

REQUEST FOR PROPOSAL
REAL ESTATE APPRAISAL SERVICES
FOR
GREENBELT AND PARKLAND ACQUISITIONS



May 23, 2007

RFP NO. 675

COMMUNITY SERVICES AREA

CITY OF ANN ARBOR
100 North Fifth Avenue
Ann Arbor, Michigan 48104

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SECTION 1
GENERAL INFORMATION AND INSTRUCTIONS

General

The City of Ann Arbor is seeking proposals from Real Estate Appraisers / Appraisal firms. Appraisal services are to be provided for the acquisition of conservation easements and real property in connection with the City of Ann Arbor's Open Space and Parkland Preservation Program, commonly known as Parks and Greenbelt Program. Work to be done under this Contract is generally described in the Scope of Services and proposals must be submitted in accordance with the specifications in the document. Any proposal that does not conform fully to these instructions may be rejected.

Contract Administration

The City of Ann Arbor Community Services Office has issued this Request for Proposal. Following the signing of the agreement, all communications concerning the contract must be directed to:

City of Ann Arbor
Attn: Community Services
City of Ann Arbor
100 N. Fifth Avenue
Ann Arbor, Michigan 48104

Phone: (734) 994-2704
Fax: (734) 994-8460
Email: jmiller@a2gov.org

Proposals must be received by City of Ann Arbor, Attn: Purchasing Unit, Financial Services, City Hall, 100 N. Fifth Avenue, Ann Arbor, MI 48104 on or before June 25, 2007 at 2:00 pm.

Purpose

The City of Ann Arbor is requesting Proposals to be submitted to the City by June 25, 2007 from appraisers / appraisal firms who have experience in the preparation of appraisals of conservation easements and farmland and open space easements, as well as appraisals for the purchase, in whole or in part, of real property. (It is anticipated the land purchases will be of undeveloped or residential property rather than commercial properties.) Appraisers must be familiar with the Purchase of Development Rights and valuation of farmland and its development potential, as well as the purchase of property for purposes of use as parks. Appraisals must be performed by Certified General Appraisers. A full list of the required minimum qualifications are outlined below. The City will review each submitting appraiser / appraisal firms' qualifications and intends to select not more than three (3) licensed qualified appraisers / appraisal firms to provide competitive quotations on various appraisal requests. Services will be requested from the

successful firm on an “as needed basis” throughout the agreement period. A formal bid process will not be conducted for each assignment. A submitting appraiser / appraisal firm should be prepared to respond to quote requests when issued and provide the required appraisal type, for example value of the part taken or complete, in connection with the City of Ann Arbor Parks and Open Space Program.

The City may be purchasing approximately 5-10 sites in the next few years, some will be fee simple purchases, but the majority will be the purchase of conservation easements. It is estimated that up to 5 properties ranging in size of 25 to 360 acres will be evaluated for the purchase of a conservation easement, and up to 5 properties ranging in size of .5 to 50 acres will be evaluated for fee simple purchases during the awarded agreement term.

The City prefers to place the majority of its appraisal services with one appraiser / appraisal firm and to establish a close working relationship with that appraiser / appraisal firm with respect to each property considered in connection with an application for sale under the City’s Parks and Open Space Program. The term of this non-exclusive agreement will be one year, tentatively effective August 20, 2007. Award of an agreement for services is subject to the approval of City Council and execution of an agreement for services by the selected appraiser(s) / appraisal firm(s).

The City recognizes there may be a limited number of appraiser / appraisal firms capable of providing the services requested. The City is pursuing an appraiser / appraisal firm with the knowledge and resources available to provide appraisals under even the most limited time constraints.

Quality of services shall be at or above the level of professional quality performed by experts regularly rendering this type of service. The Contract Administrator shall make the determination of acceptable quality. Services to be provided are described through the scope of work and must be completed fully in accordance with the specifications.

Minimum Qualifications of Appraisers / Appraisal Firms

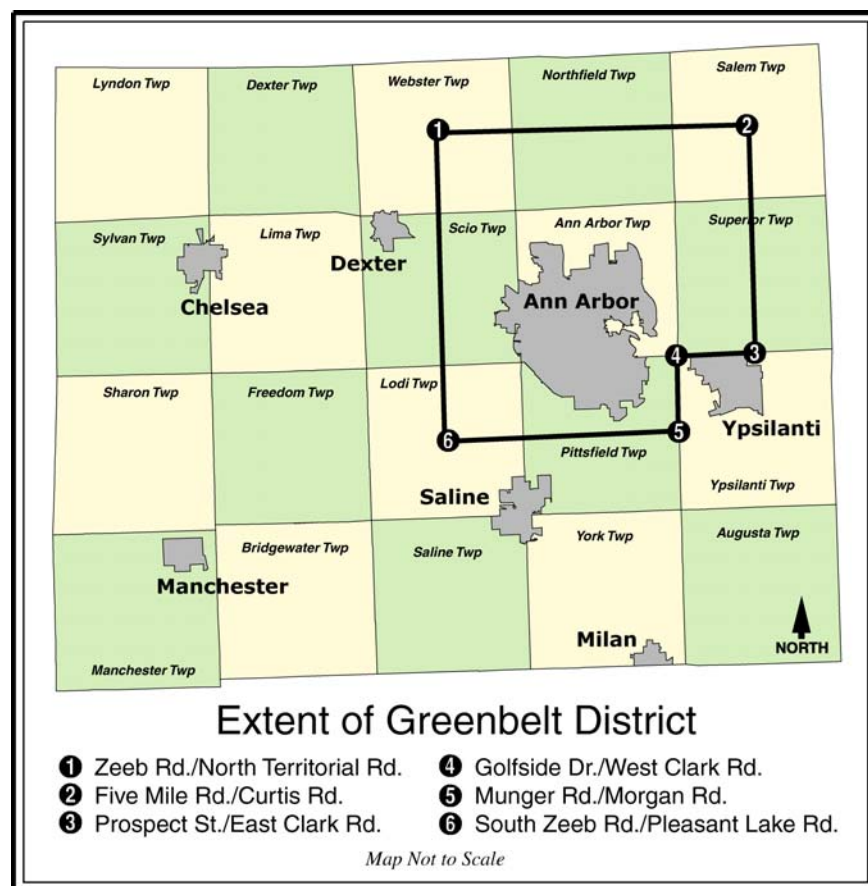
- Licensed in the State of Michigan.
- Minimum five (5) years continuous business operation
- Certification of as a General Appraiser from a recognized professional appraiser organization such as “The Society of Real Estate Appraisers” or “The Institute of Real Estate Appraisers” if an individual or if a Firm, a minimum of two (2) appraisers certified as General Appraisers.
- USPAP (Uniform Standards of Professional Appraisal Practice) Compliant.
- Uniform Appraisal Standards for Federal Land Acquisition’ (UASFLA of Yellow Book) Compliant
- Experience providing the following types of appraisals for residential, commercial, agricultural and open space properties on a time sensitive basis:
- Purchase of Development Rights (PDR) appraisal
- Fee purchase appraisal
- Conservation easements
- Ability to provide appraisals in draft and final format.
- Ability to recognize and report circumstances in conducting appraisals that are pertinent to the City and the success of the Parks and Open Space Program.
- Ability and commitment to provide continuous professional service during the agreement period

on a time sensitive basis.

Background Information

In November 2003, City of Ann Arbor voters approved a ballot proposal commonly known as the Parks and Greenbelt Ballot Proposal to provide funds to preserve and protect open space, natural habitats, and the city's source waters inside and outside the city limits. The voters authorized a one-half mill tax for 30 years, which replaced the existing Land Acquisition Millage of .5 mill that expired in 2004, to provide funds for preservation and protection of parkland, open space, natural habitats, and city source waters by the acquisition and management of land and land rights within and outside the City of Ann Arbor. On May 3, 2004, the Ann Arbor City Council adopted Chapter 42, "Open Space and Parkland Preservation," of the Ann Arbor City Code. The Chapter establishes and defines a Greenbelt District and the criteria and selection process for purchase of development rights (PDR) and other property rights within the District. A map of the Greenbelt District is attached to this RFP. (See Map below.) Park land purchases are anticipated to be within the boundaries of the City of Ann Arbor, but land outside the city boundaries may be considered. Park land purchases outside the City boundaries are not restricted to the Greenbelt District.

Website Address for Research: <http://www.ci.ann-arbor.mi.us/greenbelt/greenbelt.htm>



Proposal Submission, Evaluation and Award Schedule

Date	Activity
May 25, 2007	RFP Issued
June 25, 2007	RFP Response deadline
June 26, 2007	RFP Evaluation Begins
Week of July 9, 2007	RFP Interviews Begin
	Selection Recommendation Presented by City Community Services Area Administrator
August 20, 2007	Agency Approved by City Council
August 21, 2007	Agency Services Start Date

The above schedule is subject to change at the City's discretion

Proposals – Submissions, Clarifications

Proposals must be submitted in the proposal format required. Sealed proposals will be received by the City of Ann Arbor Procurement Services, Fifth Floor, City Hall, Ann Arbor, Michigan, at the time stipulated, promptly after which proposals will be publicly opened. Each proposal must be enclosed in a sealed envelope, endorsed across one end: RFP NO.675 REQUEST FOR PROPOSAL REAL ESTATE APPRAISAL SERVICES FOR GREENBELT AND PARKLAND ACQUISITIONS.

One original and three copies of the Proposal shall be submitted. The information included therein should be as concise as possible. To be considered each agency must submit a complete response to this RFP using the format found in Section 3 of this RFP. No other distribution of the proposals is to be made by the submitter. Appendix A of this RFP, Legal Status of Proposer and Contract Compliance Form must be completed and returned with the proposal. An official authorized to bind the submitter to its proposal provisions must sign each proposal copy in ink.

Proposals must arrive on or before the time and date specified. Proposals received after the deadline will be deemed unacceptable for further consideration. Regardless of the delivery method the Submitter is responsible for the actual delivery of the proposals to the City of Ann Arbor Procurement Services Office as of the deadline. Submitters agree to honor their proposal for a period of one hundred twenty (120) days from the proposal due date. All proposals become the property of the City of Ann Arbor after the deadline whether awarded or rejected.

All information in a Submitter's proposal is subject to disclosure under the provisions of Public Act No. 442 of 1976, as amended (known as the Freedom of Information Act).

The City accepts no financial responsibility for costs incurred by any Submitter in responding to this RFP. By responding to this RFP the Submitter agrees to hold the City harmless in connection with the release of any information contained in its proposal.

Should any prospective Submitter be in doubt as to the true meaning of any portion of this RFP, or should the Submitter find any ambiguity, inconsistency, or omission therein, the Submitter shall make a written request for an official interpretation or correction. All questions concerning the solicitation and specifications shall be submitted in writing via e-mail or fax to the name below. You are encouraged to submit your questions via e-mail.

Ginny Leikam
Consultant, Greenbelt Program
City of Ann Arbor
100 N. Fifth Avenue
Ann Arbor, MI 48104

Phone: (734) 997-1316
Fax: (734) 994-8460
Email: gleikam@ci.ann-arbor.mi.us

Questions must be submitted no later than June 11, 2007, 5:00 p.m.

Any oral responses to any questions shall be unofficial and not binding on the City of Ann Arbor. The City's staff will make such interpretation or correction, as well as any additional RFP provisions that the City may decide to include, only as an RFP addendum. Staff will mail or deliver addendums to each prospective Submitter recorded as having received a copy of the RFP. Any addendum issued by the City shall become a part of the RFP. Submitters should consider issued addendums in preparing his or her proposal.

Non-Discrimination By City Contractors

All contractors proposing to do business with the City of Ann Arbor, except those specifically exempted by regulations promulgated by the Administrator and approved by City Council shall receive approval from the City prior to entering into a professional services agreement with the City. Said contractors shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner that provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex.

Each prospective contractor shall submit to the City data showing current total employment by occupational category, sex and minority group. If, after verifying this data, the Human Resources Director concludes that it indicates total minority and female employment commensurate with their availability within the contractor's labor recruitment area, i.e., the area from which the firm can reasonably be expected to recruit, the prospective contractor shall be accepted by the Human Resources Director as having fulfilled affirmative action requirements for a period of twelve (12) months at which time the Human Resources Director will conduct another review. Other firms shall develop an affirmative action program in conjunction with the Human Resources Director. The program shall include specific goals and timetables for the hiring and promotion of minorities and females. Said goals shall reflect the availability for minorities and females within the firm's labor recruitment area.

Living Wage Requirements

All contractors proposing to do business with the City of Ann Arbor, except those specifically exempted by City Code, agree to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code and, if a "covered employer" as defined therein to pay those employees providing services to the City under this agreement a "living wage" as defined in Chapter 23 of the Ann Arbor City code; and, if requested by the City, provide documentation to verify compliance.

