


CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-39	HISTORY FILE # DATE
	DATE: August 10, 1999	
	FILE NUMBER: 66275	
	DEPARTMENT: Planning & Dev.	

SUBJECT: **ACQUISITION BY THE CITY OF GRAND RAPIDS OF REAL PROPERTIES NOT ASSOCIATED WITH RIGHT-OF-WAYS, EASEMENTS, OR ENCROACHMENTS FOR PUBLIC PURPOSES**

PURPOSE: To provide guidelines and criteria for the acquisition of real properties.

POLICY:

It is the policy of the City of Grand Rapids to establish uniform procedures to be used in the acquisition of real properties.

The Planning Department shall undertake the acquisition of real property, for other than right-of-ways, easements, or encroachments. The following guidelines shall apply:

1. Any department that needs to acquire property will submit a request in writing to the Planning Department. If a particular property is sought, the request will include the location and description of the property. If no particular site is identified, the request will include general location or search criteria. In addition, the request should identify available financial resources, including restrictions and account numbers to which expenses can be charged; estimated completion date; purpose of transaction; and other such information as the Planning Department may require.
2. The cost of acquisition and incidental expenses such as title searches, appraisals, administration, legal fees, and closing costs will be borne by the requesting department.
3. An informative title search shall be performed and a title commitment issued by a recognized title company for each property interest to be acquired.

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4. A determination of purchase price shall be based on an examination of all of the following:
 - a. **The most recent state equalized value**, as determined by the relevant taxing authority. Within the City of Grand Rapids, the City Assessor will examine potential sites and determine a current state equalized value for existing land and buildings.
 - b. **An estimate of the dollar impact of additional or special conditions** including possible costs for:
 - Compensation for an ongoing business, if required
 - Environmental remediation, if needed
 - Relocating existing tenants, if required
 - Payoff of existing liens, if required
 - Securing a uniquely desirable location
 - On-site preparation work performed by seller
 - Any other special considerations which could influence the value to either the buyer or the seller
 - c. **An independent fee appraisal, if deemed advisable. The following three items are examples of situations in which an appraisal should not be necessary:**
 - The asking or potential purchase price is less than or equal to two times the State Equalized Value (SEV); or
 - The purchase price is less than \$100,000; or
 - The City Assessor and Real Estate Manager, or other designated Planning Department staff member, upon examining the SEV and special purchase conditions (4b, above) agree that the sales price is within the realm of fair market value.
5. The City Manager at his/her discretion may order an independent fee appraisal without prior City Commission approval, for an amount not to exceed his/her authorized spending limit.
6. The real estate staff shall negotiate in good faith with the seller(s) and attempt to reach "a meeting of the minds" regarding purchase price and terms.
7. A Phase I site assessment shall be performed and the results reviewed by the City Attorney's Office, when advisable.
8. The City Attorney's Office will review and approve all written agreements, conveying instruments and commission resolutions.

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9. The City Commission will review and approve all real property acquisitions.
10. The Planning Department shall handle involuntary real property transfers under the direction of the City Attorney's Office in conformance with the laws of the State of Michigan and the Uniform Condemnation Procedures Act. In eminent domain acquisitions, the City Commission shall authorize all property takings, determine if there exists a public necessity to acquire private property rights, and approve all compensation settlements. In instances of eminent domain, an independent fee appraisal will always be ordered.
11. Conveying instruments will be recorded with the appropriate Register of Deeds Office.