## City of Fayetteville Staff Review Form

#### C. 1 Garland Avenue Water and Sewer Relocation Project Page 1 of 24

### City Council Agenda Items and Contracts, Leases or Agreements

3/6/2012
City Council Meeting Date
Agenda Items Only

	Agenda Items O	Only			
Chris Brown	Engineerir	na	Development Services		
Submitted By	Division		Department		
	Action Requi	red:			
pproval of a Resolution authorizing the	he City Attorney to seek c	condemnation and c	orders of possession of certain		
ands necessary for the Garland Aven	ue (North to Melmar) Wat	er and Sewer Relo	cation Project		
	*				
60,000.00	\$		Transportation Bond Program		
Cost of this request	Category / Project	Budget	Program Category / Project Name		
4470.9470.5810.00	\$	-	Land Acquisition		
Account Number	Funds Used to I	Date	Program / Project Category Name		
20007 2072	Ф				
06035.2250 Project Number	\$  Remaining Bala		Sales Tax Capital Improvement Fund Name		
. vojest i sambol	remaining bala	ance	rund Name		
epartment Director	02-17-2012 Date	Previous Ordina	nce or Resolution #		
		Original Contrac	t Date:		
M/0/2/1-	2-17-12	<ul> <li>Original Contract</li> </ul>	t Number		
ty Attorney	Date	- Onginal Contact			
<b>N A O A</b>					
Paul a. Buhn	2-21-2612		02-17-12 D01:57 D0VD		
nance and Internal Services Director	Date	Received in City Clerk's Office	y <sup>02-17-12</sup> P01:57 RCVD		
21		Olerk's Office	Kimick		
Un Man	2-21-12		10010 - ()		
ier of Staff	Date		ENTERED.		
		Received in Mayor's Office	(2/12/1)		
froulle forther	2/22/12				
ayor	Date				
mments:			MI		
	*				

### CITY COUNCIL AGENDA MEMO

City Council Meeting of March 6, 2012

To:

Mayor Jordan and City Council

Thru:

Don Marr, Chief of Staff

Jeremy Pate, Director of Development Services

From:

Chris Brown

Date:

February 17, 2012

Subject:

Approval of a Resolution authorizing the City Attorney to seek condemnation and orders of

possession of certain lands necessary for the Garland Avenue (North to Melmar) Water and

Sewer Relocation Project.

#### **PROPOSAL:**

Improvements to Garland Avenue (Highway 112) are planned as part of a City of Fayetteville and Arkansas State Highway and Transportation Department (AHTD) partnering project. Our agreement with AHTD provides that the City is responsible for 50% of the construction cost, up to \$1.5 million, and all of the cost of right of way acquisition and relocation of utility facilities.

Construction of roadway improvements, including construction of a 4-lane roadway with intermittent medians, bike lanes, pedestrian sidewalks, and three new signals, will be administered by AHTD. This construction is planned to begin in fall 2012. AHTD has acquired all of the right of way that they need to construct the roadway improvements.

Prior to the roadway construction, all utilities, including those owned by the City of Fayetteville Water and Sewer Division, must be relocated out of the limits of the planned roadway construction. The Engineering Division is nearing completion of design of the utility relocations for the City, and is also acquiring necessary utility easements to provide space for the water and sewer and other utilities to be installed.

To date, staff has acquired 50 of the 58 tracts, leaving 8 easements still to be acquired. These properties are as follows:

- Glen David Wilson Trust and Linda Kay Hinkle
- Caren E. and Richard L. Hanna
- Bob L. and Wilma B. Bonds
- Margot Khavinson
- Remington C. Hendrix
- Spirits Shop, Inc.

Page 3 of 24

• Donald W. and Brenda Sue Johnston (2 Tracts)

A copy of the case history for each of these projects is attached, and provides a timeline of negotiations on each tract. As indicated in the case histories, original offers were made in October, 2011, reminder letters were sent in November, and a third letter was sent in January 2012 to the property owners that had not negotiated a settlement with the City. In order to meet the schedule set forth by AHTD, and have utility relocations completed by October 2012, we must complete the acquisition of easements and move forward to construction within the next two months.

#### **RECOMMENDATION:**

Staff recommends approval of a Resolution authorizing the City Attorney to seek possession by condemnation of necessary utility easements along Garland Avenue (Highway 112) from North Street to Melmar Street, for the remaining 8 parcels that have not been acquired to date.

