Process of Real Estate Acquisition for Capital Improvement Projects
Engineering & Property Management Department
City of Charlotte

At the earliest stages of a capital improvement project, the City opens communication with the public to ensure that the project will address community goals and minimize negative impacts to property owners and residents. Owners of properties in the project area are invited to multiple public meetings, where City staff describe the project and accept feedback. Postcards and mailers also outline the project's intent and invite comment from property owners and residents.

Comments received during this public input portion of a project help the City to design the project in a way that addresses many identified property concerns. The project design plan clearly illustrates how properties will be impacted.

After the initial project design is complete, a real estate agent representing the City contacts each property owner and arranges an individual meeting. The agent fully describes specific impacts to the property, presenting the owner with a copy of the project plan and a survey plat depicting the location of the property impacts. The agent documents any concerns the owner may have. The City often accommodates minor justifiable owner requests, such as landscaping, moving a fence, protecting trees, or building a retaining wall. These accommodations are negotiated through ongoing discussion with the property owner and are recorded as special provisions to the acquisition agreement.

Along with property impacts and possible accommodations, the agent and the owner also discuss monetary compensation. The agent starts negotiations with an offer based on a legally justifiable approximation such as the property's tax value or recent comparable sales in the area. If agreement is reached, the documents are executed with all special provisions intact, and the transaction is placed on Council's agenda as an acquisition.

If the agent and property owner cannot agree, the agent makes the City's best and final "pre-appraisal" offer, explaining that an independent appraisal is the next step and carries certain implications. Once an appraisal is received, all previous City offers become null and void, including special provisions. The appraisal valuation may be higher or lower than the City's current offer, and all further negotiations must be based upon the appraisal. The appraisal constrains the City's ability to negotiate because any settlement offer exceeding appraised value must be justifiable due to a special circumstance not known to or accounted for by the appraiser.

If an appraisal is ordered and post-appraisal negotiation fails, the agent makes the City's best and final "post-appraisal" offer and explains that the owner may accept the offer or may exercise the owner's right to a fair and impartial third party hearing to ensure that the property owner receives just compensation. This hearing occurs through a process referred to as condemnation, wherein a judge and/or jury will ultimately decide what is

equitable to both the owner and the taxpayers. If the property owner refuses the best and final post-appraisal offer, the transaction is placed on Council's Agenda so that Council can approve moving toward condemnation.

Even after condemnation is approved by Council, City staff continue to negotiate with the property owner. Court-mandated mediation is the final step prior to condemnation litigation. Currently, over 91% of all acquisition transactions are successfully settled prior to trial

Over half of the City's condemnations can be characterized as "friendly condemnations", in which the owner is comfortable with the project and the compensation settlement, but is unable to convey clear title for some reason.