2016 AASHTO Right of Way, Utilities, Outdoor Advertising Control & National Alliance of Highway Beautification Agencies Conference

Sunday, May 1–Thursday, May 5
Rosen Centre Hotel
Orlando, Florida
ENSURING SUFFICIENT NUMBER
OF QUALIFIED
EMINENT DOMAIN APPRAISERS

MENTORING OUR FUTURE

Presented by John Brennan
Appraisal Administrator
Florida Department of Transportation

2016 AASHTO ROWUOAC & NAHBA Conference
WHERE WERE WE?

• Prior to 1990, no State Certification Requirement for appraisers.
  • Only licensed as a real estate broker or salesman license.
• In the late 1980’s and into the 1990’s, the Florida Department of Transportation (FDOT) had benefited greatly from appraisers trained primarily from three sources:
  • General service real estate companies
  • Medium and larger size appraisal firms
  • FDOT 5 year training program.
• These programs provide a base group of qualified eminent domain appraisers
Evolving pressures from both economic and technical changes impacted the appraisal industry.

- New technical advances
- The economic downturn of 2008
- The loss of available fee appraisers working for the Department of Transportation.
  - The slow economic recovery (market conditions).
  - With the aging group of appraisers, the loss from appraisers retiring.
### FLORIDA APPRAISAL EXAM HISTORY
Certified Commercial & Certified Residential 11 Year History

<table>
<thead>
<tr>
<th>Year</th>
<th>Exam's Given</th>
<th>Exams Passed</th>
<th>Exams Failed</th>
<th>Pass Rate</th>
<th>Fail Rate</th>
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<tr>
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<td>48%</td>
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WHERE ARE WE NOW?

With both the State of Florida and The Federal Government funding Transportation projects in Florida, “the demand” for eminent domain appraisers has recovered in the Sunshine State.

• Future appraisal production issues:
  Increased Production with a reducing availability of Experienced Appraisers
F-DOT FUNDING RECOVERY

Issues and Opportunities:

• Move Projects in From Five Year Work Program
• Staff downsizing ~ Limited in house Appraisals
  Limited Technical Review
• Consultant Fee Appraisers
• Limited Number of Contract Fee Appraisers
Staff downsizing has created challenges and opportunities:

- The appraisal team has downsized from 14 to 6 employees. (Senior Appraisers from 7 to 4)
- Producing quality appraisal report to establish recommended compensation for parcels.
- Appraisal contracting process.
- Consultant appraiser staff is doing quality review and appraisal project management instead of preparing appraisal reports.
- Scarcity of experienced eminent domain appraisers.
D-7 Active Production Parcels

- Fee: 176
- 800 Permanent: 16
- 700 Temporary: 51
- Total: 243
APPRAISAL PRODUCTION CONCERNS

• In 2012, District 7 issued new District wide appraisal contracts to 20 fee appraisers.

• A high percentage of our fee appraisers are near the age of retirement. Within the next 5 years, we could lose another 20% to 25% of our fee appraisers.

• In recent years, we lost Senior Staff Appraisers due to retirement, death and/or leaving the FDOT for higher pay elsewhere.

• This reduction creates a potential for a loss of production in the future.
WHERE ARE WE GOING?

Potential Solutions:

First Solution:

- Formal Department of Transportation (DOT) appraiser training program
  - Long term process taking years to develop appraisers to the available pool of appraisers with similar skills and abilities as those retiring, so time is of the essence.
- Existing DOT training program is a 5 year process
  - Redesign and expedite this process
  - Create a pathway to becoming State Certified General Appraiser
Second Solution:

Establish an advanced mentoring program for qualified Certified General Appraisers.

• Short term process.
• Replenish the available qualified eminent domain appraiser pool in the shortest time.
• Partner with Central Office Right of Way and several departments such as Legal, Project Management, Survey & Mapping, and Design.
• Establish approximate number of appraisers to be mentored by District.
• Establish training needs.
• Establish appraisal management and staff involvement - Time available vs Time needed.
I trust that today’s comments were helpful and thought provoking.

All of us are at the beginning of this process, the cutting edge of this transition; each of us can and will face different challenges and need/want different solutions.

Every issue raised creates the opportunity for a solution and all solutions are not the same. I would be happy to clarify any issue presented here or discuss other issues this program may have raised.

Please feel free to contact me at: john.brennan@dot.state.fl.us and I will do my best to help.
Thank You!