#### **BUDGET IMPACT:**

A budget adjustment is attached to move previously allocated Sales Tax Capital Improvements funds from the Highway 16 (Huntsville Avenue) Project to the Garland Avenue Water and Sewer Project budget. Water and Sewer Funds will be used to fund the construction of this project; however, it is appropriate to use CIP or Transportation Bond funds to purchase the easements as they will be for the benefit of all utilities, and will reduce the overall cost to the City for utility relocations.

The agenda item staff review form indicates \$60,000 as the cost of this request. It should be noted that this is an estimate, based on the appraised values of the properties, and that the final cost is subject to negotiation with the property owners or by court order. The appraised value will be deposited into the Registry of the Circuit Court as just compensation when the condemnation complaint is filed for each property.

Attachments: Summary Spreadsheet of Easement Acquisition Status

Case History for each property proposed for condemnation Property exhibit for property proposed for condemnation

### RESOLUTION NO. \_\_\_\_

A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO SEEK CONDEMNATION AND POSSESSION OF CERTAIN LANDS OWNED BY THE GLEN DAVID WILSON TRUST & LINDA KAY HINKLE, CAREN E. & RICHARD L. HANNA, BOB L. & WILMA B. BONDS, MARGOT KHAVINSON, REMINGTON C. HENDRIX, SPIRITS SHOP, INC., AND DONALD W. & BRENDA SUE JOHNSTON NEEDED FOR WATER AND SEWER RELOCATIONS ALONG N. GARLAND AVENUE, AND APPROVING A BUDGET ADJUSTMENT

WHEREAS, the City of Fayetteville and certain property owners have been unable to agree on a fair price for the portions of property owned by each of them which is needed for easements to facilitate water and sewer relocations, and

**WHEREAS**, the City of Fayetteville needs to gain possession of these property promptly to begin work on water and sewer relocations along N. Garland Avenue.

# NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by the Glen David Wilson Trust and Linda Kay Hinkle that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 2. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Caren E. and Richard L. Hanna that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 3. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Bob L. and Wilma B. Bonds that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 4. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Margot Khavinson that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

C. 1 Garland Avenue Water and Sewer Relocation Project Page 5 of 24

Section 5. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Remington C. Hendrix that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 6. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Spirits Shop, Inc. that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 7. That the City Council of the City of Fayetteville, Arkansas hereby authorizes the City Attorney to file suit to seek court-ordered possession of property located on or near N. Garland Avenue and owned by Donald W. & Brenda Sue Johnston that is needed for a utility easement for water and sewer relocations along N. Garland Avenue, and to pay into the registry of the Circuit Court just compensation therefor.

Section 8. That the City Council of the City of Fayetteville, Arkansas hereby approves a budget adjustment, a copy of which is attached as Exhibit "A".

**PASSED** and **APPROVED** this 6<sup>th</sup> day of March, 2012.

APPROVED:	ATTEST:
By: LIONELD JORDAN, Mayor	By:
LIONELD JONDAN, Mayor	SONDRA E. SMITH, City Clerk/Treasurer

### City of Fayetteville, Arkansas **Budget Adjustment Form**

V11.0425 Garland Avenue Water and

**Budget Year** 

Division:

Engineering

**Request Date** 

Sewer Relocation Project Adjustment Number

2012

Department: Development Services

2/17/2012

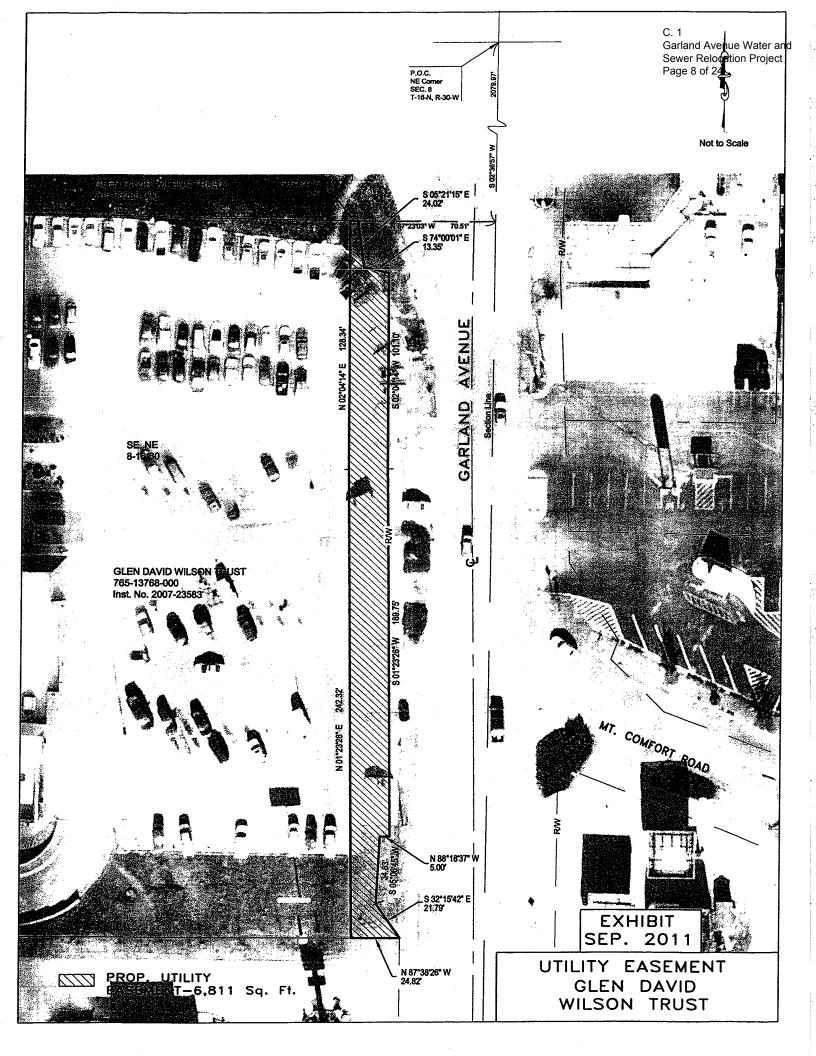
## **BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION**

