

RIGHT-OF-WAY AGENT'S REPORT

ACQUISITION

Property Location:

A part of Lot 2

Section

7

T

18N

R

15E

Parcel No.

9

Job Piece No.

26308(04)

R/W Project No.

STP-172A(457)IG

County

Wagoner

NOT SECURED

If estate, indicate status:

Probated

Not Probated

Pending in Court

FEE OWNER(S)

CWP, Inc.

ADDRESS/TELEPHONE NUMBER

Mailing

416 S Memorial Drive

Tulsa, OK 74112

Carl White - 918-835-1330

(OFFICE USE ONLY)

Property finding directions:

Property located at the NE corner of E College St. & N 23rd St.

Registered Agent:

Carl White

Same address as above

Tax ID or SS#

Unknown

Legal Entry Letter Secured

N/A

(Date)

MORTGAGES: (including taxes, assessments and judgments)

None

TENANT (including type, terms and date of lease)

NOT SECURED

N/A

(Date)

Erol Uckan dba Big Sky 40

Commercial Tenant

DO NOT INCLUDE IN CONDEMNATION

1/9/17 - 1/9/18

TENANT RELEASE SIGNED

7500 South Old Hwy 51

Broken Arrow, OK 74014

631-384-2100

The Lamar Companies - encroaching

(advertising sign)

1/1/09 - 1/1/2019

7777 East 38th Street

Tulsa, OK 74145

Sutherland Lumber Co.

(8' x 40' billboard)

3008 W Main Street

Jenks, OK 74037

Automatic Vending, Inc.

vending equipment

C/O Carl White

416 S. Memorial

Tulsa, OK 74112

918-835-1330

THE TENANT WAS GIVEN A PROPERTY RIGHTS BROCHURE

N/A

THE TENANT WAS GIVEN THE RAP BROCHURE AND 90 DAYS WRITTEN NOTICE TO VACATE

N/A

AUTHORIZED NEGOTIATION AMOUNT					OFFER	REVISED OFFER	SETTLEMENT AMOUNT	TENANT OFFER
Original		Revised						
Perp. HE	NA Acre	NA Acre						
Perm R/W	P-9 47403.41 SF	82,764 SF		\$	63,995.00	\$	124,146.00	
UE R/W	NA Acre	NA Acre						
UE R/W	NA Acre	NA Acre						
TCE R/W	NA Acre	NA Acre						
TDE R/W	NA Acre	NA Acre						

TYPE OF FENCE:

Access Control Fence

YES

NO

ODOT to Fence with 5-Wire Barb

YES

NO

ODOT to Fence with Woven Wire

YES

NO

ODOT to Fence Chain Link

YES

NO

Owner Compensated for Fence

YES

NO

CROSS FENCE

None

IMPROVEMENT Commercial building with apartments and a parking lot and "Scooters" sign (no contributory value).

\$

39,494.00

DAMAGES

None

TENANT IMPROVEMENTS

Sutherlands billboard

\$

3,000.00

BUY OUT OFFER TOTAL:

\$

63,995.00

\$

163,640.00

(RND)

\$

3,000.00

Supplemental Housing Payment:

NA

(Owner/Tenant)

R/W ACQ Form 289 Rev. 9/2009

Parcel 9

I certify that all secured agreements, if any, including deeds, easements, claims, or correspondence, embody all considerations agreed upon. The agreement was reached without coercion; promise, other than those shown in the agreement; or threats of any kind; by or to either party. It is understood that the parcels are to be secured for use in connection with a Federal Aid or State Aid highway project and that I have no direct or indirect present or contemplated future personal interest in the parcels or in any benefit from the acquisition of such property and that I made a final title check immediately prior to closing out the negotiations on the parcel.



Pamela Hansel,
Right-of-Way Agent

9-28-18

Date



Sara Wyly, Project Manager

9/28/18

Date

REPORT OF EACH CONTACT

THE PROPERTY OWNER WAS
GIVEN OFFER IN WRITING
AND PROPERTY RIGHTS
BROCHURE

DATE

6/22/16

THE PROPERTY OWNER WAS
GIVEN RAP BROCHURE

DATE

NA

THE PROPERTY OWNER WAS
GIVEN WRITTEN REVISED OFFER
AND/OR SETTLEMENT OFFER

DATE

Lists dates and places of contacts, persons contacted (by phone, in person or by mail, persons present, offer made, counter offer, amount asked by owner), reasons settlement could not be reached any additional information that have any bearing on the settlement or condemnation.

