



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 02/27/24

**REQUESTER:** Anthony Purinton, Assistant City Attorney

**PRESENTER:** Anthony Purinton, Assistant City Attorney

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-124: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN AND HIGH FLYER HOLDINGS, INC., IN THE AMOUNT OF \$940,000 FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 5451 HUETTNER DRIVE, PLUS CLOSING COSTS; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY DOCUMENTS ON BEHALF OF THE CITY OF NORMAN TO EFFECTUATE THE TRANSACTION; AND APPROPRIATION OF GENERAL FUND BALANCE.

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### **BACKGROUND:**

City Council has prioritized the identification and purchase of real property to house a permanent emergency overnight/day shelter. After the listing for this property was brought to the City's attention, City Council held an executive session to discuss the potential acquisition of the property on November 21, 2023 and again on December 19, 2023.

### **DISCUSSION:**

This undeveloped parcel of property is approximately 6.17 acres and fronts onto I-35. The property is listed for \$1 million dollars, but a purchase price of \$940,000 was negotiated, which reflects the appraised value of the property.

The property is currently zoned as a Planned Unit Development (PUD), but the City's intended use as an emergency overnight/day shelter would require rezoning on all but property zoned as municipal use. As this parcel is larger than necessary for its intended use, the City anticipates all remaining property not needed for shelter purposes could be put to a different use.

The terms of the purchase and sale agreement include a purchase price of \$940,000. An appropriation of General Fund Balance Account (10-29000) will be required to fund the purchase. Upon approval of the agreement, the City will transfer \$25,000 in earnest money to the closing company, which will be credited to the purchase price at closing. The City will have an inspection period of 60 days, which can be extended by the City for an additional 30 days, if needed. During this period, City can terminate the agreement without penalty for any reason. Closing costs are anticipated to be no more than \$5,000.

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**RECOMMENDATION 1:**

Staff recommends that upon direction, City Council approve an appropriation of \$945,000 from the General Fund Balance (Account 10-29000) to 5451 Huettner Drive, Land (Project BG0093; Account 50193365-46001) to fund the purchase as outlined above.

**RECOMMENDATION 2:**

Staff recommends that upon direction, City Council approve Contract K-2324-124, the Purchase and Sale Agreement to purchase 5451 Huettner Drive for \$945,000 and authorize the City Manager or his designee to execute any documents on behalf of the City of Norman to finalize the purchase at closing.