

**SPECIAL MEETING OF THE  
MIDWEST CITY MEMORIAL HOSPITAL  
AUTHORITY AGENDA**

City Manager's Conference Room, Second Floor, City Hall,  
100 N. Midwest Boulevard

December 22, 2016 – 3:30 PM

Special Assistance requests – [tcoplen@midwestcityok.org](mailto:tcoplen@midwestcityok.org) or 739-1002. (Please provide no less than 24 hours' notice) Special assistance request during a meeting call 739-1388.

- A. CALL TO ORDER.
- B. DISCUSSION ITEMS.
  - 1. Discussion and consideration of approving and entering into a Preliminary Development Agreement with Sooner Investment Group, Inc. in an amount up to \$375,000 to be applied directly toward necessary or appropriate costs associated with Sooner Investment Group, Inc.'s redevelopment of the land near the northeast corner of Sooner Rd and SE 15th Street. (City Manager - G. Henson)
- C. ADJOURNMENT.



## ***Midwest City Memorial Hospital Authority***

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Midwest City, Oklahoma 73110  
(405) 739-1207 Fax (405) 739-1208 TDD (405) 739-1359  
E-mail: GHenson@MidwestCityOK.org

J. Guy Henson  
*General Manager/  
Administrator*

*Trustees*

Jay Dee Collins  
Daniel McClure Jr.  
Richard R. Rice  
Rick Dawkins  
James Ray  
Christine Allen  
Jeff Moore

*Board of Grantors*

John Cauffiel  
Charles McDade  
Glenn Goldschlager  
Marcia Conner  
Beverly Young  
Nancy Rice  
Sherry Beard  
Pam Hall  
Pam Dimski

### MEMORANDUM

TO: Honorable Chairman and Trustees

FROM: J. Guy Henson, General Manager/Administrator

DATE: December 21, 2016

SUBJECT: Discussion and consideration of approving and entering into a Preliminary Development Agreement with Sooner Investment Group, Inc. in an amount up to \$375,000 to be applied directly toward necessary or appropriate costs associated with Sooner Investment Group, Inc.'s redevelopment of the land near the northeast corner of Sooner Rd and SE 15th Street.

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Please see attached Preliminary Development Agreement.

Staff recommends approval.

J. GUY HENSON  
General Manager/Administrator

Attachment

**PRELIMINARY DEVELOPMENT AGREEMENT**  
**(Southeast 15th Street and Sooner Road)**

**THIS PRELIMINARY DEVELOPMENT AGREEMENT**, dated as of December 22, 2016, is made and entered into by and between the Midwest City Memorial Hospital Authority, an Oklahoma public trust (the “Authority”), and Sooner Investment Group, Inc., an Oklahoma corporation (the “Developer”).

**WHEREAS**, the Authority was created as a public trust under the provisions of Title 60, Section 176 et seq. of the Oklahoma Statutes (the “Public Trust Act”), with the City of Midwest City, Oklahoma (the “City”) as the beneficiary thereof and as such, is the duly constituted authority of the City and an agency of the State for public purposes under provisions of the Public Trust Act; and

**WHEREAS**, the purposes of the Authority are, in part, to promote economic and community development, within and without the territorial limits of the City, and to promote additional employment which will benefit and strengthen the economy of the City and the State of Oklahoma; and

**WHEREAS**, the Developer has acquired an option to purchase certain real property within the City described on Appendix “1” attached hereto (the “Project Site”) and proposes to construct and develop a mixed use commercial center, to be known as the “Sooner Rose Project, Phases Two and Three”, in and on a part of the Project Site (the “Project”); and

**WHEREAS**, the Developer has requested development financing assistance from the Authority to defray the costs of certain site, street, utility infrastructure and other improvements to the Project Site; and

**WHEREAS**, the Developer has the professional ability and expertise to construct and operate a retail and commercial development and that such development will enhance and improve economic growth and development of commerce in the City; and

**WHEREAS**, the Authority has concluded its independent assessment of the plan of development proposed by the Developer and has determined that the redevelopment of the property as proposed by the Developer is feasible; and

**WHEREAS**, the City would greatly benefit from the redevelopment and gentrification of that property and the introduction of the additional retail and commercial interests into the city's stream of commerce.

**NOW, THEREFORE, IN CONSIDERATION** of the mutual covenants and agreements contained herein, the Authority and the Developer hereby agree as follows:

**SECTION 1.** Subject to the terms hereinafter set forth, the Authority hereby agrees to make development financing assistance available to the Developer in the amount not to exceed Three Hundred Seventy-Five Thousand and No/100 Dollars (\$375,000.00), said sum to be

utilized exclusively for costs incurred by Developer directly associated with the Predevelopment Activities (defined below) and costs incurred in acquiring the real property described on Appendix "1" or any interest therein, including, without limitations, the costs of investigating, researching, curing title or expenses incurred in acquiring such property (collectively, the "Predevelopment Contribution"). Not more than twice per month, Developer shall submit written invoices for Predevelopment Activities to the Authority (each, a "Contribution Request") identifying the Predevelopment Activities completed and the costs directly incurred associated therewith. The Authority shall pay the Predevelopment Contribution to Developer, or directly to the payee identified in the Contribution Request, in the amount set forth in the Contribution Request within fourteen (14) days of receipt of the Contribution Request. Provided, however, the Authority's obligation to pay the Predevelopment Contribution shall in no event exceed the amount of funds set forth in this Section.

