



# UTAH WAIVER PILOT PROGRAM UPDATE

Lyle McMillan, Right of Way Director, Utah Department of Transportation



AMERICAN ASSOCIATION OF  
STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

**AASHTO**  
THE VOICE OF TRANSPORTATION

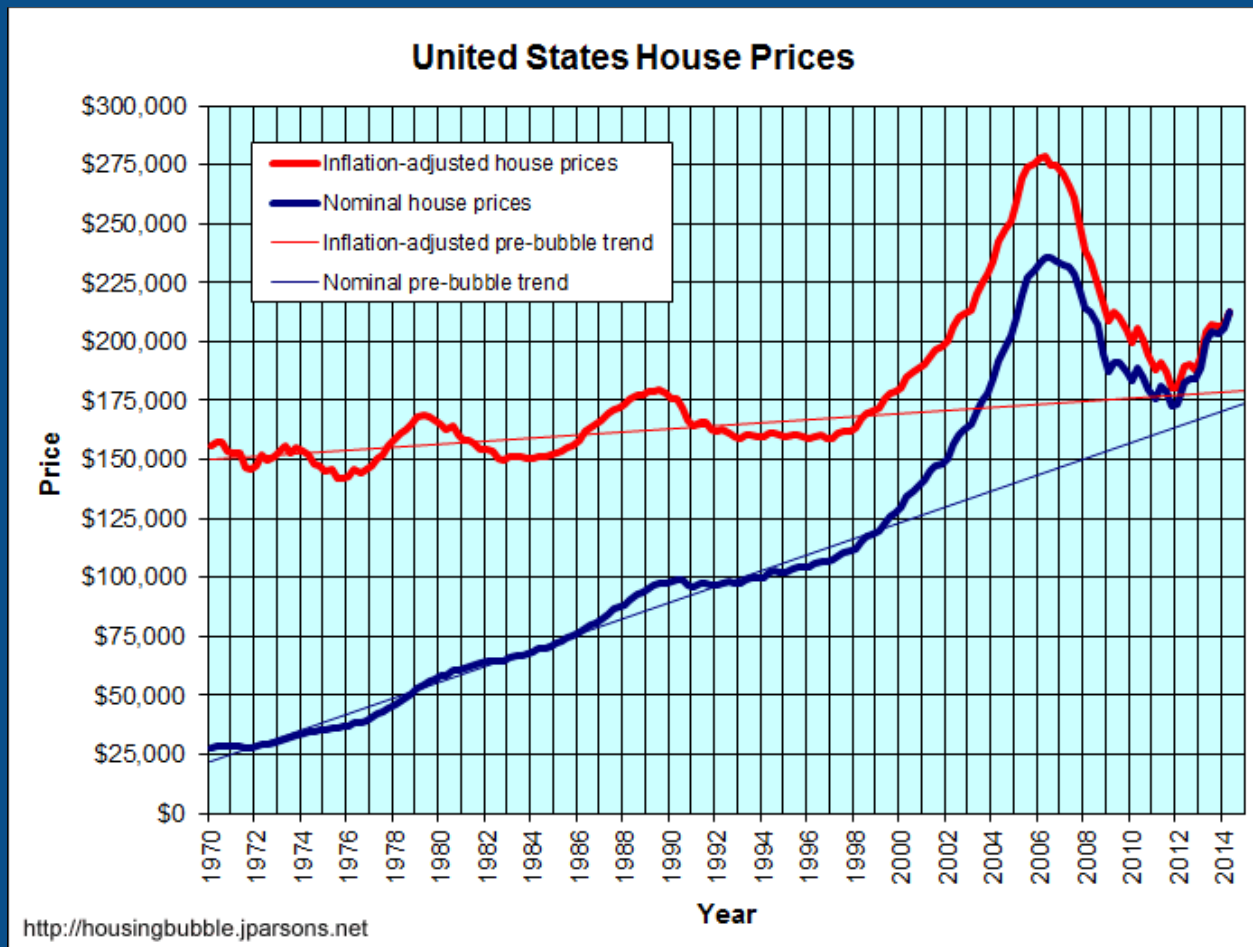
# ABOUT THE PROGRAM

- Increase the waiver valuation limit from \$25,000 to \$50,000
- Increase the conflict of interest limit from \$25,000 to \$50,000

# PURPOSE OF THE PILOT

- Save time
  - Expedite acquisition process for property owners, reduce staff time and project costs and increase overall efficiencies
- Reduce costs
  - Reduce in staffing levels and reduce project funding
- Bring waiver limits up to current market values
  - Current \$10,000 and \$25,000 limits are a decade old

# INFLATION AND HOUSING PRICES



# PROGRAM BASICS

- 1) 5-year program
- 2) Semi-annual interim reports measuring staff time savings, project cost and overall project efficiencies
- 3) Project selection
  - 1) Non-complex
  - 2) Low-value parcels
  - 3) Opportunity for time and cost savings
- 4) Appraisal waivers prepared only by UDOT staff, using confirmed arms length transactions

# PROGRAM BASICS

- 5) If the property owner requests an appraisal, Waiver of Appraisal process will not be used
- 6) The appraiser or review appraiser shall have no interest in the property being valued
- 7) Amend Real Estate Procedure Manual on Waiver of Appraisals and UDOT's guidelines for UDOT to reflect the increase to \$50,000
- 8) Waiver of Appraisal valuations will be informally reviewed by UDOT appraisal staff
- 9) Waiver valuations will be completed using the most up-to-date market data available

