

### PRESIDENT'S MESSAGE

The past few months have involved our compliance to IRWA Headquarters' mandate to upload our financial reports and approved meeting minutes. This recordkeeping substantiates our ability to receive monetary rewards from the chapter incentive program in addition to meeting IRS requirements. If you've worked on planning big events before, then you know how difficult and time consuming this can be as a volunteer. Know that the Tri-Chapter Luncheon Committee is working hard behind the scenes to plan a successful holiday party in December. In the forefront of our activities, are the chapter members and instructors providing industry coursework that helps us thrive, grow and prosper in Right of Way. We appreciate our Education and PDC Chairs for their contributions. Plan on attending the Annual Educational Conference in San Diego (it's down the street) in June 2015. It's in our backyard, and we vision most of the volunteers for this event coming from our respective areas in Southern California but we have to make our visions a reality. Enjoy the upcoming holidays with friends and family!

By Theresa Armistead, SR/WA

### IN THIS EDITION:

Upcoming Ch. 1 Courses  
Economic Outlook  
Professional Development  
Member Recognition

### UPCOMING COURSES:

COURSE	DATE/LOCATION	INSTRUCTOR	COORDINATOR
431-Problems in the Valuation of Partial Acquisitions	12/5/2014 Steven's - Commerce	Jeffrey Swango, SR/WA	Bill Larsen, SR/WA (818) 290-5428
105-The Uniform Act - Executive Summary	1/15/2015 Steven's - Commerce	Ceci Melanson, R/W-RAC	Natasa Lenic, SR/WA (323) 951-9887
503-Mobile Home Relocation	1/16/2015 Steven's - Commerce	Ceci Melanson, R/W-RAC	Natasa Lenic, SR/WA (323) 951-9887
803-Eminent Domain Law Basics for Right-of-Way Professionals	2/12-13/2015 Steven's - Commerce	Joe Pestinger, SR/WA	Natasa Lenic, SR/WA (323) 951-9887
205-Bargaining Negotiations	2/26-27/2015 Steven's - Commerce	Ralph Brown, SR/WA	Vaughn Hosmann (562) 804-2861
303-Managing the Consultant Process	3/18-19/2015 Steven's - Commerce	Mike Heineke, SR/WA	Bill Larsen, SR/WA (818) 290-5428
304-When Public Agencies Collide	3/20/2015 Steven's - Commerce	Mike Heineke, SR/WA	Konstantin Akhrem, SR/WA (310) 617-0251

Bradford B. Kuhn, *Chair*

Kevin T. Collins

Katherine A. Contreras

Bernadette Duran-Brown

David Graeler

Amber M. Grayhorse

Harleen Kaur

Jennifer L. Meeker

David J. Miller

Ivy A. Okoniewski

Rick E. Rayl

Ashley J. Remillard

Benjmain Z. Rubin

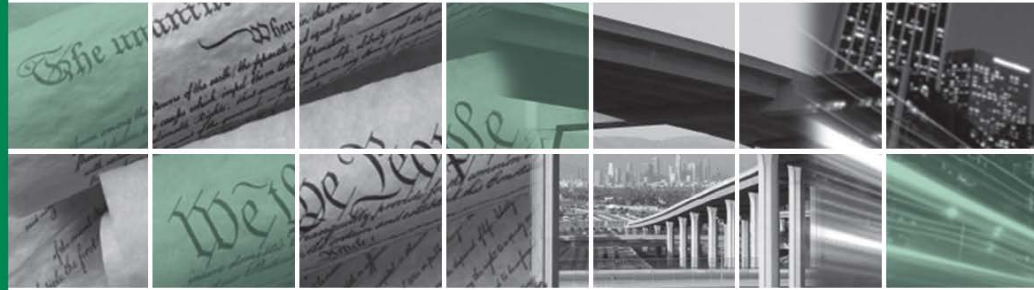
Michael G. Thornton

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# Economic Forecast for 2015

January 27, 2015 – IRWA Chapter 1 Lunch Meeting – Steven’s Steakhouse



Everett (Allen) Greer of Greer Advisors, LLC

Market Drivers – Economy, Interest Rates  
Capital Market Trends - CMBS, REITs, CDS  
Risk Pricing  
Market Conditions (Rent, Vacancy, Price, Cap Rate Trends)  
Financial Regulations (Dodd-Frank)  
Outlook & Forecast

