



# Office of the City Manager

## MEMORANDUM OF UNDERSTANDING

Subject: Letter of Intent for Acquisition of Real Estate for single family residential development

This Memorandum of Understanding (the "MOU") is entered into on this 15 day of August 2023, by and between the CITY OF ARKANSAS CITY (hereinafter referred to as "City"), a municipal corporation organized and existing under the laws of the State of Kansas, and Alfredo Sampayo, along with his business partners Mark Teitelbaum, Gordon Hendry, and Rick Cutrera (collectively referred to as "Developer").

### **Background:**

The City owns a parcel of real estate consisting of approximately 7.87 acres located in the Sleeth Addition of Arkansas City, Kansas (the "Property") and agrees to transfer title of this real estate to the Developer. The Developer intends to acquire the Property for the purpose of constructing single family residential housing units.

Tract:

Tract Description: SLEETH ADD 2 PLATS, ACRES 7.87, BLKS 19,20, & 21 & BEG 8 E NE C OR BLK 21, E112, S350, W112, N TO POB & VAC L & K ST & VAC ALLEY S ADJ

### **Principal Terms:**

#### **1. Property:**

The City agrees not to transfer title to the Property or consider offers from other developers during the term of this MOU.

#### **2. Purchase Agreement:**

Within 90 days of the execution of this MOU, the parties will negotiate and execute a definitive Purchase Agreement ("Purchase Agreement"). The Purchase Agreement will incorporate the terms and conditions outlined in this MOU, customary commercial real estate terms, and conditions, representations, warranties, due diligence requirements, governmental approvals (including zoning and land use plans), and a binding financing commitment from a financial institution. The due diligence period shall not exceed 120 days, and the closing shall occur within 30 days after the expiration of this period.

#### **3. Consideration:**

The City, recognizing the potential economic benefits, will transfer title to the Property to the Developer without financial payment. The Purchase Agreement will outline the following considerations:

A. Developer shall commence construction of residential units on the Property within 24 months of the execution of this MOU. The Developer will be responsible to apply for tax rebates and incentives, such as the Neighborhood Revitalization Plan or a project under the Rural Housing Incentive District program.

B. The City shall:

i. Support and make available to the Developer applicable economic development incentives and tax rebates under Kansas or City law, to include providing a housing needs analysis and adopting a resolution for creating a Rural Housing Incentive District.

ii. Assist and support the connection to existing utilities on the Property at no cost to the Developer, subject to Developer meeting program requirements and establishing a binding agreement with the utilities before or upon closing.

**4. Costs:**

Each party will be responsible for its own costs and expenses incurred in connection with the transaction.

**5. Governing Law:**

This MOU will be governed by and construed in accordance with the laws of the State of Kansas, without regard to conflicts of law principles.

**6. Jurisdiction: Service of Process:**

Any legal action arising from this MOU will be brought in the District Court for Cowley County, State of Kansas, U.S.A. Each party consents to the jurisdiction of this court and waives any objection to venue.

**7. Assignment:**

Developer may assign its rights under this MOU to any affiliated entity created for the acquisition purpose. Any successor in interest may not assign its rights without the City's written consent.

**8. Non-Binding:**

This MOU is non-binding and serves as a summary of proposed terms. The parties are not contractually bound except by a Definitive Agreement.

**9. Counterparts:**

This MOU may be executed in counterparts, each constituting an original, and all taken together forming one agreement.

**Acknowledgment:**

If the foregoing terms are acceptable to all parties, please indicate your agreement by signing below.

CITY OF ARKANSAS CITY

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

Printed Name: Randy Frazer

Title: City Manager

DEVELOPER

By: Alfredo Sampayo

Alfredo Sampayo

Sampayo Capital Group – Rural Vision Development

Duly executed and agreed on this 15 day of August 2023.