must be shown in the traditional reporting format that results in net operating income and its conversion into capital value.
- Derivation/development of capitalization rate.
- Any other line-item entries or explanations deemed necessary based on property type.

This form allows the appraiser significant latitude in developing the income approach. This approach must result in an indication of fee-simple value. Thus, market (economic) rent to include "other" income, where applicable, must be used. Market-customary leasing structure/terms must be observed and applied as well. As such, among the various recognized methods of income analysis/capitalization, the direct capitalization method generally best applies. TDOT expects this approach to develop a sound estimate of economic rent for the subject. Subject contract rents (if not owner-occupied) should be given due consideration (copies of all subject leases should be attached to the report), but not necessarily construed as economic; a market study must be conducted. Evidences of market rent and terms shall be contained in the market data brochure or in individual appraisal reports. Any differences between market and contract rent should be thoroughly discussed. TDOT further expects the overall competitive market to be sufficiently analyzed in an effort to determine the appropriate stabilized allowances for vacancy and credit-loss. With respect to stabilized expenses, only those that are incident to the production of rent should be included. Subject's operating statements should be analyzed, and given due consideration in the formulation of a stabilized estimate. The resulting stabilized net operating income should be capitalized at a market-derived overall capitalization rate, or said income may be segregated into respective land and improvement contributions for use in a land or improvement residual capitalization technique, where applicable and appropriate. Discount rates and capitalization rates used in the residual techniques must be justified.

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-7

ITEM 17: EXPLANATION AND/OR BREAKDOWN OF LAND VALUES: The indicated unit values from each land value grid must be brought forward to the spaces provided on this form. The sum of the areas listed in the breakdown must equal the area of land being appraised. Space is provided for "remarks".

ITEM 18: APPROACHES TO VALUE CONSIDERED: (A)(B)(C): The indicated value of each approach used in the appraisal must be listed on the proper line.

ITEM 18: RECONCILIATION: (D): The appraiser must reconcile approaches by writing a short narrative explaining which approach(es) is/are most applicable and most reliable.

ITEM 19: FAIR MARKET VALUE OF PART-AFFECTED/ENTIRE TRACT: Show the value reconciled from the three approaches to value in Item 18. Check the appropriate spaces.

Total Amount Due Owner - Check appropriate spaces () Entire Tract or () Part-Affected and fill in the amount.

Amount Attributable to: Land/Improvements - Breakdown of values between land and improvements.

NOTE: Breakdown of contributing value of each improvement must be shown in the Remarks Section. All individual amounts should be reasonably rounded so as not to suggest a level of precision that does not exist.

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-8

ITEM 20: PARTIAL ACQUISITION: This form provides for a detailed breakdown and accounting of the property rights being acquired on tracts with partial acquisitions. When the acquisition consists of different types and values of land, each type and area must be listed separately.

This form (Lines "A" through "G") must be completed in all partial acquisitions.

ITEM 20A: LAND ACQUIRED: From the Right-of-Way Plans, report the area(s) of all land being acquired to include: Fee-Simple, Permanent Drainage Easement, Slope Easement, Construction Easement, and any other type of acquisition.

Fee-Simple: If the plans show the area acquired in acreage and the appraiser wishes to convert this area into square feet, or if the plans show the area(s) acquired in

TYPE OF APPRAISALS/ REPORTS

square feet, and the appraiser wishes to convert this area into acreage, both areas shall appear in this section.

Permanent Drainage Easement(s) - P.D.E.: The appraiser may value the area(s) encumbered by these easements up to and including 100% of fee-simple value depending on the utility of the site after construction is completed. In most cases 100% will be paid for the PDE. The appraiser must consider any effects these easements have on the value of the remainder. The appraiser should explain the payment for these easements as well as any damages and/or benefits to the remainder on Form 2A-9.

Slope Easement(s) - Cut or Fill: The appraiser may value the area(s) encumbered by these easements up to and including 100% of fee-simple value and must consider any damages or benefits to the remainder(s). The appraiser must consider any effects these easements have on the value of the remainder. The appraiser should explain the payment for these easements as well as any damages and/or benefits to the remainder on Form 2A-9.

Construction Easement(s) - C.E.: The appraiser may value the area(s) encumbered by any and all construction easements up to and including 100% of fee-simple value and must consider any damages or benefits to the remainder(s). The appraiser must consider any effects these easements have on the value of the remainder. The appraiser should explain the payment for these easements as well as any damages and/or benefits to the remainder on Form 2A-9.

ITEM 20B: IMPROVEMENTS ACQUIRED: In this section, the appraiser shall indicate the improvements that are being acquired by structure number and function. This must agree with the numbering sequence used on Forms 2A-2, 2A-2.1, 2A-3, and 2A-4, and also shown under "REMARKS" on Form 2A-7. If no improvements are acquired, the word "NONE" should be inserted.

NOTE: When a farm is separated and cross-fencing is acquired, report number of linear feet acquired and the value in Item 20(B), Improvements Acquired. When perimeter-fencing is required to enclose a field that has been separated, or a part of the field is acquired for new right-of-way, the cost to provide this fencing should be shown as

COST-TO-CURE in Damages, Item 20(D). In this instance, an amount for this fencing is not to be included in Improvements Acquired, or this would constitute a double payment.

ITEM 20C: VALUE OF PART ACQUIRED - Land and Improvements: (Sub-Total)
This is the SUM of Items (A) and (B).

ITEM 20D: TOTAL DAMAGES: Total amount of damages is to be shown. Damages must be shown in dollar amounts and documented and supported on R.O.W. Form 2A-9, or by a separate appraisal of the remainder. The statement that "damages are off-set by benefits is not acceptable; dollar amounts must be shown and documented.

On projects where the right-of-way is purchased without control-of-access and fencing is required to re-enclose a field that was previously fully fenced, fencing taken shall be paid for as an improvement taken. The appraiser shall then develop a net cost-to-cure estimate. The "net cost-to-cure" is the expenditure for fencing necessary to re-enclose less the amount paid for existing fencing taken. The amount of these cost-to-cure damages should be included in Damages, Item 20(D). If the right-of-way is purchased with access-control and fence, no amount will be due the owner for fencing to enclose the fields, except for the fencing of frontage roads, or cross-fencing, or temporary fencing. These amounts should be reported as damages (cost-to-cure) in Item 20(D), with breakdown and explanation on R.O.W. Form 2A-9.

(For further information see page 73, Section VII, Cost to Cure Fence.)

ITEM 20E: SUM OF (A), (B) and (D): Self Explanatory.

ITEM 20F: BENEFITS: If benefits are assigned, the appraiser should show the amount only in Item 20(F). Benefits must be shown in dollar amounts and documented and supported on R.O.W. Form 2A-9, or by narrative report. The statement that "damages are off-set by benefits" is not acceptable; dollar amounts must be developed, shown and documented. If the appraiser finds that a property has special benefits but no damages, the benefits should be shown along with a statement such as: "I have considered benefits but find no damages to be off-set by special benefits".

ITEM 20G: TOTAL AMOUNT DUE OWNER: Report the total amount due owner for the acquisition. This amount must be the same as reported on the Certificate Page (Form 2A-12).

TYPE OF APPRAISALS/ REPORTS

ITEM 21: VALUE OF REMAINDER: When the appraisal assignment is for a Formal Part-Affected Appraisal and the appraiser has found the after-value of the remainder has not changed from the before-value, this section does not have to be completed. This section is a summary and accounting of the remaining land and improvements.

NOTE: The remainder areas shown on the Acquisition Table include the easements (slope, construction and permanent drainage easements) since the property owner retains title to these easement areas. In order for the top and bottom portions of this form to balance, the appraiser must subtract the amounts paid for the easement areas in Item 20, Land Acquired.

ITEM 21A: LAND REMAINDER(S): If there is more than one (1) land area remainder, each area must be identified. If the appraiser has found a breakdown of values in the before situation in Item 17 on Form 2A-7, or in the after-value situation, each area must be identified and valued separately here showing the before and after unit value of each. Each area must be extended mathematically to show the after value of each area. If the after value is less than the before value, the difference is shown in the damage column.

- REMAINDER VALUE OF LAND: The sum of all the remainders.
- LESS AMOUNT PAID FOR EASEMENTS: Deduct the total amount paid for permanent drainage, slope, and construction easements in Item 20A.
- LESS COST-TO-CURE: Deduct the amount paid for cost-to-cure damages in Item 20D.
- TOTAL REMAINDER VALUE OF LAND: Self-Explanatory.

ITEM 21B: IMPROVEMENTS REMAINING: List remaining improvement(s) by number sequence, with before and after value, and damages, if any.

- REMAINDER VALUE OF IMPROVEMENTS: Sum of all the remaining improvement values.
- TOTAL REMAINDER VALUE OF LAND AND IMPROVEMENTS: Add the total remainder value of land and remainder value of improvements less fencing acquired.

DETAILED GUIDELINES FOR COMPLETING R.O.W. FORM 2A-9

R.O.W. Form 2A-9 must be included in all appraisals of partial acquisition (FORMAL and FORMAL PART-AFFECTED).

NOTE: This SHEET should be used to show calculations and support for any cost-to-cure damages, such as fencing, driveways, parking, etc. (Form 2A-8, Item 20(D)). This SHEET should also be used to show the calculations in arriving at the amount(s) estimated for Permanent Drainage Easements, Construction Easements, and Cut and Fill Slopes (R.O.W. Form 2A-8, Item 20A).

ITEM 23: HIGHEST AND BEST USE AFTER ACQUISITION: The valuation of the remainder is a new appraisal. In those cases of an insignificant taking, the remainder may be so similar to the whole property before the taking that the highest and best use remains unchanged. However, a change in the basic physical or economic nature of the remainder may result in a change in highest and best use or the intensity of that use. The appraiser shall state and explain the highest and best use of both the remainder land, as if vacant, and the remainder property, as improved. Impacts of the taking on the property's highest and best use should be described.

