FUNCTION OF THE DIVISION OF LAND ACQUISITION

It is, of course, the Land Acquisition section's function to acquire the land necessary to the construction of the road or bridge project. This includes not only the clearance of the right-of-way from a legal standpoint, but from a literal standpoint as well. By that I mean that our duties also include seeing that the people and physical structures are removed from the right-of-way area before the general contractor moves in.

ORGANIZATION OF THE DIVISION OF LAND ACQUISITION

To accomplish these ends our Land Acquisition department consists of first the appraisal section, consisting of the chief appraiser who is responsible for coordinating the work of both his staff appraisers, of which we presently have two, and the fee appraisers, without whom we could not begin to keep up with the volume of appraisals confronting us on occasion. Then we have the negotiating section consisting of the chief negotiator, whose primary functions are assigning parcels for acquisition to his staff and see that no parcels or tracts are overlooked and thus unbought, and four staff buyers, one of which doubles as our property manager.

I act as the administrator and coordinator and being an engineer am able to provide the type of knowledge necessary to complement the appraisers and negotiators thus forming a well rounded team.

DIVISION ADVISES AND PREPARES PARCEL PACKETS DURING PRELIMINARY DESIGN

In order to explain most clearly how we operate, as respects the acquisition of right-of-way, and to keep the various aspects in context,
I will take a typical parcel of land we propose to acquire and trace its path from its conception to notifying the general contractor that the right-of-way has been cleared.

Its conception, of course, is in the preliminary design stage of the road project. We feel that this is probably one of the two most crucial times for the parcel since this is when we have a chance to exert our maximum influence on its future. This we do by advising the design engineers of any features that will cause excessive costs during the right-of-way phase, and which in many cases can be changed, thus effecting considerable savings. We do not, however, suggest changes which will make the project design sub-standard, but merely those which can be incorporated in the design without materially affecting the project.

Cost Estimates Made for Alternate Routes

The place where we are utilized to greatest effect in the preliminary stage of design is in making right-of-way cost estimates for two or more proposed alternate routes for the proposed street. These, as you can appreciate, can affect the savings of large sums of money.

Work Commences on Individual Parcels During Preliminary Engineering

Our parcel is actually born during this preliminary engineering phase since as a part of the preliminary plans submitted to the Street Engineering Department, we receive our legal descriptions of the land to be acquired, certified by the engineer that prepared it, and he is then responsible for its accuracy. He also assigns a parcel number to each taking and furnishes a land plat showing the owner's entire land unit, including its area, the taking, and its area, the area of the residue and any other legal interests in the property that may have to be cleared. These other interests as well as the fee owner or owners, as the case may be, are obtained from the title binders furnished by us. We contract for the title searches—getting a twenty year title search on all properties from which there will be a permanent taking, but we ask for and receive only the last deed of record for those properties in which we are only proposing a temporary taking.

Parcel Packets Made

Upon receiving these descriptions and land plats from the engineer, our staff typists copy the descriptions of the takings onto our warranty deed forms, including any access control clauses if applicable, and prepares the parcel packet which includes the deed, plat and title binder. These parcel packets are then assigned to the chief appraiser.
Parcels Assigned to Appraisers

He then assigns our parcel to either one of our staff appraisers or to a fee appraiser. It is necessary for us to use fee appraisers for a great deal of our work because we cannot justify carrying the number of appraisers on the staff that are needed during our peak periods. In fact during these peak periods our staff does the reviewing of the work turned in by the fee appraisers, something that must be done regardless of who makes the appraisal.

APPRAISALS MADE ACCORDING TO “FAIR MARKET VALUE” CONCEPT

Our parcel is now being appraised. This is probably the most important phase of the land acquisition process, certainly from a financial standpoint, since this is where the determination is made as to the value of the land to be acquired. Our appraisers, and the fee appraisers are also so instructed, make their appraisals based upon accepted modern standards which attempt to arrive at the ideal situation of a “willing buyer and a willing seller”. This is not, of course, easy or even often arrived at, but after long hours of discussion, reading court decisions, etc., we have adopted the practice of trying to arrive at the “fair market value” of the property in question as the offer we intend to make to the owner. There are other methods of acquiring lands for right-of-way, but we feel that we as an agency representing the taxpayers, both singly and as a group, by that I mean the land owner with which we are dealing, as well as the public furnishing the funds with which we operate, will benefit most in the long run by dealing fairly with all owners, both large and small. By large and small, I’m not referring, of course, to physical size, but to their awareness of their rights and to the value of their land. It is impossible to fool the large companies, even if we were so inclined, and we feel that we, therefore, should make the same type of offer to the little property owner—the fair market value—that we will have to make to the large. I would like to insert here that as regards our temporary right-of-way takings, we make payment for those which are necessary to the project as a whole, but nothing is paid the owner for temporary right-of-way that is for the enhancement of his own property only; such as driveways, sidewalks, etc.

