**SCOPE OF WORK AGREEMENT**

This Scope of Work Agreement is a written set of expectations that formalizes the understanding between the appraiser (applicable to both in-house and consultant appraisers) and WisDOT (the department), regarding the appraisal scope of work for the development phase of the appraisal process. It also identifies the appraiser’s responsibilities and key minimum reporting standards to be applied to any appraisal report delivered to WisDOT by the appraiser. This scope of work agreement also addresses the department’s responsibilities. This Scope of Work Agreement addresses any unique, unusual and, or variable appraisal performance requirements anticipated for the covered appraisal assignment. The appraiser and the department have both had the opportunity to recommend modifications to this Scope of Work Agreement. The party’s signatures at the end of this agreement confirms their involvement in the development of this agreement, and their acceptance of the established appraisal scope of work and performance expectations. Any subsequent changes to the appraisal scope of work and performance expectations must be approved by the appraiser and review appraiser.

**Appraisal Scope of Work**

1. The appraisal development and reporting will adhere to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 49 Code of Federal Regulations Part 24, Wisconsin State Statute Sections 32.05 and 32.09, the Wisconsin Department of Transportation Real Estate Program Manual (REPM) and the Uniform Standards of Professional Appraisal Practice. No other supplemental standards are to be used.
2. Perform an inspection of the subject property. The inspection should be appropriate for the appraisal problem. See REPM Section 2.2 (Appraisal Field Work).

* The Land Inspection: will identify and document the existence and location of any private wells and septic systems; the existence of any observable easements and their impacts and the existence of any impacted site improvements (fencing, landscaping and hardscaping) and the potential impacts of the proposed acquisition.
* The building Inspection: will identify and document the building type(s), the type of building materials used, improvement size, improvement age and condition, and the location of each improvement. The scope of the improvement inspection depends on whether the improvements will be acquired and, or valued in the appraisal report, and the complexity of the appraisal problem.

1. Perform an inspection of the subject’s neighborhood and the surrounding area. Document and report the extent of the inspection and provide a description of the subject’s neighborhood, including a definition of its boundaries. The appraisal report must contain only relevant market information. See REPM Section 2.3.5 (10).
2. Review and understand the proposed project and its effect on the subject’s neighborhood. Report on project impacts to the subject property and its neighborhood.
3. Conduct research into the legally permissible, physically possible, and financially feasible uses of the properties being appraised. This research will entail research into: title issues for the individual parcels; local zoning ordinances; market supply and demand conditions, and determination of the larger parcels for the affected parcels.
4. Conduct research to identify comparable sales and income (as appropriate) market data. The search must start with the most recent information available within the boundaries of the subject’s neighborhood, as determined by the appraiser. If inadequate current data is available within the subject’s neighborhood, the search will be expanded for time and location until adequate market data, for the appraisal problem is identified. Report on the research steps taken.
5. The rights being appraised are the unencumbered fee simple interest of the affected property. Any encumbrances that affect the market value of the property should be fully described.
6. Assignment Conditions: All approved assignment conditions (Special Appraisal Instructions, Hypothetical Conditions, Extraordinary Assumptions and Jurisdictional Exceptions), must be identified below. Those that apply to all parcels on a project will be identified as such. Any additional assignment conditions that may affect only a portion of the parcels on the project will be labeled as only affecting a portion on the parcels, and the **Parcel Variations** table should be used to identify which of the additional assignment conditions apply to which parcels.

* **Special Appraisal Instructions:** Examples of possible Special Appraisal Instructions include: parcels that are known to be contaminated; interim use properties; properties that will require coordination with a relocation advisor or FF&E Appraiser, and properties with larger parcel complications. If appraisal complexity issues associated with any parcel require the identification special appraisal instructions they will be addressed in the **Parcel Variations** table. **No other special appraisal instructions may be assumed without prior approval.**
* **Hypothetical Conditions:** The appraiser must utilize the definition of a Hypothetical Condition presented in the REPM Section 2.3.5(8)(G). The following hypothetical conditions are part of the assignment conditions for all appraisals covered by this agreement and must be included in the appraisal analysis and reporting for each parcel. **No other hypothetical condition(s) may be assumed without prior approval.**