If restoration of the remainder property will be required before it can be put to its highest and best use, the physical and economic feasibility of such restoration should be explained and justified.

ITEM 24: DESCRIBE REMAINDER(S): The appraiser shall describe the project for which the property is being acquired and its impact on the remainder property. The remainder property is viewed as an entirely new property to be appraised. A full narrative description of the remainder(s) must be given by the appraiser, reporting the topographic or physical features of the remainder, means of ingress/egress, proximity of major improvements to the proposed right-of-way, size, shape, uses under proper zoning, etc. Specific attention should be given to the probability of a rezoning of the property brought about by the project and the possibility that the taking has resulted in the remainder property becoming non-conforming to land use regulations, such as lot requirements, setbacks, and off-street parking.

EXPLANATION & SUPPORT FOR DAMAGES / BENEFITS: Damages, as such, are not appraised. However, the appraiser shall briefly explain any damages to the remainder property and allocate the difference in the value of the property before and after the

taking between the value of the acquisition and damages to the remainder. The appraiser shall identify any special benefits accruing to the remainder property and explain how and why those benefits have occurred. Damages and/or benefits shall be fully documented and supported in dollar amounts by one or more of the applicable approaches to value. The after-value analysis may be made on the appropriate appraisal Forms 2A-5, 2A-5.1, 2A-5A and 2A-6, or a well-written narrative report that contains all applicable data. The appraiser must provide the best support available for his estimate of damages and/or benefits. The best support is a thorough after-value analysis based on sales or rentals of properties similar to the subject after the acquisition. If the appraiser is unable to find comparable "after-sales", it is suggested that he contact the Regional Chief Appraiser for the location of similar type projects, and that he investigate the project area for recent sales or rentals of similarly affected properties. If the appraiser is unable to find any appropriate market information, the use of TDOT's most current Remainder Sales Study is an option. However, when utilizing this study, the appraiser must make a complete analysis of the similarities and dissimilarities of all the sales used in the appraisal in relationship to the subject. The appraiser should compare such things as relative value of the properties, type of highway facility, height of the cut or fill slopes from cross sections, change in setback, distance to proposed right-of-way, access, grade of driveways, and entrance ramps. Particular attention should be directed to grade changes on entrance ramps, driveways, and ingress and egress in the after situation. It is recognized that there will be occasions when there is truly no data available to support the appraiser's conclusions that the property is damaged by the acquisition. In those instances, the appraiser must supply a logical and thorough analysis and explanation in support of his/her conclusion. The use of the "before-value" data to support the "after-value" is not acceptable. For example, it is illogical and therefore not acceptable to use "before-value" sales in the "after-value" analysis and merely make additional adjustments for the supposed or supported effect of the acquisition. A cost analysis in support of after-value is not acceptable, except as a "cost to cure".

The appraiser should remember that a cost-to-cure method of estimating a diminution in value is only valid when the cost-to-cure is less than the actual diminution in value (as evidenced by market transactions) if the cure is not undertaken. Even though a cost-to-cure method of estimating the reduction in value may be appropriate, it must be remembered that the remainder property is still to be valued in its uncured condition. Therefore, it is important that any cost-to-cure estimate of damage include not only the direct costs of the cure, but also the indirect costs, and if appropriate, an entrepreneurial profit factor or administrative charge.

Remnants – A conclusion that remainders have little or no after-value may be supported by giving a full narrative explanation setting out all reasons for the decrease in market value, i.e., utility, size, shape, location, zoning restrictions or requirements, physical features, etc. However, where possible, these remnant values should be supported by comparable sales.

ITEM 25: AMOUNT OF DAMAGES: Report total amount of damages. This amount should be carried over to Item 20(D).

ITEM 25-A: AMOUNT OF BENEFITS: Report total amount of benefits. This amount should be carried over to Item 20(F).

ITEM 26: PHOTOGRAPHS - R.O.W. FORM 2A-10

COLOR PHOTOGRAPHS ARE REQUIRED: Photographs should include a minimum of two exterior views and sufficient interior views of all major improvements acquired and/or damaged, and at least one view of all major or unusual land features. The photographer should photograph the improvements and land from the most advantageous position or angle that would capture and serve to best illustrate the topographic or physical features of the land, lot, or improvements before construction. On Formal Appraisals, all improvements must be photographed. On Formal-Part Affected Appraisals, only those improvements affected need to be photographed. In the appraisal of partial-acquisitions, photographs should clearly show area(s) being acquired and/or affected by the proposed construction.

Each photograph shall be properly identified.

ITEM 27: SKETCH SHEET, FLOOR PLAN, TRACT MAP - R.O.W. FORM 2A-11

Sketch Sheet/Floor Plan:

- Foundation sketch of improvements with dimensions.

- Where improvements are more than one story of unequal living area, show sketches of all floors (with dimensions). This procedure also applies to basement areas that are less than the foundation area of the improvement.

- For partial acquisitions, show the relation of the proposed right-of-way, access control fence, cut or fill slope to the improvements, showing distances.
- Any other information which would be helpful in documenting and explaining the appraisal report.
- North arrow.
- Number all structures as used throughout the report.

NOTE: Copies of Tax Assessor's tax cards are unacceptable for measurements of improvements on subject property.

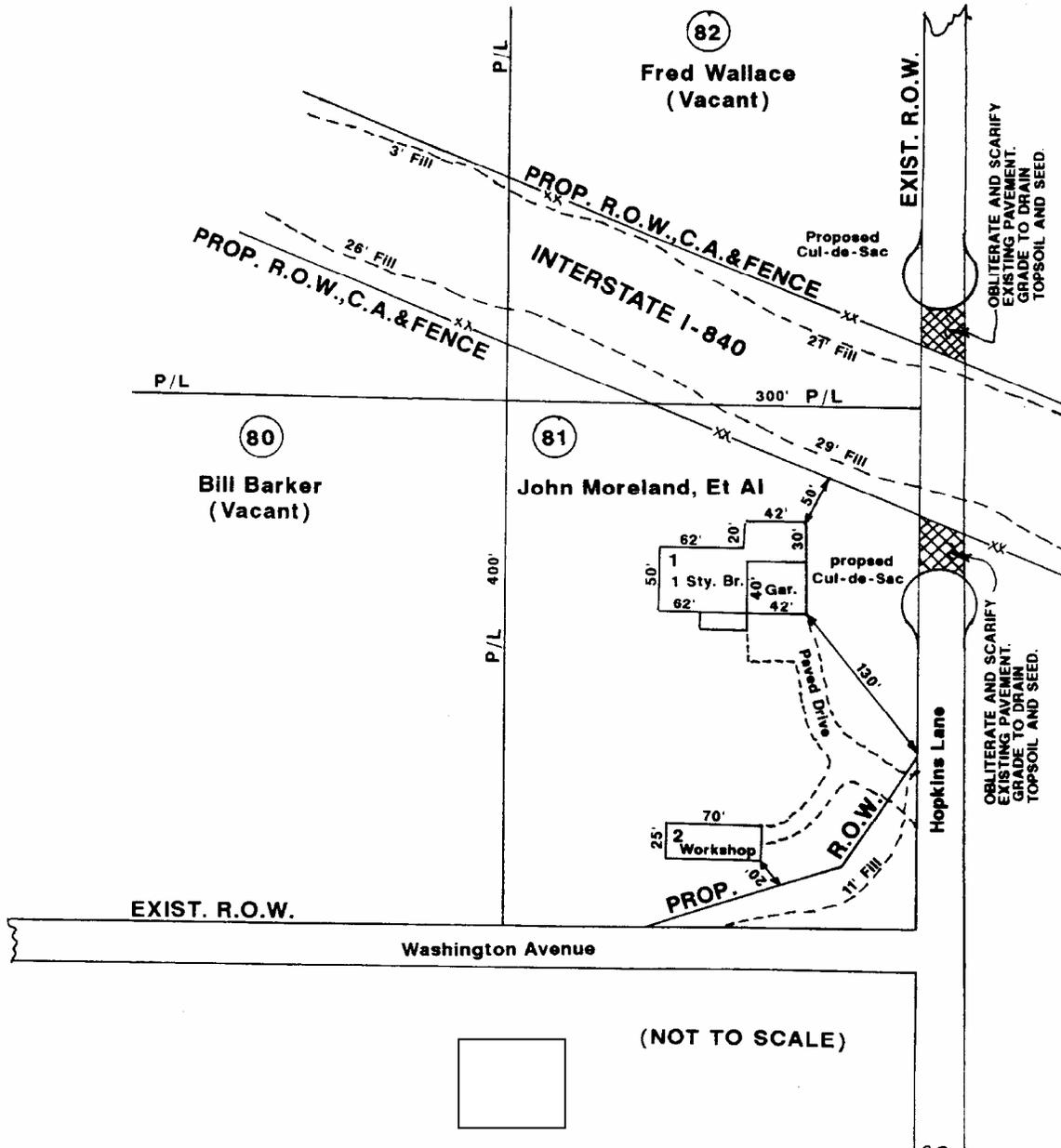
Tract Map: Tract maps are to be included in all appraisals. The tract map(s) should be copies of the present layout sheet(s) and show the following:

- A sketch of the entire property showing roads, streets, etc. (in certain instances, a copy of the property tax map may be helpful.)
- On tracts with multiple land values, each value-area **must be shown**.
- The approximate location of the improvements. This may be shown by structure numbers corresponding with the numbers assigned the improvements on the sketch sheet and on the applicable forms.
- Other information which would be helpful in explaining and documenting the appraisal report.
- In partial acquisition, on the tract map, show the location of the proposed right-of-way, access control fence, cut or fill slope. Also, show the height or depth of the cut or fill slope.
- For property located in flood hazard area attach copy of flood map.

