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# Orlando-Orange County Expressway Authority

*Right of Way Audit*

*February 2012*

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# Executive Summary

## Overview

- Per the 2012 Fiscal Year Internal Audit Plan, Internal Audit conducted a review of the Authority's right of way acquisition process and related internal controls, including the exercise of the Authority's power of eminent domain.

## Objectives and Approach

- The **objectives** of the audit were to review internal controls for gaps in design, test internal controls to verify they were operating in accordance with the Right of Way Property Acquisition and Disposition Procedures Manual, and to review right of way (ROW) files for completeness, accuracy, and existence.
- **Internal Audit completed these objectives using the following approach:**
  - Reviewed the most current version of the Authority's Right of Way Property Acquisition and Disposition Procedures Manual and documented the current processes in place as they relate to the following risk areas:
    - Documentation, Compliance with the Law, Cost Monitoring, Conflicts of Interest, Right of Way Acquisition Approvals, and Public Records.
  - Documented key risks and internal controls and reviewed for control gaps.
  - Tested the effectiveness of key internal controls to verify whether the processes and controls were operating in compliance with Authority's policies.
  - Tested right of way acquisition and eminent domain processes for compliance with policy, based on review of a sample of closed right of way acquisition files.
  - Made recommendations for improving the Authority's internal controls over right of way acquisition and eminent domain processes.

# Executive Summary (Contd.)

## Project Scope

*The scope of the right of way audit covered the following two areas:*

1

### Process and Controls Testing

This phase of work included reviewing the processes and internal controls currently in place at the Authority to manage compliance with its right of way acquisition policies, documenting the processes via flow charts, identifying and documenting the key internal controls, and testing the key internal controls to determine if they were operating effectively.

For purposes of review, Internal Audit selected a sample of land acquisition files from the population of 123 right of way acquisitions for the John Land Apopka project, dating back to 2004. The John Land Apopka project was the last major road construction project undertaken by the Authority.

From the population of 123 files, a sample of 15 files (five right of way acquisition files and ten eminent domain files) was judgmentally selected for testing of internal control effectiveness specific to the Authority's processes to manage the following areas:

- Documentation
- Compliance With Law
- Cost Monitoring
- Conflicts of Interest
- Right of Way Acquisition Approvals
- Public Records

# Executive Summary (Contd.)

## Project Scope

2

### File Review

This phase of work included the testing of actual compliance with the Authority's Right of Way Property Acquisition and Disposition Procedures Manual and Florida Statute Chapters 73 & 74, as related to right of way acquisition and eminent domain cases. The work we performed on compliance with regulations over right of way acquisition included discussing matters of legal interpretation over applicable regulations with the Authority's General Counsel. The information presented in this report should not be construed as legal advice; management should consult with counsel regarding compliance with applicable laws and regulations.

For purposes of file review, the testing population included all closed and completed land acquisition files from the population of 123 right of way acquisitions for the John Land Apopka project, dating back to 2004. The sample selected for file review was a subset of the sample selected for the process and controls testing. A total of 10 of the 15 files from process and controls testing (five right of way and five eminent domain files) were utilized for file review testing for compliance purposes.

#### ***Specific areas from the Authority's policy and the Florida Statutes that were reviewed for compliance included:***

- Reviewing appraisals to verify third party, qualified reviews were completed.
- Verifying first written offers, notice to owners, and notice to business owners included the appropriate language outlining appropriate dates, etc., per the statutes.
- Reviewing that appropriate approvals (ROW committee and / or Board) were obtained for specific documents (mediated settlements, final judgments, etc.)

# Executive Summary (Contd.)

## Summary Findings

*Based on the results of Internal Audit's review of 15 land acquisition files, all of which were reviewed for internal control purposes and 10 of which were selected as a sub-set for detailed file review, the following 5 findings were noted:*

