

Chapter 7: Acquisition

Introduction

This chapter describes the process required to acquire real property for any program-eligible activity funded wholly or partially with KCDBG funds. (“Real property” includes land with or without structures on it.) Acquisition assisted with KCDBG funds must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and current regulations, effective February, 2005. This chapter also includes the appeals and record keeping processes for the acquisition of real property.

The following requirements apply to HUD-funded projects, which include those with KCDBG funds. There may be situations in which other Federal agencies participate with KCDBG funds in a project (e.g., Rural Development). In this case, a lead agency must be designated and if it is an agency working with funds other than CDBG, that Federal agency’s policies and requirements must be followed.

Section 7-A. General Acquisition Requirements

For the purposes of this handbook, “property to be acquired” refers to any kind of permanent interest such as fee simple title, land contracts, permanent easements, long-term leases (50 years or more), and rights-of-way. Temporary easements are subject to all of the same rules as other forms of acquisition.

49 CFR 24.106

However, if a temporary easement exclusively benefits the property owner, the URA does not apply. Grantees should also be aware that all methods of acquisition (e.g., purchase, donation, or partial donation) are covered by the URA.

Acquisition rules must be followed whenever:

- ✓ The grantee undertakes the purchase of property directly;
- ✓ The grantee hires an agent, private developer, etc. to act on their behalf; and
- ✓ The grantee provides a nonprofit, or for-profit entity organization with funds to purchase a property; or
- ✓ The grantee provides Federal assistance to individuals who are acquiring their own home (i.e. homebuyer assistance program).

Tip: HUD Handbook 1378, Chapter 5, recently updated, is a resource available for acquisition information and is available at HUD’s web site:

<http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>. The URA regulations can also be downloaded from HUD’s website at <http://www.hud.gov/offices/cpd/library/relocation/lawsandregs/finalrule/>.

Note: The first step grantees should consider before undertaking any acquisition is a title search to determine the legal owner of the property.

Grantees must also adhere to environmental review requirements as they relate to acquisition including the requirements regarding options and conditional contracts. Refer to Chapter 2 for detailed guidance.

Chapter 2: Environmental Review

Section 7-B. Voluntary Acquisitions and Donations

Grantees must understand the critical difference between voluntary and involuntary sales to ensure compliance with all applicable rules. There are protections for sellers in both voluntary and involuntary sales. The key difference between the two types of acquisition is that when a voluntary sale occurs, **there can be no threat of eminent domain**.

Regardless of the form of acquisition used, it is strongly recommended that the grantee maintain a log of contacts with the owner in the acquisition file (see the sample in Attachment 7-1).

Attachment 7-1:
Sample Acquisition Log of
Contacts

Note: The use of Federal funds may not be originally anticipated during the conceptual phase or at the beginning of a project. Therefore, grantees should proceed with caution if Federal resources could be introduced later in the project. Acquisition activities are subject to the URA if there is intent to acquire property for a Federal or Federally-assisted project at any point during the course of a project.

49 CFR 24.101

The URA recognizes three general types of purchases as potentially voluntary. Generally they are:

- ✓ (1) Purchases in which persons are acting on behalf of an agency with the power of eminent domain but the community states in writing it will not to use this power.
 - Example: The grantee has identified parcel(s), but it will not use its powers to obtain the property through condemnation. The buyer must inform the seller of this fact in writing and – if the offer is not accepted – be prepared to look for another property. The property will not be taken using the condemnation process.
- ✓ (2) Purchases where the agency or person does not have the power of eminent domain.
 - Example: A nonprofit organization without the power of eminent domain is looking for properties suitable for purchase, rehabilitation, and resale. All their negotiations must be conducted in accordance with the rules for voluntary acquisition.
- ✓ (3) Purchases of property from government agencies (Federal, state, or local) where the grantee does not have the power of eminent domain over the other entity.
 - Example: A nonprofit organization without the power of eminent domain selects a vacant lot that is owned by the Corps of Engineers. The nonprofit organization would never be able to purchase it if the Corps is not agreeable to their offer.

Handbook 1378, Chapter 5,
Paragraph 5-3 A

Handbook 1378, Chapter 5,
Paragraph 5-3 B

Sometimes there is confusion about what is actually considered “voluntary”. A common misconception is that “willing seller” or “amicable agreement” means a transaction is “voluntary.” This is not true under URA. The applicable requirements of the regulations at 49 CFR 24.101(b)(1)-(5) must be satisfied for a transaction to be considered voluntary.

49 CFR 24.101(b)(1)-(5)

Each type of voluntary acquisition, and the URA requirements pertaining to each, is described as follows:

- ✓ The public notice, advertisements and literature should include a description of what the grantee intends to purchase, its reasons, and any conditions of which a seller should be aware.
- ✓ The voluntary acquisition policy must state that if a mutually satisfactory agreement cannot be reached, the grantee will not buy or condemn the property for the same purpose.
- ✓ The grantee should indicate that owner-occupants are not eligible for relocation benefits in the public notice and the acknowledgement form should be attached to the purchase offer.

While owner-occupants of a property acquired through voluntary acquisition are not eligible for relocation benefits, all tenants in legal occupancy (including non-residential occupants) are protected by the URA and are eligible for relocation benefits under the URA. (See Chapter 8 for more information.)

(1) Voluntary Acquisition by a Grantee or Persons Acting on Behalf of a Grantee with the Power of Eminent Domain

To be considered a voluntary acquisition by a purchaser with the power of eminent domain, the property may not be part of a planned or designated project area where substantially all the property in the area will be purchased within a specified time frame.

The search for alternative sites for the project or activity may be limited to one geographic area, but if none of the owners are willing to sell voluntarily, the grantee must be prepared to look in another area for a suitable site. Where an agency wishes to purchase more than one site within a general geographic area on this basis, all owners are to be treated in an equivalent or like manner.

Handbook 1378, Chapter 5,
Paragraph 5-3 A

If a grantee determines that a specific site is necessary for a program or activity it is planning to undertake, then the sale cannot be considered voluntary. It is assumed that, if negotiations fail, the grantee could ultimately acquire the property through condemnation. Thus, the acquisition is not considered voluntary.

If someone else, such as a private developer or realtor, is authorized to act on the grantee's behalf in negotiating the purchase, and the grantee is prepared to intervene and use condemnation if the negotiations are unsuccessful, the acquisition is not considered voluntary.

In order to be voluntary, the grantee must meet all the requirements listed below and inform the property owner in writing that:

- ✓ Federal funds are involved in the transaction; however, the grantee will not use its power of eminent domain if negotiations fail to result in an amicable agreement; and
- ✓ The grantee's estimate of the market value for the property to be acquired as outlined below.
 - To estimate market value in a voluntary acquisition, grantees must follow specific procedures:
 - A formal appraisal is not required by the URA in voluntary acquisitions. However, the purchase may involve a private lender requiring an appraisal.

- While an appraisal for voluntary transactions is **not required**, grantees may still decide that an appraisal is necessary to support their determination of market value, grantees must have some reasonable basis for their determination of market value.
- If an appraisal is not obtained, someone with knowledge of the local real estate market must make this determination and document the file.

After a grantee has established a market value for the property and has notified the owner of this amount in writing, a grantee may negotiate freely with the owner in order to reach agreement. Since these transactions are voluntary, negotiations may result in agreement for the amount of the original estimate, an amount exceeding it, or for a lesser amount.

Although not required by the regulations, it could be appropriate for grantees to apply the URA administrative settlement concept and procedures in the URA regulations to negotiate amounts that exceed the original estimate of market value (if they can demonstrate that the offer was reasonable and necessary to accomplish the project). If grantees anticipate they will offer an amount greater than market value, they must submit a request in writing and provide supporting documentation to DLG for a basis to pay an amount that is more than market value. DLG must provide approval prior to payment (cautionary note: this may establish a dangerous precedent).

49 CFR 24.102(i)

Grantees cannot take any coercive action in order to reach agreement on the price to be paid for the property.

(2) Voluntary Acquisition by Organizations without the Power of Eminent Domain (Including Nonprofits and Individuals)

Nonprofit organizations and individual buyers generally do not have the power of eminent domain. Under such circumstances the requirements for URA are limited. In these types of purchases, the buyer, who could be a private citizen, a developer, or an organization, must inform the seller of three things in writing:

Handbook 1378, Chapter 5,
Paragraph 5-3 B

- ✓ The buyer does not have the power of eminent domain,
- ✓ Federal funds are involved in the acquisition of their real estate, and the owner will not be eligible for relocation benefits, and
- ✓ An estimate of the fair market value of the property.

After the buyer/grantee has determined the property's market value and has notified the owner of this amount in writing, the buyer may negotiate freely with the owner in order to establish the purchase price.

If the seller refuses to accept the offer, the buyer/individual must look for another property to purchase.

The seller must be notified of the preceding information using Exhibit 5-1 from HUD Handbook 1378 – Disclosures to Seller with Voluntary, Arm's Length Purchase Offer (see Attachment 7-2 of this chapter).

Attachment 7-2: Disclosures to
Sellers with Voluntary, Arm's
Length Purchase Offer

If, for any reason, the seller is not informed of these facts prior to closing, the seller should be immediately informed and allowed to withdraw from the purchase agreement without penalty.

These notice requirements may appear to only protect the seller in a voluntary transaction; however, they also help to protect the grantee from after-the-fact claims by sellers. The notice assists the grantee/ buyer to document that the owner-occupant was fully advised that their purchase price was voluntarily negotiated and they will NOT be eligible for relocation assistance. All organizations and individuals with KCDBG funds must comply with this requirement.

Tip: Homebuyers assisted with KCDBG funds to purchase a home fall under this type of acquisition. Homebuyers must provide the requisite information to the sellers of homes to be purchased.

(3) Purchases – Voluntary Acquisition of Government Property

Acquisition is considered voluntary when the property is owned by a government agency and the buyer does not have the power of eminent domain. Grantees and individual buyers do not possess the legal authority to condemn government-owned property.

49 CFR 24.101 (b)(3)

Donations of Property

Voluntary acquisition includes donations of real property; however, the owner must be fully informed of his or her rights under the URA, including the right to receive a payment for the property. In addition, the owner must acknowledge his or her URA rights and release the grantee, in writing, from its obligation to appraise the property. The grantee must keep this acknowledgement in the project file. Attachment 7-3 provides a sample form entitled "Sample Acknowledgement of Acquisition and Relocation Rights and Benefits under the Uniform Relocation Act."

Handbook 1378, Chapter 5,
Paragraph 5-5

Attachment 7-3:
Sample Acknowledgement of
Acquisition and Relocation
Rights and Benefits under the
Uniform Relocation Act

Section 7-C. Involuntary Acquisitions

Note: A state agency is defined as a city, county, redevelopment agency or any other entity that has the legal power to condemn land and acquire privately-held property under the Eminent Domain Act of Kentucky.

Use of CDBG Funds and Eminent Domain

No CDBG funds may be used to support any Federal, state or local projects that seek to use the power of eminent domain *unless* eminent domain is employed for a public use.

