

**CITY COUNCIL  
COMMUNICATION:**

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

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

**99-511**

**SYNOPSIS -**

**AGENDA:**  
  
NOVEMBER 15, 1999

The City currently uses appraisals and compensation estimates to determine the value of Just Compensation for acquisition of real properties. The City Council approved a policy on September 13, 1999, by Roll Call No. 99-2888, that establishes when appraisals are required, when compensation estimates may be utilized, and who approves fair market value. It also establishes a policy for release of appraisals, appraisal information, and compensation estimates to the property owners.

**SUBJECT:**  
  
AMENDMENT OF  
CITY CODE FOR  
SETTING FAIR  
MARKET VALUE  
AND ACQUISITION  
OF PROPERTY FOR  
AIRPORT PURPOSES

The Legal Department recommended to the Airport Board that they:

- approve a new policy regarding the appraisal of property and the establishment of just compensation for property acquisition in conjunction with public improvements for the Des Moines International Airport; and
- seek an amendment to the City Code to clearly establish that the Airport Board has the ability to establish fair market values and to delegate the responsibility to establish fair market values for properties of low value to the Aviation Director.

**TYPE:**  
  
RESOLUTION  
**ORDINANCE**  
RECEIVE/FILE

**SUBMITTED BY:**  
  
WILLIAM F.  
FLANNERY  
AVIATION  
DIRECTOR

The suggested change to the City Code being recommended by the Legal Department is as follows:

**2-362.03. POWERS AND RESPONSIBILITIES OF THE BOARD.**

The board, except as otherwise herein provided, shall have the authority to govern the operation of the Des Moines International Airport, including but not limited to the following powers and responsibilities:

...

(xiv) Acquire by voluntary sale or gift property interests as necessary to implement the Airport Noise and Land Use Compatibility Plan or other plan approved by the board. The board shall establish the fair market value on all property interests to be acquired by the Airport, except that it may delegate to the Aviation Director the establishment of fair market value on property acquisitions of \$2,500 or less in value. All such acquisitions shall be accepted and approved by the city council.

#### **FISCAL IMPACT -**

There will be increased costs to the City and Airport for complying with recently adopted House File 476.

#### **RECOMMENDATION -**

**At their meeting on October 5, 1999, by Resolution No. A99-343, the Airport Board approved a "Policy Regarding the Appraisal of Property and the Acquisition of Property or Property Interests in Conjunction with Public Improvements for the Des Moines International Airport, and Regarding the Release of Appraisals, Appraisal Information, and Value Findings" and recommended that the City Council amend the City Code as detailed herein. It is further recommended that the City Council waive the additional readings of this ordinance change so that the Airport Board can continue to promptly establish fair market values on needed Airport property acquisitions.**

#### **BACKGROUND -**

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 Airport Board's policy provides that when compensation is to be paid to the owner for acquisition of real property estimated to be \$2,500 or less, a compensation estimate will be prepared by the Right-of-Way (ROW) staff to establish 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 policy provides that the Aviation Director shall approve the fair market value for properties with values of \$2,500 or less as determined by the compensation estimates. This policy is consistent with the one adopted by the City Council, except that the City Manager may establish fair market values for properties of values of \$10,000 or less.

The policy also provides that the appraisal information and compensation estimates are to be provided to the property owners in accordance with House File 467.