Independent Cost Determination

1. By submission of a proposal, the Submitter certifies in connection with this proposal: (a) It has arrived at the costs in the proposal independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such fees with any other proposal submitter or with any competitor; (b) Unless otherwise required by law, the costs which have been quoted in the proposal have not been knowingly disclosed by the Submitter and will not knowingly be disclosed by the submitter prior to award directly or indirectly to any other prospective Submitter or to any competitor.; and (c) No attempt has been made or shall be made by the proposal Submitter to induce any other person or firm to submit or not submit a proposal for the purpose of restricting competition.
2. Each person signing the proposal certifies that he/she is the person in the proposal Submitter's organization responsible within that organization for the decision as to the fees being offered in the proposal and has not participated (and will not participate) in any action contrary to 1(a)-(c) above.
3. A proposal will not be considered for award if the sense of the statement required in the Cost Analysis portion of the proposal has been altered so as to delete or modify 1(a)-(c) above. If 1(b) has been modified or deleted, the proposal will not be considered for award unless the Submitter furnishes with the proposal a signed statement, which sets forth in detail the circumstances of the disclosure, and the City determines that such disclosure was not made for the purpose of restricting competition.

Selection Criteria

The initial screening evaluation will be based upon the responses to the questions outlined in these specifications. Responses to this RFP will be evaluated using a point system. Evaluation will be based on all elements of the response to proposal criteria.

Proposal Evaluation

40 points	Professional Qualifications of Firm and Appraiser(s) to be assigned or if an individual Appraiser their Professional Qualifications
30 points	Past Involvement with Similar Project – verified by references
10 points	Quality, Completeness and Technical Accuracy of submission.
20 points	Fee Proposal

Demonstrated ability to provide the City's minimum desired quality will be a factor in City's evaluation of a prospective Submitter's offer for consideration of City's award.

A selection committee composed of staff from the City's Community Services Area and staff of The Conservation Fund, consultants hired by the City to administer the Open Space and Parkland Preservation Program.

Interviews of submitting appraisers / appraisal firms as part of the selection process are at the discretion of the Selection Committee. The Selection Committee will initially evaluate responses to the RFP to decide which Submitter(s), if any, they will interview. For the initial evaluation, they will not consider the fee

proposals. The fee proposal(s) of the Submitter(s) selected will be opened and reviewed before the interview(s). The selected Submitter(s) will have the opportunity to discuss in more detail their qualifications, their experience and fee proposal during the interview process.

The City reserves the right to not consider any proposal that it determines to be unresponsive and deficient in any of the information requested for evaluation. A proposal with all the requested information does not guarantee the proposing firm to be a candidate for an interview. The Committee may contact references to verify material submitted by the proposers. The City will determine whether the final scope of the project to be negotiated will be entirely as described in this RFP, a portion of the scope, or a revised scope.

The Committee then may schedule the interviews with the selected firms. The selected firms will be given the opportunity to discuss in more detail their qualifications, past experience, and proposed work plan. The interview shall consist of a presentation of approximately twenty (20) minutes by the Proposer, including the person who will be the project manager on this Contract, followed by up to forty (40) minutes of questions and answers. Audiovisual aids may be used by the Proposer during the oral interviews.

The firm will be re-evaluated by the above criteria after the interview. After evaluation of the fee proposals, further negotiation with the selected candidate firm will be pursued leading to a recommendation to City Council for the award of a contract.

Agreement for Services

The City intends to award an agreement for services, which provides for work statements to be competitively quoted by the selected Respondent(s) (if more than one Respondent is awarded an agreement for services) for each property to be appraised during the agreement period. The agreement will be for a one-year term. The City will have the option of adding or deleting quantities of services depending on the number of acquisitions / easements/ development rights under consideration for purchase and /or budget constraints.

The Respondent(s) selected to do business with the City of Ann Arbor will be required to execute the standard Agreement with the City (a specimen copy is included with this RFP as Appendix B). The City will not entertain requests to revise, amend, or change the language of the standard Agreement except where necessary to incorporate the scope of services and compensation for same as awarded. Proposal Respondents must base their proposal on the assumption that, if selected, they will execute the City's standard Agreement under the terms and conditions stated.

The Respondent(s) selected to provide the system and services requested under this RFP will be required to execute the agreement shown in Appendix B within fifteen (15) days of the award of the contract and provide proof of insurance in accordance with the agreement terms.

Rights in Data and Documents – City of Ann Arbor Ownership

Any research, reports, data, photographs, negatives or other documents, drawing or materials prepared by the successful Respondent in performance of its obligations under this contract shall be the exclusive property of the City of Ann Arbor and all such materials shall be delivered to the City of Ann Arbor upon completion, termination or cancellation of the contract. The selected Respondent shall not use, willingly allow, or cause to have such materials used for any purpose other than the performance of its obligations under the contract without the prior written consent of the City of Ann Arbor.

Reservation of Rights

The City reserves the right to accept any Proposal, to reject any or all Proposals, to waive irregularities and/or informalities in any Proposal and to make the award in any manner the City believes to be in its best interest.

SECTION 2

PROPOSAL SCOPE OF WORK

Background

In November 2003, City of Ann Arbor voters approved a ballot proposal commonly known as the Parks and Greenbelt Ballot Proposal. The purpose of the ballot proposal is to provide funds to preserve and protect open space, natural habitats, and the city's source waters inside and outside the city limits. The voters authorized a one-half mill tax for 30 years, to replace the existing Land Acquisition Millage of .5 mill that expired in 2004, which raised approximately \$1,917,500 in the first year of the levy to provide funds for preservation and protection of parkland, open space, natural habitats, and city sourcewaters by the acquisition and management of land and land rights within and outside the City of Ann Arbor. The Park Advisory Commission provides recommendations to City Council on purchases or leases of land for City parks within the City of Ann Arbor and the Greenbelt District. The Greenbelt Advisory Commission provides recommendations to City Council on purchases of development rights and open space preserved within the Greenbelt District outside the City limits.

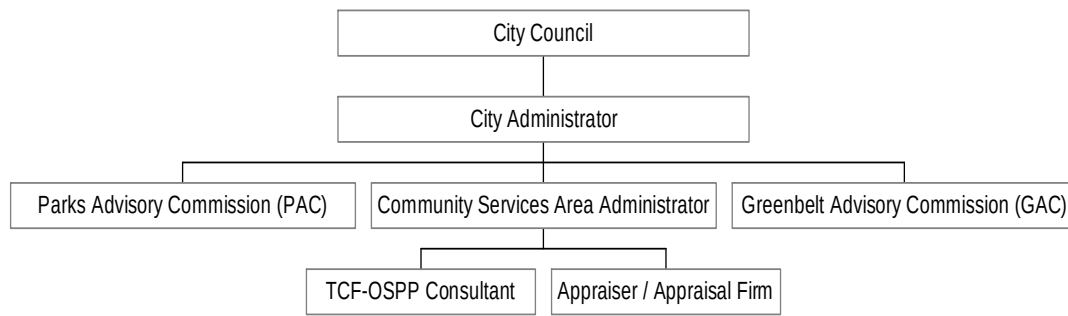
On May 3, 2004, the Ann Arbor City Council adopted Chapter 42, "Open Space and Parkland Preservation," of the Ann Arbor City Code. The Chapter establishes and defines a Greenbelt District and the criteria and selection process for purchase of development rights (PDR) and other property rights within the District, specifically:

1. Only land voluntarily offered by the owner will be considered.
2. Millage revenues may be used for bond payments for timely land rights acquisitions.
3. Whenever possible, purchases of land, land rights, and conservation easements outside the city limits will be achieved using all available funding sources including: joint purchase agreements with owners, townships, cities and county; state and federal grants; land conservancies and trusts.
4. Greenbelt acquisitions that fulfill the following criteria will be preferred
 - a. Purchases where the city's cost does not exceed 1/3 of the appraised land value;
 - b. Purchases that partner with a township or other governmental agency;
 - c. Conservation easements are preferred to outright purchase;
 - d. Purchases with matching state or federal grants;
 - e. Proximity to the city limits;
 - f. Desirable characteristics of the property (natural beauty, species diversity, age of trees, presence of streams and wetlands, proximity to the Huron River, size);
 - g. Proximity to other protected lands;
 - h. Current or projected future use of adjacent property;
 - i. Management proposals that incorporate joint agreements with purchase partners.

Chapter 42 of the City Code also established a nine member Greenbelt Advisory Commission, their power and duties and the relationship between the role of the Greenbelt Advisory Commission and the previously established Parks Advisory Commission. Chapter 42 also defines how costs related to this millage are to be allocated.

A copy Chapter 42 is attached to this RFP as an Appendix

Lines of Authority Flowchart



SECTION 3

INFORMATION REQUIRED FROM ALL PROPOSAL SUBMITTERS

Format

Proposals should be submitted using the following format:

Section 1: Proposal Statement (format attached – Appendix A)

Section 2: Overview of the firm, its services and Professional Qualifications – The section should give a summary of the appraiser / appraisal firm history, experience and qualifications, including years in business, locations, size, growth, and financial stability.

Section 3: Past Involvement with Similar Projects

Section 4: References and contact information (include 4 references):

Section 5: Appendices

Section 6: Cost Proposal (separately submitted in sealed and marked envelope)

Proposals are to be kept within 25 pages. To be considered responsive to this RFP, a prospective Submitter must provide all of the information requested. The specifications within the RFP represent the minimum performance necessary for response.

The following Section describes the minimum information that should be included in each of the proposal sections and the weighted point system that will be used for evaluation of a proposal.

Section 2: Overview of Agency and Professional Qualifications - 40 points

1. State the full name and address of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing, the work hereunder. Indicate whether it operates as an individual, partnership, or corporation. If as a corporation, include whether it is qualified to do business.
2. Include the name of executive and professional personnel by skill and qualification that will be employed in the work. Show where these personnel will be physically located during the time they are engaged in the work. Indicate which of these individuals you consider key to the successful completion of the project. Identify individuals who will do the work on this project by name and title. Resumes or qualifications are required for proposed project personnel.
3. State history of the firm, in terms of length of existence, types of services provided, etc. Identify the technical details, which make the firm qualified for this work.
4. State the list of qualifications including USPAP compliant, Uniform Appraisal Standards for Federal Land Acquisition (UASFLA of Yellow Book) Compliant.

Section 3: Past Involvement with Similar Projects - 30 points

1. The written proposal must include a list and description of specific experiences in this area that indicate proven ability in the preparation of appraisals for residential, agricultural and open space properties in a

time sensitive basis, including Purchase of Development Rights appraisal, fee purchase appraisals and Conservation easement appraisals.

Section 4: References

Each Submitter shall submit a list of four (4) references of agencies to which they have provided similar services. References must include a point of contact (POC) and a telephone number where the POC can be contacted. The reference list shall also include the dates for which the Submitter provided service.

Section 5: Appendices

Appendix A (Proposal Statement), and Appendix C (Contract Compliance Forms) must be completed and returned with the proposal. These elements should be included as attachments to the proposal submission.

Section 6: Cost Proposal

1. Fee quotations shall be submitted in a separate sealed envelope as part of the proposal. Fee quotations are to include the names, title, hourly rates, overhead factors, and any other details by which the overall and project element costs have been derived. The Respondent selected to be interviewed shall be capable of justifying the details of the fee proposal relative to personnel costs, overhead, how the overhead rate is derived, material and time.

If additional or supplemental charges are to be assessed for any service required by the scope of service list them. The proposal of additional “no cost” services is welcome. However, those services should be described adequately.

2. Fee proposals will only be opened for the formal interview, at which time the proposed fees will also be discussed.

**ATTACHMENT A, PROPOSAL SUBMITTAL FORM
AND SIGNATURE PAGE FOR
REQUEST FOR PROPOSAL NO. 675**

RESPONSE. Are these items included in your proposals? Respond Yes, No, or NA – Explain No or NA is Respondent Comments. (Use separate sheet if necessary.)

_____ Any exception to the terms and conditions and specifications have been noted and it is understood that such exceptions may result in proposal being deemed non-conforming.

_____ All requested documents have been included (for example, the Project Detail.)

_____ Reference list is attached.

_____ Required performance, labor and material bonds and proof of insurance will be provided, if my firm receives the award (if applicable to Services under the RFP).

_____ The undersigned, RESPONDENT, having examined the proposal terms and conditions and specifications, hereby proposes and agrees to perform, the services required within the time stipulated, all work required to be performed, and to provide labor, materials, tools, expendable equipment and insurance necessary to complete, in a professional manner, all of the work required for the City to make use of its services in strict conformity with the specifications and addenda.

Signature below certifies that I have carefully reviewed the City's terms, conditions, and specifications on this Request for Proposal and have clearly indicated in writing any exceptions my company is making to these terms, conditions, and specifications, and am authorized to offer such services. **Further**, the undersigned declares that this proposal is made in good faith, without fraud or collusion with any person or persons. The undersigned acknowledges that it has not received or relied upon any representations or warrants of any nature whatsoever from the City of Ann Arbor, its agents or employees, and that this proposal is based solely upon the undersigned own independent business judgment.

Therefore, I/we, the undersigned, hereby agree to provide the services and/or materials as specified if an award is made to my firm without any additional charges, terms, and/or conditions.

COMPANY

NAME*: _____

STREET/P.O.

