CASE STUDY

ENTITLED

THE PROCESS OF DEP & DACS TO CREATE

TIMBER CRUISE / TIMBER APPRAISAL STANDARDS
INTRODUCTION:

The Department of Environmental Protection (DEP), Division of State Lands (DSL), acquires and disposes of lands as directed by the Board of Trustees (BOT) of the Internal Improvement Trust Fund (IITF). The DSL Bureau of Appraisal (BA) obtains appraisals for use in the land acquisition program of the BOT of the IITF. The BA hires independent fee appraisers to conduct appraisals and appraisal reviews. Land is acquired for various state agencies and programs based on these appraisals. The Department of Agriculture & Consumer Services (DACS), Division of Forestry (DOF) contributes to this effort through their Land Acquisition Section (LAS) which overseas essential functions of acquisition and management of state lands as well as provide support to other state agencies in their effort to acquire and manage forested timberlands. Establishment of timber cruises and a timber appraisal specification for all state land acquisition is a responsibility of LAS as well as the review and approval of the timber cruise (which is defined as a forest survey to locate and estimate the quantity of timber on a given area according to species, size, quality, possible products, or other characteristics) and timber appraisals (which is defined as the valuation of timber on a particular tract of land) be for compliance with specifications for state land acquisitions.

This case study will examine how two state agencies DEP-DSL & DACS-DOF coordinated a plan and worked with private sector industry appraisers and forestry consultants to develop procedural and reporting standards for Timber
Cruise & Timber Appraisals for the state of Florida as well as outline the process used to accomplish this task.

**NATURE OF THE DISPUTE:**

Since the inception of the state purchasing land acquisition program (currently called Florida Forever) numerous pieces of property have come through the BA for appraisal services. The four primary stakeholders or parties involved in the process are: DEP-BA, DACS-DOF, private sector fee appraisers and forestry consultants. The DOF and the BA share responsibility for the development and quality of the timber appraisal product. BA has the overall responsibility for project management of the fee appraisal and contracting for any timber cruise and timber appraisal, necessary to the successful completion of a fee appraisal of forestland. In reviewing appraisal reports with timber cruise appraisals the BA realized that the hired fee appraisers were not always using standardized methods and procedures for valuing timber as part of total appraised property value. Some fee appraisers in their reports would incorrectly value timber, would address the timber component, while others would not address it at all, and some would address it incorrectly. This became a problem when it came time for the agency's land acquisition section to handle closing negotiations, because the appraised value would be miscalculated and therefore found invalid.

The DOF is responsible for reviewing timber cruise appraisals and for overseeing the hiring of forestry consultants. The private industry of appraisers
and forestry consultants view valuing of land and timber differently than do the state agencies. Thus differences of views and opinions persisted amongst the state agencies and the private entities. All four parties follow some form of ethnical or professional standards, which govern their work. Due to a lack of communication amongst the parties, no consistent framework or standards were ever established. This lack of communication and understanding helped create avoidable conflicts at times. The fee appraisers and the forestry consultants viewed certain items differently. Both the fee appraisers and the forestry consultants evaluate and appraise different aspects of a property, and so at the end of the process it becomes the fee appraisers responsible to properly incorporate this component into the final appraisal (unfortunately this was not the case in most of the situations). So when the BA would receive and review appraisal reports they’d found discrepancies that needed to be explained. In 1994, and 2001, DOF created some mini guidelines in which were called "Timber Cruise and Appraisal Specification for addressing these issues but they were never fully implemented.

Due to this, the DEP-BA felt that there was a need for some guidelines and standards to be implemented. So DEP-BA decided that it was necessary for them to work with DOF to create some sort of procedural standards for the fee appraisers and the forestry consultants to use in preparing the timber cruise appraisals. This of course created some problems initially amongst the four parties involved. The DSL-BA wanted to improve overall communication between the parties, see standardized procedures, incorporate consistency
measures, and wanted to improve the quality of the appraisal reports; the DOF also wanted to improve communication but felt that revamping the current system would create extra red tape and make the turn around time for the product longer and the agency was against more paperwork and longer timeline for products (as it stands it currently takes 1 ½ months to get a finished timber cruise appraisal and about three months for full appraisals depending on the size and location of the project); the fee appraisers wanted access to critical data and information and also requested accountability measures be in place because, their believed that they were being blamed for the forestry consultants lack of professionalism and work effort; while the forestry consultants didn’t see any real problems or the need for changes and felt that doing this would add to their work demand and make their jobs more difficult.

