

MEMORANDUM OF UNDERSTANDING – Term Sheet  
OKLA. DEPART. OF MENTAL HEALTH & SUBSTANCE ABUSE SERVICES  
("ODMHSAS") and THE NORMAN MUNICIPAL AUTHORITY

June 26, 2018

1. ODMHSAS currently employs approximately 500 people in Norman with a payroll of \$24,460,379.00 annually; spread over multiple properties.
2. City of Norman values ODMHSAS' presence in Norman providing employment opportunities for its citizens and quality mental health treatment facilities for its citizens as well as for the citizens of the State of Oklahoma.
3. ODMHSAS desires to continue its presence in Norman and construct, acquire or otherwise obtain centralized state of the art facilities in order to enhance service delivery to its clientele and produce from future land sales the funds needed to accomplish these facilities.
4. A potential funding source for these facilities could be the sale of ODMHSAS land, for which the following per acre rates were established by values set forth in appraisals (*including a 10% bulk sale discount*) performed by Artman Appraisal Company in July and August of 2017:

a. Sutton Wilderness Land – 157.33 Acres MOL	\$ 22,500/Acre
b. Griffin land north of Robinson – 160 Acres MOL	\$ 87,400/Acre
c. 24 <sup>th</sup> Ave NE & Robinson - 159.73 Acres MOL	\$ 22,500/Acre
5. The City desires to lease, and potentially acquire as set forth herein, certain ODMHSAS land, Griffin Park (north of Robinson – 160 Acres MOL) for recreational facility purposes that is currently leased to City.
6. The City desires to lease, and potentially acquire as set forth herein, certain other land for recreational, and other municipal purposes - land located on southeast corner of 24<sup>th</sup> Ave. NE & Robinson for recreational use – football/softball complex (40 acres).
7. Property Lease & Acquisition Terms (Leases with Potential Option to Purchase)
  - a. Griffin Park (north of Robinson) – 160 acres
    - i. Initial Term: 15 years from effective date
    - ii. Renewal term: at City's option, 15 years from termination of Initial Term
    - iii. Use: Municipal recreational uses, maintenance facility, & related uses
    - iv. Rate: \$500 per acre annually (\$80,000)
    - v. Payment terms: Paid into escrow to be held for future ODMHSAS capital improvement initiative
  - b. SE Corner of Robinson and 24<sup>th</sup> Ave. NE – 40 acres
    - i. Initial Term: 15 years from effective date
    - ii. Renewal term: at City's option, 15 years from termination of Initial Term

- iii. Use: Municipal recreational uses & related uses
- iv. Rate: \$205 per acre annually (\$8,200)
- v. Payment terms: Paid into escrow to be held for future ODMHSAS capital improvement initiative

c. Purchase Option

- i. Parties may engage in negotiations for purchase of ODMHSAS lands at any time during Initial Lease Term or Renewal Lease Term of either lease.
- ii. Purchase price(s) based on Artman appraisal as set forth in Paragraph 4 herein (increased by 2% per each full year following the commencement of both leases herein) or a re-appraisal by Artman requested by either party and at the expense of the requesting party. If Artman is unavailable to appraise the value of the property, the property will be appraised by an appraiser agreed upon by the parties.
- iii. Purchase Option: City to have first right of refusal to purchase properties, or any part, and must exercise its option on or before end of lease term(s) (including any renewal term) with lease payments already made being applied to purchase price. If ODMHSAS is made an offer by a third party or parties for the purchase of any of the properties described above, the City shall have the first right of refusal to purchase said properties at the price offered. Further, if ODMHSAS puts the property out for a RFP before end of lease term(s) (including any renewal term), City shall have the first right of refusal to purchase said properties at the price of the bid selected.
- iv. Seller's request for payment: if ODMHSAS needs the cash or revenue stream that could be generated from this transaction for a capital improvement project related to design, plan, or construct an acceptable treatment facility, then City will accommodate such within a reasonable time following such a request.

d. Cancellation

- i. This Memorandum of Understanding may be terminated by the Department with or without cause upon thirty (30) days written notice to the City of Norman.

e. Other Terms

- i. Terms further documented by separate Lease(s) and Real Estate Acquisition Agreement(s).
- ii. Timeline for completion of lease transaction – on or about June 30, 2018.

- 8. Upon approval of the Term Sheet, the City and the ODMHSAS shall collaborate to outline an appropriate time line in which to move forward with necessary and appropriate approvals and authorizations and implementation steps for the components of the Term Sheet.

**LANDLORD:**

**THE OKLAHOMA DEPARTMENT OF  
MENTAL HEALTH AND SUBSTANCE  
ABUSE SERVICES**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**TENANT:**

**THE NORMAN MUNICIPAL AUTHORITY**

By: \_\_\_\_\_

Title: Lynne Miller, Chairman

Date: June 26, 2018



**ATTEST:**

By: Brenda Hall

Title: Brenda Hall, Secretary