BOX: _____

CITY, STATE, AND ZIP

CODE: _____

DATE: _____ TELEPHONE: _____

FAX: _____

AUTHORIZED SIGNATURE: _____

PRINTED NAME OF SIGNER: _____

TITLE OF SIGNER: _____

***NOTE: If the RESPONDENT is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officer or agents. If RESPONDENT is a partnership, the true name of the firm shall be set forth with the signature of the partners authorized to sign contracts on behalf of the partnership. If RESPONDENT is an individual, their signature shall be placed above.**

ATTACHMENT B
SPECIMEN AGREEMENT FOR PROFESSIONAL SERVICES

The following attachment is a specimen agreement for the services identified in this Request for Proposal. The Selected Submitter will be required to execute an agreement containing the terms and conditions of the specimen agreement for services except where noted in the proposal. No changes, modifications, alteration or deletions to the terms and conditions of the specimen agreement for services will be accepted.

AGREEMENT BETWEEN

AND
CITY OF ANN ARBOR
FOR
PROFESSIONAL SERVICES

The City of Ann Arbor, a Michigan municipal corporation, having its offices at 100 North Fifth Avenue, Ann Arbor, Michigan 48104 ("City"), and _____,
a _____ with its address at _____,
(State where organized) (Partnership, Sole Proprietorship, or Corporation)
_____("Consultant"), agree as follows:

The Consultant agrees to provide professional services to the City under the following terms and conditions:

I. DEFINITIONS

Administering Service Area/Unit means Community Services Area.

Contract Administrator means Community Services Area Administrator, acting personally or through any assistants authorized by the Administrator/Manager of the Administering Service Area/Unit.

Project means APPRAISAL SERVICES in conjunction with the Parkland and Open Space Preservation Millage , RFP No. ____.

Work Statement means a request for specific services by the City, a proposal by the Appraiser, or another written instrument that meets the following requirements:

1. Includes substantially the following statement: This is a Work Statement under Appraisal Services Agreement, Dated..."
2. Is signed on behalf of both parties by their authorized representatives. The required signatures for the City are: (a) City Administrator; (b) Director fo the Administering Department approved as to substance; and (c) City Attorney approved as to form and content.
3. Contains the following three mandatory items:

- a. Description and / or specifications of the services to be performed and documentation to be delivered to the City.
- b. The amount of payment.
- c. The time schedule for performance and for delivery of the documentation.

4. In addition, when applicable, the Work statement may include other terms and conditions as may be mutually agreeable between the parties.

II. DURATION

The term of this agreement shall be one-year commencing on _____, 2007, and terminating on _____, 2008, unless terminated earlier as provided for in this agreement. It is anticipated by the parties that delivery of the required appraisal(s) will occur within thirty (30) days of execution of a Work Statement unless another time period is identified in the Work Statement(s) issued in connection with this Agreement.

III. SERVICES

- A. The Appraiser shall furnish to the City a professional appraisal of certain parcel(s) of land, or designated parts thereof, more specifically described in Exhibit A, and if required by the City, appear in court as an expert witness for the City, in support of the appraisals. Specific projects within the scope may be described from time to time by the City for performance within a Work Statement. Upon acceptance of the Work by the Appraiser, the Work Statement shall become a part of this Agreement and shall be performed in accordance with its described scope. The Appraiser agrees and understands that there is no guarantee or implied promise of any nature that any Work Statements at all will be issued and that the City is under no obligation to issue or consent to any Work Statements.
- B. Quality of Services under this agreement shall be of the level of professional quality performed by experts regularly rendering this type of service. Determination of acceptable quality shall be made solely by the Contract Administrator.
- C. The Appraiser shall perform its Services for the Project in compliance with all applicable laws, ordinances and regulations.

IV. COMPENSATION OF CONSULTANT

- A. The Appraiser will be compensated for Services performed in accordance with any Work Statement issued by the City at the rates and prices specified in the Work Statement. The total fee to be paid the Appraiser for Services under this Agreement shall be based on the number of work statements issued by the City and awarded to Appraiser during the term of the Agreement. It is understood that any work statement issued by the City may be awarded on the basis of competitively bid pricing and services and that Appraiser enters into this Agreement with the understanding that the City does not guarantee issuance of any work statements during the terms of the Agreement or if issued, the award of any work statement to Appraiser.

Should it be necessary for any appraisal completed by Appraiser in accordance with any Work

Statement to be updated as a result of changes in appraisal standards, compliance requirements, age or similar reasons, the Appraiser agrees that upon request of the City, Appraiser will prepare the necessary update at its current hourly rate for Services. The Appraiser agrees that it will submit to the Contract Administrator a statement detailing the hours and charge that it will make for updating each appraisal. This estimate will be submitted within ten (10) days after it is requested by the City. The parties agree to execute an amendment to the relevant Work Statement inclusive of all requirements for the updated appraisal.

In addition, if requested, the Appraiser agrees to provide to and / or direction of the City Attorney, advice, consultation and / or testimony in support of any appraisal performed by the Appraiser.. The Appraiser will be compensated for services performed under this provision at the rate specified in Exhibit A, exclusive of reasonable, actual out-of-pocket expenses incurred in performance of the services under this provision which must be approved by the City Attorney prior to payment.

- B. The Appraiser shall keep complete records of time spent and materials used on the Project so that the City may verify invoices submitted by the Appraiser. Such records shall be made available to the City upon request and submitted in summary form with each invoice..
- C. It is understood and agreed between the parties that the compensation stated above is inclusive of any and all remuneration to which the Appraiser may be entitled.

V.INSURANCE/INDEMNIFICATION

- A. The Appraiser shall procure and maintain during the life of this Contract, such insurance policies, including those set forth below, as will protect itself, its subcontractors and unless otherwise specified, the City from all claims for bodily injuries, death or property damage which may arise under this Agreement; whether the acts were made by the Appraiser or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

- 1. Professional Liability insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.
- 2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes. Further, Employers Liability Coverage shall be obtained in the following minimum amounts:

Bodily Injury by Accident - \$500,000each accident
Bodily Injury by Disease - \$500,000 each employee
Bodily Injury by Disease - \$500,000 each policy limit

- 3. Commercial General Liability Insurance equivalent to, as a minimum, Insurance Services Office form CG 00 01 07 98. The City of Ann Arbor shall be an additional insured for work performed under this contract. The following minimum limits of liability are required:

\$1,000,000 Each occurrence as respect Bodily Injury Liability or Property Damage Liability, or both combined.

\$2,000,000 Per Job General Aggregate

\$1,000,000 Personal and Advertising Injury

4. Motor Vehicle Liability Insurance, including Michigan No-Fault Coverages, equivalent to, as a minimum, Insurance Services Office form CA 00 01 07 97. The City of Ann Arbor shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles. Further, the limits of liability shall be \$500,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined.
 5. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$1,000,000.
- B. All insurance required by this Agreement shall be considered primary as respects any other valid or collectible insurance that the City may possess, including any self-insured retentions the City may have; and any other insurance the City does possess shall be considered excess insurance only and shall not be required to contribute with this insurance. Further, the Appraiser agrees to waive any right of recovery by its insurer against the City.
- C. In the case of all Agreement involving on-site work, the Appraiser shall provide to the City before the commencement of any work under this Agreement documentation demonstrating it has obtained the abovementioned policies. Documentation must provide and demonstrate an unconditional 30-day written notice of cancellation in favor of the City of Ann Arbor. Further, the documentation must explicitly state the following: (a) the policy number; name of insurance company; name and address of the agent or authorized representative; name and address of insured; project name; policy expiration date; and specific coverage amounts; (b) any deductibles or self-insured retentions which shall be approved by the City, in its sole discretion; (c) that the policy conforms to the requirements specified. An original certificate of insurance may be provided as an initial indication of the required insurance, provided that no later than 21 calendar days after commencement of any work the Consultant supplies a copy of the endorsements required on the policies. Upon request, the Consultant shall provide within 30 days a copy of the policy(ies) to the City. If any of the above coverages expire by their terms during the term of this Agreement, the Consultant shall deliver proof of renewal and/or new policies to the Administering Department at least ten days prior to the expiration date.
- D. Any insurance provider of Appraiser shall be admitted and authorized to do business in the State of Michigan and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" Overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the City..
- E. To the fullest extent permitted by law, for any loss not covered by insurance under this agreement, the Appraiser shall indemnify, defend and hold the City, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless

and/or intentional wrongful or tortious acts or omissions by the Consultant or its employees and agents occurring in the performance of this agreement.

VI. COMPLIANCE REQUIREMENTS

- A. Nondiscrimination. The Appraiser agrees to comply with the nondiscrimination provisions of Chapter 112 of the Ann Arbor City Code and to take affirmative action to assure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate any inequality based upon race, national origin or sex. The Consultant agrees to comply with the provisions of Section 9:161 of Chapter 112 of the Ann Arbor City Code, Exhibit B.
- B. Living Wage. The Appraiser is a “covered employer” as defined in Chapter 23 of the Ann Arbor City Code and agrees to comply with the living wage provisions of Chapter 23 of the Ann Arbor City Code. The Appraiser agrees to pay those employees providing Services to the City under this Agreement a “living wage,” as defined in Section 1:815 of the Ann Arbor City Code, as adjusted in accordance with Section 1:815(3) and specified in Exhibit A; to post a notice approved by the City of the applicability of Chapter 23 in every location in which regular or contract employees providing services under this Agreement are working; to maintain records of compliance; if requested by the City, to provide documentation to verify compliance; to take no action that would reduce the compensation, wages, fringe benefits, or leave available to any employee or person contracted for employment in order to pay the living wage required by Section 1:815; and otherwise to comply with the requirements of Chapter 23. A copy of selected provisions of Chapter 23 of the Ann Arbor City Code is attached as Exhibit C.

VII. WARRANTIES BY THE CONSULTANT

- A. The Appraiser warrants that the quality of its Services under this agreement shall conform to the level of professional quality performed by experts regularly rendering this type of service.
- B. The Appraiser warrants that it has all the skills, experience, and professional licenses necessary to perform the Services it is to provide pursuant to this agreement.
- C. The Appraiser warrants that it has available, or will engage, at its own expense, sufficient trained employees to provide the Services specified in this agreement.
- D. The Appraiser warrants that it is not, and shall not become overdue or in default to the City for any contract, debt, or any other obligation to the City including real and personal property taxes.

VIII. TERMINATION OF AGREEMENT

- A. This agreement may be terminated by either party without further notice in the case of a breach of this agreement by the other party, if the breaching party has not corrected the breach within 15 days after notice of the breach.

- B. The City may terminate this agreement if it decides not to proceed with the Project, including any Work Statement issued under the terms of the Agreement, by notice pursuant to Article XII. If the Project is terminated for reasons other than the breach of the agreement by the Appraiser, the Appraiser shall be compensated for reasonable time spent and reasonable quantities of materials used prior to notification of termination.
- C. The remedies provided in the Agreement will be cumulative, and the assertion by a part of any right or remedy will not preclude the assertion by such party of any other rights or the seeking of any other remedies.

IX. OBLIGATIONS OF THE CITY

- A. The City agrees to give the Appraiser access to the Project area and other City owned properties as required to perform the necessary Services under this agreement.
- B. The City shall notify the Appraiser of any defects in the Services of which the Contract Administrator has actual notice.

X. ASSIGNMENT

- A. The Appraiser shall not subcontract or assign any portion of the services without prior written consent from the City. Notwithstanding any consent by the City to any assignment, Appraiser shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirement, in writing, by the City.
- B. The Appraiser shall retain the right to pledge payment(s) due and payable under this agreement to third parties.

XI. NOTICE

All notices and submissions required under this agreement shall be by personal delivery or by first-class mail, postage prepaid, to the address stated in this agreement or such other address as either party may designate by prior written notice to the other. Notice shall be considered delivered under this agreement when personally delivered to the Contract Administrator or placed in the U.S. mail, postage prepaid to the Administering Service Area/Unit, care of the Contract Administrator.

XII. CHOICE OF LAW

This Agreement will be governed and controlled in all respects by the laws of the State of Michigan, including interpretation, enforceability, validity and construction. The parties submit to the jurisdiction and venue of the Circuit Court for Washtenaw County, State of Michigan, or, if original jurisdiction can be established, the United States District Court for the Eastern District of Michigan, Southern Division, with respect to any action arising, directly or indirectly, out of this Agreement or the performance or breach of this Agreement. The parties stipulate that the venues referenced in this Agreement are convenient and waive any claim of non-convenience.

XIII. OWNERSHIP OF DOCUMENTS

Upon completion or termination of this Agreement, all documents (i.e., deliverables) prepared by or obtained by the Appraiser as provided under the terms of this Agreement shall be delivered to and become the property of the City. Original basic survey notes, sketches, charts, drawings, partially completed drawings, computations, quantities and other data shall remain in the possession of the Appraiser as instruments of service unless specifically incorporated in a deliverable, but shall be made available, upon request, to the City without restriction or limitation on their use. The City acknowledges that the documents are prepared only for the Project. Prior to completion of the contracted Services the City shall have a recognized proprietary interest in the work product of the Appraiser.

Unless otherwise stated in this Agreement, any intellectual property owned by Appraiser prior to the effective date of this Agreement (i.e., preexisting information) shall remain the exclusive property of Appraiser even if such Preexisting Information is embedded or otherwise incorporated in materials or products first produced as a result of this Agreement or used to develop Deliverables. The City's right under this provision shall not apply to any Preexisting Information or any component thereof regardless of form or media.

