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MANUAL 500-2

SECTION 02.2

APPRAISALS AND SURVEYS

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BUREAU OF MANAGEMENT ANALYSIS AND PROJECTS

## **1. Purpose**

The purpose of this procedure is to describe the appraisal and survey-mapping processes.

## **2. Applicable Law and/or Guidance**

New York Eminent Domain Procedure Law (EDPL)

New York State Public Authorities Law, Article 2, Title 9, and Article 9, Title 5-A

New York State Finance Law §139-j, §139-k

Thruway Real Property Management Policy (25-6-02)

Executive Instruction entitled Inappropriate Lobbying Influence in Authority/Corporation Procurements

New York State Education Department, Office of the Professions, Professional Engineering and Land Surveying, Land Surveying Practice Guidelines

Uniform Standards of Professional Appraisal Practice (USPAP), 19 NYCRR 1106

New York State Department of Transportation Right-of-Way Mapping Procedure Manual

## **3. Introduction**

During the completion of SOP – TRANSACTION ANALYSIS PROCESS (500-2-02.1), it will be determined whether a survey map or a plot plan shall be prepared and whether an appraisal shall be conducted.

In virtually all instances in which survey mapping is deemed to be necessary, surveys shall be conducted and attendant mapping shall be prepared by an external surveyor. Only in rare circumstances, as deemed appropriate by the Bureau of Design Support Services, Engineering Real Property Unit (ERPU), will survey-related work be conducted and related mapping be prepared by internal surveyors. Regardless of whether they are commissioned by the Authority or by an applicant, all surveys shall be conducted, and attendant maps shall be prepared, only by licensed land surveyors, and in conformance with the State Department of Transportation Right-of-Way Mapping Procedure Manual. All such maps shall be reviewed by ERPU and approved by the Chief Engineer.

All appraisals shall be conducted and reported in accordance with the current edition of USPAP published by the Appraisal Foundation. Office of Real Property Management (ORPM) and all Division real estate staff shall keep a current edition of USPAP on file in their offices.

For acquisitions by appropriations that will be processed by the State Department of Transportation (DOT), the Authority shall be responsible for obtaining the necessary survey and mapping, may request DOT to conduct or procure the necessary appraisal(s), and shall request DOT to carry out the remaining portions of the process.

#### **4. Procedure**

The purpose of this procedure is to describe the survey and appraisal process. Typically, a survey map or plot plan will be completed prior to the appraisal.

##### **4.1. The Survey Process**

If a real property transaction, once approved per SOP – TRANSACTION ANALYSIS PROCESS (500-2-02.1), requires a plot plan or a survey map, Authority staff are to proceed as follows:

- 4.1.1. When a survey is not required, Division staff shall obtain a reliable plot plan from the permit applicant in conjunction with other required documentation for all proposed occupancy permits and, when appropriate, work permits. If feasible, Division staff may furnish portions of any available Thruway-related mapping that may serve as a basis for a plot plan. Following receipt of an acceptable plot plan, Division staff shall then proceed to the appraisal process in Section 4.2.
- 4.1.2. When a survey is required, the applicant, at their own expense, is responsible for having a field survey conducted unless ORPM determines that the Authority will assume this responsibility.
  - 4.1.2.1. When the applicant obtains the survey:
    - ORPM sends a copy of the TTAR Package (along with appropriate background data, adequate location and site maps, and other relevant information) to ERPU, and directs the applicant to have their surveyor contact ERPU for specific instructions on conducting the survey and preparing the attendant map.

- ERPU communicates directly with the applicant's surveyor on technical issues. Upon receipt of the final draft of the survey map from the applicant's surveyor, ERPU sends such map to ORPM and Division for their respective comments. Such comments shall be returned to ERPU within five business days or as otherwise agreed to; Division shall also copy ORPM on its comments. ERPU collects all comments, and continues to communicate directly with the applicant's surveyor until it deems a final survey map, certified to the Authority, to be acceptable for the Chief Engineer's approval.
- Once the survey map has been approved by the Chief Engineer, ERPU keeps the original in its files and sends a copy to ORPM for the Transaction Record.
- ORPM ensures the applicant provides proof of payment for the survey and places it in the Transaction Record.

4.1.2.2. When ORPM determines that the Authority will have the survey conducted:

- ORPM requests ERPU to solicit a fee quotation from external surveyors through the existing term agreement for surveying services.
- Upon receipt of the response from the Authority's term agreement surveyor, ERPU assesses the reasonableness of the fee quotes, and arranges for any necessary adjustments to be made to such quote.
- ERPU notifies ORPM of the term agreement surveyor to be used and cost of the survey.
- ORPM notifies the applicant, with a copy to the Accounts Receivable Unit (ARU) and Division real estate staff, of the cost of the survey and requests that payment be sent to ARU.

**Note:** The survey cost is non-refundable unless: (i) the proposed transaction is not advanced or authorized by the Authority, due to no fault of the applicant; or (ii) the property is offered via a competitive process, the applicant submits a qualified bid, i.e., one that meets the process specifications, and the applicant is not the successful bidder approved by the Thruway Authority Board.

