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MEMORANDUM **Transportation & Development Dept. - Memo No. RE16-003**

DATE: AUGUST 13, 2015

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER MR
NACHIE MARQUEZ, ASSISTANT CITY MANAGER NM
R. J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR RJZ
DANIEL W. COOK, CITY ENGINEER RJZ FOR

FROM: ERICH KUNTZE, REAL ESTATE MANAGER

SUBJECT: AUTHORIZING AN ADMINISTRATIVE SETTLEMENT BETWEEN THE CITY OF CHANDLER AND THE JOHN O'DELL, III, SEPARATE PROPERTY TRUST DATED FEBRUARY 5, 2008, TO ACQUIRE A PORTION OF THE TRUST PROPERTY, EITHER IN FEE OR BY EASEMENT, REQUIRED FOR CONSTRUCTION OF THE MCQUEEN ROAD IMPROVEMENT PROJECT FROM CHANDLER HEIGHTS ROAD TO RIGGS ROAD FOR $45,000.00

RECOMMENDATION: Staff recommends approval of an administrative settlement between the City of Chandler and the John O'Dell, III, Separate Property Trust dated February 5, 2008, to acquire a portion of the Trust property, either in fee or by easement, required for construction of the McQueen Road Improvement Project from Chandler Heights Road to Riggs Road for $45,000.00.

BACKGROUND/DISCUSSION: At its November 20, 2008, meeting, the Chandler City Council granted the authority to acquire real property for the McQueen Road Improvement Project from Queen Creek Road to Riggs Road (the "Project"). To date, construction has been completed on the first two (2) phases of the Project. The City is finalizing acquisition of the last few portions of right-of-way needed for the third and final phase of the Project from Chandler Heights Road to Riggs Road. As some of the parcels needed for the Project are within County jurisdiction, it was necessary to have the County assist in acquiring those parcels pursuant to the terms of an Intergovernmental Agreement (IGA) that was entered into on February 9, 2011. The City's initial appraisal of the O'Dell property was $16,511.00. An offer was made at this amount. However, the City was not able to reach an agreement with Mr. O'Dell and the file was turned over to Maricopa County pursuant to the IGA. The County had the appraisal updated and made an offer of $21,020.00 to Mr. O'Dell. This offer was also rejected.

Mr. O'Dell obtained an appraisal for the required property at $79,124.00. Through ongoing negotiations lasting approximately 12 months, and a mediation process, the parties were able to reach a settlement agreement in the amount of $45,000.00 subject to Chandler City Council approval, and the approval of the Maricopa County Board of Supervisors.

Since the payment is from City funds for the project, it is anticipated that the County Board of Supervisors will concur with the Chandler City Council's action on this matter.

Taking into consideration the cost, time, and uncertainty of a trial, staff recommends that Council approve the negotiated settlement as a fair and reasonable compromise in the best interest of the citizens of Chandler.

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

PROPOSED MOTION: Move to approve an administrative settlement between the City of Chandler and the John O'Dell, III, Separate Property Trust dated February 5, 2008, to acquire a portion of the Trust property, either in fee or by easement, required for construction of the McQueen Road Improvement Project from Chandler Heights Road to Riggs Road for $45,000.00.