Condemnation of certain lands for the W/S portion of Garland (North to Melmar).

Division Head  Budget Director  JULY Chic.  Department Director  Paul a but	2/19/12 Date 2-22-2012	Prepared Reference Type: General L		Researd C	ch Use Or D		kspringer P
Chief of Staff  Man  Chief of Staff  Mayor	Date  2-22-12  Date  2/22/12  Date	Posted to Checked i	General Ledge / Verified	e <b>r</b> -	Initial Initial	Da Da	
тот	AL BUDGET ADJU	JSTMENT			un.		
Account Name	Account Nu	mbor	Increase / Expense	•	ease) evenue	Projed Num	
Professional services	4470.9470.5		(60,000)	110	everiue	06035	.2300
Easements	4470.9470.5	810.00	60,000			06035	. 2250
							•
		<del></del>					
	44						
							•
							•
			i,	EXI	HIBIT		•
			tabbles	A			

# CASE HISTORY GARLAND AVENUE Glen David Wilson Trust and Linda Kay Hinkle

10/21/11	Offer packet mailed including offer letter (\$25,545.00), proposed easement, and exhibit.
11/29/11	Reminder letter sent.
12/31/11	Property owners apparently in condemnation with AHTD.
1/4/12	Engineers to contact manager of Harps to see if he has any information?
1/24/12	Appraisal received – in preparation for condemnation.
1/25/12	Revised offer as based on new appraisal mailed. \$30,700.00 for easement.
2/15/12	Mr. Wilson talked to Chris Brown. Said everything has been turned over to his attorney. CB advised that Mr. Wilson have his attorney contact the City.



CASE HISTORY GARLAND AVENUE CAREN E. & RICHARD L. HANNA, II

10/21/11	Offer packet mailed including offer letter (\$535.00), proposed easement, and exhibit.
11/29/11	Reminder letter mailed. Returned as "unable to forward."
1/17/2012	Sent e-mail request of contact info to AHTD.
1/23/2012	Original packet e-mailed to rickdiculous@gmail.com
1/24/12	Appraisal received – in preparation for condemnation.
1/25/12	Revised offer as based on new appraisal e-mailed to <a href="rickdiculous@gmail.com">rickdiculous@gmail.com</a> . \$700.00 for easement.

#### NOTES:

Mr. Hanna called in Summer 2011 about this property (1505 N. Garland Ave.) and one owned across the street by his wife (1716 N. Garland Ave.). Initial informational letter – mailed to 1505 N. Garland – was apparently delivered. Offer packet (mailed to 1505 N. Garland) was NOT returned.

However, informational letter for 1716 N. Garland was mailed to P.O. Box 8842 and was returned as "unable to forward". Letter for 1716 N. Garland stating that no additional easement was necessary (mailed to 1505 N. Garland) was returned as "unable to forward". Then reminder letter for 1505 N. Garland (mailed to that address) was returned.

They are in condemnation proceedings with AHTD. AHTD's appraisal listing P.O. Box 8842 as mailing address.

Thus, we have no working mailing address and no phone listing and have no way of contacting the Hannas other than the e-mail address provided by AHTD representative.