- Upon receipt of funds for the cost of the survey, ARU processes such funds and sends a Notice of Checks Received to ORPM.
- ORPM notifies ERPU that the funds for the cost of the survey have been received, and ERPU notifies the term agreement surveyor to begin the survey.
- ERPU communicates directly with the term agreement surveyor on technical issues. Upon receipt of the final draft of the survey map from the term agreement surveyor, ERPU sends such map to ORPM and Division for their respective comments. Such comments shall be returned to ERPU within five business days or as otherwise agreed to; Division shall also copy ORPM on its comments. ERPU collects all comments, and continues to communicate directly with the term agreement surveyor until it deems a final survey map, certified to the Authority, to be acceptable for the Chief Engineer's approval.
- Once the survey map has been approved by the Chief Engineer, ERPU keeps the original in its files and sends a copy to ORPM for the Transaction Record.

## 4.2. The Appraisal Process

If a real property transaction, once approved per SOP – TRANSACTION ANALYSIS PROCESS (500-2-02.1), requires an appraisal, Authority staff proceed as follows:

### Appraisals for Permits

- 4.2.1. Upon receipt of approval to proceed with an appraisal for a permit from ORPM, Division real estate staff conducts or coordinates procurement of the appraisal. The appraisal must be conducted in accordance with USPAP. In those limited circumstances when ORPM determines an independent appraisal should be conducted, proceed to 4.2.2. and follow the process for obtaining/procuring an independent appraisal.
  - 4.2.1.1. Upon completion of the appraisal report, Division real estate staff sends the appraisal report to ORPM for review.
  - 4.2.1.2. ORPM conducts a review appraisal and if a revision to the appraisal report is recommended, ORPM returns the report to Division along with suggested revisions.
  - 4.2.1.3. Once all issues/concerns have been resolved, ORPM completes the review appraisal report and sends one copy to Division real estate staff and places the original review appraisal report with the appraisal report in the Transaction Record. ORPM continues to progress the transaction according to the SOP – OCCUPANCY PERMITS (500-2-02.5).

### Appraisals for Disposals

- 4.2.2. Upon receipt of approval to proceed with an appraisal for a disposal from ORPM, Division real estate staff prepares a draft appraisal SPECIFICATIONS OF PROPOSED APPRAISAL ASSIGNMENT (SPAA) (TA-N5119). The purpose of the SPAA is to clearly establish the specific parameters, requirements, and the desired deliverables of the appraisal assignment. A well developed SPAA will help ensure that the appraisal is properly conducted and reported in an acceptable format.

- 4.2.3. Division real estate staff completes the SPAA and sends a copy of the SPAA to ORPM, along with any supporting materials. ORPM reviews the SPAA and contacts Division real estate staff to discuss any questions/concerns. ORPM in consultation with Division real estate staff develops a scope of services for the proposed assignment. Based on the value of the property and complexity of the scope of services, ORPM determines the appraisal process.
- 4.2.4. In limited circumstances where ORPM determines that the applicant may obtain an independent appraisal by a State Certified General Real Estate Appraiser as designated by the New York State Department of State, Division real estate staff contacts the applicant to discuss the scope of services and determine whether the applicant will procure the appraisal or have the Authority procure the appraisal. In such limited circumstances when the applicant will procure the appraisal, ORPM sends the applicant the scope of services, based on the approved SPAA, which identifies the Authority as an intended user, and directs the applicant to have the appraiser contact Division to discuss the appraisal assignment and reporting requirements, to schedule a site visit, if necessary, and to provide pertinent material, such as:
- Site location map
  - Aerial depicting the parcel to be appraised
  - Survey map
  - Any environmental considerations
- 4.2.4.1. ORPM is the primary contact with the applicant and coordinates any modifications to the appraisal with the appraiser.
- 4.2.4.2. Upon receipt of the independent appraisal report, ORPM sends a copy to Division real estate staff. Division real estate staff conducts an initial appraisal compliance review of the appraisal report and when completed, sends a review report to ORPM. After review, ORPM places the Division report in the Transaction Record.
- 4.2.4.3. ORPM conducts a final appraisal compliance review and provides the appraiser with any questions or comments.
- 4.2.4.4. Upon completion of its review report, ORPM sends a copy to Division real estate staff and places two original review reports and two original independent appraisal reports in the Transaction Record.

If the report is not approved by ORPM because: (i) it failed to properly address the scope of services; (ii) it is not USPAP compliant; or (iii) it is deemed to be in the best interest of the Authority to do so, ORPM may procure a second or third appraisal, as appropriate.