The types of projects that meet the definition of public use include: mass transit, railroads, airports, seaports or highway projects, as well as utility projects which benefit or serve the general public or other structures designated for use by the general public or which have other common carrier or public utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business Liability Relief and Brownfield Revitalization Act. Public use cannot include economic development projects that primarily benefit private entities.

Grantees contemplating the use of eminent domain for any use or project should contact DLG for further guidance prior to proceeding.

Involuntary Transaction Requirements

Involuntary transactions are those that do not meet the requirements previously described for voluntary transactions. In accordance with the requirements of the URA, for involuntary transactions, the grantee must:

- ✓ Notify the seller of the agency's interest to acquire their property;
- ✓ Obtain an appraisal in compliance with the URA and invite the seller to accompany the appraiser;
- ✓ Notify the owner and, if applicable, any tenants of their URA protections;
- ✓ Determine the fair market value of the property based on the appraised value (reviewed by a Review Appraiser)
- ✓ Offer the fair market value for the property being acquired; and
- ✓ Complete the sale as expeditiously as possible.

Handbook 1378, Chapter 5,
Paragraph 5-4
49 CFR 24.108

Notification Requirements

There are two key notices that grantees must issue when undertaking an involuntary acquisition:

- ✓ Notify the seller of the agency's interest to acquire their property by sending a Notice to Owner or a Notice of Intent to Acquire. Grantees should exercise caution if they choose to send a Notice of Intent to Acquire rather than a Notice to Owner as discussed in this section. (The Notice of Intent triggers relocation eligibility for owner-occupants and tenants.)
- ✓ After an appraisal is complete (and reviewed by a review appraiser), the grantee must determine the amount of the offer and send the owner a Notice of Just Compensation (the full amount of the determined value). This Notice establishes the definite date for relocation benefits eligibility for all persons with legal residency, including non-residential occupants.

Handbook 1378, Chapter 5
Paragraph 5-4(A)(1) Sample
Notice to Owner

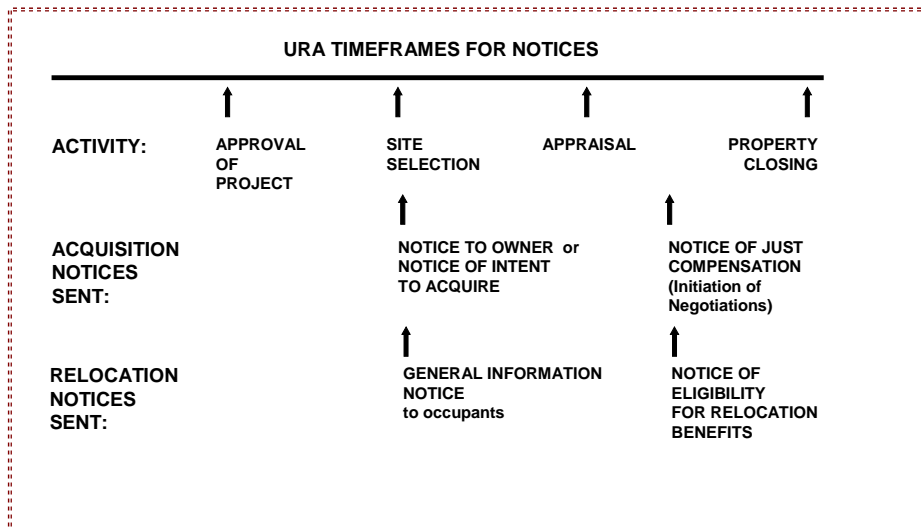
TIMING OF URA COVERAGE:

It is important for grantees to know that the timing of an acquisition can trigger URA requirements. Regardless of the source of funds, ANY acquisition of property made by a state agency, on or after the date of submission of the KCDBG application for financing of an activity using that property, is subject to the URA.

49 CFR 24.6

- ✓ If an acquisition took place prior to application submission, it can be subject to the URA if DLG finds clear evidence that the purchase was done in anticipation of obtaining KCDBG funds for an activity.
- ✓ The URA also applies if an agency has reimbursed itself for the acquisition with non-Federal funds (i.e., general funds) if the project's end result is a Federally-assisted project.

The chart below highlights the timing of required notices. Further information on these notices follows:



NOTICE TO OWNER

The Notice to Owner should be sent as soon as feasible after a site is selected. See Attachment 7-4 for a Sample Notice to Owner, This Notice:

- ✓ Expresses the agency’s initial interest in acquiring the property.
- ✓ Informs the owner that the agency must conduct an appraisal of the property to establish fair market value, and that the owner has the right to accompany the appraiser.
- ✓ States that the owner will be offered fair market value (just compensation) and what costs will also be covered.
- ✓ Informs the owner about the protections provided by the URA.

Handbook 1378, Chapter 5, Paragraph 5-4 A
Attachment 7-4: Sample Notice to Owner
49 CFR 24.102(b)

Handbook 1378, Chapter 5, Paragraph 5-4 A

Attachment 7-5:
“When a Public Agency Acquires Your Property” brochure

The grantee should also send HUD’s brochure (HUD Form 1041-CPD) entitled, “When a Public Agency Acquires Your Property.” Refer to Attachment 7-5 of this chapter or download it from the DLG web site. The booklet explains the basic protections afforded the property owner by law.

To avoid triggering eligibility for relocation benefits at this time, the Notice to Owner should advise all occupants not to move. The Notice only informs the property owner of the grantee’s initial interest in acquiring their property, but it is not a commitment to provide relocation benefits at this point. The following chapter deals with relocation and covers this Notice in detail.

Handbook 1378, Chapters 2 and 5, Paragraph 2-3 H and 5-4 A

NOTICE OF INTENT TO ACQUIRE

Some grantees choose to send a Notice of Intent to Acquire instead of a Notice to Owner. A Notice of Intent to Acquire (Attachment 7-6) must contain all the information included in a Notice to Owner, but would also state that the agency does intend to acquire the property, rather than expressing a preliminary statement of interest. The Notice should advise all occupants not to move.

Attachment 7-6: Sample Notice of Intent of Acquire

Grantees should be aware that this Notice triggers eligibility for relocation benefits by occupants and there is the risk that occupants might move prior to the establishment and written offer of just compensation. Therefore, grantees should exercise caution if they choose to send a Notice of Intent to Acquire.

Handbook 1378, Chapter 2
Paragraph 2-3 G
49 CFR 24.203 (2)(d)

BASIS FOR THE DETERMINATION OF JUST COMPENSATION

The written offer to the owner contains the just compensation and summary statement and is sent after an appraisal is complete and the agency has determined just compensation.

Attachment 7-7:
Sample Statement of the Basis for the Determination of Just Compensation

Once this amount has been determined, this written offer should be delivered promptly. A sample is provided as Attachment 7-7.

- ✓ The delivery date of this written offer constitutes the date that triggers relocation eligibility related to the acquisition.
- ✓ This written offer must include an offer for the full amount of the just compensation.
- ✓ A statement must be included that summarizes the basis for the offer. This summary statement should provide:

Handbook 1378, Chapter 5,
Paragraph 5-4 L(4)
49 CFR 24.102 (d)

- A statement of the amount offered as just compensation,
- A description and location of the property to be acquired, and
- Identification of the buildings, structures, equipment, and fixtures that are included in the offer.

49 CFR 24.102 (e)

NOTICE OF INTENT NOT TO ACQUIRE

If the grantee decides not to buy or condemn a property at any time after the Notice of Intent to Acquire or Notice to Owner has been sent to the property owner, the grantee must send written notification, “The Notice of Intent Not to Acquire” to the owner and any tenants occupying the property. This written notice must be sent within 10 days of the decision not to acquire. Sending this notice will assist in keeping all affected persons informed of the grantee’s actions. DLG provides a sample Notice of Intent Not to Acquire (See Attachment 7-8). The grantee should document the reason(s) for deciding against acquiring the property.

49 CFR 24.5

Attachment 7-8: Sample Notice of Intent Not to Acquire

Administering Notices

Notices should be sent by certified or registered mail, return receipt requested, or hand delivered by agency staff. Grantees must document receipt of the notices by the owner or occupant. If the owner or occupant does not read or understand English, the grantee must provide translations and assistance. Each notice must give the name and telephone number of agency staff that may be contacted for further information.

After confirming the receipt of the appropriate notices by the owner or occupant, the grantee should enter the proposed acquisition in the Site Acquisition Chart (see Attachment 7-9).

Attachment 7-9: Sample Site Acquisition Chart

This chart provides information on:

- ✓ Number of parcels;
- ✓ Property dimensions;
- ✓ Source of title;
- ✓ Owners;
- ✓ Number of houses, businesses, vacant lots, owners and tenants; and
- ✓ The amount paid.

Use of this chart reduces time, duplication of effort, and facilitates state and local review.

Appraisals

For acquisitions requiring the estimation of fair market value, the URA requires only one appraisal and a review of this appraisal by a qualified person. The following sections describe the contents of an appraisal and appraiser qualifications.

If an acquisition is complex, potentially controversial (as with an unwilling seller or a conflict of interest involving a public official) or likely has a high value, DLG recommends that two appraisals, at a minimum, be obtained. These appraisals will be invaluable during negotiations and in court.

Waiver Valuation

An appraisal is not required under two circumstances: (1) when a property is being donated and owner has waived his/her rights or (2) when a property has a value estimated at \$10,000 or less.

Handbook 1378, Chapter 5, Paragraph 5-4 E

If an agency determines that a formal appraisal is not required, then the valuation process used is called a waiver valuation.

49 CFR 24.102(c)(2)

- ✓ The determination that a property has a value less than \$10,000 must be based on a review of available data by someone who has sufficient understanding of the local real estate market. This decision must be documented in the project file.

49 CFR 24.102(2)(ii)(B)
49 CFR 24.2(a)(33)

A waiver valuation is not appropriate when the following situations arise:

Handbook 1378, Chapter 5, Paragraph 5-4 E (1)

- ✓ The use of eminent domain is anticipated;
- ✓ The anticipated value of the proposed acquisition is expected to exceed \$10,000;
- ✓ Possible damages to the remainder property exist;
- ✓ Questions on highest and best use exist;
- ✓ The valuation problem is complex; or
- ✓ Hazardous material/waste may be present.

If the agency acquiring a property offers the property owner the option of having the property appraised, and the owner chooses to have an appraisal, the agency shall obtain an appraisal and not use the waiver valuation method described above.

Easements

A grantee must obtain an appraisal for an easement worth more than \$10,000. For easements worth less than \$10,000, the grantee can use the Short Form Appraisal Report for Easement Takings. This form summarizes complete documentation, which the appraiser must have on file. (See Attachment 7-10)

Temporary easements are subject to all of the same rules as other forms of acquisition, except in the situation where the easement is for the exclusive benefit of the property owner. For example, if a grantee obtained a temporary easement for parking construction equipment in the yard of the home that is being rehabilitated with CDBG funds, the easement would exclusively benefit the owner and would not be subject to the URA.

Attachment 7-10:
Short Form Appraisal Report for
Easement Takings

However, if the project involved building or replacing a water tower that would benefit an entire low-mod income area and a temporary right of way would be required for construction vehicles, the purchase of a needed temporary easement would be covered by the URA.

