



CITY OF NORMAN, OK STAFF REPORT

DATE: 2/27/25

TO: Darrel Pyle, City Manager

FROM: Anthony Purinton, Assistant City Attorney

SUBJECT: Addendum #1 to contract K-2324-94 Disposition and Development Agreement Between the City of Norman Oklahoma and Milestone Property Development, LLC.

BACKGROUND AND DISCUSSION:

The City of Norman received funding under the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, as authorized by the American Rescue Plan Act (ARPA). The City allocated 6.4 million dollars of its SLFRF award to be used for Affordable Housing. On 11/14/23, Norman City Council entered into an Agreement with Milestone Property Development LLC to develop real property located on the NE Corner of Imhoff and Oakhurst for an affordable housing development using a combination of City SLFRF and Low Income Housing Tax Credit (LIHTC) funding.

The attached Addendum #1 extends the time period for closing and construction commencement for an additional sixty (60) days. The extension reflects the additional time that was needed for the Developers to negotiate more favorable terms with their selected tax credit equity partner. With that additional time for negotiation, the Developers were able to secure more tax credit equity, which benefits the overall economic viability of the project. While this additional time was beneficial to the project, it does require that the construction commencement date be pushed back so that the tax credit partnership can be finalized before closing on the property with the City.

RECOMMENDATION:

Staff recommends approval of the Addendum #1 to contract K-2324-94.

CONTRACT ADDENDUM

THIS CONTRACT ADDENDUM, dated the 27th day of February, 2025 (the "Effective Date"), is between the City of Norman, Oklahoma, a municipal corporation ("City"), and Milestone Property Development, LLC, an Oklahoma limited liability company (along with any subsidiary companies or related companies controlled by Milestone Property Development, LLC, or its principals, used for financing or tax credit purposes, "Developer") (City and Developer, together, the "Parties").

WHEREAS, the Parties entered into a Disposition and Development Agreement ("DDA") on November 14, 2023, for the purpose of conveying certain property owned by the City to the Developer and imposing obligations on the Developer related to the development of a low- and moderate-income housing development on that property ("Project"); and

WHEREAS, after extensive negotiations by the Developer to find equity investors and financing providers for the Project, the Parties desire to amend the DDA to extend and clarify completion dates for the Project on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the Parties agreeing to amend their obligations in the existing DDA, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1. Section 4 of the DDA (Construction Timelines), is hereby amended to read as follows:

4. CONSTRUCTION TIMELINES.

Provided that all conditions precedent under this Agreement have been satisfied, construction of the Project shall commence on or before April 30, 2025 ("Commencement Date"), and shall be completed no later than October 31, 2026 ("Completion Date").

SECTION 2. Except as otherwise provided in this Addendum, all of the terms and conditions of the DDA, as amended by the prior adopted addenda, remain unchanged and in full force and effect.

SECTION 3. Capitalized terms not otherwise defined in this Addendum will have the meanings ascribed to them in the DDA, as amended.

[SIGNATURE PAGES FOLLOW]

By: Shannon Stevenson
Shannon Stevenson, Assistant City Manager

Reviewed for form and legality this 27 day of Feb., 2025.


City Attorney

[illegible]

Witness my hand and official seal the day and year above written.

Stacey Parker
Notary Public

My Commission Expires: Nov 14 2025
My Commission Number: 13010468

