

FINANCE COMMITTEE

09-0746R

RESOLUTION AUTHORIZING AN AGREEMENT FOR APPRAISAL SERVICES WITH THE VALUATION GROUP, INC., RELATED TO THE VARIOUS TAX COURT PROCEEDINGS TOTALING NOT TO EXCEED \$37,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to enter into an agreement substantially in the form of that on file in the office of the city clerk as Public Document No. _____, with The Valuation Group, Inc., for appraisal services anticipated to be needed during 2010 related to various tax court proceedings in the total amount of not to exceed \$37,000, payable from the general fund, Miscellaneous 110-700-1407-5441.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

STATEMENT OF PURPOSE: This resolution authorizes an agreement with The Valuation Group, Inc., to provide appraisal services necessitated by various tax court proceedings during the year 2010 on an as-needed basis.

At this point in time the city assessor is anticipating a significant number of classification or valuation appeals during 2010, very nearly all of which involve commercial or industrial properties. As the assessor's office has only one commercial appraiser on staff and some commercial and industrial properties require evidence and analysis of value on a regional to national level, additional services required by these tax court proceedings must be contracted for.

Normally, negotiations with the property owner and his or her attorney will continue until shortly before the date set for trial at the tax court. To keep costs down, the assessor tries to avoid using the services of the outside appraiser until trial appears inevitable and so, when the decision is made that trial preparations must be made, swift implementation is required.

This resolution will allow the administration to react quickly when it becomes evident that trial preparation must be undertaken so that the city's position can be protected without incurring unnecessary cost.

Appraisal service costs of \$9,000 from The Valuation Group were incurred in 2009 related to tax court petitions on all three McDonald's restaurants in Duluth.