If the URA covers the acquisition of a temporary easement, the purchase should be treated in the same way as any other covered acquisition, including notices, valuation and just compensation.

Appraiser Qualifications

There are several minimum requirements for appraisers, including:

- ✓ An appraiser must hold a Kentucky appraiser's license. A copy of the license must be included in the acquisition or procurement file.
- ✓ A fee appraiser must be state licensed or certified in accordance with title XI of the Financial Institutions Reform Recover and Enforcement Act (FIRREA) of 1989. 49 CFR 24.103.d(2)
- ✓ Appraisers, or persons performing the waiver valuation, must not have any interest – either direct or indirect – with the owner or property they are to review. This would be a conflict of interest. 49 CFR 24.102(n)(1)

- ✓ Grantees must select Kentucky licensed appraisers using proper procurement procedures. A list of Certified Real Estate Appraisers in the State of Kentucky can be found on the following Web site: <http://kreab.ky.gov/appraiserstatus/>.
- ✓ No person shall attempt to unduly influence or coerce an appraiser or waiver valuation preparer regarding any valuation or other aspect of an appraisal.
- ✓ Persons functioning as negotiators may not supervise nor formally evaluate the performance of any appraiser or waiver valuator. (49 CFR 24.102(n)(2))
- ✓ No appraiser may negotiate on the agency's behalf if he or she performed the appraisal, review or waiver valuation, on the property. There is an exception for properties valued at \$10,000 or less

49 CFR 24.102(n)(2)

49 CFR 24.102 (n)(3)

Contracting for an Appraisal

In order to procure an appraiser, the grantee should request statements of qualifications from a number of local appraisers, review those qualifications, and employ only qualified appraisers. (See Chapter 4 for more information on procurement of professional services.)

Attachment 7-11: Guide for Preparing Appraisal Scope of Work

The grantee must execute a professional services contract with an independent appraiser. The contract must include a detailed scope of services that the appraiser will perform. See Attachment 7-11 Guide for Preparing Appraisal Scope of Work. Payment for the appraiser's services, or waiver valuation, must not be based on the amount of the resulting property value.

Appraisal Process & Criteria

Appraisals must meet nationally/state-recognized industry standards. The appraiser may not use race, color, religion, or the ethnic characteristics of a neighborhood in estimating the value of residential property. The contract must also specify the content requirements of the appraisal report. (See Attachment 7-12 for a sample, while not updated, still is valid.)

49 CFR 24.103

The grantee or the appraiser must invite the property owner in writing to accompany the appraiser during inspection of the property. This notice should be given before the appraisal is undertaken. A copy of the notice should be placed in the property acquisition file along with evidence of receipt by the owner. (See Attachment 7-13 for sample notice.)

Attachment 7-12: Sample Agreement for Appraisal Services

Attachment 7-13: Sample Invitation to Accompany an Appraiser

At a minimum, all appraisals must contain the following:

- ✓ The purpose and function of the appraisal.
- ✓ A statement of the assumptions and limiting conditions affecting the appraisal.
- ✓ An adequate legal description of the property, any remnants not being acquired, and its physical characteristics.

Handbook 1378, Chapter 5, Paragraph 5-4 J(11)

- This should also include key information such as: title information, location, zoning, present use, highest and best use, and at least a five-year sales history of the property.
- ✓ An explanation of all relevant approaches to value.
 - If sales data are sufficient, the appraiser should rely solely on the market approach.
 - If more than one method is used, the text should reconcile the various approaches to value and support the conclusions.
- ✓ A description of comparable sales.
- ✓ A final statement of the value of the real property.
 - For partial acquisitions, the appraisal should also give a statement of the value of damages and benefits to the remaining property.
- ✓ The effective date of the valuation appraisal.
- ✓ A signature and certification of the appraiser.

Review of Appraisal

After the initial appraisal is conducted, a review must be made by a Kentucky licensed appraiser under written contract. The review must be written, signed and dated. (See Attachment 7-14 for a sample Review of Appraisal document.)

Attachment 7-14:
Sample Review of Appraisal

The review appraiser must examine all appraisals to check that the appraisal meets all applicable requirements, and to evaluate the initial appraiser's documentation, analysis, and soundness of opinion.

49 CFR 24.104

If the review appraiser does not approve or accept an appraisal, it may be necessary to seek a second full appraisal. If the review appraiser does not agree with the original appraisal and it is not practical to do a second appraisal, the review appraiser may re-evaluate the original appraisal amount.

Establishing Just Compensation

After a review of the appraisal, the grantee must establish just compensation and present this in a written offer to the owner.

Just compensation cannot be less than the appraised market value. In determining this amount, the grantee (not the appraiser) may take into account the benefit or detriment that the upcoming project will have on any remaining property at the site.

49 CFR 24.102(d)

If the owner retains or removes any property improvements, (for example, permanent fencing) the salvage value of the improvement should be deducted from the offer of just compensation.

If an entire parcel is not being acquired, and the agency determines that the owner would be left with an uneconomic remnant, the agency must offer to purchase this remnant. An uneconomic remnant is defined as a parcel of real property with little or no value to the owner.

49 CFR 24.102(k)

An example of this might be a remnant not large enough for future use or without access to a street.

The grantee must prepare a written Statement of the Basis for the Determination of Just Compensation to be provided to the property owner (see Attachment 7-7). In addition to the initial written purchase offer, this Statement must also include:

- ✓ A legal description and location identification of the property;
- ✓ Interest to be acquired (e.g., fee simple, easement, etc.);
- ✓ An inventory of the buildings, structures, fixtures, etc., that are considered to be a part of the real property;
- ✓ A statement of the amount offered as just compensation;
- ✓ If there are tenant-owned improvements, the amount determined to be just compensation for the improvements and the basis for the amount;
- ✓ If the owner keeps some of the property improvements, the amount determined to be just compensation for these improvements and the basis for the amount;
- ✓ Any purchase option agreement should be attached; and
- ✓ If only a part of the parcel is to be acquired, a statement apportioning just compensation between the actual piece to be acquired and an amount representing damages and benefits to the remaining portion.

Attachment 7-7: Sample Statement of the Basis for the Determination of Just Compensation

A copy of this Statement should be placed in the property acquisition file.

Negotiating the Purchase

As soon as feasible after establishing just compensation, the grantee must send the owner a Written Offer to Purchase which includes the Statement of the Basis for the Determination of Just Compensation (see the sample provided as Attachment 7-15).

Attachment 7-15:
Sample Written Offer to Purchase

As with all notices, receipt must be documented. If the property is occupied by a tenant, owner or business, the grantee must issue a written Notice of Eligibility for Relocation Benefits as soon as possible after the written offer to purchase (also called the “Initiation of Negotiations”) is made.

The most recent URA regulations emphasize that the agency should make reasonable efforts to conduct face-to-face negotiations with the owner or the owner’s representative. The owner may present relevant information that bears on the determination of value and may suggest modifications to the proposed terms and conditions of the purchase. The agency must give these suggestions full consideration.

49 CFR 24.102(f)

If the owner’s information or suggestions would warrant it, the agency may ask the appraiser to update the current appraisal or order another appraisal. If this results in a change in just compensation, the agency must adjust the offer.

Handbook 1378, Chapter 5,
Paragraph 5-4 M
49 CFR 24.106

The owner must be paid for costs to transfer title to the agency.

These costs may be advanced instead of reimbursed and they include recording fees, legal fees, prepayment penalties, and incidental costs.

Documentation of negotiation proceedings should be placed in the project acquisition file. Grantees should be sure to thoroughly document the justification for payment if it is more than the original offer of fair market value.

The grantee must get written pre-approval from DLG if the offer will exceed the amount determined to be fair market value.

Closing the Sale or Condemnation

Before the agency takes possession of the property, the owner must be paid the agreed-upon purchase price. If the agency is taking the property through condemnation, the agency must deposit the full amount of just compensation with the court.

Handbook 1378, Chapter 5,
Paragraph 5-4 I

Willing Seller – No Condemnation Action Taken:

If negotiations are successful in an involuntary acquisition, a contract for sale must be prepared and executed, and transfer documents secured. If payment exceeds the market value, and the grantee failed to obtain pre-approval of the amount from DLG the acquisition file must include a written justification of the amount paid. DLG will review these justifications carefully to ensure they are reasonable, and if the payment is determined to be unjustified, the payment will be disallowed.

49 CFR 24.102(i)

At the conclusion of settlement, the grantee must give the owner a Statement of Settlement Costs (see Attachment 7-16), which identifies all settlement costs regardless of whether they are paid at, before, or after closing, and must clearly separate charges paid by the owner. The Statement of Settlement Costs must be dated and certified as true and correct by the closing attorney or person handling the transaction. DLG requires that grantees must also obtain a copy of the cancelled check to document receipt for the purchase price,

Attachment 7-16: Sample
Statement of Settlement Costs

Condemnation Procedures

If negotiations are unsuccessful, condemnation proceedings may be initiated. Condemnation is a legal action and must be carried out by a city/county attorney and the city/county governing body should authorize the proceeding by resolution.

Copies of surveys and maps of the subject property must be filed and recorded in the applicable county office. Condemnation proceedings can then be initiated in the Circuit Court of the county in which the property is located. The grantee must deposit the amount determined to be just compensation in escrow with the court.

The petition filed in Circuit Court must include:

- ✓ Detailed project narrative sufficient to support the use of eminent domain.
- ✓ A legal description of the property being sought and its current and proposed use.
- ✓ An application to the court to appoint commissioners to award the amount of compensation the owner of the property is entitled to receive.

The court will appoint three qualified commissioners to visit the property and establish its fair market value. Within 15 days of their appointment, the commissioners will return a written report to the court establishing fair market value. At this time, the court will issue a summons to the owner, which states the amount the commissioners establish as the fair market value.

The owner has 20 days from the date he or she receives the summons to respond. If the owner does not respond during this period, the court will enter an interlocutory judgment that sets the amount of compensation and conveys title. The owner can file an exception to the interlocutory judgment within 30 days from the date the judgment was entered.

All exceptions relating to compensation will be determined by jury trial in the Circuit Court. The jury will set the amount of compensation. The owner can appeal the Circuit Court judgment to the Court of Appeals.

The city/county must pay the owner's court costs as well as its own court costs. If the process moves into appeal, the amount of compensation will be the amount established by the highest court.

Appeals

Grantees must promptly review all appeals in accordance with the requirements of applicable laws and the URA.

49 CFR 24.10

Grantees must develop written procedures to resolve disputes relating to their acquisition, relocation, and demolition activities. These written procedures must be communicated to all potentially affected parties prior to the initiation of negotiations. (Refer to Chapter 1: Project Administration for information on grievance procedures.)

Chapter 1: Project Administration

Who May Appeal

Any person, family, or business directly affected by the acquisition and/or relocation activities undertaken by a grantee may appeal. All appeals must be in writing and must be directed to the chief executive officer of the grantee and the highest official of the administering agency undertaking the acquisition, relocation or demolition activity. A protestor must exhaust all administrative remedies as outlined in the grantee's written procedures prior to pursuing judicial review.