C. 1
Garland Avenue Water and
Sewer Relocation Project

AHTP Case History 10 of 24

Negotiator: Stasia Broughton

Job: 040489 Tract: 26, 26E1

**Grantors:** 

Caren E. Battle-Hannah (Ricky) PO Box 8842 Fayetteville, AR 72703 870-321-6910 501-606-0480 Ricky cell # rickdiculous@gmail.com

Whole Property: 7,979+/- SF

 Fee Acquisition: 807+/-SF @ \$5.00/SF
 =\$ 4,050.00

 TCE: 854+/-SF @ rental value
 =\$ 850.00

 Improvements: Landscaping Bushes
 =\$ 300.00

 Total Compensation
 =\$ 5,200.00

6/27/11 I received this file to present negotiations.

6/8/11 I spoke with Caren and she informed me that she was married and asked that I speak with her husband. I spoke with Caren husband Ricky and he informed me that they own another piece of property located on Garland. I asked if I could set up a time to meet with them to present the offer and Ricky informed that they do not live in Fayetteville and that they live in Cabot. At this time, Ricky asked that I present both offers for both of their properties at the same time. I explained that I had not received the offer for the other property but once I do, I will give them a call to arrange a time to meet.

7/6/11 I met with Mr. and Mrs. Hannah to present the Offer letter, Contract to Sell, TCE Agreement, W-9 form, Acquisition Brochure, R/W & Constructions Plans and copy of the Appraisal. Mr. and Mrs. Hannah were very upset with the offer. They both feel that the acquisition will cause damages to their property. Mr. Hannah stated that they probably will have to seek legal assistance since the Highway Dept. is acquiring over 20 feet of their property and leaving them with a remainder of 5 feet in the front yard. Mr. Hannah stated that if he had to guess at a counter offer it would be for an additional \$20,500 for damages. Mr. Hannah requested a copy of the Proximity Study the appraiser refers to on page two of the appraisal.

7/11/11 I emailed a copy of the Proximity Study to Mr. Hannah

7/12/11 I received an email from Mr. Hannah request electronic copies of the appraisal for both of his tracts. I emailed him the appraisals.

7/14/11 I called and left message for Mr. Hannah to return my call.

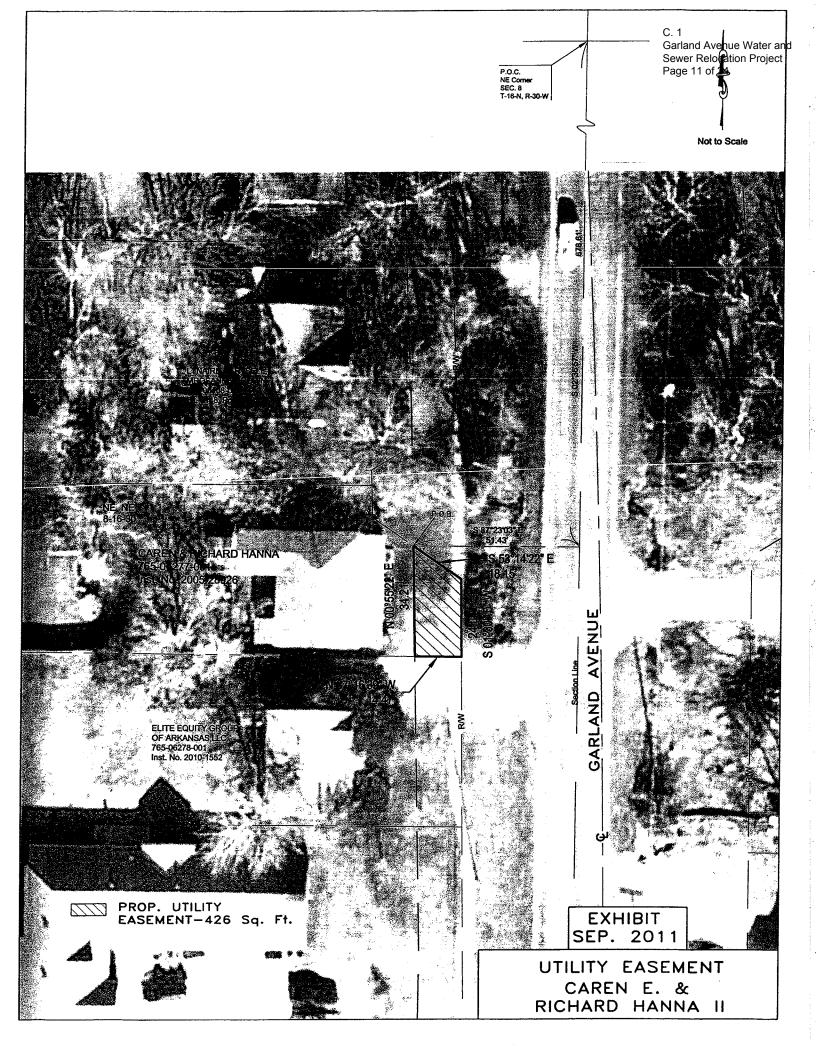
7/19/11 I called and left message for Mr. Hannah to return my call.

