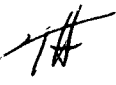




COUNCIL DECISION REQUEST

SUBJECT: Property Purchase


MEETING DATE: 03-28-19

SUBMITTED BY: Tanner Henry, Water Div. Mgr. 

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

AMOUNT BUDGETED: \$250,000

EXPENDITURE REQUIRED: \$100,000



EXHIBITS (If Applicable, To Be Attached): Site Exhibit

POSSIBLE MOTION

I MOVE TO AUTHORIZE THE PURCHASE OF 0.35 ACRES OF LAND AND IMPROVEMENTS, KNOWN AS ALPINE HEIGHTS LOT 147, LOCATED AT 900 N. HILLCREST DRIVE; FOR \$95,000; TO ALLOCATE THE COSTS OF SUCH PURCHASE TO THE WATER ENTERPRISE FUND; AND TO AUTHORIZE THE MAYOR TO SIGN, IN A FORM APPROVED BY THE TOWN ATTORNEY, ALL DOCUMENTS NECESSARY TO EFFECTUATE THE PURCHASE.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

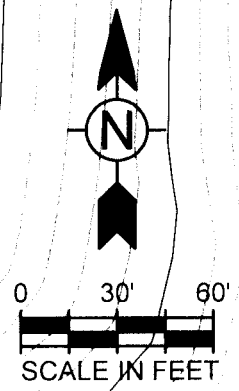
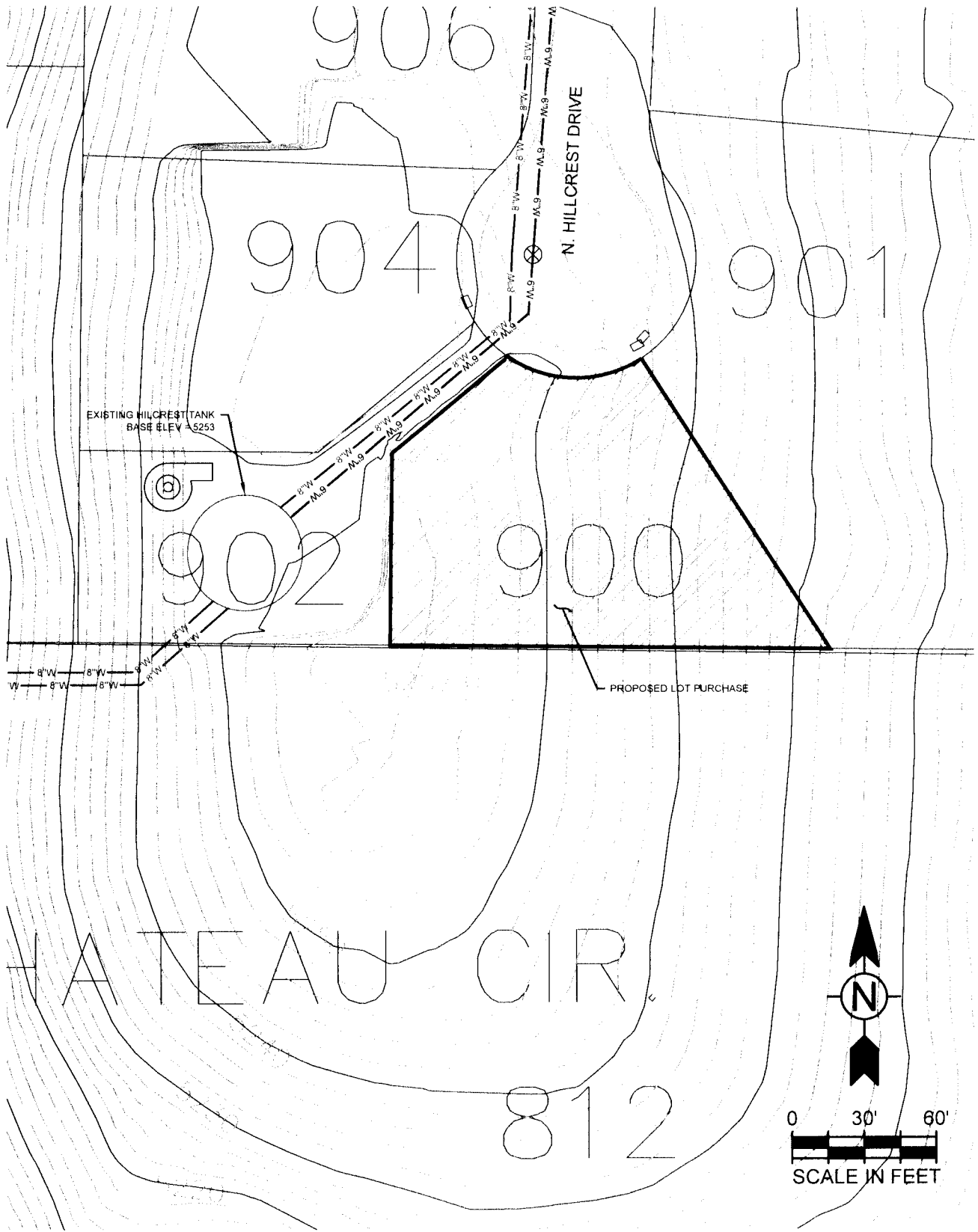
The Town of Payson Water Department has been interested in the purchase of Lot 147 for over 20 years since it is the highest elevation lot in Payson and adjacent to the existing Hillcrest Storage Tank. The existing Hillcrest Storage Tank is problematic to maintain because it is the only tank that supplies flow to Zones 4 & 5 and is the only storage tank in town with enough elevation to serve the Mesa Del Caballo service connection. When maintenance activities must occur, the existing tank must be drained which eliminates fire flow capabilities from Zones 4 & 5 until it is filled again. Zones 4 & 5 contain the Alpine Heights, Payson 3 Unit 1, and Spirit Ridge Equestrian Estates Subdivisions. With the purchase of Lot 147, the Water Department will have the ability to construct a secondary tank and enable fire flow storage during maintenance activities. Recently, the owner of Lot 147 agreed to enter into negotiations with Town staff to establish a purchase price on the lot. An appraisal was conducted which resulted in a fair market value of \$61,000 based upon comparable sized residential properties; which is available at the Water Department. However, none of the comparable properties were at the same elevations or adjacent to existing water storage tanks. Therefore, after negotiation, a potential purchase price of \$95,000 was reached for council consideration. The purchase price does not include associated escrow fees which staff recommends splitting with the seller.

PROS: _____

Allows for tank maintenance due to a redundant storage tank construction and allows for future telecommunication towers.

MAR 28 2019 J.S

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900 N. HILLCREST DR.
PROPOSED LAND PURCHASE

Date: 02/05/19
Designed By: JAB

EXA

BAR MEASURES 1 INCH