



City Council Report

Date: September 23, 2019
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Authority to acquire property located at 1300 block of North Power Road
Council District #5

Purpose and Recommendation

The purpose of this report is to consider a staff recommendation to authorize staff to acquire a parcel of land necessary for the Northeast Public Safety Facility, located in the 1300 block of North Power Road. Staff is requesting authorization to acquire a certain parcel through eminent domain if necessary. Staff intends to continue to negotiate with the property owner with the intent of reaching a settlement. Our goal is to acquire the parcels through negotiations with the property owner.

Background

On July 2, 2018, City Council was presented General Obligation Bond Projects for the General Election in November 2018, and the Northeast Public Safety Facility was part of the proposed Public Safety Projects. Property along North Power Road was on the list for Fire Station 222 and Northeast Police Substation (Northeast Public Safety Facility).

Approval of Question 3 authorizes the City to issue and sell general obligation bonds in the principal amount not exceeding \$85,000,000 to provide funds to design, acquire, construct, reconstruct, improve, furnish, equip and install: improvements and facilities for public safety, law enforcement, fire and medical emergency services, and related communication systems and facilities, support equipment and vehicles, including acquisition of land.

Discussion

Real Estate Services has received an appraisal in the amount of \$2,125,000 for 8.38 acres of vacant land. A written offer was made to the property owner in December 2018. On January 30, 2019 the owner informed our outside counsel that they were trying to

come up with a counteroffer. A counteroffer has not been received to date. A 20-day letter has been sent to the owner on March 13, 2019, by our outside legal counsel. This letter informs the property owner, if the offer to purchase the property is not accepted on or before the end of this twenty-day period, the City reserves the right to exercise its power of eminent domain and to proceed with condemnation.

Arizona Revised Statutes require that at least twenty (20) days before filing an action for condemnation, the City must provide the property owner with a written purchase offer and an appraisal supporting the amount of the offer.

The City is required by law to pay what is called “just compensation” for the land needed for this project. “Just compensation” includes the value of the land and any improvements being taken and damages equal to any diminishment in value of the remaining property resulting from the acquisition.

Staff seeks Council approval to start the court proceedings on this parcel where the City and Property owner have not yet reached an agreement. Staff will continue to work with the property owner and attempt to reach an agreement on a compensation amount for this property. Filing the court action is necessary because it will allow the City to seek the Order of Immediate Possession (OIP), so that the Project may proceed while the negotiations regarding compensation continue a parallel course.

Alternative

The project cannot begin as scheduled if the use of eminent domain is not authorized when necessary to obtain immediate possession.

Fiscal Impact

The recommendation does not have a fiscal impact on the overall cost of the project.

Concurrence

The Police and Fire Departments and Engineering concur with this recommendation.