Mr. Greer is the managing member of Greer Advisors, LLC. He is a national authority on real estate valuation, risk assessment, real estate data/information systems and regulations for appraisal and real estate lending. He has spoken across the country before numerous real estate conferences, organizations, brokerage firms and other meetings, including the Los Angeles and San Francisco Federal Reserve Boards, Lee & Associates, CBRE, Grubb & Ellis, Charles Dunn, SIOR, CCIM, CREW, AIR, MBA, RMA, Appraisal Institute, ASA, IRWA, and accounting and attorney organizations. Since forming Greer Advisors in 2009, he has also spoken nearly two dozen times as an outside real estate economist for Bank of America, and once spoke before the 4th grade math class at Rossmoor Elementary School on the topic of “The History of Banking.” He is often quoted in newspapers and journals. Mr. Greer’s lectures typically cover commercial real estate and the capital markets (i.e. CMBS, REITs, derivatives), property valuation, automated valuation modeling, model validation, risk rating / indexing techniques, regulatory requirements for financial institutions related to commercial real estate lending / appraisal, and a variety of real estate topics. During his career, Mr. Greer has been involved in nearly every aspect of commercial real estate, including land acquisition, construction, development, leasing, sale, appraisal, lending and securitization.

Article submitted by Norman Eke, President-Elect, Chapter 1



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## NEWS FROM THE PROFESSIONAL DEVELOPMENT COMMITTEE

**Please note that there have been recent changes to the Right of Way Generalist Career Path:**

IRWA has retired the following certifications:

Associate Right of Way Professional Certificate (ARWP)  
Right of Way Environmental Certificate (R/W-EC)

Now the Generalist Career Path consists of three levels:

- Right of Way Agent (RWA)
- Right of Way Professional (RWP)
- Senior Right of Way Professional (SR/WA)

Link to the Right of Way Generalist Career Path Overview:

[https://www.irwaonline.org/EWEB/upload/bundles/Career\\_Path\\_Overview\\_10110.pdf](https://www.irwaonline.org/EWEB/upload/bundles/Career_Path_Overview_10110.pdf)

Please check the IRWA website for changes to the requirements for obtaining the certifications and SR/WA designation.

In addition to the Generalist Career Path, IRWA also offers Specialist Certification Programs in six disciplines:

- R/W-AC Appraisal Certification Program Guide
- R/W-AMC Asset/Property Management Certification Program Guide
- R/W-EC Environmental Certification Program Guide
- R/W-NAC Negotiation and Acquisition Certification Program Guide
- R/W-RAC Relocation Assistance Certification Program Guide
- R/W-URAC Uniform Act Certification Program Guide
- Appraisal Cross Certification Program Guide

Link to Right of Way Specialist Career Path Overview:

<http://www.irwaonline.org/eweb/dynamicpage.aspx?site=IRWA2010&webcode=specialist>

### **WOULD YOU LIKE TO KNOW WHAT YOU NEED TO DO TO OBTAIN AN IRWA CERTIFICATION?**

**Your Chapter Professional Development Committee can help you develop a plan to reach your professional goals leading to the prestigious SR/WA designation or a specialist certification.**

Chapter 1 Professional Development Committee members are available to provide guidance and assistance with your career path planning. We want to help you reach your professional goals!

Earning an IRWA Professional Certification or the SR/WA designation could expand your employment opportunities, increase salary potential, boost chances for career advancement and demonstrate your professional commitment.

*"Gratitude can transform common days into thanksgivings, turn routine jobs into joy, and change ordinary opportunities into blessings." William Arthur Ward*

Feel free to contact me or any of the Professional Development Committee Co-Chairs listed below for more information about the IRWA Professional Career Path programs or for questions about the scholarship program or the requirements needed to attain your specific goals for professional development. We're here to assist you!

*Marilyn Stuart*, PDC Chair - [marilyn.stuart.lb@gmail.com](mailto:marilyn.stuart.lb@gmail.com) – (702) 250-2865

*Gus Parcero* - [augusto.parcero@lacity.org](mailto:augusto.parcero@lacity.org) - (213) 485-5775

*Michael Popwell* - [michael@mpopwell.com](mailto:michael@mpopwell.com) - (323) 874-2384

*Joyce Riggs* - [jriggs@sbcglobal.net](mailto:jriggs@sbcglobal.net) – (805)578-2400

*Andrew Thompson* - [athompson@semprautilities.com](mailto:athompson@semprautilities.com) - (213) 244-5032

*Gary Valentine* - [gsv@valentineappraisal.com](mailto:gsv@valentineappraisal.com) - (661) 288-0198


## **DON'T FORGET TO USE YOUR 2014 CHAPTER 1 FREE COURSE VOUCHER!**

This is a wonderful opportunity for all Chapter 1 members to help you fulfill your IRWA educational requirements for certifications, SR/WA designation, or to receive continuing education credit.