Basis for Appeals

Any person, family, or business that feels that the grantee failed to properly consider his or her written request for financial or other assistance must file a written appeal with the agency personnel identified within 60 days of the date of receipt of the administering agency's written determination denying assistance.

Review of Appeals

The grantee shall designate a Review Officer to hear the appeal. The Review Officer shall be the chief administrative officer of the unit of local government or his/her designee, provided neither was directly involved in the activity for which the appeal was filed. The grantee shall consider all pertinent justification and other material submitted by the person and all other available information that is needed to ensure a fair and full review of the appeal.

49 CFR 24.10 (e)(f)(g)(h)

Promptly after receipt of all information submitted by a person in support of an appeal, the grantee shall make a written determination on the appeal, including an explanation of the basis on which the decision was made and notify the person appealing a grantee's decision.

If the appeal is denied, the grantee must advise the person of his or her right to seek judicial review of the grantee's decision.

Section 7-D. Record Keeping

The grantee must establish an acquisition program file, which contains:

- ✓ Urban Renewal/Development Plan,
- ✓ Statement of qualifications of appraisers,
- ✓ Appraisal contracts, and
- ✓ Copies of public solicitations for voluntary acquisitions.

The grantee must establish a file for each property to be acquired, and include copies of all notices and proof of receipt, along with other acquisition documents. A checklist should be kept in each acquisition file to help track the process (see Attachment 7-17).

Attachment 7-17: Real Property
Acquisition Checklist

Some suggested items to include in acquisition files are:

- ✓ Signed Waiver Donation Form (if voluntary donation)
- ✓ All appropriate notices and copy of "When a Public Agency Acquires Your Property"
- ✓ Evidence that a competitive process was utilized in selecting appraisers
- ✓ Appraisal contracts
- ✓ Appraisal and Review Appraisal Report
- ✓ Map and photos for all improved properties
- ✓ Evidence and date of personal contacts with property owner
- ✓ Evidence that the property owner was invited to accompany the appraiser
- ✓ Evidence that the appraisal was reviewed by council and just compensation established
- ✓ Written Offer to Purchase and Summary Statement of the Basis for the Offer of Just Compensation
- ✓ Evidence that the items sent to property owners were mailed certified or registered mail, return receipt requested
- ✓ Written acceptance or rejection of offer to purchase
- ✓ Written evidence of negotiation (if applicable)
- ✓ Copy of cancelled checks
- ✓ Summary Statement of Settlement Costs
- ✓ Copy of the executed and recorded deed

At the close of the acquisition, the grantee should review the project acquisition file to ensure that it contains all required documentation. Files must be kept for at least five years after full project close-out.

Replacement Housing Assistance for 180-Day Homeowners

Only homeowner-occupants who were in residency for 180 days prior to an offer to purchase their home (“ION”) USING INVOLUNTARY ACQUISITION are eligible for a replacement housing payment as “displaced persons”. If homeowners were in occupancy for less than 180 days prior to the ION, they are protected by the URA as “displaced persons” but the calculation method is different.

49 CFR 24.401

Note: If an owner occupies a property acquired using voluntary acquisition requirements, they are NOT eligible for relocation benefits. See Chapter 8 for details on calculating the RHP for displaced homeowners.

Attachments

All acquisitions should include:

- ✓ Attachment 7-1: Sample Acquisition Log of Contacts

Voluntary acquisitions should include:

- ✓ Attachment 7-2: Disclosures to Sellers with Voluntary, Arm's Length Purchase Offer (Sample)
- ✓ Attachment 7-3: Sample Acknowledgement of Acquisition and Relocation Rights and Benefits under the Uniform Relocation Act

Involuntary acquisitions should include:

- ✓ Attachment 7-4: Sample Notice to Owner
 - ✓ Attachment 7-5: "When a Public Agency Acquires Your Property" brochure
 - ✓ Attachment 7-6: Sample Notice of Intent to Acquire
 - ✓ Attachment 7-7: Sample Statement of the Basis for the Determination of Just Compensation
 - ✓ Attachment 7-8: Sample Notice of Intent Not to Acquire (as appropriate)
 - ✓ Attachment 7-9: Sample Site Acquisition Chart
 - ✓ Attachment 7-10: Short Form Appraisal Report for Easement Takings (Sample)
 - ✓ Attachment 7-11: Guide for Preparing Appraisal Scope of Work
 - ✓ Attachment 7-12: Sample Agreement for Appraisal Services
 - ✓ Attachment 7-13: Sample Invitation to Accompany an Appraiser
 - ✓ Attachment 7-14: Sample Review of Appraisal
 - ✓ Attachment 7-15: Sample Written Offer to Purchase
 - ✓ Attachment 7-16: Sample Statement of Settlement Costs
 - ✓ Attachment 7-17: Real Property Acquisition Checklist (Sample)
-

**Attachment 7-1:
Sample Acquisition Log of Contacts**

**Attachment 7-2:
Disclosures to Sellers with Voluntary, Arms Length Purchase Offer
(Sample)**

GUIDEFORM NOTICE
Disclosures to Seller with Voluntary, Arm's Length Purchase Offer
(Sample)

Dear _____:

This is to inform you that _____ (Agency/Person) would like to purchase the property located at _____ (Street Address or Other Property Identification), if a satisfactory agreement can be reached. We are prepared to pay \$_____ for clear title to the property under the conditions described in the attached proposed contract of sale.

Because Federal funds may be used in the purchase, however, we are required to disclose to you the following information:

1. The sale is voluntary. If you do not wish to sell, the _____ (Agency/Person) will not acquire your property. The _____ (Agency/Person) does not have the power to acquire your property by condemnation (i.e., eminent domain) [will not use the power of eminent domain to acquire the property].

2. We estimate the fair market value of the property to be \$ _____.

Since the purchase would be a voluntary, arm's length transaction, you would not be eligible for relocation payments or other relocation assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), or any other law or regulation. Also, as indicated in the contract of sale, this offer is made on the condition that no tenant will be permitted to occupy the property before the sale is completed.

Again, please understand that if you do not wish to sell your property, we will take no further action to acquire it. If you are willing to sell the property under the conditions described in the attached contract of sale, please sign the contract and return it to us.

If you have any questions about this matter, please contact _____.
His/Her telephone number is _____.

Sincerely,

(Name/Title)

Enclosure

**Attachment 7-3:
Sample Acknowledgement of Acquisition and Relocation Rights and
Benefits under the Uniform Relocation Act**

**Sample Acknowledgement of Acquisition and Relocation Rights and Benefits
under the Uniform Relocation Act (Owner-Occupant)**

I, _____, state that I have been approached by a representative of the _____ (herein known as the Agency) who has informed me of said Agency's intent to obtain a parcel (easement) across certain property(ies) owned by me.

1. I hereby acknowledge that said representative has explained to me the legal boundaries of said parcel (easement) as they are set forth in the Exhibit(s) attached to this document.

The representative of said agency has further advised me of my rights under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended:

- A. That I have the right to receive the HUD brochure, When a Public Agency Acquires Your Property, and other relocation advisory assistance (including referral to comparable, affordable, decent, safe and sanitary housing).
 - B. That I have the right to receive either payment of actual, reasonable moving and related expenses or, at my election, a moving expense and dislocation allowance.
 - C. That I have the right to a replacement housing payment to assist me in buying or renting a replacement home.
 - D. That I have the right to demand a written appraisal of the value of the parcel (easement) sought to be acquired by said Agency (if fair market value of said parcel/easement is estimated at greater than \$10,000) and that I am entitled to receive no less than Fair Market Value as established by the appraisal.
 - E. That I have the right to accompany the appraiser who prepares such appraisal when he inspects my land and that I am entitled to a written notice called an "Invitation to Accompany the Appraiser" stating the date and time at which the appraiser will examine my property and that this written document must be delivered to me by certified mail.
 - F. That I have the right to a Written Purchase Offer stating the amount of money which said Agency will pay me for this parcel (easement), and that this written purchase offer must be delivered to me by certified mail.
 - G. That I have the right to a written Statement of the Basis for the Determination of Just Compensation which explains in detail the basis of the amount offered to me by said Agency for said parcel (easement), and that this document must be delivered to me by certified mail.
2. I acknowledge that if I am unwilling to accept the purchase price offered by the Agency and to release all claims to relocation payments and other assistance, the Agency will make no further attempt to acquire my property and will not bring about my displacement from it.

Waiver - Page 2

3. I acknowledge that these rights stated above have been explained to me in detail by a representative of the Agency and that I hereby elect not to exercise these rights and agree to donate the Agency a parcel (easement) which boundaries are described in the Exhibit(s) attached to this document for the consideration of _____, which I hereby acknowledge is full and fair consideration for my donating the parcel (easement).

IN WITNESS WHEREOF, I have signed this document as my free and voluntary act this _____ day of _____, 20____.

Landowner

Witness: Executive Director

(Name of Agency)

STATE OF KENTUCKY
COUNTY OF _____

Signed and acknowledged before me this _____ day of _____, 20____,
by _____, as his/her free and voluntary act and deed.

Notary Public State at Large

My Commission expires _____, 20____.

Note: This acknowledgement covers a "voluntary acquisition" that is subject to the URA. It may be used where it is advantageous to the owner-occupant to agree to forego right to URA relocation assistance because sale of the property for the consideration offered is more attractive than the alternative – no sale of the property. All such "acknowledgments" will be monitored to ensure that each person was fully informed of his/her rights and waived those rights only for well-documented reasons.

**Attachment 7-4:
Sample Notice to Owner**

**GUIDEFORM NOTICE TO OWNER
- INVOLUNTARY ACQUISITION -
(Threat/Use Of Eminent Domain)**

Grantee or Agency Letterhead

(date)

Dear _____:

(City, County, State, Tribe, other) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

The purpose of this notice is to inform you of your rights under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). Enclosed is a HUD brochure entitled "When A Public Agency Acquires Your Property". This brochure provides useful information about the public acquisition of real property (real estate) under the URA. At this stage, your property is only under consideration for acquisition. This notice is not a contractual offer or commitment to purchase your property.

If your property is selected for acquisition, under the URA, you will have the right to receive just compensation for your property. In order to determine the amount of just compensation to be offered to you, an appraisal of your property would be required. In such a case, an appraiser will contact you to provide you an opportunity to accompany him or her on the inspection of your property. It would be in your best interest to accompany the appraiser during the property inspection so that you can point out any unique features of your property which should be considered in the valuation process and so that you can also answer any questions the appraiser may have.

For your information, (City, County, State, Tribe, other) _____ possesses eminent domain authority to acquire the property needed for this project, however, our goal is to attempt to negotiate amicable agreements for all property acquisitions prior to its use. If negotiations fail, acquisition under eminent domain may be considered.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

Sincerely,

Sample Notice to Owner

(name and title)_____

Enclosure

NOTES.

