

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**99-406**

**SYNOPSIS -**

**AGENDA:**

SEPTEMBER 13, 1999

**SUBJECT:**

POLICY  
REGARDING  
APPRAISAL OF  
PROPERTY AND  
ESTABLISHMENT  
OF JUST  
COMPENSATION  
FOR ACQUISITION  
OF PROPERTY

**TYPE:**

**RESOLUTION**  
APPROVING  
RECEIVE/FILE

**SUBMITTED BY:**

FLOYD BENTZ, P.E.  
CITY ENGINEER

The State of Iowa recently adopted House File 476, which requires an acquiring agency to provide an appraisal to determine Just Compensation for real property to be acquired. In cases involving the acquisition of property with a low fair market value, such appraisal requirements may be waived. The attached policy provides that the City will require appraisals for acquisition of all real property when estimated value of compensation, to be paid the owner, exceeds \$10,000. In such cases, the City Council will establish the Fair Market Value based upon such appraisals.

House File 476 provides that for the acquisition of real property involving a low fair market value, the acquiring agency may prescribe a procedure to waive the appraisal in determining Just Compensation. The proposed policy provides that where compensation to be paid the owner for acquisition of real property is estimated to be \$10,000 or less, a compensation estimate will be prepared by the Right-of-Way (ROW) staff to establish the value of the compensation to be paid. This method is similar to what the Iowa Department of Transportation (IDOT) has adopted as its policy for determining the value of compensation to be paid for parcels with low market value. The proposed policy provides that the City Manager shall approve the fair market value for properties of values of \$10,000 or less as determined by the compensation estimates.

The policy also provides that the appraisal information and compensation estimates be provided to the property owners in accordance with House File 476.

**FISCAL IMPACT -**

There will be increased costs to the City for complying with recently adopted House File 476. Approval of this Council policy will help hold those costs down by allowing the City

Manager to administratively approve fair market value on those acquisitions of properties where the estimated compensation is \$10,000 or less.

**RECOMMENDATION -**

**Approval.**

**BACKGROUND -**

The City currently uses appraisals and compensation estimates to determine the value of Just Compensation for acquisition of real properties. This policy establishes when appraisals are required, when compensation estimates may be utilized, and who approves fair market value. It also establishes policy for release of appraisals, appraisal information, and compensation estimates to the property owners.