ITEM <u>39</u>

OFFICE OF THE CITY MANAGER DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-054 FEBRUARY 5, 1996 AGENDA

| SUBJECT: | TYPE: | PREPARED BY: | SUBMITED BY: |
|--|---|--|----------------------------------|
| ORDINANCE REVISION— SPECIAL ASSESSMENT VALUATION COMMITTEE | Resolution Ordinance Receive/File | Harold Smith Engineering Department | ERIC A. ANDERSON CITY MANAGER |

SYNOPSIS -

An ordinance amending the method of appointment of the Special Assessment Valuation Committee has been prepared. It is proposed that the City Council annually approve and certify a list of up to ten qualified persons. The City Council would thereafter approve, at the time of each project informal hearing, the final three-person Valuation Committee for that project.

FISCAL IMPACT -

N/A.

RECOMMENDATION -

Approval of the ordinance amendment.

BACKGROUND -

On August 15, 1994, the City Council accepted the resignation of Eugene C. Porter from the Special Assessment Committee. At that time, the Engineering and Legal Departments implemented a study to determine the most appropriate method to replace Mr. Porter. In the interim, the Special Assessment Valuation Committee has continued work as needed with the two remaining members.

As part of the special assessment process, §384.46 of the *Code of Iowa* requires the City Council to determine the valuation of each lot within the proposed assessment district. A valuation must be the present fair market value of the property with the proposed public improvement completed. As an aid in determining valuations, the City Council may appoint a committee of three persons skilled in the knowledge of real estate values within the City to appraise the present fair market value of each lot within a district and to file a written report of its appraisals with the City Council.

Chapter 18, Subchapter 2, of the Municipal Code of the City of Des Moines, establishes duties, qualifications of members, and compensation for service for the Valuation Committee. Members are currently appointed by the City Council on a rotation basis for a one-year term, although members may be reappointed. Members currently receive hourly compensation at the rate of \$25.75. Committee members are also expected to meet as a committee and begin work on a project within five business days of notification, and to work diligently until the project valuation work is completed.

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The Municipal Code of the City of Des Moines, §18-9 Qualifications of Members, states that members of the Valuation Committee shall be persons skilled in the knowledge of real estate values within the City and possess the qualifications that will justify the reception of their testimony in Polk County District Court as experts upon real estate valuations, if necessary. In December 1994, staff solicited Statements of Interest from experienced individuals to serve in a part-time capacity as a member of the Des Moines Special Assessment Valuation Committee, and identified the minimum requirements for Valuation Committee Members as follows:

Possession of a valid Iowa Motor Vehicle Operator's license; Possession of a valid Real Estate Broker's license issued by the State of Iowa; and Three years of experience in appraising residential and/or commercial property.

At that time, the response was very limited, and more individuals were needed to serve on this committee. In September 1995, staff again solicited Statements of Interest from experienced individuals to serve in a part-time capacity as a member of the Special Assessment Valuation Committee. From these two solicitations, five Statements of Interest were received.

The proposed code change would allow staff to recommend to the City Council a list of qualified candidates for approval by Council annually. From this Council-approved list, staff would recommend to Council the Valuation Committee to be appointed for each specific assessment project. Those appointments would be made by the City Council at the time of the Informal Hearing on the project and would be based on:

- The experience of the qualified candidate (residential or commercial) and the composition of the properties to be assessed.
- The availability of the approved, qualified candidates, and the time deadline for completion of valuations and presentation to City Council.

Upon approval of this ordinance, staff will present for Council approval the minimum qualifications for Valuation Committee Members and a list of those qualified candidates.