



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1516-70**

**File ID:** K-1516-70                      **Type:** Contract                      **Status:** Consent Item

**Version:** 1                                      **Reference:** Item 16                      **In Control:** City Council

**Department:** Legal Department                      **Cost:** \$157,992.00                      **File Created:** 10/15/2015

**File Name:** Rhodes Property Purchase                      **Final Action:**

**Title:** CONTRACT K-1516-70: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND MARY A. RHODES REVOCABLE TRUST IN THE AMOUNT OF \$159,560 FOR THE PURPOSE OF PURCHASING REAL PROPERTY LOCATED NORTH OF ACRES STREET AND WEST OF THE BNSF RAILROAD TRACKS TO BE USED FOR FUTURE MUNICIPAL PURPOSES, AND BUDGET APPROPRIATION FROM THE CAPITAL FUND BALANCE.

**Notes:** ACTION NEEDED: Motion to approve or reject Contract K-1516-70 with Mary A. Rhodes Revocable Trust in the amount of \$159,560; and, if approved, authorize the execution of the contract and appropriate \$177,813 from the Capital Fund Balance (050-0000-253.20-00) to Project BP0016, Central Branch Library Project, Land (051-9507-455.60-01).

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 11/10/2015

**Agenda Number:** 16

**Attachments:** K-1516-70 Rhodes contract

**Project Manager:** Kathryn Walker, Assistant city Attorney

**Entered by:** kathryn.walker@normanok.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

### Text of Legislative File K-1516-70

Body

**BACKGROUND:** In 2008, the City identified approximately 7.29 acres contained in 7 parcels generally located north of Acres Street and west of the BNSF railroad tracks as a site for a future Norman Public Library Central branch. That same year, the City, by contract K-0809-58, purchased 1.74 acres of that area that was commonly known as the "Grain Elevator Site" for \$350,000. Design work has been updated for a new library on this site during the last year and the affirmative vote of the citizens of Norman on Ordinance O-1516-5 ("Norman Forward") has provided a source of revenue that will, among other things, support the acquisition of the remaining property for the new central library.

Staff has approached all of the identified property owners over the last several months. An update on these discussions was provided to City Council during an executive session on September 22, 2015. Staff brings

forward Contract K-1516-70 with the Mary A. Rhodes Revocable Trust for approval.

**DISCUSSION:** The parcel owned by the Rhodes Revocable Trust is approximately 0.62 acres of the 5.55 acres remaining to be purchased for the new central library site. It is currently zoned I-1, Light Industrial District. The parcel has no structures on it. The purchase price represents a value per square foot of \$5.90. The Grain Elevator Site was also zoned industrial and it was purchased 7 years ago at \$4.62 per square foot. When the cost of demolishing the granary is considered, the overall cost of the Grain Elevator Site was \$5.93 per square foot.

Contract K-1516-70 requires that the earnest money (\$3,191 or 2% of the purchase price of \$159,560) be paid within thirty (30) days of the Effective Date (December 10, 2015) with closing to occur no later than sixty (60) days from the Effective Date (January 9, 2016). The City will hire an appraiser to conduct an appraisal and environmental review of the property; if, for any reasons, the City deems that the property is unsuitable or if the purchase price is not supported by the appraisal, the City can terminate the contract as long as written notice is provided to the Rhodes Revocable Trust by December 11, 2015.

The City will pay the following closing costs: (1) the City's attorney fees and expenses; (2) the cost of the survey, (3) the premium for the Title Policy, (4) the cost of the environmental audit and report, and (5) one-half of the escrow and closing fees charged by the Title Company.

Revenue bonds will be sold in November or December of 2015 to provide funding for the first phase of Norman Forward projects including this land purchase. In order to provide temporary funding until bond proceeds become available, Staff recommends appropriating \$169,581 (purchase price plus \$4,321 for closing costs and \$5,700 for an environmental assessment) from the Capital Fund balance to the Norman Forward Fund. This amount will be returned once bond proceeds become available.

**RECOMMENDATION:** Staff recommends that 1) City Council approve Contract K-1516-69 with Mary A. Rhodes Revocable Trust in the amount of \$159,560 for the purchase of property for future municipal purposes and 2) City Council appropriate \$169,581 from the Capital Fund balance (050-0000-253.00-00) to the new Central Branch Library Project, Land (BP0016) within the Norman Forward Sales Tax Capital Fund (account number 051-9507-455.60-01).