



## Governing Board Agenda Item

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Meeting Date: July 28, 2022

Agenda Item No: E.2

From: Dan Contorno, Chief Financial Officer

Subject: Acquisition Agreement with Metropolitan Domestic Water Improvement District

Consent ☐ Action ☐ Discussion ☒

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### Background:

The Metropolitan Domestic Water Improvement District (Metro Water) contacted the District regarding the need to add an additional wellsite. Through their investigation, the best location for a future wellsite is situated on parcel 225-02-002F. This parcel, illustrated in Exhibit A, is located northeast of the new parent loop on the property of Ironwood Elementary. Currently, the parcel is undeveloped desert and the District foresees no future use for this property.

The District has worked with legal counsel on how to best proceed in a possible Acquisition Agreement (included in this packet). While there are some final details being worked out, legal counsel supports the conceptual agreement in form.

It is important to note that with any sale of property valued over \$50,000, the District must seek voter approval. This is true of all land transactions unless specifically listed entities such as County, State or Reservation condemn the land. The attached Acquisition Agreement is for the purchase of .8956 of an acre at an appraised value of \$49,993.12 which falls below the above threshold. The District will also be receiving Severance damages of \$3,100.00 as suggested during appraisal process. Bringing the total to \$53,093.12. All closing costs are Metro Water's responsibility. Metro Water will be including condemnation language to assist in our ability to place proceeds in fund with broader ability to expend.

This is only an informational item and if brought forward at upcoming meeting, this agreement will be in final form.

### Recommended Motion:

No action required.

*Questions should be directed to: Dan Contorno, Chief Financial Officer  
Phone: (520) 682-4756*

Approved for transmittal to the Governing Board:


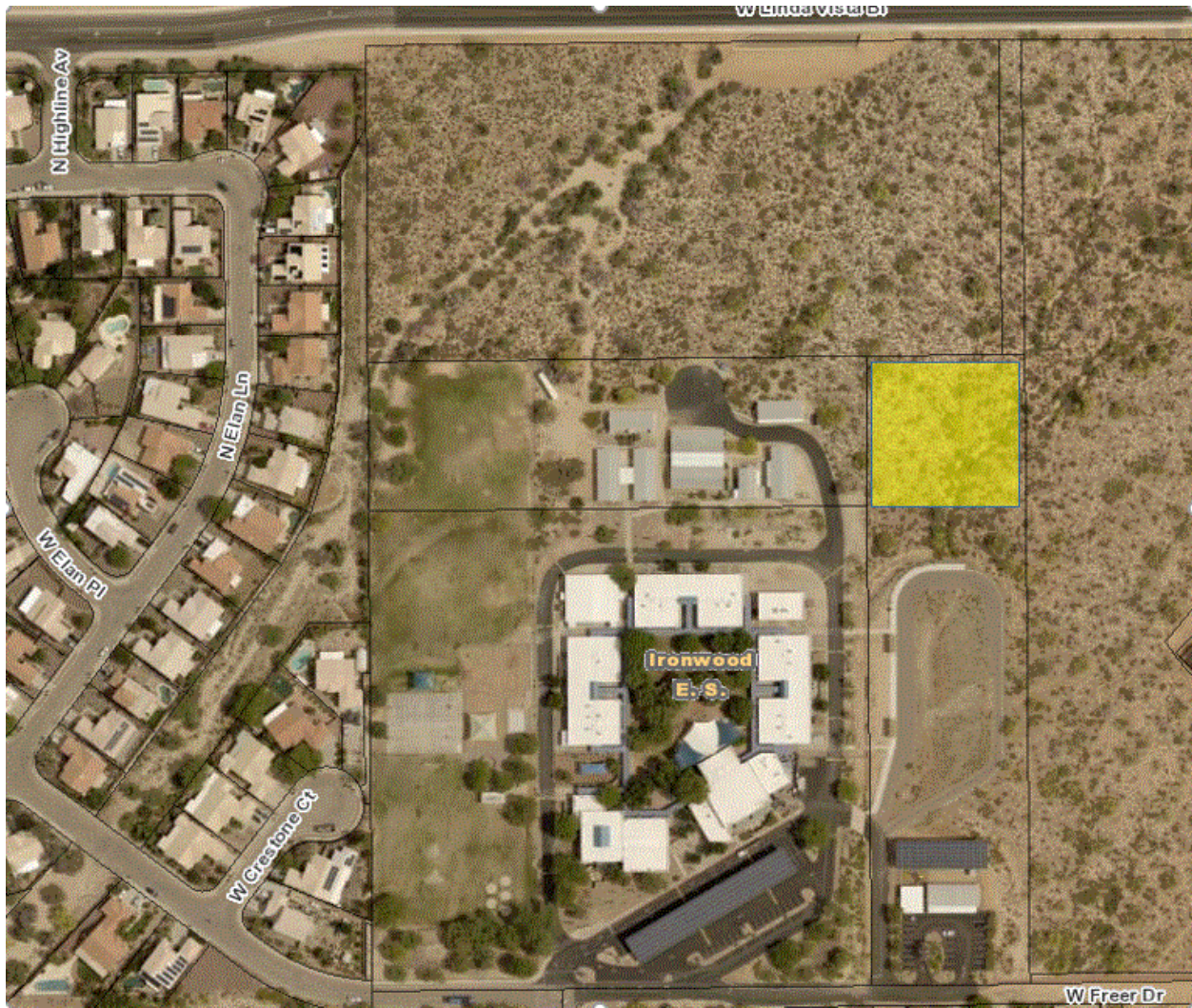
  
\_\_\_\_\_  
Dr. Daniel Streeter, Superintendent

Exhibit A



Questions should be directed to: Dan Contorno, Chief Financial Officer  
Phone: (520) 682-4756

## ACQUISITION AGREEMENT

This Agreement is made by and between **Marana Unified School District**, a political subdivision of the State of Arizona, (the “**Owner**”), and **Metropolitan Domestic Water Improvement District.**, a corporate and body politic of the State of Arizona, (“**Metro**”).

- 1. Property and Purchase Amount.** Owner holds legal title to the property described in instrument recorded on December 8, 2000, in Docket 11441 at Page 385 in the Pima County Recorder's Office (the “Property”). Metro has determined the need to acquire fee title in and to the lands described in Exhibits “A” and shown on Exhibit “A-1” (the “Acquisition Area”), including reservation of an access easement to MUSD, and an access easement to Metro. In lieu of court proceedings to acquire the Acquisition Area by eminent domain, the Owner agrees to sell and Metro agrees to acquire the Acquisition Area for the total sum of \$53,093.12, subject to the terms and conditions set forth below:

INTEREST TO BE ACQUIRED	QUANTITY (Acre)	VALUE	VALUE OF AREA TO BE ACQUIRED
Fee Interest	0.820	\$ 54,203.00	\$ 44,444.97
Fee Interest with MUSD Access Easement Reservation	0.136	\$ 40,652.25	\$ 5,548.15
<b>Total</b>			<b>\$ 49,993.12</b>
<b>Severance Damages</b>			<b>\$ 3,100.00</b>
<b>TOTAL JUST COMPENSATION</b>			<b>\$ 53,093.12</b>

- 2. Utilities.** The Owner and Metro shall work cooperatively to secure any necessary public and private utilities that would benefit the improvement and development of the Acquisition Area and adjacent owner properties.
- 3. Specific Plan.** The Owner and Metro shall collaborate and cooperate to secure the approvals by the Town of Marana if required for the proper use of the Acquisition Area by Metro. This shall include sharing of prepared data for the Acquisition Area, public meetings, and cooperation of needs.
- 4. Risk of Loss for Damage to Improvements.** The Owner shall be responsible for the risk of loss for any and all damage to the improvements located on the Acquisition Area prior to close of escrow.
- 5. Warranty Deed.** The Owner shall deposit into escrow a Warranty Deed conveying to Metro title to the Acquisition Area described in Exhibit “A” and shown in Exhibit “A-1”, free and clear of all liens and encumbrances.