Thus the main issues became how do you improve communication amongst the parties, how could you create consistency in the products, how could you reduce the paper work and decrease the product timeframe, how could you formulate accountability measures, how do you foster active involvement and participation, and how do get every party working on the same page so that you can create an useful manual of standards and procedures for timber cruise appraisals that everyone in the state could use and apply? All of these issues needed to be addressed and dealt with before an agreement could be met.
CASE HISTORY:

In order to address these problems and concerns both DEP-BA and DACS-DOF staff members held individual departmental meetings with their department heads and agreed to jointly work and strategize a plan to get the desired manual created within a given timeframe. The parties realized that a quick fix approach to the problem would not adequately address the problem. The agencies wanted to see something finalized before the end of the June fiscal year deadline so that any expenditures encountered would come out of this year’s budget. Both state agencies agreed the manual needed to be created but they were not sure on how to determine what needed to be included. So the first phase of the process that they agreed upon was to have a non-affiliated outside forester consultant analyze several reports identified as either appraisals of timberland or timber cruise appraisals and determine the weaknesses and deficiencies. The DEP-BA paid for Dr. Steve Burak of Sizemore & Sizemore – Forest Appraisal, Analysis, and Management, in Tallassee, Alabama to prepare the desired analysis and evaluation. After the analyses was received from Dr. Burak both agencies worked to create statements addressing their concerns and prepared to hold a timber appraisal workshop for those parties interested in doing appraiser work for the two agencies at the DOF facility in Tallahassee. It was the vision of both agencies, that involving all affected parties would help foster better communication amongst the parties and produce a product that everyone across the state could use in doing appraisal work for the state.
A letter was drafted by DEP-BA and sent out to some 100 stakeholders outlining the purpose of the workshop and the agenda for the first meeting. The initial meeting enlisted a non-partisan recorder and moderator. The moderator (who had experience in facilitation) served the role as the mediator and proceeded to direct and guide the meeting. The moderator briefly introduced himself, the purpose of the meeting, and gave the ground rules and guidelines. From there the meeting preceded with opening statements from each governmental agency defining the problem. Some of the items discussed in Mr. Burak’s report were mentioned in this opening statement address (however the findings in the report were never fully disclosed to the other stakeholder parties). An open discussion forum was followed. Anyone who presented an idea or concern was asked to identify themselves or the parties they represented for the record. The objective of this meeting was to identify the main problems and concerns. There were identified as: lack of accountability, lack of standards, procedures and consistency, communication barriers, too lengthy of a process, no real sharing of information and data, and lack of quality finished product. The recorder documented all relevant ideas, copies of these documents were sent to all interested parties via email. Also at this time two committees were formed representing members from both state agencies and from each of the professional disciplines involved. From this point forward no moderator or recorder was used, the responsible of getting the task accomplished became the sole responsibility of the committee members. A spokesperson was designated from within each committee group. Also it should be mentioned that the parties
were very amicable to one another and therefore no longer felt the need for a moderator.

At the next meeting the committees were broken down into smaller subcommittees (it was the thinking that smaller groups would be more effective at the task at hand). The subcommittees served to address the input need from each discipline. The objective for the subcommittees at this meeting was to review the document prepared from the previous meeting input and seek consensus on a list of possible standards to submit to the committee at the next scheduled meeting. (This was the point in the process where the conflict was analyzed as discussed in the Carpenter textbook chapter four). This entailed that each subcommittee member actively listen to one another and make suggestions and offer options based on principled bargaining methods (which were outlined by the moderator in his introduction to the group in the initial meeting). It was up to the subcommittee to work out any differences based on their interests and not positions (this part of the process included concepts taken from the Circle Chart found in Fisher & Ury chapter four).

