

you're going to build a highway, and the highway right of way, for example, an interstate right of way is usually... they try to build it in a straight line, so consequently as they go through part of the inner city, they go in a straight line and they bump into public as well as privately owned real estate. Now let me go one step further than that though, and tell you that there are five different safeguards that are attached to and an integral part of functional replacement. The first one of them would be the property to be replaced as in the public ownership. In other words, it's publicly owned. Number two, state law permits the incurrence of functional replacement costs. In other words, state law has adopted this concept as one in the state statutes as I mentioned before, and then the federal highway administration has concurred that the functional replacement is in the public interest, or in other words there is a public need for that specific property. Then the federal highway administration has granted prior authorization to proceed on such a basis and costs have actually been incurred, and then last is, the replacement sites and construction are in compliance with existing codes, laws, and zoning regulation of that specific area. So all those five safeguards have to be met at the same time they use functional concept.

SENATOR BEUTLER: One of the major problems I have with this entire concept is the fact that it talks about the Department of Roads being able to provide facilities of equivalent utility. If you think about that for a minute, if you're talking about replacing a rundown commercial establishment that's largely depreciated, which may not be worth much, but under this law you could replace it with a brand new building, as I read it, that could be of very great value, and if the Department of Roads finds that in the public interest, that can be done. Is that not correct, Senator Goodrich?

SENATOR GOODRICH: I'm not sure I understand what you're driving at. You're saying, for example, that if it's an older piece of property that's depreciated down, so consequently the local entity would be...could be getting an undue benefit as a result of getting a new piece of real estate for replacement of the old rundown property. Is that what you're saying?

SENATOR BEUTLER: Yes, if you have a fifty year old school, could the Department of Roads under this law build a new school for the community?

SENATOR GOODRICH: For the value...to the value, to the