7/26/11 I spoke with Mr. Hannah and he stated that he was trying to save up enough money to order his independent appraisal.

7/28/11 I left message for the Hannah's to return my call.

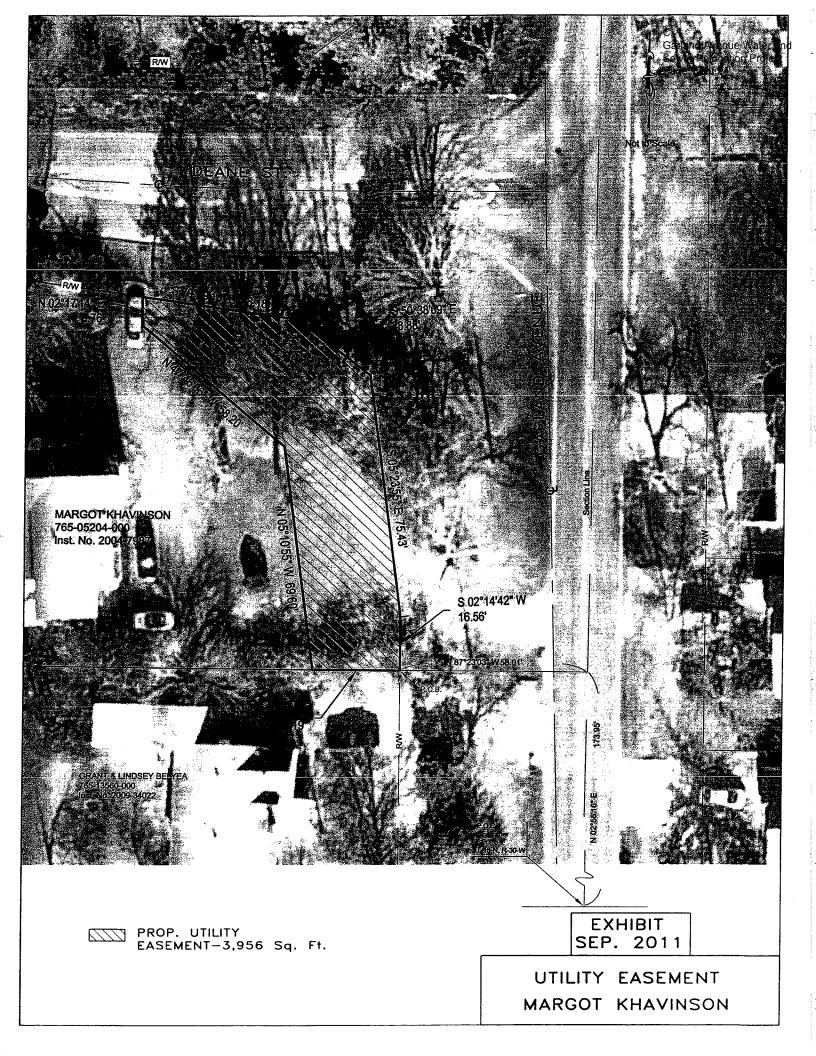
8/3/11 I spoke with Ricky Hannah to get a status of this file and he stated that he was still trying to gather up enough money to order an appraisal. I explained that I had to turn the file in this Friday for further processing. He said ok.

8/8/11 I submitted this file for further processing and consideration.