Finding #	Summary Findings	Summary Recommendations
<p><b>1</b></p> <p><b>Recordkeeping - Completeness and Retention</b></p>	<p>A) The 15 files reviewed from the John Land Apopka project lacked overall consistency related to completeness of pertinent documents maintained in-house.</p> <p>B) There is no defined timeline by which management must obtain all documents for each acquired parcel for in-house recordkeeping purposes.</p> <p>C) There is no defined process to verify the completeness of all parcels of land to be acquired for a given project.</p>	<p>A) Management should update its policy to accurately reflect a comprehensive list of all documentation that management believes should be maintained onsite. Additionally, checklists should be created and continually updated to help management verify completeness of records and files for each acquired parcel within a given project.</p> <p>B) Management should determine an appropriate timeline after a parcel acquisition case is closed by which to receive (or request, if applicable) all pertinent case documents from external legal counsel.</p> <p>C) The file custodian should create a complete master listing of all parcels to be acquired as determined at the beginning of a new construction project. This master list should be updated to reflect any files closed during the project that did not culminate in an acquisition and be described by a related closing memo.</p>
<p><b>2</b></p> <p><b>Review of Board Resolutions for Completeness and Accuracy</b></p>	<p>There was one instance highlighted during the audit (by management) where a Board Resolution for an eminent domain case did not outline specific terms relating to the easement and work to be completed on the land being acquired, subjecting the Authority to potential additional liability.</p>	<p>Legal counsel should continue to review all Board Resolutions for completeness and accuracy to help avoid any future potential legal exposure.</p>

# Executive Summary (Contd.)

## Summary Findings

Finding #	Summary Findings	Summary Recommendations
<p><b>3</b></p> <p><b>Conflict of Interest Forms</b></p>	<p>A) There is no defined process for follow-up on Conflict of Interest (COI) forms that are not returned.</p> <p>B) A log to keep track of COI forms returned was being updated during the JLA project but not during the entire course of the project as there was no in-house legal counsel when the project began.</p> <p>C) Current process and policy state that all stated conflicts of interest should be followed up on by the Ethics Officer or Deputy Ethics Officer (as a back up). This control was not in place at the time of the majority of Internal Audit's testing for the John Land Apopka Project, as no in-house general counsel position existed until June 26, 2007.</p> <p>D) The current process requires COI forms only at the beginning of a project.</p>	<p>A) Waivers or explanations for non-significant third parties or consultants should be completed or documented by in-house legal counsel for related parties or consultants from which a COI form was not received.</p> <p>B) The COI log should be reviewed quarterly by the assistant general counsel to ensure all COI forms are returned or followed-up on as appropriate.</p> <p>C) The Ethics Officer or Deputy Ethics officer should continue the current process to follow up on all stated conflicts.</p> <p>D) Review the ethics policy and consider the need to obtain COI update forms based on changes to interested parties over the course of a given project.</p>
<p><b>4</b></p> <p><b>Review of Final Purchase Agreements</b></p>	<p>There was no evidence of outside legal counsel's review and approval of the real estate purchase agreement for one file tested.</p>	<p>All final real estate purchase agreements should be reviewed by in-house legal counsel for evidence of review and approval by the external legal counsel, prior to final execution, in order to ensure consistency among all agreements.</p>
<p><b>5</b></p> <p><b>Maintaining Evidence of Board Approval Before Payment</b></p>	<p>Although the Board approved all final payments for the land acquisitions tested by Internal Audit, one voucher package did not include evidence of Board approval and two voucher packages for payments for final judgment did not include consent agenda evidence of Board approval of the final judgment amount.</p>	<p>Accounting should compile and review all voucher packages to ensure that the appropriate documents are attached before submitting a payment.</p>

# Detailed Finding #1

## Recordkeeping – Completeness and Retention

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

### A. The 15 files reviewed from the John Land Apopka project lacked overall consistency related to completeness of pertinent documents maintained in-house

The existing OOCEA Right of Way Property Acquisition and Disposition Procedures Manual requires that after completion of acquisition, original documents will be sent to OOCEA's designated custodian of such files. Files should include, without limitation, the following as to the general project and each parcel: correspondence, title policies searches and documents, appraisals, information relating to condemnation proceedings for the project. Per the policy, a separate folder is to be prepared for each right of way parcel on the project. All information relating to the parcel (title, appraisals, appraisal review, correspondence, internal memoranda, agreements, documents, etc.) is included in the parcel. ***Although all missing support was subsequently provided, the following completeness of documentation issues were noted during testing:***