1. **This hypothetical condition applies to all parcels on the project:** A hypothetical condition, that the proposed public improvements, the acquisition for which this appraisal analysis has been performed, do not exist, and have not been proposed, has been adopted for the before-condition analysis of the subject property. This hypothetical condition is based upon a federal requirement established by The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and codified by 49 CFR, Part 24.103(b) - “Influences of the Project on Just Compensation, which states that “The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.” This hypothetical condition is further based upon Wisconsin Statute 32.09(5)(b) which states that “Any increase or decrease in the fair market value of real property prior to the date of evaluation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner, may not be taken into account in determining the just compensation for the property.” The use of this hypothetical condition may have altered the appraisal results.
2. This hypothetical condition applies to all partial taking parcels on the project: A hypothetical condition, that the construction of the proposed public improvements, the acquisition for which this appraisal analysis has been performed, are completed as of the effective date of this appraisal, has been adopted for the after-condition analysis of the subject property. This hypothetical condition is based upon Wisconsin Statute Sec. 32.09(6) which states that *”In the case of a partial taking of property other than an easement, the compensation to be paid by the condemnor shall be the greater of either the fair market value of the property taken as of the date of evaluation or the sum determined by deducting from the fair market value of the whole property immediately before the date of evaluation, the fair market value of the remainder immediately after the date of evaluation, assuming the completion of the public improvement and giving effect, without allowance of offset for general benefits, and without restriction because of enumeration but without duplication, to the following items of loss or damage to the property where shown to exist:”* The use of this hypothetical condition may have altered the appraisal results.

* **Extraordinary Assumptions:** If the appraiser utilizes an extraordinary assumption he or she must utilize the definition presented in the REPM Section 2.3.5(8)(G). The appraiser may utilize the extraordinary assumptions as stated within this Scope of Work agreement without written approval from the department**.** The following extraordinary assumptions are part of the assignment conditions for those parcels identified in the **Parcel Variations** table. **No other extraordinary assumption(s) may be assumed without prior approval.**

1. This Extraordinary Assumption applies to all parcels that include Temporary Limited Easements (TLEs). An extraordinary assumption regarding the expiration date of the Temporary Limited Easement is employed by the appraiser within this appraisal report. The Expiration Date of the Temporary Limited Easement has been established by the Regional Office based upon the guidelines set in the REPM Section 2.1.3 (Establishing an Expiration Date for Temporary Limited Easements). This expiration date is not documented in the acquisition document, or the Transportation Project Plat (TPP) that established the existence of the TLE. Because it has not been documented the expiration date utilized in the appraisal analysis is identified as an extraordinary assumption. The use of this extraordinary assumption may have altered the appraisal results.
2. Document preparation instruction: The department, in coordination with the assigned appraiser, will add any additional extraordinary assumptions required for the project at this point; lettering them appropriately.

* **Jurisdictional Exceptions:** If the appraiser utilizes a jurisdictional exception he or she must utilize the definition presented in the REPM Section 2.3.5(8)(G). The appraiser may utilize the jurisdictional exceptions as stated within this scope of work agreement without written approval from the department. The following jurisdictional exceptions are part of the assignment conditions for those parcels identified in the **Parcel Variations** table. **No other jurisdictional exceptions may be utilized without prior approval.**

1. Document preparation instruction: The department, in coordination with the assigned appraiser, will include any jurisdictional exception(s) required for the project at this point; lettering them appropriately.

**Appraiser’s Responsibilities**

1. Attend the Real Estate Start Up & Appraisal Scoping Meeting
2. Afford the property owner or the owner's designated representative the opportunity to accompany him or her on the inspection of the property.

* The appraiser must meet the property owner contact requirements established in REPM Section 2.2 (Appraisal Field Work).
* Include a statement within appraisal report, of the efforts to meet the contact requirement.

1. Provide an appraisal report meeting WisDOT’s reporting standards as defined in REPM Section 2.3 (Eminent Domain Appraisal Reporting).
2. The level of detail contained within the appraisal report must be consistent with the appraisal problem for a specific parcel, and must conform to the reporting standards established in REPM Section 2.3 (Eminent Domain Appraisal Reporting).
3. The appraisal report must contain an adequate highest and best use analysis. If the highest and best use is questionable or different from the existing use, the appraiser must provide an appropriate analysis identifying the market-based highest and best use. The appraisal report must also contain a discussion of the determination of the larger parcels for the affected property.
4. State **only relevant** assumptions and limiting conditions within the appraisal report. See REPM Section 2.3.5 (7).
5. The appraiser will be required to produce a Sales Study that meets the reporting requirements as established by REPM Section 2.3.7. The project for which this Appraisal Scope of Work Agreement is intended includes:

Waiver valuations so the Sales Study must include value grids for the different property types included on the project, or

Only appraisals so the Sales Study should not include any value grids.

