



## MEMORANDUM

---

October 20, 2011

TO: Board of Mayor and Aldermen

FROM: Eric S. Stuckey, City Administrator *ES*  
David Parker, P.E., City Engineer  
Paul Holzen, P.E., Interim Director of Engineering  
Ben Worley, Right of Way Agent/Project Manager

SUBJECT: Discussion concerning the purchase of Right-of-Way and Easements from the Sonic property (401 Hillsboro Road) as part of the Hillsboro Road Improvements Project.

### **Purpose**

The purpose of this memorandum is to provide the Board of Mayor and Alderman (BOMA) with information regarding the purchase of Right-of-Way (ROW) and Easements from the Sonic property located at 401 Hillsboro Road.

### **Background**

On October 14<sup>th</sup>, 2011 staff met with Mr. David Watson, owner of the Sonic, to discuss and make an offer to purchase the required Right of Way and Easements for the Hillsboro Road Improvements project. An appraisal completed by Standifer and Associates valued the ROW, Easements and Improvements at \$51,000. Mr. Watson asked that we consider raising the offer to \$100,000.00 based on the following information. The May 2010 flood impacted the Sonic building requiring them to remodel the existing building. As part of the project Sonic worked with City staff to rebuild outside of the proposed ROW and Easements to accommodate the future Hillsboro Road Project. In order to rebuild with the same number of parking/service stalls for this Sonic location, Mr. Watson had to purchase the property along the rear of the existing property at an additional cost of \$75,000. This \$75,000 does not include Sonic's cost to design and relocate the 8 parking stalls, menu housings, lights, electrical and other items that were located in the proposed ROW. Since Mr. Watson completed this work prior to our appraisal being completed Standifer and Associates did not account for any damages to the building. The appraiser has reviewed the issue of potential pre-flood impact of purchasing the right-of-way and easements which would have resulted in the removal of parking stalls. Their opinion in that the request made by the owner is reasonable given the potential financial impact of the City's purchase of property from Sonic given their previous configuration.

### **Financial Impact**

The Board of Mayor and Alderman have three (3) options:

1. Settle for the appraised value (\$51,000).
2. Settle for \$100,000 as requested by the property owner.
3. Continue negotiations with the property owner with the hopes of a mutually agreed upon settlement.



HISTORIC  
FRANKLIN  
TENNESSEE

# MEMORANDUM

---

## **Recommendation**

Due to the unique circumstances and the significant additional costs absorbed by Sonic in the rebuilding of their restaurant in manner to accommodate the Hillsboro Road project, it is recommended that the City proceed with requested purchase of \$100,000 for the needed right-of-way and easements for the Hillsboro Road project.