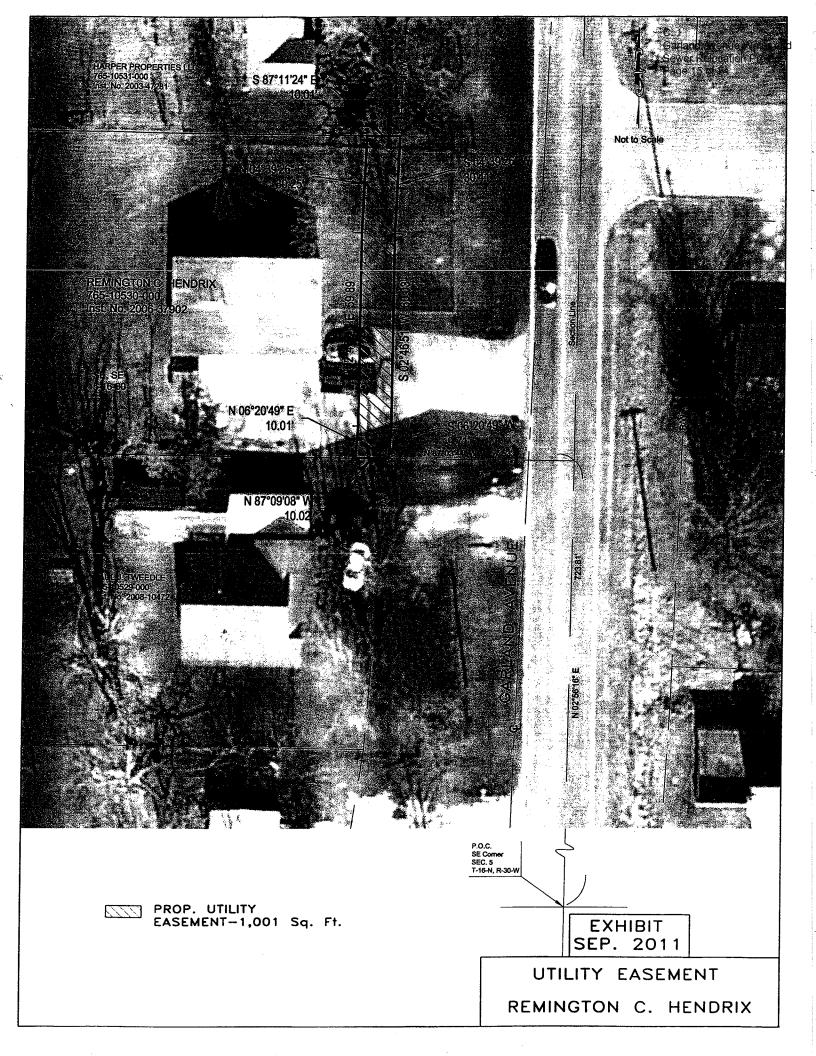
# CASE HISTORY GARLAND AVENUE MARGOT KHAVINSON

10/21/11	Offer packet mailed including offer letter (\$4,945.00), proposed easement, and exhibit.
10/26/11	Ms. Khavinson came in. Will present counter offer. She is not happy about losing so many trees and property (wider easement than usual on this project). She also wants a fence for privacy. Mark Risk is her appraiser.
10/28/11	Date of Ms. Khavinson's counter offer letter. She is requesting \$24,780.00. This amount includes \$5,000.00 for landscaping which acts as sound and sight barrier—although she was paid \$2,000.00 for landscaping and \$150.00 for fencing by AHTD.
Nov. 2011	Discussion amongst City staff. Cannot reduce size of easement, but cannot pay full fee simple for easement area.
12/30/11	Ms. Khavinson unexpectedly (to the City) passed away. We will now have to acquire thru probate.
1/24/12	Appraisal received – in preparation for condemnation.
1/25/12	Revised offer as based on new appraisal mailed to Ms. Khavinson's son, Jack (hoping that he has executor rights). \$6,970.00 for easement, \$1,030.00 for landscaping damages (\$8,000.00 total).
2/10/12	Jack Khavinson called. Asked that a copy of the AHTD appraisal be sent to Mark Risk (appraiser, advisor & family friend). Copy emailed to Mr. Khavinson to give to Mr. Risk, as Mr. Risk has no legal or signatory rights to the property (as far as we know).



# CASE HISTORY GARLAND AVENUE Remington C. Hendrix

10/21/11	Offer packet mailed including offer letter (\$1,255.00), proposed easement, and exhibit.
11/29/11	Reminder letter sent.
12/27/12	Call from Mr. Hendrix to set up meeting.
12/31/12	HJ met with Mr. Hendrix at his home (2354 W. Eiffel Crossing). He may submit a counter offer.
1/30/12	Notification letter mailed. City may have to add to list of potential condemnations by requesting an appraisal.
2/9/12	Appraisal received.
2/10/12	Revised offer based on appraisal mailed (total of \$2,200.00).



