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JUN 27 2013



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MEMORANDUM

Municipal Utilities Department - Memo No. RE13-116

DATE: JUNE 27, 2013

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
MARSHA REED, ASSISTANT CITY MANAGER *MR*
DAVE SIEGEL, MUNICIPAL UTILITIES DIRECTOR *DS*

FROM: ERICH KUNTZE, REAL ESTATE COORDINATOR *ek*

SUBJECT: Resolution No. 4680 – 37-acre land acquisition at Price Road and Queen Creek Road

RECOMMENDATION: Staff recommends City Council pass and adopt Resolution No. 4680 authorizing the acquisition of approximately 37 acres of vacant land located adjacent to the southwest corner of Price Road and Queen Creek Road at its appraised value plus closing and escrow fees. The Resolution will also authorize the Real Estate Coordinator to sign, on behalf of the City, the Purchase Agreement and any other documents necessary to facilitate this transaction, authorizing and approving eminent domain proceedings as needed to acquire said real property, and to obtain immediate possession thereof.

BACKGROUND/DISCUSSION: The City of Chandler needs to acquire approximately 37 acres of vacant land adjacent to the Ocotillo Water Reclamation Facility located near the southwest corner of Price Road and Queen Creek Road. The acquisition is needed for construction of a water reclamation facility. Discussions with the property owner have been conducted over the past 12 months. The City submitted a formal written offer to purchase the property in February 2013 at the appraised value of \$6,440,000 (\$4.00 per square foot). This offer was rejected and further negotiations have not been successful.

Resolution No. 4680 authorizes acquisition of real property either by purchase or by eminent domain (condemnation) proceedings. Staff will continue to negotiate with the property owner for a reasonable period, after which eminent domain (condemnation) proceedings will be initiated as needed to acquire the real property and to obtain immediate possession.

Resolution No. 4680
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FINANCIAL IMPLICATIONS:

Costs:

Long Term Costs N/A

FUND SOURCE:

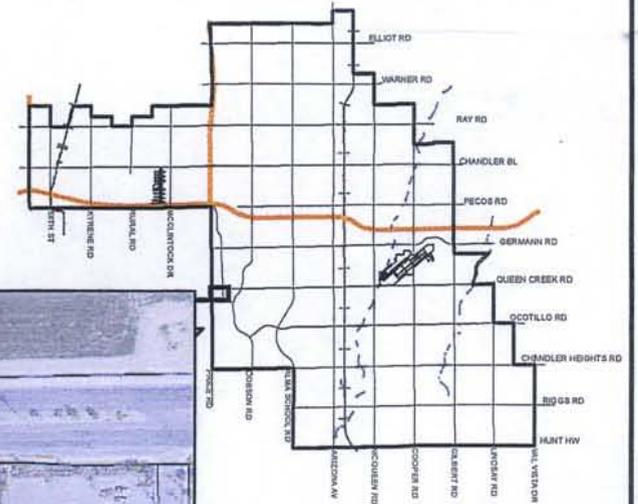
<u>Acct. No.:</u>	<u>Fund</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Funds</u>
611.3910.6111.6WW196	Wastewater Bond	Collection System Facility Improvements	Yes	\$6,440,000

PROPOSED MOTION: Staff recommends City Council pass and adopt Resolution No. 4680 authorizing the acquisition of approximately 37 acres of vacant land located adjacent to the southwest corner of Price Road and Queen Creek Road at its appraised value plus closing and escrow fees; and authorizing the Real Estate Coordinator to sign, on behalf of the City, the Purchase Agreement and any other documents necessary to facilitate this transaction, authorizing and approving eminent domain proceedings as needed to acquire said real property, and to obtain immediate possession thereof.

Attachments: Map
 Resolution No. 4680



**ACQUISITION OF APPROXIMATELY 37 ACRES
OF VACANT LAND ADJACENT TO THE SWC
OF PRICE RD AND QUEEN CREEK RD**



MEMO NO. RE13-116

RESOLUTION NO. 4680

 VACANT LAND



RESOLUTION NO. 4680

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, DETERMINING THAT ACQUISITION OF APPROXIMATELY 37 ACRES OF VACANT LAND LOCATED ADJACENT TO THE SOUTHWEST CORNER OF PRICE ROAD AND QUEEN CREEK ROAD AT ITS APPRAISED VALUE, PLUS CLOSING AND ESCROW FEES, FOR THE CONSTRUCTION OF A WATER RECLAMATION FACILITY IS A MATTER OF PUBLIC NECESSITY; AUTHORIZING THE REAL ESTATE COORDINATOR TO SIGN, ON BEHALF OF THE CITY, THE PURCHASE AGREEMENT AND ANY OTHER DOCUMENTS NECESSARY TO FACILITATE THIS TRANSACTION, AUTHORIZING EMINENT DOMAIN PROCEEDINGS AS NEEDED TO ACQUIRE THE REAL PROPERTY AND TO OBTAIN IMMEDIATE POSSESSION THEREOF.

WHEREAS, it is necessary for the City of Chandler to acquire approximately 37 acres of vacant land located adjacent to the southwest corner of Price Road and Queen Creek Road for the construction of a water reclamation facility (the "Project"); and

WHEREAS, In order to allow the construction of the Project to proceed in accordance with its schedule, the City needs to acquire said real property in fee from private property that is adjacent to the Project; and

WHEREAS, in the event the City is unable to reach an agreement with the property owner, and therefore needs to obtain immediate possession of said real property required for the Project, the use of an eminent domain proceeding is necessary; and

WHEREAS, the City is authorized by law to acquire, whether by purchase, dedication or eminent domain proceedings (condemnation), such real property as needed for public purposes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

Section 1. It is hereby determined that the acquisition of approximately 37 acres of vacant land is needed for the construction of a water reclamation facility and the securing of immediate possession of such real property, is for a public and necessary purpose, and is in the best interest of the citizens of the City of Chandler.

Section 2. The City is authorized and directed to purchase said real property for an amount equal to its appraised value plus closing costs and escrow fees. Written offers shall be in a form approved by the Chandler City Attorney and any purchase agreement entered into with a property owner shall be approved as to form by the Chandler City Attorney prior to being deposited into escrow.

Section 3. Subject to Section 2 above, the City's Real Estate Coordinator, any City real estate officer acting on the Coordinator's behalf, or any retained right-of-

way consultant acting at the direction of the Real Estate Coordinator, is authorized to make written offers for said real property and, where accepted, to execute, deliver and deposit into escrow the approved purchase agreement, along with all other documents and instructions necessary to consummate the purchase of said real property.

Section 4. Where if any such written offer is not accepted within a reasonable period of time for negotiation, the Chandler City Attorney is authorized and directed to commence eminent domain (condemnation) proceedings to acquire, in the name of the City of Chandler, said real property, including any improvements thereon, and to secure immediate possession of such real property, for the public purpose of construction of a water reclamation facility, and is further directed to do and to perform all acts necessary in furtherance of the acquisition of title to and immediate possession of said real property.

PASSED AND ADOPTED by the City Council this _____ day of _____, 2013.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4680 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the _____ day of _____, 2013, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY *GAB*