

**C-2: SAMPLE STATEMENT OF THE BASIS FOR THE DETERMINATION  
OF JUST COMPENSATION**

**SAMPLE:**

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Description and Location of Property

The City of West Linn proposes to purchase land and improvements on Gus Young Avenue (Lot 8, Square 6, Palmer Extension) from owner Elizabeth Richardson at 134 Gus Young Avenue, West Linn, Louisiana. It is a single-family residential unit which conforms to zoning, present use, surrounding land use, and area trends.

Purpose of Purchase

The City of West Linn intends to use the whole parcel for the construction of an addition to the Eden Park Community Service Center.

Improvements

It is a one-story single-family residence of wood frame construction with concrete foundation, stucco siding, a tar and gravel roof and aluminum gutters and downspouts.

It contains a living room, kitchen, center hall, two bedrooms and one bath.

The kitchen has counters and painted wood cabinets. There are no built in appliances.

Heat is gas-fired, forced air from Atlas, 120,000 BTU furnace.

The house is 25 years old. Design is good. Maintenance is poor.

Declaration of Offer

Based on the two appraisals, the City of West Linn hereby makes you an offer in the amount of \$32,500.00 for the purchase of your property. This offer is for the fair market value of your property and does not include any consideration of decrease or increase in value attributable to the project for which it is being acquired. It reflects no relocation payments which the owner/tenant may be entitled to receive under the Louisiana Community Development Block Grant Regulations.

Definition of Fair Market Value

"Fair Market Value is the highest price estimated in terms of money which the property would bring if exposed for sale in the open market, allowing a reasonable time in which to find a purchaser buying with knowledge of all the uses and purposes for which it is adapted and for which it is capable of being used."

Appraisal Techniques

Two major techniques, cost approach and market data approach, were utilized to determine the fair market value of this property.

Cost Approach

Land:

To estimate the value of the land, as if unimproved, the market was searched for vacant land sales which might throw some light on the value of subject land.

Estimated Replacement Cost:

To estimate the cost of replacing the home minus depreciation based on age and observed condition, 20 percent.

Total by Cost Approach \$32,500.00

Market Data

To estimate the value of the property by this approach, the market was searched for sales of properties in the area which might throw some light on the value of subject property by comparison.

After adjusting these sales, approximately six comparable properties, for time and points of difference, the indicated value of subject property, by comparison, is \$32,100 - \$33,000.

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Signature of Authorizing Official

Date

**MUST BE SENT CERTIFIED/REGISTERED MAIL  
RETURN RECEIPT REQUESTED**