At the next meeting the whole committee met and presented the suggestions prepared from the two subcommittees. Once again an opportunity was given for questions and issues to be discussed. From this meeting the standards were formulated and a draft manual was created and prepared by the DEP-BA staff with input from DACS-DOF. The next meeting was scheduled for three weeks later giving each committee member time to talk to some of their fellow party members, and time to make any further changes or edits. When the
next meeting resumed the final edits of the standards was finished. It was now time for the committee to discuss procedural implementation of the standards. At this point in the process the committee had been involved with this project for a couple of months, everyone involved was pleased with the progress made and so therefore all sides mutually agreed that this part of the project should not be as cumbersome as the last and opted for short detailed guidelines. The committees brainstormed and agreed based on consensus upon what the procedural manual would entail. Also at this time the committee establishes an outline detailing how long the timber cruise appraisal report should take to complete.

After a number of conversations with committee members and stakeholders, language rewrites, and edits to the document from the committee members via email, the manual was prepared by DEP-BA and was finally approved and signed off on by both Division Directors of the DACS/DOF and the DEP/DSL. The procedural and reporting standards for timber cruise and timber appraisals for the state had finally been developed. The manual was sent to a number of stakeholders who participated in the initial meetings, all committee members, and other interested parties who had requested copies of the manual. The committee took into consideration that the standards in the manual are the first of its kind in the state and therefore realized the need to consider that corrections and adjustments may need to be made at a later date. So the committee agreed to review the standards and see how they were being implemented in two years. At that point if the state agencies or either private
sector industry using the standards had any problems or suggestions they could be discussed at a scheduled committee meeting. During this point, the communication amongst the parties greatly improved and information was being more readily available and shared.

**OUTCOMES:**

After a six month period beginning in November 2003, the timber cruise manual was created and distributed April 2004. The process was considered a success for all parties involved. Some of the measurable outcomes included the following: uniform consistency measures identified, better understanding of each professions role in the process, greater exchange of resources and data, increased lines of communication established among the four stakeholders, large amounts of involvement and participation of all parties throughout the process, decreased turnaround time for producing finished appraisals, and better overall quality of appraisal reports. The success of this process has made it easier for the parties involved to work together in the future on other projects, it helped to identify strengths and weakness of each party, and it established an applicable problem solving framework that can be applied to other situations.
CONCLUSION:

The big challenges presented in this project was getting all the stakeholders involved to communicate effectively with one another, to share information, build a better working relationship, and also to get all parties to contribute equally to the process so that no one side would feel more or less included or left out. All of these items were address and thus an agreement was reached and a manual was finalized. Initially the fee appraisers wanted accountability and forestry consultants did not see the need for the standards because they felt that the current process was effective and they didn’t want more stringent rules governing their work. It was the responsible of the state agencies to sell this idea of setting procedural guidelines and standards as a win-win situation. The idea was not to create more work or create stricter guidelines (because professional ethics and standards were already in place that govern their work) but, instead it was to help foster understanding, and better working relationship between the parties involved so that the appraisal reports submitted and used for acquisition purposes were more valid, efficient in there assumption, and uniform in there framework. This framing of the challenge gave everyone a common focus.

One of the main reasons a solution was found is because of the process involved, meaning everything was done professionally, everything was well organized and outlined throughout, and lines of communication were effectively used. Also there was never a real issue over power and control, in part because DEP-BA initiated the process and paid the majority of the expenditures. So it was
as if it was an understood assumption that DEP-BA was running the show and would therefore make the important decisions.

From this case I’ve learned that if all parties are amicable with one another that problems can be handled without the use of a facilitator and also that problems can be handled in a short timeframe (as in this case where it only took six months). From the onset once the problems were identified and the committees were designated it became fairly simple to keep things moving towards mutual agreements. The moderator and staff managing the process effectively used collaborative techniques so an outside facilitator was not needed. This case was never an issue of like or disagree or of positions but, instead an issue of establishing some common grounds from which to work with.

References

**Drakes, Kerry.** Senior Appraiser for DEP. Interview on June 6th 2004.


Timber Cruise/Timber Appraisal (TCTA) Standards, (April 2004), Florida Department of Environmental Protection & Department of Agriculture & Consumer Service.