



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1920-15

File ID: R-1920-15

Type: Resolution

Status: Non-Consent Items

Version: 1

Reference: Item 34

In Control: City Council

Department: Utilities Department

Cost: \$54,419.00

File Created: 11/25/2019

File Name: Declare Ruby Grant WL as Payback Project

Final Action:

Title: RESOLUTION R-1920-15: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA DECLARING A PAYBACK PROJECT FOR COSTS ASSOCIATED WITH RUBY GRANT WATERLINE PROJECT AND APPROPRIATION OF \$54,419 FROM THE WATER FUND BALANCE.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-1920-15.

ACTION TAKEN: _____

Agenda Date: 12/10/2019

Agenda Number: 34

Attachments: R-1920-15, Approve Ruby Grant WL Payback, Exhibit A- Ruby Grant WL Payback Map, Exhibit B- Ruby Grant WL Payback List

Project Manager: Mark Daniels, Utilities 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:
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Text of Legislative File R-1920-15

Body

BACKGROUND:

As a part of the Ruby Grant Park development project under the Norman Forward initiative, the Norman Parks Department is 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 line allows the Parks Department to develop their property as planned. The waterline also provides water service for the future development of other adjacent, undeveloped property to the north along Franklin Road without paying their fair share of the cost of the waterline extension at this time.

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.

For the first fifteen years after project acceptance, the project cost will be adjusted for inflation using the

Engineering News Record Construction Cost Index (CCI). The annual inflation factor will be 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.

DISCUSSION:

The Parks Department, through Norman Forward funding, would provide 49.8% of the waterline costs for their development on the south side of Franklin Road. The remaining 50.2% of the initial funding would be paid by the Norman Utilities Authority (NUA). As shown on Exhibit A, two other property owners along the Ruby Grant Waterline Payback Project would be responsible for the construction of a 12-inch water line if they were to develop their property. Property ownership, property description and estimated payback costs are shown on Exhibit B. These property owners have been notified of the intent to declare a payback project and have been invited to attend this meeting.

By adopting Resolution R-1920-15, the NUA may be able to recover their cost to fund 50.2% of the 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.

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 owner 1 (the Parks Department), 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.

Based on the bid received from subcontractor H&H Plumbing and Utilities in conjunction with Amendment No. 1 to Contract K-1819-133 with Crossland Construction Company, Inc. (Crossland), the waterline improvements for the Ruby Grant Park development total \$191,122. Of these costs, \$97,702 are related to the 12-inch waterline payback project along Franklin Road. A 10% contingency is added bringing the estimated total for the Ruby Grant Payback Project to \$107,000. As noted in the Resolution, the NUA will fund 50.2% of these costs or \$54,419.

The NUA did not include funding for the Ruby Grant Park Waterline Improvements in the Water Fund Capital Improvement Budget for Fiscal Year Ending 2020 (FYE20). Thus, it is necessary to appropriate \$54,419 from the Water Fund Balance (Org 31, Object 29000) into the Ruby Grant Park Project Construction (Org 51793325, Object 46101; project NFP105). Since the Crossland contract has already been encumbered through Norman Forward funding, the NUA will transfer these funds to the project account to be utilized as needed in the future.

At the time of project completion, a second resolution will be forwarded to Council for consideration. This resolution will finalize the pro-rata shares for the adjacent property owners using the actual as-built final project costs. Additionally, if the NUA share of the payback project is modified, Council action will be required to complete the appropriate inter-departmental transfer.

RECOMMENDATION:

It is recommended that Council approve Resolution R-1920-15 establishing the Ruby Grant Waterline Payback Project and appropriate \$54,419 from the Water Fund Balance (Org 31, Object 29000) into Ruby Grant Park Project, Construction (Org 51793325, Object 46101; project NFP105).