1. 8/10 files tested were missing correspondence
2. 2/10 files tested were missing appraisals (one copy of a landowner's appraisal, and one copy of a second updated appraisal)
3. 1/10 files tested was missing a default or a disclaimer of interest form of a potential defendant
4. 1/10 files tested was missing evidence of Board approval for mediation agreement
5. 5/10 files tested (all eminent domain files) were missing summons information
6. 1/10 files tested was missing the first written offer and notification
7. 1/10 files tested was missing the petition
8. 1/10 files tested was missing the notice of deposit
9. 1/10 files tested was missing the offer of judgment
10. 2/10 files tested were missing the certified mail receipt
11. 2/10 files tested were missing the ROW Committee approval for mediation agreement
12. 3/10 files tested were missing evidence of Board approval behind the deposit, as supporting documentation.



# Detailed Finding #1 (Contd.)

## Recordkeeping – Completeness and Retention

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

### B. There is no defined timeline by which management must obtain all documents to keep in-house for each acquired parcel

Following the final judgment of a case, no defined timeline has been established for when documents must be received by OOCEA and updated in the electronic database maintained by the Atkins consultant, who acts as Custodian.

- 1 of the 10 files selected for testing was settled in May 2011 but was not in the population of files housed on site at OOCEA as of December 2011.
- For 5 of 10 of the files tested, the electronic database was incomplete. Files reflected in the electronic database as kept on site did not match files actually on site at the time of testing.

### C. There is no defined process to verify completeness of all parcels of land to be acquired in a given project

A complete listing of all parcels to be acquired during a project that depicts the updated status of each parcel acquisition does not exist. Specifically, the population of files maintained for the John Land Apopka project included parcels that were not ultimately acquired, although no description of final resolution for these files existed.

- Specifically, four of the original files selected for Internal Audit's testing sample had been closed during the project. There was no documentation within OOCEA's files or within the electronic database maintained by Atkins custodian as to the rationale why the files were excluded from scope or the reason for the exclusion.

# Detailed Finding #1 (Contd.)

## Recordkeeping – Completeness and Retention

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

### Recommendations

- A. Management should consider updating the Property Acquisition & Disposition Procedures Manual to exclude correspondence with the landowner from the final document retention policy, as this documentation is maintained by outside legal counsel. Management should update its policy to accurately reflect a comprehensive list of all file documentation that Management believes should be maintained onsite. Once this is complete, management should consider reviewing all other files from the John Land Apopka project for completeness compared to the revised policy, and, at a minimum, follow the revised policy for all acquisitions from here forward.

Additionally, checklists should be completed for each acquired parcel within a given project to help management verify completeness of records and files. These checklists should be continually updated by the Custodian as the document packages are received from External Legal Counsel. Completed checklists should be reviewed by the Assistant General Counsel on a consistent basis (e.g. quarterly) to verify all pertinent case documents have been received.

- Specifically, different checklists should be prepared for negotiated purchases and for eminent domain cases. Each checklist should contain a comprehensive list of all documents required to be retained in accordance with the Property Acquisition & Disposition Procedures Manual.
- Specifically, the checklists should include the following documents for both right of way and eminent domain cases: a legal description of the property, appraisal, review appraiser's certification, memo of recommendation from ROW to Board, and applicable Board and ROW minutes demonstrating their approvals.
- Specifically, the right of way acquisition checklist should include the following: real estate purchase agreement, closing statement and disbursement sheet, warranty deed, bill of sale, lease agreement, owner's affidavit, tax info (1099-S), and title insurance.
- Specifically, the eminent domain checklist should include the following: Board resolution, offer letter, notice to business owner, petition, notice of lis pendens, declaration of taking, disclaimer of interest, landowner's appraisal, order of taking, all notices of deposit, final judgment, mediated settlement agreement if applicable, trial verdict if applicable, correspondence with the landowner, and copy of the final docket.

# Detailed Finding #1 (Contd.)

## *Recordkeeping – Completeness and Retention*

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

### Recommendations (Contd.)

- B. Management should determine an appropriate timeline after a parcel case is closed by which to receive (or request if applicable) all pertinent case documents from External Legal Counsel for recording in the electronic database and updating the file checklist (e.g. 120 days after recordation of documents).
- C. The file custodian should create a complete master listing of all parcels expected to be acquired at the beginning of a new construction project, once the results of the due diligence and related title searches are complete. This master list should be continuously reviewed and updated to reflect any files closed during the project that did not culminate in an acquisition, and be supported by a related closing memo signed by the Assistant General Counsel. The closing memo should include the date the parcel was excluded and the reason for exclusion.

