

VALUATION CASE STUDY INFRASTRUCTURE ACQUISITION

The Challenge

The Province of Nova Scotia's key strategy for reducing greenhouse gas emissions involves replacing fossil fuels for electrical generation with hydroelectric power from Muskrat Falls in Labrador. But that required linking the Nova Scotia Power Corporation (NSPC) grid with Newfoundland's Fortis Inc.'s system, entailing the acquisition of a 200 kilometre long land corridor through both provinces to accommodate the new transmission line. Emera, NSPC's privately owned parent, responded to the challenge and issued an RFP to value and negotiate the acquisition of the properties. Turner Drake were the successful respondents.

Turner Drake's Approach

The project included 130 property owners in Nova Scotia (later increased to 200 when a grounding line was added) together with a further 89 owners in Newfoundland. The properties included single family homes (to be relocated or removed), active agricultural land (cash crops and pasture), passive agricultural land, woodland, gravel pits and recreational land. The exercise was under strict regulatory control and demanded constant and robust management controls. The contract was expanded several times to include access trails, grounding sites and ground line routes, and included on-going support after some expropriation notices had been filed. Our objective was to obtain negotiated settlements with every property owner so we implemented a very open and transparent process. Having identified all of the ownership parcels along the designated route, our Valuation Division conducted base line and where required, site specific appraisals. Our in-house Geographic Information Systems (GIS) team prepared individual acquisition plans (from the site surveys) based on high resolution aerial photographs, so that each owner could clearly determine how their property was impacted. These plans, together with a detailed breakdown of the compensation calculations, were delivered to each property owner. We met each owner on site to explain the compensation formulae, answer questions, alleviate concerns and respond with additional information as requested. Where necessary we commissioned timber cruises from an independent forestry consultant. In addition to acquisition agreements we negotiated access for the geotechnical and tree clearing crews, as well as permanent and temporary access trails. The foregoing also involved liaising with our client's survey, engineering and legal teams on an ongoing basis. Communication with our client was paramount: we hosted weekly meetings, prepared monthly progress reports and identified difficult properties for review and discussion. As we secured agreements with the property owners we prepared the formal documentation, obtained signatures and delivered the final agreements to the client for property transfer and payment of compensation.

Winning Results

The project was completed on time and *below* budget. Although it was necessary to expropriate some properties to clear title and ensure the construction schedule could proceed as planned, agreements were reached with all owners without recourse to court determined settlements.