DATE

10/9/15	UFS prepared and mailed, (certified, return-receipt requested) the NOI to the property owner.
10/22/15	UFS received the green card indicating that the property owner received the NOI on the 22 nd of October.
10/29/15	UFS mailed an Opportunity Letter to the property owner.
11/3/15	UFS in receipt of the green card indicating that the property owner received the Opportunity Letter on the 2 nd of November.
6/3/16	This property consists of 1.09 acres of land, (47,403.41 square feet) and is a total acquisition of the land and improvements. UFS received the Appraisal, Offer Letter and Summary Statement of Just Compensation stating the negotiated amount to be \$63,995.00. The value of the land is based on \$1.35 per square foot and the appraiser notes that the building and parking lot have no contributory value. Note: The appraiser notes that there are two outdoor advertising signs reportedly located respectively at the NW and SE corners of the property. However, he continues with a statement that after an analysis of the property, survey of aerial photography and checking the legal descriptions, neither sign is on the subject property, but rather in the existing right-of-way.
6/9/16	This parcel was assigned to UFS acquisition agent, Pam Hansel.
6/17/16	<u>I performed an on-line title search and found that title to this property is in the name of CWP, Inc. a corporation.</u> No liens of records were discovered in the search. The appraiser notes that the contact person is Carl White at 416 S Memorial Drive in Tulsa. He can be reached at 918-835-1330 or 918-313-8309.
6/21/16	I called Mr. White and arranged to meet with him on the 22nd at 4:00 to present him with the offer. Time spent on phone call: 2 minutes
6/22/16	4:00 – 4:40, Carl White I met with Mr. White as arranged. He was aware of the project and the need to acquire his entire property for the road improvements along 23rd Street. I presented him with the offer in the amount of \$63,995.00. I explained the documents in the offer packet in that there's a copy of the plot plan and right-of-way map, and a brochure that describes the steps that the City followed in order to present him with the offer and the steps involved should we not be able to negotiate a settlement and the file proceeds through condemnation. Additionally, I explained: the donation statement verifies whether or not he wishes to donate the land which is his legal right, that title will be transferred by way of a warranty deed and in addition to the deed, he will sign a right-of-entry at the time of closing stating that he gives permission to the City and their representatives to enter the property to commence with the improvements. Also included in the packet is a copy of the questionnaire of which no changes had been made since he signed it for the appraiser; a hazardous materials statement and a demographic statement. The demographic statement can be completed and mailed in the envelope provided or not, at his discretion. Also included is a tenant information form of which I will need information as to any and all tenants on the property, a signatory form that will need to be completed identifying who has the authority to sign on behalf of the corporation. (As to the corporation, I explained that we will need a copy of the statement identifying who that person is.) Mr. White confirmed that they have no mortgages on the property and I explained that we will also require the corporation's tax identification number for payment processing. Mr. White hand wrote a request for a copy of the appraisal of which was provided to him. He also stated that he's an

JOB PIECE	26308(04)
PROJECT	STP-172A(457)IG
COUNTY	Wagoner
PARCEL	9
OWNER	CWP, Inc.

