River Trail Development and LWCF Conversion Request
Update: February 16, 2018

Earlier this week, the City received correspondence from the State of Illinois and the National Park Service concerning the Rocky Glen conversion. The National Park Service has previously stated that the previous appraisals did not contain enough fair market value for the Southtown/Rocky Glen conversion. NPS sent the appraisals to the Department of Interior Office of Valuation Services to determine if the appraisals were done according to the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

The LWCF State Assistance Program Federal Financial Assistance Manual stipulates that the State has the responsibility for “ensuring appraisals are reviewed by state certified review appraisers pursuant to the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), and for approving appraisals.” UASFLA is the appraisal standard used by state and local appraisers in the preparation of appraisals for federally LWCF assisted acquisitions and Section 6(f) conversions. The federal standards (UASFLA) are considered supplemental standards to the Uniform Standards of Profession Appraisal Practice (USPAP).

The following is excerpted from the Reports of the Department of the Interior Office of Valuation Services:

**Rocky Glen Recommendations**

“Based on the findings outlined above, the appraisal report must be revised to appraise the subject property in its “as-is” condition. If it is necessary to include hypothetical conditions or extraordinary assumptions, then the appraisal must include written instructions from the client documenting the reasons for reliance on these two assignment conditions. The sales comparison approach should also be revised to include a whole property value rather than a summation of two separately valued portions of the subject property. Once the appraisal report has been revised to address the findings listed above, the appraisal review report should also be revised to reflect the revised appraisal report and to correct the deficiencies noted for the appraisal review report. As written, the appraisal report for the Kickapoo Creek Road replacement parcel is not in compliance with the UASFLA for the reasons outlined in the sections above.”

**Richard Pryor Place Recommendations**

A legal description for the conversion parcel must be obtained prior to a new appraisal being conducted. Once a legal description is determined, a new appraisal report must be completed which includes a larger parcel analysis for the parcel identified by a legal description. If it is necessary to include hypothetical conditions or extraordinary assumptions, then the appraisal must include written instructions from the client documenting the reasons for reliance on these assignment conditions. If sales are used that involve a government entity, then they must report the extraordinary verification process required by UASFLA that led to the appraiser’s conclusion that they are representative of arm’s length, market value transactions. Once the new appraisal report has been completed to address the findings listed above, a new appraisal review report should also be completed to reflect the new appraisal report and to correct the deficiencies noted for the appraisal review report. As written, the appraisal report for the Richard Pryor Place conversion parcel is not in compliance with the UASFLA for the reasons outlined in the sections above.
At this point, the City will need to redo the appraisals for the Rocky Glen conversion and work with NPS and IDNR to determine how much fair market value is still outstanding, locate eligible replacement property that meets the conversion requirements 36 C.F.R. 59.3, complete new appraisals to meet the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), submit a complete conversion proposal to NPS, and wait for NPS to review and approve the additional replacement property.

Staff have requested a conference call with the NPS and IDNR to discuss the next steps.

The purchase of the Detweiller property has been deferred until the February 27, 2018 City Council Meeting. The Detweiller Trust has agreed to extend the closing date to no later than March 16, 2018.