

SUBMITTED BY: Luis Pedroza, Management Service Manager

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

ORGANIZATIONAL IMPROVEMENTS: EnterTextHere

SUBJECT: **THIRD READING OF ORDINANCE NO. 21-1140**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the SALE of a SEMI-IMPROVED PARCEL of LAND located on the 900 block of 2nd Street, lots 13-16 within parcel #409-14-093 to JOSEPH L. GARCIA and MARIA DE LA LUZ GARCIA, Husband and Wife, pursuant to terms entered into by the parties; establishing severability of components of Ordinance; and establishing an effective date thereof.

EXECUTIVE SUMMARY:

Mr. and Mrs. Joseph Garcia purchased from the City real property lots 11 and 12 within parcel 409-14-093C on November 2020 with a stipulation of right of first refusal for the remaining lots in the parcel made up of lots 13-16. Mr. and Mrs. Garcia approached the City to purchase the remaining lots for the prescribed price of \$20,000.

BACKGROUND:

The City sold the building on 919 3rd Street along with part of the pocket park on C Avenue between 2nd and 3rd Street. After the sale, the City kept a smaller parcel on the northeast corner of 2nd and C avenue. The vacant parcel is adjacent to Mr. and Mrs. Garcia’s residence of 920 E. 2nd Street. Mr. and Mrs. Garcia approached the City in 2020 with concerns about vehicles parking alongside his home to pick up children from CAS school on 3rd creating an unsafe area. He offered to buy two city owned vacant parcels adjacent to his property with a right of first refusal for the remaining 4 lots to be purchased for a price of \$20,000.

Mr. and Mrs. Garcia have been maintaining the entire parcel (including the areas owned by the City) by cutting the grass and watering the trees around the area. They would like to now have the whole parcel to better secure the area around their home and to also develop the lot in the future.

The contract established in November 2020 stipulates the right of first refusal of the remaining lots to be given to Mr. and Mrs. Garcia and for lots 13-16 to be sold for \$20,000. Mr. Garcia requested a payment arrangement of 5 years as follows:

Payment	Amount	Due Date
Year 1	\$5,000	3/1/2022
Year 2	\$5,000	5/1/2023
Year 3	\$5,000	5/1/2024
Year 4	\$2,500	5/1/2025
Year 5	\$2,500	5/1/2026

Mr. and Mrs. Garcia also request that there shouldn’t be a penalty for prepayment since they see the possibility of paying it off earlier than expected.

DISCUSSION:

Staff recommends upholding the agreement of right of first refusal and selling the remaining parcels to Mr. and Mrs. Garcia for the price of \$20,000. The parcel already contains two lots owned by them and the City does not have a current use for the remaining 4 lots within the parcel.

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE THIRD READING OF ORDINANCE NO. 21-1140 BY NUMBER AND TITLE ONLY.”

FISCAL IMPACT:

\$20,000 in revenue for the General fund over the next 5 years.

Fiscal Year: 2021/2022

Amount Requested: \$

Budgeted: N

Account (s): 001-30000-382.0100