TYPE OF APPRAISALS/ REPORTS

EXAMPLE- URBAN PROPERTY

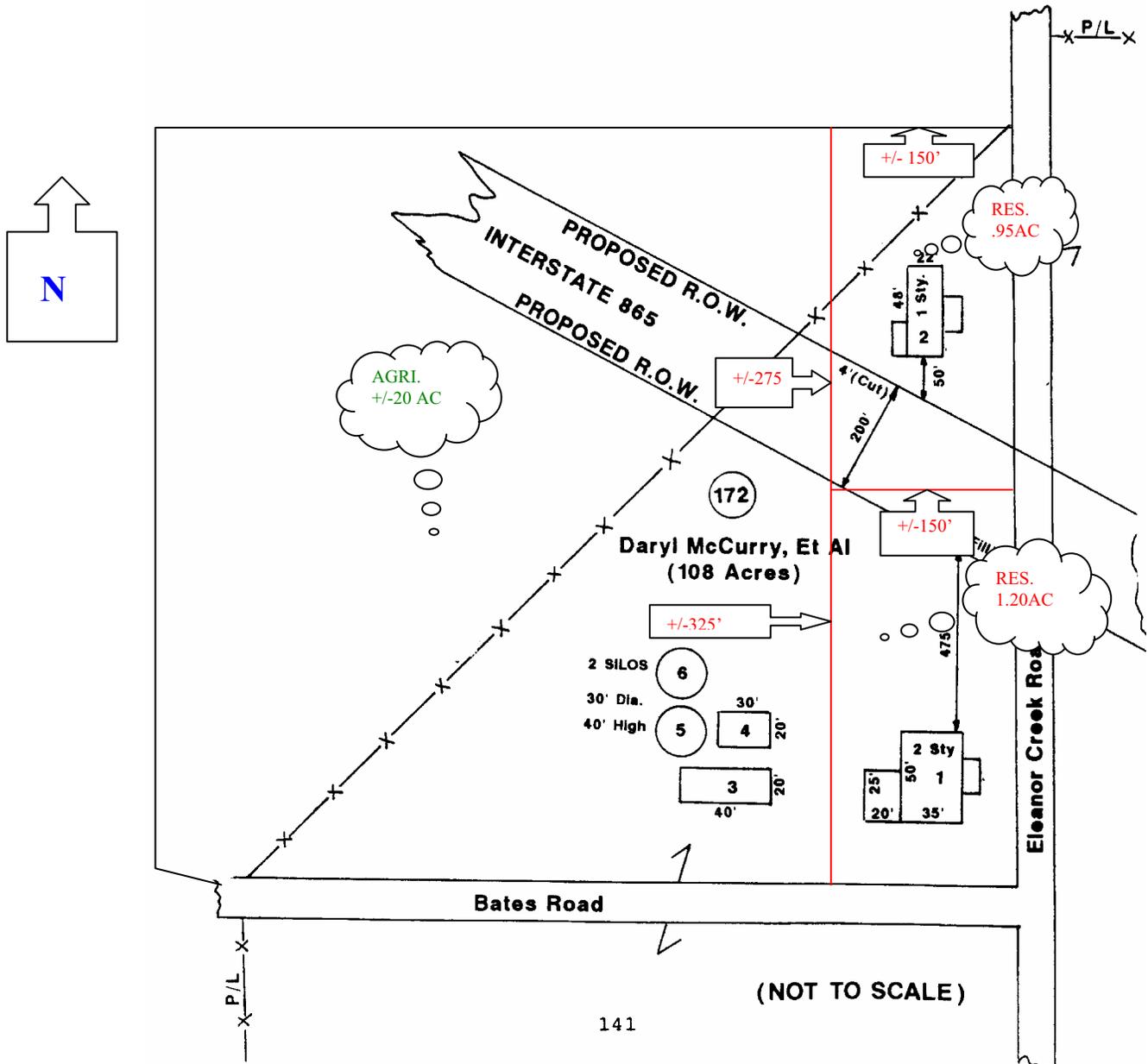
NOTE: Copies of Tax Assessor's tax cards are unacceptable for measurements of improvements on subject property.



TYPE OF APPRAISALS/ REPORTS

Guidelines for Appraisers

EXAMPLE RURAL PROPERTY



TYPE OF APPRAISALS/ REPORTS

TEM 28: R.O.W. FORM 2A-12 - CERTIFICATE OF APPRAISER: This form provides for the appraiser's certification of his appraisal, and shall be completed by the appraiser on each appraisal report.

The original shall be signed by the appraiser and attached to the original of the appraisal report. Copies may be attached to all copies of the report.

In addition to USPAP certification requirements, appraisals prepared for TDOT shall also include in the "Certificate of Appraiser" the following:

"That I understand that such appraisal may be used in connection with the acquisition for a project to be constructed by TDOT with the assistance of federal aid highway funds, or other federal funds."

Standards Rule 2-3 (U.S.P.A.P.) requires that if anyone, whether licensed or not, provided significant professional assistance to the person signing this report, that person must be identified in the report, with no exceptions.

The appraiser shall contact the property owner and give the owner or properly designated representative an opportunity to accompany the appraiser during the inspection of the subject property. **(This is not only a Right-Of-Way procedure, but it is the LAW).**

If the contacts are made with non-resident owners by mail or telephone, affording them the opportunity to accompany the appraiser during his or her inspection of the property, these owners must be given a reasonable amount of time to respond to the invitation. If the owner replies by letter, copies of the letter must be inserted in the appraisal. If the owner is contacted by telephone, the appraiser must make a written explanation detailing the contact. If for any reason the appraiser is unable to make contact with the owner within a reasonable length of time, it must be explained in detail the efforts made to make contact.

In the appraisal of commercial or industrial properties under long-term lease, the lessee should also be afforded the opportunity to accompany the appraiser during his inspection of the property.

DATE(S) OF INSPECTION OF SUBJECT: All dates must be listed.

DATE(S) OF INSPECTION OF COMPARABLE SALES: List all dates.

NOTE: ANY TIME THERE ARE REVISIONS, SUPPLEMENTS, UPDATES, ETC. WHICH AFFECT THE DATE OF VALUATION OR THE APPRAISED VALUE, A NEW "CERTIFICATE OF APPRAISER" MUST BE COMPLETED SHOWING ALL DATES OF INSPECTION AND THE DATE OF POSSESSION, AS APPLICABLE.

DATE OF VALUE: THE DATE OF THE APPRAISER'S LAST INSPECTION OF THE PROPERTY AND/OR THE DATE OF POSSESSION WILL BE THE DATE OF VALUE. In the spaces provided show the appropriate date of value and the amount due the property owner. This amount must agree with the amount shown in Item 20 (G) on Form 2A-8.

APPRAISER'S SIGNATURE: Appraiser must sign here. If more than one person signs the appraisal report, the names of all of the appraisers who personally inspected the property must be listed.

DATE OF REPORT: Show the date the report is signed.

STATE _____ REAL ESTATE APPRAISER: Fill in the blank with the appropriate title, e.g., Licensed, Certified Residential, or Certified General.

LICENSE NO.: Show the appraiser's State License No.

NOTE: If the certificate requires correction, "whiting out" or correcting the original copy is unacceptable. The appraiser shall submit a new form, properly completed.

SUB-LETTING OF APPRAISALS IS PROHIBITED. ALSO PROPERTY OWNER CONTACTS AND PROPERTY INSPECTIONS BY A STAFF ASSOCIATE ONLY IS PROHIBITED. THE APPRAISER WHO SIGNS THE CONTRACT SHALL PERFORM THESE FUNCTIONS COMPLIANT WITH USPAP AND THESE GUIDELINES.

EXAMPLE LETTER TO AN OWNER

Mr. Bill Carter
P.O. Box 222
Any Where U.S.A.

Re: Project No. 47002-2118-44
Knox County
Tract No. 129

Dear Mr. Carter:

I have been employed by the State of Tennessee, Department of Transportation to make an appraisal of a property shown to be in your ownership for the proposed acquisition on the captioned project.

This letter is to afford you, or your designated representative, the opportunity to accompany me during my inspection of your property. The property is located at 1400 Center Street, Knoxville, Tennessee and the right-of-way is necessary for the construction of this public improvement project.

Please contact me within ten (10) days at the address or telephone number below in order that we might establish a date and time of mutual convenience. I hope to hear from you, but after the ten-day period, in order to meet my contractual obligation to the Department of Transportation, I will need to proceed with my inspection and appraisal of your property.

Sincerely,

Appraiser
Address
Telephone Number

TYPE OF APPRAISALS/ REPORTS

R.O.W. FORM 2A-13: This form refers to the purpose of the appraisal, definition of market value, and property rights appraised. Mindful that appraisals prepared for TDOT now must use the Tennessee Pattern Jury Instructions definition of market value recited earlier in these guidelines, this pre-printed form should be replaced and updated by the appraiser.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

Any assumptions and/or limiting conditions that are necessary to the background of the appraisal shall be stated. If the appraisal has been made subject to any encumbrances against the property, such as easements, etc., such shall be stated. In this regard, if limiting conditions have been stated in the body of the report, they must also be detailed in the Assumptions & Limiting Conditions section. The appraiser should avoid including "boiler-plate" type assumptions and limiting conditions. For instance, an assumption that improvements are free from termite infestation is inappropriate in the appraisal of vacant land. It may be appropriate for an appraiser to conclude that a probability exists that the property under appraisal could be rezoned and then reflect that probability in the reported conclusion of value. It is not appropriate for an appraiser to make an appraisal under the **assumption** that the property could be rezoned.

In the case of a partial acquisition, the appraiser should identify those assumptions and limiting conditions which apply to both the before and after taking appraisals, those which apply only to the before taking appraisal and those which apply only to the after taking appraisal.

See also section on Jurisdictional Exceptance, page 9.

