



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1516-69

File ID: K-1516-69

Type: Contract

Status: Non-Consent Items

Version: 1

Reference: Item 40

In Control: City Council

Department: Legal Department

Cost: \$1,100,000.00

File Created: 10/13/2015

File Name: Purchase of Adbar Property on Acres

Final Action:

Title: CONTRACT K-1516-69: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND ADBAR, L.L.C., IN THE AMOUNT OF \$1,100,000 PLUS CLOSING COSTS FOR THE PURPOSE OF PURCHASING REAL PROPERTY LOCATED NORTH OF ACRES STREET AND WEST OF THE RAILROAD TRACKS TO BE USED FOR FUTURE MUNICIPAL PURPOSES, BUDGET APPROPRIATION FROM THE CAPITAL FUND BALANCE.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1516-69 with Adbar, L.L.C., in the amount of \$1,100,000 plus closing costs; and, if approved, authorize the execution thereof, appropriate \$1,111,950 from the Capital Fund balance (050-0000-253.20-00) to the new Norman Forward Fund Balance, Project BP0016, New Central Library Project, Land (051-9507-455.60-01), established by this Council action.

ACTION TAKEN: _____

Agenda Date: 10/27/2015

Agenda Number: 40

Attachments: Contract - Adbar LLC

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:
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Text of Legislative File K-1516-69

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") which will likely 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-1516-69 with Adbar, LLC for approval.

DISCUSSION: The parcel owned by Adbar, LLC is approximately 4.32 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 is vacant except for a cell tower which is expressly excluded from the sale of the property. The purchase price represents a value per square foot of \$5.85. 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-1516-69 is contingent on approval of the Norman Forward initiative and requires that the earnest money (\$22,000 or 2% of the purchase price) be paid within thirty (30) days of voter approval of the initiative (November 12, 2015) with closing to occur no later than sixty (60) days from the Election Date (December 12, 2015). 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 Adbar, LLC by November 17, 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.

The Norman Forward Sale Tax ("NFST") will go into effect on January 1, 2016. Collections should be received by the City with the March 2016 Oklahoma Tax Commission disbursement. In order to provide temporary funding until NFST revenues become available, Staff recommends appropriating \$1,111,950 (purchase price plus \$6,250 for closing costs and \$5,700 for an environmental assessment) from the Capital Fund balance to the Norman Forward Fund. Once NFST revenue becomes available either through collections or from the sale of Revenue bonds Council will have the option to reimburse the Capital Fund Balance for this Central Library land purchase cost.

RECOMMENDATION: Staff recommends that 1) City Council approve Contract K-1516-69 with Adbar, L.L.C., in the amount of \$1,100,000 plus closing costs for the purchase of property for future municipal purposes and 2) City Council appropriate \$1,111,950 from Capital Fund balance (account number 050-0000-253.00-00) to the new Central Library Project (BP0016) within a new Norman Forward Sales Tax Capital Fund to be established by this Council action (account number 051-9507-455.60-01).