

RESOLUTION NO. 93 - 16740 .

A RESOLUTION REPEALING RESOLUTION 86-15515, AND ESTABLISHING A POLICY OF THE CITY OF BILLINGS, MONTANA AS IT RELATES TO THE ACQUISITION OF PROPERTY.

WHEREAS, from time to time the City of Billings has need to acquire property in order to carry out the programs and projects adopted by the City Council; and

WHEREAS, the city is desirous of developing a uniform guide to determine the number and type of appraisals in the acquisition of real property.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA, AS FOLLOWS:

Resolution No. 86-15515 is hereby repealed.

GUIDE TO DETERMINE THE NUMBER AND TYPE OF APPRAISALS:

Since these matters are largely governed by the magnitude of the appraised compensation for each parcel, the following rules are set forth on this basis. If these differ from requirements tied to a specific funding source, then the more rigorous standards will be used.

A. RANGE OF VALUE: LESS THAN \$100,000:

1. Appraisals required: One.
2. Type of Appraisal: Short form

B. RANGE OF VALUE FROM \$100,000 to \$200,000:

1. Appraisals required: One.
2. Type of Appraisal: Long form

C. RANGE OF VALUE OVER \$200,000:

1. Appraisals required: Two.
2. Type of Appraisal: Long form

D. APPRAISALS FOR PROPERTY \$100,000 AND OVER IN VALUE MUST BE REVIEWED BY A QUALIFIED REVIEW APPRAISER SELECTED BY THE CITY OF BILLINGS ACCORDING TO REQUIREMENTS SET FORTH FOR REVIEW APPRAISERS, WHICH ARE MADE A PART OF THIS RESOLUTION.

1. After the review appraiser has reviewed the appraisals and arrived at a fair market value of the property being appraised, the city staff will

present the review appraisal to the City Council for the purpose of establishing the fair market value.

2. For appraisals less than \$100,000 in value, the staff will present the appraisal as reviewed by staff to the City Council for the purpose of establishing fair market value.
3. In any case, after the appraisals have been completed and reviewed, city staff may enter into contingent acquisition negotiations with the property owner prior to presenting the appraisals to the City Council to establish fair market value. However, city staff shall not acquire or enter into a binding agreement to acquire the property prior to the establishment of the fair market value by the City Council.

E. **NEGOTIATING FLEXIBILITY:** In cases of extreme need where expeditious decisions are critical to the success of the development of a public improvement project, the city administrator may authorize an offer over the fair market value established by the City Council. The offer may not exceed 5% of the fair market value or \$10,000, whichever is less.

F. **MINIMUM PAYMENT POLICY:** It is the City of Billings' policy to employ the minimum payments described below whenever the estimated just compensation, based on recognized appraisal techniques, is less than these amounts, including those instances where the estimated compensation is zero. In these cases, the appraisal report should show the property values as estimated using recognized techniques and in addition, the report should show the applicable minimum payment as described below.

1. **MINIMUM PAYMENT FOR PERMANENT PROPERTY INTERESTS:** The minimum payment for any property interest acquired by deed or easement will be \$300.
2. **MINIMUM PAYMENT FOR TEMPORARY USE OF PROPERTY:** The minimum payment for the temporary right to occupy and use property during construction, e.g., streets, waterlines, sewer lines, traffic signals, will be \$150.

Minimum payment appraisal is limited to those parcels where total compensation is \$500 or less.

G. **QUALIFICATION OF FEE AND REVIEW APPRAISERS:** The City of Billings will maintain a current list of contract fee and review appraisers in the office of the director of development services who have been approved for an appraisal assignment. Before an appraiser can be approved, they must first submit a demonstration appraisal of his/her current appraisal work which will be used to evaluate their knowledge of appraisal theory and principles and the clarity of their written communication. As a minimum, fee and review appraisers must be Montana Certified Appraisers with two or more full-time years of appraisal experience. In addition, appraisers with higher qualifications may be retained 1) to meet the needs of projects involving federal, state or local grant conditions, 2)

to participate in projects anticipated to involve eminent domain proceedings, or
3) to meet other special requirements, situations and conditions.

Appraisers meeting the above criteria will be hired as would any other
professional service provider.

- H. THIS RESOLUTION IS INTENDED TO PROVIDE A SET OF GUIDELINES.
IN CASES WHERE THE DEMANDS OF A PROJECT REQUIRE A
VARIANCE FROM THESE GUIDELINES, THE CITY ADMINISTRATOR
MAY COME TO THE CITY COUNCIL TO REQUEST A VARIANCE.

APPROVED AND PASSED by the City Council of the City of Billings this 13th day of
September 1993.

THE CITY OF BILLINGS:

BY: _____
MAYOR

ATTEST:

CITY CLERK