

2009 QBS
Request for Statement of Interest (SOI)
On Call Review Appraisal Services

The Kane County Division of Transportation is in need of professional services from an appraisal firm to provide Review Appraisal Services for various Kane County projects.

The Statement of Interest shall be submitted **VIA EMAIL** no later 4:00 P.M September 10, 2009 and should be addressed to Joy Yehnert, Chief of Land Acquisition. Joy Yehnert's email address is: Yehnertjoy@co.kane.il.us .

Statements of Interest received will be used by County's right of way staff to develop a short-list of up to five (5) firms. The County may choose to award all work to a single firm or multiple locations to multiple firms. The County will then submit a Request for Proposal (RFP) and schedule interviews with the short-listed firms.

For more information regarding the SOI, such as content and format of these items, please reference our QBS document found at <http://www.co.kane.il.us/dot/consultant.aspx>. Also, the SOI shall be submitted in PDF format viewable with the latest version of Adobe reader. The SOI shall be limited to two pages.

Short-listed firms will be posted on our website at www.co.kane.il.us/dot. Click on the tab near the top of the page labeled "Consultant Selection", then click on the link labeled "Summary Table".

A Statement of Interest (SOI) received after the above noted deadline will not be used as part of our consultant selection process.

2009 On Call Review Appraisal Services Scope of Work

- The Review Appraiser will be required to review underlying appraisals submitted by Kane County's Appraiser as issued on a Work Order basis.
- The Review Appraiser may be required to provide a cost estimate to assist the County in developing its land acquisition budget. This work would be issued on a Work Order basis.
- Initial meeting with client and at the County's discretion the Underlying Appraiser for each Work Order.
- The Review Appraiser will receive the underlying Appraisal Report via email in PDF format.
- The Review Appraiser shall commence work within 5 calendar days after receipt of the underlying appraisal.
- The Review Appraiser will complete his review within the time specified in the work order. The typical time is anticipated to be 2 weeks after receipt of the underlying appraisal. The goal is to have a completed Review Certification within 2 to 3 weeks of receiving the underlying appraisal.
- If the Appraiser and Review Appraiser cannot come to an agreement on value or other issues to complete the appraisal the Review Appraiser shall document the Fair Market Value for the assigned task and submit the documented Review Appraisal Certification to the County. This will serve as the basis for the offer to acquire the property needed for the public improvement.
- If available at the time the Work Order is issued Kane County will provide the Review Appraiser with plans that depict proposed public improvements.

(See attached Appraiser Qualification Requirements and Appraisal Report Requirements document.)

KANE COUNTY DIVISION OF TRANSPORTATION ON-CALL APPRAISAL SERVICES ON-CALL REVIEW APPRAISAL SERVICES

Appraiser Qualification Requirements Appraisal Report Requirements

Almost all of the following information is obtained from IDOT's 2006 Land Acquisition Manual. Some minor revisions are made to tailor this for Kane County.

For projects where Kane County has received Federal or State funding the appraiser(s) and review appraiser(s) should expect to follow IDOT standard policies and procedures.

1. FEE APPRAISER QUALIFICATIONS

Fee appraisers must have the necessary background and experience, ability and enterprise to gather the necessary facts, correlate and analyze them, demonstrate good judgment in forming opinions of fair market values, and the ability to write their appraisal reports that meet minimum requirements. They must be able to interpret highway plans and be capable of determining the effect of the proposed improvement on the properties being appraised. Appraisers must be willing to prepare and testify to unbiased opinions of value without being an advocate for the County. When called upon for service as expert witnesses, they must be capable of presenting, in a forthright and thorough manner, all of the facts considered in preparing the appraisal, and to defend, in a logical and convincing manner, the conclusions which they have reached. The fee appraiser must prepare the analysis and conclusions presented in the appraisal report. Others may assist in data collection to perform preliminary field work. The appraiser must declare such assistance in the report.

An appraiser must meet certain educational and experience requirements. The following qualification criteria will be used to determine if the appraiser meets minimum qualification requirements:

- If the appraiser is a state certified general or residential appraiser, most experience and education requirements are satisfied. A copy of their current state license and a sample appraisal must be submitted to the County.
- If the appraiser is a state licensed residential appraiser, most education requirements are satisfied. A copy of their current state license, a sample appraisal, and documentation indicating two years of experience (at a minimum) in preparing written appraisal reports must be submitted to the County.