XIV. CONFLICT OF INTEREST

Appraiser certifies it has no financial interest in the Services to be provided under this agreement other than the compensation specified herein. Appraiser further certifies that it presently has no personal or financial interest, and shall not acquire any such interest, direct or indirect, which would conflict in any manner with its performance of the Services under this agreement. The Appraiser further covenants that in the performance of this Agreement no person having any such interest shall be employed.

Further, Appraiser covenants that no officer, member or employee of the Appraiser or its subcontractors who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the Agreement has any personal or financial interest, direct or indirect, in this Agreement or in the proceeds thereof.

XV. SEVERABILITY OF PROVISIONS

Whenever possible, each provision of this agreement will be interpreted in a manner as to be effective and valid under applicable law. However, if any provision of this agreement or the application of any provision to any party or circumstance will be prohibited by or invalid under applicable law, that provision will be ineffective to the extent of the prohibition or invalidity without invalidating the remainder of the provisions of this agreement or the application of the provision to other parties and circumstances.

XVI. EXTENT OF AGREEMENT

This Agreement together with any affixed exhibits, schedules, work statements or other documentation constitutes the entire understanding between the City and the Appraiser with respect to the subject matter of the Agreement and it supersedes, unless otherwise incorporated by reference herein, all prior representations, negotiations, agreements, or understandings, whether written or oral. Neither party has relied on any prior representations, of any kind or nature, in entering into this agreement. This agreement may be altered, amended or modified only by written amendment signed by the Consultant and the City.

FOR APPRAISER

By _____

Its:

FOR THE CITY OF ANN ARBOR

By _____, Mayor

By _____
Jacqueline Beaudry, City Clerk

Approved as to substance

By _____
Roger W. Fraser, City Administrator

By _____
Jayne S. Miller
Service Area Administrator

Approved as to form and content

By _____
Stephen K. Postema, City Attorney

EXHIBIT A OF SPECIMEN AGREEMENT SCOPE OF SERVICES

GENERAL CONDITIONS

Delivery of Services

Time is of the essence of each and all of the provisions of this Agreement, and the provisions of this Agreement shall extend to and be binding upon and inure to the benefit of the City. The Appraiser agrees to fully complete the type of form of appraisals specified in the Work Statement and furnish them to the City within the time specified in the Work Statement or this Agreement (as applicable), it being fully understood and agreed by the parties in the event the Appraiser shall fail to do so, the City may without the necessity of notice, terminate the services of the Appraiser without incurring any liability for a payment for appraisals submitted after the due date, or may elect to deduct, in the sole discretion of the City, as a liquidation of damages, a sum of money equal to one-third of one percent (1/3 of 1%) per calendar day for the first fifteen days and after the fifteenth day the amount shall be increased to one percent (1%) per calendar day of the total fee if the performance of the entire agreement is delayed beyond the due date and the same may be done with respect to the individual parcel(s) that have not been received by the due date. Upon written request by the Appraiser, an extension of time may be granted by the Contract Administrator in writing. It is further agreed that if a liquidation of damages is imposed pursuant to this agreement, any money due and payable to the City thereby, may be retained out of any money earned by the Appraiser under the terms of this agreement.

Conflict of Interest

The Appraiser agrees not to accept appraisal assignments on other parcels within the project area (for Greenbelt District properties) and/or generally adjacent properties to the property being appraised for the City from any person, firm, or organization other than the City for a period of one year from the date of this Agreement unless consent in writing is obtained from the Contract Administrator.

Consultation with City Personnel

The Appraiser agrees to consult with designated City personnel, and/or its designated appraisal review consultant, regarding any work awarded and/or appraisal performed in connection with this Agreement. Such consultation shall be considered part of the appraisal services provided in connection with any Work Statement issued and awarded to Appraiser.

Appraisal Revisions

In the event that a revision of the above described appraisal(s) is necessary through the Appraiser's error or oversight, the revision must be submitted to the City within ten (10) days from receipt of the City's request at no additional cost to the City. If revisions become necessary because of revised plans or additional requirements on the part of the City, it is agreed that this agreement shall be modified by a separate Work Statement executed by the parties.

EXHIBIT A-1 OF SPECIMEN AGREEMENT

Specimen Work Statement

WORK STATEMENT NO. ____

Date: _____

Project: PDR Appraisal

This is a Work Statement under Appraisal Services Agreement, dated _____, between the City of Ann Arbor (City) and _____ (Appraiser).

Scope of Services

General Conditions:

Delivery of Services under this Work Statement shall be performed in accordance with the terms and conditions stated in the above referenced Appraisal Services Agreement and its Exhibits, Request for Quote, dated _____, 200_, and Appraisers Quote for Services dated _____, 200_.

Statement Specifications:

- A. Appraiser shall furnish completed, self-contained appraisals of the following described parcels in accordance with USPAP and Michigan Department of Natural Resources (MDNR) Appraisal Report Standards, which are incorporated herein by reference:

Parcel ID	Type of Sale	Type of Appraisal	Acreage	Completion Date	Unit Price	Total

Total = _____

- B. Appraiser shall furnish an original and two copies and an electronic version of the completed appraisal to the City on or before _____, 200_ unless another date is agreed upon by the parties in writing prior to the delivery date.

CITY OF ANN ARBOR

.....
(Appraiser)

By: _____

By: _____

Its: Owner

Roger W. Fraser, City Administrator

Approved as to substance

Jayne Miller
Community Services Area Administrator

Approved as to form and content

Stephen K. Postema, City Attorney

EXHIBIT B OF SPECIMEN AGREEMENT
FAIR EMPLOYMENT PRACTICE

The consultant, its agents or sub-contractors, shall comply with all requirements of Chapter 112 of Title IX of the Code of the City of Ann Arbor and in particular the following excerpts therefrom:

9:161 NONDISCRIMINATION BY CITY CONTRACTORS

- (1) All contractors proposing to do business with the City of Ann Arbor shall satisfy the nondiscrimination administrative policy adopted by the City Administrator in accordance with the guidelines of this section. All contractors shall receive approval from the Director prior to entering into a contract with the City, unless specifically exempted by administrative policy. All City contractors shall take affirmative action to insure that applicants are employed and that employees are treated during employment in a manner which provides equal employment opportunity and tends to eliminate inequality based upon race, national origin or sex.
- (2) Each prospective contractor shall submit to the City data showing current total employment by occupational category, sex and minority group. If, after verifying this data, the Director concludes that it indicates total minority and female employment commensurate with their availability within the contractor's labor recruitment area, i.e., the area from which the contractor can reasonably be expected to recruit, said contractor shall be accepted by the Director as having fulfilled affirmative action requirements for a period of one year at which time the Director shall conduct another review. Other contractors shall develop an affirmative action program in conjunction with the Director. Said program shall include specific goals and timetables for the hiring and promotion of minorities and females. Said goals shall reflect the availability of minorities and females within the contractor's labor recruitment area. In the case of construction contractors, the Director shall use for employment verification the labor recruitment area of the Ann Arbor-Ypsilanti standard metropolitan statistical area. Construction contractors determined to be in compliance shall be accepted by the Director as having fulfilled affirmative action requirements for a period of six (6) months at which time the Director shall conduct another review.
- (3) In hiring for construction projects, contractors shall make good faith efforts to employ local persons, so as to enhance the local economy.
- (4) All contracts shall include provisions through which the contractor agrees, in addition to any other applicable Federal or State labor laws:
 - (a) To set goals, in conference with the Human Resources Director, for each job category or division of the work force used in the completion of the City work;
 - (b) To provide periodic reports concerning the progress the contractor has made in meeting the affirmative action goals it has agreed to;
 - (c) To permit the Director access to all books, records and accounts pertaining to its employment practices for the purpose of determining compliance with the affirmative action requirements.

- (5) The Director shall monitor the compliance of each contractor with the nondiscrimination provisions of each contract. The Director shall develop procedures and regulations consistent with the administrative policy adopted by the City Administrator for notice and enforcement of non-compliance. Such procedures and regulations shall include a provision for the posting of contractors not in compliance.
- (6) All City contracts shall provide further that breach of the obligation not to discriminate shall be a material breach of the contract for which the City shall be entitled, at its option, to do any or all of the following:
 - (a) To cancel, terminate, or suspend the contract in whole or part and/or refuse to make any required periodic payments under the contract;
 - (b) Declare the contractor ineligible for the award of any future contracts with the City for a specified length of time;
 - (c) To recover liquidated damages of a specified sum, said sum to be that percentage of the labor expenditure for the time period involved which would have accrued to minority group members had the affirmative action not been breached;
 - (d) Impose for each day of non-compliance, liquidated damages of a specified sum, based upon the following schedule:

<u>Contract Amount</u>	<u>Assessed Damages Per Day of Non-Compliance</u>
\$ 10,000 - 24,999	\$ 25.00
25,000 - 99,999	50.00
100,000 - 199,999	100.00
200,000 - 499,999	150.00
500,000 - 1,499,999	200.00
1,500,000 - 2,999,999	250.00
3,000,000 - 4,999,999	300.00
5,000,000 - and above	500.00

- (e) In addition the contractor shall be liable for any costs or expenses incurred by the City of Ann Arbor in obtaining from other sources the work and services to be rendered or performed or the goods or properties to be furnished or delivered to the City under this contract.

EXHIBIT C OF SPECIMEN AGREEMENT LIVING WAGE REQUIREMENTS

If a "covered employer," Contractor will comply with all the requirements of Chapter 23 of the Ann Arbor City Code (Sections 1:811 B 1:821), in particular but not limited to the following sections thereof:

1:813. Definitions.

For purposes of this Chapter, the following definitions shall apply:

- (1) "Contractor/vendor" is a person or entity that has a contract with the City primarily for the furnishing of services where the total amount of the contract or contracts with the City exceeds \$10,000 for any 12month period. "Contractor/vendor" does not include a person or entity that has a contract with the City primarily for the purchase of goods or property, or for the lease of goods or property to or from the City.
- (2) "Covered Employee" means a person employed by a covered employer to perform services which are covered or funded by the contract with or grant from the City; provided, however, that persons who are employed pursuant to federal, state or local laws relating to prevailing wages shall be exempt from this Chapter.
- (3) "Covered Employer" means a contractor/vendor or grantee that has not been granted an exemption from this Chapter pursuant to Section 1:817.
- (4) "Employee" means an individual who provides personal services performed for wages under any contract calling for the performance of personal services, whether written or oral, express or implied. The term "employee" does not include any individual who volunteers to perform services for an employer if
 - (a) The individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and
 - (b) Such services are not the same type of services which the individual is employed to perform for such employer.
- (5) "Employee Health Benefits" or "Health Benefits" means providing health care benefits for employees (or employees and their dependents) at employer cost or making an employer contribution toward the purchase of such health care benefits for employees (or employees and their dependents), provided that the employer cost or contribution equals no less than \$1 an hour for the average work week of such employee, and provided further that any employee payment or contribution toward health care shall not exceed 50 cents an hour for the average work week for such employee.

- (6) "Grant" means any form of financial assistance to a "Grantee" as set forth and defined in Section 1:813(7). "Grant" does not include financial assistance used for the purchase or lease of property or other nonpersonnel costs.
- (7) "Grantee" is a person or entity that is a recipient of any financial assistance from the City in the form of any federal, state or local grant program administered by the City, revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance that exceeds \$10,000 for any 12month period, including any contractors, subcontractors, or leaseholders of the grantee whose contract, subcontract or lease with the grantee exceeds \$10,000 for any 12month period.
- (8) "Living Wage" means a wage equal to the levels established in Section 1:815.
- (9) "Person" means any individual, copartnership, corporation, association, club, joint adventure, estate, trust, and any other group or combination acting as a unit, and the individuals constituting such group or unit.
- (10) "\$10,000 for any 12 month period" is computed by taking the total amount of the contract, grant or loan and dividing it by the number of months the contract, grant or loan covers.

1:814. Applicability.

- (1) This Chapter shall apply to any person that is a contractor/vendor or grantee as defined in Section 1:813 that employs or contracts with five (5) or more individuals; provided, however, that this Chapter shall not apply to a nonprofit contractor/vendor or nonprofit grantee unless it employs or contracts with ten (10) or more individuals.
- (2) This Chapter shall apply to any grant, contract, or subcontract or other form of financial assistance awarded to or entered into with a contractor/vendor or grantee after the effective date of this Chapter and to the extension or renewal after the effective date of this Chapter of any grant, contract, or subcontract or other form of financial assistance with a contractor/vendor or grantee.

1:815. Living Wages Required.

- (1) Every contractor/vendor or grantee, as defined in Section 1:813, shall pay its covered employees a living wage as established in this Section.
 - (a) For a covered employer that provides employee health care to its employees, the living wage shall be \$8.70 an hour, or the adjusted amount hereafter established under Section 1:815(3).

