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JUL 28 2016

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Where Values Make The Difference

MEMORANDUM **Transportation & Development - Memo No. RE17-005**

DATE: JULY 28, 2016

TO: MAYOR AND COUNCIL

THRU: MARSHA REED, CITY MANAGER
R. J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR
DANIEL W. COOK, CITY ENGINEER

FROM: ERICH KUNTZE, REAL ESTATE MANAGER

SUBJECT: APPROVAL OF A SETTLEMENT WITH HNP HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, IN THE AMOUNT OF $69,000

RECOMMENDATION: Staff recommends City Council approve a settlement with HNP Holdings, LLC, an Arizona limited liability company, in the amount of $69,000.

BACKGROUND/DISCUSSION: An offer was made to HNP Holdings, LLC, an Arizona limited liability company ("HNP") in the amount of $44,406 on February 22, 2016, for acquisition of right-of-way in fee, a temporary construction easement, and a trash facility easement to accommodate construction of the Alma School Road and Chandler Boulevard Intersection Improvement Project. On April 22, 2016, HNP provided the City a counter-offer in the amount of $185,066 along with an appraisal and other supporting documents. The City responded to the counter-offer with a settlement offer of $63,000. This was rejected. HNP then proposed a settlement of $100,083. After further negotiations, a settlement amount of $69,000 was agreed to subject to the approval of the Chandler City Council and ADOT. ADOT has agreed that the settlement is fair and reasonable.

The acquisition of these property rights from HNP are material to the Project. The trash facility easement is required to replace the trash facility location on the adjoining site formerly occupied by Circle K. If we are unable to provide a trash facility location for the old Circle K site, we could be required to pay a significant severance damage or even need to purchase the entire property at a cost that would be much more than the proposed additional settlement amount. The temporary construction easement covers the entire property due to the requirement to construct a larger retention area for water flows, construct the larger trash facilities (for both properties), relocation of the bus stop and structure, provide an entrance and exit just east of the bus stop, and restripe the parking area once work has been completed.

Staff recommends a settlement with HNP Holdings, LLC, an Arizona limited liability company, in the amount of $69,000 as a fair and reasonable compromise that is in the best interest of the citizens of Chandler.

FINANCIAL IMPLICATIONS: Funding for this land acquisition will come from money set aside in the project budget and from Federal funds for acquisition of real estate required for the Alma School Road and Chandler Boulevard project ST0807.

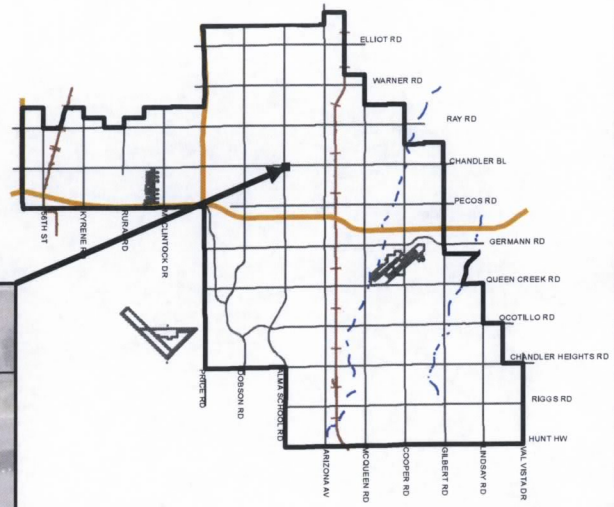
Funding Source	Fund	Program Name	CIP Funded
417.3310.0000.6517	6ST316	Alma School Road Chandler Blvd. Improvements	Yes