- 6. No Salvage.** The Owner shall not salvage or remove any fixtures, improvements, or vegetation located within the Acquisition Area. Personal property may be removed prior to close of escrow.
- 7. Escrow and Prorations.** The Acquisition Amount shall be paid in full at closing. (a) The date of closing shall be used for proration of rents, property taxes and other similar costs, (b) assessments due for improvement districts shall be paid in full by the Owner prior to closing, (c) property taxes shall be prorated based upon both the date of closing and the size of the Acquisition Area. In the event the Acquisition Area is only a part of a larger parcel taxes will be prorated based upon the proportion of the Acquisition Area to the Owner's entire assessed parcel, and (d) Metro shall purchase title insurance on the Acquisition Area as defined.
- 8. Security Interest.** Monies payable under this Agreement may be due holders of notes secured by mortgages or deeds of trusts ("Lienholders"), up to and including the total amount of unpaid principal, interest and penalty. Those sums shall, upon demand, be paid to the Lienholders. Owner shall obtain from the Lienholders release for any fee transfer and consents for any transfer of an easement for the Acquisition Area.
- 9. Metro and Owner** mutually agrees to engage Pioneer Title Agency, Inc. as Escrow Company for the purpose of satisfying all lienholders and securing any necessary releases of encumbrances. Costs associated with satisfying all lienholders and securing any necessary releases of encumbrances shall be the sole responsibility of Metro in addition to the purchase amount at closing. This contract shall serve as escrow instructions in the event an escrow is opened.
- 10. Closing Costs.** Expenses incidental to transfer of title, including title reports, recording fees, escrow fees, releases and Owners Title Insurance Policy, shall be paid by Metro.
- 11. Possession and Closing.** Possession of the Acquisition Area shall be give to Metro at the date of closing. Closing shall be on or before the later of (a) 30 days after the date this Agreement has been approved by the Metro District Board of Directors or (b) 30 days after receipt of all necessary releases or consents from any Lienholder.
- 12. Title.** A Title Report and Commitment of Title Insurance for the subject Property shall be obtained by Metro. Metro reserves the right to terminate this agreement.
- 13. Environmental Representations.** Metro and the Owner agree that neither party is assuming any obligation of the other party relating to any potential liability, if any, arising from the environmental condition of the Acquisition Area. Each party shall remain responsible for its obligations as set forth by law. Owner hereby represents and warrants that, to the best of Owner's knowledge, no pollutants, contaminants, toxic or hazardous substances, wastes or materials have been stored, used or located on the Property or within any surface or subsurface waters thereof; that no

underground tanks have been located on the Property; that the Property is in compliance with all Federal, State and local environmental laws, regulations and ordinances; and that no legal action of any kind has been commenced or threatened with respect to the Property.

- 14. Environmental Inspection Rights.** Owner shall permit Metro to conduct such inspections of the Property as Metro deems necessary to determine the environmental condition of the Acquisition Area. If environmental inspections do not specifically identify contamination but indicate a potential for contamination and recommend further testing or inspection, the parties hereby agree to extend the date of closing to 30 days after the report for such additional testing or inspection is completed on behalf of Metro. If any environmental inspection reveals the presence of contamination or the need to conduct environmental cleanup, the Owner shall remediate all contamination within the Acquisition Area adequate to bring it into compliance with all applicable Federal, State or Local environmental regulations prior to Closing or Metro may terminate this Agreement at no cost or penalty.
- 15. Right of Entry.** This Agreement grants Metro, its employees, agents, and consultants, the right to enter the Property for purposes of inspection or testing related to the Project effective as of the date this agreement is signed on behalf of the Owner. This Right of Entry shall terminate when Metro takes title to the Acquisition Area or in 180 days, whichever occurs first.
- 16. No Personal Property.** The parties acknowledge that no personal property is being transferred pursuant to this Agreement.
- 17. Leases.** Owner warrants that there is no written lease on all or any portion of the Acquisition Area, see attached Exhibit "B".
- 18. Broker's Commission.** No broker or finder has been used and Metro shall owe no brokerage or finders fees related to this transaction. Owner has sole responsibility to pay all brokerage or finders fees to any agent employed.
- 19. No Sale.** Owner shall not sell or encumber the Property in any way before closing.
- 20. Survival of Representation and Warranties.** All representations and warranties contained herein shall survive close of escrow.
- 21. Entire Agreement.** This signed document shall constitute the entire Agreement between the parties. No modification or amendment to this Agreement shall be binding unless in writing and signed by both parties. The performance of this Agreement constitutes the entire consideration by Metro, including just compensation for the Acquisition Area and severance damages to any remainder property and shall relieve Metro of all further obligation or claims relating to the Property.

