



**COUNTY OF EL DORADO  
COMMUNITY DEVELOPMENT AGENCY  
TRANSPORTATION DIVISION**

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Date: December 8, 2015

To: County of El Dorado Board of Supervisors

From: Steve Pedretti, CDA Director  
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CDA Transportation

**Subject: Suggested Right of Way Acquisition Procedural Modifications**

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**BACKGROUND**

Current El Dorado County Right of Way (ROW) processes to purchase temporary construction easements, roadway/utility easements, and property acquisitions in fee title are lengthy and costly compared to neighboring agencies. Community Development Agency (CDA), Transportation Division ROW Unit typically spends a minimum of 100-120 hours from beginning to end on typical, non-complex acquisitions. Additional ROW Unit and departmental support staff time add to the bottom line cost, when additional processes are necessary during negotiations. In many instances additional overhead costs outweigh the difference in negotiated values with property owners. For example, a minimum of an additional 10-15 of ROW Unit hours are necessary to process an owner's counter offer through Transportation, County Counsel, Legistar and closed session with the Board of Supervisors (Board) even for a \$500 nominal easement acquisition.

After a thorough review of procedures and comparisons with other agencies, it appears there is a significant opportunity to save staff time and cost by restructuring how County acquisitions are processed.

**PROPOSED IMPROVEMENTS**

Staff recommends modifications to three key areas to current ROW acquisition procedures to improve efficiencies. Suggested modifications include the following:

1. Reduced Utilization of Consultant Services
2. Limited Delegated Negotiating and Signatory Authority
3. Restructuring of Parcel Acquisition Process

**Reduced Utilization of Consultant Services**

Until recently, all property valuations, including those for temporary construction easements, roadway easements, utility easements and acquisitions in fee were completed by consultants on behalf of the County. The ROW Unit obtained the authority from Caltrans (Certification Level 2) in 2014 to prepare non-complex “waiver valuations” for property acquisitions valued up to \$10,000 (waiver valuations are similar to property appraisals). In simple terms, “non-complex” refers to property acquisitions that are relatively unencumbered by constraints (such as relocation costs, changes in designated highest and best use, or when significant damages exist).

To save time and expense, the ROW Unit proposes to prepare and process waiver valuations for non-complex acquisitions involving five or less parcels per project and with an individual valuation of less than \$10,000. This modification is estimated to reduce staff oversight costs by 25%+ per parcel and reduce processing time by 4-6 weeks.

Consultant services will continue to be used to determine valuations for complex appraisals, valuations in excess of \$10,000, large scale projects (6+ parcel acquisitions), and fee title acquisitions. Note that anytime the County will be acquiring property in fee title, consultants (and not ROW Unit) will be utilized to assure valuations are prepared by neutral parties as required.

Also as required by Caltrans, consultant appraisals and complex waiver valuations will continue to be reviewed by a licensed third party appraiser. Peer reviews of ROW Unit waiver valuations, however, may be completed internally, based on staff availability.

**Limited Delegated Negotiating and Signatory Authority to CDA Director**

California Government Code section 25350.60 permits the Board/Agency to delegate real property acquisition authority up to \$50,000 through adoption of an ordinance with specific authorities delegated. The delegated authorities are valid for a period of up to five years, after which, a subsequent ordinance is required to be adopted to maintain the delegated authority. Staff reviewed prior information and inquired about current processes of neighboring agencies. Adjacent counties delegate acquisition authority of \$25,000-50,000 to the Director/Asst. Director, \$15,000 to the County Surveyor and \$10,000 to the ROW Agent. With increased delegated authority, adjacent Counties are able to reduce their acquisition costs and timeframes dramatically, with most closing escrow within 2-4 months compared to the County’s 6-12+ month minimum.

<b>5 YEAR ACQUISITION SUMMARY (2010-2015)</b>				
<b>Acquisition Cost</b>	0-\$5,000	\$5,001-\$10,000	\$10,001-\$25,000	\$25,001+
<b>Number of Acq.</b>	68 Parcels	15 Parcels	10 Parcels	20 Parcels
<b>Percent of Total</b>	60%	13%	9%	18%

Staff recommends a delegated signatory and negotiating authority of acquisition costs up to \$25,000. Permitting the CDA Director to authorize and approve agreements up to \$25,000 in value will enable expedient resolution to more than 80% of the County's acquisitions. County Counsel will approve template acquisition agreements and will continue to review and approve agreements varying from standard form before they are approved/signed by the CDA Director; Acquisition agreements under \$25,000 would not be required to return to the Board. This modification will significantly increase efficiency while decreasing processing time for closing of escrows and lessening the number of consent items placed on the Board's agenda.

### **Restructuring of Parcel Acquisition Process**

Incorporating the procedural changes recommended below will favorably impact the unit, division, agency, County Counsel, Board and other interrelated County departments/staff.

#### Valuations/Acquisitions Less Than \$25,000

1. Board will approve start of acquisition process (ordering title reports, etc) when project environmental document is approved.
2. Consultants will be retained to prepare property appraisals:
  - a. For complex acquisitions
  - b. For all fee title acquisitions
3. ROW staff will:
  - a. Prepare waiver valuations for acquisitions less than \$10,000
  - b. Complete internal peer review of waiver valuations
  - c. Coordinate review and comment of draft consultant appraisals
  - d. Negotiate with property owners for all acquisitions
4. County Counsel will review and approve agreements only if they vary from the approved template
5. CDA Director will:
  - a. Authorize a settlement value
  - b. Review, approve and sign acquisition agreements
  - c. Sign Certificate of Acceptance to accommodate recording of grant documents

#### Valuations/Acquisitions Greater Than \$25,000

1. Board will approve start of acquisition process (ordering title reports, etc) when project environmental document is approved.
2. Consultants will be retained to prepare property appraisals
3. ROW staff will:
  - a. Meet with the Board in closed session to establish compensation and obtain authority to negotiate with property owners
  - b. Negotiate with property owners
  - c. Return to Board in closed session to approve a settlement value

- d. Return to Board in open session to request Board authorize Chair to sign acquisition agreement and Certificate of Acceptance to accommodate recording of grant documents

Coordination and requests for funding of escrows between ROW Unit and Auditor/Controller's office would remain unchanged.

To further reduce review processing times, County Counsel has determined that they will no longer review any waiver valuation or appraisals (complex or non-complex) for property valuations under \$10,000. County Counsel will continue to review all appraisals in excess of \$10,000 in value. Additionally, County Counsel will not review acquisition agreements that follow the approved template.

With the CDA Director maintaining limited delegated negotiating and signatory authority (ability to resolve non-complex negotiations and sign acquisition agreements up to \$25,000), staff oversight costs, County Counsel review time and the quantity of consent items required of the Board are estimated to be reduced by more than 80%, which equates to significant cost savings in staffing between multiple departments and weeks/months of processing time to conclude a parcel acquisition. Board would retain authority required to conclude negotiations and approve acquisition agreements valued above \$25,000, as well as, authority necessary to resolve any complex or sensitive acquisitions.

The CDA Director would submit a report to the Board twice a year reporting the acquisitions completed and in process, and their purchase price or valuation if still in process.

With Board support of suggested procedural modifications, County Counsel and staff will proceed with preparation of an amendment to applicable County Ordinances and present for Board adoption as soon as possible.

#### **NEXT STEPS**

The ROW Unit is requesting Board authorization to implement the following change to current acquisition procedures:

1. Prepare an ordinance delegating real property acquisition authority to the CDA Director of acquisition costs up to and including \$25,000.

Attachment: ROW Procedural Timeline Chart