# Detailed Finding #1 (Contd.)

## *Recordkeeping – Completeness and Retention*

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

### Management Response

Completeness of files and timeliness of receipt is an important part of Chapter 119 compliance. Consistency of record keeping is also important to ensure that the public and the Authority have access to key information related to property acquisition.

### Management Action Plan

Management will update the Property Acquisition and Disposition Procedures manual to reflect the desired list of documentation and the timeframe for provision of the same. Management will work with outside counsel to create appropriate checklists and incorporate them into the files. Management will review the current purpose and usage of the electronic database and determine if any changes are warranted.

### Action Owner / Due Date

Dyana Petro / June 30, 2012

# Detailed Finding #2

## Review of Board Resolutions for Completeness and Accuracy

Documentation

**Compliance  
with Law**

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

There was one instance highlighted by management where a Board Resolution for an eminent domain case did not outline specific terms relating to the easement being acquired, subjecting the Authority to potential additional liability. Although the Resolution was not challenged due to the lack of easement terms, OOCEA may have incurred additional fees and costs and possible delay of parcel acquisition. During the course of this audit, management highlighted this as a potential exposure but it has been subsequently corrected.

### Recommendation

None. Legal counsel should continue to review all Board Resolutions for completeness and accuracy to help avoid any future potential legal exposure.

### Management Response

Concur

### Management Action Plan

Dyana Petro, Assistant General Counsel, currently reviews all Board Resolutions, to ensure completeness and accuracy and to avoid future potential legal ramifications. However, this control was not in place at the time of the John Land Apopka Project.

### Action Owner / Due Date

Completed

# Detailed Finding #3

## Conflict of Interest Forms

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

- A. Management does not have a comprehensive process in place to ensure the return of all Conflict of Interest (“COI”) forms. Under section 6-3.013 of the ethics policy approved by the Board on July 28, 2010, Board members, employees and consultants shall also report any and all interests in real property that such board member, employee or consultant has, or that a relative, principal, client or business associate of said Board member, employee or consultant has, including but not limited to, options to purchase or sell real property, whenever such real property is located within, or within a one-half mile radius of, any actual or prospective OOCEA roadway project. Current process is to distribute COI forms to all of those parties; however, there is no defined process for follow-up with non-responses. At the discretion of the legal counsel, some non-responses are sent a waiver, while others are not.
- B. To monitor the receipt of returned conflict of interest forms, the Executive Assistant uses a log, which is reviewed periodically by the Assistant General Counsel. At the time period tested for the John Land Apopka Project, this control was only partially in place, as confirmed by the Assistant General Counsel. Specifically, the Executive Assistant maintained a log to monitor receipt of all COI forms, but the log was not reviewed since no in-house general counsel position existed until June 26, 2007.
- C. Current process is that all identified Conflicts of Interest should be followed up on by the Ethics Officer or Deputy Ethics Officer (as a back-up). This control was not in place at the time of the majority of Internal Audit’s testing for the John Land Apopka Project, as no in-house general counsel position existed until June 26, 2007.
- D. The current process requires COI forms only at the beginning of a project.

### Recommendation

- A. At the onset of each project, the Director of Procurement should create a list of impacted parties and provide it to the Assistant General Counsel and General Counsel for review. Waivers or explanations for non-significant third parties or consultants should be completed or documented by in-house Legal Counsel for related parties or consultants from a COI form was not received. Policy should be updated accordingly to reflect this.
- B. The COI log should be reviewed quarterly by the Assistant General Counsel to ensure all COI forms are returned. In addition, the log should be updated, as necessary, to reflect only relevant parties of interest to contact for a disclosure of interest.
- C. None. Deputy Ethics officer should continue the current process to follow up on all stated conflicts.
- D. Review the ethics policy and consider the need to obtain COI update forms based on changes to interested parties over the course of a given project.