**22. Conflict of Interest.** This Agreement is subject to A.R.S. §38-511 which provides for cancellation of contracts by Metro for certain conflicts of interest.

**23. Exhibits.** Any exhibit attached to this Agreement shall be deemed to be incorporated by reference with the same force and effect as if fully set forth in the body of this agreement.

**For Owner:**

Marana Unified School District

By \_\_\_\_\_

\_\_\_\_\_  
Printed Name

Its: \_\_\_\_\_

\_\_\_\_\_  
Title

**For Metro:**

Approved by the Metropolitan Domestic Water Improvement District, a corporate and body politic of the State of Arizona

\_\_\_\_\_  
\_\_\_\_ day of \_\_\_\_\_, 2021

Approved as to form:

\_\_\_\_\_  
Lewis, Roca, Rothgerber, Christie, Counsel to  
Metropolitan Domestic Water Improvement  
District



EXHIBIT "A"

**LEGAL DESCRIPTION**

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

THE NORTH 198.18 FEET OF THE PARCEL OF LAND CONVEYED TO THE MARANA UNIFIED SCHOOL DISTRICT IN WARRANTY DEED RECORDED IN DOCKET 11441 PAGE 385.

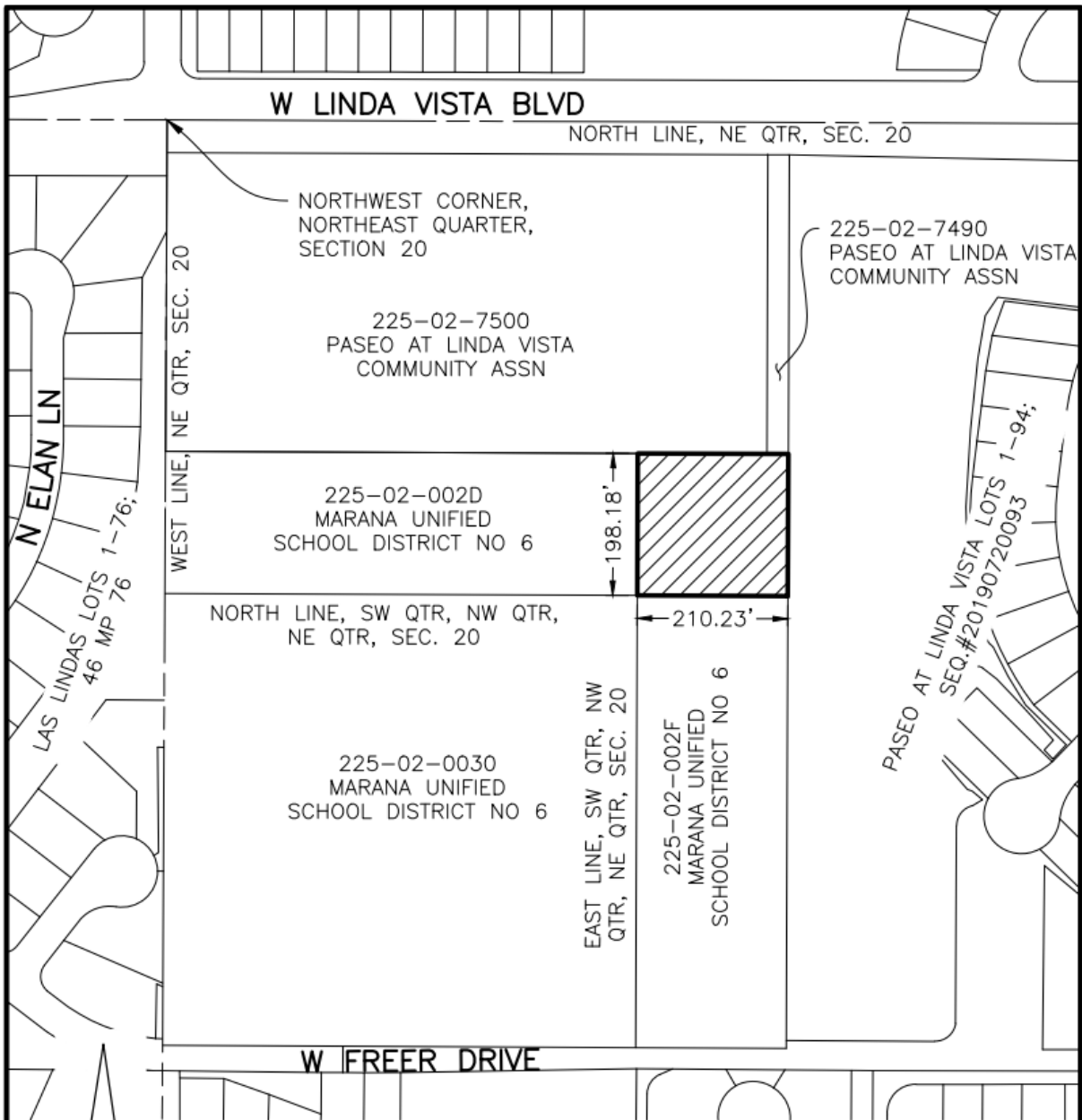
CONTAINING 41,663 SQUARE FEET MORE OR LESS.



