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OCT 19 2009

MEMO TO: Mayor and City Council

THRU: Mary Wade, City Attorney 

FROM: Glenn A. Brockman, Assistant City Attorney 

SUBJECT: Approval of condemnation settlement in *City of Chandler v. JVL Inc., dba Lloyds Complete Auto Supply* in the sum of \$2.3 million, plus statutory interest.

DATE: October 8, 2009

**RECOMMENDATION:** Staff recommends approval of settlement for the sum of \$2.3 million, plus statutory interest.

**BACKGROUND/DISCUSSION:** This matter concerns the last condemnation for the last parcels needed for the new city hall complex. The subject property consists of 6 lots that are more or less contiguous, with 3 of the lots fronting on Arizona Avenue and the other 3 lots comprising the northwest corner of Chicago Street and Washington Street. The City already had acquired immediate possession of the lots in order for construction of the city hall site to proceed on time. The sole remaining issue in the condemnation was the amount of compensation to be paid the landowner for the condemned property. In addition, JVL had an outstanding business relocation claim related to the forced sale of its remaining inventory.

The settlement is for a total of \$2.3 million. This amount comes to a per-parcel (or lot) value that is less than the City paid for several other lots needed for the city hall site. In addition, as part of the settlement, JVL's relocation claim is being waived. Under the circumstances, staff recommends the settlement as a reasonable compromise.

**FINANCIAL IMPLICATIONS:** Payment will come from funds available for the city hall complex.

**PROPOSED MOTION:** Move to approve settlement in *City of Chandler v. JVL Inc., dba Lloyds Complete Auto Supply* in the sum of \$2.3 million, plus statutory interest.

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