

MEETING DATE/TYPE: **VOTING MEETING** **10-8-19**

DEPARTMENT: **City Attorney**

AGENDA ITEM: Approval of the Proposed Settlement in Hidden Heights v. City of Prescott (Contract No. 2020-081).

Approved By: Michael Lamar, City Manager

Item Summary

This agreement was reached following mediation and would settle the Hidden Heights v. City of Prescott lawsuit (Contract No. 2020-081).

Background

Hidden Heights, LLC sued the City of Prescott in 2016 alleging that the City breached a 1965 agreement for water service. Hidden Heights sought \$3.5 million in damages from the City. A mediation in this case was held on September 17, 2018. At that mediation the parties agreed that an appropriate resolution would be for the City to provide water to the subject lands and that each side would pay their own attorney's fees. The City will provide nothing more than water service to settle this case. Hidden Heights will also be required to connect to sewer when the property is developed and the development will pay all normal development and impact fees and out-of-city water rates. The proposed development is approximately 37 units which would require a total of 6.3 acre feet of water annually. The Council must approve the settlement agreement before it can be final and the case dismissed.

Attachments

1. Hidden Heights Settlement Agreement

Recommended Action: MOVE to approve settlement agreement with Hidden Heights, LLC. (Contract No. 2020-081).