If you have not yet taken advantage of this wonderful benefit, there are still many more courses that will be offered this year by the chapter.

**How do you use the Free Course voucher?** All you need to do is contact the course coordinator of any Chapter 1 sponsored class to register. You will send them your registration form and provide the voucher to them. There is copy of the voucher provided below for your convenience. As long as you are a member in good standing, current on your 2014 IRWA membership dues, and have not yet used the voucher this year, authorization will be provided to the course coordinator for you to receive the appropriate credit.

Your voucher can be redeemed for a free 1-day Chapter 1 sponsored IRWA class or equivalent credit if applied to the tuition of a multiple day class. This program will be valid through the end of 2014 so plan ahead to take advantage of this great benefit.

	<h2>IRWA CHAPTER 1</h2> <h3>FREE ONE DAY COURSE VOUCHER</h3>
<p><b>THIS VOUCHER IS REDEEMABLE DURING 2014 FOR A ONE DAY CHAPTER 1 SPONSORED IRWA COURSE OR EQUIVALENT CREDIT APPLIED TO ONE DAY OF A MULTIPLE DAY COURSE*</b></p>	
<p><b>*Terms of Voucher Usage:</b></p>	
<p>Valid for IRWA Chapter 1 Members for attendance at Chapter 1 Sponsored Courses Only</p>	
<p>Voucher Use is Limited to the First 10 Enrollees Per Each Chapter 1 Course</p>	
<p>This Voucher NOT Valid for Online Courses, is NOT Transferrable and has NO Cash Value</p>	
<p>Course Registration Must be Arranged in Advance Through Course Coordinator</p>	
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## Membership Update - Chapter 1

This year (2014) has just flown by and we are now again looking at renewing our membership dues for the upcoming year. The renewal notice for renewing your 2015 membership dues was sent out several weeks ago by email. To remain in current status without a lapse in membership benefits, dues must be received by December 31, 2014.

If you have not received the email reminders, please contact Membership Chair, Diane Dominguez, by email at [dominguezd@metro.net](mailto:dominguezd@metro.net) or IRWA Headquarters directly at (310) 538-0233.

This year IRWA Headquarters introduced four (4) options of renewing your membership: Online registration at [www.irwaonline.org](http://www.irwaonline.org), US Mail, Fax (310) 538-1471 or by email to Ms. Bonnie Gray at [gray@irwaonline.org](mailto:gray@irwaonline.org).

Also, now would be a great time to update your contact information in case you have had a change in employment, email or residential address. You may also include that information with your membership renewal payment or by email. This will ensure that you receive all Chapter emails regarding upcoming Chapter 1 Luncheon meetings, IRWA courses and other events and activities that may occur throughout the year.

Chapter 1 welcomes and is proud to announce the following new members:

We would like to introduce and spotlight every new member within our Chapter Newsletter, however, it is voluntary but you will be asked very soon!

By Diane Dominguez, MPA, SR/WA, Membership Chair



## Michael L. Garcia

Michael Garcia is a real estate professional who has specialized in real estate acquisition, relocation and financial feasibility since starting his career with the City of Santa Ana in 1993. Michael switched to the private side in 1998 and began working for a redevelopment and economic development consulting firm in Santa Ana. In 2006, he started Tierra West Advisors, Inc. with four (4) business partners and grew this company into a 24 person consulting firm focused within the redevelopment industry. In 2012, facing the dissolution of Redevelopment he began his transition into Right of Way and is currently serving as Principal Real Estate Officer for LA County METRO.



Mr. Garcia is proud to have had the opportunity to work on many different real estate assignments such as negotiating complex lease agreements, acquiring/relocating residents and business for right of way projects, conducting financial feasibility studies for development projects, implementing commercial and residential rehabilitation loan program for cities, and preparing redevelopment plan amendments and adoptions.

Michael holds a Bachelor's degree in Political Science from UC Irvine ('93) and Masters in Public Administration from Cal State Fullerton ('95). He previously served his beloved City of Santa Ana as Councilman from 2002 to 2006, and still volunteers with various community activities. He has been asked to speak on panels and serve as moderator for the Urban Land Institute, NAHRO, and Transportation Land Use Collaborative of Southern California. He enjoys serving as a guest lecturer at both his alma maters and attending career day events at local high schools.