2. FEDERAL AND STATE FUNDED PROJECTS

Fee Appraiser - When an appraisal problem requires an appraisal and it is assigned to a fee appraiser, the appraiser shall be a certified general or certified residential real estate appraiser. It should be noted that local agencies are required to use a certified general or certified residential real estate appraiser on projects which have federal funding in **any** phase of the project. The assignment of fee appraisers will be made in accordance with the selection criteria listed below.

Fee Review Appraiser – A fee review appraiser shall be a certified general or certified residential real estate appraiser in order to review appraisals. It should be noted that local agencies are required to use a certified general or certified residential real estate appraiser for the review of appraisals on projects which have federal funding in any phase of the project. The assignment of fee review appraisers will be made in accordance with the selection criteria listed below.

Selection Criteria - The selection of fee appraisers and fee review appraisers shall be in accordance with the following classifications:

- State Certified Residential Real Estate Appraiser - This category limits the appraiser to appraising or reviewing residential property containing 1-4 living units, and vacant single-family land zoned residential, which will accommodate no more than four living units.
- State Certified General Real Estate Appraiser - This category allows the appraiser to appraise or review any type of real estate.

3. SCOPE OF WORK

The scope of work must meet the following criteria:

- Must be a written statement.
- Must be developed by the appraiser
- If the County specifies use of a review appraiser, must be developed by the review appraiser
- Must define general parameters of work.
- Must address the purpose/function of the appraisal.
- Must define the estate to be appraised.
- Must include the appropriate definition(s) of “fair market value”.
- Must include the assumptions and limiting conditions.

- Must address the appraisal's compliance with the following:
 - An adequate description of the physical characteristics of the property being appraised including items of personal property.
 - A statement of the known and observed encumbrances, if any, title information, location, zoning, present use and analysis of highest and best use and at least a five year sales history of the property.
 - All relevant and reliable approaches to value consistent with federal and federally-assisted program appraisal practices. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of the approaches to value used sufficient to support the appraiser's opinion of value.
 - A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing and verification by a party involved in the transaction.
 - A statement of value of the real property to be acquired. For a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining property. The effective date of valuation, date of appraisal, signature and certification of appraisal.
- Must disclose which approaches of value to use and a discussion of the selected approach.
- Must be prepared prior to the appraisal assignment.
- Must be included in the appraisal report.
- Must be maintained in the review appraiser's file.
- May be updated as needed.

The length and complexity of the scope of work is contingent upon the nature of the appraisal assignment. It is a tool that can be used to determine what type of report is needed and which appraiser and/or review appraiser will get the assignment.

4. MINIMUM APPRAISAL REQUIREMENTS

The following minimum requirements apply to all appraisal reports:

- Appraisers are required to develop and report a scope of work.
- Appraisers shall develop an independent opinion of value and be an advocate for that opinion.

- Appraisers shall not be coerced or influenced by others when establishing their opinion of value.
- Standard appraisal report forms, prepared in accordance with the instructions for their use, will be used except in cases when the standard forms do not fit the appraisal problem. The form and content of the forms cannot be changed. Unless otherwise specified the automated appraisal forms shall be those developed and made available by IDOT. These can be accessed from the IDOT website at <http://www.dot.state.il.us/>.
- When the standard forms do not fit the appraisal problem, narrative reports or other forms will be accepted. These types of reports must be supported and documented to a degree compatible with the instructions for the standard forms or with the appraisal problem.
- The appraiser shall not give consideration to, nor include in the report, any allowance for relocation assistance benefits.
- The owner or designated representative must be given an opportunity to accompany the appraiser when inspecting the property.
- In estimating the value of the property before taking, the appraiser shall disregard any decrease or increase in the fair market value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood the property would be acquired for such improvement, other than that due to physical deterioration within the reasonable control of the owner. However, any decrease or increase in value caused by the actual acquisition of a part of the property must be considered in estimating the value of the remainder after taking. Such changes in value are parcel-specific.
- Changes in value as a direct result of a taking are compensable, parcel-specific damages. Alleged “proximity damages” or damages suffered in common by all property owners in the neighborhood are not compensable.
- Appraisal reports must be in ink, typewritten, or computer-generated, as specified by the County.

