



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2008-0380

TO: Mayor and City Council Members
FROM: John D. Staran, City Attorney
DATE: July 16, 2008
SUBJECT: Acquisition of Right-of-Way for Hamlin Road Reconstruction

REQUEST:

City Council is requested to approve a Possession and Use Agreement with the owner of Hamlin Road parcel no. 11 (Gagliano Enterprises/Collex, 1998 Rochester Industrial Drive) concerning highway, public utility and temporary construction easements needed on that property for the Hamlin Road reconstruction and widening project.

REASON FOR PURCHASE:

The City has negotiated a Possession and Use Agreement with the owner of Hamlin Road parcel 11. Under the Agreement, the City will pay the owner the City's good faith estimated just compensation (based on appraisal), and the owner grants to the City irrevocable rights to possession and use of the highway, public utility and temporary construction easements needed for the Hamlin Road project. The Agreement provides the City will engage in good faith negotiations with the owner to settle whether there should be additional compensation, and if negotiations were unsuccessful, the City must file condemnation proceedings in court to resolve the compensation issue (only). Meanwhile the necessary easements are secured.

BUDGET:

Under the Agreement, the City must pay to the owner the City's estimated compensation in the amount of \$9,757.00 (based on appraisal). This amount has already been offered to the owner by the City's right-of-way acquisition agent and would have to be paid in the event of condemnation, as well. Obtaining the Possession and Use Agreement averts the need to file condemnation proceedings to acquire the easement rights and the associated delay, uncertainty, and attorney fees in doing so.

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost | Remaining Budget |
|------------------|------------------------------|--------------------------------|----------------------|-------------|-------------------------|
| | | 452.973000 | \$3,700,000.00 | \$9,757.00 | |
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RECOMMENDATION:

City Council is asked to approve the Possession and Use Agreement.

| APPROVALS: | SIGNATURE | DATE |
|--|------------------|-------------|
| Department Review | | |
| Department Director | | |
| Budget Content: Finance Director | | |
| Purchasing Process: Supervisor of Procurement | | |
| Mayor | | |
| City Council Liaison | | |