



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 04/12/2022

REQUESTER: Chris Mattingly, Director of Utilities

PRESENTER: Heather Poole, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF LANDLORD'S WAIVER PURSUANT TO CONTRACT K-8990-32: BY AND BETWEEN THE CITY OF NORMAN, HASKELL LEMON GROUP, L.L.C., AND UMB BANK N.A. ALLOWING UMB BANK, N.A., ACCESS TO 4511 SOUTH CHAUTAUQUA AVENUE TO VIEW, SELL AND REMOVE COLLATERAL LOCATED AT THE PROPERTY.

BACKGROUND:

The City of Norman owns property managed by the Norman Utilities Authority, which has had a sand mine and asphalt operation on it since 1984. The Norman Asphalt Company, Inc., entered into a contract with the City of Norman in 1989 to lease the property for twenty-six (26) years to operate an asphalt operation from this location. Addendum No. 1 to extend the lease for another twenty-six (26) years, to 2041, was entered into on June 13, 2000, by the City and Norman Asphalt Company. On April 10, 2001, a Memorandum of Lease (Addendum No. 2) was entered into by the City and Norman Asphalt Company to update and correct the legal description of the land being leased. On May 8, 2001, a Memorandum of Lease (Addendum No. 3) was also entered into by the City and Norman Asphalt Company to update and correct the legal description of the land being leased. An assignment was agreed to on April 27, 2004, where Oklahoma Construction Materials, L.L.C., was assigned Norman Asphalt Company's lease after purchasing its assets and operations. On December 13, 2005, Addendum No. 4 was entered into by the City of Norman and Haskell Lemon Construction Co. where the lease was assigned to Haskell Lemon Construction Co. from Oklahoma Construction Materials, L.L.C. Finally, in January 2022, the City adopted Resolution R-2122-79 assigning the lease to Haskell Lemon Group, L.L.C.

DISCUSSION:

Haskell Lemon Group, L.L.C., was purchased by Superior Bowen on December 31, 2021. The Legacy Infrastructure Group, L.L.C., parent company of both Superior Bowen and Haskell Lemon, entered into a financing agreement with UMB Bank which requires that a Landlord Waiver be entered into that would allow the bank access to the lease property in order to access collateral the Legacy Infrastructure Group, L.L.C., entity, Haskell Lemon Group, used for the financing.

RECOMMENDATION:

Staff recommends that the Landlord Waiver requested by the lender to the City's tenant, Haskell Lemon, be approved.