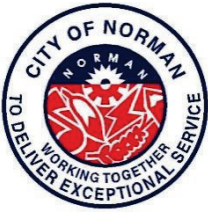


File Attachments for Item:

29. CONSIDERATION OF ADOPTION, APPROVAL, ACCEPTANCE, AWARDED, AMENDMENT, REJECTION, AND/OR POSTPONEMENT OF CONTRACT K-2526-26:
AN INTERLOCAL AGREEMENT FOR PURCHASE OF REAL PROPERTY WITH THE OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES REAL PROPERTY TRUST, TOTALING \$3,306,811.48; APPROPRIATION OF NORMAN FORWARD FUND BALANCE; AND TRANSFER OF NORMAN FORWARD AND CAPITAL PROJECT FUND ALLOCATIONS AS OUTLINED IN THE STAFF REPORT.



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 7/22/2025

REQUESTER: Anthony Purinton, Assistant City Attorney

PRESENTER: Anthony Purinton, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, APPROVAL, ACCEPTANCE, AWARDED, AMENDMENT, REJECTION, AND/OR POSTPONEMENT OF CONTRACT K-2526-26: AN INTERLOCAL AGREEMENT FOR PURCHASE OF REAL PROPERTY WITH THE OKLAHOMA DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES REAL PROPERTY TRUST, TOTALING \$3,306,811.48; APPROPRIATION OF NORMAN FORWARD FUND BALANCE; AND TRANSFER OF NORMAN FORWARD AND CAPITAL PROJECT FUND ALLOCATIONS AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

On October 13, 2015, the citizens of Norman approved a levy and collection of a one-half percent sales tax increase, effective January 1, 2016 through December 31, 2030 (Norman Forward Sales Tax), a portion of which is dedicated to the acquisition of the land underlying Griffin Park, Sutton Wilderness, and Frances Cate Park from Oklahoma Department of Mental Health and Substance Abuse Services ("ODMHSAS" or "Department").

Since 1983, the City has leased the property underlying Griffin Park from ODMHSAS. The original Norman Forward Implementation Plan (May 2016) allocated \$10,000,000 for the acquisition of the Sutton Wilderness and Griffin Park land. After the adoption of Norman Forward, the City discussed purchase of the property with the Department but was unable to reach any agreement for an acquisition. On November 27, 2018 (Contract K-1718-136), the City was able to negotiate a lease (the "Current Lease") with the Department that allowed the City to begin making Norman Forward-funded, permanent capital improvements on the park land with anticipation of a later acquisition by the City.

The Current Lease with the Department provides for an initial lease term of 15 years, with an option to renew for an additional 15 years. Either party can terminate the lease with 6 months' notice, but the City retains a right of first refusal which gives the City the first right to purchase Griffin Park land if the State receives an offer. Furthermore, the Department cannot sell Griffin Park during the initial lease term, unless all of its land in Norman is being sold as part of a single sale. If the State were to sell the property to another buyer, the lease terms would apply to any successor owner (i.e. 6 months' notice for termination would be required). The lease (rental) rate is \$80,000 per year, and per the terms of the lease agreement, payments made by the City

would apply toward the future purchase of the property by the City. Based on the Current Lease terms of 30 annual payments at \$80,000 per payment, the allocation of Norman Forward funds for the acquisition of the Griffin Park land was reduced from \$10,000,000 to \$2,400,000, with the remaining \$7,600,000 re-allocated from the Griffin Park land acquisition to the Senior Wellness Center construction project within Norman Forward (pursuant to Resolution R-1819-110; approved May 14, 2019).

As of June 30, 2025, the City has made \$500,000.06 in lease payments to the Department from proceeds of the Norman Forward Sales Tax, and approximately \$1,900,000 remains allocated to the Griffin Park land acquisition project over the remaining life of the Norman Forward Sales Tax (through December, 2030).

DISCUSSION:

The attached Interlocal Agreement is for the purchase of land underlying Griffin Soccer Park, which is approximately 160 acres of land. The purchase price for the property is \$3,306,811.48, which is the appraised value of the land according to a December 11, 2024 appraisal obtained by the Department. The City's previous rental payments of \$500,000.06 will be a credit towards the total purchase price, leaving an additional \$2,806,811.42 to be provided by the City to the Department at closing. The ODMHSAS will convey the property to the City via a Quit Claim Deed.

