



City of Broken Arrow

Request for Action

File #: 19-543, Version: 1

**Broken Arrow Economic Development Authority
Meeting of: 05-07-2019**

Title:

Consideration, discussion, and possible approval of Resolution No. 1215, a Resolution of the Broken Arrow Economic Development Authority approving and authorizing an Agreement for the purchase and sale of real property, approximately 1.775 acres, located near the Creek Turnpike and West of Aspen Avenue, in Broken Arrow, Oklahoma, Tulsa County, Oklahoma; and authorizing the Authority to sell such property in the sum of four hundred and sixteen thousand dollars (\$416,000); to effect such sale; designating representatives of the Authority for purposes of granting certain approvals and executing certain instruments as required under and in connection with said Agreement for the purchase and sale of real property; and containing other provisions relating thereto

Background:

The Authority owns unencumbered fee title to certain lands within the City, portions of which are suitable for construction located North of the Creek Turnpike and west of Aspen Avenue. Said lands being acquired in 2009, consisting of 25.48 acres of real property, and purchased for the sum of \$1,390,609.35. On January 2, 2018, Broken Arrow Economic Development Board unanimously approved selling 14.1569 acres located north of the Creek Turnpike and West of Aspen Avenue for the sum of \$1,000,000, said purchase price being supported by an updated appraisal dated October 28, 2017, prepared by John Story III, an Oklahoma State Certified General Appraiser, to SoundMind Behavioral Health Hospital, LLC. During negotiations, representatives of SoundMind requested the right of first refusal on 1.775 acres of Authority owned land located north of the 14.1569 acre property. Article IV, item 4.4 in Resolution NO. 1079 - Corrected, states; The Authority hereby grants SoundMind a right of first refusal to purchase Lot 1, Block 1, Aspen Creek Towne Center I for a period of ten (10) years from the effective date of the Agreement.

In October 2018, Broken Arrow Economic Development Manager Norman Stephens was contacted by Curtis Hesser, Real Estate Agent for Carr Healthcare Realty. Mr. Hesser had a client (Mr. Drew Endicott, DDS) who was interested in purchasing the 1.775 acres of Authority owned land. Mr. Stephens provided information to Mr. Hesser, including the right of first refusal controlled by SoundMind.

On April 16, 2019, Mr. Hesser provided the Economic Development Manager with a Letter of Intent to Purchase approximately 77,310 RSF for the purchase price of \$386,500.00. Included in the Letter of Intent was a Broker Commission of 4% of the total purchase price to be paid to CARR by seller at closing. After additional negotiations, Mr. Hesser provided the Economic Development Manager with a Letter of Intent to Purchase in the amount of \$416,000.00. Included in the Letter of Intent was a Broker Commission of 4% of the total purchase price to be paid to CARR by seller at closing.

It is the intent of the buyer to locate Endicott Dental Office on the property. During the negotiations, SoundMind provided written notification that they will not be pursuing their first right of refusal and thus, will not be purchasing the property.

Staff recommends that the Authority authorize the sale of the property to Mr. Endicott in the sum of \$416,000.00.

Cost: Closing Cost

Funding Source: N/A

Requested By: Trevor Dennis, City Attorney

Approved By: City Manager's Office

Attachments: Resolution No. 1215
Purchase and Sales Agreement

Recommendation:

Approve Resolution No. 1215 and authorize its execution.