



# MEMORANDUM

Council Agenda  
Item No. VII.AT.  
6/21/2016

## The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: James D. Couch, City Manager

Real Estate Acquisition Agreement with Oklahoma Gas and Electric Company for the acquisition purchase of real property, southeast corner of Robinson Avenue and SW 4th Street, for the MAPS 3 Convention Center, pursuant to the substitute facilities doctrine in exchange for reimbursement of costs for relocation of the Robinson Electrical Substation in the amount not to exceed \$29,292,722. Ward 7.

**Location** Southeast corner of Robinson Avenue and SW 4th Street, Lots 7 through 26, Block 19, South Oklahoma Addition to Oklahoma City, Oklahoma County, Oklahoma.

**Background** City Council has authorized the acquisition of certain real property located in Downtown Oklahoma City for a new MAPS 3 Convention Center.

The Agreement provides the following terms for the acquisition of property:

- This acquisition is being completed pursuant to the substitute facilities doctrine which provides for the relocation of a public utility rather than valuation by the comparable sales approach because of the lack comparable electrical substation properties.

- The City will acquire the real property owned by OG&E on which the Robinson Substation is located, in exchange for providing a relocation site, specifically the river yard property located north of the Oklahoma River and east of the Pull-A-Part property, and reimbursing OG&E actual costs for relocation of the substation.

- Closing is scheduled within 60 days of the execution of this Agreement but possession of the Robinson property will not occur until completion of the Relocation Work and payment of the Final Reimbursement Claim.

- The total amount of reimbursement claims paid to OG&E shall not exceed \$29,292,722.

- The estimate of costs includes a credit for equipment returned to stock from the Robinson Substation and does not include the cost of any

services or materials necessary to enhance the relocation substation beyond the functionality of the current Robinson Substation.

- The Relocation Work generally includes: 1) the construction on the Relocation Property of electrical substation facilities, 2) connection of the Relocated Substation Facilities with necessary transmission and distribution lines, 3) disconnection, demolition and removal of the existing Robinson electrical substation facilities, to include structures, fencing, electrical lines, and the control house now existing on the Property, but not the slabs at grade and foundations below grade, and 4) to otherwise vacate the Property and reposition its transmission and distribution lines in Oklahoma City required as a result of construction of the Relocated Substation Facilities and construction of the MAPS 3 Public Park and Convention Center.

- OG&E must complete all Relocation Work and vacate the Robinson property on or before October 31, 2017. Failure to meet this deadline will result in OG&E paying liquidated damages to the City in the amount of \$1,000 for each day beyond October 31, 2017. However, the vacate date may be extended if OG&E does not obtain the required deeds, permits, and easements required for construction by the dates provided in the agreed upon schedule.

Claimant(s)	Oklahoma Gas and Electric Company
Cost	\$29,292,722
Source of Funds	MAPS 3 Sales Tax-MAPS 3 Convention Center-Electrical Substation Acq/Reloc-Land (OCITY-715-1778-0406102-M3-C004-54010001)
Review	MAPS Office

Recommendation: Agreement be approved.