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery.
2. This is a guideform. It should be revised to reflect the circumstances.
2. A notice to owner is merely an Agency's notice informing the owner of the agency's interest in acquiring the property; it is not a commitment and does not establish relocation eligibility. Whereas a notice of intent to acquire is an Agency's written notice provided to a person to be displaced; it is a commitment and clearly establishes relocation eligibility in advance of the normal acquisition and relocation process. A notice to owner is required under 49 CFR 24.102(b) for acquisitions subject to 49 CFR part 24, subpart B.

**Attachment 7-5:
When a Public Agency Acquires Your Property**

www.hud.gov/relocation

Introduction

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

General Questions

What Right Has Any Public Agency To Acquire My Property?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the

project.

How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be "just compensation." Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much rental income it could produce.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.

Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

How Soon Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a "summary statement," explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?

The summary statement of the basis for the offer of just compensation will include:

- An accurate description of the property and the interest in the property to be acquired.
- A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
- A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

Must I Accept The Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

May Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

If I Reach Agreement With The Agency, How Soon Will I Be Paid?

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally,

this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

What Happens If I Don't Agree To The Agency's Purchase Offer?

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

What Happens After The Agency Condemns My Property?

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

Will I Have To Pay Any Closing Costs?

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
- Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

Can The Agency Take Only A Part Of My Property?

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

How Soon Must I Move?

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

Will I Receive Relocation Assistance?

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

I'm A Veteran. How About My VA Loan?

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

Is It Possible To Donate Property?

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

Additional Information

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact:

**Attachment 7-6:
Sample Notice of Intent to Acquire**

SAMPLE NOTICE OF INTENT TO ACQUIRE

(Date)

Name of Property Owner
Address
City, State, Zip

RE: Address or Legal Description of Property Location

Dear Property Owner and Other Interested Parties:

The purpose of this letter is to inform you that the _____, herein known as the Agency, intends to acquire your property located at _____ . The Agency has identified the area in which your property is located as a “project” area in which the following improvements may be carried out:

[INSERT TEXT]

Because Federal financial assistance is involved, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended. For your information and review, I have enclosed a copy of the Department of Housing and Urban Development’s brochure entitled, “When a Public Agency Acquires Your Property.” The Agency wishes to disclose to you the following:

1. The acquisition would be considered an involuntary acquisition due to the fact that the Agency has the power of eminent domain and can acquire your property by condemnation.
2. In most cases, an appraisal and review appraisal are required to establish what is just compensation (fair market value) of a property.
3. You, or someone you designate to represent you, will be offered the opportunity to accompany the appraiser during the inspection of your property.

**Notice of Intent to Acquire
Page Two**

If your property is tenant-occupied, each tenant should be encouraged to not move until you have received the Offer of Just Compensation. Each lawful tenant determined to be eligible, as a displaced person will be assisted when the property is acquired. A representative of our Agency will contact each tenant to discuss their eligibility for assistance under the URA.

The Agency wishes to caution you that any tenant who moves into the property identified herein for possible acquisition after the date of this letter, (date), may not be entitled to displaced person assistance from the Agency. In the event you wish to provide housing to a tenant after this date, and you personally wish to pay for such assistance, please contact the Agency before you allow the tenant to occupy or lease the unit since URA assistance for a displaced person can be quite expensive. If you wish to lease a vacant unit to a new tenant, but not be responsible for displacement assistance, be certain to have the attached Move-in Notice executed by the tenant prior to the tenant leasing and occupying your unit.

NOTE: If an Agency determines that a person occupies a property, or is allowed to occupy a property, for the purpose of obtaining relocation assistance, and the HUD Field Office that administers URA requirements for HUD-assisted programs in the jurisdiction concurs in that determination, the tenant will not be entitled to assistance as a displaced person.

If you wish to discuss the Agency's intent to acquire your property, the contents of the brochure or this letter, or the acquisition process that is required, please contact _____, _____, at _____.

Any correspondence or documents you wish to submit to the Agency should be mailed to _____, Attention _____.

This letter, and all future correspondence you receive from the Agency, are important and should be kept in a place of safekeeping.

Sincerely,

Enclosure

**Attachment 7-7:
Sample Statement of the Basis for the Determination of Just
Compensation**

Sample Statement of the Basis for the Determination of Just Compensation

Description and Location of the Property

The City/County of _____ proposes to purchase land and improvements on Anywhere Avenue (Lot 8, Square 6, Post Extension) from owner _____ (Name) at _____ (Address), _____ (City), Kentucky. It is a single-family residential unit, which conforms to zoning, present use, surrounding land use and area trends.

Improvements

It is a one-story single-family residence of wood frame construction with concrete foundation, stucco siding, a tar and gravel roof, and aluminum gutters and downspouts.

It contains a living room, kitchen, center hall, two bedrooms and one bath.

Interior finish is hardwood floors, except linoleum in the kitchen and bathroom, sheetrock walls and ceilings.

The kitchen has counters and painted wood cabinets. There are no built-in appliances.

Heat is gas-fired, forced air from Atlas, 120,000 BTU furnace.

The house is 25 years old. Design is good. Maintenance is poor.

Statement of Offer

Based on the two appraisals, the City/County of _____ hereby makes you an offer in the amount of \$_____ for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired.

Signature of Authorizing Official

Date

**Attachment 7-8:
Sample Notice of Intent Not to Acquire**

Sample Notice of Intent Not to Acquire

(Date)

Dear _____:

The City of _____ has determined not to acquire your property located at _____ (Address) _____. The reason(s) the city has decided against acquiring your property are _____ [insert reasons] _____. Any person moving from the premises from the date of this notice will not be eligible for relocation payments or benefits.

Sincerely,

Signature of Authorizing Official

cc: (Tenant)

**Attachment 7-9:
Sample Site Acquisition Chart**

**Attachment 7-10:
Short Form Appraisal Report for Easement Takings (Sample)**

Sample Short Form Appraisal Report for Easement Takings

Project Name _____

Parcel Address _____

PROPERTY OWNER _____

ADDRESS _____

Owner Invited to Accompany Appraiser _____

Past Sales of Property (5 years) _____

Improvements to Property Since Last Sale _____

LOT: Zoning _____ Area _____ Sq Ft _____ Acres _____

Highest and Best Use of Property: BEFORE _____ AFTER _____

Assessed Valuation: Land _____ Buildings _____ Total _____

Unlawful Usage or Violation of Codes and Ordinances _____

VALUATION: BEFORE AND AFTER VALUE ESTIMATES

- | | |
|---|----------|
| 1. BEFORE Property Value | \$ _____ |
| 2. AFTER Property Value | \$ _____ |
| 3. VALUE PART TAKEN AND DAMAGES, IF ANY | \$ _____ |

If damages to property by reason of taking, explain _____

NOTE: Appraiser has summarized above data based on his investigation and appraisal of subject property. Full documentation for values assigned can be furnished upon request.

**Attachment 7-11:
Guide for Preparing Appraisal Scope of Work**

U.S. Department of Housing and Urban Development (HUD)

Guide for Preparing An Appraisal Scope of Work

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations (49 CFR Part 24) set forth minimum requirements for real property acquisition appraisals for Federal and federally-assisted programs. Appraisals subject to the URA must be prepared according to these requirements. The acquiring agency may also have additional supplemental appraisal requirements which may be attached.

The acquiring agency has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem

The scope of work is a written set of expectations that form an agreement or understanding between the appraiser and the agency as to the specific requirements of the appraisal, resulting in a report to be delivered to the agency by the appraiser. It includes identification of the intended use and intended user; definition of fair market value; statement of assumptions and limiting conditions; and certifications. It should specify performance requirements, or it should reference them from another source, such as the agency's appraisal procedural manual. The scope of work must address the unique, unusual and variable appraisal performance requirements of the appraisal. Either the appraiser or the agency may recommend modifications to the initial scope of work, but both parties must approve changes.

SCOPE OF WORK: The appraiser must, at a minimum:

1. Provide an appraisal meeting the definition of an appraisal found at 49 CFR 24.2(a)(3).
2. Afford the property owner or the owner's designated representative the opportunity to accompany the appraiser on the inspection of the property.
3. Perform an inspection of the subject property. The inspection should be appropriate for the appraisal problem, and the scope of work should address:
 - The extent of the inspection and description of the neighborhood and proposed project area,
 - The extent of the subject property inspection, including interior and exterior areas,
 - The level of detail of the description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, the remaining property),
4. In the appraisal report, include an adequate description of the physical characteristics of the property being appraised (i.e., sketch of the property and provide the location and dimensions of any improvements) and a description of comparable sales. The appraisal report should also include adequate photographs of the subject property and comparable sales, and provide location maps of the property and comparable sales
5. In the appraisal report, include items required by the acquiring agency, including but not limited to the following:

- Property right(s) to be acquired, e.g., fee simple, easement, etc.,
 - Value being appraised (usually fair market value), and its definition
 - Appraised as if free and clear of contamination (or as specified),
 - Date of the appraisal report and the date of valuation,
 - A realty/personalty report as required by 49 CFR 24.103(a)(2)(i),
 - Known and observed encumbrances, if any,
 - Title information,
 - Location,
 - Zoning,
 - Present use, and
 - At least a 5-year sales history of the property.
6. In the appraisal report, identify the highest and best use. If highest and best use is in question or different from the existing use, provide an appropriate analysis identifying the market-based highest and best use.
7. Present and analyze relevant market information. *(Specific requirements for market information should be included in the agency's appraisal procedural manual and should include research, analysis, and verification of comparable sales. Inspection of the comparable sales should also be specified.)*
8. In developing and reporting the appraisal, 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. *(If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this and other Uniform Act requirements.)*
9. Report his or her analysis, opinions, and conclusions in the appraisal report.

ADDITIONAL REQUIREMENTS FOR A SCOPE OF WORK:

INTENDED USE: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a Federally assisted project.

INTENDED USER: The intended user of this appraisal report is primarily the acquiring agency, but its funding partners may review the appraisal as part of their program oversight activities.

DEFINITION OF FAIR MARKET VALUE: This is determined by State law. Fair market value, however, is generally defined as the price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, and usually includes the following:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, each acting in what he or she considers his or her own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

CERTIFICATION: The appraisal shall include a certification of the appraiser (see attached sample or insert agency's certification).

ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:

- The data search requirements and parameters that may be required for the project.
- Identification of the technology requirements, including approaches to value, to be used to analyze the data.
- Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
- Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action.
- As applicable include any information on property contamination to be provided and considered by the appraiser in making the appraisal.

CERTIFICATE OF APPRAISER - SAMPLE

I hereby certify:

That on _____ date(s), I personally made a field inspection of the property herein appraised and have afforded the owner or a designated representative the opportunity to accompany me on this inspection. I have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The property being appraised and the comparable sales relied upon in making this appraisal were as represented in the appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.

That I understand that such appraisal may be used in connection with the acquisition of property for a project utilizing U.S. Department of Housing and Urban Development funds.

That such appraisal has been made in conformity with appropriate laws, regulations, and policies and procedures applicable to appraisal of property for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are noncompensable under the established law of said State.

That any decrease or increase in the fair market value of real property prior to the date of valuation caused by the project for which such property is acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for the property.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency or officials of the U.S. Department of Housing and Urban Development and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.