The total purchase price (\$3,306,811.48) is proposed to be paid from the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103). \$500,000.06 has previously paid toward the purchase from this account. Funding for the remaining \$2,806,811.42 for the acquisition is proposed to be made available from the following sources:

- \$1,900,000 to be appropriated from the remaining Norman Forward Griffin Park Land Acquisition Project Allocation (Account 51-29001);
- \$220,000 to be transferred from the Norman Forward Fund, Griffin Soccer Park, Construction (Account 51796639-46101);
- \$138,819 to be transferred from the Capital Fund, Strategic Housing Plan, Design (Account 50499950-46201; Project BG0253);
- \$108,718 to be transferred from the Capital Fund, Rural Roads, Materials (Account 50596696-46301; Project SC0696);
- \$100,000 to be transferred from the Capital Fund, General Buildings & Grounds, Design (Account 50193365-46201; Project BG0082);
- \$76,424.85 to be transferred from the Capital Fund, Street Widening, Land (Account 50595552-46001; Project TR0104; \$14,277.14) and Utility Relocation (Account 50595552-46701; Project TR0104; \$62,147.71);
- \$75,000 to be transferred from the Capital Fund, Traffic Signals, Construction (Account 50590076-46101; Project TR0101; \$50,000) and Design (Account 50590076-46101; Project TR0101; \$25,000);
- \$71,252 to be transferred from the Capital Fund, Traffic Signals, Construction (Account 50590076-46101; Project TR0061; \$51,252) and Design (Account 50590076-46101; Project TR0061; \$20,000);

- \$66,000 to be transferred from the Capital Fund, Information Technology Projects, Construction (Account 50195556-46101; Project BG0063);
- \$50,597.57 to be transferred from the Capital Fund, Concrete Valley Gutter, Construction (Account 50590051-46101; Project SC0654)

On Friday, July 11th, City Staff provided a project update to the Norman Forward Sales Tax Citizen Financial Oversight Board, which included an explanation of the above-mentioned funding sources for the acquisition. Feedback from the Board members in attendance was positive as to the proposed use of \$2.4 million in Norman Forward funds for the acquisition, which is the total amount of rental payments that would have been paid under the lease agreement. CFOB Members were also receptive to the use of the remaining Norman Forward Griffin Soccer Park construction project allocations for the land acquisition. The Board was concerned with the potential negative impact on the cash flow availability for ongoing and future pay-as-you-go Norman Forward projects, as the land acquisition is now to be made in Norman Forward funds to be made available immediately, rather than over the remaining years of the Norman Forward Sales Tax.

RECOMMENDATION 1:

City Staff recommends approval of Contract K-2526-26 for the purchase of land underlying Griffin Community Park from the Oklahoma Department of Mental Health and Substance Abuse Services Real Property Trust.

RECOMMENDATION 2:

Staff further recommends the appropriation of \$1,900,000 in available Norman Forward Fund balance (account 51-29000) to the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103).

RECOMMENDATION 3:

Staff further recommends the re-allocation (transfer) of \$220,000 within the Norman Forward Fund, Griffin Soccer Park, Construction (Account 51796639-46101; Project NFB101) to the Norman Forward Fund, Griffin Soccer Park, Land (Account 51794442-46001; Project NFP103).

RECOMMENDATION 4:

Staff further recommends the re-allocation (transfer) of \$686,811.42 from the Capital Improvement Projects Fund to the Norman Forward Fund, Griffin Community Park Land Acquisition Project (Account 51794442-46001; Project NFP103), as detailed in the Discussion.



OKLAHOMA
Office of Management
& Enterprise Services

**Real Estate and Leasing Services
Interlocal Cooperative Agreement**

This INTERLOCAL COOPERATIVE AGREEMENT (the "Agreement") is made and entered into this ____ day of _____ 2025, between the **City of Norman, Cleveland County, OK** a political subdivision organized and existing under the laws of the State of Oklahoma, the Buyer, and the State of Oklahoma, **Department of Mental Health and Substance Abuse Services Real Property Trust, the Seller**, an agency of the State of Oklahoma.