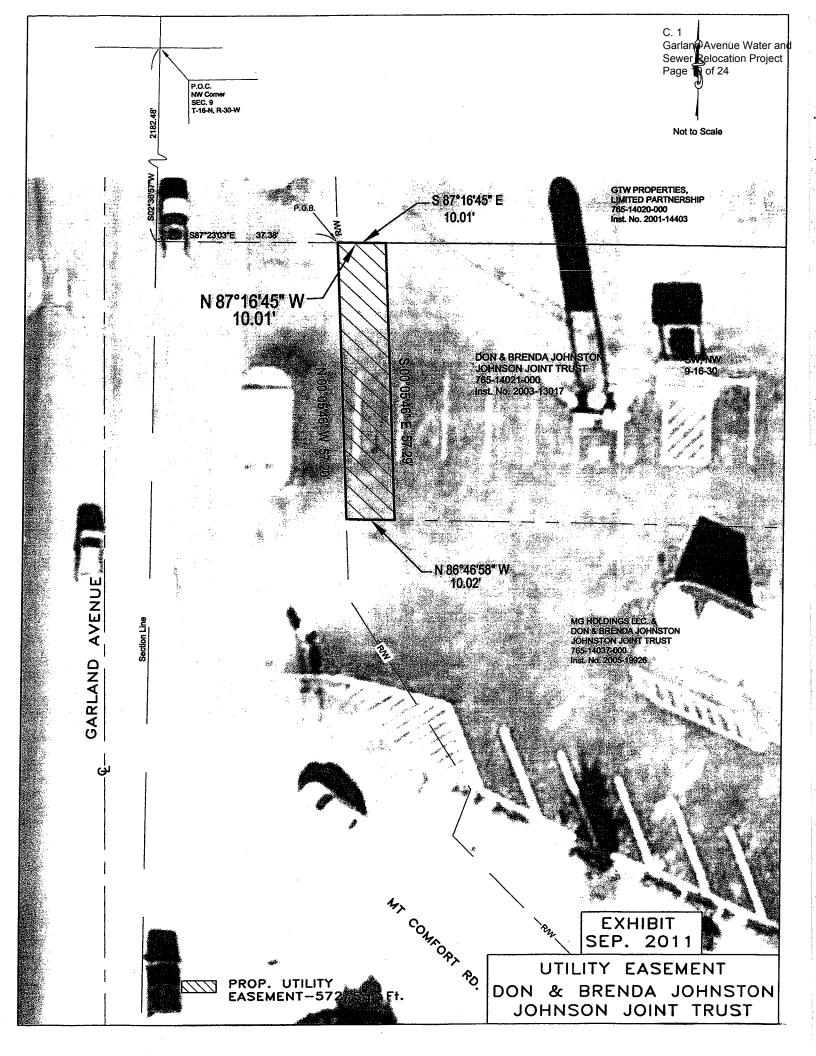
# CASE HISTORY GARLAND AVENUE Spirits Shop Inc.

10/21/11	Offer packet mailed including offer letter (\$4,170.00), proposed easement, and exhibit.
11/29/11	Reminder letter sent.
12/2/12	Mr. Johnston came in with signed paperwork for Tract 5 (personally owned by him and his wife). Said he has to talk to other people involved with Spirits Shop.
12/2/12	Reminder letter mailed.
1/30/12	Notification letter mailed. City may have to add to list of potential condemnations by requesting an appraisal.
2/2/12	Don Johnston called to say he was going to fax a counter offer.
2/6/12	Don Johnston called. Before submitting a written counter offer he wanted to know if there was any chance he would get full fee simple value for easement. JSG told him it was unlikely. We could pay 25% of \$17.40/sq.ft. (since he was paid 16% by AHTD), but he was insistent in wanting 100% or \$15.00/sq.ft. for easement.
2/9/12	Appraisal received.
2/10/12	Revised offer mailed as based on the latest appraisal (total of \$10,700.00).