That my opinion of the fair market value of the property to be acquired as of the _____ day of _____ 20 _____ is \$ _____ based upon my independent appraisal and the exercise of my professional judgment.

Name _____ Signature _____

Date _____

(Note: Other statements, required by the regulations of an appraisal organization of which the appraiser is a member or by circumstances connected with the appraisal assignment or the preparation of the appraisal, may be inserted where appropriate.)

**Attachment 7-12:
Sample Agreement for Appraisal Services**

SAMPLE AGREEMENT FOR APPRAISAL SERVICES **(ACQUISITION)**

THIS PROFESSIONAL SERVICES AGREEMENT, entered into this ____ day of _____, 20 __, by and between _____ of the City of _____, State of _____, hereinafter referred to as the "Agency", and _____, hereinafter referred to as the "Appraiser".

WITNESSETH THAT:

WHEREAS, the Agency proposes to acquire certain real property and desires that the Appraiser furnish the Agency certain services with respect to such property, including an appraisal of each parcel of the property, and the Appraiser represents that he is fully qualified to perform such services and will furnish such services personally; and

WHEREAS, the services to be provided under this Agreement are necessary to achieve the purposes of _____ and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

NOW, THEREFORE, the Agency and the Appraiser, for the consideration and under the conditions hereinafter set forth, do agree as follows:

ARTICLE 1. Property To Be Appraised. A description of the real property to be appraised, including an identification of any interests in the real property to be specifically excluded from appraisal, are set forth in the attached Attachment A. A separate appraisal is to be furnished for each "parcel". (The term "parcel" means any tract or continuous tracts of land in the same ownership, whether any such tract consists of one or more platted lots for a fractional part of a lot. An easement or other separately held interest in two or more parcels shall be considered to be a separate parcel for appraisal purposes and an exception to the title to the parcels so encumbered. An easement in a parcel that is appurtenant to another parcel to be acquired by the Agency shall be considered parcel encumbered). Each parcel shall be considered to include all right, title, and interest of the owner in or to any adjacent or abutting streets, alleys, or other public rights of way.

ARTICLE 2. Purpose and Basis of Valuations.

- (a) Purpose and Significance of Appraisals. The appraisals to be furnished under this agreement are required by the Agency for its guidance in making fair and impartial determinations of fair market value and the just compensation to be offered to each property owner. The Appraiser shall be guided by those objectives when estimating values. Appraisal reports will be reviewed carefully by the Agency.

Accordingly, the text of each appraisal report must cover all matters germane to the required valuation findings and must provide a full explanation of the Appraiser's reasoning and his analyses of the evidence of value, so that a reviewer will be able to follow the Appraiser's analyses and understand how he reached his valuation conclusions.

- (b) Appraisal Requirements. The appraisals under this agreement shall be based on nationally recognized appraisal standards and techniques to the extent that such principals are consistent with the concepts of value and the rules on the admissibility of evidence of value under the eminent domain law of the State.

Factors relating to race, color, religion, sex or national origin, or to racial, religious and ethnic identification of neighborhoods are not relevant to the estimation of value and shall not be considered in connection with appraisals of residential real property.

- (c) Date of Valuation. The Appraiser's valuation shall be as of a date concurrent with the preparation of his report, unless the Agency has specified some other date of valuation.
- (d) Relocation Assistance. The Appraiser's analyses and opinions or property value shall not reflect any allowance for the relocation payments and other assistance provided under Title II of the Uniform Act.
- (e) Influence of Project on Property Value. In forming his opinion(s), the Appraiser shall disregard any decrease or increase in the fair market value of the real property to be acquired, prior to the date of valuation, caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner. (In the case of a partial acquisition, using the before-and-after method of valuation, the Appraiser's opinion of the value of the remaining not-to-be-acquired portion of the property shall reflect any increase or decrease in value attributable to the project.) If the determination of changes in value caused by the project is a problem, the Appraiser's report shall cite the ruling followed and its source and shall explain the effect of the ruling on his opinion of value.

ARTICLE 3. Scope of Appraiser's Services. The Appraiser agrees to perform the following services.

- (a) Appraise each parcel and prepare and deliver to the Agency, within _____ calendar days after the date of this agreement, _____ copies of the appraisal reports conforming to the provisions of this agreement. The Appraiser shall personally inspect each parcel, including all buildings, structures, fixtures, and other improvements to the property. The Appraiser shall give the owner or his designate representative an opportunity to accompany the Appraiser during his detailed inspection of the property. If the owner is of a compensable interest in the property or a representative of such owner does not accompany the Appraiser during the inspection, the Appraiser shall include in his appraisal report a copy of his notification to the owner of the opportunity to accompany the Appraiser and evidence of the owner's receipt of such notification. In the process of inspecting the property, the Appraiser shall, to the extent practicable, ascertain the rights of all parties in possession and note for consideration all factual information and comments furnished by the owner or his representative relevant to the appraisal.
- (b) Testify as an expert witness in behalf of the Agency in any judicial proceeding involving any property appraised under this agreement. Such services shall include such reasonable time as may be required for re-inspection of the property, updating the Appraiser's valuation, participation in pretrial conferences with counsel for the Agency, and testifying in the judicial proceeding. The compensation for such services shall be determined in accordance with Article 6.
- (c) Modify or furnish supplements to any appraisal report furnished under this agreement, without additional cost to the Agency, if (1) applicable principles of law with respect to the valuation of the property require the modification or supplementing of such appraisal, (2) material omissions, inaccuracies, or defects in the appraisal report are discovered after delivery and acceptance of the report by the Agency or (3) the Appraiser receives or becomes aware of relevant additional appraisal information in existence prior to the date the Appraiser signed the report. If there is a significant delay between the date of valuation and the date of acquisition of any parcel or if the property has been materially altered since the appraisal by a fire, a revised determination of the boundaries of the property to be acquired, or other cause, the Appraiser shall, if requested by the Agency, furnish the Agency a supplementary report updating this valuation and the supporting data and analysis to a current date. The compensation for such updating of an appraisal shall be determined in accordance with Article 6.

- (d) Estimate the value of any right or interest proposed to be reserved by the owner in a property appraised by the Appraiser, such as an easement for access to other property of the owner, the right to continue occupancy for an extended period after the Agency acquires the property, or the right to remove any building, structure, fixture, or other improvement. The compensation to be paid to the Appraiser for furnishing any such valuation shall be determined in accordance with Article 6.
- (e) Consultant with the Agency and its legal counsel regarding services to be performed by the Appraiser, at such time(s) as may be mutually convenient for the parties to this agreement. The Appraiser shall initiate such consultations whenever he is in doubt as to whether an element of property is real or personal property or needs legal advice on any aspect of the appraisals to be furnished under this agreement. There shall be no charge by any party for such consultations.

ARTICLE 4. Contents of Appraisal Reports. Each appraisal report to be furnished by the Appraiser under this agreement shall contain certain information and the Appraiser's conclusions and opinions, together with the data and analysis by which they were derived, as set forth below. A separate report shall be submitted for each parcel. However, if more than one parcel is to be appraised, all general data may be included in a separate data volume that is referenced in the separate appraisal reports on the individual parcels. The appraisal report on each parcel shall include the following:

- (a) A summary headed "Appraisal Report for (name of Agency)" that provides the following:
 - (1) Project name and number.
 - (2) Date of the report.
 - (3) Parcel number, address of the property, brief identification of all interests in the property appraised, and the name of the owner(s) including any tenant-owners.
 - (4) Date(s) of the Appraiser's inspection of the property with the owner(s) or the owner's designated representative, including the name of each owner or representative of an owner who accompanied the Appraiser during his inspection and the interest held in the property or the representative capacity of each such person.
 - (5) The Appraiser's estimate of the fair market value of the entire parcel and the fair market value of the same interest in the land, as if vacant.
 - (6) The limiting conditions of the appraisal, which may include assumptions (i) that the title is good and marketable, (ii) that no responsibility is assumed by the Appraiser for legal matters, especially those affecting the title to the property, (iii) that the legal description of the property and the interest in the property to be appraised, furnished to the Appraiser by the Agency, is correct, and (iv) that no survey of the property has been made. Any other appropriate assumption or limiting condition may be added if it has been specifically approved in writing by the Agency.
 - (7) The certifications of the Appraiser (i) that he personally made a through inspection of the property (ii) that, to the best of his knowledge and belief, everything contained in the report is true and no relevant and important fact has been omitted, (iii) that neither his employment nor his compensation is contingent on the valuation reported, and (iv) that he has no past, present, or prospective interest (including that of real estate agency or broker) in the property, the parties involved, or any other interest that would conflict in any way with the services performed or the making of an impartial report.
 - (8) A certification that, in the Appraiser's opinion, the fair market value of the property is (an amount to

be stated) as of (the date of valuation).

- (9) The signature of the Appraiser
- (b) The name and address of the owner of the property and the name of any other party known or believed to hold a separate compensable interest in the property.
- (c) The street address and an accurate description of each parcel and all interests in the parcel appraised. The property description shall identify all conditions, restrictions, easements, servitudes, and reservations affecting the title. The property description shall specifically exclude and describe any separately held interest in the property that is to be acquired separately or as part of another parcel. The description shall also specifically exclude all separately held interests which are not to be acquired and will not be affected adversely by the Agency's project. If there are any separately held interests in a parcel, which are to be acquired with other interests in the same parcel, such as leaseholds, tenant-owned improvements, life estates, easements, and water, gas, oil, or mineral rights, a description of each such separate interest and the name of its owner shall be furnished.
- (d) Off-record title information concerning interests or instruments that affect title, but are not of record, such as leases, options to renew a lease, contracts of sale, and other interests or rights of parties in possession. Such information shall be reported, and if available facts are sufficient, the Appraiser's report shall be based on such additional title information and so noted in the appraisal report. Otherwise, the Appraiser shall refer the matter to the Agency and defer completion of the appraisal until the question is resolved.
- (e) Basic property data including pertinent information with respect to such matters as (1) the environment and location of the property, (2) the zoning and any restrictive covenants, conditions, or servitudes affecting the available use or occupancy of the land, (3) the assessed value of the real property and the current annual real estate tax burden, (4) the use and occupancy of the property at time of appraisal, (5) the public improvement, services, and utilities serving and providing access to the property, (6) the character, topography, dimensions, and area of the land, (7) the freedom of the property from special hazards, (8) the current rental and rental history of the property, if rented, (9) the estimated annual costs of ownership and for operation and maintenance of the property, and (10) a description of the buildings, structures, and other improvements, if any, including relevant information as to type of improvement, designed use, construction materials and finish, equipment, dimensions, floor area, age, condition, space or room arrangement, functional utility, and any other characteristics or attributes of the improvements germane to the value of the real property. The appraisal report shall contain a general sketch plat showing the shape and dimensions of the land, the location of the principal improvements on the land, the location of any easements in the land, and the abutting streets, alleys, or other public right of way. The report shall also include such photographs, clearly identified, as may be appropriate.
- (f) Report of any condition or occupancy of the property in violation of law that may affect the value of the property.
- (g) The Appraiser's opinion as to the highest and best use for the property. The appraisal report shall also include the Appraiser's opinions as to any other use(s) for which the property is reasonably suitable or adaptable. If the property is unused vacant land or the highest and best use is not self-evident or is found to differ significantly from the present use, the appraisal report shall contain the analysis by which the Appraiser reach his conclusions as to the highest and best use and as the relative suitability or adaptability of the property for any other use(s) for which the property could reasonably be considered to be suitable or adaptable. The analysis of a potential use shall include consideration of relevant matters, such as the suitability of the location, the environment and the legal and physical attributes of the property for such use, the estimated cost, if any, of converting the property to such use, and the supply, sale price levels, and

relative desirability of other properties that would compete for the same kind of use. The analysis of the property for the future use or uses found to be the highest and best use is part of the process of appraising the property and, therefore, may be included in the valuation analysis furnished in accordance with Paragraph 4 (h) below.