RECITALS

WHEREAS, the Oklahoma Department of Mental Health and Substance Abuse Services was created as an executive branch agency, organized and existing pursuant to Title 43A, Oklahoma Statutes, Section 2-101 with a Real Property Trust established pursuant to Title 43A, Oklahoma Statutes, Section 2-111 and Title 74 Oklahoma Statutes, Section 1003 (A)(3) (DMHSAS Trust); and

WHEREAS, City of Norman, Cleveland County, OK (City) is a political subdivision as defined in Title 74, Oklahoma Statutes, Section 1003 (A)(1), for the purposes of entering into agreements authorized by the Interlocal Cooperation Act; and

WHEREAS, Title 74, Oklahoma Statutes, Section 1008 authorizes public agencies to enter into agreements with each other to perform any governmental service, activity, or undertaking that the public agencies are authorized by law to perform; and

WHEREAS, the DMHSAS Trust owns a 156-acre tract of land lying in and being a part of Section 20, Township 9 North, Range 2 West of the I.M., Cleveland County, Oklahoma and more particularly described on the attached Exhibit "A" together with all fixtures and improvements, and all appurtenances thereunto belonging, subject to any plat or use restrictions, rights of way and utility easements of record; and

WHEREAS, the property is surplus to the needs of DMHSAS, and the Oklahoma State Legislature has authorized DMHSAS to sell the Property and use the funds to contribute to the construction of a new mental health facility to serve Oklahomans; and

WHEREAS, the City currently leases the Property and utilizes the property to provide public services which include, but are not limited to, Griffin Community Park, a City water well, and a youth sports complex used by the citizens of Norman and others offering services that are used in combination with the existing infrastructure;

WHEREAS, the City desires to purchase the Property to enable the City to continue to provide these and/or other services;

NOW, THEREFORE, BE IT RESOLVED, that in consideration of the mutual agreements and conditions herein described, the parties agree as follows:

1. The DMHSAS Trust shall sell the Property to the City for a sum of three million, three hundred six thousand, eight hundred eleven dollars and forty-eight cents (\$3,306,811.48).

2. Responsibilities of the City

The City agrees to accept and buy the Property described herein, on the following terms and conditions:

- a. Purchase Price. This is a CASH TRANSACTION; the Purchase Price is three million, three hundred six thousand, eight hundred eleven dollars and forty-eight cents (\$3,306,811.48).
- b. Closing, Funding and Possession. The Closing process includes the City's due diligence, the parties' execution of documents, and receipt of funds by DMHSAS and shall be completed on or before _____. ("Closing Date") or not later than thirty (30) days thereafter caused by a delay of the Closing process. Possession shall be by Quitclaim Deed and transferred after Closing unless otherwise provided for. The City shall pay Closing fees, any recording fees, and all other costs associated with the purchase. All funds shall be payable by City to DMHSAS Trust at Closing OR OSDMHSAS, and shall be paid either by cashier's check or wire transfer. Said funds to be directly deposited into the _____ as required by O.S. _____. \$ ____.
- c. Rental Payments as Credit at Closing. Pursuant to the terms of the current lease agreement between the Buyer and Seller, all "Rental Payments", a total sum of five hundred thousand dollars and six cents (\$500,000.06), previously made by Buyer to Seller pursuant to said lease shall be given as credit towards the Purchase Price at Closing. The balance of the Purchase Price shall be paid to Seller at the time of Closing. Upon execution of this Agreement, Buyer's obligation to make rental payments are suspended until Closing or until this Agreement is terminated.

3. Responsibilities of the DMHSAS Trust

- a. The DMHSAS Trust shall convey the Property, less and except all oil, gas and minerals thereunder, to the City via Quit Claim Deed.
- b. The DMHSAS Trust will provide information, if available, to the City as needed until the day of closing.