DATE:	REPORT OF EACH CONTACT	PAGE 2 of 5
	appraiser himself and feels the value of his corporation's property is considerably low. He will be working on a counter offer. Time spent with owner: 40 minutes Mileage: 14 miles	
7/21/16	I forwarded a request for property tax information to the Wagoner County Treasurer's office.	
7/28/16	I called and left a message for Mr. White to inquire as to whether or not he has had an opportunity to determine a counter offer.	
8/1/16	Called for Mr. White and was informed that he is out of the country for at least the next two weeks.	
8/3/16	In receipt of the of property tax information for this property. The Treasurer's office notes there are no delinquent taxes due and they estimated the 2016 ad valorem taxes in the amount of \$765.00.	
8/11/16	I received a call from the property owner, Mr. White. He will be researching land values in the area of this property in order to calculate a counter offer. He indicated that he's going to lose rent from tenants, he has a vending machine company on site and a billboard that he needs to take into consideration when determining how much the counter offer will be. We agreed that we would get back in touch within the next couple of weeks. Time spent on phone call: 5 minutes	
9/29/16	I called for the property owner and was informed that he's out of town until Monday, the 3 rd of October.	
10/3/16	I called for Mr. White – he was not available.	
10/4/16	I called for Mr. White – he was not available.	
10/5/16	I called and talked to Mr. White. He informed me that he had been out of town and not had a chance to meet with his associate who's been in the process of researching property values in the area of the project. He will try to have some answers by the end of the week or sometime next week and will give me a call as soon as he can. Time spent on phone call: 5 minutes	
11/16/16	Follow-up call to Mr. White. He's still working with his accountant and a Realtor to obtain information for preparing a counter offer. He asked about a time-line and I informed him that at this time, I haven't been given one. I explained that even though I don't have a schedule, I will continue to check with him occasionally. He reminded me that he has a tenant on the property, including an outdoor advertising company for a billboard and he receives income for several vending machines, none of which were included in the appraisal. He also mentioned that ten years ago he was offered twice the City's offer for his property. I told him that if I haven't heard from him by the middle or end of December, I will get in touch again. Time spent on phone call: 5 minutes	
1/4/17	I called and talked to Mr. White. Once again he is not ready to provide a counter offer. He's scheduled to be out of the country again through January (leaving in the next couple of days). I explained that I will get in touch with him the end of January; however I also explained that I cannot wait any longer for the counter offer if I don't have it by the end of the month. At that point, I will assume he prefers to proceed through condemnation, will mail out the first Notice to Condemn and process the file accordingly. He indicated that his appraiser/Realtor only needs to summarize his findings of property values and if it's available before he leaves the country or while he's gone, he will have this person get the information to me himself. His primary issue is that the appraiser neglected to place a value on his property based on the income approach; the appraiser having used the market approach to determine the FMV of which he disagrees. He's also concerned about his tenants and their compensation and I assured him that the relocation agent will be working with the tenants. I also commented that although I haven't pressured him for the counter offer because I don't have a closing schedule, I cannot wait any longer after the end of this month. More than likely, this file will proceed through the condemnation process and he appears acceptable to this procedure if for no other reason but to delay closing. He stated that he had heard the City doesn't have the money to continue with this project so why should he provide a counter offer. I explained that I've already closed two parcels and have not been told that the project has been delayed with regards to the acquisition process. I said that it could very well be the case that once the right-of-way has been acquired, the construction may not take place for a couple more years. That's not particularly uncommon; however, for now, I must continue negotiations. He asked if that's the case, what happens to the structures, buildings once the parcel has been purchased. I told him that everything would be demolished; they wouldn't leave the buildings and such standing vacant for a long period of time. In closing, I will get in touch with him the end of January and depending on what he has available for me at that time with regards to a counter offer, will forward his first notice to condemn the property. Time spent on phone call: 10 minutes	

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1/20/17	Mailed the 1 st notice requesting a counter offer no later than February 1, 2017. The notice also states that if settlement cannot be reached by February 28, the file will be forwarded to the City for condemnation.	
2/2/17	I received a call from the property owner, Carl White, that his counter offer is available. We arranged for me to pick it up at his office this afternoon. I drove out to his office. He provided me with a copy of an appraisal report as the counter offer prepared by his company, CWP, Inc. The amount of the counter offer is \$1,112,420.00. He cites several items for the large increase, specifically: the City's appraisal does not consider a loss of income, he did not use the income approach in appraising the property and the sales data is old. Mr. White is of the opinion that the City should adjust their appraisal to co-inside with his appraisal and therefore adjust the FMV. I explained that this is unlikely however I assured him that the City and ODOT will review his appraisal before suggesting a settlement offer in return. We also discussed condemnation in case a settlement cannot be reached. He's very familiar with condemnation and is not concerned about proceeding through this channel if that's the direction this transaction takes. I told him I would get in touch with him once I have a response from the City. Time spent with owner: 10 minutes Mileage: 14 miles	
2/6/17	I forwarded the counter offer to the project manager today.	
2/14/17	Carl White called to follow-up on the status of his counter offer. I told him that I hadn't heard from the client however will give him a call just as soon as I hear from them. He stated that he's going to be out of the country again for several weeks and that I may hear from Norris Streetman while he's gone. Time spent on phone call: 3 minutes	
3/14/17	I received a call from Norris Streetman. He stated that he doesn't understand why the appraiser didn't use the income approach when appraising this property. He also mentioned that 4 years ago when they met with the engineer on this project, they were told that their entire property would be purchased which is just less than 4 acres (3.87 to be exact according to the tax assessor). This acquisition is for 1.09 acres. By acquiring only a portion of their property, this completely destroys the economic value to the entire tract. He also notes that the appraiser didn't even mention their income from the vending machines, rental of the bar or billboards. I suggested he put his thoughts in writing to my attention in an email so that I can relay it to the project manager. Time spent on phone call: 5 minutes	
3/15/17	In receipt of an email from Mr. Streetman. He states the following: A couple of things that concerns me about this offer you proposed are two things I beg to differ with you on. Here are the following two(2) items in dispute: 1. Acquiring the tract you want completely destroys the economic value to the entire tract and in that case you should be liable for the that cost and damages. The simplest thing to do is acquire the entire tract owned by CWP 3.87 acres or 168,577.20 square feet (\$227,579.22), not the 47,403.41 square feet of land, the heart of the tract you offered to buy at a \$1.35 per foot or \$63,995. 2. No value of income has been given in the appraisal. The bar which includes rents and billboards (\$21,050 per year x 8% cap rate = \$277,340) and separate income of the vending (AVI) \$18,340.83 per year x 8% cap rate = \$198,080.90. (look at Exhibit D) I think if reasonable heads prevail the number could be adjusted to reflect these variables which have been addressed herein. The income and it's market value has been attached hereto and made apart hereof. Sincerely yours, Norris Streetman for CWP and Carl White 918-313-8309 Attached to the email is an exhibit providing rental income from the bar, 3 apartment units, two billboards, and vending machines. This information was forwarded to the project manager.	
3/15 cont.	The project manager requested that I forward this information to the review appraiser for his determination before we send it to ODOT.	