- (h) The opinion of the Appraiser as to the fair market value of the property. The appraisal report shall contain a description of the reasoning process used by the Appraiser in reaching his conclusion as to value and all data and analysis needed to explain and support his valuation. The supporting data and analysis furnished in the appraisal report shall include the following:
- (1) An analysis of the property, from the point of view of evaluating the effect of its characteristics and attributes on its value for the available use or uses for which the property is best suited. Particular attention shall be given to the characteristics or the property most relevant to its value, such as, in the case of an investment property, the income potential and the expenses of ownership, maintenance, and operation.
 - (2) An identification of the most recent sale of each property appraised and any other sales of such property during the last five (5) years preceding the appraisal. Such sale(s) of the property appraised and all recent sales of comparable properties considered by the Appraiser in forming his opinion(s) of fair market value shall be verified insofar as practical. The information furnished with respect to each such sale shall include, among other pertinent facts, the names of the grantor and grantee, the date of the sale, the sale price, any special terms or conditions or circumstances of the sale that affected the transaction, and a description of the property and its condition at time of sale in sufficient detail for use in making the appraisal.
 - (3) The analysis that constitute the principal basis for the Appraiser's opinion of the fair market value. The appraisal report shall contain the Appraiser's evaluation with respect to previous sales of the property appraised and any recent offer of the owner to sell the property. The appraisal report shall also contain the Appraiser's analysis of each comparable property and its sale in relation to the property appraised. The Appraiser's analysis shall reflect appropriate allowances for the difference in the time of the sale of the comparable properties and the date of appraisal and the differences in the utility, desirability, and productivity of the properties that are pertinent to their relative value. The appraisal report shall contain a valuation data map showing the location of the property appraised and the comparable properties referred to in the appraisal report.
 - (4) All other information, analysis, and estimates considered by the appraiser to be relevant to the estimation of the fair market value of the property.
 - (5) If the property appraised is part of a larger parcel in the same ownership or is less than the entire interest of the owner in the property, the appraisal report shall contain the Appraiser's opinion of just compensation for taking of such property or interest, using the before-and-after method of valuation as interpreted under State law unless it is obvious that there would be no damages or benefits to the remaining property or interest of the owner. However, if the part or interest to be taken can be more accurately estimated directly, that method may be used if permitted under State law, without estimating the fair market value of the entire property of the owner. The foregoing opinions of the Appraiser shall be supported in his report by the data and analysis by which he reached his conclusions.

For information purposes, the appraisal report shall also contain the Appraiser's estimates of the fair market value of the to-be acquired part of the whole property and the net damages or benefits to the remaining property of the owner. If in the opinion of the Appraiser, acquisition of the part of, or interest in, the property proposed for acquisition would leave the owner with an uneconomic

remnant, the Appraiser shall furnish a separate estimate of the fair market value of a "parcel" comprising both the parcel proposed for acquisition and the uneconomic remnant. (A remainder parcel or interest shall be considered to be an uneconomic remnant if by itself it has little or no utility or value to the owner.)

- (6) Such maps, plans, photographs, or other exhibits, as necessary, to explain or illustrate the analysis of the Appraiser.
 - (7) The Appraiser's evaluation of the indications of value deduced from his separate analysis of the various evidences of value and an explanation of how he reached his final conclusion as to the fair market value of the property.
- (i) The opinion of the Appraiser as to the fair market value of the land, as if vacant. The valuation shall be for the same interest in the land as is to be acquired in the real property. The report shall contain information with respect to the available use or uses for which the land would be suitable if vacant, the opinion of the Appraiser as to its highest and best use, and the Appraiser's analysis of the evidences of value and of the use potential by which he reached his conclusions as to the highest and best use of the and the land value.
 - (j) A property analysis if the property is a commercial, industrial, institutional, governmental, or farm property that involves substantial quantities and kinds of fixtures such as machinery and equipment. Any building, structure fixture, or other improvement, which would be real property if owned by the owner of the land, shall be considered to be real property (even if the improvement is the property of a tenant who has the right to remove it or the obligation to remove it at the expiration of his term). The property analysis must be approved by the Agency before the appraisal is completed and, as approved by the Agency, shall be included as an exhibit in the Appraiser's report. The property analysis shall list, identify, and classify as to ownership and type of improvement, all items of physical property considered to be part of the real property. The property analysis shall also identify tangible personal property located on the premises to the extent reasonably necessary to prevent misunderstandings as to what is regarded as being real or personal property. Buildings, structures, fixtures and other improvements, including their accessories and spare parts, shall be identified and classified as to ownership and type of property as follows:
 - (1) Ownership.
 - (i) Owner of the land.
 - (ii) Each tenant in occupancy.
 - (iii) Each non-occupant owner of any fixtures or other improvements, or personal property on the premises.
 - (2) Type of property.
 - (i) Building, structure, or fixed improvement.
 - (ii) Building equipment, removable.
 - (iii) Fixtures, classified as to whether economically removable for reuse, removable for salvage only, or irremovable.
 - (iv) Personal property, identified as to types and approximate amounts, or

otherwise, as needed to prevent misunderstandings as to the classification of any item.

If any building, structure, fixture of other improvement is not to be acquired, it will not be adversely affected by the Agency's project, and will not be required by the agency to be removed, such as a pipeline in an easement not to be acquired, such improvement shall be identified as excluded from the appraisal.

(k) If machinery and equipment or other fixtures used in a trade or business, farm operation, or institutional or governmental function constitute part of the real property, the appraisal report shall contain a separate schedule which provides separate estimates for each item, as prescribed below. If there is more than one owner of such items, a separate schedule shall be furnished for each owner. The information and conclusions to be furnished on each item are as follows:

- (1) Description of the item, including, as appropriate, the manufacturer, model and serial number, size or capacity, age and condition, and degree of obsolescence. Accessories and spare parts, special foundations, and power wiring and process piping generally shall be listed separately, following the listing of the item(s) to which they apply.
- (2) Estimate of the replacement cost installed of the item as listed and identified (exceeding any elements listed separately). Separately identify the basis of estimated replacement cost (new or used).
- (3) The contributive (enhancement) value of the item to the fair market value of the real property as a whole.
- (4) Estimated fair market value of the item for removal from the property at a purchaser's expense. Such value shall be considered to be the probable selling price if the item were offered for sale for removal from the property at the purchaser's expense, allowing a reasonable time to find a purchaser buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including salvage for serviceable components and scrap when it appears that will provide the highest value.

The schedule(s) of estimates shall be consistent, with the property analysis approved by the Agency, as provided in Paragraph 4 (j). The Appraiser is permitted to use the services of such technical specialists as may be needed to enable the Appraiser to provide valid estimates and sound valuations. The schedule(s) shall be supported by an explanation of the procedures followed in gathering the necessary market information and technical data. The principal purpose of the Appraiser's accompanying narrative, however, must be to explain his analysis and his evaluations of the dollar amount of the overall contribution of the machinery, equipment, and fixtures to the fair market value of the real property as a whole. The report shall contain any layout plans, sketches, or photographs that are reasonably necessary for locating or identifying the facilities or illustrating the Appraiser's analysis.

(l) If there are separately held interests in the real property to be acquired, such as easements, leasehold, air rights, life estates, and oil, gas, or mineral rights, and the division or ownership is not of such character as to destroy the practical unity of the property, the Appraiser shall apportion his estimate of the fair market value to the property (all interests in the property to be acquired) to each separately held interest. (However, tenant-owned improvements shall be valued in accordance with Paragraph 4 (m) below.) The report shall contain the data, analysis, and reasoning by which the Appraiser made the apportionment. If the "unit rule" is regarded as not applicable because the division of ownership is such as to diminish the fair market value of the property as a whole, the separate interests involved shall be appraised separately.

(m) Tenant-owned improvements. If any building, structure, fixture, or other improvement to the property is identified as being the property of a tenant who has the right or obligation to remove it as the expiration of

his term, the Appraiser's estimate of the fair market value of the improvement shall be the greatest of (1) the amount which the improvement contributes to the fair market value of the property, (2) the in-place value of the improvement as part of the real property (the depreciated replacement cost of the improvement installed), or (3) the fair market value of the improvement for removal from the property at the purchaser's expense. The appraisal report shall state the basis for the valuation of the improvement and furnish the data and analysis on which the valuation was made.

- (n) If the property is a multi-family or mixed-use (residential and non-residential) property and owner of a compensable interest in the property also occupies a dwelling in the property, the Appraiser shall furnish an apportionment of his estimate of the fair market value of the whole property to such dwelling and to the remainder of the property. For the purpose of this paragraph, an occupant of a dwelling shall be considered to own a compensable interest in the property if he holds fee title, a life estate, a 99-year lease, or a lease with not less than 50 years to run from the date of valuation, or holds an interest in a cooperative housing project which includes the right to occupy the dwelling, or is the contract purchaser of any of the foregoing estates or interests, or has a leasehold interest with option to purchase. The Appraiser's report shall explain how he made the apportionment.

ARTICLE 5. Services To Be Provided By Agency. The Agency agrees to furnish the Appraiser with the following:

- (a) A map or plat, based on official records, of the property described in Article 1, showing the boundaries and dimensions of the parcels to be appraised. Each parcel shall be designated by a number, and the parcel numbers shown on the Appraiser's reports shall correspond to the parcel numbers shown on the map or plat. However, additional parcel numbers may be assigned by the Appraiser for easements appraised separately or for additional parcels revealed while making the appraisals. The Appraiser shall promptly advise the Agency of any such additions.
- (b) An ownership data report for each parcel. That report will show all estates and interests in the parcel as shown of record and consequently shall not be assumed to accurately define the interests to be appraised. The ownership data report on each parcel as shown on the parcel map will include the following:
- (1) The name (and address, if available) of the owner appearing on record;
 - (2) The legal description of the parcel as shown by the conveyance(s) by which the record owner acquired title;
 - (3) Identification of the conveyance(s) by which the present owner acquired title, including the date of the conveyance(s); the date, book and page numbers, and place of recordation; the name (and address, if available) of the grantor of such conveyance; the stated consideration; the amount of any mortgages or encumbrances placed on record or to which title was subject at time of conveyance (so far as determinable from an examination of the conveyance); and the amount of any State or local transfer taxes that were based on the amount of the consideration;
 - (4) Outstanding estates and other rights or interests of record, including easements, use restrictions, mineral rights, leases, and any know, but unrecorded, interests of other parties. Sufficient information shall be furnished to disclose the probable effect of such outstanding interests on the title of the record owner;
 - (5) Outstanding special assessments, if any, for public improvements such as streets, sidewalks, public utilities, and similar public facilities;
 - (6) The amount of real estate taxes for the current year and the assessed valuation stated separately for

land and for improvements.