VII. SUPPLEMENTAL SECTION

COST-TO-CURE FENCE/TEMPORARY FENCE:

On tracts that are presently fenced, and easements are needed outside the existing or proposed right-of-way for slopes, drainage, work area, erosion control, detour roads, etc., the appraiser shall consider the Net Cost-to-Cure damage for fencing taken, plus temporary fencing when needed to maintain security, for control of livestock, etc.. The permanent fencing will be erected at the existing or proposed right-of-way after construction is completed. The Net Cost-To-Cure is necessary to maintain closure is necessary whether the existing fencing has contributive value or not. Value is not always the issue, but by TDOT policy, closure is. Livestock does not have to be present on the tract at the time of the appraiser's inspection in order for the property to qualify for net cost-to-cure fencing payment. The dollar amounts for the "Cost-to-Cure" fencing and temporary fencing must be entered on R.O.W. Form 2A-8, Item 20(D) with proper explanations, documentation and support on Form 2A-9.

IMPROVEMENTS PARTIALLY WITHIN THE PROP. ROW:

If purchasing the entire improvement is found to be more expensive than removal of the portion of the improvement lying within the right-of-way, plus cost to make the remainder functionally whole, the following procedures will be used.

- The appraiser shall include in Item 20-D, R.O.W. Form 2A-8, "Partial Acquisition" along with any other compensable damage(s), i.e.,
- The cost of the owner's removal of the portion of the improvement located within the proposed right-of-way.
- Cost of refacing, temporary weatherseal, and repairs necessary to restore the remainder of the improvement to a state of usefulness.
- Other compensable damages that may affect the "after-value" of the improvement, i.e., change in highest and best use, loss in square foot area of the improvement, or loss of utility caused by change of grade or access, etc.
- The value of the remainder of the improvement (Item 21-B, R.O.W. Form 2A-8) would be the value after the acquisition before any construction or adjustment is done to restore the remainder of the improvement to usefulness.

SPECIAL NOTE: A contractor's estimate is to list separately:

- The estimated cost of the removal of the part of the improvement within the proposed right-of-way.
- Temporary weatherseal.
- The cost of hauling off, and disposal of the part of the improvement torn down.

SPECIALTY REPORTS AND ESTIMATES:

It is expected that fee appraisers employed by TDOT be qualified to estimate the cost of the most usually encountered improvements. However, in certain special instances, TDOT may require the appraiser to obtain reproduction or replacement cost estimates from a building contractor, professional engineer or other specialist. (THIS APPLIES TO HIGH-VALUE IMPROVEMENTS, COMMERCIAL, INDUSTRIAL, SPECIAL PURPOSE, OR CERTAIN CUSTOM-BUILT RESIDENCES WHERE A DETERMINATION HAS BEEN MADE BY TDOT, OR BY THE APPRAISER WITH TDOT CONCURRENCE, THAT A CONTRACTORS ESTIMATE IS REQUIRED).

When the appraiser is required to obtain a contractor's estimate, engineering estimate or other specialty report, the fee for such special assistance shall be provided for in the appraiser's employment agreement.

- All estimates must be FIRM, and the specialist must be willing to perform the service for the estimated amounts.
- The appraiser shall make provisions that the specialist be available in case of condemnation as a witness in court or for consultation services.
- The arrangements for employment of the specialist in such cases shall be handled by the fee appraiser and any payment to the specialist for services other than court testimony or consultation with the State shall be made by the fee appraiser. Unless specifically provided for in the employment agreement with the appraiser, TDOT will not pay additional amounts, above the fee per tract established, for the obtaining by the appraiser of services of contractors or other specialists for estimates or other assistance to the appraiser. The appraisal fee is for a complete appraisal satisfactory for the purposes of TDOT.

- To be satisfactory to TDOT, the appraisal and the specialty report shall comply with these "Guidelines for Appraisers". Any findings of a specialist employed to aid in making an appraisal must be included and clearly identified in the appraisal report.

Where a specialist is retained to provide cost estimates for the appraiser, these cost estimates must be detailed and itemized estimates, not just a total dollar amount for reproduction or replacement costs. This also applies to "Cost-to-Cure" estimates for cutting off and re-facing buildings. The appraiser cannot merely accept these estimates as accurate. The appraiser must review such reports with great care and adopt them only if reasonable and adequately documented and supported.

EXAMPLE CONTRACTOR'S ESTIMATE OF NEW BUILDING

The following is a sample contractor's estimate of the cost new of a small retail outlet. Estimates of this type are always assumed to conform to the structure as built and include all labor and materials. This estimate is for illustration purposes only and actual estimates may vary as to the order in which items occur and the type of quantity units used. While this estimate probably represents a minimum of information which should normally be furnished, a more detailed breakdown may be required in more complex structures.

The building is the example of a typical, detached, one-story structure measuring 59 ft. along the front and back with a 34' depth, for approximately 2,000 square feet. It is built on concrete footings with a slab floor, has concrete block exterior walls and steel truss roof. The front of the structure has a typical facade with brick veneer and plate glass windows. Roof covering is built-up and overlaid with gravel. The inside walls and ceiling are finished with sheetrock and the floors are covered with vinyl tile and carpet. The structure has fire alarm and sprinkler system. There is appropriate lighting and outlets and there are two restrooms. The structure has central heating and cooling. No trade fixtures or equipment are included in the estimate.

EXAMPLE: CONTRACTOR'S ESTIMATE OF COST NEW

Date

Appraiser
Fourteenth Floor
Third National Bank Building
Nashville, Tennessee 37219

Re: Estimate of Cost New for
Existing Improvements
Located at 232 Grayland Blvd.
Nashville, TN.

Dear Sir:

At your request, I have made an estimate of the current cost of constructing the above captioned improvement. My estimate for the total cost new of all improvements on this property as of January 1, 2002 is: Ninety Thousand, Five Hundred Dollars (\$90,500).

A more detailed breakdown of costs for this structure is as follows:

ITEM DESCRIPTION	UNIT QUANTITY	UNIT COST	LUMP SUM COST
1. Excavation & Site Preparation	2,000 S.F.	@ \$000.20	\$ 400.00
2. Foundation - Conc. Footings	186 L.F.	@ \$ 13.24	\$ 2,463.00
3. Floor Structure - Conc. Slab	1,875 S.F.	@ \$001.94	\$ 3,638.00
4. Exterior Walls - 8" Conc. Block 12' High	2,232 S.F.	@ \$007.81	\$17,432.00
5. Store Front - Facade including brick veneer, aluminum plate glass windows, entrance doors, etc.	59 L.F.	@ \$150.00	\$ 8,850.00

SUPPLEMENTAL SECTION

6.	Steel Truss Roof (on 3' centers)	20 Trusses	@ \$950.00	\$19,000.00
7.	Roof Decking - Hollow Precast	2,140 S.F.	@ \$004.00	\$ 8,560.00
8.	Roof Covering - Built Up Composition	2,140 S.F.	@ \$002.16	\$ 4,622.00
9.	Interior Finish - incl. partitions, sheetrock ceiling and walls, 3 interior doors and wood trim, all painting and staining	1,875 S.F.	@ \$002.16	\$ 4,050.00
10.	Floor Covering - Carpets, Vinyl Tile	50 S.Y.	@ \$009.50	\$ 475.00
11.	Plumbing - 1 drinking fountain, 2 lavatories, 2 water closets, 1 urinal, 1 water heater includes sewer line hookup	1,425 S.F.	@ \$001.02	\$ 1,454.00
12.	Sprinkler System & Fire Alarm	1,875 S.F.	@ \$001.67	\$ 3,131.00
13.	Heating and Cooling - 7 1/2 Ton Package Unit			\$ 6,496.00
14.	Electrical and Lighting			\$ 5,074.00
15.	Permits, Plans, Misc.			\$ 1,200.00
16.	Site Improvements - Grading & Asphalt paving for parking (3" asphalt on 2" base)	4,000 S.F.	@ \$000.90	\$ 3,600.00

Total Improvements Cost \$90,445.00
Say \$90,500.00

We appreciate this opportunity to be of service to you. Please call if we may be of further assistance. This estimate is good for 180 days.

Yours very truly,

John Smith
Best Construction Company
100 Support Road
Nashville, Tennessee 37011

SUPPLEMENTAL SECTION

EXAMPLE: CONTRACTOR'S ESTIMATE FOR CUTTING-OFF AND REFACING BUILDING

The following is an example of the details required when an appraiser is requested to furnish a contractor's estimate (Cost-to-Cure) for cutting off and refacing a building, where a part of the building is in the proposed right-of-way. This example is the same building described in the preceding contractor's cost new estimate.

PROBLEM: Four (4) feet of the building is in the proposed right-of-way and you have requested a contractor to furnish you a cost estimate to cut off and reface the building at the right- of-way line.

NOTE: The first four (4) items in this estimate must be listed separately where they can be separated from the estimate.

Date

Appraiser
4440 Main Street
Any Where, U.S.A.

Re: Cost to Cure Estimate
Project No. M-9805(7)
Tract No. 10
Davidson County

Dear Sir:

At your request, I have prepared the following cost estimate to demolish and remove the south 4 feet (front of building) and permanently reface.

DESCRIPTION	QUANTITY	UNIT PRICE	UNIT COST
Demolish Walls	804 S.F.	\$ 4.00	\$ 3,216.00
Demolish Roof	256 S.F.	\$ 5.00	\$ 1,280.00
Haul Off	1 L.S.		\$ 400.00
Temporary Weather Seal			\$ 1,000.00
			\$ 5,896.00
O.H. & Profit (13%)			\$ 766.00
SUB-TOTAL			\$ 6,662.00
Re-Work Electrical	1 L.S.		\$ 4,000.00

SUPPLEMENTAL SECTION

Re-Work Fire Alarm	1 L.S.		\$ 1,000.00	
Re-Work Sprinkler	1 L.S.		\$ 1,500.00	
Re-Work Heat and Air	1 L.S.		\$ 1,200.00	
Roof & Wall Tie-In	67 L.F.	\$10.00	\$ 670.00	
Rebuild Footing	59 LF.	\$13.24	\$ 781.00	
Add Roof Flashing	67 L.F.	\$ 2.00	\$ 134.00	
Slab Tie-In	67 L.F.	\$ 1.50	\$ 100.00	
Install Perm. Front	708 S.F.	\$12.00	<u>\$ 8,496.00</u>	
SUB-TOTAL				\$17,881.00
	O. H. & Profit		<u>\$ 2,325.00</u>	
	SUB-TOTAL			\$20,206.00
	GRAND TOTAL			\$26,868.00

We appreciate this opportunity to be of service to you. Please call if we may be of further assistance. This estimate is good for a six (6) month period.

