The Acquisition Incentive Program (AIP) has been established to provide property owners with a time sensitive incentive to accept the State of Alaska Department of Transportation & Public Facilities’ (DOT&PF) offer of just compensation. This guide provides a brief explanation of the AIP as well as the calculation breakdown for your incentive.

Incentives are based upon the approved just compensation listed in DOT&PF’s purchase offer. Incentives will be held open for 90 days from the date the offer is made. The date the offer is made is either the date the AIP Acknowledgement is signed and dated for in person offers or the date the certified mail receipt was signed for mailed offers. Negotiations conducted after the expiration date of the incentive will be based on established just compensation without consideration of an incentive.

When there are multiple acquisitions from the same parent tract (e.g.; a fee and an easement), the incentive is based on the total just compensation established on the Reviewers Determination. If an administrative settlement is negotiated the incentive amount will be based solely upon the just compensation amount. When parcels on the incentive eligible projects must be acquired by eminent domain, the condemnation suit will be filed based on approved just compensation. The incentive amount will not be included.

Homeowners, who are eligible for a replacement housing payments (RHP), will have calculations based on the amount determined to be just compensation. The incentive will not be considered in the calculation and will not offset the amount of the RHP.

### AIP Calculation Table

<table>
<thead>
<tr>
<th>Where the Just Compensation is:</th>
<th>the Incentive payable is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $0 But Not Over $1,000</td>
<td>Base $1,000 + $0</td>
</tr>
<tr>
<td>$1,000</td>
<td>$1,000 + [83.3% x (Just Compensation - $1,000)]</td>
</tr>
<tr>
<td>$2,500</td>
<td>$2,250 + [70% x (Just Compensation - $2,500)]</td>
</tr>
<tr>
<td>$5,000</td>
<td>$4,000 + [50% x (Just Compensation - $5,000)]</td>
</tr>
<tr>
<td>$7,500</td>
<td>$5,250 + [45% x (Just Compensation - $7,500)]</td>
</tr>
<tr>
<td>$10,000</td>
<td>$6,375 + [40% x (Just Compensation - $10,000)]</td>
</tr>
<tr>
<td>$20,000</td>
<td>$10,375 + [35% x (Just Compensation - $20,000)]</td>
</tr>
<tr>
<td>$30,000</td>
<td>$13,875 + [32.5% x (Just Compensation - $30,000)]</td>
</tr>
<tr>
<td>$100,000</td>
<td>$36,625 + [30% x (Just Compensation - $100,000)]</td>
</tr>
<tr>
<td>$300,000</td>
<td>$96,625 + [25% x (Just Compensation - $300,000)]</td>
</tr>
<tr>
<td>$513,500</td>
<td>$150,000 + $0</td>
</tr>
</tbody>
</table>

**SAMPLE CALCULATION:**

Just Compensation: $150,000
Calculation: $36,625 + [30% x ($150,000 - $100,000)] = $51,625
Total AIP Compensation: $51,630 (rounded)
ACKNOWLEDGMENT
Regarding Acquisition Incentive Program

IN PERSON OFFER:
By signing this document I understand that I am participating in the State of Alaska Department of Transportation and Public Facilities (DOT&PF) Acquisition Incentive Program (AIP). The AIP will expire 90 days from when this AIP Acknowledgement is signed. Negotiations conducted after the expiration date of the AIP Acknowledgement will be based on established just compensation without consideration of an incentive. DOT&PF reserves the right to change the AIP amount based on any changes to the just compensation amount. Based on the signature date below the AIP expires: ____________________.

__________________________________________________________________________  __________________________
Signature/Title  Date

or

MAILED OFFER:
By signing this document I understand that I am participating in the State of Alaska Department of Transportation and Public Facilities (DOT&PF) Acquisition Incentive Program (AIP). The AIP will expire 90 days from when the certified mail receipt is signed. Negotiations conducted after the expiration date of the AIP will be based on established fair market value just compensation without consideration of an incentive. DOT&PF reserves the right to change the AIP amount based on any changes to the just compensation amount. My signature below will act as my acknowledgement for participating in the program.

__________________________________________________________________________  __________________________
Signature/Title  Date

OFFICIAL USE:
Certified Mail Receipt Date: __________________________

The AIP Expires: __________________________
AGREEMENT has been reached this __________ day of ____________________________, 20____, between ____________________________________________________________, owner(s) of the above designated parcel and the STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (DOT&PF), for the purchase of said parcel under the terms of the Acquisition Incentive Program. The amount to be paid, and other considerations to be given in full satisfaction of this Agreement, are as follows:

**Acquisition Incentive Program (AIP) Compensation:**

Just Compensation: $________________

Plus Incentive (using AIP Calculation Table on Page 1 of this form):

\[ \text{Just Compensation} + \left[ \text{Percent} \times (\text{AIP Compensation} - \text{Just Compensation}) \right] = +$\____________

**Total AIP Compensation if completed by \__________**: $\____________

Damages are a consideration: □ yes □ no  Amount of Damages $\__________ included in total compensation.

1. Taxes and Special Assessments, if any, delinquent from former years, and Taxes and Special Assessments for the current year, if due and/or payable, shall be paid by the owner.
2. This Memorandum embodies the Acquisition Incentive Program Agreement between the parties hereto as it pertains to the real estate, and there are no promises, terms, conditions or obligations referring to the subject matter hereof, other than as contained herein.
3. The owner hereby agree that the compensation herein provided to be paid includes only the incentive portion for their interest and the interests of their life tenants, remaindermen, reversioners, liens and lessees, and any and all other legal and equitable interest that are or may be outstanding and said owner agree to discharge the same.
4. THIS AGREEMENT shall be deemed a CONTRACT, extending to and binding upon the parties hereto and upon the respective heirs, devisees, executors, administrators, legal representative, successors and assigns of the parties, only when the same shall have been approved by the Regional Chief Right-of-Way Agent on behalf of DOT&PF.

Other Conditions: The Incentive program will expire 90 days from receipt of offer package established when the offer is presented or a certified mail receipt has been signed. Negotiations conducted after the expiration date of the Acquisition Incentive Program will be based on the established Just Compensation without consideration of an Incentive, rendering this document null and void.

Of the total amount of compensation hereinabove agreed upon, the sum of $\__________ shall be paid upon execution and delivery of a good and sufficient: □ Warranty Deed □ Easement or □ Other Temporary Construction Permit, within the stated time and the balance of the compensation, amounting to $\__________ shall be paid upon compliance by the owner with the terms hereof and the Memorandum of Agreement for the acquisition of the parcel.

Disbursement of funds will be made in the following manner:

<table>
<thead>
<tr>
<th>Amount of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$____________</td>
</tr>
</tbody>
</table>

The Owner certifies that there are no known hazardous materials on the property.
The terms of this Agreement are understood and assented to by us and payment is to be made in accordance with the above.

DOT&PF: 

Company: 

______________________________  _____________________________  ________________
REGIONAL PRE-CONST. ENG.  Date  Name/Title  Date

Note: Regional Pre-Construction Engineer or Designee must sign when construction consideration is involved

BY: 

______________________________  ________________
Right-of-Way Agent  Date

APPROVED FOR PAYMENT AS ABOVE

______________________________  ________________
REGIONAL RIGHT-OF-WAY CHIEF  Date

Region: ______________________