



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 01/18/2022

REQUESTER: Haskell Lemon Construction Co. (Jack Lemon)

PRESENTER: Elisabeth Muckala, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2122-79: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, ASSIGNING CONTRACT K-8990-32 WITH HASKELL LEMON CONSTRUCTION COMPANY TO HASKELL LEMON GROUP, L.L.C., AND ASSIGNING ALL RIGHTS AND DUTIES AS "LESSEE" UNDER THE CONTRACT TO HASKELL LEMON GROUP, L.L.C.

BACKGROUND:

On December 1, 1989, the Norman City Council approved Contract K-8990-32, a lease with Norman Asphalt Company, Inc. (hereafter "Norman Asphalt") covering certain property for asphalt manufacturing and sand mining purposes for a term of twenty-six (26) years. Addendum Nos. 1 through 3 to K-8990-32 added another twenty-six (26) year term (the Lease now expires in 2041) and amended the legal description, increasing the size of leased land to 88.735 acres more or less.

Addendum No. 3 to K-8990-32, effective May 8, 2001, also effectuated an assignment of K-8990-32 from Norman Asphalt to Oklahoma Construction Materials, L.L.C. Addendum No. 4, effective December 13, 2005, effectuated a further assignment of K-8990-32 from Oklahoma Construction Materials, L.L.C. to Haskell Lemon Construction Co.

DISCUSSION:

Effective December 31, 2021, Haskell Lemon Construction Co. wishes to sell certain assets to Haskell Lemon Group, LLC, a newly-formed Oklahoma Limited Liability Company. Haskell Lemon Construction Co. thus requests that the City approve an assignment of K-8990-32 to Haskell Lemon Group, LLC in order to perfect its sale of this asset. The Lease language provides that the Lessee may assign its rights and obligations under the Lease only upon consent of the City, which consent may not be unreasonably withheld.

It is City Staff's opinion that substitution of Haskell Lemon Group, LLC for Haskell Lemon Construction Co. in Contract K-8990-32 (including Addendum Nos. 1 through 4) under these circumstances is consistent with the underlying purpose of these Lease. Haskell Lemon Construction Co. has attested to the City that Haskell Lemon Group, LLC shall be managed and

operated by the same personnel that have managed and operated Haskell Lemon Construction Company. There are no rents currently owing from Lessee pursuant to the Lease. The City thus trusts that Haskell Lemon Group, LLC will discharge the Lessee's obligations, and assume the Lessee's rights, under the lease in a matter that fulfills the City's underlying purposes in entering into the Lease.

RECOMMENDATION:

Staff recommends approval of Resolution R-2122-79, which grants written approval for the assignment of Contract K-8990-32 (including Addendum Nos. 1 through 4) from Haskell Lemon Construction Company to Haskell Lemon Group, LLC.