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# EXHIBIT "A-1"



SCALE: 1" = 200'

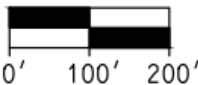


EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION OF A PARCEL WITHIN THE  
NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20,  
TOWNSHIP 12 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER  
MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS



3945 EAST FORT LOWELL ROAD - SUITE 111  
TUCSON, AZ 85712  
520-795-1000  
(FAX) 520-322-6956

PAGE 2 OF 2  
DATE 2/8/2021

EXHIBIT "A"  
Reserving the following Access Easement for MUSD



**LEGAL DESCRIPTION**

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

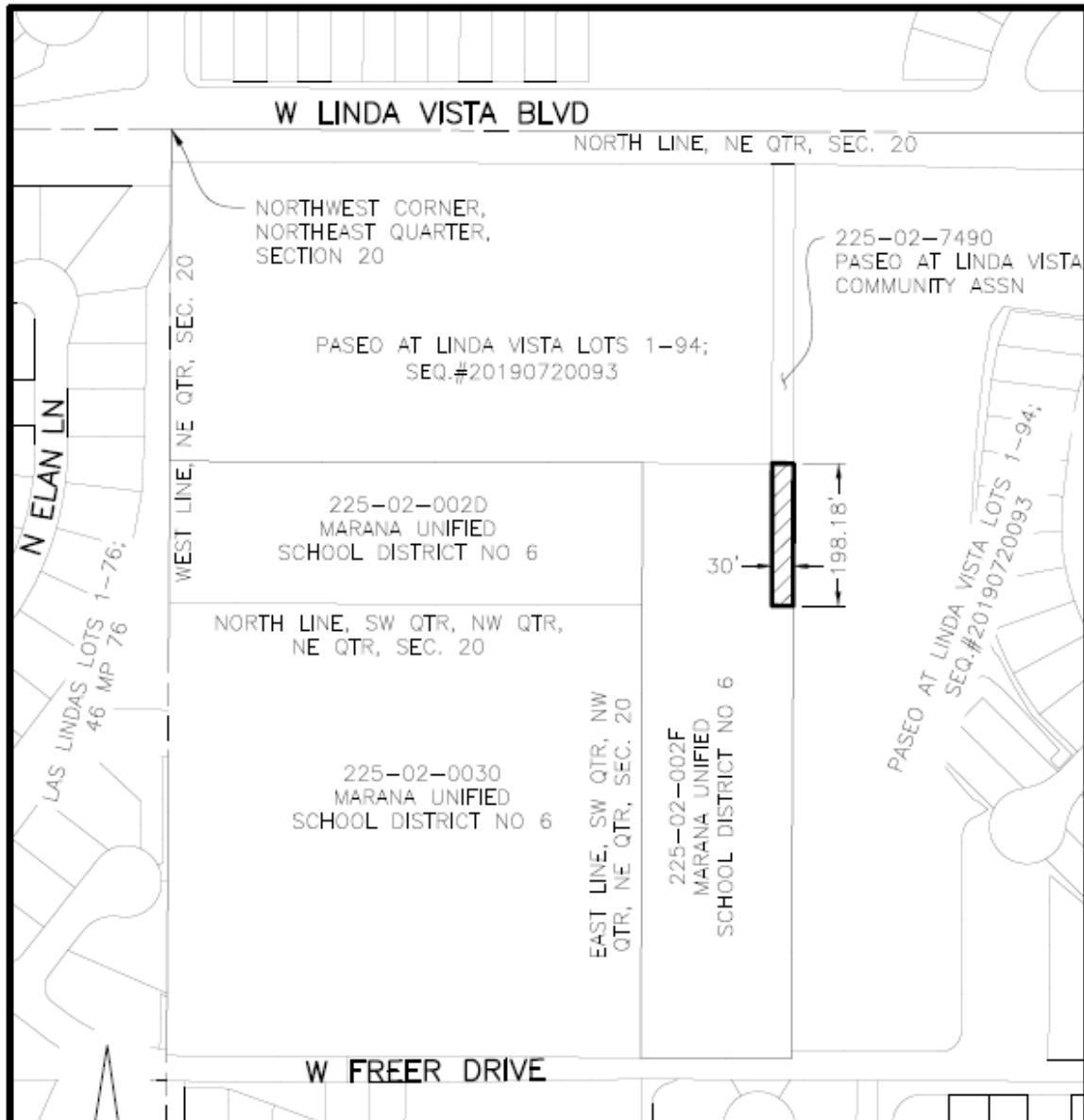
THE EAST 30 FEET OF THE NORTH 198.18 FEET OF THE PARCEL OF LAND CONVEYED TO THE MARANA UNIFIED SCHOOL DISTRICT IN WARRANTY DEED RECORDED IN DOCKET 11441 PAGE 385.

CONTAINING 5,945 SQUARE FEET, MORE OR LESS.



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**EXHIBIT "A-1"**  
**Reserving the following Access Easement for MUSD**



SCALE: 1" = 200'

0' 100' 200'

EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION OF A PARCEL WITHIN THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS



3945 EAST FORT LOWELL ROAD - SUITE 111  
 TUCSON, AZ 85712  
 520-795-1000  
 (FAX) 520-322-6956

PAGE 2 OF 2  
 DATE 2/8/2021

**EXHIBIT "A"**  
**Together with an Access Easement from MUSD to Metro**

**LEGAL DESCRIPTION**

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 12 SOUTH, RANGE 13 EAST OF THE GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

The portion of Common Area (CA) "B" identified as the 30.00' Access Easement granted to Marana Unified School District ("MUSD") of the FINAL PLAT Of PASEO AT LINDA VISTA, a subdivision of Pima County, Arizona according to the map or plat thereof recorded in the office of the County Recorder of Pima County, Arizona in Sequence Number 2019-0720093 and thereafter Scrivener's Error recorded in Sequence Number 2019-2210011.

Exhibit "B"  
Leases

Lease Agreement affecting  
Parcel # 225-02-002F

Owner hereby states the Leases clause contained in this Agreement are accurate:

1. See Attached

\_\_\_\_\_ Owner's Initials 

\_\_\_\_\_ Owner's Initials 

or

2. Not Applicable

\_\_\_\_\_ Owner's Initials 

\_\_\_\_\_ Owner's Initials 