

# Committee Report

Management Committee



**Committee Meeting Date:** June 26, 2024

**For the Metropolitan Council:** July 10, 2024

## Business Item: 2024-165

Appraisal Services Contract 23P088.

### 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

### Summary of Management Committee Discussion/Questions

2024-165: Appraisal Services Contract 23P088

Moved by Osman, seconded by Lee. Motion carried.

# Business Item

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Committee Meeting Date: June 26, 2024

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## Business Item: 2024-166

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

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### 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 is replacing the last five-year contract for outside appraisal services. 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.