

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

July 13, 2015

**Offer to Purchase
Ranch House Well Site Property**

Synopsis

The Board of Directors is requested to consider the Offer to Purchase received for the Ranch House Well Site Property.

Background

The Ranch House well located in the Ranch House Estates subdivision has been inactive since the site was acquired by the District and was abandoned in 2004. At the August 12, 2013 meeting, the Board of Directors discussed a letter that the District received from a property owner adjacent to the Ranch House well site interested in acquiring the property. Staff was directed to obtain a property appraisal to determine the value of the property. The District received a Summary Appraisal Report on October 8, 2013. The site value “as vacant” was determined to be \$14,000. The site contains an eight foot tall block wall with chain link gate enclosing the well. The contributory value of the depreciated cost of these improvements is \$3,400, resulting in a total value of the property at \$17,400.

At the December 9, 2013 meeting, the Board of Directors discussed the procedure for disposal of assets recommended for the sale of District property, after which legal counsel indicated that the procedure met statutory requirements. The sale of the Ranch House Well Site property was initiated; however, the District’s land agent, Tierra Right of Way Services (Tierra), soon discovered that the District did not have title to one of the parcels (Parcel No. 10216095B) that made up the site. After tracing the history of the parcel and previous attempts to make the property whole, Tierra’s legal counsel recommended filing a Quiet Claim to clear up the title to the easterly portion of the well site lot so that the District could proceed with selling the entire well site lot. A Quiet Claim is a lawsuit to establish ownership to property when there is some question about clear title or a recording problem. Since the City of Tucson was willing to waive its right to the property, and efforts to contact anyone associated with Thermal Co-op (the previous owner) had been unsuccessful, it was expected that no one would contest the Quiet Claim. The Board of Directors approved the filing of the Quiet Claim during their September 8, 2014 meeting. The default hearing against Thermal Co-Op was held on February 26, 2015 and since no one appeared on behalf of Thermal Co-Op, the judgement by default was entered on this date. The recordation of the default judgement did not occur until March 27, 2015 and was received by the District on April 10, 2015.

Issues

Once the Quiet Claim was secured, a notice of call for bids for the sale of the property was sent to the two adjacent property owners. Only one Offer to Purchase bid was received by the District's property consultant, Tierra Right of Way Services, Ltd. The Offer to Purchase bid received was from Karen and Javier Arrieta for \$12,500.

Recommendation

It is recommended that the Board of Directors discuss the Offer to Purchase of the Ranch House Well Site property from Karen and Javier Arrieta.

Staff recommends that the Board of Directors accept the offer to Purchase. The offer is close to the appraised value of the "as vacant" value and the property is not necessary for the District's operation and would be removed from the District's inventory.

Suggested Motion

I move to accept the Offer of Purchase of the Ranch House Well Site property from Karen and Javier Arrieta in the amount of \$12,500 and direct staff to proceed with the preparation of the documents to finalize the sale of the property.

Respectfully submitted,

Charlie A. Maish, P.E., R.L.S.
District Engineer

I concur with the above-noted recommendation.

Respectfully submitted,

Joseph Olsen, P.E.
General Manager