



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1516-65

File ID: K-1516-65

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 29

In Control: City Council

Department: Legal Department

Cost: \$60,291.89

File Created: 10/02/2015

File Name: Purchase of 820 E. Main

Final Action:

Title: CONTRACT K-1516-65: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND ANITA S. FULTON, KENNETH L. SPERRY, AND JERRY S. SPERRY IN THE AMOUNT OF \$60,291.89 PLUS CLOSING COSTS FOR THE PURCHASE OF REAL PROPERTY AT 820 EAST MAIN STREET.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1516-65 with Anita S. Fulton, Kenneth L. Sperry, and Jerry S. Sperry in the amount of \$60,291.89 plus closing costs; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 10/13/2015

Agenda Number: 29

Attachments: K-1516-65

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-1516-65

Body

BACKGROUND: In 2011, the City purchased five properties adjacent and to the south of 820 and 822 E. Main Street that were in the process of being foreclosed. These five properties were in the floodplain and the structures were entirely within the floodway. The properties were purchased using Greenbelt Acquisition Funds. After the purchase, the homes were demolished and sod was installed.

After historic rainfall this past May, the property owners of 820 and 822 E. Main approached the City requesting that the City purchase their property also. Both properties sustained significant flood damage. The structures on both properties are located entirely within the floodway in the Bishop Creek drainage area. Staff presented this issue to the City Council Oversight Committee on June 18, 2015 and received direction to negotiate with the property owners for the purchase of their property. Staff provided an update to City Council during Executive Session on August 18, 2015 and as a result of that discussion, brings forward Contracts K-1516-60 and K-1516-65 for the purchase of 822 E. Main and 820 E. Main.

DISCUSSION: As part of the City's adopted Norman 2025 Plan and Storm Water Master Plan, one of the goals identified was to "protect environmentally sensitive lands that are generally the least suitable for

development, especially flood prone areas” In 2000 City Council began appropriating funds into the Greenbelt Acquisition Fund. Further, in Resolution R-1011-93, the Norman City Council established criteria for prioritizing the use of Greenbelt Acquisition Funds, including the protection, preservation, and restoration of natural flood plains throughout Norman which serve to protect life and property from damage.

Contract K-1516-60 provides for the purchase of 822 E. Main for a purchase price of \$65,000. This is \$5,000 over the appraised value using the Sales Comparison Approach and \$3,400 over the appraised value using the Income Approach. It is within the range discussed with Council during the August Executive Session. The contract calls for a closing by October 23, 2015. The customary closing expenses attributable to the City are estimated to total \$650.

Contract K-1516-65 provides for the purchase of 820 E. Main for a purchase price of \$60,291.89. This represents the same per square footage value as the contract for purchase of 822 E. Main as directed by Council during the August Executive Session. The contract calls for a closing date on or before November 13, 2015. The customary closing expenses attributable to the City are estimated to total \$650.

Following approval of this item, Staff will begin the process of selecting a contractor to demolish the structures and sod the property. It is estimated that this will cost an additional \$10,000 - \$15,000.

Fifteen structures were targeted for buyout as part of the flood mitigation solution for Bishop Creek in the Storm Water Master Plan. With this additional purchase, seven of the fifteen identified properties will have been purchased.

RECOMMENDATION: If it is Council's desire to move forward with the purchase of these properties, it is recommended that the attached Contract be approved. Funding in the amount of \$141,600 is available in Greenbelt Acquisition, Right-of-Way (account 050-9175-452.60-01; project PR0040) for the purchase and demolition of 822 E. Main and 820 E. Main.