

RIGHT OF WAY FUNDING ESTIMATE INSTRUCTION FORM

This Right of Way (ROW) Funding Estimate spreadsheet was developed to simplify the ROW project budgeting process by creating uniformity and cost effectiveness for local agencies. There are no longer two separate processes for estimating ROW funding needs based on appraisal methods. The new basis for determining the ROW Funding Estimate is the Assessed Value of the property being acquired. This spreadsheet may be completed by agency staff or consultant that is familiar with the project and its right of way needs.

The ROW Funding Estimate ONLY needs to be submitted to the appropriate Local Agency Coordinator (LAC) when there is federal funding in the Right of Way Phase of the project.

All Subtotaling and Totaling columns within the form are protected and can't be altered without changing numbers within the cells used to determine the calculations. **These protected cells are indicated with red font within these instructions and on the spreadsheet.**

The following instructions provide guidance and information for each column of the spreadsheet.

- **Column A: Assessor's Tax Parcel Number:**
Enter the Assessor's Tax Parcel Number for each property or easement right to be acquired.

If the property being acquired does not have an Assessor Tax Parcel Number assigned the preparer should enter "**None Assigned**".

- **Column B: Type of Acquisition**
Enter the type of property right being acquired (Fee, Temporary Easement (TE), or Permanent Easement (PE)).

Each property right being acquired will be captured on its own line.

For example: Your agency is acquiring 1,000 sq. ft. in Fee and 50 sq. ft. as a Temporary Easement (TE). Two lines would be entered on the spreadsheet, one line to capture the fee acquisition and a second line to capture the TE. Some expenses will be shared between the two lines so be sure to not overestimate as it relates to additional expenses.

- **Column C: Property Owners Name:**
Enter the name of the property owner as indicated by the Assessor.
- **Column D: Area (Sq Ft)**
Enter the size of the area in sq. ft. to be acquired in Fee, Permanent Easement (PE), or as a Temporary Easement (TE).

- **Column E: Assessed Value**

Based on the calculation completed, outside of this spreadsheet, enter the price per sq. ft. based on the Assessed Value of the Property. **NOTE: This field no longer rounds to the nearest dollar, but to dollar and cents.**

If the property in question has recently sold, that price per sq. ft. may be used; however, you will need to add a note on the spreadsheet to indicate this deviation.

A separate calculation may need to be completed when handling reduced price per sq. ft. for permanent and temporary easements. The preparer can use the PE & TE Easement Tool (Tab 2 of the spreadsheet) to determine the reduced rate per sq. ft. or calculate it on their own.

If an assessed value isn't available the use of abutting property values may be utilized. In these cases, an average of the abutting property owners' values should be calculated and determined, while taking zoning and use into consideration.

This type of calculation would be indicated on the spreadsheet by entering either "Abutting Property Values" within Column A-"Assessor's Tax Parcel Number".

- **Column F: TE Total (from other sheet)**

If a Temporary Easement is needed for longer than one year this field will capture that additional cost. The preparer can use the PE & TE Easement Tool (Tab 3 of the spreadsheet) to determine the additional cost of the TE or calculate it on their own.

- **Column G: Improvement Value**

Enter the value of any improvements being acquired. For total acquisitions this would be based on the Assessor Improvement Value. For site improvements as part of a partial acquisition, the preparer would need to determine the value (i.e. fencing, landscaping, and other miscellaneous improvements).

- **Column H: Damages**

Enter the amount of anticipated damages to the property owner, if any. This could be related to Cost to Cures as well as other items.

- **Column I: Relocation**

Enter the amount of anticipated relocation expenses to the property owner and/or tenants. If your agency will be hiring a consultant to handle your relocation(s), it is strongly recommended that you engage with them on determining this figure. This figure may also be obtained from the Relocation Plan if one has already been completed.

- **Column J: Acquisition Subtotal**

The spreadsheet calculates this figure by adding the land value plus the other incidental costs provided.

- **Column K: Confidence Level (1 low confidence -10 high confidence)**

How confident is the preparer as it relates to the assessor value vs. market value? This column is used to determine a rate at which to increase the estimate total calculated in Column J.

The lower the level of confidence entered leads to a higher percentage utilized to increase the assessed value. If the assessed value for the property appears to be under "market value" a lower number should be entered to compensate for the higher market value.

If the assessed value for the property appears to accurately reflect the "market value" a higher number should be entered so that a lower compensation rate is used. **NOTE: Relocation has been excluded from the Confidence Calculation.**

Level 1: 250%	Level 6: 72%
Level 2: 134%	Level 7: 57%
Level 3: 119%	Level 8: 41%
Level 4: 103%	Level 9: 26%
Level 5: 88%	Level 10: 10%

- **Column L: Confidence Factor (Calculated)**

The spreadsheet uses this field to establish the calculation for the Confidence Factor based off the Level entered in the previous column.