Mr. Garcia is known for his outgoing nature and ability to develop a quick rapport with others. He has many interesting stories from the various acquisitions and relocation projects he performed for road/intersection widenings in Santa Ana, the Pasadena Gold Line, shopping center development projects in San Pablo, affordable housing development acquisitions in Murrieta and voluntary acquisitions for flood control properties. He is currently renewing his Salesperson license with the State of California and pursuing his SRWA designation. He enjoyed globetrotting with his wife Rosa after they were married in 1997 years, but now he stays close to home with his children (Victor and Sofia) who keep him busy coaching and volunteering in many different activities.

## Francisco Mendez

Francisco (Frank) Mendez is a Relocation Specialist at Del Richardson & Associates, (DRA) Inc. Frank has been with DRA for over six (6) years and his tasks are to provide property acquisition and relocation assistance to residential and non-residential occupants. His experience includes working with many agencies around the Southern California area including: Los Angeles County Metropolitan Transportation Authority (METRO), Los Angeles World Airports (LAWA), Community Redevelopment Agency for the City of Los Angeles (CRA-LA), United States Department of Housing and Urban Development (HUD), Los Angeles Housing and Community Investment Development(HCID formerly LAHD) and other surrounding local municipalities.



Frank was born in Torrance, California and has spent most of his time in the Los Angeles area. He attended Daniel Murphy Catholic High School in the Miracle Mile District of Los Angeles and was a member of the Varsity Baseball team. He graduated from California State University - Northridge (CSUN) with a Bachelor's Degree in Sociology emphasize in Criminology and Criminal Justice. During his time at CSUN, he was a member of Sigma Nu Fraternity and volunteered countless hours with St. Jude Children's Research Hospital. Also, during college he was on the Board of Directors for a non-profit group called "Centro Educativo Benito Juarez" who tutored under privileged youth living in South Central Los Angeles in Math and Language Arts.

He previously work experience includes working for Tour Production Company - 4Fini, where he gained access to working with major music acts throughout the United States. He worked for several concert series events which include Coachella Festival, Stagecoach Festival, Vans Warped Tour and Mayhem Festival.

Some of Frank's hobbies include photography (film and digital), he has recently become very active in Cross-fit Training but his true passion is "micro-brewing". He dream is to turn his passion of micro-brewing into a larger practice to contribute to the craft beer revolution.



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## **REGION 1 FALL FORUM SYNOPSIS**

### **Article Submitted by: Darryl Root, J.D., MBA, R/W-RAC, Chapter 1 Treasurer**

The Region 1 Fall Forum was hosted by Chapter 67 on October 11, 2014 at the Holiday Inn in Santa Ana. The Fall Forum was moderated by our Region 1 Chair, Mrs. Janet Parks, SR/WA. The Forum began by discussing the Vision of the IRWA, its Mission, and its Key Objectives. These items are delineated below:

**Vision:** The IRWA creates awareness of and trust and confidence in right of way professionals, who contribute to building a better world.

**Mission:** The IRWA is the central authority of the right of way profession, serving our members, the users of our services and the general public.

#### **Key Objectives:**

1. Membership: Increase the value of IRWA membership
2. Professional Development: Increase the impact of IRWA education and credentials
3. Marketing: Increase the reach of IRWA marketing
4. Structure: Strengthen the infrastructure of the association

The Forum emphasized the IRWA Organizational Structure. This structure includes several groups such as the International Executive Committee (IEC), the International Governing Council (IGC), and the International Board of Directors.

The IEC is composed of the IRWA President, President-Elect, Vice-President, Secretary, Treasurer, Executive Vice President, and General Counsel. IEC members serve as officers of the association and partner with staff to carry out the goals and objectives of the organization. The IEC helps develop the vision for IRWA and assists with budgeting and other issues.

The IGC meets three times per year and creates interim policies for the Association that are approved annually by the Board of Directors. The IGC is composed of the IEC, the 10 Region Chairs, and also includes IRWA Executive Vice President Mark Rieck and Eric Finn, Esquire, the IRWA's General Counsel. The IGC helps to communicate the IEC's vision to the local chapters. The IGC also gathers those local chapters' concerns, suggestions and questions and discusses them with the IEC.

The IRWA Board of Directors meets one time a year at the IRWA International Conference. The Directors elect the IEC members and approve IGC policies. The Board of Directors is also responsible for verifying voting at the Board of Directors Meeting. The International Secretary/Treasurer is responsible for the validation and registration of International Directors. The local chapters are responsible for election of their director representatives and forwarding the Board of Directors Credentials Certification form to International Headquarters. Each chapter has two Directors, usually the President and Vice President of the chapter.

