



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1415-48

File ID: K-1415-48

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 25

In Control: City Council

Department: Legal Department

Cost:

File Created: 10/06/2014

File Name: K-1415-48 Surplus Property Contract-Gerald and Brenda Knight

Final Action:

Title: CONTRACT NO. K-1415-48: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND GAROLD G. AND BRENDA K. KNIGHT IN THE AMOUNT OF \$38,300 FOR THE PURCHASE OF SURPLUS PROPERTY ON ROBINSON STREET LOCATED AT LOTS 1, 2, AND 4, BLOCK 11, TULL'S FIRST ADDITION AND APPROPRIATION OF FUNDS TO THE ROBINSON RAILROAD GRADE SEPARATION PROJECT. (GENERALLY LOCATED ON THE NORTH SIDE OF ROBINSON STREET BETWEEN DALE STREET AND STUBBEMAN AVENUE)

Notes: ACTION NEEDED: Motion to approve or reject Contract No. K-1415-48 with Garold G. and Brenda K. Knight in the amount of \$38,300; and, if approved, authorize the City Manager to sign the contract, execute the quit claim deeds upon receipt of the remaining purchase price for each parcel auctioned, and upon receipt of funds, increase Sale of Other Property (050-0000-392.11-59) by \$64,343.89, appropriate \$64,343.89 to Project No. TR0203, Robinson Railroad Grade Separation, Construction (050-9065-431.61-01) and direct payment in the amount to \$4,039.42 to Stock Realty & Auction Company.

ACTION TAKEN: _____

Agenda Date: 10/14/2014

Agenda Number: 25

Attachments: Robinson Surplus Property Map, K-1415-48.pdf

Project Manager: Leah Messner, Assistant City Attorney

Entered by: jayme.rowe@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1415-48

Body

BACKGROUND: The City of Norman acquired 53 parcels of property from Fall of 2008 to Spring 2009 for the construction of the Robinson Street Underpass Project. Subsequent to the completion of the underpass, the City Manager requested that city staff evaluate the existence and marketability of remnants of previously acquired property within the project area that, while necessary for project construction, no longer are useful to the City and thus could be considered surplus property. Staff identified two potential parcels of surplus property (labeled on the attached map as Parcel A and Parcel B).

Parcel A, consisting of 0.93 acres, is bounded by Robinson Street to the south, Dale Street and single-family

homes to the north, Fay Avenue and single-family homes to the east, and Stubbeman Avenue to the west. The only access to this property is from Dale Street. Parcel B, consisting of 0.35 acres, is bounded on the north by Robinson Street, on the south by Hayes Street, and single-family homes, on the east by Stubbeman Avenue, and on the west by undeveloped land zoned C-2 and the railroad tracks.

The City Council Community Planning and Transportation Committee met on December 17, 2012 to discuss this topic. At that meeting, the Committee recommended that the City of Norman move forward with the sale of these parcels. The first step in that process was to acquire written permission for the sale from the Right-of-Way Division Chief for the Oklahoma Department of Transportation ("ODOT") as required by the Right-of-Way, Utility, and Encroachment Agreement between the City of Norman and ODOT for the underpass project. ODOT sent a letter, dated June 10, 2013, giving written permission for such a sale.

Following approval from ODOT, City Council declared the property surplus via Resolution R-1314-12. Under Chapter 8, § 8-301 of the City of Norman Code of Ordinances, Council must declare "any supplies, materials, or equipment" as surplus prior to the sale of such items if their value exceeds one thousand dollars. Subsequent to this declaration by Council, the property may then be sold through competitive bidding at a public auction that is conducted either in person or online. City Council adopted Resolution R-1314-12 on July 23, 2013 declaring the property surplus.

After Council declared the parcels to be surplus, the parcels were then offered back to the person or persons from whom the property was acquired or those persons' heirs pursuant to Title 27, Section 17(A) of the Oklahoma statutes. One couple, Garold and Brenda Knight, chose to purchase their parcel back from the City of Norman. The purchase price for that parcel is \$6,637.89 determined by applying the acquisition price per square foot to the square footage of the remaining remnant. Their parcel is one of the residential lots comprising Parcel A located on the north side of Robinson Street. The attached map shows the remaining portions of the residential lots that comprise Parcel A.

