

Business Item

Management Committee



Committee Meeting Date: June 26, 2024

For the Metropolitan Council: July 10, 2024

Business Item: 2024-165

Appraisal Services, Contract 23P088

District(s), Member(s): All Districts: All Members

Policy/Legal Reference: FM 9-1 Real Estate Policy; FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy

Staff Prepared/Presented: Kelly Jameson, Director of Real Estate, 651-602-1556
Michael Stupka, Real Estate Appraiser, 651-602-1537

Division/Department: Regional Administration/Real Estate

Proposed Action

That the Metropolitan Council authorize the Regional Administrator negotiate and execute contracts 23P088A-23P088I for appraisal services to support the acquisition, disposition and valuation of real property for all divisions in an amount not to exceed \$7,500,000 as follows:

| Organization | Contract Number | Contract Amount |
|--|-----------------|-----------------|
| Patchin Messner Valuation Counselors | 23P088A | \$1,500,000 |
| Integra Realty Resources | 23P088B | \$1,250,000 |
| RLS Valuation/TaTonka RE Advisors | 23P088C | \$1,000,000 |
| Diversified Real Estate Services, Inc. | 23P088D | \$1,000,000 |
| Valbridge Property Advisors | 23P088E | \$ 875,000 |
| Lake State Realty Services, Inc.* | 23P088F | \$ 875,000 |
| CM Valuation Corporation* | 23P088G | \$ 400,000 |
| MM Appraisal, LLC | 23P088H | \$ 400,000 |
| Voyager Appraisal Services, LLC | 23P088I | \$ 200,000 |

*DBE firm

Background

The Real Estate Department supports all Divisions of the Council in the acquisition and disposition of real estate. Acquisitions take place in various forms from fee simple purchases to temporary and permanent easements to support capital improvement projects and the maintenance and rehabilitation of aging improvements. The acquisitions and dispositions are regulated by statute and often required by funding sources to take place at "market value". This contract aids the Council in determining a fair and equitable value for both property owners and the Council.

This master contract replaces the last five-year contract for outside appraisal services. This contract was assigned a 4% DBE goal which has not been assigned to appraisal services before. Five of the of the six vendors on the current contract are returning and seven of the nine contracts are local firms. A change from the previous master contract is that residential appraisers were invited to propose, and all transit projects will utilize this master contract. Previously large projects like SWLRT and Gold Line had separate appraisal contracts and were competing for the same appraisal companies to do valuation, condemnation preparation and testimony work. A Council Wide appraisal contract expands the pool of available appraisers and should save time.

The Council has successfully utilized master contracts for a variety of real estate valuations and services in the past. This master contract will aid in the valuation process for acquisition and disposition of properties for all Divisions of the Council. These services will be utilized when the timeline for condemnation and project start times cannot be met by Council staff, or when a conflict of interest may be claimed by property owners.

In fall of 2023 a letter informing all licensed Certified General Property Appraisers and all Certified Residential Property Appraisers in the seven-country metro area, that Council would be issuing Request for Proposal. The Request for Proposal was issued on November 23, 2023. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications and responded to plan holder inquiries. There were twenty-seven registered plan holders, twenty-five prime proposers, two plan rooms, and eleven of the plan holders identified as minority, woman, veteran, small or disadvantaged enterprises. The Council received ten proposals to be evaluated for the consideration of award and used proposer quality, qualifications, experience, and price as the criteria for evaluation. The evaluation panel reached a consensus that the proposals submitted by the referenced list of proposers are the most advantageous to the Council.

Rationale

The execution of professional service contracts exceeding \$500,000 requires Council approval.

Thrive Lens Analysis

This action promotes Stewardship through accurate and credible valuations for acquiring and disposing of real estate for transit, environmental services, community development and parks and advances the mission of prosperity and equity.

Funding

Funding will be included in future Council authorized capital and operating budgets. Work orders will only be executed after Council budget authority has been approved.

Small Business Inclusion

The Office of Equity and Equal Opportunity (OEEO) assigned a Disadvantaged Business Enterprise (DBE) goal of 4% for this solicitation. OEEO determined that the firms being recommended for the award met the DBE requirements of this contract.