- c. The DMHSAS Trust will provide access to the Property as needed until the day of closing.
 - d. The DMHSAS Trust shall sign all necessary document(s) associated with the transfer and possession.
4. **Risk of Loss.** Until transfer of possession, risk of loss to the Property, ordinary wear and tear excepted, shall be upon DMHSAS Trust; after transfer of possession, risk of loss shall be upon City. (Parties are advised to address insurance coverage regarding transfer of possession prior to Closing.)
 5. **Execution.** This Agreement may be executed in multiple copies, each copy of which shall be deemed as an original. The Parties' signature at the end of the Agreement, which includes any attachments or documents incorporated by reference, creates a valid and binding Agreement, which sets forth their complete understanding of the terms of the Agreement. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns. The Agreement shall be executed by original signatures of the parties or by signatures as reflected on separate identical Agreement counterparts (carbon, photo, or other electronic copy). The parties agree that as to all aspects of this transaction involving documents an electronic signature shall have the same force and effect as an original signature pursuant to the provisions of the Uniform Electronic Transactions Act, 12A, Oklahoma Statutes, Section 15-101 et seq. All prior verbal or written negotiations, representations and agreements are superseded by the Agreement, which may only be modified or assigned by a further written agreement of City and DMHSAS Trust.
 6. **Amendment.** Amendments to this agreement may only be achieved or permitted by express written agreement of both parties.
 7. **Notice Address.** City of Norman, Cleveland County, OK P.O. Box 370, Norman, OK 73070 (405) 217-77, CityAttorney@NormanOK.gov, 201 W Gray St., Norman, OK 73069.
 8. **Captions.** The captions, titles, and headings contained herein are for convenience of reference only and shall not control the interpretation of any provision hereof.
 9. **Preservation of Defense and Right.** Neither party hereto waives any defenses or rights available pursuant to the Governmental Tort Claims Act at 51 O.S. § 151 et. seq., common law, statutes, or constitutions of the United States or the State of Oklahoma by entering into this agreement.
 10. **Closing.** The closing of this transaction shall occur at a mutually agreed upon location.
 11. **Applicable Law.** This Agreement has been prepared in accordance with the laws of the State of Oklahoma and is to be interpreted, construed and enforced in accordance with the laws of said State. For the purposes of interpretation and enforcement of the provisions hereof, this Agreement shall be conclusively deemed to have been prepared jointly by both City and DMHSAS Trust and not by one party to the exclusion of the other. The venue for any dispute related to this Agreement shall be in Oklahoma County District Court for the State of Oklahoma or the United States District Court for the Western District of Oklahoma
 12. **Whole Agreement.** It is mutually understood and agreed by the parties hereto that this Agreement contains all of the covenants, stipulations and provisions agreed upon by said parties, and no agent or other party to this Agreement has authority to alter or change the terms hereof, except as provided herein, and no party is or shall be bound by any statement or representation not in conformity herewith.

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Signature Pages to Follow

City of Norman, Cleveland County, OK

(Type or print)

**Department of Mental Health and Substance Abuse
Services Real Property Trust**

(Type or print)

By: _____
Stephen Tyler Holman, Mayor

By: _____
(Signature)

ATTEST:: _____
Brenda Hall, City Clerk

_____, **Trust Chair**
(Print name and title)

By: _____
Approved as to form and legality:
Rick Knighton, City Attorney

Date: _____

Date: _____

Legal Description (subject to final survey)

A tract of land being the Southeast Quarter (SE/4) of Section Twenty (20), Township Nine North (T9N), Range Two West (R2W), Indian Meridian (I.M.), in Cleveland County, Oklahoma, LESS AND EXCEPT: A strip, piece or parcel of land lying in the Southeast Quarter (SE/4) of Section Twenty (20), Township Nine (9) North, Range Two (2) West of the Indian Meridian, Cleveland County, Oklahoma. Said parcel of land being described by metes and bounds as follows: Beginning at the Southwest Corner of the Southeast Quarter (SE/4); Thence North along the West line of said Southeast Quarter (SE/4) a distance of 60.00 feet; Thence North 89°40'41" East a distance of 2629.71 feet to a point on the East line of said Southeast Quarter (SE/4); Thence South along said East line a distance of 60.00 feet to the Southeast corner of said Southeast Quarter (SE/4); Thence West along the South line of said Southeast Quarter (SE/4) a distance of 2630.04 feet to point of beginning. Said tract of land containing 156.38 acres, more or less.