Because the remainder of the original owners opted not to purchase their remnants back, the parcels may then be sold for cash to the highest bidder after notice by publication pursuant to Title 69, Section 101(C) of the Oklahoma statutes. The City of Norman entered into Amendment No. 1 to Contract No. K-1213-122 to allow Stock Realty and Auction Company to auction this surplus real property. Stock Realty and Auction Company held a public auction in the Multi-Purpose Room of City Hall on September 25, 2014. This item and two other companion items seek Council's approval to consummate the sale of the surplus property associated with the Robinson Street underpass project.

DISCUSSION:

Parcel A consists of five tracts. Prior to their acquisition for the Underpass Project, these tracts were larger and had houses located on each tract. Because of the construction of the Underpass, the amount of surplus land in each tract is less than was originally acquired by the City of Norman, and the houses have been demolished. In addition, AT&T has located fiber optic and copper lines for internet and telephone connectivity diagonally across the tracts as shown in the attached map. The City will need to reserve a utility easement across these tracts when they are sold. Because of the location of this easement, it will be difficult to locate structures on these tracts without relocating the fiber optic and copper lines. The lines are substantial and, for that reason, relocation would be costly. Public Works Department staff estimates that relocation of the fiber optic and copper lines will cost at least \$50,000. In addition, because the tracts are no longer full size platted lots, it will be necessary to re-plat the tracts prior to applying for a building permit.

Parcel B is located south of Robinson Street. Prior to its acquisition as part of the Robinson Street Underpass Project, the parcel had access off of Robinson Street. That access is now closed. Therefore, access to the property is now off of Hayes Street. Hayes Street, west of Stubbeman Avenue, and where the access point to Parcel B is located, is unimproved. For the same reasons as the Parcel A property, the Parcel B property will have to be re-platted in order for a building permit to be issued on the property. Hayes Street will be required to be improved for a re-platting to be approved. Public Works Staff estimates that it will cost approximately \$300,000 to improve Hayes Street to City of Norman standards adjacent to Parcel B.

After the auction was completed, Stock Realty & Auction Company provided purchase contracts and earnest money checks to the City Attorney's Office from the highest bidders. The total sale price of all the auctioned parcels was \$57,706. Garold and Brenda Knight were the successful bidders for Lots 1, 2, and 3. These Lots are 1, 2, and 4 of Block 11 of the Tull's First Addition (Part of Parcel A). They sold for a total price of \$38,300. The Knights have provided an earnest money check in the amount of \$3,830. Alan Selement was the successful bidder for Lots 4 and 5. These lots are Lot 5, Block 11 of the Tull's First Addition (Part of Parcel A) and a tract in Sec. 30-9-2W, Highland Addition and Block 27, Haug Addition (Parcel B). They sold for a total price of \$19,406. Mr. Selement has provided an earnest money check in the amount of \$1,940.

Stock Realty & Auction Company, pursuant to their Contract with the City, will receive a seven percent commission on the sale at auction (\$4,039.42). If City Council approves the sale of this property, it is anticipated that the property will be transferred by quit claim deed to the purchasers on October 24, 2014 upon payment of the remaining purchase price by the successful bidders.

RECOMMENDATION: If City Council desires to move forward with the sale of these parcels for a net price of \$60,304.47 (bid price less the sales commission to the auctioneer, plus the \$6,637.89 from Mr. and Mrs. Knight's purchase of their original lot), Staff recommends that City Council authorize the City Manager to sign the purchase contracts and to execute the quit claim deeds upon receipt of the remaining purchase price for each parcel auctioned.

Staff also recommends that City of Norman deposit the total net purchase price (\$64,343.89) for the parcels to the Capital Fund, Sale of Other Property (account 050-0000-392.11-59) and appropriate the same amount to Robinson Railroad Grade Separation Construction (Account 050-9065-431.61-01; Project TR0203) to pay the commission of \$4,039.42 to Stock Realty & Auction Co. and to pay remaining costs for the project.