1. Changes to the Appraisal Scope of Work:

* If the appraiser, as a result of his or her appraisal research and analysis, determines that it is necessary to expand the appraisal scope of work, including possible changes to the Assignment Conditions, they must notify the department to obtain concurrence. The notification will take the form of an email addressed to the Review Appraiser, with the Real Estate Project Manager copied. If the appraiser has access to READS the email will be generated through the Project Log for the assigned project. The subject of the email will be **Scope of Work Change Parcel XX**.
* The appraiser may not proceed with the employment of the requested scope of work change without the concurrence of the review appraiser.
* If the appraiser and the review appraiser cannot agree on the need for the change to the scope of work, the appraiser will notify the Project Manager of the conflict by email (generated in the project log of READS if access is available) within five working days. The subject of the email will be **Appraisal Development Conflict Parcel XX**. The appraiser is not required to resolve conflicts, but he or she is required to report facts and professional opinions that relate to the conflict.

1. Meet all delivery deadlines. If deadlines cannot be met the appraiser must communicate any potential delays, and the reasons for said delays to the Project Manager and the Review Appraiser as soon as the need for a delay becomes apparent.
2. Per REPM Section 2.3.1 Appraisal Reporting Standards Appraisers should return revision requests within 10 business days. If scheduling, work load or changes in priorities result in the appraiser being unable to meet the 10-day turnaround goal, the appraiser will communicate with the review appraiser and the Regional Real Estate Project Manager to inform them of the delay, and the anticipated completion time.

**Department’s Responsibilities**

1. The Real Estate Project Manager will provide information to the appraiser regarding the specific properties included in the appraisal assignment. The information must include, but is not limited to the Appraisal Scoping Checklist, TPP or Right of Way Plat, Plan and profile, Design Study Report, title work, required delivery date, owner contact information, and other data applicable to the appraisal assignment.
2. The Real Estate Project Manager will supply the expiration date of the TLE.
3. The Region will conduct and invite the appraiser and review appraiser (s) to the Real Estate Start Up & Appraisal Scoping Meeting
4. The assigned review appraiser(s) have collaborated with the assigned appraiser to develop this scope of work agreement.
5. Changes to the Appraisal Scope of Work:

* If the appraiser submits a request for changes to the appraisal scope of work established in the agreement, including possible changes to the Assignment Conditions, the review appraiser will communicate his or her concurrence or disagreement to the appraiser by email, with the Real Estate Project Manager copied. The email will be generated through the Project Log for the assigned project. The subject of the email will be **Scope of Work Change Parcel XX**.
* If the review appraiser disagrees with the need for an appraisal scope of work change, the email must contain his or her reasoning for the disagreement.
* Appropriate agency representatives will respond to any reported conflicts between the appraiser and the review appraiser within five working days. The agency will work to resolve the issues and will keep the appraiser informed.

1. Per REPM Section 2.6.4.1 Review Appraisers should complete the review of the appraisal report within 10 business days. If scheduling, work load or changes in priorities result in the reviewer being unable to meet the 10-day turnaround goal, the reviewer will communicate with the appraiser and the Regional Real Estate Project Manager to inform them of the delay, and the anticipated completion time.

**Parcel Variations:**

The scope of work and performance standards identified above for the appraiser and the department are intended to address the majority of the parcels on a specific project. However, not all of the parcels will require the use of all of the assignment conditions identified. In addition, it may be necessary to identify physical characteristics of a specific parcel that may require an expanded scope of work.

All of the agreed upon assignment conditions are identified in Section 8 of the Appraisal Scope of Work. The table below identifies which Assignment Conditions apply to which parcels. The table below includes:

all parcels on the project

only those parcels that require assignment conditions in addition to Hypothetical Conditions (A) and (B), and Extraordinary Assumption (A).

The need for special appraisal instructions will be identified in the table, and the additional instructions will be listed in the **Special Appraisal Instructions** section below the table.

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| --- | --- | --- | --- | --- |
| **Parcel No.** | **Assignment Conditions** | | | |
| **\*\*Hypothetical Conditions** | **\*\*Extraordinary Assumptions** | **\*\*Jurisdictional Exceptions** | **\*\*\*Special Appraisal**  **Instructions** |
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**\*\* Identify the letter of the appropriate assignment conditions from above.**

**\*\*\*Special Appraisal Instructions:**

**Contact Information**

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| --- | --- | --- | --- | --- |
| **Role** | **Real Estate PM** | **Appraiser** | **Statewide Review Appraiser** | **Regional Review Appraiser** |
| **Name** |  |  |  |  |
| **Organization** |  |  |  |  |
| **Phone#** |  |  |  |  |
| **Email** |  |  |  |  |

**Subject Property Information:**

***Attach Appraisal Scoping Checklist and any other pertinent data***

Agreed upon by:

Appraiser's signature

Appraiser's name Date

Appraisal Reviewer’s signature

Appraisal Reviewer’s name Date

RE Project Manager's signature

RE Project Manager's name Date