

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

RESOLUTION NO. 28

A RESOLUTION OF THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE ADOPTING APPRAISAL AND ACQUISITION POLICIES.

WHEREAS, Acquisition of property by the Urban Renewal Agency is guided by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended in 1987; and

WHEREAS, 49 CFR Part 24 Subpart B requires the Urban Renewal Agency develop minimum standards for appraisals consistent with established and commonly accepted appraisal practice; and

WHEREAS, the Urban Renewal Agency Appraisal and Acquisition Policies attached as Exhibit 'A' are consistent with these regulations and The Year 2000 Plan, the Urban Renewal Plan for the City of Wilsonville.

NOW, THEREFORE THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. That the Appraisal and Acquisition Policies attached as Exhibit 'A' are hereby adopted consistent with The Year 2000 Plan and in compliance with federal regulation.

ADOPTED by the Urban Renewal Agency Board of the City of Wilsonville at a regular meeting thereof this 18th day of December, 1995, and filed with the Wilsonville City Recorder this date.



GERALD A. KRUMMEL, Chairman

ATTEST:



Sandra C. King, Agency Secretary

SUMMARY OF VOTES:

Chairman Krummel	Yes
Ms. Lehan	Yes
Ms. Hawkins	Yes
Mr. Leahy	Excused
Ms. Leo	Yes

APPRAISAL AND ACQUISITION POLICIES

CITY OF WILSONVILLE URBAN RENEWAL AGENCY

I. Basic Acquisition Policies.

- A. Expeditious acquisition. The agency shall make every reasonable effort to acquire the real property expeditiously by negotiation.
- B. Notice to owner. As soon as feasible, the owner shall be notified of the agency's interest in acquiring the real property and the basic protections, including the agency's obligation to secure an appraisal.
- C. Appraisal, waiver thereof, and invitation to owner.
 - (1) Before the initiation of negotiations, the real property to be acquired shall be appraised, except as provided in (2) below, and the owner or the owners designated representative shall be given an opportunity to accompany the appraiser during the appraiser's inspection of the property.
 - (2) An appraisal is not required if the owner is donating the property and releases the agency from this obligation, or the agency determines the appraisal is unnecessary because the evaluation problem is uncomplicated and the fair market value is estimated at \$2,500 or less based on review of available data.
- D. Establishment and offer of just compensation. Before the initiation of negotiations, the agency shall establish an amount which it believes is just compensation for the real property. The amount shall not be less than the approved appraisal of the fair market value of the property, taking into account the value of allowable damages or benefits to any remaining property. Provided, however, the fact that the property to be acquired is subject to a public acquisition shall not, of itself, affect the

valuation of the property to be acquired. Promptly thereafter, the agency shall make a written offer to the owner to acquire the property for the full amount believed to be just compensation.

E. Summary statement. Along with the initial written purchase offer, the owner shall be given a written statement of the basis for the offer of just compensation, which shall include:

- (1) A statement of the amount offered as just compensation. In case of a partial acquisition, the compensation for the real property to be acquired and the compensation for damages, if any, to the remaining real property shall be separately stated.
- (2) A description and location identification of the real property and the interest in the real property to be acquired.
- (3) An identification of the buildings, structures and other improvements (including removable building equipment and trade fixtures) which are considered to be part of the real property for which the offer of just compensation is made. Where appropriate, this statement shall identify any separate ownership interest in the property, e.g., a tenant-owned improvement, and indicate that such interest is not covered by the offer.

The agency need not provide a copy of the agency appraisal to the owner.

F. Basic negotiation procedures. The agency shall make reasonable efforts to contact the owner or the owner's representative and discuss its offer to purchase the property, including the basis for the offer for just compensation; and explain its acquisition policies and procedures, including its payment of incidental expenses incidental to transfer of title to the agency.

- (1) Expenses incidental to transfer of title to the agency include the following: reasonable expenses necessarily incurred by the real owner of the real property in connection with the transfer of title to the agency. Such expenses shall include the following:

- a) Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal description of the real property, and similar expenses incidental to conveying the real property to the agency. However, the agency is not required to pay costs solely required to perfect the owner's title to the real property;
 - b) Penalty costs and other charges for prepayment of any pre-existing recorded mortgage entered into in good faith encumbering the real property; and
 - c) The pro-rata portion of any pre-paid real property taxes which are allocable to the period after the agency obtains title to the property or effective possession of it, whichever is earlier.
 - d) Whenever feasible, the agency shall pay these costs directly so the owner will not have to pay such costs and then seek reimbursement from the agency.
- (2) The owner shall be given reasonable opportunity to consider the offer and present material which owner believes is relevant to determining the value of the property and to suggest modification in the proposed terms and conditions of the purchase. The agency shall consider the owner's presentation.
- G. Updating offer of just compensation. If the information presented by the owner, or a material change in the character or condition of the property, indicates the need for new appraisal information, or significant delay has occurred since the time of the appraisal(s) of the property, the agency shall have the appraisal(s) updated or obtain a new appraisal(s). If the latest appraisal information indicates that a change in the purchase offer is warranted, the agency shall promptly re-establish just compensation and offer that amount to the owner in writing.
- H. Coercive action. The agency shall not advance the time of condemnation or defer negotiations or condemnation or the deposit of

funds with the court, or take any other coercive action for the sole purpose of inducing an agreement on the price to be paid for the property.