Authorized International Board of Directors include:

- Chapters (two each)
- Elected Officers (IEC, Region Chairs & Vice Chairs)
- Advisory Council Members (The Advisory Council Members consist of past IRWA Presidents.)



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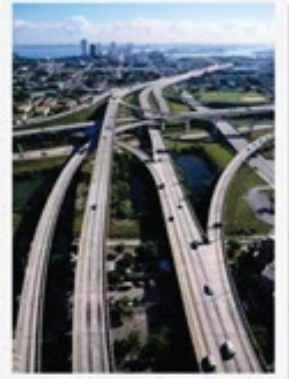
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## ***Public Right of Way - Possessory Interest***

Bradford D. Thompson, MAI, AI-GRS, SR/WA

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A possessory interest in real property results from the possession, a right to the possession, or a claim to a right to the possession of land and improvements that is independent, durable, exclusive of the rights held by others in the property and that provides a private benefit to the possessor. This equates to the leasehold interest in this analysis which is the tenant's possessory interest created by a contractual obligation or lease.

The property type consists of the aerial, surface, and subsurface interests, within the public right of ways, that constitutes a possessory interest, that results from the possession of land and improvements that is independent, durable, exclusive of the rights held by others in the property and that provides a private benefit to the possessor.

Codified case law holds that a **cable television company's right of way in publicly owned real property (for placement of wires, conduits, and related equipment) contained in a cable television franchise or license constitutes a taxable possessory interest.** (*Cox Cable San Diego, Inc. V. San Diego County* (1986) 185 Cal.App.3d 368, and *Stanislaus County v. Assessment Appeals Board* (1989) 213 Cal. App. 3d 1445.)

Valuation of the possessory interest in the public right of way can be accomplished utilizing the Across the Fence (ATF) method which is considered an indirect method, and the Income Capitalization Approach (discounted cash flow) which is considered a direct method.

Within the Sales Comparison Approach, the Across the Fence (ATF) methodology is typically employed for corridor valuation. The Sales Comparison Approach measures the value of the subject by comparing it to recent sales of properties with similar physical characteristics and utility. While no two properties are the same, units of comparison such as the price per square foot of land area can be extracted from the sales. Comparisons are then made to the sales to account for differences in elements of comparison, such as property rights conveyed, market conditions, financing, location, and physical characteristics.

According to the California State Board of Equalization, *Assessment of Taxable Possessory Interests*, AH-510, 2002, a taxable possessory interest may be valued using "direct methods" or "indirect methods". Since cable television company's rights of way in publicly owned real property (for placement of wires, conduits, and related equipment) do not typically sell on the open market, the Across the Fence (ATF) method is considered an "indirect" sales comparison method.

The ATF method is widely used and often required of third parties acquiring rights along (longitudinal) or across (transverse) existing corridors. The ATF method is defined as "A land valuation method often used in the appraisal of corridors. The across the fence method is used to develop a value opinion based on comparison to abutting land."<sup>11</sup>

In the Income Capitalization Approach, a direct capitalization analysis and/or a yield capitalization or discounted cash flow can be employed. In the direct capitalization approach, the market rent for the subject is estimated through an analysis of rental rates in the market area. The Income Approach is a valuation methodology applied to “income producing” properties, i.e., those properties that can be leased out and produce an income stream for the fee owner. A potential gross income for the analysis year is estimated either based on an assignment of market rent as supported and indicated by recent leases in the market area or based on actual income of existing subject leases. Deductions for factors such as vacancy and unreimbursed expenses are made, and then a market-derived rate of return (overall capitalization rate) is applied to the resulting net operating income in order to yield a value indication for the subject.

With a yield capitalization or discounted cash flow (DCF) analysis a discount rate (yield rate) is applied to a set of projected income streams and a reversion. The analysts specifies the quality, variability, timing of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.



# IRWA Annual Tri-Chapter Luncheon

(Tri-Chapters: 1, 57, 67)

**Hosted by Chapter 1 - Los Angeles**

**Tuesday, December 2, 2014**

**11:00 a.m. – 2:00 p.m.**

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**KEYNOTE SPEAKER**

*Anastasia Loukaitou-Sideris*

*Associate Dean, UCLA Luskin School of Public Affairs*

*Professor, Department of Urban Planning*

*Co-Author of the UCLA Parklet Study – “Reclaiming the Right of Way”*

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Includes free day pass to Universal Park & Luncheon  
(see attached registration form and sponsorship form)

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