

# 59

NOV 19 2009

MEMO TO: Mayor and City Council

THRU: Mary Wade, City Attorney *m*

FROM: Glenn A. Brockman, Assistant City Attorney *KAB*

SUBJECT: Approval of partial condemnation settlement in *City of Chandler v. Mobil Corporation et al.* in the sum of \$90,000, plus statutory interest.

DATE: November 10, 2009

**RECOMMENDATION:** Staff recommends approval of a partial settlement for the sum of \$90,000, plus statutory interest.

**BACKGROUND/DISCUSSION:** On May 20, 2009, this condemnation action was filed to acquire right-of-way in fee and related easements from commercial properties at the southeast corner of Dobson Road and Chandler Blvd., which are needed for an intersection improvement project scheduled to begin in January 2010. The action affects two different parcels owned by two separate landowners. One parcel is a corner parcel owned by Circle K (formerly Mobil Oil) and negotiations are not yet concluded as to this parcel. The other parcel wraps around the corner and is owned by Holiday Hills, whose anchor tenant is Walgreen's. The City has an Order of Immediate Possession as to both parcels so the only remaining issue for either parcel is the amount of compensation to be paid.

Settlement of the acquisition of the property interests needed by the City from the Holiday Hills parcel is proposed at the sum of \$90,000, plus statutory interest. The original appraisal was at \$74,693 based on \$15/sq.ft. Approval of the proposed settlement is recommended as a reasonable compromise reached by the parties as to what the fair market value of the property actually is, and also considering the relatively modest monetary amounts at issue.

**FINANCIAL IMPLICATIONS:** Payment will come from funds budgeted or allocated for the intersection improvement project.

**PROPOSED MOTION:** Move to approve partial settlement in *City of Chandler v. Mobil Oil et al.* in the sum of \$90,000.00, plus statutory interest.

GAB/