# ANTICIPATED OUTCOMES

- Reduce project costs
- More efficient use of appraisal and acquisition staff
- Decrease project delivery time
- Scope, SCHEDULE, budget
  - In Utah, schedule is everything
    - Short construction season
    - Reputation for single-season projects
    - Victims of our own success—always find a way

# PROJECT AREA





# PROJECT AREA: RIVERDALE ROAD

## Appraisal vs. Administrative Compensation Estimate(ACE)

### Appraisal

- 61 Appraisals completed
- Average time: 44 days
- Average cost: \$2,854

### Appraisal Review

- 61 reviews completed
- Average time: 14 days
- Average cost: \$875

# PROJECT AREA: RIVERDALE ROAD

## Appraisal vs. Administrative Compensation Estimate(ACE)

### ACE

- 29 ACEs completed
- Average time: 16 days
- Average cost: \$900

### ACE Review

- 29 Reviews completed
- Average time: 4 days
- Average cost: \$250

# PROJECT OUTCOMES

## Cost Analysis

➤ Standard Appraisal Report and Review: **\$3,729** per parcel

➤ Appraisal Waiver Valuation and Review: — **\$1,150** per parcel

**Total Cost Savings = \$2,579 per parcel**

**TOTAL PROJECT SAVINGS**

**\$74,791**

# PROJECT OUTCOMES

## Time Savings Analysis

- Administrative Comp Estimate Delivery: 20 days
- Appraisal Report Delivery (appraisal and appraisal review): 108 days

### Time Savings

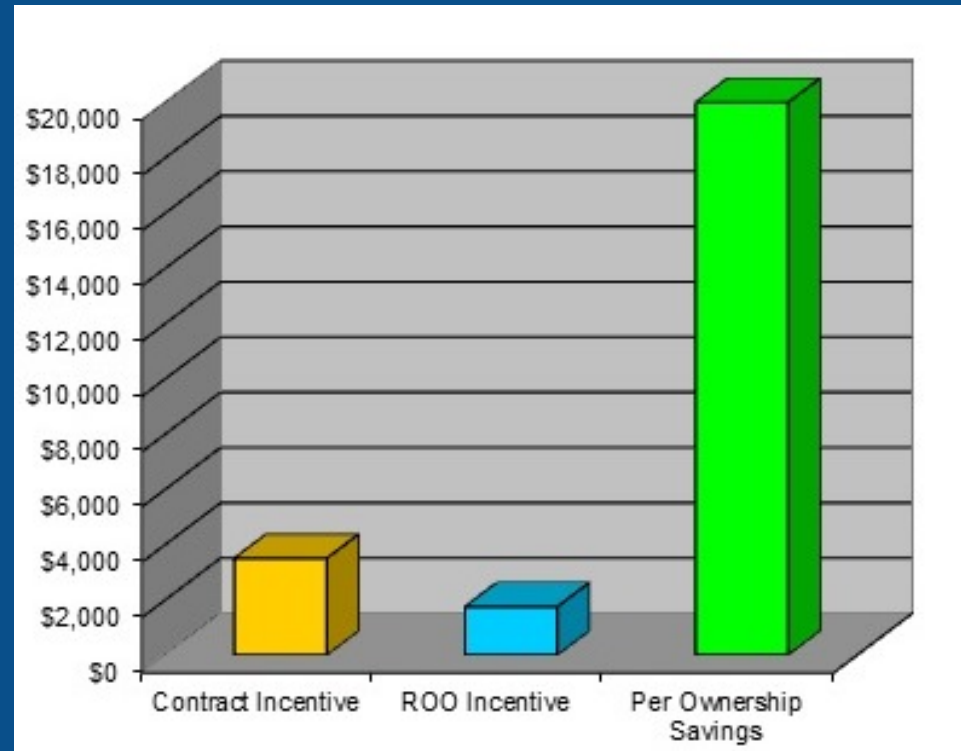
**108 Days – 20 Days = 88 Days**

# CURRENT INCENTIVE PROGRAMS

- Incentive for Acquisition
- Incentive for Relocation
- Pilot Program for Single Payment Relocation

# INCENTIVE FOR ACQUISITION

- Incentive for signing with 1<sup>st</sup> 30 days:
  - Signed Contract
- OR
- Signed Right to Enter and Construct (ROO)



# UDOT INCENTIVE PROGRAM

## ➤ 6 Projects

- 35 Owners Signed Contract within 30 days (including commercial properties)
- 25 Owners Signed Right of Entry within 30 days (including commercial properties)

Many projects in Utah have schedule limitations  
If an average single day's delay claim is \$40,000

# OUTCOMES

- 6 Projects
  - 35 Owners Signed
  - 25 Owners Signed
  - \$40,000 Cost Per day Delay Claim

TOTAL UDOT SAVINGS

?





# UTAH WAIVER PILOT PROGRAM UPDATE

Lyle McMillan, Right of Way Director, Utah Department of Transportation



AMERICAN ASSOCIATION OF  
STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

**AASHTO**  
THE VOICE OF TRANSPORTATION