



City Council Report

Date: January 9, 2017
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Gilbert Road Light Rail Extension Project
Council District #4

Purpose and Recommendation

The purpose of this report is to consider a staff recommendation to authorize staff to acquire certain parcels of land and land rights necessary for the Gilbert Road Light Rail Extension Project. At this time, staff continues to meet and negotiate with the property owners. However, to avoid construction delays, staff is requesting authorization to acquire certain parcels through eminent domain if necessary. Staff intends to continue to meet and negotiate with the property owners with the intent of reaching a settlement. Our goal is to acquire the properties through negotiations with the property owners.

Background

The Gilbert Road Light Rail Extension Project is a cooperative project between the City of Mesa, Valley Metro Rail and Stacy and Witbeck/Sundt. This project will provide an extension of the Light Rail east of the current Mesa Drive Station to Gilbert Road. Project improvements include Light Rail tracks, passenger trains and two stations, roundabout, pedestrian crosswalks, signal buildings, traction powered sub-station, some new sidewalks, curbing, accessibility ramps, landscaping and public art work.

Valley Metro will be using the Construction Management at Risk method to construct this project. Utility relocations, removal of medians and setting temporary traffic signals and street lights have already begun.

Discussion

There are 123 parcels (92 owners) in which certain parcels, rights-of-way and easements are needed for this project. Real Estate Services began appraising the properties in August of 2016 as we received legal descriptions. There are still 33 parcels that we are awaiting appraisals. Written offers have been made to all property owners where waiver of valuations and appraisals have been received. Notice of Intent letters have been sent to all property owners notifying them, that as part of the project, additional right-of-way and/or

easements may be required from their property. The letter also informed the owners that an independent state-certified appraiser will be contacting them to inspect their property. The City will offer Fair Market Value for the needed right-of-way and/or easements as established by appraisal. There are eight (8) parcels (5 owners) for total property acquisitions and one (1) cut-n-reface of a building for this project. The majority of the land needed for this project is additional right-of-way and easements required to accommodate road widening, USA Fee irrigation and utility improvements.

The City is required by law to pay what is called “just compensation” for the land needed for the light rail extension. “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 has successfully negotiated purchases on 35 parcels (30 property owners).

To avoid construction delays, Staff seeks Council approval to start the court proceedings on those parcels where the City and Property owners have not yet reached an agreement. Staff will continue to work with the individual property owners and attempt to reach an agreement on a compensation amount for each remaining land right. 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 on a parallel course. These negotiations are often lengthy and are complicated by lender issues and/or title encumbrances. Obtaining an OIP is necessary to avoid costly construction delays.

There is a USA FEE irrigation relocation and overhead and underground electrical relocation as part of the Project. Salt River Project will not allow the construction to begin on those improvements until the necessary easements are acquired or the City has an (OIP) from the Court.

For the Central Mesa Extension of Light Rail there were ten (10) properties out of 122 properties where eminent domain was used and we successfully settled all of them using an administrative settlement with the owner/owner’s attorney. None required the use of mediation or jury trial.

The following public meetings have been held for the Gilbert Road Extension Project:

November 3, 2015	Meet and Greet Open House
April 28 and May 3, 2016	60% Design Meetings
May 19, 2016	Business Owner and Managers Meeting
June 21, 2016	Park and Ride Screen Wall Neighborhood Meeting
June 28, 2016	Preconstruction Public Meeting
June 29, 2016	Stapley Drive Station Art Neighborhood Meeting
August 9, 2016	Chamber of Commerce Business Assistance Forum
October 25, 2016	Stapley Drive Station Art Neighborhood Meeting
November 15, 2016	Final Design Public Meeting

Attached to this Council Report is an Exhibit which shows the affected properties where staff has either made an offer to the property owner and has yet to reach an agreement, or is waiting on the appraisal. It also includes a chart with the owner’s name, address, the type of property right(s) needed for this Project and the status of the acquisition.

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 Engineering and Transportation Departments concur with this recommendation.