



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: R-1920-14**

**File ID:** R-1920-14

**Type:** Resolution

**Status:** Non-Consent Items

**Version:** 1

**Reference:** Item 33

**In Control:** City Council

**Department:** Utilities Department

**Cost:**

**File Created:** 11/25/2019

**File Name:** Final Costs for Interstate Drive WL Payback

**Final Action:**

**Title:** RESOLUTION R-1920-14: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA ADOPTING AND CONFIRMING FINAL COSTS ASSOCIATED WITH THE INTERSTATE DRIVE WATERLINE PAYBACK PROJECT, A PAYBACK PROJECT OUTLINED IN RESOLUTION NO. R-1314-48 ADOPTED BY THE COUNCIL ON APRIL 8, 2014; ACCEPTING THE PUBLIC IMPROVEMENTS CONTAINED HEREIN TOTALING \$318,741; 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-1920-14.

**ACTION TAKEN:** \_\_\_\_\_

**Agenda Date:** 12/10/2019

**Agenda Number:** 33

**Attachments:** Staff Report, R-1920-14, Interstate Drive WL Payback Final Costs, Exhibit A, Interstate Drive WL Payback Map, Exh. B Interstate Drive Payback List Rev, Exhibit C, Interstate Drive WL Construction Cost

**Project Manager:** Mark Daniels

**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-1920-14

Body

**BACKGROUND:** Ordinance O-9697-30 adopted by Council on February 11, 1997 established a process by which the City of Norman can recover the costs associated with the extension of utility lines through or by undeveloped property. Sections 19-207 through 19-209 detail the procedures for implementing a payback project. Pursuant to the code, 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 during the 20-year payback period.

For the first fifteen years, the cost is adjusted for inflation using the Engineering News Record Construction Cost Index (CCI). The annual inflation factor will be 4.13%, based on the January 2010 and January 2000 ENR CCI's of 8660 and 6130, 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.

On February 27, 2014, the City of Norman opened bids for the Interstate Drive and Corporate Center Drive Extension Improvements (Bid No. 1314-46) located in University North Park. Silver Star Construction Company Inc. was the low bidder at \$4,091,000. The bid was prepared in accordance with the State Competitive Bidding Act; the waterline portion of the larger bid was \$338,707.20. This waterline will eliminate the need for a developer to install the required 12-inch waterline in the future when the property is developed.

Council approved Resolution R-1314-48 on April 8, 2014 establishing the Interstate Drive Waterline Payback Project. Exhibits A, property ownership map, and Exhibit B, property ownership list and legal description were included with the resolution.

Approximately 5,500 feet of 12-inch diameter waterline and appurtenances were constructed adjacent to Interstate Drive from Rock Creek Road north to its intersection with 24th Avenue NW as shown on Exhibit A. As shown on Exhibit C, the final cost of the waterline construction was \$301,741 (as approved by City Council in Change Order No. 3). Additionally, SMC Consulting Engineers, PC prepared the design for the waterline improvements at a cost of \$17,000 for a final payback amount of \$318,741.

**DISCUSSION:** University North Park LLC, currently owns all property along the proposed waterline and would have been responsible for the construction of a 12-inch water line when it developed. Property ownership and the property description is shown on Exhibit B. By adopting Resolution R-1920-14, the final project costs would be defined and the Norman Utilities Authority (NUA) would be able to recover their cost to construct the waterline from property owners if the adjacent land develops within the 20-year term of the payback project. The pro-rata share of the project costs are distributed based on the frontage along Interstate Drive where the waterline is constructed.

Based on street frontages of 7,020 feet on both sides of the Interstate Drive, parcels 1A and 1B will be responsible for the following un-inflated project costs.

Parcel 1A, University North Park LLC, 4,965 feet of frontage with cost of \$225,350.

Parcel 1B, University North Park LLC, 2,055 feet of frontage with cost of \$93,391.

**RECOMMENDATION:** It is recommended that Council approve Resolution R-1920-14 finalizing the costs for the Interstate Drive Waterline Payback Project.