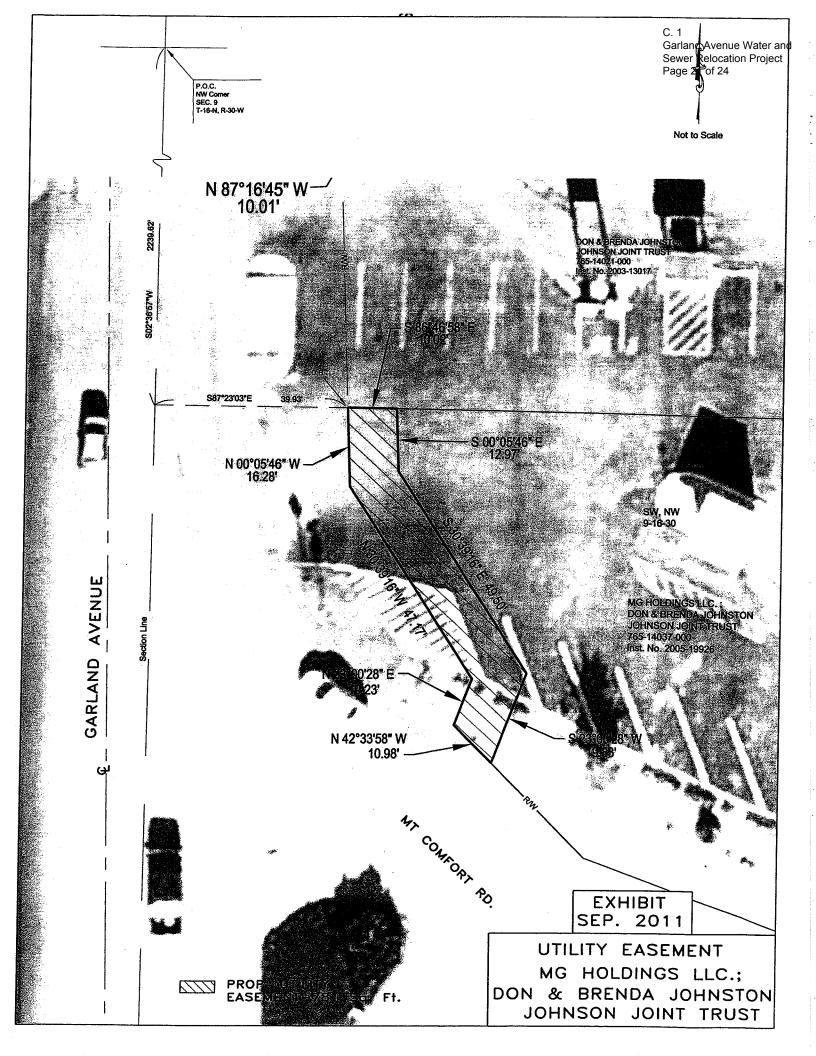
# CASE HISTORY GARLAND AVENUE Donald W. & Brenda Sue Johnston (Tract E-2)

10/21/11	Offer packet mailed including offer letter (\$2,145.00), proposed easement, and exhibit.
11/29/11	Reminder letter sent.
12/2/12	Mr. Johnston came in with signed paperwork for Tract 5 (also personally owned by him and his wife).
12/2/12	Reminder letter mailed.
1/30/12	Notification letter mailed. City may have to add to list of potential condemnations by requesting an appraisal.
2/2/12	Don Johnston called to say he was going to fax a counter offer.
2/6/12	Don Johnston called. Before submitting a written counter offer he wanted to know if there was any chance he would get full fee simple value for easement. JSG told him it was unlikely. We could pay 25% of \$17.40/sq.ft. (since he was paid 16% by AHTD), but he was insistent in wanting 100% or \$15.00/sq.ft. for easement.
2/9/12	Appraisal received (combined with Tract E-1).
2/10/12	Revised offer mailed as based on the latest appraisal (total of \$2,625.00).



# CASE HISTORY GARLAND AVENUE Donald W. & Brenda Sue Johnston (Tract E-1)

10/21/11	Offer packet mailed including offer letter (\$2,930.00), proposed easement, and exhibit.
11/29/11	Reminder letter sent.
12/2/12	Mr. Johnston came in with signed paperwork for Tract 5 (also personally owned by him and his wife).
12/2/12	Reminder letter mailed. Also removed MG Holdings from Tract E-1's easement (no longer have an interest in the property).
1/30/12	Notification letter mailed. City may have to add to list of potential condemnations by requesting an appraisal.
2/2/12	Don Johnston called to say he was going to fax a counter offer.
2/6/12	Don Johnston called. Before submitting a written counter offer he wanted to know if there was any chance he would get full fee simple value for easement. JSG told him it was unlikely. We could pay 25% of \$17.40/sq.ft. (since he was paid 16% by AHTD), but he was insistent in wanting 100% or \$15.00/sq.ft. for easement.
2/9/12	Appraisal received (combined with Tract E-2).
2/10/12	Revised offer mailed as based on the latest appraisal (total of \$3,575.00).



### CASE HISTORY GARLAND AVENUE BOB L. & WILMA B. BONDS

10/21/11	Offer packet mailed including offer letter (\$955.00), proposed easement, and exhibit.
10/28/11	Mr. Bonds came in concerned about amount of easement (thought 10 feet too much). They are in litigation with AHTD over driveway and money amount. Said he would be in contact with HJ once he has received appraisal from Tom Reed.
11/29/11	Reminder letter sent.
1/24/12	Appraisal received – in preparation for condemnation.
1/25/12	Revised offer as based on new appraisal mailed. \$1,400.00 for easement, \$100.00 for landscaping damages (\$1,500.00 total).