# Detailed Finding #3 (Contd.)

## *Conflict of Interest Forms*

Documentation

Compliance  
with Law

Cost  
Monitoring

**Conflicts of  
Interest**

Approvals

Public Records

### Management Response

Concur

### Management Action Plan

Management will review the need for an update to the current ethics policy to determine whether changes to the conflict of interest policy (only in relation to the acquisition of real property) are warranted. Key considerations would be the exclusion of consultants / vendors whose services to the Authority are not of the kind that could reasonably be seen to create a conflict of interest.

### Action Owner / Due Date

Dyana Petro / June 30, 2012

# Detailed Finding #4

## Review of Final Purchase Agreements

Documentation

Compliance  
with Law

Cost  
Monitoring

Conflicts of  
Interest

Approvals

Public Records

There was no evidence of outside legal counsel's review and approval of the real estate purchase agreement in one file tested, as no signature was noted on the actual agreement. The agreement was only reviewed and signed by OOCEA. A lack of legal consideration in contract creation and approval increases potential risk of exposure specific to contract terms, conditions, performance, and / or pricing.

### Recommendation

All final real estate purchase agreements should be reviewed by in-house legal counsel for evidence of review and approval by the external legal counsel prior to final execution in order to ensure consistency among all agreements.

### Management Response

Concur

### Management Action Plan

Management will oversee final execution of all real estate purchase agreements and ensure that those prepared by outside counsel reflect that outside counsel has reviewed and approved them for legal sufficiency.

### Action Owner / Due Date

Dyana Petro / June 30, 2012



# Detailed Finding #5

## *Evidence of Board Approval*

Documentation

Compliance  
with Law

**Cost  
Monitoring**

Conflicts of  
Interest

**Approvals**

Public Records

Based on the testing of the fifteen payments made for land acquisitions, one voucher package did not include evidence of Board approval and two voucher packages for payments for final judgment did not include evidence of Board approval via the consent agenda to approve the final judgment amount. Although items were actually approved by the Board, the voucher packages did not include the evidence.

### Recommendation

Board resolution should be attached with the voucher package for payments made for an Order of Taking. The Board consent agenda should be attached with the voucher package for payments made for Real Estate Purchase Agreements or final judgments. Also, the final settlement agreement, Board approval, and other supporting documentation, as applicable, should be maintained in the voucher package prepared by the Accounting Clerk to ensure accuracy and approval of funds being transferred.

Accounting should compile and review all voucher packages to ensure that the appropriate documents are attached before submitting a payment. For payments made relating to a real estate purchase agreement (a right of way acquisition) or final judgment (eminent domain case), Accounting should ensure the Board consent agenda is attached. For payments made relating to an Order of Taking deposit, Accounting should ensure the Board resolution is attached.

### Management Response

Concur

### Management Action Plan

All ROW voucher packages will be reviewed by the Assistant Manager of Finance and Accounting to make sure Board consent agenda or Board resolution is attached.

### Action Owner / Due Date

Lisa Lumbard / February 16, 2012



# **Appendix A**

## **Testing Summary**

# Testing Summary

## 1. Process and Controls Testing – The following controls were tested:

	Control Tested	Test Result	Finding Number
C1	<b>Appraisal Process:</b> The OOCEA Board approves the overall project within the five year work plan prior to the beginning of the acquisition process.	Effective	N / A
C2	<b>ROW Eminent Domain Process:</b> The Accounting Clerk uses a spreadsheet to track the closing date (due date) and check date (issue date) for all disbursements by parcel.	Effective	N / A
C3	<b>Appraisal Process:</b> A reviewer certification stating the appraisal is in compliance with the USPAP (Uniform Standards of Professional Appraisal Practice) is completed by an independent certified appraiser.	Effective	N / A
C4	<b>ROW Purchase Process:</b> Real Estate Purchase Agreements are approved by the right of way committee prior to Board approval and final execution (via the Notice of Approval and Acceptance.)	Effective	N / A
C5	<b>ROW Purchase Process:</b> Real Estate Purchase Agreements are approved by the Board prior to final execution (via the Notice of Approval and Acceptance).	Effective	N / A
C6	<b>Conflict of Interest:</b> Conflict of interest forms are completed by OOCEA Employees, Board Members, and Consultants or Sub-Contractors prior to acquiring land for any project.	Effective	N / A
C7	<b>Conflict of Interest:</b> Any identified conflicts of interest are followed up on by the Ethics Officer or Deputy Ethics Officer (as a back-up).	Not in place at time of testing; currently effective	3
C8	<b>Conflict of Interest:</b> The Executive Assistant uses a log to monitor the return and receipt of conflict of interest forms. The log is reviewed periodically by the Assistant General Counsel.	Not in place at time of testing; currently effective	3
C9	<b>ROW Eminent Domain Process:</b> The Assistant General Counsel reviews drafted Board Resolutions for completeness and accuracy.	Not in place at time of testing; currently effective	2
C10	<b>Funds Mgmt Process:</b> The final settlement agreement is approved by the Board. Board approval and other supporting documentation, as applicable, are maintained in the Voucher Package prepared by the Accounting Clerk to ensure accuracy and approval of funds being transferred.	Ineffective with regard to evidence of Board approval within voucher packages only	5

