



City Commission Agenda Item

Meeting Date: August 18, 2023
From: Randy Frazer, City Manager
Item: MOU Sleeth Addition Development

Purpose: A Resolution authorizing the City of Arkansas City to enter into an Memorandum of Understanding with Alfredo Sampayo, his business partners and consolidated development partners, to acquire property and develop a residential housing development on city owned property located in the Sleeth Addition of Arkansas City, KS. **(Voice Vote)**

Background:

The City owns a 7.87-acre parcel located in the Sleeth Addition of Arkansas City, Kansas, known as the "Property." The intent is to transfer the Property's title to the Developer, who plans to develop single-family residential housing units. Skyline Homes in Arkansas City will be the supplier of these units.

Principal Terms:

1. Property:

The City commits not to transfer the Property's title or entertain offers from other developers during the term of the MOU.

2. Purchase Agreement:

Within 90 days of MOU execution, the parties will negotiate and execute a definitive Purchase Agreement ("Purchase Agreement"). This document will encompass terms from the MOU, customary real estate 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 is limited to 120 days, with the closing scheduled within 30 days thereafter.

3. Consideration:

The City will transfer the Property title to the Developer without financial payment. Considerations include the Developer's commitment to initiate construction within 24 months, seek tax rebates and incentives, and adhere to utility requirements. The city will offer support, incentives, and utility connections as detailed in the MOU.

4. Costs:

Each party will bear its own costs and expenses related to the transaction.

5. Governing Law:

The MOU will be governed by the laws of the State of Kansas.

6. Jurisdiction: Service of Process:

Legal actions arising from the MOU will be pursued in the District Court for Cowley County, State of Kansas.

7. Assignment:

The Developer may assign rights under the MOU to affiliated entities for acquisition purposes, subject to City's written consent.

8. Non-Binding:

The MOU outlines proposed terms. Contractual obligations arise through a Definitive Agreement.

9. Counterparts:

The MOU may be executed in counterparts, constituting one agreement.

Attached is a checklist designed for an ideal twelve-month timeline for Brightline Ark City. This timeline covers critical steps from signing the Letter of Intent to finalizing the project's execution.

Commission Options:

- 1. Approve the Resolution
- 2. Disapprove the Resolution
- 3. Table the Resolution for further discussion

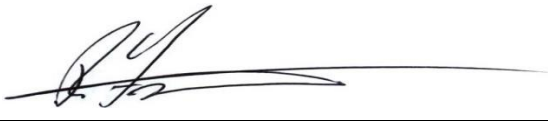
Fiscal Impact:

Amount:

Fund: Department: Expense Code:

Included in budget Grant Bonds Other Not Budgeted

Approved for Agenda by:



Randy Frazer, City Manager