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	I forwarded the counter offer material to the review appraiser who responded by stating that the issues are large enough that a new appraisal should be completed. He continues his comments by stating that the previous appraiser (Harold McKenney) did not address the billboards or rental units as noted on the review report. I've reported this information back to the project manager. I also informed the relocation agent Amanda Murrell of AVI's possible interest as a tenant on this parcel being the owner of vending machines that will require relocating.	
4/18/17	I received a call from Carl White. He was calling to find out what was happening with his file and mentioned an offer for leasing an area of land on his property about 9 years ago that far exceeds the value of the land in our appraisal. He stated that Norris Streetman is no longer with him and couldn't understand why Norris hadn't provided me with a copy of this proposed lease. I suggested that it's quite different having a lease agreement vs needing to acquire the land for road improvements, ie, there are two separate considerations or objectives for the use of the land and as such both parties could easily have different land values in mind. Also, the letter being 9 years ago, doesn't necessarily mean the value then is the value today. I asked that he give me a couple of days to find out if ODOT's approved the suggestion from the review appraiser to have another appraisal done. He indicated that he wants to settle this transaction. I tried to explain that I'm not the one determining the value. I'm the intermediary between the City of Broken Arrow, ODOT and the property owner. I have nothing to do with determining or arguing values. I also reminded him that we're miles apart in reaching an agreement or settlement, being that his offer is approximately \$63,000.00 vs \$1.1 million dollars. It's more than likely he should discuss his value argument through condemnation. He asked when and who would be doing the new appraisal. I suggested he give me a few days to obtain that information. He said he wants to accompany the appraiser when that person conducts their inspection. I also suggested that he provide the new appraiser with a copy of the proposed lease agreement from 9 years ago. Time spent on phone call: 5 minutes	
4/19/17	I emailed the project manager. I asked if the City/ODOT had decided to prepare another appraisal.	
4/27/17	At this point, there will not be a revised appraisal. The appraiser had been advised to disregard the billboards because they are in public right-of-way. I asked the PM if we should consider a revised appraisal based on the income approach which was not considered in the first appraisal. I contacted Mr. White just to let him know that I hadn't forgotten about him and that I would be in touch as soon as I have any information. Time spent on phone call: 1 minute	
5/18/17	I received a call from Mr. White. I informed him that I hadn't heard back from ODOT or the City as to his counter offer.	
6/28/17	I called Mr. White to let him know I don't have a response on his counter offer.	
8/22/17	I was informed today that there will be no new appraisal prepared on this parcel and the income approach will not be considered for the billboards as they are currently within the right-of-way. I talked to Mr. White and provided this information. I also informed him that we should be hearing from ODOT soon as to a settlement offer. I will give him a call as soon as I have the offer. Time spent on phone call: 2 minutes	
9/13/17	Chad Parsons approved a settlement "up to" \$80,000.00 I called the property owner, Mr. White and presented a settlement offer of \$75,000.00 which greatly angered him. I suggested ODOT would possibly go up to \$80,000.00 however that's their maximum. He was very upset and will proceed through condemnation. I asked if he had an attorney in mind to represent him and he does not. Time spent on phone call: 3 minutes	
9/18/17	<u>I performed an on-line title search and found there had been no changes to the title since the last search.</u> File submitted to the City of BA for condemnation.	

