

#160

SEP 20 2007



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**MEMORANDUM**

**Downtown Real Estate – Council Memo No. DRE 08-007**

DATE: SEPTEMBER 20, 2007

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER  
RICH DLUGAS, ASSISTANT CITY MANAGER *RD*

FROM: SHARON A. JOYCE, REAL ESTATE MANAGER *Sharon*

SUBJECT: RESOLUTION NO. 4126 AUTHORIZING AND APPROVING THE PURCHASE OF PROPERTY LOCATED ON THE WEST SIDE OF WASHINGTON STREET BETWEEN BOSTON STREET AND CHICAGO STREET, FOR THE NEW CITY HALL COMPLEX AT A COST, INCLUDING SURVEY, CLOSING AND ASSOCIATED COSTS, NOT TO EXCEED \$2,015,000.

RECOMMENDATION: Staff recommends that the Council pass and adopt Resolution No. 4126 authorizing and approving the purchase of property located on the west side of Washington Street between Boston Street and Chicago Street, for the new city hall complex at a cost, including survey, closing and associated costs, not to exceed \$2,015,000.

BACKGROUND/DISCUSSION: On July 27, 2006, City Council approved Resolution No. 3996 authorizing the purchase of approximately 23 parcels of real property located at and near Arizona Avenue and Chicago Street for the future development of the new city hall complex.

The owner of 7 parcels, Serrano Family Limited Partnership, an Arizona limited partnership has agreed to sell their property to the City for \$2,000,250. The property (the "Property") currently serves as the business headquarters, warehouse, storage, maintenance facility and parking for the tenant of the Property, Serrano's Mexican Restaurants. The Property's improvements, which are situated on 37,500 square feet of land, consist of two buildings totaling approximately 19,872 square feet. The transaction is expected to close in approximately 30 days.

As an accommodation to the owner and the tenant, the City is willing to temporarily lease the Property back to the tenant to facilitate their relocation to another property for the monthly amount of \$2,000.

RES 4126/SAS

Resolution No. 4126  
Council Meeting of September 20, 2007

FINANCIAL IMPLICATIONS:

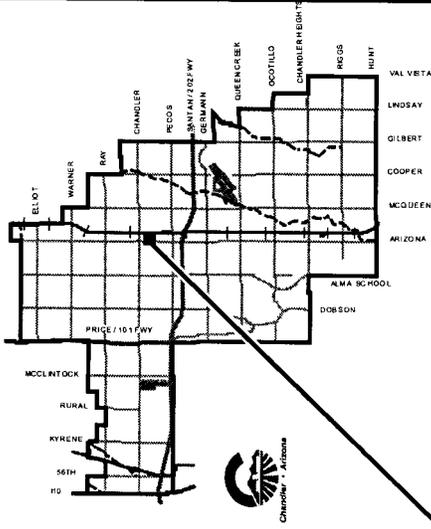
Costs: \$2,015,000  
Long Term Costs: N/A  
Fund Source: N/A

<u>Acct. No.</u>	<u>Fund</u>	<u>Program Name</u>	<u>Amount</u>
101-1290-6111 GG0502.1	Land Acquisition	City Hall Acquisition	\$2,015,000

PROPOSED MOTION: Move that Council pass and adopt Resolution No. 4126 authorizing and approving the purchase of property located on the west side of Washington Street between Boston Street and Chicago Street, for the new city hall complex at a cost, including survey, closing and associated costs, not to exceed \$2,015,000.