- I. Payment before taking possession. Before requiring the owner to surrender possession of the real property, the agency shall pay the agreed purchase price to the owner, or in the case of a condemnation, deposit with the court, for the benefit of the owner, an amount not less than the agency's approved appraisal of the fair market value of such property, or the court award of compensation in the condemnation proceeding for the property. With the prior approval of the owner, the agency may obtain a right of entry for construction purposes before making payment available to an owner.
- J. Uneconomic remnant. If the acquisition of only a portion of the property would leave the owner with an uneconomic remnant, the agency shall offer to acquire the uneconomic remnant along with the portion of the property needed for the project.
- K. Inverse condemnation. If the agency intends to acquire any interest in real property by exercising the power of eminent domain, it shall institute formal condemnation proceedings and not intentionally make it necessary for the owner to institute legal proceedings to prove the fact of the taking of the real property.
- L. Fair rental. If the agency permits a former owner or tenant to occupy the real property after acquisition for a short term or a period subject to termination by the agency on short notice, the rent shall not exceed the fair market rent for such occupancy.

II. General Appraisal Standards.

A. The format and level of documentation for an appraisal depends upon the complexity of the appraisal problem. The appraiser shall confer with agency staff and inform whether particular appraisals will be minimum or detailed appraisals. In addition, appraisers shall confer with agency counsel on legal questions affecting the valuation of real property.

B. Minimum appraisal standards.

(1) Minimum appraisal standards shall apply to those acquisitions which, by virtue of their low value or simplicity, do not require the in-depth analysis and presentation necessary in a detailed appraisal.

(2) Minimum appraisals shall include sufficient documentation to support the appraiser's opinion of value. Such documentation shall include the data relied upon to determine valuation and the appraiser's analysis of that data. A minimum appraisal shall include the following documentation:

(a) Definition of the estate being appraised;

(b) Description of the physical characteristics of the property being appraised; provided, however, if the property being appraised is for a partial acquisition, the appraisal shall include a definition of the remaining property;

(c) A statement of the known and observed encumbrances, water courses, drainage ways, ditches, wetlands, garbage sites, fences, storage drums, roads (paved and unpaved), tanks or indica of underground storage tanks or other underground facilities, transformers, title information, location, zoning, present and prior uses, an analysis of the highest and best use of the property, and at least a 5-year sales history of the property;

- (d) An analysis of relevant and reliable approaches to value consistent with commonly accepted professional appraisal practices and an explanation of why the particular approach is sufficient to adequately determine the value of the property. In general, the market approach is a simple approach to value most commonly utilized for a minimum appraisal;
- (e) A description of comparable sales including a description of relevant fiscal, economic and legal factors affecting the appraised property;
- (f) A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any to the remaining real property, where appropriate; and
- (g) Effective date of valuation, date of appraisal, signature and certification of the appraiser.

C. Detailed Appraisal Standards.

- (1) A detailed appraisal should be prepared for all acquisitions to which minimum standard criteria do not apply.
- (2) A detailed appraisal shall reflect nationally recognized appraisal standards including, to the extent appropriate, Uniform Appraisal Standards for Federal Land Acquisition.
- (3) Detailed appraisals shall contain the following information.
 - (a) The purpose and/or the function of the appraisal, a definition of the real property being appraised, and a statement of the assumptions and limiting conditions affecting the appraisal;
 - (b) An adequate description of the physical characteristics of the property being appraised; in the case of a partial acquisition, an adequate description of the remaining property; a statement of the known and observed encumbrances, water courses, drainage ways, ditches,

wetlands, garbage sites, fences, storage drums, roads (paved and unpaved), tanks or indica of underground storage tanks or other underground facilities, transformers, if any; title information; location; zoning; present use; an analysis of highest and best use of the property; and at least a 5-year sales history of the property;

- (c) All relevant and reliable approaches to value consistent with commonly accepted professional appraisal practices. When sufficient market sales data are available to reliably support the fair market value for the specific appraisal problem encountered, the Agency, at its discretion, may require only the market approach. If more than one approach is utilized, there shall be an analysis and reconciliation of approaches to value sufficient to support the appraiser's opinion of value;
- (d) A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction;
- (e) A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property;
- (f) To the extent permitted by applicable law, the appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner; and
- (g) The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

III. Standards Applicable To Both Minimum and Detailed Appraisals.

- A. Influence of the project on just compensation. To the extent permitted by applicable law, the appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
- B. On a retention of improvements. If the owner of a real property improvement is permitted to retain it for the removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and salvage value of the retained improvements.

IV. Appraiser Qualifications.

- A. Agency appraisers shall be certified in accordance with Oregon Revised Statutes 674.310.
- B. No appraiser or review appraiser shall have any interest, direct or indirect, in the real property being appraised for the agency that would in any way conflict with the preparation or review of the appraisal. Compensation shall not be based on the amount of valuation. No appraiser shall act as a negotiator for real property which that person has appraised.

V. Appraisal Review.

- A. A qualified reviewing appraiser shall examine all appraisals to assure they meet applicable appraisal requirements and shall, prior to acceptance, seek necessary corrections or revisions.
- B. If the reviewing appraiser is unable to approve or recommend approval of an appraisal as an adequate basis for the establishment of the offer of just compensation, and it is determined that it is not practical to obtain an additional appraisal, the reviewing appraiser may develop appraisal documentation in accordance with Sections II and III of these standards, to support an approved or recommended value.
- C. The review appraiser's certification of the recommended or approved value of the property shall be set forth in a signed statement which identifies the appraisal reports reviewed and explains the basis for such recommendation or approval. Any damages or benefits to any remaining property shall also be identified in the statement.

VI. Emergency Exceptions.

The agency may, by resolution, make exceptions to this policy with respect to real property located within a disaster area, if the agency:

- A. Makes the exception not later than 24 months after the date the Governor determines that a major disaster exists in the area; and
- B. Determines that this exception--
 - (1) Would facilitate recovery from the major disaster, and
 - (2) Is consistent with safety and soundness.

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