# Testing Summary

## 1. Process and Controls Testing (Contd.) – The following controls were tested:

	Control Tested	Test Result	Finding Number
C11	<b>Funds Mgmt Process:</b> The check request received from External Legal Counsel is signed by two authorized signers, approving the request for payment. (Authorized signers include: CFO, Deputy Executive Director of Admin, Deputy Executive Director of Engineering, or the Executive Director.)	Effective	N / A
C14	<b>ROW Purchase Process:</b> In-house legal counsel reviews Real Estate Purchase Agreements for accuracy and sign-off by external counsel to execute the agreement.	Ineffective with regard to external counsel sign-off	4
C15	<b>ROW Purchase Process:</b> CONTROL GAP: A Checklist is completed by the Atkins Custodian and reviewed by the Assistant General Counsel to ensure sufficient documentation exists within each parcel file.	N / A, control gap	1
C16	<b>ROW Eminent Domain Process:</b> For all eminent domain purchases, OOCEA must obtain a Board Resolution for the Authority to acquire the land through eminent domain proceedings.	Effective	N / A
C17	<b>ROW Eminent Domain Process:</b> OOCEA sends a written offer and notification prior to filing a petition in eminent domain.	Effective	N / A
C18	<b>ROW Eminent Domain Process:</b> The ROW Committee approves the final settlement amount, including all applicable fees and costs before entering the Stipulated Final Judgment.	Effective	N / A
C19	<b>ROW Eminent Domain Process:</b> The Board approves the final settlement amount, including all applicable fees and costs before entering the Stipulated Final Judgment.	Effective	N / A
C20	<b>ROW Purchase and Eminent Domain Processes:</b> Manager of Contracts Compliance reviews all consultant invoices that contain detail of expenses related to new sub-consultants to verify prior Board approval via the consent agenda.	Effective	N / A

# Testing Summary

## File Review

This phase of work included testing of compliance with the Authority's Right of Way Property Acquisition and Disposition Procedures Manual, as well as Florida Statutes 73 & 74, as they relate to negotiated right of way land purchases and to eminent domain cases. The testing population included all closed and completed files from the John Land Apopka Project, dating back to 2004. The population utilized for testing encompassed 123 right of way and eminent domain files.

*Five right of way and five eminent domain files were judgmentally selected for testing as outlined below:*

	File Tested	Test Result	Finding Number
1	Right of way – Parcel 320 - Battaglia Fruit Company	Exceptions Noted	1
2	Right of way – Parcel 304- Charlton, Gary D.	Exceptions Noted	1
3	Eminent Domain – Parcel 108- Smith, James Ted	Exceptions Noted	1
4	Eminent Domain – Parcel 155- Apopka Clear Lake Investments, LLC	Exceptions Noted	1
5	Eminent Domain – Parcel 397- Catledge, W. Wayne	Exceptions Noted	1, 5
6	Eminent Domain – Parcel 826- Estate of Dan E. Campbell	Exceptions Noted	1, 5
7	Right of way – Parcel 263- Kollar, Bonnie A.	Exceptions Noted	1, 4
8	Eminent Domain – Parcel 406- Doerr, Joseph B.	Exceptions Noted	1, 5
9	Right of way – Parcel 335- Central Meridian Corporation	Exceptions Noted	1
10	Right of way – Parcel 245- Brown, James Z.	Exceptions Noted	1



## Appendix B ROW Metrics

*(This data in Appendix B has been provided at the request of the Audit Committee)*

# ROW Metrics

## 1. Average time to complete negotiated purchase acquisitions

- The information below is provided to offer context around the length of time it took the Authority to take properties acquired via a negotiated purchase that were selected for review by Internal Audit. The information below represents the average number of days to complete a negotiated purchase transaction from beginning (appraisal date) to end (agreement date). From the appraisal date, it took an average of 102 days to come to an agreement with the landowners on a price for negotiated purchase acquisitions.

