



City Council Report

Date: April 15, 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 2200 block of North Center Street
Council District #1

Purpose and Recommendation

The purpose of this report is to consider a staff recommendation to authorize staff to acquire parcels of land necessary for the North Center Athletic Fields located in the 2200 block of North Center Street. Staff is requesting authorization to acquire certain parcels 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. As part of Parks & Cultural, the North Center Street property was on the list for athletic fields.

In November 2018, the voters approved Question 4, that authorized the City to issue and sell general obligation bonds to provide funds to design, acquire, construct, reconstruct, improve, furnish, equip and install: libraries, museums, arts and cultural facilities and improvements, parks, open space and recreation facilities and improvements, and including acquisition of land or interests therein necessary for such purposes.

Discussion

Real Estate Services has received an appraisal in the amount of \$3,820,000 for 18.63 acres of vacant land. A written offer was made to the property owner in November 2018. A counter offer was received from the property owner's attorney in December 2018 in the amount of \$5,700,000. This counter offer was not supported by an appraisal. The owner's attorney has informed the City they will not be getting an appraisal at this time.

A 20-day letter has been sent to the owner on March 6, 2019, by our outside legal counsel. 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. This letter serves as notice that we are not in agreement with their counter offer and we will be proceeding with eminent domain.

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 these parcels 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 actions 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 Parks, Recreation and Community Facilities and Engineering concur with this recommendation.