



City Council Report

Date: May 7, 2012
To: City Council
Through: Kari Kent, Deputy City Manager
From: Beth Huning, City Engineer
Kelly Jensen, Assistant City Engineer
Subject: Sale of excess City property located at approximately 2429 E. McKellips
Council District #1

**Strategic
Initiatives**



Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to sell a City-owned, remnant parcel, APN 141-09-015, located at approximately 2429 E. McKellips Road to the adjacent property owner, Salt River Project, for \$2,500.

Background

This property was acquired in 1972 and was once used as an interconnection between the adjacent Salt River Project (SRP) well and the City's water distribution system. Mesa had the ability to receive water directly from the well but has not used the interconnection for at least twenty years.

Discussion

This property was one of three sites that Mesa acquired where the City could connect directly to SRP wells and receive water for distribution. Over time, Mesa drilled its own wells no longer needed to connect to SRP well sites. SRP has expressed a desire to purchase this property and expand their existing well site.

This parcel has been valued as a remnant parcel and would only be valuable to the adjacent property. The site is 500 square feet and the estimates of market value for parcels less than 10,000 square feet are in the \$4.00 to \$5.00 range. Parcels larger than 10,000 square feet are in the \$2.00 to \$3.00 square foot range. The sales price of \$2,500 equates to \$5.00 per square foot.

Alternatives

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

Fiscal Impact

The City will receive \$2,500.00 for this land sale.

Coordinated With

Water Resources Department concurs with this recommendation.