

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-528

SYNOPSIS -

AGENDA:

DECEMBER 6, 1999

SUBJECT:

AIRPORT BOARD
POLICY
REGARDING
SETTING FAIR
MARKET VALUE
AND ACQUISITION
OF PROPERTY FOR
AIRPORT PURPOSES

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. The City Council, on November 15, 1999, by Roll Call No. 99-3523, approved an ordinance allowing the Airport Board to establish fair market values for property acquisition in conjunction with public improvements for the Des Moines International Airport. The ordinance approved by the City Council also allowed the Airport Board to delegate to the Aviation Director the ability to establish fair market values for properties of low value.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

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

SUBMITTED BY:

WILLIAM
FLANNERY
AVIATION
DIRECTOR

RECOMMENDATION -

It is recommended that the City Council receive and file the "Policy Regarding the Appraisal of Property Interests in Conjunction with Public Improvements for the Des Moines International Airport, and Regarding the Release of Appraisals, Appraisal Information, and Value Findings."

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 where compensation to be paid the owner for acquisition of real property is estimated to be \$2,500 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 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.