- **Column M: Factored Subtotal**

The spreadsheet calculates this figure by taking the subtotal amount and multiplying it by the confidence percentage entered.

- **Column N: Title and Escrow Costs**

Enter the typical amount that your agency pays related to title and escrow expenses.

SELECT VALUATION PROCESS

The anticipated cost of the valuation needs to be entered in one of the two columns (one column will remain at 0).

- **Column O: Appraisal/Appraisal Review**

- **Column P: Administrative Offer Summary (AOS)**

The preparer needs to determine whether the determination of value can be completed by an Administrative Offer Summary (non-complex and valued at \$25,000 or less) or if an Appraisal and

Appraisal Review is necessary. The cost of completing the Appraisal/Appraisal Review or AOS would be captured in the appropriate column.

Note: One of the columns will be blank (0.00) because only one method of value determination will be used.

- **Column Q: Labor**
Enter the typical amount that your agency pays for labor. Remember to take into consideration the type of acquisition and whether relocation is necessary.
- **Column R: Misc. Fees (Including PM)**
This field is to capture any miscellaneous expenses, including property management, that haven't been covered in the other fields. This column can also be used to capture the difference between the calculated property value within the spreadsheet and an agency's minimum payment policy.
- **Column S: Statutory Evaluation Allowance (SEA)**
The requirement to offer a property owner a Statutory Evaluation Allowance of \$750 to have the agency's offer reviewed is a state requirement and it must be offered.
Note: The SEA is only offered once per parcel acquisition.
- **Column T: Subtotal All**
The spreadsheet automatically subtotals this figure using the amount from Column M and adding Columns N-S.
- **Column U-Condemnation Enter Percentage**
This column appeared on the True Cost Estimate form and is being utilized in much the same way. A percentage needs to be entered to indicate what potential condemnation costs would be if negotiations with the property owner are not successful. The percentage entered is applied to the *Subtotal All* amount from Column T.
Note: The Statutory Evaluation Allowance (SEA) of \$750 is no part of the Condemnation Percentage.
- **Column V-Total**
The spreadsheet will automatically calculate the estimated totals for **each** acquisition.

Please Note: The following final calculation fields have been moved to the top of the spreadsheet in order to make printing and saving as a pdf easier.

- **Estimated Total:**
The spreadsheet will automatically calculate the estimated total for **all** acquisitions entered.
- **Year Estimate Completed:**

Enter the year that the ROW Estimate is created.

- **Year Acquisition to be Completed:**

Enter the year that the ROW acquisitions will be completed.

- **Inflation Factor (Calculated):**

The spreadsheet takes the number of years between the estimate and the completion of the acquisition(s) and multiplies it by 2%. This is to compensate for any market inflation that may occur.

- **Total Right of Way Costs:**

The spreadsheet takes the Estimate Total and multiplies it by the Inflation Factor to give the TOTAL RIGHT OF WAY COSTS.

- **Printing and Saving Spreadsheet as a pdf:**

The document has been protected to preserve the embedded formulas. This makes printing and saving only the lines used a little bit more difficult. Here are the steps to follow in order to print and save:

- Click on A1 field
- Press and Hold Shift
- Scroll to Column W and down to the last row utilized
- Under Page Layout-click on the Print Area
- You can print your ROW Funding Estimate (and save it as a pdf)

The ROW Funding Estimate needs to be submitted to the appropriate LAC for review and approval when there are federal funds in the Right of Way Phase of your project. Again, if only local funds are being utilized in the ROW Phase of your federally funded project, you do NOT need to submit this estimate for review and approval.

When submitting your ROW Funding Estimate for review and approval, you only need to submit the ROW Funding Estimate. However, the local agency needs to retain all necessary documentation used to complete the spreadsheet, including Assessor Records and calculations in case the project is selected for a federal audit.

PE & TE Easement Calculation Tool (Tab 2 of the spreadsheet)

- **Permanent Easements**

The preparer may use this tool to calculate the reduced price per sq. ft. for permanent easements. The preparer may also perform this calculation on their own.

- **Temporary Easements**

The preparer may use this tool to calculate the reduced price per sq. ft. for temporary easements. The tool will also calculate the additional amount needed in funding for temporary easements that extend past 12 months; however, you will need to enter the entire TE term (Column G) in order for the calculation to work correctly. The figure from Column H of this tool needs to be entered in Column F of the ROW Funding Estimate to cover the additional term. The preparer may also perform this calculation on their own, and enter that figure in Column F.