

Purchase of Batch Plant

Relocation Benefit for Displaced
Business – Arizona Materials





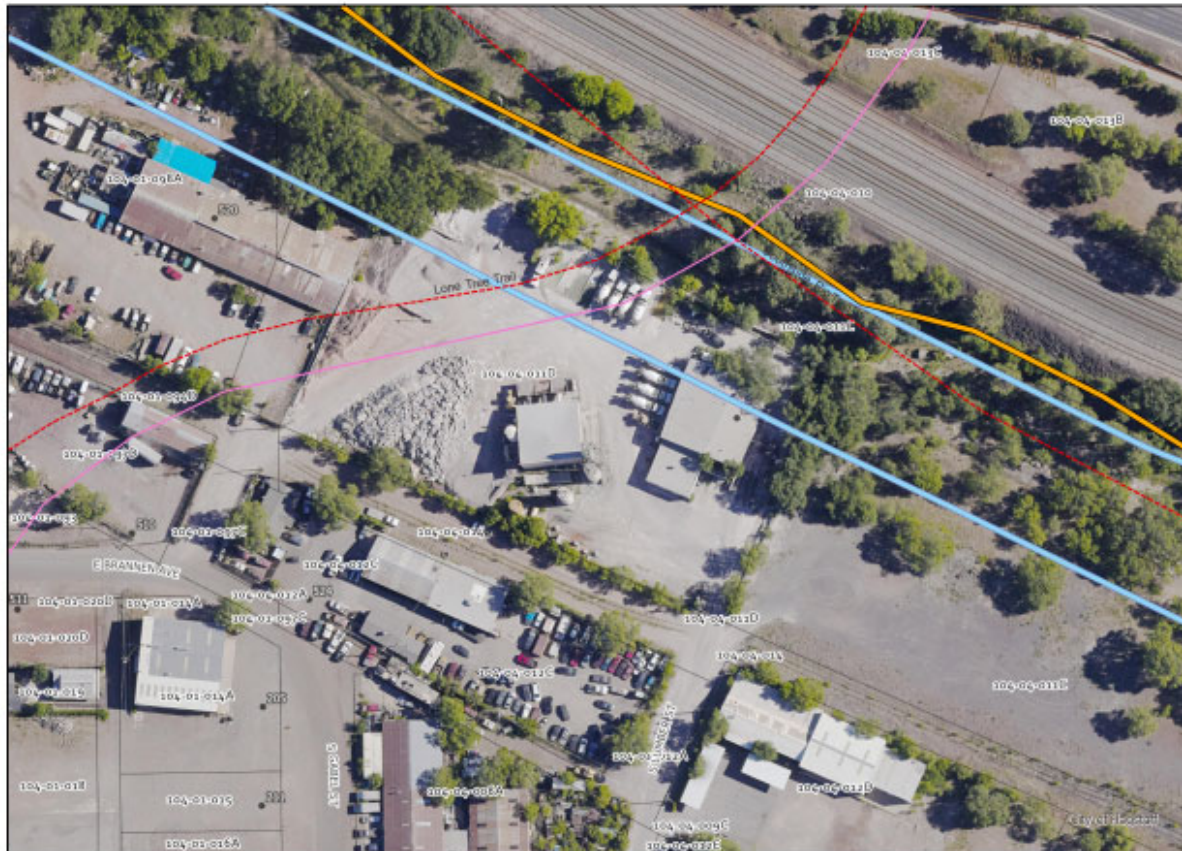
Purchase of Batch Plant

Background

- Arizona Materials (“AZM”) operates a ready-mix concrete plant here in Flagstaff.
- City needs to acquire AZM’s property for both the Rio de Flag Flood Control (RDF) Project & the Lone Tree Overpass (LTO) Project .



AZM Property - RDF & LTO Projects





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Relocation Benefits for LTO & RDF Projects

- City is providing relocation benefits to displaced residents and businesses under the Uniform Relocation Act – Code of Federal Regulations Title 49, Part 24.
- City's general contractor for the LTO Project is tasked with property acquisition and determining relocation benefits (relocation benefits specialist subcontractor – CEI).



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Uniform Relocation Act Benefits for Displaced Business

- Assistance in finding alternative business site
- Moving expenses to new business site within 50 miles
- Replacement of equipment that can't be moved
- Funding to pay for installation of equipment including utility connections at the new site



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Why is City purchasing a Batch Plant?

- AZM's batch plant is over 30 years old and can't be moved, it no longer meets code.
- This is a relocation benefit (replacement of equipment that can't be moved).



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How was the vendor selected?

- AZM provided specifications.
- The relocation specialist for the LTO Project used an open, competitive process to obtain quotes from several vendors and selected the most responsible and responsive quote, that was most advantageous to the City.



Purchase of Batch Plant

Purchase Contract

- City will pay for the purchase (~ \$2.5 million).
- Plant will be delivered in about 10-12 months to AZM's new site on E. Huntington Drive (subject to site plan and conditional use permit approval).
- AZM will complete site work and installation of infrastructure.
 - City will reimburse AZM for these additional costs (~ \$1 million).



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Next steps

- Batch plant purchase will get underway.
- AZM will continue with site development for its new site.
- Condemnation case will continue until we have final agreement as to purchase price for the land.
- City Council will consider final purchase price for land and be asked to approve or ratify the final determination of relocation benefits (this includes additional costs for installation).