	Parcel	Appraisal Date	Agreement Date	Days between Appraisal & Agreement
1	210320	7/25/2006	8/11/2006	17
2	210304	5/23/2005	8/1/2005	70
3	210263	1/31/2006	9/12/2006	224
4	210335	8/23/2004	9/30/2004	38
5	200245	9/28/2004	3/9/2005	162
<b>AVERAGE</b>				<b>102.2</b>

# ROW Metrics

## 2. Average time to complete eminent domain acquisitions

- The information below is provided to offer context around the length of time it took the Authority to take properties acquired via eminent domain that were selected for review by Internal Audit. The information below represents the average number of days to complete a transaction from beginning (first written offer date) to end (final judgment date). Since the Order of Taking date dictates the date of value for the property being taken, market conditions will influence acquisition price from the date of the first written offer to the Order of Taking date. From the first written offer date, it took an average of 151 days to obtain the order of taking and an average of 385 days to settlement.

	Parcel	First Written Offer Date	Order of Taking Date	Final Judgment Date	Days between Offer & Order of Taking	Days between Offer & Settlement
1	201108	1/21/2005	11/28/2005	4/17/2006	311	451
2	201155A	6/4/2010	9/20/2010	8/10/2011	108	432
3	211397	11/10/2006	1/8/2007	4/6/2009	59	878
4	201826	7/2/2010	10/25/2010	5/20/2011	115	322
5	211406	6/5/2006	10/5/2006	11/21/2006	122	169
6	210328	1/21/2005	7/20/2005	7/20/2005	180	180
7	200248	1/21/2005	2/13/2006	2/13/2006	388	388
8	200235	6/15/2006	8/23/2006	8/23/2006	69	69
9	210343	4/4/2005	6/16/2005	9/18/2006	73	532
10	210318	8/24/2006	11/20/2006	10/25/2007	88	427
<b>AVERAGES</b>					<b>151.3</b>	<b>384.8</b>



# ROW Metrics

## 3. Actual dollars spent to acquire property

- The below cost data compares initial appraisal estimates to final settlement costs for all acquisitions settled during the years 2004-2011. This data was obtained from the annual reports compiled by Broad & Cassel, right of way counsel for the majority of the land acquisitions for the John Land Apopka project. Per a report issued by Broad & Cassel to the right of way committee on February 7, 2011, Broad & Cassel estimated a range of \$160 million to \$190 million in 2004 for total land acquisition costs for the John Land Apopka project. As of October 2011, actual settlement costs incurred were \$146 million. All data is unaudited.

Years	Appraised Value	Settlement Amount	Factor
2004-2007	\$ 69,257,561	\$ 83,962,772	1.21
2007-2008	\$ 18,914,321	\$ 27,395,336	1.45
2008-2009	\$ 13,146,000	\$ 18,665,497	1.42
2009-2010	\$ 5,764,737	\$ 7,566,816	1.31
2010-2011	\$ 5,220,800	\$ 9,323,009	1.79
<b>Totals</b>	<b>\$ 112,303,419</b>	<b>\$ 146,913,430</b>	<b>1.31 *</b>

**\* The Factor represents the final settlement amount as a percentage of the appraised value. Final settlement amount is inclusive of land value, damages, business damages, and the landowner's attorneys' fees and costs and experts fees and costs. Broad and Cassel has tracked FDOT's numbers noting they historically range from a factor of 1.5 to 2.0, excluding business damages. Per Broad and Cassel, the targeted factor in place for the Authority for the John Land Apopka project was 1.5, excluding business damages. Based on this, the Authority appears well below the targeted factor for "all in" costs.**



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