Yours very truly,

John Smith
Best Construction Company
100 Support Road
Nashville, Tennessee 37011

SUPPLEMENTAL SECTION

BASIC INFORMATION FOR READING PLANS:

The Appraiser must have the ability to read and interpret highway plans in order to accurately visualize and assess how the proposed project will effect the assigned tract(s). The following basic information is to assist you in understanding the right-of-way plans, but is not a substitute for a right-of-way plans reading course.

Included in a set of right-of-way plans are several types of plan sheets. Most of them show different views of the project to be built. The appraiser should be able to recognize and interpret each view. **Plan view** is a view from the top. **Elevation or Profile view** is a view from the side. **Cross-section view** is an inside view, as if the object had been cut open.

On nearly all plan sheets you will see reference to “**stations**”. This is a term used for measuring distances and identifying points on the ground along a surveyed line. In surveying, a “**station**” *is equal to 100 feet of distance*.

The centerline of a proposed project is drawn on the plan sheets. The distances are shown as stations and each even station, an exact 100 foot measurement, is indicated by a “**tick**” mark on the line. Each fifth station is labeled with the station numbers written sideways, and is indicated by a short line that crosses the control line.

When a specific construction item is described in the plans, a station number is used to define the exact location. If the item is exactly on a station, you will see “+00” after the number. A point half-way between two stations would be shown with “+50” after the lower station number. The location of any point is always shown as a plus distance in feet beyond the last station. Generally, station numbers get larger as you go from West to East or South to North.

Sheet identification blocks are located on all sheets in the lower right corner, except title sheets and cross-section sheets. These blocks contain the sheet name and other information that further describes details shown on the sheet. A title sheet can be easily identified because it is the first sheet in a set of plans. The cross section sheets are easily identified by their grid-type paper.

Sheet numbers and project numbers appear in the upper right corners of all sheets. Following is a list of the major types of sheets in the order in which they appear in a set of plans along with a brief description of each:

- **TITLE SHEET:** The title, or front sheet on a set of highway plans contains a wealth of general information regarding the proposed highway project. Each title sheet contains the “Tennessee Department of Transportation “ heading. Directly below the heading is the county where the project is located. A written description of the project “termini” appears below the county showing the limits of the project from a beginning point to an ending point of reference. The **State Highway Number and Federal Highway Systems Number**, if applicable, for the proposed route improvement are shown below the location description.

In the center of the title sheet is a “Location Map” of the general geographical area of the project, showing the beginning and the ending of the project. A “north arrow” is shown along with references to easily identifiable landmarks. Beneath the location map is the “project length”, which is divided into roadway length and bridge length, where applicable.

A map of the State of Tennessee with all 95 counties is also show on the title sheet. The county or counties where the project is located will be highlighted.

IF, there are equations or exclusions on the project, they will appear in a table on the title sheet. There’s a block on the title sheet that gives various “traffic data” for the highway, such as current average daily traffic, projected future average traffic, daily hourly volume, etc.

One of the **most important items** on the title sheet is an “INDEX” located in the upper left-hand corner. The index tells which sheets are in the R.O.W. Plans and where to find them. Knowing how to use the index can be a real time-saver.

- **TYPICAL SECTION:** The typical cross sections of the road to be built are illustrated here. Valuable information such as minimum R.O.W., width of pavement, driving lanes, turn lanes, shoulders, slopes, median, curbs, gutters, sidewalks, utility strips, etc., can be found on the typical sections sheet.
- **PROPERTY MAP:** This sheet shows plan views of the proposed highway superimposed on property lines separating the tracts of land affected by the project. Each tract is numbered to correspond with the tract numbers in the R.O.W. Acquisition Table. Usually, more than one property map is needed to show an entire project.

The first property map in each set of plans includes **R.O.W. Notes**, which summarize provisions for access control, removal of improvements from the R.O.W. and driveway replacement, and identifies the owners of utilities to be relocated. Other pertinent information on the Property Map include property line boundaries, roads, streets, power line easements, city limits, county lines, and state lines.

- **ACQUISITION TABLE:** Depending on the size of the project or the number of tracts on a project, the acquisition table may be on the same sheet as the property map or it might be on a separate sheet. This table lists the tracts in numerical order, showing the property owner, tax map & parcel numbers, deed book & page numbers, acquisition areas in fee simple, slopes, construction and permanent drainage easements, remainder areas and total area of each tract.
- **PRESENT LAYOUT:** Like the Property Maps, the Present Layout sheets show plan views of the area where the road construction is proposed, but in much greater detail. Vital information shown on these pages include such items as the centerline of construction, present and proposed R.O.W., fill slopes (dashed lines), cut slopes (solid lines), present and proposed drainage pipes, construction easements, permanent drainage easements, present and proposed driveways, property lines, control of access fences, right-of-way markers, loss of access remainders, etc.

Since this view gives the shape and dimensions in the horizontal plane, the length and width of features can be determined with the aid of a scale. Existing features, such as rivers, trees, buildings, fences, utility lines, lakes and property lines, are shown only on Present Layout Sheets.

The scale to which the plans are drawn is located in the lower right corner on each sheet. The scale may differ from one section of the plans to another, so the appraiser should check the scale on each.

- **PROPOSED LAYOUT/PROFILE:** Proposed layout sheets show two views of the proposed construction –a plan view showing horizontal alignment and a profile view showing vertical alignment. Usually these views are shown one above the other on proposed layout sheets. Sometimes, when the project is more complicated, separate sheets are used for each view.

The proposed layout shows only the proposed construction. It does not show the existing features, such as buildings, trees, utility lines, lakes, fences, etc. This view will show driving lanes, turn lanes, median strips, curb, gutters, sidewalks, driveways, guardrails, etc. The length and width of the construction features can be determined by use of a scale.

Vertical alignment data are shown in profile views on the proposed layout sheets. The profile view shows both the original ground line and the finished grade line. The original ground line usually is an irregular line, representing a profile view of the natural ground. The finished grade line is a smooth, continuous line, representing a profile view of the proposed roadway.

Vertical alignment is the relationship of roadway elevations along the project. A roadway changes elevations at various points along the way. Vertical alignment is based on horizontal and vertical points of reference. Horizontal points of reference are called stations. Vertical points of reference are called elevations. Elevation lines and station-number lines form “grids” upon which profile views are shown. Vertical lines are drawn every 50 feet to provide horizontal reference points. Along the bottom of the grid are station numbers. On the left and right sides of the profile grid you will find the elevations of the project written in feet. Notice the difference in horizontal and vertical scale. The scale for the profile view is normally exaggerated to show small changes in elevation more clearly. The vertical scale is ten times larger than the horizontal scale. The most commonly used horizontal scale is 1” = 100 ft. and the vertical scale is 1” = 10 ft. NOTE: This view should never be used to determine cut and fill information. Elevations are shown along the centerline of the proposed project. It does not give any data to the left or right of the centerline.

- **CROSS-SECTIONS:** To the appraiser, this view is very important. It is impossible to accurately visualize and estimate the effects of a highway project on a property without studying and understanding this view.

A cross-section of a highway project is a view at the inside of the project cut open at right angles to the survey centerline. Before highway construction begins, a field survey is made to determine original ground elevations at various points along the survey centerline. At each of these points, the

original ground elevations of both sides of the survey centerline are recorded. These elevations are plotted so we can see "cross-sections" of the original ground line at those points. Roadway cross-sections show typical sections of the proposed road superimposed on cross sections of the original ground line. This view shows the elevation features of the proposed construction within the right-of-way limits.

Cross-sections are usually drawn to a scale of 1 in. = 10 ft. on both the horizontal and vertical planes. The existing ground line is shown as a dashed line and the proposed finished surface is shown as a solid line.

In cut sections, the road is built below the original ground line. In the fill sections, the road is built above the original line. **The CUT and FILL information is not to be taken from the Centerline Elevation, nor is it to be taken from the bottom of the ditch, BUT from the shoulder of the roadway to the cut or to the toe of the fill, whichever the case may be.**

The cross-section sheets show a cross-section of the proposed road every fifty feet. For example, a cross section would be taken from each of these stations: 100+00, 100+50, 101+00, 101+50, 102+00, etc. In this case, the cross-section at the bottom of the page would be taken at Station 100+ 50, etc. You read cross-section sheets from bottom to top. As you read up, you are going *ahead* on the highway.

Remember, on all cross sections, the left side of the section is the left side of the highway. The right side of the section is the right side of the highway. It's as if you were standing on the centerline looking ahead, up the sheet.

The cross-section sheet looks like a piece of graph paper. Every 10th line, horizontally and vertically, is heavier than the remaining lines. Three scales are commonly used in Tennessee: 1" = 5', 1" = 10', 1" = 20 '. The heavy lines are one inch apart on full-size sheets. It is not necessary to measure distances on roadway cross-section sheets, just count the squares. There are ten (10) squares between each heavy line on the sheet, horizontally and vertically. Horizontal measurements give distances across the highway. Vertical measurements give elevations.

EXAMPLE: If the scale is 1" = 5':

Each small square, horizontally and vertically, is equal to 0.5 ft.

If the scale is 1" = 10':
Each small square is equal to one foot.

If the scale is 1" = 20':
Each small square is equal to two feet.

NOTE: Generally, appraisers are furnished ½ size cross-section sheets. When using half-size cross-sections the scale must be doubled.

There are other types of plan sheets in a set of R.O.W. Plans that might be of interest to the R.O.W. Appraiser from time to time, but the ones listed and discussed here are the most important.

NOTE: It is mandatory that the highway right-of-way appraiser has a thorough knowledge of how to read and correctly interpret right-of-way plans.