BUYERS OPERATE ON A “ONE OFFER SYSTEM”

This then is the basis on which we have our appraisals made. After our parcel has been appraised initially, it is assigned to one of our
staff appraisers for review and the determination of the amount that will be offered. The parcel is now ready for and goes to our negotiators or buyers. I prefer the word buyer to negotiator because the word negotiator brings to my mind a wheeler-dealer type of person that is out to "horse trade" and barter with the owner. This is definitely not what our men are instructed to do. In fact, they are forbidden to do so because we feel that this type of free-wheeling buying can and has led to some right-of-way scandals. Our buyers are handcuffed when it comes to the price they offer the owner. They may offer only what has been determined by the appraisal, which by the way, is now in the parcel packet which has been turned over to the buyer. The buyers are expected, with the aid of the appraisal, to prove to the owner that he is being fairly compensated for the land,
etc. he is losing. Here again is an instance where after considerable thought and discussion, we have come to the conclusion that we can not have the buyers offering the owners something less than the appraised value and then raising it to get the owners to sign up since the "word" on these transactions spreads rapidly and we don't want to get the reputation of being "easy to get" if the owner will just hold out. We feel this is consistent with our appraisal policy. We feel that within reasonable limits, we are and should continue to operate on what we refer to as a "one appraisal figure" and "one offer figure" system. Now, of course, if an owner can point out a legitimate oversight in our appraisal, we will revise it, and if, in order to expedite the letting of a project or to keep from spending more money in condemnation proceedings than we would spend to settle with the owner at his figure, we will change our offer and thus settle. These, however are executive determinations, and not at the discretion of the appraiser and/or buyer.

Our buyer, then, now takes the parcel and hopefully gets the owner's signature on the deed, thus transferring the fee title to us. Here again we have decided that there are many advantages (which I won't attempt to go into here and now) in obtaining the fee title to the land we are acquiring. One important reason is that being the fee owners, we can use the land for any purpose, where with a grant or easement, we are confined to using it for road purposes only.

RIGHT-OF-WAY IS CLEARED AFTER TITLE IS OBTAINED

Assuming the buyer is successful, and also that this parcel was a total take with a house and garage on it, the next step then is to see that these are demolished and removed from the right-of-way area. This function falls under the responsibility of one of our buyers who also doubles as our property manager.

Aid in Relocating is Offered if Requested

If the house in question is occupied by the former owner we allow him to continue to live, if time permits, in the house for up to ninety days, rent free. If, however, the house is occupied by a tenant, we charge him a more than reasonable rent and try to get him to move out as soon as possible since we really are not interested in maintaining, or equipped to handle, rental property. In either case, owner occupier or tenant, we pay $200 moving expenses, and help them, within our limited means, to find a new residence if they request it.
Demolition Contract Let After the Premises are Vacated

After the house is vacated, it, with approximately 15 to 20 others on the same project, make up a list that comprises the demolition contract. The demolition contract is then let and the structures are removed from the right-of-way area. I might insert here that we do not sell any of the houses, they belong to the demolition contractor and if anyone wants to buy one or more of them, we refer them to the contractor. The only thing I will mention in regards to the demolition contract specifications, is to say that contained therein are stringent provisions to see that the method and materials used in back-filling basements, etc. will preclude undue settlement.

CONDEMNATION PROCEEDINGS IF BEST OFFER IS REFUSED

If the buyer is unsuccessful in obtaining the land for the amount offered, and in executive session we decide we cannot legitimately raise our offer to meet the owner's, we then must request our legal department to initiate condemnation proceedings. I won't elaborate on this because I am sure you are all familiar with this procedure.

SUMMARY

That about covers our parcel and the way the Indianapolis Department of Transportation Land Acquisition section functions. I realize that this system intact, cannot be utilized by all or even most of you since size has a direct bearing on method. That is why I dwelt as much as I did on the philosophy of our organization. I felt that this more than the mechanics of getting the job done would be adoptable and therefore valuable to you.