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**To: Jenny Torres  
Acting City Manager**

**Date: 7/3/2024**

**From: Michelle Williams  
Right of Way Agent, CEI**

**Subject: ADMINISTRATIVE SETTLEMENT  
Project: Master Drainage Project  
Parcel(s): 775-38-114,115,116,117  
Owner: Sanchez Investment Company**

**First Written Offer Date: 12/28/2023  
Appraisal Date of Value: 9/19/2023  
Approved Appraiser: AXIA Real Estate Appraisers  
Appraised Value: \$375,000.00**

**Land-Fee (46,080.00 sq. ft.)\$375,000.00**

**Appraised Value\$375,000.00  
Recommended Settlement:\$125,000.00  
Total Acquisition Cost: \$500,000.00**

**COMMENTS & JUSTIFICATION:**

The original offer was presented via email to Johnathan Sanchez, on December 28th, 2023, in the amount of \$375,000.00.

We received a counteroffer of \$576,000.00, or \$12.50 per sq. ft., on March 26<sup>th</sup>, 2024, via an email from Anthony Misseldine, Attorney for Sanchez Investment Company. He included comparable sales data as justification for the counteroffer. The comparable sales ranged from \$8.68-\$20.96 per square foot.

This information was reviewed by a local real estate broker, who stated the following:

Due to the low inventory, residential lots have increased in demand. The attorney's comparables are older than six months, so their values are off. The best ones on the list are the last three, which are the most recent. If I were doing a CMA for the owner to list the vacant lots, I would be around \$120K per lot due to the commercial use value. The \$8.14 is the low, but \$12.50 is the high. A fair market price would be around \$10 to \$10.50 per sq. ft.

In considering the brokers' statement regarding land value in San Luis, AZ, and the costs and time involved in condemnation pursuits, it is recommended that the City of San Luis responds to the counteroffer with an offer of \$500,000, an increase of approximately 33.4%

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Jenny Torres, City of San Luis

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Date