**SECTION 2.** In exchange for such financing assistance, the Developer agrees to promptly commence good faith negotiations with representatives of the Authority and the City in the drafting and execution of a definitive Development Financing Assistance Agreement, by and among the Authority, the City and the Developer, relating to the project. If, after good faith negotiations for a period not to exceed one hundred eighty (180) days, the parties are not able to enter into a legally binding, written agreement relating to the Project and the amount of the financing assistance that is to be ultimately provided to the Developer, then the Developer shall, within ten (10) business days following the 180-day period, deliver to the City and Authority true and complete copies of all reports, investigations, documents, drawings, surveys and other information associated with Developer's activities as described in Sections 1 and 3 and Appendix "3". In such event, the Authority shall be released by the Developer from any obligation to provide further financing assistance to the Project.

**SECTION 3.** In addition, during such 180-day period, the Developer will provide its best judgment and discretion to develop, plan and execute the redevelopment of the property by continuing to pursue acquisition and development of the property by purchasing the property, rezoning the property, replatting the property and performing such other duties and assuming such other responsibilities as any other developer would undertake to complete a Class A commercial real estate development of this size and as described in Appendix "3" (the "Predevelopment Activities"). The Developer will also take whatever other actions and perform all such other duties, such as marketing the property to local and national retailers and restaurants, that, in the best professional judgment of the Developer, will lead to the successful redevelopment of the property which will enhance and improve commerce and economic development within the City.

**SECTION 4.** As additional consideration and to secure the Authority's interest in the project, the Developer agrees that it will assign those contracts described on Appendix "2" hereto to the Authority so that, in the event the Developer fails to timely repay the amounts advance hereunder, the Authority, at its option, will have the ability to assume the Developer's rights, duties and responsibilities to enable the Authority to complete the redevelopment if it deems it to be in its and the City's best interests.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

Approved and agreed to by the Authority on the \_\_\_ day of December, 2016.

**MIDWEST CITY MEMORIAL  
HOSPITAL AUTHORITY**, a public trust

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Matthew D. Dukes II, Chairman

**ATTEST:**

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Sara Hancock, Secretary

Approved and agreed to by The Developer on the \_\_\_ day of December, 2016.

**SOONER INVESTMENT GROUP, INC.**,  
an Oklahoma corporation

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Robert Stearns, President

Approved as to form and legality this \_\_\_ day of December, 2016.

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City Attorney

## Appendix "1"

### Phase Two

An unplatted part of the Southwest Quarter (SW/4) of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, more particular described as follows:

Beginning at the Southwest Corner of said SW/4, thence east for a distance of 594 feet; Thence, north for a distance of 660 feet; Thence, east for a distance of 585 feet; Thence, north for a distance of 660 feet; Thence, south for a distance of 1320 feet to the South line of said Section 4; Thence, west for a distance of 1245 feet to the Point or Place of Beginning, less and except the south 33 feet of the described parcel dedicated as street right-of-way. Said tract containing 28.8636 acres, more or less (27.92 minus the 33-ft. roadway dedication).

### Phase Three

An unplatted part of the Southeast Quarter (SE/4) of the Southwest Quarter (SW/4) of Section Four (4), Township Eleven (11) North, Range Two (2) West of the Indian Meridian, Oklahoma County, Oklahoma, more particular described as follows:

Beginning 330 feet north of the Southeast Corner of the SW/4 of said Section 4; Thence west 396 feet; Thence, north 440 feet; Thence east 396 feet; Thence, south 440 feet to the Point or Place of Beginning; containing 4.00 acres more or less; and

Beginning 1045 feet north of the Southeast Corner of the Southeast Quarter of the SW/4 of said Section 4; Thence, north 275 feet; Thence, west 316.8 feet; Thence south 275 feet; Thence, east 316.8 feet to the Point or Place of Beginning; containing 2.0013 acres more or less.

## **Appendix “2”**

That certain Commercial/Industrial Real Estate Purchase Contract, by and between Sooner Investment Group, Inc., as Buyer, and G. Michael Vloedman, N.Carolun Hurst Revocable Trust, and Garrentt Vloedman and Emily Vloedman Living Trust, as Seller, and dated September 30, 2016.

## Appendix "3"

### Predevelopment Budget (for Closing April 30, 2017)

Earnest Money (hard) December 30	\$100,000.00
Additional Earnest Money (hard) March 31	\$50,000.00
Survey	\$15,000.00
Geotech and Testing	\$15,000.00
Phase I and II	\$10,000.00
PUD Rezoning	\$60,000.00
Site Planning	\$35,000.00
Development Agreements	\$25,000.00
Civil Engineering	\$65,000.00
<b>Total</b>	<b>\$375,000.00</b>