The Department has available personnel that are knowledgeable of right-of-way plans, so if in doubt, ask for assistance and/or advice.

FOLLOWING ARE SEVERAL SHEETS (PAGES) OF TYPICAL HIGHWAY RIGHT-OF-WAY PLANS FOR ILLUSTRATION PURPOSES.

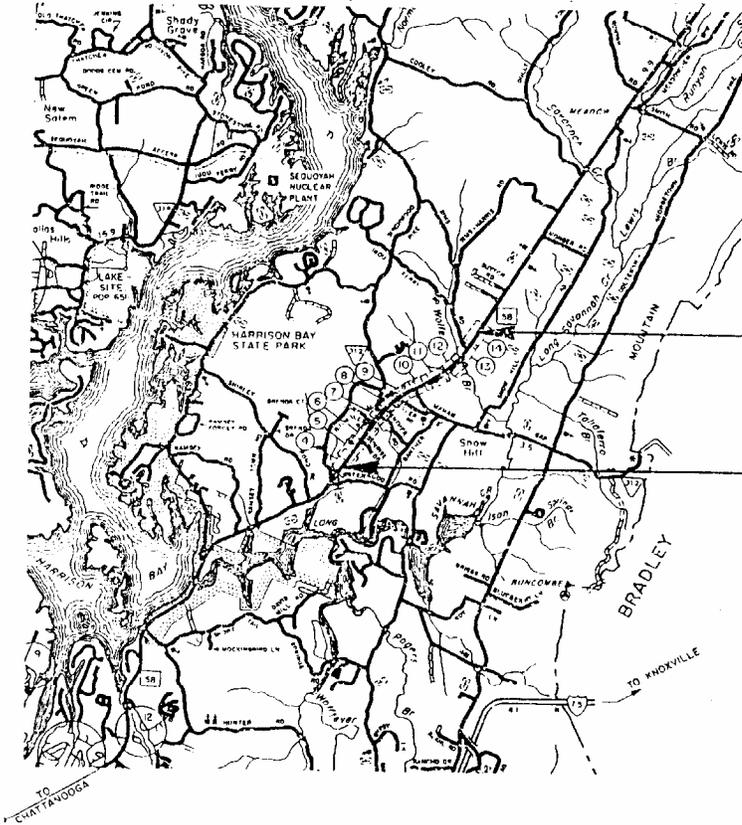
Guidelines for Appraisers

R.O.W.

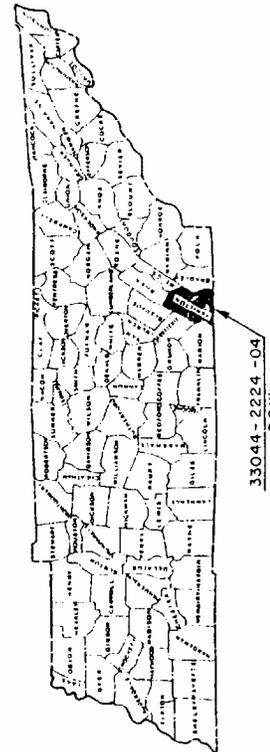
RIGHT-OF-WAY PLANS

STATE HIGHWAY NO. 58 F.A.P. NO. 58

TITLE SHEET



TENN.	YEAR 1991	SHEET NO. 1
FED AID PROJ NO		
STATE PROJ NO	33044-2224-04	



R.O.W. LENGTH 2.501 MILES

Index of Sheets (R.O.W)

SHEET NO.	DESCRIPTION
1	TITLE SHEET
2-2A	TYPICAL SECTIONS
3-3A	PROPERTY MAPS
3B-3C	ACQUISITION TABLE
4-14	PRESENT LAYOUTS
4A-14A	PROPOSED LAYOUTS
4B-14B	PROFILES
15-17	SIDE ROAD PROFILES
18-23	BUSINESS & PRIVATE DR. PROFILES
24-25	DRAINAGE MAP

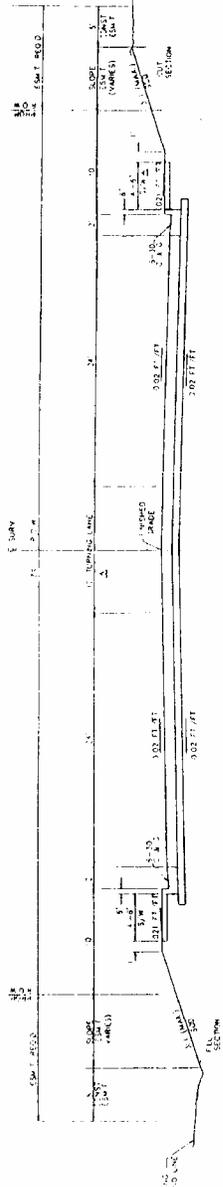


TRAFFIC DATA	
ADT (1991)	7,400
ADT (2011)	13,900
DHV (2011)	1,529
D	65-35
F	5%
V	60 M.P.H.

Guidelines for Appraisers

TYPE	YEAR	PROJECT NO.	SHEET NO.
R.O.W.	31	F-15(40)	2

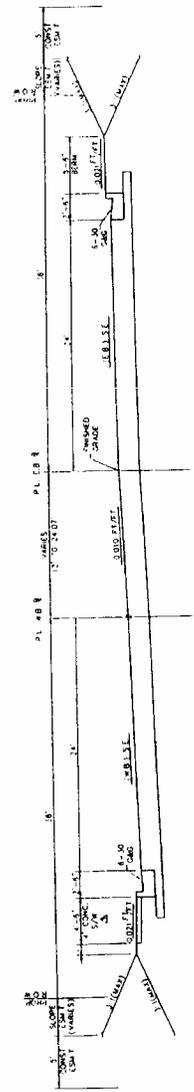
RIGHT-OF-WAY PLANS
TYPICAL SECTIONS



TYPICAL SECTION S.R. 15 (L.R. 15)

- ▲ SURV. STA. 380+00 TO E. SURV. STA. 385+00
- ▲ SURV. STA. 390+00 TO E. SURV. STA. 395+00
- ▲ SURV. STA. 395+00 TO E. SURV. STA. 400+00
- ▲ SURV. STA. 405+00 TO E. SURV. STA. 410+00

- ▲ END 5/16" DIA. 432+00 (PT.)
- ▲ MARKS IN 10' INTERVALS SURV. STA. 432+00 TO 432+48.50



TYPICAL SECTION

- ▲ END 5/16" DIA. 432+00
- ▲ MARKS IN 10' INTERVALS SURV. STA. 432+00 TO 432+48.50

STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
BUREAU OF HIGHWAYS

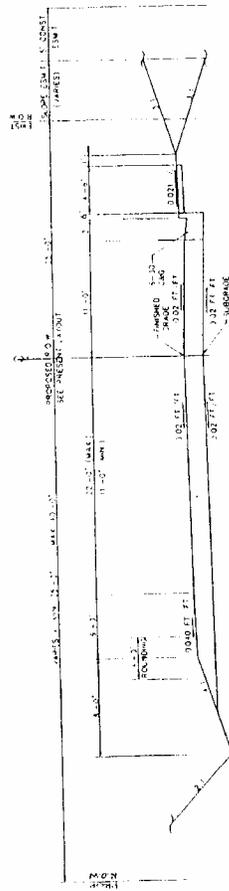
TYPICAL SECTION
S. R. 15

NO SCALE

Guidelines for Appraisers

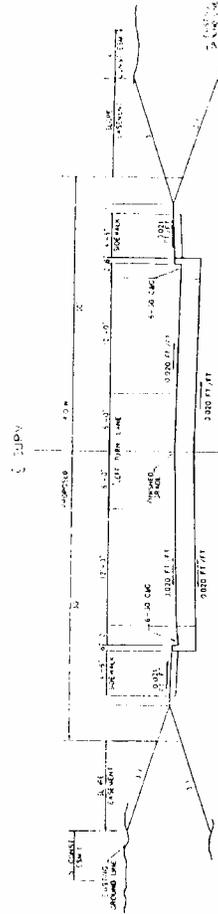
TYPE	YEAR	PROJECT NO.	SHEET NO.
R.O.W.	91	F-15(40)	2E

