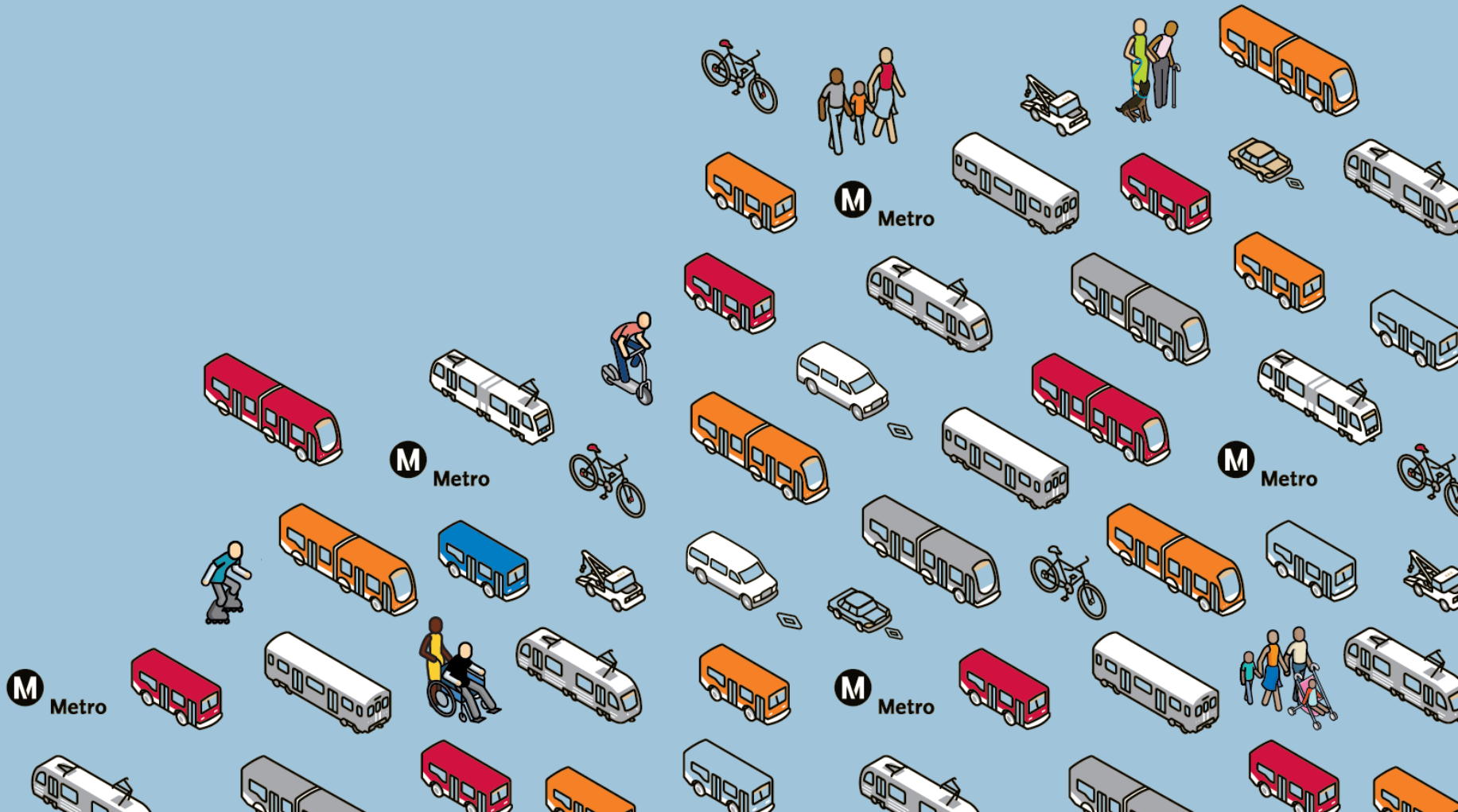


File# 2019-0482

Delegation of Authority to Approve Real Estate Transactions



AUTHORIZING the Chief Executive Officer (CEO) to:

- A. ESTABLISH just compensation for the acquisition of real property based on an approved appraisal of the fair market value as long as the amount is within the overall Life of Project (LOP) budget or within the approved current annual budget if LOP has not yet been adopted;

- B. APPROVE administrative or litigated settlements (including goodwill, furniture, fixtures, and equipment, and other acquisition costs) of up to \$1,000,000 above the appraised value or 20% above the appraised value (up to \$5 million), whichever is greater, if the amount is within the overall LOP budget or within the approved current annual budget if LOP has not yet been adopted;

