

MEETING DATE/TYPE: **VOTING MEETING** **7-9-19**

DEPARTMENT: **City Attorney**

AGENDA ITEM: Approval of Settlement of Litigation titled Howard L. Mechanic, as Trustee of The Social Justice Charitable Foundation, Dated October 16, 2016, v. The City of Prescott, Yavapai County Superior Court Case No. P-1300-CV201700872.

Approved By: Michael Lamar, City Manager

Item Summary

Approval of the settlement agreement will fully and finally resolve the litigation discussed in this memo.

Background

This is a primarily breach of contract claim for \$5,901,441.00 stemming from a 1963 City Water Service Agreement (and various subsequent agreements) entered into by the City with the then existing property owners. The current plaintiff property owner alleges that the City's determination to permit water service to only a single lot on an approximately 50 acre property is a breach of contract.

Financial Impact

The agreement provides water and sewer service to the property in question for up to 195 residential units. The owner will be required to build all infrastructure for water and sewer (external and internal) at its own cost. The owner will also be required to pay all then-in-effect impact fees for water resources, water infrastructure and sewer infrastructure. The water and sewer service will also incur a 15% surcharge over the City's in-the city water rate for the monthly water service. Sewer rates will be consistent with then-in-effect sewer rates.

Attachments

1. Settlement Agreement

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Recommended Action: **MOVE** to approve Settlement of Litigation titled Howard L. Mechanic.