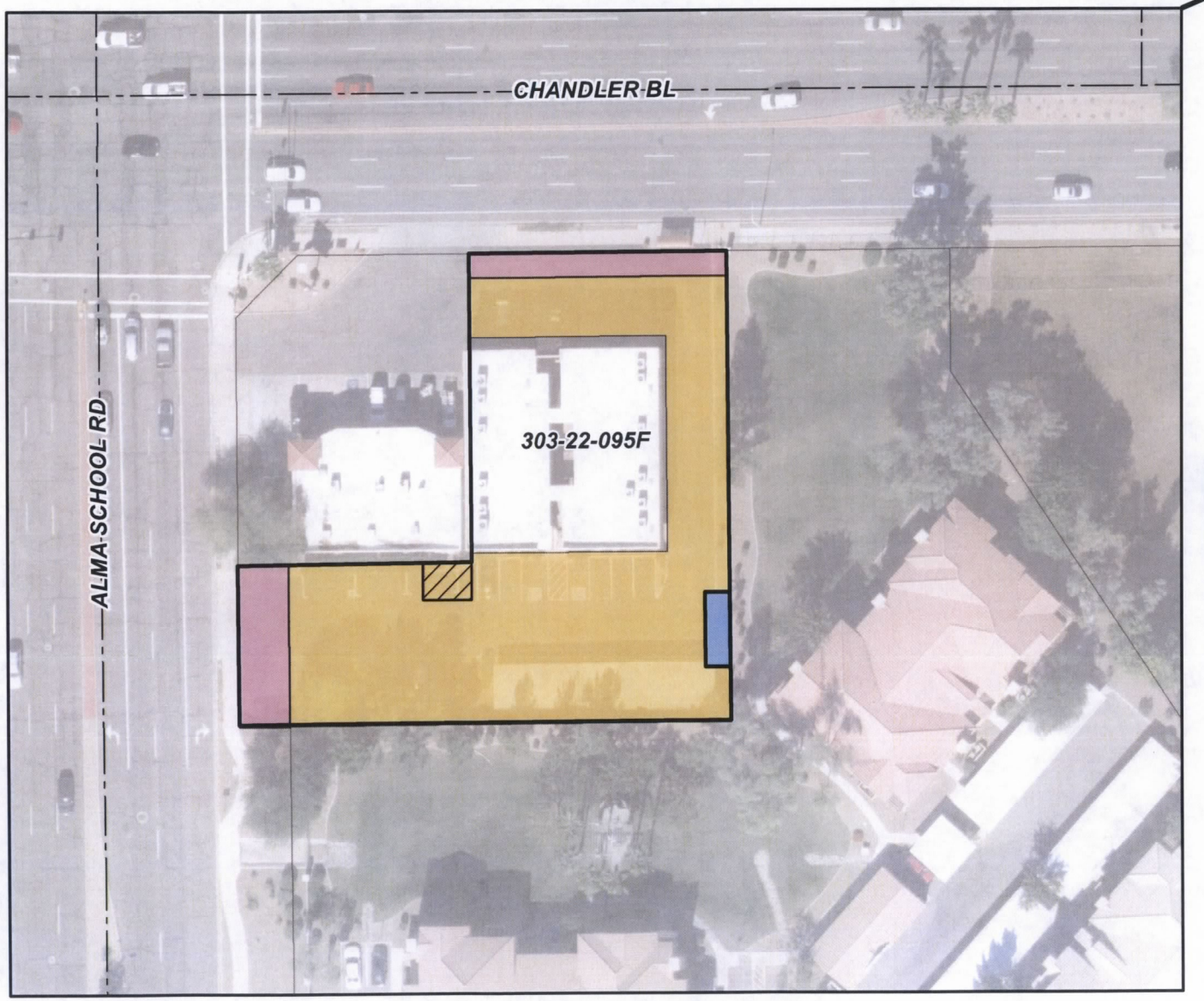
PROPOSED MOTION: Move that City Council approve a settlement HNP Holdings, LLC, an Arizona limited liability company, in the amount of $69,000.

Attachments: Map

Chandler + Arizona

APPROVAL OF SETTLEMENT WITH HNP HOLDINGS, LLC





MEMO NO. RE17-005

- TRASH FACILITY
- TRASH FACILITY EASEMENT
- ROW
- TCE

NTS

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