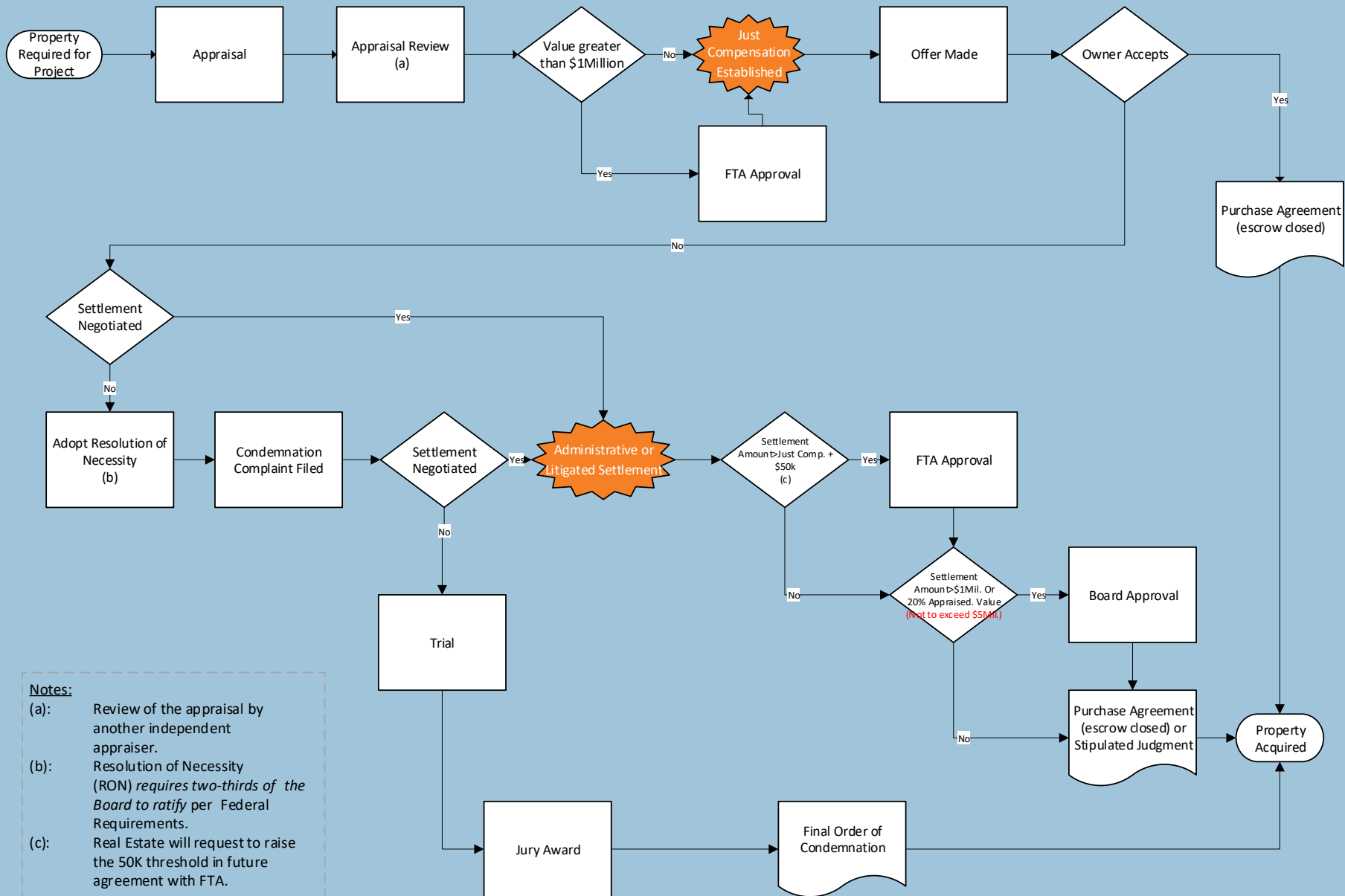


C. DIRECT the CEO to report back to the Board quarterly on just compensation and/or settlements over \$500,000; and

AUTHORIZE the Inspector General to perform periodic random spot-check audit of these transactions to ensure to the Board that the system and policy are performing in the manner described in the recommendation.



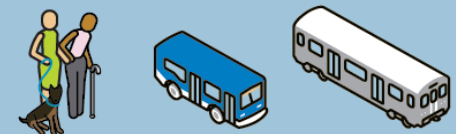
Proposed Real Estate Acquisitions Flowchart 2019-0482



Sample Authorizations

2019-0482

Appraised Value/ Just Compensation	20%> Appraised Value	\$1 Mil.> Appraised Value	CEO Settlement Authority (> of \$1 Mil. or 20% not to exceed \$5Mil.) within LOP or Budget	Requires Board Approval
\$2,000,000	\$2,400,000	\$3,000,000	\$3,000,000	No
\$20,000,000	\$24,000,000	\$21,000,000	\$24,000,000	No
\$30,000,000	\$36,000,000	\$31,000,000	\$35,000,000	Yes



- The Real Estate Department estimates that Metro will need to acquire thousands of parcels over the next three to ten years.
- Current CEO signing authority is limited to \$500,000, amounts above require Board approval.
- The number of acquisitions that will require Board approval will be significantly increased.
- Delegating additional authority to the CEO will expedite the acquisition process and avoid placing unnecessary burdens on the Board.

