

COUNCIL COMMUNICATION

From: The City Manager

Subject: GM Washington Ave Property Appraisal

Manager's Recommendation:

I recommend the bid from Farmers National Company for the appraisal of the property at 1629 N. Washington be accepted and that payment be made to them in an amount not to exceed Sixteen Thousand Seven Hundred Dollars and 00/100 (\$16,700.00).

The contract is subject to my approval as to substance and the City Attorney as to form. Further it is recommended that I or my designee be authorized to sign the contract.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are available in the Fiscal Services – Assessor, Professional Services Account, Number 101-1744-711.8001.

Justification:

The City of Saginaw is preparing to defend the valuation of the industrial property at 1629 N. Washington in response to the Michigan Tax Tribunal appeals filed by General Motors.

Quotes were requested from three appraisal firms: Farmers National Company, Piazza Appraisal Service and Cook, Pray, Rexroth & Associates. Due to the complexity of the subject property, the only quote received was from Farmer's National Company in the amount of Sixteen Thousand Seven Hundred Dollars and 00/100 (\$16,700.00). The quote is apportioned as follows: Phase 1 – initial findings, not to exceed \$4000.00; Phase 2 – actual appraisal, not to exceed \$8000.00; Phase 3 – completion and delivery of appraisal, not to exceed \$2000.00; appearance before the Michigan Tax Tribunal to be billed at an hourly rate of \$150 per hour, not to exceed \$2,700.00. Minimum action at this time will be the completion of Phase 1. Following phases will be employed as deemed necessary by the City of Saginaw.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.