RIGHT-OF-WAY PLANS
TYPICAL SECTIONS



NOTE: SEE PROPOSED LAYOUTS FOR PAYMENT TRANSITIONS

TYPICAL SECTION
HAYWARD RD.
STA. 4+50 TO STA. 3+11.12

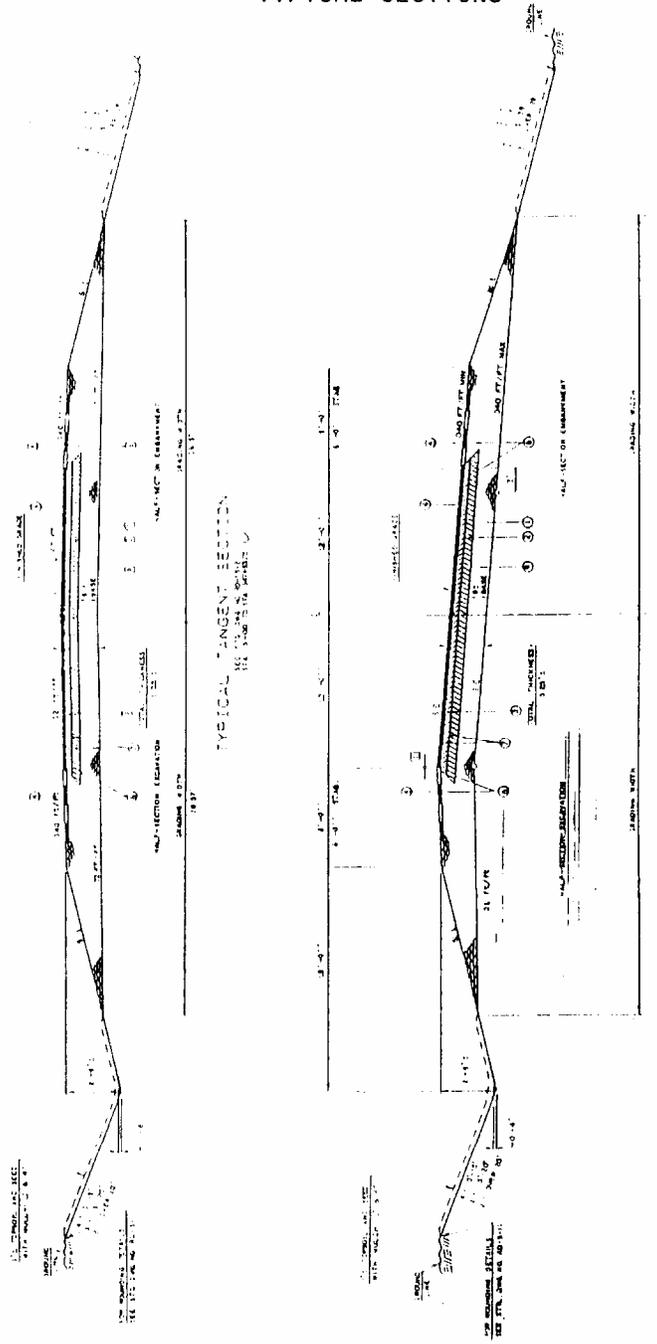


NOTE: SEE PROPOSED LAYOUTS FOR PAYMENT TRANSITIONS

TYPICAL SECTION
SR 194 (CHURCH ST) — SR 194 (OAKLAND RD.)
STA. 6+50 TO STA. 5+00
LEFT TURN LANE TRANSITION
STA. 5+50 TO STA. 3+17.8
STA. 11+78 TO STA. 12+75

RIGHT-OF-WAY PLANS
TYPICAL SECTIONS

TENN.	Year	Project No.
	1991	1
1991	FM-310 (2)	
54014-3217-84		



STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION
BUREAU OF PLANNING & DEVELOPMENT

TYPICAL SECTIONS

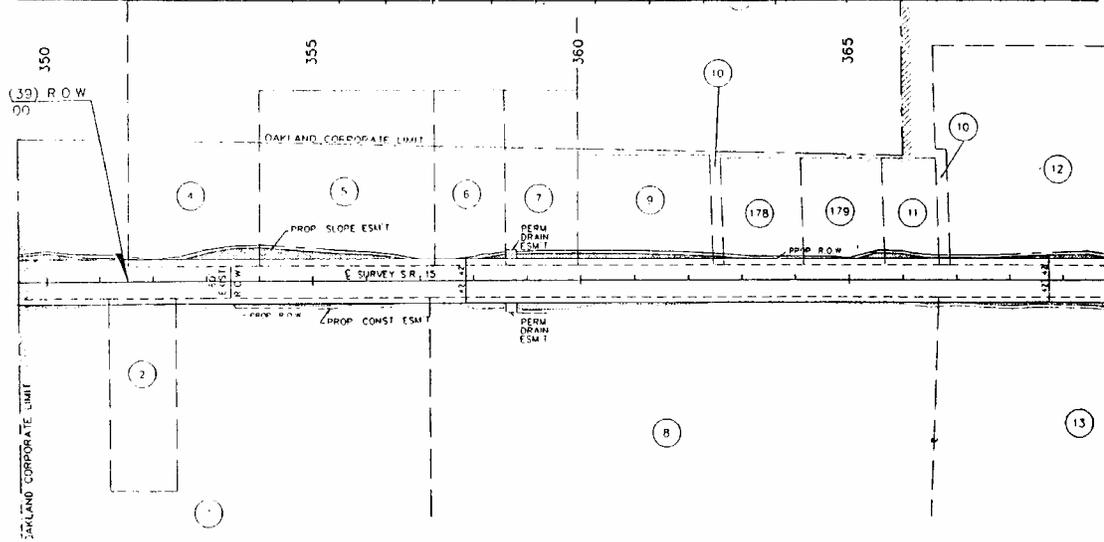
Guidelines for Appraisers

TYPE	YEAR	PROJECT NO.	SHEET NO.
R.O.W.	91	F-15(40)	3

RIGHT-OF-WAY PLANS

PROPERTY MAP

TRACT NO.	PROPERTY OWNER	R.O.W. ACQUISITION TABLE														
		COUNTY RECORDS				AREA TO ACQUIRE (AC.)			AREA REMAINING (AC.)		EASEMENT (S.F.)			TOTAL AREA (AC.)		
		TAX MAP NO.	PARCEL NO.	DEED BK.	PAGE	LEFT	RIGHT	TOTAL	LEFT	RIGHT	PERM DRAINAGE	SLOPE	CONST	LEFT	RIGHT	TOTAL
1	CHARLES C. COLEMAN, ET UX	86	54	141, 168, 326	163, 393, 494	0.157	0.157	---	8.843	---	---	1968 SF	3183 SF	---	9.000	9.000
2	ODISSA VASSER KING	86	52	199	798	---	3.19 SF	1.139 SF	---	962	---	---	264 SF	---	1.0	1.0
3	NOT USED															
4	FLOY W. BRITTON	86	39.01	269	285	---	3292 SF	---	34.344	---	---	2199 SF	1049 SF	---	34.42	34.42
5	JIMMY FLIPPEN	86	40	297	241	---	101	---	3.899	---	---	3414 SF	1563 SF	---	4.0	4.0
6	MILDRED OWENS DAVIS	86	41	300	777	---	1778 SF	---	959	---	---	531 SF	369 SF	---	1.0	1.0
7	JIMMY FLIPPEN	86	42	297	241	---	2180 SF	---	950	---	360 SF	1026 SF	565 SF	---	1.0	1.0
8	T.W. TOMLIN, ET UX	86	55			---	235	---	235	---	360 SF	3909 SF	4144 SF	---	70.5	70.5
9	HENRY & VERNON OWENS	86	43	96	264	---	3412 SF	---	1.072	---	---	2095 SF	1025 SF	---	1.15	1.15
10	DR. HARRY W. WILSON & WIFE, MARZEE J. WILSON	86	39	269	290	---	132	---	132	---	---	2114 SF	1754 SF	---	112.11	112.11
11	KATIE WALTON	86	45	88	256	---	1372 SF	---	0.428	---	---	602 SF	500 SF	---	0.459	0.459
12	EMMONS DAVID BOOTH, ET UX	86	46	162	603	---	149	---	3.851	---	---	1279 SF	1921 SF	---	4.0	4.0
13	E. GROSS c/o SARAH SIGNER	86-L	1	85	498	---	128	---	128	---	---	2393 SF	2839 SF	---	8.35	8.35
178	HENRY OWENS, ET UX	86		98	258	---	2052 SF	---	0.644	---	---	926 SF	710 SF	---	0.691	0.691
179	NOBEL OWENS	86		88	257	---	2059 SF	---	0.644	---	---	359 SF	602 SF	---	0.691	0.691



UTILITY OWNERS
 WATER, GAS, AND ELECTRICAL - SOMERVILLE LIGHT, GAS, AND WATER - 106 E COURT STREET - SOMERVILLE, TN 38068 - (901)465-3678
 ELECTRICAL - CHICKASAW ELECTRIC COOPERATIVE - P.O. BOX 449 - SOMERVILLE, TN 38068 - (901)465-3591
 WATER LINES - TOWN OF OAKLAND - BOX 58 - OAKLAND, TN 38060 - (901)465-8523
 TELEPHONE - SOUTH CENTRAL BELL TELEPHONE COMPANY - 111 STONEBRIDGE BLVD - JACKSON, TN 38305 - (901)423-5026
 GAS - AMR PIPELINE COMPANY - P.O. BOX 98 - SARDIS, MS 38666 - (601)382-5971
 CABLE TELEVISION - TENNESSEE ICM - P.O. BOX 368, SOMERVILLE, TN 38068 - (901) - 465-4850
 SANITARY SEWER - TOWN OF OAKLAND - BOX 56 - OAKLAND, TN 38060 - (901)465-8523
 CITY OF SOMERVILLE - 106 E. COURT STREET - SOMERVILLE, TN 38068 - (901) - 465-3678

RIGHT-OF-WAY NOTES

"IT IS INTENDED THAT ALL BUILDINGS AND/OR PORTIONS OF BUILDINGS THAT ARE WITHIN THE PROPOSED RIGHT-OF-WAY AND/OR EASEMENT LINES FOR THE PROJECT, BE REMOVED THEREFROM THE PROCESS OF RIGHT-OF-WAY ACQUISITION. IF ANY SUCH BUILDINGS OR IMPROVEMENTS ARE NOT REMOVED IN THE COURSE OF RIGHT-OF-WAY ACQUISITION, THE CIVIL ENGINEERING MANAGER 2, HEADQUARTERS SURVEY AND DESIGN OFFICE (AND CIVIL ENGINEERING MANAGER 1, REGIONAL SURVEY AND DESIGN OFFICE, IF PLANS ARE BEING DEVELOPED IN REGION OFFICE) IS/ARE TO BE NOTIFIED IN SUFFICIENT TIME TO PERMIT HAVING SUCH REMOVALS DEPOSITED AS A PART OF THE ACQUISITION CONTRACT."