Attachments: Location Map, Resolution No. 4126

# CITY HALL ACQUISITION

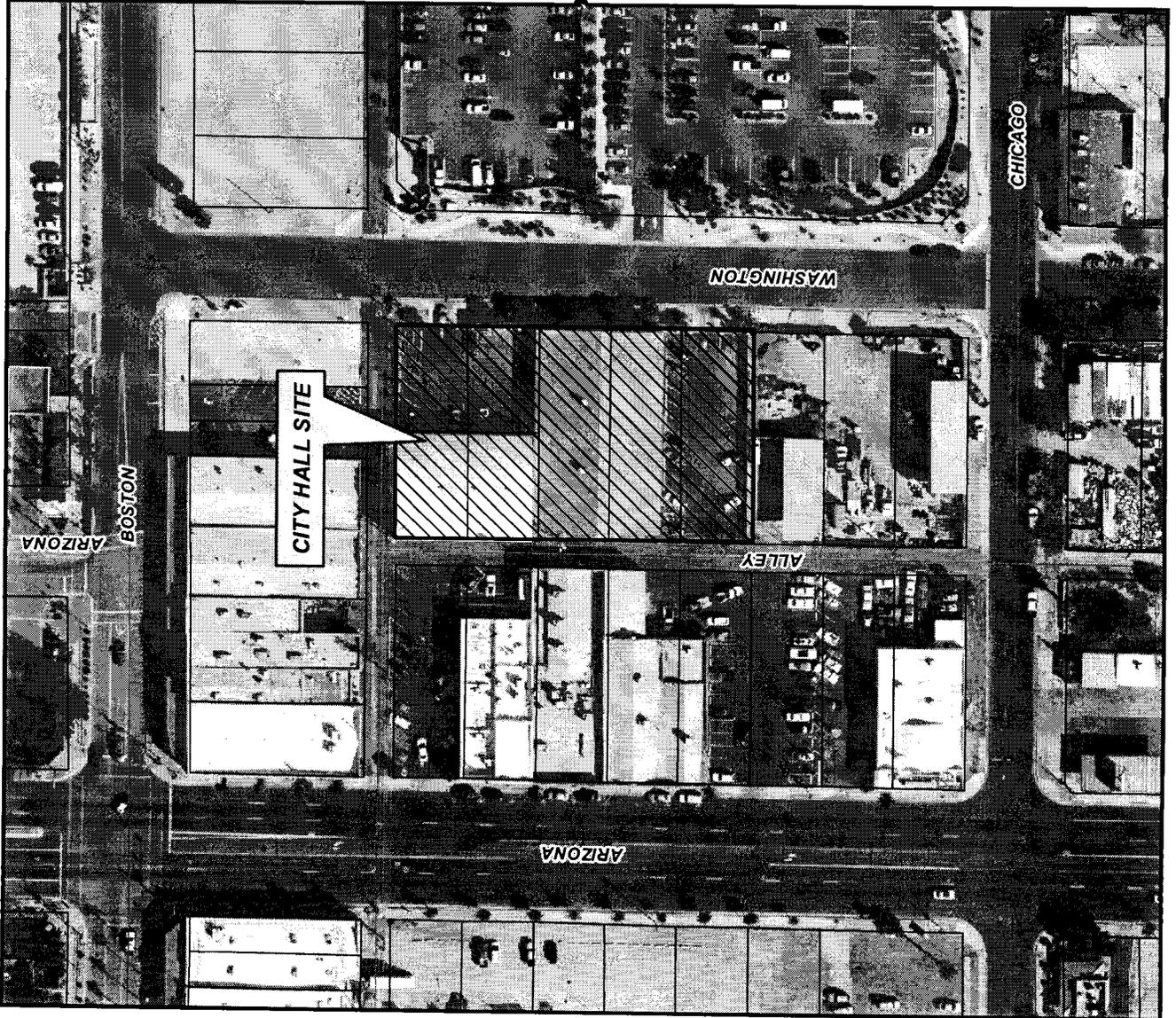


MEMO NO. DRE08-007

RESOLUTION NO. 4126



CITY HALL ACQUISITION



## RESOLUTION NO. 4126

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER ARIZONA AUTHORIZING AND APPROVING THE PURCHASE OF PROPERTY LOCATED ON THE WEST SIDE OF WASHINGTON STREET BETWEEN BOSTON STREET AND CHICAGO STREET, FOR THE NEW CITY HALL COMPLEX AT A COST, INCLUDING SURVEY, CLOSING AND ASSOCIATED COSTS, NOT TO EXCEED \$2,015,000.

WHEREAS, on May 25, 2006, the Chandler City Council approved the site location for a new City Hall complex (public buildings and grounds) and related off-street parking facility at and near Arizona Avenue and Chicago Street; and

WHEREAS, on July 27, 2006, Chandler City Council approved Resolution No. 3996 authorizing the purchase of approximately 23 parcels of real property located at and near Arizona Avenue and Chicago Street for the future development of the new City Hall complex; and

WHEREAS, Serrano Family Limited Partnership, an Arizona limited partnership, the owner of 7 parcels on the west side of Washington Street between Boston Street and Chicago Street (the "Property"), have agreed to sell their interest to the City in the Property described in the attached Exhibit "A", and incorporated herein by reference, including survey, closing and associated cost for an aggregate amount not to exceed \$2,015,000; and

WHEREAS, as an accommodation to the owner and the tenant, Serrano's Mexican Food Restaurants (the "Tenant"), the City is willing to temporarily lease the Property back to the Tenant to facilitate their relocation to another property upon conveyance of the fee simple interest in the Property to the City for the monthly amount of \$2,000.

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

Section 1. That the City of Chandler is authorized to enter into a temporary lease agreement and purchase agreement with Serrano Family Limited Partnership, an Arizona limited partnership for the Property described in the attached Exhibit "A" at a cost, including survey, closing and associated costs, with a total expenditure not to exceed \$2,015,000.

Section 2. That the Real Estate Manager is hereby authorized to sign, on behalf of the City, the temporary lease and purchase agreement provided the documents are in a form approved by the City Attorney.

Section 3. That the Real Estate Manager is authorized to execute any other documents necessary to facilitate this transaction.

Section 4. That all other legal documents required for this transaction shall be in a form approved by the City Attorney.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4126 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the \_\_\_ day of \_\_\_\_\_, 2007, and that a quorum was present thereat.

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY *SAB*

**EXHIBIT "A"**

LOTS 482, 484, 486, 488 AND 490, OF CHANDLER, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 5 OF MAPS, PAGE 34