5. REVIEW APPRAISER QUALIFICATIONS AND APPROVAL

A review appraiser must understand federal and state policies and procedures, as well as have good technical appraisal skills. The minimum requirements for a review appraiser are:

- Must be a state certified appraiser.
- Must have completed at least two of the following listed courses:
 - The Appraisal of Partial Acquisitions (International Right of Way Association, Course 401)

- Eminent Domain Training for Attorneys and Appraisers (National Highway Institute, Course 14136)
- Condemnation Appraising (Appraisal Institute, Course 710)
- Condemnation Appraising (Appraisal Institute, Course 720)
- Have experience working with IDOT's appraisal forms and furnish examples of such work.
- Have a working knowledge of plats, plans, profiles, legal descriptions and title reports.
- Demonstrate a working knowledge of the Uniform Act, 49 CFR 24 and IDOT policies and procedures pertaining to review appraising.

6. EXAMINATION OF APPRAISAL REPORTS

The review appraiser shall examine all appraisal reports to determine that they:

- Are completed in accordance with IDOT's policies and procedures, and meet the minimum appraisal requirements of 49 CFR 24.
- Follow accepted principles and techniques in the evaluation of real estate in accordance with existing state law.
- Contain all the information and documentation necessary to support the conclusions and estimates of value.
- Include consideration of everything taken, all compensable items of damage and all benefits but do not include compensation for items non-compensable under state law.
- Are consistent in the value and damages to the remainder with the appraisals of other similar parcels on the project.

7. APPROVAL AND DOCUMENTATION

The review appraiser shall review each appraisal on a project and determine whether the report will be:

- Recommended – meets all requirements and to be used as a basis of the offer.
- Accepted – meets all requirements, but not selected as basis of offer.
- Not accepted – may not meet all requirements.

Where an appraisal represents market value and it is properly supported, the review appraiser may recommend the appraisal. If the review appraiser does not agree with values in any of the appraisal received, an additional appraisal may be requested, or an estimate of value may be prepared by the review appraiser. If the review appraiser prepares an estimate of value, the review appraiser may refer to data or properly supported values in appraisals previously reviewed to support the estimate of value. The review appraiser should include independent data and properly supported valuation analysis when necessary to support the approved estimate of value.

The review appraiser must add documentation when not in agreement with any of the values in the appraisals or when there is a wide divergence in the appraisals received and one of the appraisals is approved. Regardless of the number of appraisals on a parcel, the approved compensation must be supported by an approved appraisal, or appraisal plus review appraiser's documentation.

When preparing an estimate of value, the review appraiser should obtain the required number of appraisals specified in [Section 2.02-3 of IDOT's Land Acquisition Manual](#). A properly supported appraisal review documentation will qualify as an acceptable appraisal when the review appraiser does not accept values and/or documentation in appraisals. An appraisal which meets minimum requirements, but does not agree with the review appraiser's opinion of value, also qualifies as an acceptable appraisal.

All unacceptable appraisals will have to be made acceptable by the appraiser. This should be done before the review appraiser arrives at a conclusion of value or as soon as possible after completing the project assignment. Fees to consultant appraisers should not be paid until appraisals meet basic requirements of the assignment. If an appraiser is delinquent in correcting appraisals, CBLA may delay processing of invoices for payment of such appraisal fees even if the district has submitted them.

When it becomes necessary to acquire additional land from a parcel after the original right of way has been acquired, it will be acceptable for the review appraiser to document the original review in order to estimate the value of the additional land required. This practice will be limited to a reasonable period of time after the original taking. It will be necessary to assign a new parcel number for the subsequent acquisition.

The review appraiser is required to prepare a written report. This report may be simple or detailed, depending on the complexity of the appraisal being reviewed and include the following information:

- Identity of appraisal being reviewed.
- Document review findings and conclusions.
- Identify any damages and/or benefits.
- Document whether appraisal is recommended, accepted, or not accepted.

- Indicate that an original appraisal review certification has been prepared, any supplemental appraisal review certifications, if necessary.