



Chandler · Arizona
Where Values Make The Difference

#7
APR 10 2008

MEMORANDUM

Real Estate Council Memo No. RE 08-179

DATE: APRIL 10, 2008

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER
R. J. ZEDER, PUBLIC WORKS DIRECTOR
DANIEL W. COOK, DEPUTY PUBLIC WORKS DIRECTOR
MICHAEL NORMAND, TRANSPORTATION SERVICES AND PLANNING
MANAGER

FROM: ERICH KUNTZE, REAL ESTATE OPERATIONS COORDINATOR

SUBJECT: ORDINANCE NO. 3996 AUTHORIZING AND APPROVING VACATING
A PORTION OF ROAD RIGHT-OF-WAY AT THE NORTHWEST CORNER OF
GILBERT ROAD AND CHANDLER BOULEVARD CONTAINING
APPROXIMATELY 14,563 SQUARE FEET OF LAND, CONDITIONED UPON
RECEIPT OF \$148,498 PLUS CLOSING EXPENSES, AND ACCEPTING AN
EASEMENT OF 1,500 SQUARE FEET FOR A FUTURE CITY MONUMENT
SIGN.

RECOMMENDATION: Staff recommends introduction and tentative approval of Ordinance No. 3996 authorizing and approving vacating a portion of road right-of-way at the northwest corner of Gilbert Road and Chandler Boulevard containing approximately 14,563 square feet of land, conditioned upon receipt of \$148,498 plus closing expenses, and accepting an easement of 1,500 square feet for a future City monument sign.

BACKGROUND/DISCUSSION: In 2002, the City acquired property located at the northwest corner of Gilbert Road and Chandler Boulevard (Norton's Corner) for the East Chandler Boulevard Road Improvement Project. The parcel contained approximately 43,560 square feet and cost the City \$430,332 or \$9.88 per square foot. The intersection improvement project was completed. However, approximately 14,563 square feet of land remained as a remnant.

Starpointe Communities is in the process of developing the property that surrounds the City's land into a mixed-use residential and commercial project. Starpointe has requested that the City vacate the remaining 14,563 square feet of right-of-way so that it can be incorporated into their project. Doing so will benefit the Starpoint parcel, as well as benefit the public by incorporating the

remnant City parcel into a revenue generating development. Additionally, Starpointe is willing to designate an easement parcel west of the City Parcel, on the north side of Chandler Boulevard for a future monument sign to be used by the City.

Starpointe is willing to compensate the City for the parcel at the current market rate of \$11.368 per square foot (\$9.88 per square foot inflated by the Consumer Price Index) plus closing costs, less the value of the sign easement to be granted to the City.

In accordance with a previous Intergovernmental Agreement, the City of Chandler and the Town of Gilbert shared costs for developing the Gilbert Road and Chandler Boulevard Improvement Project. Under that agreement, the Town of Gilbert is entitled to receive reimbursement of its contribution to the acquisition of the Norton's Corner parcel at a rate of forty-four (44%) of the proceeds upon sale of the parcel.

Staff recommends vacating the City's remnant parcel at its cost basis plus closing expenses. The calculation is as follows:

14,563 square feet at \$11.368 per square foot:	\$165,553
Less credit for sign easement area (1,500 square feet):	<u>\$ -17,055</u>
Subtotal:	\$148,498
Less reimbursement to Town of Gilbert (44% of \$148,498):	<u>\$ -72,843</u>
Net compensation to the City plus closing costs in cash:	\$ 75,655

Real Estate has contacted the appropriate City Departments and outside utilities. Each has reviewed this request. There were no objections to vacating the parcel. The published separate fee for processing a vacation request was previously paid by Starpointe.

FINANCIAL IMPLICATIONS:

Cost:	Closing Costs
Long Term Savings:	\$ 75,655 plus closing costs in cash and \$ 17,055 value of the sign easement area
Long Term Costs:	Maintenance of sign easement area

PROPOSED MOTION: Staff recommends introduction and tentative approval of Ordinance No. 3996 authorizing and approving vacating a portion of road right-of-way at the northwest corner of Gilbert Road and Chandler Boulevard containing approximately 14,563 square feet of land, conditioned upon receipt of \$148,498 plus closing expenses, and accepting an easement of 1,500 square feet for a future City monument sign.