- (b) For a covered employer that does not provide health care to its employees, the living wage shall be \$10.20 a hour, or the adjusted amount hereafter established under Section 1:815(3).
- (2) In order to qualify to pay the living wage rate for covered employers providing employee health care under subsection 1:815(1)(a), a covered employer shall furnish proof of said health care coverage and payment therefor to the City Administrator or his/her designee.
- (3) The amount of the living wage established in this Section shall be adjusted upward no later than April 30, 2002, and every year thereafter by a percentage equal to the percentage increase, if any, in the federal poverty guidelines as published by the United States Department of Health and Human Services for the years 2001 and 2002. Subsequent annual adjustments shall be based upon the percentage increase, if any, in the United States Department of Health and Human Services poverty guidelines when comparing the prior calendar year's poverty guidelines to the present calendar year's guidelines. The applicable percentage amount will be converted to an amount in cents by multiplying the existing wage under Section 1.815(1)(b) by said percentage, rounding upward to the next cent, and adding this amount of cents to the existing living wage levels established under Sections 1:815(1)(a) and 1:815(1)(b). Prior to April 1 of each calendar year, the City will notify any covered employer of this adjustment by posting a written notice in a prominent place in City Hall, and, in the case of a covered employer that has provided an address of record to the City, by a written letter to each such covered employer.

1:816. Employees Covered.

A covered employer shall pay each of its employees performing work on any covered contract or grant with the City no less than a living wage as defined in Section 1:815.

1:817. Exemptions.

Notwithstanding any other provisions in this Chapter, the following exemptions shall apply:

- (1) Sweat equity contracts for home construction or rehabilitation grant will not subject the grantee to coverage under this Chapter. Housing construction or rehabilitation grants or contracts that are passed through to a contractor in their entirety are exempt from the provisions of this Chapter, even when the City participates in the selection of the contractor.
- (2) For any contract or grant, the City Council may grant a partial or complete exemption from the requirements of this Chapter if it determines one of the following:
 - (a) To avoid any application of this Chapter that would violate federal, state or local law(s); or

- (b) The application of this Chapter would cause demonstrated economic harm to an otherwise covered employer that is a nonprofit organization, and the City Council finds that said harm outweighs the benefits of this Chapter; provided further that the otherwise covered nonprofit employer shall provide a written plan to fully comply with this Chapter within a reasonable period of time, not to exceed three years, and the City Council then agrees that granting a partial or complete exemption is necessary to ameliorate the harm and permit the nonprofit organization sufficient time to reach full compliance with this Chapter.
- (3) A loan shall be considered a grant under this ordinance only to the extent that a loan is provided at below market interest rates and then only the difference between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan, shall be treated as financial assistance under this ordinance.
- (4) A payment of funds for the purpose of purchasing services, property, or goods on behalf of individuals being assisted by a covered employer or potentially covered employer (sometimes known as a "pass through" grant) that is used for said purchases shall not be considered a grant; such funds shall be considered a grant only to the extent that any such funds are retained by the covered employer or potentially covered employer to provide financial assistance and support to its own operations.

1:818. Monitoring and Enforcement.

- (1) Every covered employer shall agree to the payment of a living wage as a condition of entering into or renewing a covered contract or grant with the City, shall agree to post a notice regarding the applicability of this Chapter in every work place or other location in which employees or other persons contracted for employment are working, and shall agree to provide payroll records or other documentation as deemed necessary within ten (10) business days from the receipt of the City's request. All City contracts and grants covered by this Chapter shall provide that a violation of the living wage requirements of this Chapter shall be a material breach of the contract or grant. The Human Rights Office of the City shall monitor the compliance of each contractor/vendor or grantee under procedures developed by the Human Rights Office and approved by the City Administrator.
- (2) Each covered employer shall submit to the Human Rights Office of the City information regarding number of employees and applicable wage rates of its employees covered by this Chapter in such manner as requested by that office. At the request of the Human Rights Office, any contractor/vendor or grantee shall provide satisfactory proof of compliance with the living wage provisions of this Chapter.

- (3) Any person may submit a complaint or report of a violation of this Chapter to the Human Rights Office. Upon receipt of such a complaint or report, the Human Rights Office shall investigate to determine if there has been a violation.

1:819. Penalties and Enforcement.

- (1) A violation of any provision of this Chapter is a civil infraction punishable by a fine of not more than \$500.00 plus all costs of the action. The Court may issue and enforce any judgment, writ, or order necessary to enforce this Chapter, including payment to the affected employee or employees of the difference between wages actually paid and the living wage that should have been paid, interest, and other relief deemed appropriate.
- (2) Each day upon which a violation occurs shall constitute a separate violation.
- (3) In addition to enforcement under Subsections (1) and (2), the City shall have the right to modify, terminate, and/or seek specific performance of any contract or grant with an affected covered employer or to cancel, terminate or suspend the contract in whole or in part and/or to refuse any further payments under the contract or grant;
- (4) Nothing contained in this Chapter shall be construed to limit in any way the remedies, legal or equitable, which are available to the City or any other person for the correction of violations of this Chapter

* * * * *

1:821. Other Provisions.

- (1) No affected covered employer shall reduce the compensation, wages, fringe benefits, or leave available to any covered employee or person contracted for employment in order to pay the living wage required by this Chapter.

* * * * *

- (3) No employee covered by a federal, state or local law requiring the payment of prevailing wages shall be covered by this Chapter.
- (4) This Chapter shall not be construed to apply to any person or entity that is a tax exempt religious, educational or charitable organization under state or federal law, but is not a contractor/vendor or grantee as defined in Section 1:813.
- (5) This Chapter shall not be applicable to the establishment and/or continuation of the following if developed specifically for high school and/or college students:
 - (a) A bona fide training program;
 - (b) A summer or youth employment program;
 - (c) A work study, volunteer/public service, or internship program.

* * * * *

ATTACHMENT C
HUMAN RIGHTS COMPLIANCE FORMS

HUMAN RIGHTS OFFICE

**CONTRACT COMPLIANCE/LIVING WAGE
COVER SHEET**

City Department Human Resources	Dept. Contact Person and Phone Number Name: Phone:
Contractor/Vendor/Agency Name	Project Description (if service contract or grant) (Please be specific: do not put "standing PO")
If Vendor, what goods are being purchased?	Project \$ amount \$
Length of Contract From: To:	
Proposed Date for Submission to Council	
Living Wage Declaration Attached? -- Yes -No	Contract Compliance Form Attached? - Yes ___ No

**Return completed forms to Dee Lumpkin in Procurement

YOUR RIGHTS UNDER THE ANN ARBOR LIVING WAGE ORDINANCE

→ **NEW RATE EFFECTIVE APRIL 30, 2007** ←

\$10.33 per hour

if the employer provides health
care benefits*

\$11.96 per hour

if the employer does **NOT**
provide health care benefits*

Employers providing services to or for the City of Ann Arbor or recipients of grants or financial assistance from the City of Ann Arbor for a value of more than \$10,000 in a twelve-month period of time ***must pay those employees performing work on a City of Ann Arbor contract or grant, the above living wage.***

ENFORCEMENT

The City of Ann Arbor may recover back wages either administratively or through court action for the employees that have been underpaid in violation of the law. Persons denied payment of the living wage have the right to bring a civil action for damages in addition to any action taken by the City.

Violation of this Ordinance is punishable by fines of not more than \$500/violation plus costs, with each day being considered a separate violation. Additionally, the City of Ann Arbor has the right to modify, terminate, cancel or suspend a contract in the event of a violation of the Ordinance.

***For Additional Information or to File a Complaint
Contact:***

Dee Lumpkin, Procurement Assistant

734/994-2719 or dlumpkin@a2gov.org

* Health Care benefits includes those paid for by the employer or making an employer contribution toward the purchase of health care. The employee contribution must not exceed \$.50 an hour for an average work week; and the employer cost or contribution must equal no less than \$1/hr for the average work week.

**The law requires employers to display this poster where employees
can readily see it.**

City of Ann Arbor

**LIVING WAGE ORDINANCE
DECLARATION OF COMPLIANCE**

The Ann Arbor Living Wage Ordinance (Section 1:811-1:821 of Chapter 23 of Title I of the Code) requires that employers providing services to the City or recipients of grants for financial assistance (in amounts greater than \$10,000 in a twelve-month period of time) pay their employees who are working on the City project or grant, a minimum level of compensation known as the **Living Wage**. This wage must be paid to the employees for the length of the contract/project.

Companies employing fewer than 5 persons and non-profits employing fewer than 10 persons are exempt from the Ordinance. If this exemption applies to your firm, please check below:

- _____ This company is exempt due to the fact that we
employ or contract with fewer than 5 individuals.
- _____ This non-profit agency is exempt due to the fact that we employ or contract with
fewer than 10 employees.

The Ordinance requires that all contractors/vendors and/or grantees agree to the following terms:

- a) To pay each of its employees performing work on any covered contract or grant with the City, no less than the living wage, which is defined as \$10.33/hour when health care is provided, or no less than \$11.96/hour for those employers that do *not* provide health care. It is understood that the Living Wage will be adjusted upward each year on April 30, and covered employers will be required to pay the adjusted amount thereafter. The rates stated above include the adjustment for the 2007/08 period.

- b) Please check the boxes below which apply to your workforce:

☐ Employees who are assigned to *any covered* City project or grant will be paid at or above the applicable living wage without health benefits Yes_____ No_____

OR

☐ Employees who are assigned to *any covered* City project or grant will be paid at or above the applicable living wage with health benefits Yes_____ No_____

- c) To post a notice approved by the City regarding the Living Wage Ordinance in every work place or other location in which employees or other persons contracting for employment are working.
- d) To provide the City payroll records or other documentation as requested; and,
- e) To permit access to work sites to City representatives for the purposes of monitoring compliance, investigating complaints or non-compliance.

The undersigned authorized representative hereby obligates the contractor/vendor or grantee to the above stated conditions under penalty of perjury and violation of the Ordinance.

Company Name

Address City State Zip

Signature of Authorized Representative

Phone (area code)

Type or Print Name and Title

Email address

Date signed

Questions about this form? Please contact:
Procurement Office City of Ann Arbor
Phone: 734/994-2719 Fax: 734/994-1795

CITY OF ANN ARBOR HUMAN RIGHTS OFFICE – CONTRACT COMPLIANCE FORM

Form #1*Entire Organization (Totals for All Locations where applicable)*

Name of Company/Organization _____ Date Form Completed _____

Name and Title of Person Completing this Form _____ Name of President _____

Address _____
(Street address) (City) (State) (Zip) County _____ Phone # _____
(Area Code)Fax# _____ Email Address _____
(Area Code)**EMPLOYMENT DATA**

Job Categories	Number of Employees (Report employees in only one category)												
	Male						Female						
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic Latino	or Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native	TOTAL COLUMNS A-M
	A	B	C	D	F	G	H	I	J	K	L	M	
Exec/Sr. Level Officials													
Supervisors													
Professionals													
Technicians													
Sales													
Admin. Support													
Craftspeople													
Operatives													
Service Workers													
Laborers/Helper													
Apprentices													
Other													
TOTAL													
PREVIOUS YEAR TOTAL													

CITY OF ANN ARBOR HUMAN RIGHTS OFFICE – CONTRACT COMPLIANCE FORM

Form #2

Local Office (Only those employees that will do local or on-site work, if applicable)

Name of Company/Organization _____ Date Form Completed _____

Name and Title of Person Completing this Form _____

Fax# _____ Email Address _____

(Area Code)

EMPLOYMENT DATA

Job Categories	Number of Employees (Report employees in only one category)												
	Male						Female						
	White	Black or African American	Asian	Hispanic or Latino	Native Hawaiian or Other Pacific Islander	American Indian or Alaska Native	White	Black or African American	Asian	Hispanic or LatinO	Native Hawaiian or Other Pacific Islander	American Indian or Alaskan Native	TOTAL COLUMNS A-M
	A	B	C	D	F	G	H	I	J	K	L	M	
Exec/Sr. Level Officials													
Supervisors													
Professionals													
Technicians													
Sales													
Admin. Support													
Craftspeople													
Operatives													
Service Workers													
Laborers/Helper													
Apprentices													
Other													
<u>TOTAL</u>													
PREVIOUS YEAR TOTAL													

9/03

Questions about this form? Call 734/994-2803

ATTACHMENT D

CHAPTER 42: OPEN SPACE AND PARKLAND PRESERVATION*

3:60. Title.

This chapter shall be known as the "Open Space and Parkland Preservation Ordinance" of the City of Ann Arbor.

(Ord. No. 17-04, § 1, 5-3-04)

3:61. Purpose and findings

The purpose of this chapter is to preserve and protect open space, natural habitats, parkland and the City's source waters inside and outside the City limits for benefit of residents of the City of Ann Arbor and in cooperation with the greater Ann Arbor community.

The City Council finds:

(1) The City of Ann Arbor is a desirable place to live, work and visit in large part due to the presence of farmland and other open space lands within the City and without in the surrounding communities.

(2) The surrounding communities continue to experience substantial residential development pressure because of the social, cultural and education benefits of their proximity to the City of Ann Arbor and other urbanized areas of southeast Michigan.

(3) Uncoordinated development in the areas around Ann Arbor has affected and may continue to adversely affect the quality of life in Ann Arbor leading to fragmented open space and wildlife habitat; loss of productive farmland and forestland; destruction of rural beauty which is part of the natural historic character of the Ann Arbor community; decline in water quality and the loss of wetlands; increased auto dependency, fuel consumption, traffic congestion and air pollution; relocation of jobs to peripheral area; excessive public costs for roads and utility infrastructure, new and extensions, to dispersed development.

