Instructions for preparing a memo to file justifying acceptance of an Administrative Settlement

The purpose of a justification memo is to provide reasoned justification for paying more than the State’s appraised estimate of just compensation. Fill in the amount of the Department’s approved offer for the State’s approved offer. If there is an alternate offer and the settlement is for the alternate acquisition, enter the amount of the alternate offer and label it as such.

Fill in the amount of the approved administrative settlement. Please list any other non-monetary items of the administrative settlement such as construction concessions, retained or repurchased structures, etc. If the administrative settlement is for the alternate acquisition, label it as such.

For the numbered justifications, enter information for the required justifications and delete all that do not apply. The justification reason numbers will automatically adjust.

1. Required, enter amount of State’s appraisal and enter the amount of the property owner’s appraisal, if they claimed to have one and the amount is known. If the property owner did not have an appraisal, delete the portion of the sentence concerning the property owner’s appraisal and remove the parenthesis so that the sentence states the property owner did not have an appraisal.
2. Only use this reason if there have been recent, unfavorable court awards on similar types of property (i.e. improved commercial or residential, vacant commercial or residential, pasture, timber, etc.) in the project’s county.
3. Required, enter the amount of the State’s offer and then enter the amount of the property owner’s highest counteroffer. If the administrative settlement is for the alternate acquisition, use the alternate offer amount for the State’s offer.
4. Required, estimate should be for the attorney fees, attorney expenses, and court costs for a Probate Court trial in the county the tract is located.
5. List any specific valuation information that was relied upon in the acceptance of the administrative settlement. If there was more than one reason, enter each as a separately numbered justification. (It is not enough to just state why the property owner wanted more money, you need to explain why the State is willing to pay more money).
6. Only use this reason if the amount of the administrative settlement is $20,000 or less.
7. Only use this reason if the residence is being retained and moved by the property owner.
8. Only use this reason if the residence is being retained or bought back and moved by the property owner.
9. Only use this reason if the administrative settlement is an increase of 15% or less, over the approved offer.
10. Only use this reason if the appraisal is over a year old (6 months if property is in an area of rapidly increasing values). If this reason is used, enter the appraisal’s date of valuation. This reason will usually not be used since condemnation should be filed on a tract, 30 to 60 days after the offer is made.
11. Only use this reason if the tract is a partial acquisition and the State’s approved offer includes payment for damages to land or structures. (If a difference of opinion on the severity of damages is the main reason for a large increase, more detail should be provided about the State’s and the property owner’s opinion of damages.)
12. Only use this reason if the valuation for the approved offer included enhancement of the subject property’s remainder.