Attachments:
Ordinance No. 3996
Aerial Map

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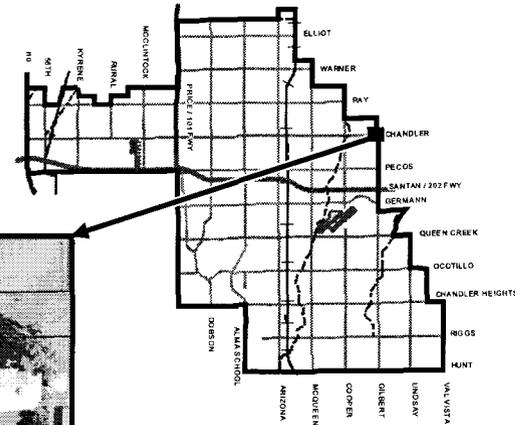
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VACATION OF CITY OWNED PROPERTY AT THE NORTHWEST CORNER OF GILBERT RD AND CHANDLER BL



MEMO NO. RE07-258

 VACATION OF CITY OWNED PROPERTY



ORDINANCE NO. 3996

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, VACATING A PORTION OF ROAD RIGHT-OF-WAY AT THE NORTHWEST CORNER OF GILBERT ROAD AND CHANDLER BOULEVARD CONTAINING APPROXIMATELY 14,563 SQUARE FEET OF LAND, CONDITIONED UPON RECEIPT OF \$148,498 PLUS CLOSING EXPENSES, AND ACCEPTING AN EASEMENT OF 1,500 SQUARE FEET FOR A FUTURE CITY MONUMENT SIGN.

WHEREAS, A.R.S. §28-7201 *et seq.*, provides for the disposition of unnecessary public roadways; and

WHEREAS, A.R.S. §28-7205 specifically provides for the vacating of unnecessary public roadway so as to allow title to vest according to law; and

WHEREAS, that certain portion of the northwest corner of Gilbert Road and Chandler Boulevard located north of the USA irrigation canal and west of Gilbert Road and which is more fully described in Exhibit "A", attached hereto and incorporated herein by reference, is no longer needed as public roadway;

WHEREAS, Starpointe Communities is willing to reimburse the City \$148,498, plus closing costs for the remaining right-of-way and grant an easement of 1,500 square feet for a future monument sign at a location to be agreed to between Starpointe and the City as part of the consideration;

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

Section 1. The Roadway, which is generally described above and which is legally described in Exhibit "A", attached hereto and incorporated herein by reference, is determined to be no longer necessary for public use as a roadway.

Section 2. The Roadway is hereby declared abandoned and vacated, so that title shall vest, subject to payment of \$165,553 consisting of \$148,498 plus closing costs in cash, and a sign easement valued at \$17,055 by Star Pointe Communities to the City as just compensation, and is subject to the same encumbrances, liens, limitations, restrictions and estates as exist on the land to which it accrues, in accordance with law.

Section 3. The vacating of the Roadway is not intended to vacate or extinguish any easements for existing water, sewer, gas or similar pipelines and appurtenances, and for existing canals, laterals or ditches and appurtenances, and for electric, telephone and similar lines and appurtenances, and the same, if there are any, shall continue as they existed prior to the vacating of the Roadway.

Section 4. The action taken herein to vacate the Roadway pursuant to this Ordinance is done solely to dispose of the City of Chandler's interest, if any, in the Roadway, subject to the terms and conditions stated in this Ordinance, and to any easements reserved herein by the City, and the City of Chandler does not warrant, either expressly or by implication, that it holds title or any other interest in the Roadway.

Section 5. The Mayor of the City of Chandler, Arizona, is hereby authorized to sign, on behalf of the City, this Ordinance and all other documents required and necessary to complete the abandonment and vacation of the Roadway.

Section 6. The City Clerk is directed to cause this Ordinance No. 3996 to be recorded in the office of the Maricopa County Recorder as directed by the Chandler City Attorney, but in no event earlier than thirty (30) days following the date that this Ordinance 3996 is passed and adopted. The vacation of the Roadway shall take effect upon recordation of this Ordinance No. 3996.

INTRODUCED AND TENTATIVELY APPROVED by the City Council of the City of Chandler, Arizona, this ____ day of _____, 2008.

ATTEST:

CITY CLERK

MAYOR

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this ____ day of _____, 2008.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Ordinance No. 3996 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2008 and that a quorum was present thereat.

CITY CLERK

PUBLISHED:

APPROVED AS TO FORM:

CITY ATTORNEY GAB

EXHIBIT "A"

LEGAL DESCRIPTION
City of Chandler
Parcel to be Vacated
Northwest Corner of Gilbert Road
and Chandler Boulevard

That portion of the Southeast quarter of the Southeast quarter of Section 25, Township 1 South, Range 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, said portion being more particularly described as follows:

Commencing at the Southeast corner of said Section 25;
Thence, South 89 degrees, 50 minutes 00 seconds West a distance of 208.71 feet along the South line of said Section 25;
Thence, North 00 degrees, 20 minutes, 08 seconds West a distance of 98.50 feet to the POINT OF BEGINNING;
Thence, continuing North 00 degrees, 20 minutes, 08 seconds West a distance of 110.21 feet;
Thence, North 89 degrees, 50 minutes, 00 seconds East as distance of 132.21 feet to the west right-of-way line of Gilbert Road;
Thence, South along the West right-of-way line of Gilbert Road a distance of 100.71 feet;
Thence, South 89 degrees, fifty minutes, 00 seconds West a distance of 17.09 feet;
Thence, South 44 degrees, 44 minutes, 56 seconds West a distance of 13.42 feet;
Thence, South 89 degrees, 50 minutes, 00 seconds West a distance of 105.62 feet to the POINT OF BEGINNING.