(4) The conversion of farmland, open space and wetlands to residential or other more developed uses, whether because of its greater market value as residential development property or for other business reasons, is made at the expense of a critical community resource being permanently lost to community residents.

(5) The City of Ann Arbor adoption of Ordinance No. 37-94, Natural Features Open Space, and Ordinance No. 49-94, Wetlands Preservation Ordinance, and related zoning and planning ordinances for the protection and preservation of open space and wetlands are not sufficient safeguards against the continuing growth and development of residential and commercial uses within and surrounding the City of Ann Arbor.

(6) The permanent acquisition by the City of Ann Arbor of voluntarily offered interests in farmland, open space, wetlands and other property outside the City, as provided in this chapter and as authorized by the statutes of the State of Michigan will permit these lands to remain as farmland or otherwise in their current natural state near developing urban areas and provide long-term protection for the public interest in preservation and management of the land.

(7) The continuation of the permanent acquisition of parkland within the City of Ann Arbor and its acquisition of farmland, open space, wetlands and other property in the surrounding

communities enhances the Ann Arbor community.

(8) Michigan Public Act 262 of 2000 created an agricultural preservation fund with the State Treasury. Money in this fund may be used to provide grants to local units of government to assist in acquiring agricultural conservation easements provided that the local unit has adopted an ordinance for the purchase of development rights and that the local unit has a comprehensive land use plan that includes a plan for agricultural preservation. Acceptable plans for agricultural preservation can include provisions for uses that allow agriculture and open space designations that allow agriculture.

(9) The voters of the City of Ann Arbor have approved a charter amendment to authorize a one-half mill tax for 30 years to provide funds for preservation and protection of parkland, open space, natural habitats and City sourcewaters by the acquisition and management of land and land rights both within and outside the City of Ann Arbor.

(10) It is the policy of the City of Ann Arbor to protect, preserve and enhance farmland and open space lands through its ordinances, the authority granted it by the Farmland and Open Space Preservation Act (MCL 324.36101 et seq.), the Conservation and Historic Preservation Easement Act (MCL 324.2140 et seq.) and other state and City ordinances and the use of grants, donations and other available fund sources.

(11) The acquisition of land and land rights as provided in this chapter is a public purpose of the City of Ann Arbor.

(Ord. No. 17-04, § 1, 5-3-04)

3:62. Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings described in this section unless the context in which they are used specifically indicates otherwise:

(1) *Agricultural rights* means an interest in and the right to use and possess land for the purposes and activities related to open space, natural habitat, horticultural and other agricultural use or open space character.

(2) *Agricultural use* means substantially undeveloped land devoted to the production of plants and animals useful to humans, including fruits, nuts, vegetables, greenhouse plants, berries, herbs, flowers, seeds, nursery stock, grasses, Christmas trees and lumber, forages and sod crops, grains and feed crops, dairy and dairy products, livestock (including breeding and grazing), poultry and poultry products and other similar uses and activities.

(3) *Application* means the documentation and information submitted to the City by a landowner on the approved application form offering to sell, donate or otherwise grant to the City a conservation easement, development rights or title to greenbelt district land.

(4) *City* means the City of Ann Arbor.

(5) *Code* means the Ann Arbor City Code.

(6) *Conservation easement* means a non-possessory interest in real property, which is acquired in accordance with MCL 324.2140 et seq. for the purpose of retaining and enhancing agriculture, preserving natural, scenic or open space values of real property; restricting or preventing the development or improvement of the land for purposes other than agricultural production; or other like or similar purposes.

(7) *Development* means an activity that materially alters or affects the existing conditions or use of any land in a manner that is inconsistent with agricultural use or open space character.

(8) *Development rights* means an interest in and the right to use, divide or subdivide land for

any and all residential, office, commercial, research, industrial, or other use, purposes or activities including intensive animal husbandry operations, not incident to agricultural use or open space character.

(9) *Other eligible land* means land that has a common property line with agricultural land from which development rights have been purchased and that is not divided from that agricultural land by a state or federal limited access highway

(10) *Fair market value purchase* means transfer of full ownership to the City based on a qualified appraisal.

(11) *Full ownership* means fee simple title.

(12) *Greenbelt advisory commission* means the commission formed pursuant to this chapter to advise the City Council in the selection of greenbelt district lands.

(13) *Greenbelt district* is the land area surrounding the City of Ann Arbor, as shown on the district map which accompanies this chapter, and which, with all notations, references, and other information show thereon, shall be as much a part of this chapter as if fully described herein; and from which, applications for purchases of land and conservation easements will be considered.

(14) *Governmental agency* means the United States or any agency thereof, the State of Michigan or any agency thereof or any municipal corporation.

(15) *Open space character* or *open space use* means substantially undeveloped land devoted to (a) the maintenance or enhancement of natural processes (e.g. water quality, plant and wildlife habitat, groundwater recharge), (b) scenic enjoyment of the public or (c) otherwise satisfying the standards of sections 5:51 of the Code.

(16) *Owner* means the individual or individuals having fee simple title to the eligible land.

(17) *Parcel* means all property under a single ownership that is included in an application.

(18) *Parkland* means all property undeveloped and developed dedicated for the use of the public as a park.

(19) *Parks advisory commission* means the commission established by resolution of City Council to advise the City Council in the planning, selection, and management of parkland within and outside the City.

(20) *Permitted use* means any use contained within a conservation easement essential to the agricultural use or which does not alter the open space character or natural features of the land.

(21) *Qualified appraisal* means an appraisal done in conformance with the standards in Section 1:320 of the Code.

(22) *Residential development rights* means the right to sell portion of a parcel, or to construct a residence and related accessory buildings such as a garage or shed on a parcel, for residential uses not related to the agricultural use, open space character or natural features of the parcel.

(23) *Substantially undeveloped land* means land on which there is no more than one residential dwelling unit and related accessory buildings such as a garage or shed for each 40 acres of land. For parcels less than 40 acres in existence prior to the date of this chapter, and which cannot be joined to a larger contiguous parcel, substantially undeveloped land means land on which there is no more than 1 residential dwelling unit and related accessory buildings for the parcel.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 42-05, § 1, 10-17-05)

3:63. City Council authority.

The City Council is authorized under state law and this chapter to:

(1) Expend revenue to acquire greenbelt district land in accordance with the criteria and procedures established in this chapter. The interest acquired may either be fee title, development

rights, conservation easements, or any lesser interest, easement, covenant or other contractual right pertaining to such rights. Acquisition of land and land rights may be achieved through donation, in whole or in part; or by purchase, grant, covenant or contract but only at a price that is equal to or less than the qualified appraisal. In particular, the City can acquire development rights to agricultural land and other eligible land. The revenue shall be used to acquire greenbelt district land only upon application of the owner and as authorized by this chapter.

(2) Enter into cash purchase contracts, installment purchase contracts, cash purchase/non-cash donation agreements, bargain sale agreements or similar agreements establishing the rights and responsibilities of the City and the owner in the transfer of land, purchase of Development Rights, or the granting of Conservation Easement or other easement or covenant consistent with applicable law and this chapter.

(3) Enter into contracts with nonprofit land trusts, legally established and in good standing, or other similarly qualified nonprofit groups to participate jointly in the acquisition, retention and management of Greenbelt District Land. and Development Rights, Conservation Easements or other easements in Greenbelt District Land.

(4) Enter into contracts with qualified licensed professionals, nonprofit land trusts, legally established and in good standing, or other similarly qualified nonprofit groups to provide appraisal, environmental analysis and testing, acquisition evaluation and negotiation support, maintenance or other services necessary or appropriate to accomplish the purpose of this chapter.

(5) Enter into agreements for joint acquisition, retention and management of land and development rights, conservation easements or other easements in the greenbelt district with another governmental agency to the extent permitted by law and in accordance with this chapter.

(6) Issue bonds for the borrowing of money for any purpose within the scope of this chapter and the general powers of the City.

(7) Finance the purchase of development rights by special assessments and the issuance of bonds secured thereby, subject to compliance with procedures for the approval and establishment of special assessment districts and the issuance of special assessment bonds contained in the City Charter, City Code and other applicable laws. Such special assessment procedures shall further be subject to the requirements that (a) there be filed with the City Council a petition containing all of the following: (i) a description of the development rights to be purchased, including a legal description of the land from which the purchase is to be made, (ii) a description of the proposed special assessment district, (iii) the signatures of the owners of at least 60% of the land area in the proposed special assessment district, and (iv) the amount and duration of the proposed special assessments, and (b) the City Council specifies how the proposed purchase of development rights will specially benefit the land in the proposed special assessment district. (Ord. No. 17-04, § 1, 5-3-04; Ord. No. 9-05, § 1, 4-4-05; Ord. No. 23-06, § 1, 5-15-06)

3:64. Greenbelt Advisory Commission; established, membership.

(1) The Greenbelt Advisory Commission (GAC) shall consist of 9 members nominated and approved by the City Council. In making appointments of members to GAC, the City Council shall appoint persons who have expertise or affiliation as follows:

- a. Two members chosen by City Council to serve as representatives of environmental and/or conservation groups.
- b. One member who is an agricultural landowner or operates an agricultural business.
- c. One member who is a real estate development professional.
- d. One member who is a plant or animal biologist.

- e. Three members from the public-at-large.
- f. One member of Ann Arbor City Council.

(2) The terms of office of the first GAC appointed hereunder shall be fixed by the City Council so that the terms of 3 members will be for 1 year, 3 members for 2 years, and 3 for 3 years. After the initial GAC is formed, all members, except the City Council member, thereafter will be appointed for 3 years. The City Council member shall be appointed for a 1-year term. A City Council member shall cease to be a member of GAC if she/he ceases to be a member of the City Council. All members of GAC shall serve without compensation. A minimum of 6 members shall be residents of the City of Ann Arbor. Appointment of nonresident members shall be in conformance with section 12.2 of the Ann Arbor City Charter.

(3) The City Clerk shall notify City Council at least 45 days prior to the expiration date of the term of office of any person serving on GAC. The City Council shall place on the table the name of all reappointments no later than 60 days after the expiration date of the term of office.

(4) No member shall be allowed to hold over for more than 60 days beyond the term of office fixed by ordinance whether or not a successor has been appointed, except that City Council may extend the term for a period of 60 days upon the vote of at least 6 members of City Council.

(5) No land in which a member of the commission has an ownership or other financial interest will be considered during the tenure of that member or for a period of 1 year from the end of the member's tenure.

(6) No member may serve more than 2 consecutive full terms after his or her initial term.

(7) A member of GAC may be removed by a majority vote of City Council for cause.

(Ord. No. 17-04, § 1, 5-3-04)

3:65. Greenbelt Advisory Commission; organization, powers and duties.

(1) *Organization.* The Commission shall annually elect a chair. The Commission shall meet at a minimum on a quarterly basis at a date, place and time to be determined by the Commission. A majority of members appointed to the Commission, that is five members, shall constitute a quorum. An affirmative vote of a majority of the members present shall be necessary to authorize any action by the Commission.

Consistent with this chapter and subject to City Council approval, GAC may develop by-laws and standing rules that further define the functional and procedural aspects of GAC's duties and provide for keeping a record of its proceedings.

(2) *Powers and duties.* To advise and make recommendations to the City Council on land matters and enhancing public awareness, commitment and active participation in stewardship of open space, natural features, and parkland including growth and development of parks within the Greenbelt District, land and land rights acquisition, management, and disposition.

- To review and recommend to City Council applications for the purchase of Greenbelt District Land in accordance with the provisions of this chapter.

- To advise City Council on monitoring and enforcement of the terms and provisions of any development rights and/or conservation easements acquired by the City in Greenbelt District Land.
- To publish and present an annual report, which shall include a listing of all parcels of land donated or for which development rights or conservations easements or other easements were acquired, and the method of acquisition; a map showing the location of acquired lands and dates of acquisition; financial cost, and land characteristics; other parcels on which other governmental entities hold development rights or conservation easements; a listing of the number of applications made, the number of unsuccessful applications and the categorical reasons they were not accepted.
- To prepare and present to City Council and the City Administrator an annual budget for land and land rights acquisition, preservation, and management within the Greenbelt District.
- To review and recommend to City Council and the City Administrator alternate sources of funding, such as grants, gifts, endowments, etc., for land and land rights acquisition, preservation, and management.
- To work collaboratively with other City boards and commissions which have responsibilities for specific issues, including but not limited to: Planning Commission, Environmental Commission, Parks Advisory Commission.
- To hold public forums, separately or with other City boards or commissions, for the purpose of identifying needs in the community on natural lands matters.
- To meet with commissions, in other jurisdictions, and other public and private organizations to address regional and state land and land rights preservation matters.

In addition to the powers and functions herein provided, City Council may delegate to the GAC by resolution other powers and functions permitted by law concerning the acquisition of development rights.

(Ord. No. 17-04, § 1, 5-3-04)

3:66. Parks Advisory Commission; powers and duties.

In addition to those powers and duties established by City Council, the Parks Advisory Commission shall have the ability to recommend purchase or lease of Greenbelt District Land, provided that written confirmation has been obtained from GAC that this Land is not under consideration by GAC. PAC shall request this confirmation in writing. If a response is not received from GAC within 90 days, PAC shall be free to initiate consideration of the parcel in question for inclusion in the City Park system.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 2, 5-15-06)

3:67. Greenbelt district land; description of greenbelt district.

