

# Mayor and Council Communication

**DATE:** 05/14/24

**M&C FILE NUMBER:** M&C 24-0397

**LOG NAME:** 21AMEND PMD APPRAISAL SERVICES

## **SUBJECT**

(ALL) Authorize Execution of Amendments to the Non-Exclusive Agreements with Certain Identified Appraisers to Increase the Combined Annual Amount by \$4,000,000.00 for a New Combined Annual Amount of \$5,000,000.00 for the Property Management Department

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## **RECOMMENDATION:**

It is recommended that the City Council authorize execution of amendments to the non-exclusive agreements with certain identified appraisers to increase the combined annual amount by \$4,000,000.00 for a new combined annual amount of \$5,000,000.00 for the Property Management Department.

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## **DISCUSSION:**

On June 13, 2023, City Council approved Mayor and Council Communication (M&C) 23-0480), authorizing agreements with certain identified appraisers in a combined annual amount of \$1,000,000.00 for the Property Management Department. Under the agreements, the appraisers provide appraisal services for the Real Estate Division of the Property Management Department.

Under federal, state, and local laws, the City of Fort Worth must provide a bona fide offer based on an independent appraisal report when purchasing real property. The Property Management Department regularly engages certified appraisers to provide professional appraisal services for land acquisitions for Capital Improvement Projects and City-wide initiatives. In order to be compliant with Chapter 2254 of the Texas Government Code, the Real Estate Division of the Property Management Department initiated the Request for Qualification process for procurement of real estate appraisal services per section IX.D.a. of the Purchasing Administrative Regulation (AR). In order to follow the process, the Property Management Department contacted over twenty different firms who provide appraisal services and requested contact references, reviewed examples of past work product, and conducted similar reviews to determine the appraiser's level of qualification.

Federal and state law require that qualified appraisers perform appraisal functions. Anyone performing an appraisal, or appraisal related service in determining an opinion of value, or the act or process of developing an opinion of value, shall be competent and qualified to perform these functions per Title 49 of the Code of Federal Regulations (CFR), Part 24.103(d) and per the Texas Administrative Code Title 43, Chapter 9, Subchapter F.

All real estate appraisers performing appraisals for the City of Fort Worth must be licensed by the Texas Appraiser Licensing and Certification Board, as provided in the Texas Appraiser Licensing and Certification Act (Chapter 1103 of the Texas Occupations Code). Additionally, the City of Fort Worth requires appraisers to be Texas Department of Transportation (TxDOT) certified before they can perform any appraisal or appraisal-related services on behalf of the City of Fort Worth.

In selecting appraisers, Property Management used the following evaluation criteria:

- Licensed by the Texas Appraiser Licensing and Certification Board;
- Certification by TxDOT;
- Experience of the individual real estate appraiser and demonstrated understanding of the scope of services to be provided; and
- Ability to meet deadlines over the past three years and the ability to meet City of Fort Worth scheduling requirements.

The Real Estate Division has requested and reviewed qualifications for the following:

- AdVal Analytics LLC,
- Angel Valuation Services LP,
- Trailhead Real Estate LLC d/b/a Archer Appraisal Co.,
- Ben Dyess & Associates,
- CBRE, Inc.,
- Commercial Appraisal Associates, LLC,
- Cushman & Wakefield of Texas, Inc.,
- Matthews Real Estate Consulting, Inc. d/b/a Edgestone Realty Valuation,
- Integra Realty Resources - Fort Worth, LLC,
- Jeffrey Monroe Tillman d/b/a Jeff Tillman & Associates,
- JLL Valuation & Advisory Services, LLC,
- Duff & Phelps Holdings Corporation d/b/a Kroll LLC,
- Lowery Property Advisors, LLC,
- ML&M Realty Advisors LLC,
- Molas Schechter & Associates LLC,
- O'Brien Realty Advisors LLC,

- Paramount Valuation Services Inc.
- Texas Appraisal Team LLC,
- Thomas Kyser,
- Totten & Company, and
- Colliers International Valuation & Advisory Services, LLC.

It was confirmed that these firms meet the evaluation criteria listed above. The Real Estate Division of the Property Management Department has utilized these appraisal firms to obtain appraisal services in the past and can certify that all the proposed firms can satisfactorily perform the professional services required.

**Additional Services** - Due to the increased use of eminent domain in acquiring property interests needed for City capital improvement projects, it is imperative to utilize expert testimony from certified appraisers in support of our condemnation action. To address this need, the Property Management Department and the City Attorney's office request an increase from a combined total of \$1,000,000.00 annually to a combined total of \$5,000,000.00 annually.

**Funding** - Funding for appraisal services will be provided through various capital project funding sources. These contracts will serve current and future capital projects as-needed, and a funds availability verification will be performed by staff and personnel of the Property Management Department prior to each assignment.

**Administrative Change Order** - An administrative change order or increase may be made by the City Manager in the amount up to \$50,000.00 without specific City Council approval as long as sufficient funds have been appropriated.

**Renewals** - These agreements include four additional one-year renewal terms.

This is for ALL COUNCIL DISTRICTS.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current capital budgets, as previously appropriated, in the various capital improvement program funds to support the approval of the recommendation and execution of the agreements. Prior to an expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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