



City of Harrisonburg, Virginia

Office of the City Manager

409 South Main Street
Harrisonburg, VA 22802
(540) 432-7701 / FAX (540) 432-7778

Eric D. Campbell
City Manager

TO: Eric D. Campbell, City Manager
FROM: G. Chris Brown, City Attorney
DATE: August 20, 2019
RE: Approval of sale of real estate to Eddie T. Abrams and Pamela R. Abrams

Summary: Staff requests Council authorization to transfer a townhouse located at 640 Merlins Way, Harrisonburg, Virginia to Eddie T. Abrams and Pamela R. Abrams for a purchase price of \$90,000.00 as settlement of claims the Abrams have against the City related to an eminent domain taking for the Reservoir Street Improvement Project.

Background: As part of the Reservoir Street Improvement Program, the City purchased a townhouse and lot located at 640 Merlins Way, just off Reservoir Street. The City purchased this townhouse because the amount of land needed from the lot was so significant that it was deemed a total take. The improvements to Reservoir Street greatly reduced the size of the lot, encumbered part of the lot with easements, extended Reservoir Street to closer proximity to the townhouse, and eliminated its parking in front. The City paid \$132,000 for the townhouse and lot, which was its pre-take appraised value. Also, as part of the Reservoir Street Improvement Project, the City needed a small amount of fee simple, a joint utility easement, and a temporary construction easement from the adjoining townhouse lot, owned by the Abrams. The City and the Abrams were unable to reach an agreement as to compensation at the time of the Project. The City appraisal of the needed property placed the value at \$3,400.00, which was paid into Court pursuant to a Certificate of Take. The Abrams claimed damages to the residue of their property in the amount of \$42,000 and filed suit to have the Court determine the value of the take and damages to the residue. The Abrams and the City have reached a tentative settlement of the litigation between the parties. The settlement would require the City to sell the townhouse and lot located at 640 Merlins Way to the Abrams for \$90,000 as a complete settlement of all claims against the City. The City believes the fair market value of the townhouse and lot to be approximately \$97,000 (based on the rental income obtained for the unit). The settlement agreement between the parties would eliminate the risks and costs associated with the trial of this matter, allow the City to recoup some of its project expenses, and get the townhouse back on the tax role. Since the settlement agreement requires the conveyance of real estate, Council approval is required.

Key Issues: Sale of the lot and townhouse owned by the City at 640 Merlins Way to the Abrams for \$90,000.00 as settlement of all claims arising from the eminent domain taking affecting the Abrams' adjoining property.

Environmental Impact: None.

Fiscal Impact: The City would receive \$90,000.00, eliminate the risk of an adverse award of damages, and place the property back on the tax role.



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Prior Actions: None

Alternatives: (a) Approve the resolution authorizing the conveyance to and settlement with the Abrams
(b); or not approve resolution.
(c)

Community Engagement:

Recommendation: Staff recommends approval of the resolution.

Attachments:

RE:
Page 2
Settlement Agreement
Resolution
Public Notice

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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