Land and land rights voluntarily acquired under the provisions of this Ordinance shall include:

- (1) Land outside the incorporated boundaries of the City of Ann Arbor within the Greenbelt District; except that a Parcel dissected by the Greenbelt District boundaries as defined in Section 3:62(13) may be acquired in its entirety in the same manner under the provisions of this Ordinance as if the Parcel was within the Greenbelt District.
- (2) Nothing in this Section alters or is intended to alter the designation of existing and future areas of the City under Section 5:10.1 of the Code as AG-agricultural-open space district.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 3, 5-15-06)

3:68. Greenbelt district land; criteria for selection.

The following criteria shall be used in determining the order in which Applications will be prioritized for review and recommendation by the appropriate Commission to the City Council for acquisition:

(1) *General.* The philosophy and principles of the land acquisition process for open space by which GAC will conduct its recommendation process are outlined in the finding stated in this Ordinance.

(2) *Process.* GAC shall publish notice annually in a newspaper of general circulation in the City. The notice shall invite Owners that meet the primary criteria outlined below to make Application for sale of Greenbelt District Land or Development Rights, Conservation Easements or easements in Greenbelt District Land. Application materials shall be available from the City Clerk and shall include a summary of the criteria and guidelines for selection and a list of required documentation that must be attached to the Application. Applications may be made at any time, but need not be considered until the next regular meeting of GAC. GAC shall have the right to convene extraordinary meetings to consider purchases requiring timely action.

(3) *Land acquisition criteria.* Sites for consideration shall be evaluated using the criteria listed below together with any other criterion determined by GAC to be appropriate to accomplishing the purpose of this Ordinance.

a. *Agricultural land criteria:* Characteristics of the land: type of agricultural land, parcel size, road frontage, wetlands and/or floodplain, groundwater recharge, natural features

Context: distance to city limit, adjacent zoning classification, adjacent land use, proximity to protected land, scenic and/or historical value

Acquisition considerations: matching funds, landowner contribution, urgency for acquisition, recreation potential

b. *Open Space land criteria:* Characteristics of the land: mature trees or rare species, parcel size, road frontage, wetlands and/or floodplain, groundwater recharge

Context: distance to city limit, adjacent land use, proximity to protected land, proximity to water resource frontage, scenic and/or historical value, number of vehicle trips per day

Acquisition considerations: matching funds, landowner contribution, urgency for acquisition, recreation potential

(4) *Land Acquisition Mechanisms:*

a. Purchase of Development Rights (PDR) shall be the preferred method of protecting Agricultural Land and Other Eligible Land. The conditions and regulations applicable to such land is set forth in Section 3:71.

b. Open Space may be protected by Conservation Easements or fee simple purchase, lease or other interests in land.

(5) Any Application which fulfills the criteria set forth in this Ordinance and in the regulations adopted by the GAC and approved by City Council, but which is not offered a contract to purchase because available funds are not sufficient within the current fiscal year, shall be considered in the next Application cycle, provided that the Owner updates the information on the Application or states that the information is accurate. These Applications shall not be given any preference or priority at that time, but will be considered under the terms and conditions of this Ordinance along with all other Applications submitted at that time.

(6) Owner shall be and remain subject to all ordinances, rules and regulation of the Governmental Agency having jurisdiction over the Greenbelt District Land regardless of the transfer to and the acquisition of Development Rights, Conservation Easements or other easements in the Greenbelt District Land by the City whether now in effect or which may be

subsequently adopted for the regulation of land uses or for the protection of the health, safety and welfare of residents of the jurisdiction.

(7) The City, its officials, employees and agents shall not be liable for any injury that may occur to any person, or for any damage that may occur to any property, as a result of any act, decision or other consequence or occurrence arising out of the acts or omission of the Owner or any person or entity other than the City based on the existence of an Application or the acquisition of Development Rights, Conservation Easements or other easements in Greenbelt District Land.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 4, 5-15-06)

3:69. Application procedure; approval by City Council.

In order for an Application to be considered for purchase, it must meet the following:

(1) The applicant or applicants must have good, marketable, fee simple title to the Greenbelt District Land.

(2) The parcel of land proposed for purchase must be located within the Greenbelt District; except as provided in Section 3:67.

(3) If a development rights purchase, the applicant or applicants must agree to maintain the land in accordance with a conservation easement approved by City Council.

(4) A completed Application must be submitted on the approved application form by the deadline established by GAC. An Owner or a duly authorized representative of the Owner may apply. All applications must be signed. A separate Application is required for each parcel of land offered for acquisition. GAC shall establish and publish procedures for submission and to assist Owners with the application process. These procedures shall be available from the City Clerk.

The following information shall be included in a completed Application:

a. Adequate identification by deed reference of the parcel of land to be considered for purchase. The description should also include a map showing the location of the parcel with the Greenbelt District.

b. A description of the Agricultural Use carried out on the parcel or other current uses on the parcel.

c. A statement by the Owner of any contingencies that the Owner wishes to make GAC aware of that may affect the property in the future (such as death, estate plans, etc.)

d. A description of the features of the property, such as presence of water bodies, scenic views, streams, wetlands, rare species, or other desirable feature.

e. A statement by the Owner granting access for the purpose of inspection and appraisal of the parcel by the City, its employees or contractors and GAC.

f. A list of any and all liens and encumbrances on the parcel.

g. Existence of any surface or subsurface leases or easements.

h. All other information requested on the Application.

If the Application is complete and the minimum criteria established are met, the Application shall be evaluated. A member of GAC, authorized contractor or City staff assigned to GAC, shall view each Greenbelt District Land Application and a written report shall be made to GAC prioritizing the Applications according to the established selection criteria.

After consideration of the written report, GAC shall determine the annual list of Owners with which negotiation for purchase of land or land rights will be initiated. The determination shall be made with the goal of purchasing Greenbelt District Land, Development Rights and Conservation Easements from as many Owners as possible in order to accumulate a critical mass

of land to be retained for preservation and management purposes.

Prior to initiating formal negotiation, a title search shall be completed to determine if the Owner has clear, marketable, fee simple title to the Greenbelt District Land. For purchases of development rights or conservation easements, a "before and after" Qualified Appraisal of the property and the interest offered for purchase shall be conducted. The Qualified Appraisal shall contain an analysis of the highest and best use of the parcel of land, the valuation methodology used by the appraiser to determine value, the fair market value of the full ownership of the land (excluding the buildings thereon, if any), and the value of the Agricultural Rights and any Residential Developments Rights to be retained by the Owner for Development Right purchases; or the value of all rights to be retained by the Owner for Conservation Easement purchases. The value of the Owner's retained rights or interest in the land shall be listed separately in the Qualified Appraisal. For purchases of land in fee simple, the Qualified Appraisal shall contain only the analysis of the highest and best use of the parcel of land, the valuation methodology used by the appraiser to determine value and the fair market value of the full ownership of the land (excluding the buildings thereon, if any). If appropriate, an environmental assessment, soil analysis, boundary survey or other testing may be conducted. At the conclusion of all testing and completion of the title search, a complete property analysis, including a baseline documentation of the property, and recommendation shall be prepared as to whether negotiation should continue. The Owner shall be entitled to a copy of the property analysis.

GAC or another authorized negotiator on behalf of the City shall submit a written offer to purchase to the Owner. The offer shall be for a time certain accompanied by a proposed deed of easement or title in accordance with the offer made in the Application.

An Owner may, at his or her own expense, provide additional information to GAC on the findings and determinations included in the property analysis or withdraw his or her Application within 30 days of receipt of the property analysis.

After receipt of all information relating to an Application, GAC shall forward a recommendation for acquisition to City Council for action.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 5, 5-15-06)

3:70. Related costs.

The costs of appraisal, engineering, surveying, planning, financial, environmental, legal or other services lawfully incurred incident to the acquisition of Greenbelt District Land or Development Rights, Conservation Easements or other easements or leasehold interest in Greenbelt District Land by the City in accordance with this Ordinance shall be paid by the City. The City shall not be responsible for expenses incurred by the Owner incident to Owner's Application to or sale of Greenbelt District Land.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 6, 5-15-06)

3:71. Retained residential development rights.

(1) To promote "agricultural use" of properties on which the City has purchased the Development Rights, it has been determined that such properties should remain substantially undeveloped.

(2) In order to ensure environmentally responsible agricultural practices on properties which the City has purchased the Development Rights, such properties must conform to the USDA's Generally Accepted Agriculture Management Practices (GAAMPs) and a Conservation Plan shall be developed by the local Natural Resource Conservation Service (NRCS) office. The

Conservation Plan must be updated every 10 years and monitored by NRCS and the City annually. The Conservation Plan shall be written using current standards and specifications at the time of plan development.

(3) It may be in the best interest of property owners and of the program to purchase development rights that property owners retain some residential development rights so long as the land remains substantially undeveloped. When property owners retain some development rights their land value remains higher than it would be if they sold all their development rights and the value of the development rights to be purchased is correspondingly reduced.

(4) Conservation easements conveying development rights to the City may include a provision for a landowner to retain the right to build additional residential dwellings on the following schedule:

0--40 acres:

41--80 acres:

81--160 acres:

161 and more acres:

Initially, these dwellings must be owned or occupied by a direct family member or for a farm laborer with a demonstrable employment record or financial risk in the farming operation.

(5) Both residential and non-residential buildings must be identified in the negotiated Conservation Easement in order to protect other important features of the property. Building locations and lot sizes must also conform to existing zoning in the municipality where the property is located. The total impervious surface area for new and existing buildings and roads (which includes non-seasonal, permanent rooftops, concrete and asphalt) must not exceed 2% of the total easement area defined in the Conservation Easement granted to the City.

(6) A landowner may choose to omit a maximum of 2 residential building lots from the nominated property of the minimum size allowed by local zoning. GAC and City Council may consider such omission when evaluating on which properties to purchase development rights.

(7) Once action to select properties for the purchase of development rights has been taken by City Council, a baseline documentation report will be prepared describing through photographic, pictorial and narrative means the condition of the property at the time of the grant and a development rights easement. The baseline report shall contain a signature page where the Owner and the Supervisor sign to state that the report is an accurate description of the property at the time of grant. The easement shall similarly feature a page where the signatures of the Owner and the Mayor are notarized, following which the easement shall be recorded with the county register of deeds so that it is effective on all current and future owners.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 7, 5-15-06)

3:72. Open space and parkland preservation fund established.

Revenues received for preservation and protection of open space, parkland, natural habitats and City sourcewaters through acquisition and management of Greenbelt District Land and the development rights, conservation easements and other easements on Greenbelt District Land shall be placed in a designated Open Space and Parkland Preservation Fund which is hereby created in the City budget. Revenues for the purpose of this section shall include millage funds, designated monetary gifts, unrestricted grants, and any investment income earned in the Fund. The Fund shall be invested and managed in the same manner as existing funds of the City. No part of the fund may be transferred to any other fund, nor be encumbered, nor be utilized for any purpose except the purposes specifically set forth in this chapter. Expenditures from the fund

require authorization of City Council
(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 23-06, § 8, 5-15-06)

3:73. Duration of acquired rights; release.

(1) Development rights acquired pursuant to Section 3.61(9) of this chapter shall be held in trust by the City for the benefit of its citizens in perpetuity. After 50 years have passed, however, the owner may make application to GAC to re-purchase the development rights. GAC shall review such application and determine whether the property has (a) become landlocked with non-agricultural uses, (b) farming is no longer feasible and (c) the release is for the public good. GAC shall evaluate the feasibility of farming by determining whether the land is no longer and never will be suitable for any kind of agriculture, with wooded land or land left fallow not necessarily to be considered unsuitable. GAC shall hold a public hearing to gain input from citizens on the application and make recommendation to City Council on the request.

(2) Upon receiving the recommendations of GAC, City Council shall take final action on such recommendations. Council must support the request by an owner to repurchase development rights by a 9-member majority of the total 11 members of Council. For properties 100 acres and greater, Council's 9-member majority support of the request shall result in a referendum to allow the public to decide the matter. If Council or the public supports the request, the owner shall have 1 year to complete the process of re-purchasing the rights and all associated actions. All costs associated with the request shall be borne by the applicant.

(3) For those properties which City Council approves the return of development rights as specified in Subsection (1), GAC shall cause an appraisal of the applicant's property interest to be made at the owner's expense. Payment for this appraisal shall be made by the owner in advance. A "before and after" appraisal shall be made to determine the value of development rights. One appraisal shall determine the fair market value of full ownership of the land (excluding buildings thereon) and one shall determine the fair market value of the agricultural rights plus any specifically retained residential development rights.

(4) Appraisals shall be performed as required by Section 1:320 of Ann Arbor City Code. The selected appraiser shall not have a property interest, personal interest or financial interest in the subject lands. In the event that the low bidder has a conflict of interest associated with a potential easement, the second low bidder will conduct that appraisal. In any event, the same appraiser shall conduct the before and after appraisals.

(5) Appraisals shall be in writing and shall be furnished to the respective owners for review. Errors of fact in any appraisal may be called to the attention of the appraiser by GAC or by owners of the property appraised, but corrections of the appraisal may be made only by the appraiser.

