



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1920-117

File ID: R-1920-117 **Type:** Resolution **Status:** Non-Consent Items

Version: 1 **Reference:** Item 15 **In Control:** City Council

Department: Utilities Department **Cost:** **File Created:** 06/02/2020

File Name: Final Payback Costs for Ruby Grant WL Payback Project **Final Action:**

Title: RESOLUTION R-1920-117: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA DECLARING FINAL COSTS ASSOCIATED WITH RUBY GRANT WATER LINE PAYBACK PROJECT AND AUTHORIZING THE UTILITIES DIRECTOR, OR HIS DESIGNEE, TO RELEASE PROPERTIES AS ASSESSMENTS ARE PAID.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-1920-117.

ACTION TAKEN: _____

Agenda Date: 07/28/2020

Agenda Number: 15

Attachments: R-1920-117, Ruby Grant WL Payback Final Costs, Exhibit A Map, Exhibit B- Ruby Grant WL Payback List 052020, Final Payback Share of WL Costs

Project Manager: Chris Mattingly, Capital Projects Engineer

Entered by: mark.daniels@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	07/14/2020	Withdrawn				
	Action Text:		Withdrawn				

Text of Legislative File R-1920-117

Body

BACKGROUND: Ordinance O-9697-30 adopted by Council on February 11, 1997 established a process by which the City of Norman or other entities can recover the costs associated with the extension of utility lines through or by undeveloped property. Under this ordinance, the funding entity (or entities) can recover their costs for right of way acquisition, engineering, utility relocations, and construction from property owners who subsequently develop their property and connect to the utility lines. The property owners would be liable for their pro-rata share of the cost to install the lines.

As a part of the Ruby Grant Park development project under Norman Forward, the Norman Parks Department was required to extend a 12-inch waterline from the existing 24-inch waterline along 36th Avenue NW approximately 1,565 feet east along the south side of Franklin Road. This waterline allows the Parks Department to develop their property as planned. The waterline also potentially provides water service for the future development of other adjacent, undeveloped property along Franklin Road.

On December 10, 2019, the City Council adopted Resolution R-1920-15 that allows the Norman Utilities Authority (NUA) to recover their cost of the waterline from those property owners on the north side of Franklin, if their adjacent land develops within the term of the payback project. These property owners were notified of the intent to declare a payback project prior to adoption of the Resolution R-1920-15. Exhibit A, the Map, illustrates the properties potentially served by the Ruby Grant Waterline Payback Project. Property ownership, property description and the estimated payback cost is shown on Exhibit B, the List.

The pro-rata share of the project costs is distributed based on the frontage along Franklin Road where the waterline is constructed. Based on initial frontage estimates, property owners 1, 2 and 3 will be responsible for 49.8% (1,553 feet), 44.6% (1,390 feet) and 5.6% (173 feet), respectively, of the project costs. The estimated cost of the 12-inch waterline project along Franklin was \$97,702; a 10% contingency was added increasing the estimated cost to \$107,000. The Parks Department provided 49.8% of the funding (\$52,581) and the remaining 50.2% of the funding (\$54,419) was paid by the NUA.

DISCUSSION: Now that the project is complete, a second resolution has been prepared to finalize the pro-rata shares for the adjacent property owners using the actual as-built final project costs. The final cost of the project is \$97,541; this cost is prorated between the properties based on the above noted shares and is shown in the revised Exhibit B. Three other changes were made to Exhibit B as follows:

1. The ownership of Property 2 changed and is so noted;
2. The frontage of Property 1 (Parks Department) was corrected to 1,563 feet; and
3. Property 1 (Parks Department) paid their share; thus, their payback is zero.

With the correction of the footage for Property 1, the cost share for the project was modified as follows and as reflected in revised Exhibit B:

1. Property 1 - \$48,770.50 (50.00%) - Parks Department
2. Property 2 - \$43,372.36 (44.47%) - Raven Investments, LLC
3. Property 3 - \$5,398.14 (5.53%) - Baskett, William L & Jean Ann

Exhibit A illustrates the properties potentially served by the waterline project. These property owners were notified of the Council's intent to consider the final costs for the Ruby Grant Waterline Payback Project and were invited to attend this meeting.

As previously stated in Resolution R-1920-15, for the first fifteen years after project acceptance,

the project cost is adjusted for inflation using the Engineering News Record Construction Cost Index (CCI). The annual inflation factor is 3.67%, based on the January 2005 and January 2015 ENR CCI's of 7297 and 9972, respectively. At the end of the year fifteen and for each year thereafter, that cost will be reduced by twenty percent. At the end of the year twenty, the cost will be zero.

As noted, the NUA initially paid \$54,419.00 to Norman Forward. The final NUA share, on behalf of property owners 2 and 3 is \$48,770.50. Thus, Norman Forward is required to reimburse the NUA's Water fund for the overpayment of \$5,648.50.

RECOMMENDATION: It is recommended that Council approve Resolution R-1920-117 finalizing the costs for the Ruby Grant Waterline Payback Project and authorizing the Utilities Director to release properties as assessments are paid.