STATE OF TENNESSEE
 DEPARTMENT OF TRANSPORTATION
 BUREAU OF HIGHWAYS

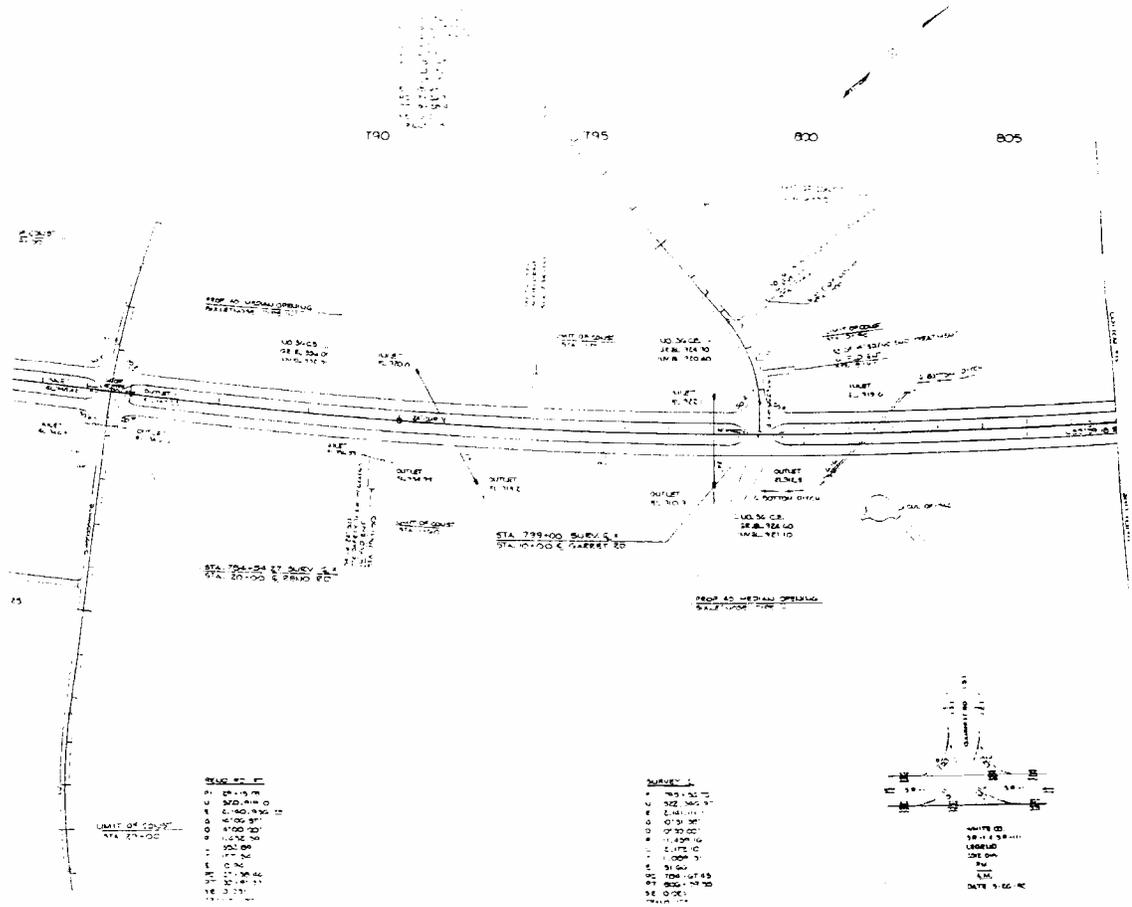
PROPERTY MAP

BEGINNING OF PROJECT
 TO
 STA 372+00

SCALE: 1"=100'

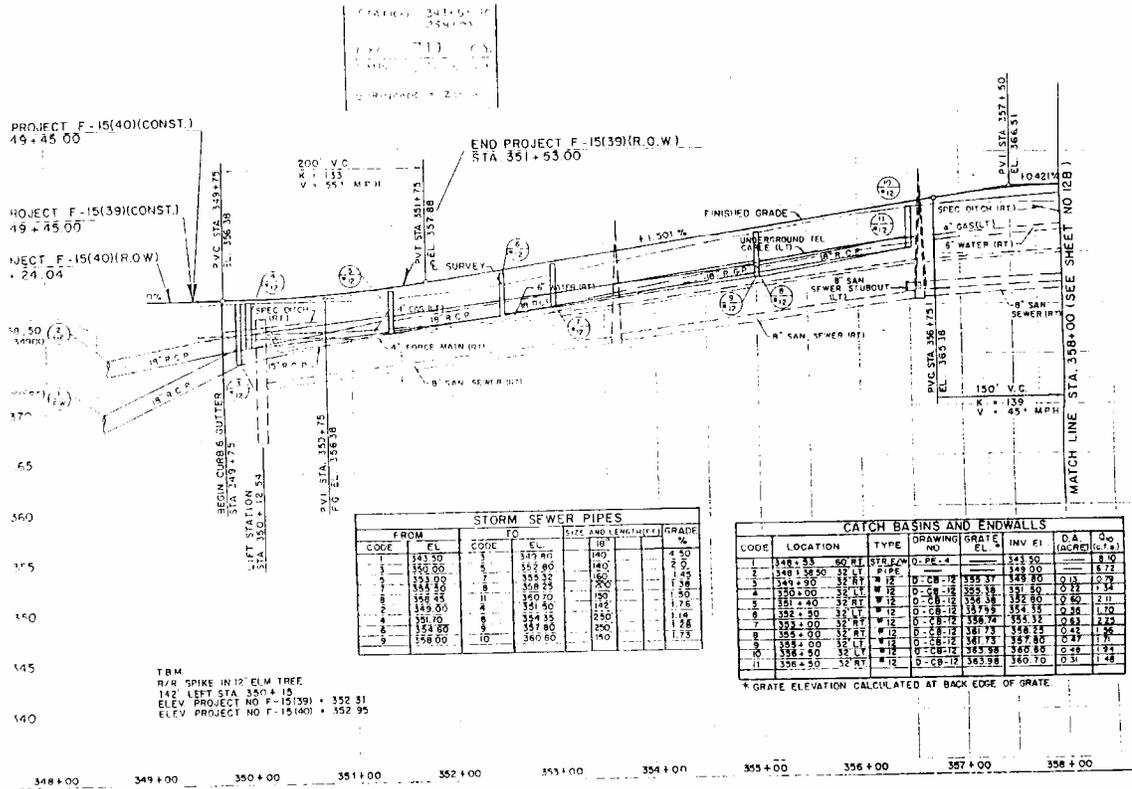
Guidelines for Appraisers

RIGHT-OF-WAY PLANS
PROPOSED LAYOUT

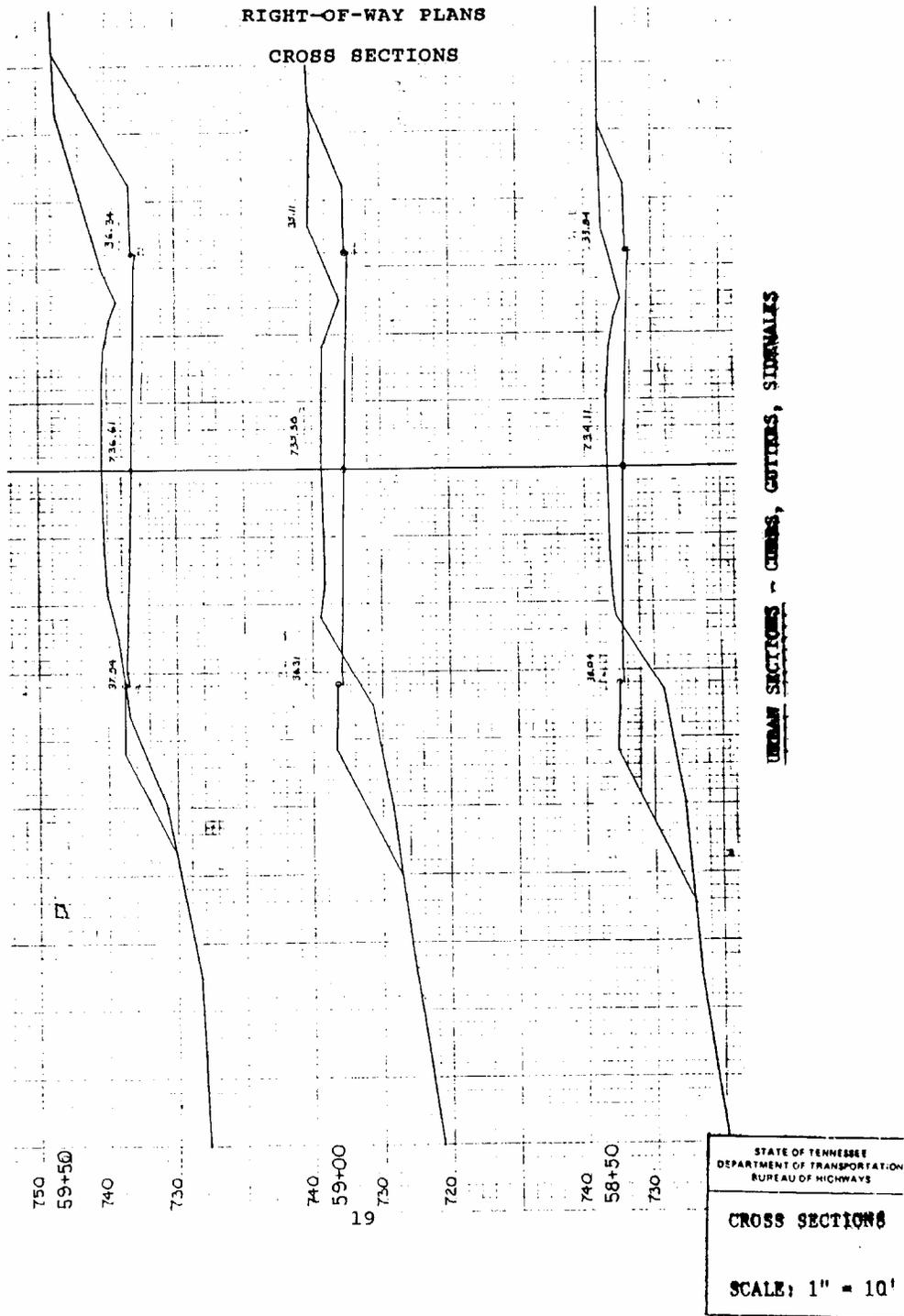


Guidelines for Appraisers

RIGHT-OF-WAY PLANS
PROFILE



Guidelines for Appraisers



Guidelines for Appraisers

