

City Council Report

Date: October 5, 2015
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Sale of excess City property located at 26 E. 10th Avenue
Council District #4

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to sell excess City-owned property located at 26 E. 10th Avenue.

Background

The City's Energy Resources Department recently completed the conversion of the electric utility distribution system from 4kV to 12kV. The completion of the conversion allowed the 4 kV substations to be removed from service. Energy Resources has sold the equipment and the 10th Ave substation can now be sold as well. The 10th Avenue site is not needed or adequately sized for a 12kV substation and it is not ideally located for future use. The abandonment of the site by the Energy Resources Department was planned as part of the conversion and does not negatively impact the City. This parcel is 60 feet by 60 feet containing approximately 3600 square feet and is too small in size to be developed as a stand-alone parcel. It should be incorporated into an adjacent parcel to maximize its development potential.

In May of 1970, the City acquired the west 25 feet of this parcel from the Porter Family for a City Electric 4kv substation. During this time, the City also vacated the west 35 foot right-of-way for Pima as depicted on the attached Exhibit "A" to complete the substation. A portion of the vacated right-of-way became part of the City's electric substation site. The City did not compensate the Porter Family for the west 25 feet. This was part of an exchange for the 35 feet of vacated right-of-way to the north of the substation site adjacent to their remaining parcel.

Discussion

Trio Properties has owned the adjacent property to the west and north since 1998, purchasing it from the Porter Family. Trio Properties is interested in purchasing this small excess parcel from the City for the purpose of expanding their business in the future by constructing a new office building. The property was appraised for \$14,500. The buyer has agreed to purchase the property for the appraised value of \$14,500.

Alternatives

Mesa could choose to not enter into a Purchase and Sales Contract with Trio Properties. Choosing this alternative would result in Mesa not receiving sales income and the City would continue to own and maintain this remnant parcel.

Fiscal Impact

The City will receive \$14,500 for this transaction and will no longer bear the expense of maintaining the parcel.

Coordinated With

Energy Resources Department and City Real Estate concur with this recommendation.