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APR 16 2015

MEMORANDUM

Transportation & Development Dept. - Memo No. RE15-006

DATE: APRIL 16, 2015

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NA*
R. J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR *RJZ*
DANIEL W. COOK, CITY ENGINEER *DW FOR*

FROM: ERICH KUNTZE, REAL ESTATE COORDINATOR *EK*

SUBJECT: AUTHORIZING AN ADMINISTRATIVE SETTLEMENT BETWEEN THE CITY OF CHANDLER AND THE ROOSEVELT WATER CONSERVATION DISTRICT (RWCD) TO ACQUIRE PORTIONS OF PROPERTIES, EITHER IN FEE OR BY EASEMENT, REQUIRED FOR CONSTRUCTION OF THE GILBERT ROAD IMPROVEMENT PROJECT FROM QUEEN CREEK ROAD TO HUNT HIGHWAY FOR \$241,161.40 PLUS CLOSING COSTS, IF ANY

RECOMMENDATION: Staff recommends approval of the administrative settlement between the City of Chandler and the Roosevelt Water Conservation District (RWCD) to acquire portions of properties, either in fee or by easement, required for construction of the Gilbert Road Improvement Project from Queen Creek Road to Hunt Highway for \$241,161.40 plus closing costs, if any.

BACKGROUND/DISCUSSION: At its February 26, 2009, meeting, the Chandler City Council granted the authority to acquire real property for the Gilbert Road Improvement Project ST-0809 from Queen Creek Road to Hunt Highway (the "Project"). During the interim, staff has been working with the (RWCD) to acquire portions of RWCD's properties required for the Project. In order for the Project to move forward without delay, the City and RWCD entered into a License Agreement allowing construction to proceed on RWCD's land. The License Agreement also provided that the City would pay for costs and expenses incurred by RWCD resulting from the Project. There are fourteen RWCD parcels in all with an original appraised value of \$204,786 plus closing costs. In addition, our project was going to impact an RWCD well site on the north side of Ocotillo Road just east of Gilbert Road.

Staff estimated the cost to abandon this well site and renovate a different RWCD well would be approximately \$180,000. Upon further negotiations between the City and RWCD, and after some project design changes, staff was able to save the existing well site, thus saving the additional \$180,000 estimated cost.

Through continuing negotiations, staff was able to reduce the cost of the land to be acquired by accepting a fee interest in three (3) parcels and permanent roadway and utility easements in the remaining parcels for a total consideration of \$158,562.

In addition, RWCD has provided invoices for other costs associated with the project as follows:

RWCD Attorney's Fees and Costs	\$ 85,574.03
Engineering fees	\$ 11,880.00
Salt River Project electrical service	<u>\$ 16,192.37</u>
Total:	\$113,646.40

The City previously paid \$31,047 for engineering and design for a pump-back system. This amount is to be credited back to the City.

Land Value:	\$158,562.00
Costs and Expenses	\$113,646.40
Less previously paid:	<u>\$ -31,047.00</u>
Balance:	\$241,161.40

Staff recommends Council approve the settlement as a fair and reasonable compromise.

FINANCIAL IMPLICATIONS: Payment will come from funds previously budgeted for the Gilbert Road Improvement Project.

PROPOSED MOTION: Move to approve the administrative settlement between the City of Chandler and the Roosevelt Water Conservation District (RWCD) to acquire portions of properties, either in fee or by easement, required for construction of the Gilbert Road Improvement Project from Queen Creek Road to Hunt Highway for \$241,161.40 plus closing costs, if any.