- 4.2.4.5. ORPM ensures the applicant provides proof of payment for the appraisal and places it in the Transaction Record. ORPM continues to progress the transaction according to the appropriate SOP.
- 4.2.5. If ORPM determines that the Authority will procure the independent appraisal, ORPM solicits fee quotations from appraisers under term agreement or follows the PROCEDURE FOR PROCESSING PROCUREMENTS (100-1-01). Such appraisal will be certified to the Authority as client and intended user. If the value of the real property is anticipated to be greater than \$300,000, two independent appraisals must be procured. ORPM provides the prospective appraiser(s) with the appraisal and reporting specifications, a date for responding to the solicitation, and a time frame for completing the appraisal assignment.
  - 4.2.5.1. ORPM assesses the reasonableness of the fee quotes, selects the appraiser(s) and agrees to a maximum amount payable.
  - 4.2.5.2. ORPM notifies the applicant, with a copy to ARU and Division real estate staff, of the cost of the appraisal(s) and requests that payment be sent to ARU.

**Note:** The appraisal cost is non-refundable unless: (i) the proposed transaction is not advanced or authorized by the Authority, due to no fault of the applicant; or (ii) the property is offered via a competitive process, the applicant submits a qualified bid, i.e., one that meets the process specifications, and the applicant is not the successful bidder approved by the Thruway Authority Board.
  - 4.2.5.3. Upon receipt of the funds for the cost of the appraisal, ARU processes such funds and sends a Notice of Checks Received to ORPM.

- 4.2.5.4. Upon notification from ARU that the funds for the cost of the appraisal have been received, ORPM develops the appropriate documentation for appraisal services.
- 4.2.5.5. ORPM sends the appraiser the relevant documentation about the appraisal assignment and notification that the appraiser can begin the appraisal.
- 4.2.5.6. Upon receipt of the independent appraisal report, ORPM sends a copy to Division real estate staff. Division real estate staff conducts an initial appraisal compliance review of the appraisal report and when completed, sends a review report to ORPM. After review, ORPM places the Division report in the Transaction Record.
- Note:** If the real property is appraised for more than \$300,000 and only one independent appraisal has been conducted, ORPM must then request a second independent appraisal at the applicant's expense.
- 4.2.5.7. ORPM conducts a final appraisal compliance review and provides the appraiser with any questions or comments.
- Note:** If two independent appraisals are required and they are materially different, ORPM, if appropriate, attempts to reconcile the differences with the appraisers during its review appraisal. ORPM recommends which appraisal is to be relied upon or other action required.
- 4.2.5.8. Upon completion of its review report, ORPM sends a copy to Division real estate staff and places two original review reports and two original independent appraisal reports in the Transaction Record.
- 4.2.5.9. Once ORPM deems the appraisal report to be compliant with the terms of the appraisal agreement, ORPM advises Accounts Payable to pay the appraiser.
- 4.2.5.10. ORPM progresses the transaction according to the appropriate SOP.

#### **4.3. Surveying and Appraising Property in an Exchange of Properties**

- 4.3.1. Where the transaction involves an exchange of property and the value of each property is anticipated to be \$300,000 or less, one survey map and one independent appraisal shall be required for each property.
- 4.3.2. Where the transaction involves an exchange of property and the value of either property is anticipated to be greater than \$300,000, one survey map and two independent appraisals shall be required for the property with a value anticipated to be greater than \$300,000.
- 4.3.3. In order to proceed with an exchange of property, the appraisals must demonstrate that the property to be acquired is of at least equal value to the property to be disposed of.

#### **4.4. New Appraisals**

Prior to submittal of a proposed transaction to the Office of the State Comptroller (OSC) for approval, if an appraisal is over one year old, ORPM determines if a new appraisal is needed. If a new appraisal is not needed, ORPM documents the reasoning in the Transaction Record and in any subsequent submittals to OSC. If a new appraisal is needed, ORPM ensures it is conducted in accordance with this SOP.

#### **5. Complying with §139-j and §139-k of the State Finance Law (Lobbying Law)**

Any contact (inquiry, etc.) made regarding a real property transaction following the TTAR approval for negotiated sales and subsequent to the first notice of a competitive process for disposal of such real property (solicitation, IFB, etc.) is subject to the Lobbying Law and must be recorded. See the Executive Instruction entitled INAPPROPRIATE LOBBYING INFLUENCE IN AUTHORITY/CORPORATION PROCUREMENTS.

## 6. Responsibilities

Accounts Payable remits payment for services to surveyors and/or appraisers.

Accounts Receivable Unit receives and processes survey and appraisal funds and notifies applicable personnel upon receipt of the funds.

Chief Engineer approves the survey map.

Division real estate staff: (a) completes the SPAA and works with ORPM on the appraisal scope of services; (b) may furnish portions of any available Thruway-related mapping that may serve as a basis for a plot plan; (c) for permits, conducts or coordinates the procurement of appraisals; and (d) assists ORPM by conducting initial appraisal compliance reviews of independent appraisals.

Engineering Real Property Unit: (a) communicates with the surveyors; (b) obtains fee quotations when necessary; and (c) reviews survey mapping.

Office of Real Property Management: (a) coordinates the initiation of the survey phase with ERPU; (b) coordinates the applicant's payment of survey and appraisal costs; (c) assigns permit appraisals to Divisions; (d) coordinates the procurement of independent appraisals; and (e) conducts final appraisal compliance reviews of independent appraisals.

7. Flowchart