- (c) Legal advice, upon request of the Appraiser, on legal matters affecting the appraisal of any property to be appraised.

ARTICLE 6. Payment. In consideration of the services provided by the Appraiser under this agreement, the Agency agrees to make payment to the Appraiser upon the submission to the Agency of properly certified invoices, as follows:

- (a) For appraisal reports accepted by the Agency, and for all other services furnished in accordance with Article 3, except services furnished in connection with judicial proceedings under Paragraph 3 (b), the updating of appraisals under Paragraph 3 (c), and the valuation of reservations of rights in owners under Paragraph 3 (d), the lump sum of _____ dollars, which shall constitute full payment to the Appraiser for all of such services and for all supplies, materials, and equipment used or furnished by the Appraiser and all expenses incurred by the Appraiser in connection with the performance of such services.
- (b) For services furnished by the Appraiser in connection with judicial proceedings as provided in Paragraph 3 (b) (except services as an expert witness in such a proceeding), the updating of appraisals as provided in Paragraph 3 (c), and the valuation of reservations of rights in owners as provided in Paragraph 3 (d), _____ dollars per hour or fraction of an hour actually engaged in performing the services, including travel expense and subsistence, shall be borne by the Appraiser.
- (c) For services and an expert witness for the Agency in judicial proceedings as provided in Paragraph 3 (b), the Appraiser and the Agency hereby agree that the fair and reasonable compensation for the Appraiser's services shall be _____ dollars for each day's attendance in court.

ARTICLE 7. Agreements of Appraiser. As an inducement to the execution of this agreement by the Agency in consideration of the agreements to be performed by the Agency, the Appraiser agrees to the following:

- (a) Qualifications. The Appraiser is qualified to perform the services to be furnished under this agreement and is permitted by law to perform such services, and all personnel engaged in the work shall be qualified and so permitted to do the work they perform. Attached as Attachment B, is a statement by the Appraiser, certified by him to be true and correct, setting forth his technical qualifications, general appraisal experience, specific experience in appraising properties of the type involved in this agreement, the courts in which he has testified as an expert witness, and other information pertinent to establishing his technical qualifications.
- (b) Solicitation of Agreement. The Appraiser has not employed any person to solicit this agreement and has not made, and will not make, any payment or any agreement for the payment of any commission, percentage, brokerage, contingent fee, or other compensation in connection with the procurement of this agreement.
- (c) Interests of Appraiser and Appraiser's Employees. The Appraiser does not have any interest (including that of real estate agent or broker), direct or indirect, present or prospective, in any property described in Article 1 or in its sale, or any other interest, whether or not in connection with the property, which would conflict in any manner or degree with the performance of the services and the submission of impartial reports, and has not employed and will not employ, in connection with the services to be furnished under this agreement, any person having any such interest. Until the property is acquired by the Agency or excluded from its project by resolution of its governing body, the Appraiser and any employees of the Appraiser, so long as they are employed by the Appraiser, will not acquire any such interest and will not, for their own

account or for other than the Agency, negotiate for any of the property, perform services in connection with the property, or testify voluntarily as a witness in a condemnation or other proceeding with respect to the property.

- (d) Services To Be Confidential. All services, including reports, opinions, and information, to be furnished under this agreement are confidential and shall not be divulged, in whole or in part, to any person, other than to duly authorized representatives of the Agency, without prior written approval of the Agency, except by testimony under oath in a judicial proceeding or as otherwise required by law. The Appraiser shall take all necessary steps to ensure that no member of his staff or organization divulges any such information except as may be required by law.
- (e) Facilities and Personnel. The Appraiser has and will continue to have proper facilities and personnel to perform the services and work agreed to be performed. If the Appraiser proposes to employ any person or persons to make any appraisals of machinery and equipment or other specialized elements or attributes of a property appraised under this agreement, the employment of such person or persons for such purpose shall not place the Agency under any obligation of such employee, nor relieve the Appraiser of full responsibility for the faithful performance of the services to be furnished under this agreement.
- (f) Assignment. The Appraiser's rights, obligations, and duties under this agreement shall not be assigned in whole or in part, but shall not prohibit the assignment of the proceeds due under this agreement to a bank of financial institution. This agreement may be assigned by the Agency to any corporation, agency, or instrumentality having authority to accept the assignment.
- (g) Subcontracting. None of the work or services covered by the agreement shall be subcontracted without the prior approval of the Agency.
- (h) Records. The Appraiser shall maintain records of all details with respect to the services to be performed under this agreement, including one complete copy of each appraisal report and related notes, for three (3) years after delivering the report or until the property is acquired by the Agency or the acquisition is abandoned, whichever is later.
- (i) Affidavits of Compliance. The Appraiser will, if requested by the Agency, furnish the Agency affidavits certifying compliance with the provisions of this Article 7.

ARTICLE 8. Changes. The Agency, by written notice to the Appraiser, may modify the scope of quantity of the services to be furnished under this agreement. If such changes cause and increase or decrease in the amount of services to be provided by the Appraiser or in the time required for their performance, equitable adjustment shall be made in the provisions of this agreement for payments to the Appraiser or for the time for performance of the services or for both, and this agreement shall be modified by agreement of the parties accordingly.

ARTICLE 9. Notices. Any action by the Agency under this agreement may be taken by _____, or such other person(s) as the Agency may, by written notice to the Appraiser, designate for such purpose. All notices to the Appraiser shall be considered to be properly given if mailed to the address specified below, or delivered personally to the Appraiser. All notices or other papers given to the Agency shall be considered to be sufficiently given if mailed, postage prepaid to _____, at _____, or to such other representative or address as the Agency may designate to the Appraiser in writing.

ARTICLE 10. Contract For Professional Services. Contract must include the special Equal Opportunity and Supplemental Conditions found in the Public Facilities chapter of the Handbook.

IN WITNESS WHEREOF, the Agency and the Appraiser have executed this agreement on or as of the date first above written.

(Appraiser)

(Street Address)

(City) (State) (Zip Code)

(Agency)

By: _____

**Attachment 7-13:
Sample Invitation to Accompany an Appraiser**

Sample Invitation to Accompany an Appraiser

(Date)

Name of Property Owner

Address

City, State, Zip

Dear Property Owner:

I have been requested by the City of _____ to prepare an appraisal of your property on _____(Address)_____. I will visit the property on _____(date)_____. If you wish to accompany me, please phone me at _____(phone number)_____ to arrange a mutually convenient time.

Sincerely,

Appraiser

**Attachment 7-14:
Sample Review of Appraisal**

Sample Review of Appraisal

After reviewing the appraiser's supporting data and documentation, it is my recommendation that the \$_____ established as fair market value for the purchase of Lot 8, Square 6, Post Extension is sound and accurate. The appraiser's report is complete and the methods utilized conform with recognized appraisal practices.

The appraisal report documents the determination of fair market value through:

A. A Cost Approach

The appraiser estimated the value of the land through the search for vacant land sales. S/he compared land sales with six recent land sales, then adjusted for time and points of difference. In addition, replacement costs for new living area based on the actual square footage of the area were estimated at a standard rate. Depreciation based on age and observed condition was subtracted from this total. All mathematical computations are accurate and were reached using sound judgment.

B. Market Data Approach

The appraiser searched the sale of sixteen properties of which three were comparable to subject property. The Factual Data report is accurate. The sales were adjusted for points of difference.

The qualifications of the appraiser are excellent meets the qualification standards. Accurate maps and photographs were included in the report.

Date

Signature of Review Appraiser

Address

City, State, Zip

Telephone Number

**Attachment 7-15:
Sample Written Offer to Purchase**

SAMPLE WRITTEN OFFER TO PURCHASE

(Date)

Name of Property Owner

Address

City, State, Zip

Dear Property Owner:

This will introduce to you (Name of Agency Representative) , who represents the City/County of _____, Kentucky, in the capacity of Right-of-Way Agent and who will discuss with you the acquisition by the city/county of the property, which our records indicate is owned by (Property Owner) . This property is required for construction of the proposed addition to (Name of Project) .

We have had the property appraised by a competent and unbiased fee appraiser and this report has been thoroughly analyzed by a competent review appraisal analyst and found to be well supported. Based on the appraisal and review, the city/county hereby makes you a firm offer in the amount of \$_____ for the purchase of your property.

We feel that the above offer is most equitable and we urge your favorable consideration and acceptance of it. If this meets with your approval, (Name of Agency Representative) will assist in any way convenient to you in finalizing the acquisition.

Thank you very much for your cooperation and favorable consideration of this offer.

Very truly yours,

(Signature of Appropriate Person)

Enclosure: Statement of the Basis for the Determination of Just Compensation

**Attachment 7-16:
Sample Statement of Settlement Costs**

Sample Statement of Settlement Costs

Identification of Property _____

Purchase Price \$ _____

Expenses Incidental to Transfer of Title	Paid by City	Paid by Owner	Total
1. Recording Fees	\$	\$	\$
2. Transfer Taxes	\$	\$	\$
3. State Tax Stamps	\$	\$	\$
4. City/County Tax Stamps	\$	\$	\$
5. Survey and Legal Description	\$	\$	\$
6. Penalty Costs Associated with Prepayment of Pre-Existing Recorded Mortgages	\$	\$	\$
7. Pro Rata Portion of Pre-Paid Taxes and Public Service Charges	\$	\$	\$
a. Real Property Taxes (County)	\$	\$	\$
b. Real Property Taxes (City)	\$	\$	\$
c. Water Service	\$	\$	\$
d. Sewage Service	\$	\$	\$
e. Trash Collection	\$	\$	\$
TOTAL	\$	\$	\$

This statement of settlement costs is certified as true and correct.

Signed: _____ Date: _____
 Closing Attorney

**Attachment 7-17:
Real Property Acquisition Checklist**

**Community Development Block Grant
Sample Real Property Acquisition Checklist**

	Donated Easements	Voluntary Sale	Acquisition
1. Title search/clearance of title			
2. HUD brochure <i>When a Public Agency Acquires Your Property</i> and evidence of receipt			
3. Evidence of invitation to accompany appraiser			
4. Appraisal report/determination of fair market value			
5. Donation waiver (<i>if applicable</i>)			
6. Justification for any properties not appraised			
7. Review appraisal report			
8. Written statement of just compensation			
9. Written offer to purchase and evidence of receipt			
10. Sale Contract			
11. Statement of settlement cost and evidence of receipt			
12. Receipt of purchase price or copies of cancelled checks			
13. Notice of intent not to acquire (<i>if acquisition terminated</i>)			
14. Court Resolution (<i>if condemnation</i>)			
15. Correspondence/Contact Log			