(6) At any time in this process, the owner may choose to withdraw the request for the return of development rights without penalty, while still being responsible for the City's appraisal of the property as specified in Subsection (2) and any other costs incurred.

(7) If City Council approves return of development rights as specified in Section 3:73(1) of this chapter, the City shall have a right of first refusal to purchase the remaining rights at the fair market value of the agricultural rights plus any retained development rights, as determined by the appraisal required in 3:73(3) of this chapter, for the purposes of a City park or other publicly-accessible property. Upon receiving the recommendations of GAC, City Council shall take final action on such recommendations. If Council chooses to exercise this right of first refusal, an offer to purchase the remaining rights at the appraised value shall be submitted within 180 days.

Acquisition of lands for public purposes shall be made with funds designated for such purchases and not with funds authorized for development rights acquisition pursuant to this chapter. The owner may at that time choose to not sell the remaining rights and instead retain ownership of the property. If Council approves the sale of development rights back to the owner, proceeds from that sale shall be placed in the Greenbelt and Open Space Acquisition Fund as specified in Section 3.73 of this chapter.

(8) If (a) a request to re-purchase development rights is denied by City Council or the public, or (b) the landowner chooses to not sell the remaining rights when the City chooses to exercise its right of first refusal or (c) more than a year passes from Council's authorization for the re-purchase of rights, the landowner must wait 5 years before re-applying to re-purchase development rights.

(9) The City may convey development rights acquired pursuant to this chapter to a conservation, open space preservation, historic preservation or similar organization under terms ensuring that the public benefits for which the Township purchased the development rights will be maintained.

(Ord. No. 17-04, § 1, 5-3-04)

3:74. Enforcement.

City staff shall administer and enforce and the City Attorney shall prosecute this chapter and development rights and conservation easements agreements. GAC will advise and make recommendations to City Council concerning monitoring and investigation of complaints of violation of City acquired land and land rights outside of the park system. GAC shall at least once annually ascertain whether the owner is complying with all conditions of the easement or deed. Inspection findings shall be in writing and maintained. Any violation identified shall be referred to the City Attorney.

(Ord. No. 17-04, § 1, 5-3-04)

3:75. Administrative costs.

Reasonable administrative expenses can be paid from the parks and greenbelt millage revenues for the acquisition, lease, or donation, in whole or in part, of parkland and conservation easements, land and land rights, inside and outside the City. These expenses shall not exceed the amount determined by the following formula:

(A) \$2,000 for each potential acquisition or leasehold Parcel approved by either the Park Advisory Commission or the Greenbelt Advisory Commission for negotiation with property owners plus (B)(1) 6% of the principal amount of each series of bonds issued to finance all or part of the parks and greenbelt program ("Open Space Bonds") plus (2) 6% of the annual millage revenue in excess of annual debt service requirements on Open Space Bonds; provided, that, projections of property tax valuations and millage collections over the term of the millage, which projections are approved by City Council at the time of issuance of each series of Open Space Bonds, demonstrate that the permitted amount for administrative expenses under part B of such formula will not exceed 6% of the total millage collections over the term of the levy.

The following activities shall be considered administration expenses that may be paid for from the millage revenues:

- Staff or consultant time, including benefits, devoted directly to the acquisition process.
- Staff or consultant time, including benefits, devoted directly to program support.
- Travel/vehicle costs incurred.

- Administrative expenses directly attributable to program support or the acquisition process.
- Monitoring of acquired development rights and/or conservation easements.
- Enforcement of acquired development rights and/or conservation easements
- Legal expenses directly related to the acquisition of or leasing of property or property interests, including staff or outside counsel time.

The actual cost of property or property interests, or the actual cost of lease or leasehold interests, plus charges for the items on the list to follow, can be paid from millage revenues, but are not considered administrative expenses and are not subject to the limits on the appropriation of administrative expenses.

- Title commitments.
- Payment of property taxes on acquired or leased property.
- Preparation of appraisals of property.
- Preparation of surveys of property.
- Preparation of Phase 1 Environmental Assessments of property, as well as subsequent Phases/baseline environmental studies and any related due care plan, if required.
- Baseline documentation for development rights and/or conservation easements.
- Costs directly related to the sale of bonds supported by this millage.

The following activities shall not be paid for by funds provided by this millage:

- Operating, maintenance, repair, restoration, and development costs for acquired properties, or interests in properties, except as otherwise provided in this Section.
- Any overhead charges, such as a municipal service charge.
- Activities of the City Administrator, Mayor or City Council.
- Activities related to City ordinances or resolutions.
- Charges for any staff time not directly related to the purpose of this millage.
- Charges for office space or utilities.

(Ord. No. 17-04, § 1, 5-3-04; Ord. No. 9-05, § 2, 4-4-05; Ord. No. 23-06, § 9, 5-15-06)

3:76. Reserved.

Editor's note: Ord. No. 23-06, § 10, adopted May 15, 2006, repealed § 3:76, which pertained to donations. See also the Code Comparative Table.

3:77. Audit.

The City shall, on an annual basis, provide for public review a financial statement of its activities, including detailed expenditures for program staffing, land and easement acquisition, related costs and all other expenditures for implementing the parks and greenbelt acquisition program. This financial statement will be based on the independent financial audit of the City's finances.

(Ord. No. 17-04, § 1, 5-3-04)

ATTACHMENT E: APPRAISAL FORMAT

Appraiser should in preparing an appraisal for the City adhere to the following accepted Michigan Department of Natural Resources, Appraisal Report Standards, which are summarized below.

All reports will be prepared as a Complete Appraisal, of either a Self-Contained (not-recommended) or Summary type in narrative format. The report should be printed on a good grade of bond, 8½" X 11" letter size format, and bound with a transparent front cover with a readily visible title page showing parcel identification, acreage, township, county, ownership, and case number when provided.

All appraisals submitted to the City will be reviewed for compliance with the Uniform Standards of Professional Appraisal Practice. All appraisals are subject to a partial or full field review. It is imperative that locations of subjects and comparables are defined by legible maps, legal descriptions (within reason), and use of nearby addresses or local landmarks to aid in locating. Their descriptions will show size, shape, dimensions, and road frontage/access data.

Appraisals will be prepared and certified by a Certified General Appraiser.

It is appreciated if the appraiser would generally adhere to the following outline (exact order is not required):

Part I – Introduction

Title Page

1. Name and location of property, project, township and county
2. Name of appraiser
3. Effective date of the appraisal

Table of Contents

1. Number report pages from cover to cover.
2. List titles and corresponding page numbers.

Summary page

1. Name of project
2. Location – Road, section, township, county
3. Ownership identification
4. Name of appraiser, professional designation, type of certification and certification number, business address, email address, fax number, and telephone number
5. Dates of field work – all days spent in the area
6. Date of property inspection
7. Effective date of appraisal – normally it would be the last time the subject property was inspected
8. Reporting format – prominent statement of which kind of report and which reporting format under USPAP Standard Rule 2-2 is being used
9. Interest being appraised

10. Purpose of report
11. Intended Use and List of intended users
12. Size, in acres, unless otherwise evaluated
13. Highest and Best Use
14. Appraised Value(s)

Statement of Limiting Conditions and Critical/Extraordinary Assumptions

Statement of Co-authorship – acknowledge assistance received by other persons in arriving at the analysis, conclusions, or opinions concerning real estate contained in the appraisal report.

Scope of Appraisal – summarize the extent of the process in which data are collected, confirmed and reported. The appraiser should briefly describe the valuation process relied on in the final conclusion of value. Real estate listing/sale services are not adequate in meeting information requirements for sale comparables used. Verifications, liber/page, copy of deeds, are required.

Precise location maps and photographs of the subject.

Part II – Factual Data

- A. Purpose – Define value being estimated and property rights appraised.
- B. Exposure time (Excluded when meeting “Yellow Book” UASFLA requirements)
- C. Intended use and intended users of the report.
- D. Function
- E. Date of inspection
- F. Full legal description is required
- G. Economic Foundation
 1. Market area of influence
 - a. Employment
 - b. Cultural facilities or stability
 - c. Social
 - d. Educational
 - e. Aesthetic
 2. Neighborhood
 - a. Force at work causing change or stability
 - b. Present neighborhood use
 - c. Zoning and other restrictions
- H. Property Data

1. Site
 - a. Current equalized values, assessments, taxable values, and annual property taxes
 - b. Photographic display of the entire property, particularly of any rivers, streams, etc. or any dump sites, or any unique feature
 - c. Survey or tax map showing critical dimensions
 - d. Present use
 - e. Topography
 - f. Soil and drainage characteristics
 - g. Area
 - h. Road frontage, or water frontage, and access
 - i. Ground cover
 - j. Utilities
 - k. List any or all easements, leases, permits, enrollment in programs (i.e. PA 116, etc.), and mineral rights and deposits
 - l. History – including offers to buy, sell, and listings with asking price. Refer to USPAP Standards Rule 1-5, a & b, regarding requirements in considering subject's sales history
 - m. Zoning – describe present zoning for the subject including any reasonably probable changes that may influence value. Specific if development potential (legal splits, etc.)
 - n. Provide name and addresses of all parties of interest.
2. Improvements – include a site plan and a floor plan
 - a. Major land improvements such as dams, irrigation systems, etc., and minor land improvements such as wells or fencing
 - b. Size of any and all structures
 - c. Condition and quality
 - d. Physical and effective age, functional and economic obsolescence, stigmas, marketability, etc.
 - e. Type of construction
 - f. Special amenities, utilities, heating/cooling, basements, slabs, etc.
 - g. Equipment, if any – describe utility, obsolescence, and repair or replacement requirements

Analysis and Conclusions

- A. Highest and Best Use – Include a definition of highest and best use and a determination of this use. Based on the following four criteria:
 1. What uses are legally permissible?
 2. Of those legally permissible uses, which are physically possible?
 3. Of those legally permissible and physically possible uses, which uses can be proven to be financially feasible?
 4. Of the uses shown to be legally permissible, physically possible and financially feasible, demonstrate which use will generate the greatest net income or prove to be maximally productive?

B. Appraisal Approaches to Value – Consideration will be given to the three standard approaches to value. It is not necessary to employ an approach that cannot be relied on as a reasonable accurate indication of value. The appraiser must explain the reasons for not using any of the standard approaches.

1. Sales Comparison Approach – based on analysis of recent confirmed (provide documentation) sales of comparables properties. The comparable sales analysis section should include:
 - a. A sales introduction and identification, site size, shape, access frontage, etc.
 - b. Photographing of comparables is required on vacant as well as improved properties.
 - c. Discuss the reliability and similarity of the comparable to the subject
 - d. Sales to governmental agencies or condemning authorities should be avoided.
 - e. A general market analysis of these sales addressing the significant elements of value.
 - f. A comparison of sales with subject – the use of tables, charts or graphs to augment the narrative are required.
 - g. A final indication of value. Regardless of charts, tables or graphs, a narrative comparison of the pertinent market data with the subject is still required. The narration should clearly and concisely demonstrate the reasoning behind the appraiser's final indicated value from the sales comparison approach.

NOTE: Sales adjustments should be derived from a cross-comparison (pairing) of sales which consistently reflect these same differences, or from other market sources. Specific adjustments become weak if they are relatively large and not derived directly from market data. Market data support with discussion is necessary when any single adjustment to a comparable exceeds 30%.

2. Income Approach – based on the capitalization of the net income generated from the subject. A value estimate by the income approach shall include adequate factual data to support all components of income and expenses. Supporting data should include:
 - a. Estimated gross economic rent or income.
 - b. Allowances for vacancy and credit losses
 - c. An itemized estimate of total expenses including reserves for replacement.Capitalization of net income shall be at the rate prevailing for this type of property and location. Actual, rather than estimated, rents from the comparable sales should be used whenever possible. The capitalization technique, method and rate used shall be explained in narrative form supported by a statement of sources of rates and factors.
3. Cost Approach – based on replacement or reproduction cost new (whichever would be applicable) of the improvements or building, less applicable depreciation, plus the value of the land. All work shall be in the form of

computed data, arranged in sequence, beginning reproduction or replacement costs, and shall state the source, book and page of all figures used. The dollar amounts of physical deterioration and functional and economic obsolescence, or the omission of same, shall be explained in narrative form.

C. Correlation and Final Estimate of Value – one of the final steps in the analyses and conclusions portion of the report will be a narrative correlation of the indications of value into a final estimate of value. When only one approach is used, the correlation will serve as:

1. A summary of the most pertinent data of the particular approach.
2. The appraiser's conclusion of market value. Provide a summary to explain the strengths and weaknesses of each approach and the weight each is given.

D. Certification

E. Assumptions and Limiting Conditions

F. Include your credentials.

Part IV – Exhibits and Addenda

This section is for maps, plats, sales sheets, deeds, photographs, and other pertinent information too lengthy and hinders the flow of the report. Also required is a comparables sales map of suitable detail to assist the report's reader/user to visualize, compare and locate all properties discussed. Sales data sheets detailing buyer/seller information, source of verification, consideration, terms, date of transaction, legal description, description of physical characteristics relative to all elements of adjustment, and income and expense data relative to extraction of overall capitalization rates are required. It is imperative to verify sales and income data.