U.S. Department of Transportation
**Federal Highway Administration**

**California Division**

650 Capitol Mall, Suite 4-100
Sacramento, CA 95814
(916) 498-5001
(916) 498-5008 (fax)

April 22, 2014

In Reply Refer To:
HDA-CA

Mr. Malcolm Dougherty
Director
California Department of Transportation
1120 N Street, MS-49
Sacramento, CA 95814

Attention: Brent Green

SUBJECT: Incentive Payment Program Request

Dear Mr. Dougherty:

Thank you for your letter dated April 10, 2014 requesting expanded statewide authority to use acquisition incentive offers. The California Department of Transportation's (Caltrans) recent pilot projects utilizing incentive offers have increased and expedited settlement rates as well as overall property owner satisfaction. The results demonstrated overall project cost and time savings.

After review of your April 4, 2014 Acquisition—Incentive Payment Program Memorandum to the District Directors and District/Region Chiefs, Right of Way, we believe that sufficient controls and safeguards are in place to protect property owners from coercive negotiation practices. The use of acquisition incentive offers will not reduce any protection or assistance provided to entitled property owners.

We approve your request for expanded authority to use acquisition incentive offers statewide. This approval is contingent upon fair and equitable treatment of all property owners impacted by Federal-aid projects. We appreciate your collaborative efforts and cooperation in adopting this Every Day Counts innovation to help expedite project delivery. Please contact Melani Millard at Melani.Millard@dot.gov or 916-498-5056 with any questions.

Sincerely,

For: Vincent P. Mammano
Division Administrator

cc: (email)
Brent Green, Caltrans