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	Total face-to-face time: 50 minutes Total phone time: 56 minutes Total mileage: 28 miles
1-17-18	Karen Pax emailed Sara Wyly asking if parcel 9 is a total acquisition. Ms. Wyly responded in the affirmative and that the condemnation packet was delivered to the City offices previously. Ms. Pax responded asking Ms. Wyly to call her concerning this parcel. The parcel was discussed and it was determined that a second appraisal would be necessary as the current legal appears to be incorrect.
1-18-18	PM emailed Tom Hendrix asking for approval to proceed with secondary appraisal of parcel 9. Tom responded stating he can give approval but won't a new legal be needed. PM replied back that yet a new legal will be required but the appraiser can begin on the all the pre-inspection work that is necessary. Tom called PM and advised that we need to not enlist appraisal services until we are closer to having a revised legal description.
1-19-18	I called Charles Proctor to ask for a revised legal description. He advised he would contact the City of BA and get back with me.
2-14-18	Tom Hendrix emailed me asking for an update on this parcel. An update was emailed advising that we believe the legal is wrong based off our further review and conversation with Ms. Pax. Mr. Hendrix advised that he would contact the engineer and handle getting a revised legal description.
4-4-18	PM emailed Karen Pax approval to proceed with the appraisal in the bid amount of \$3,500.00.
4-11-18	PM emailed Ms. Pax as a follow up to get approval of the bid amount for the appraisal.
4-23-18	PM emailed Bill Cyganovich with the City of Broken Arrow, he gave the approval to proceed with the second appraisal due to the change in the overall legal description. I provided the approval to Bob Gray to begin the appraisal on parcel 9 and provided Mr. White's contact information. PM advised that we still don't have a revised legal description on this parcel. Mr. Cyganovich advised he would set up a meeting with the engineers and include PM. He will advise of the date asap.
5-9-18	PM met with City of Broken Arrow officials, the engineers and Appraiser Bob Gray. This parcel was discussed and it was determined that the legal description was in fact incomplete. The engineers will have the parcel surveyed and provide a revised legal description of the secondary appraisal.
6-12-18	Karen Pax with the City of BA provided the revised legal description based on the survey completed by the engineering firm. The Sutherlands billboard is 50% in proposed r/w, the remaining being in existing r/w. The Lamar billboard is 100% in existing r/w. PM forwarded it to Bob Gray to include in his appraisal report.
6-15-18	PM received the appraisal report from Bob Gray in the amount of \$164,000.00 with \$3,000.00 payable to the tenant Sutherland's for the amount of \$3,000.00. The appraisal was forwarded to Review Appraiser Mark Franklin.
7-18-18	PM received the appraisal review from Mark Franklin in the amount of \$163,650.00 for the landowner and \$3,000.00 to Sutherlands for the tenant owned billboard improvement.
7-25-18	PM emailed over the owner and tenant offer letter to the City of Broken Arrow for signatures.
8-3-18	The offer letters were picked up from the City of BA and both were mailed certified to the owner and tenant.
8-10-18	PM spoke with Carl White and he verified that he is firm in his original counter offer of \$1,000,000.00. He advised UFS to not call him again until the City is close to that number.
8-10-18	PM called and spoke with Marci Swartz of Sutherlands. Ms. Swartz is going to check status and return PM's call with an update.
8-20-18	PM again called and left a voice message for Ms. Swartz with no response.
9-3-18	PM again called and left a voice message for Ms. Swartz with no response.
9-14-18	PM called for Ms. Swartz, she was not available.
9-24-18	PM called Marci Swartz. Ms. Swartz advised that she needed to talk to the owners and then be back in touch with me. PM advised that we have run out of time and the file will have to go to the City with a recommendation of condemnation but if we could reach an agreement in the very near future then they could be excluded from the proceedings. She understood and said someone will be in touch soon.
9-28-18	There has been no further contact from Sutherlands. A condemnation notice was mailed to Mr. White and Sutherland's.
9-28-18	The file was returned to the City of Broken Arrow to begin condemnation proceedings. RECOMMEND CONDEMNATION.