



## Legislation Text

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**File #:** R-1617-67, **Version:** 1

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**RESOLUTION R-1617-67:** A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, DECLARING A RECOUPMENT PROJECT FOR COSTS ASSOCIATED WITH IMPROVEMENTS TO 12TH AVENUE S.E., AN ARTERIAL ROAD, FROM 500 FEET NORTH OF CEDAR LANE ROAD TO OAK TREE AVENUE.

**BACKGROUND:** On August 28, 2012, the citizens of Norman voted in favor of a Bond Issue to finance the local share of eight transportation/storm water improvement projects. One of the eight 2012 bond projects is the 12<sup>th</sup> Avenue SE Widening Project.

On December 11, 2012, the Norman City Council approved Programming Resolution R-1213-78 requesting federal funds for the 12<sup>th</sup> Avenue SE Widening Project. This resolution states the City's commitment to adhere to the terms and conditions of a federally funded project including engineering design, acquisition of all necessary rights-of-way and relocation of utilities and encroachments at 100% the City's cost. In return, the Association of Central Oklahoma Governments (ACOG), through the Oklahoma Department of Transportation (ODOT), agrees to provide 80% of the cost for the construction with the matching share from the City of Norman. The total project costs are projected to be \$3,497,000 with the City of Norman contributing \$1,095,400 or 31%.

On April 9, 2013, City Council approved engineering services Contract K-1213-161 with Tetra Tech Inc. for the design of the 12<sup>th</sup> Avenue SE Widening Project.

On April 14, 2015, City Council approved Amendment #2 for additional engineering services to Contract K-1213-161 with Tetra Tech Inc., which added water line relocation plans to the design scope of the project.

Proposed improvements for the 12<sup>th</sup> Avenue SE Widening Project include:

1. Widening 12<sup>th</sup> Avenue SE from Cedar Lane Road to State Highway 9 from 2 lanes to 4 lanes
2. Addition of 5-foot on-street bike lanes
3. Intersection improvements at 12<sup>th</sup> Avenue SE/Campus Crest Drive and 12th Avenue SE/ Highway 9
4. Continuous sidewalks on both sides Stormwater improvements

Currently, City staff has contracted with Smith Roberts Land Services, acquisition agent, to acquire the necessary permanent and temporary easements within the project limits to construct and maintain the proposed project. On easements valued over \$10,000, an appraisal of the property is required to determine fair market value for the acquired property. Easements less than \$10,000 utilize values from recent comparable property sold in the area to establish a fair market value. In addition to paying landowners for the acquired property, they are paid for any damages including fence replacement, tree replacement, and other items located within the easement that may need to be replaced or relocated. After the easement values are determined, the acquisition agent meets with the landowner to discuss the purchase of the easement. If the landowner agrees with the terms, then the documents are signed and the landowner is compensated for the easement including any damages.

If the landowner and appraiser cannot agree on a fair value for the property, the land is acquired through a process called eminent domain, which allows a government to acquire private property for public use with payment or compensation. In this process, a third party makes an independent fair market value of the property being acquired, which becomes the purchase price of the property regardless of whether it is more or less than the original appraised value.

The right of way acquisition costs included in the City's share of this project associated with undeveloped property is currently estimated to be approximately \$5,000. A very small portion of Parcel 2 is needed for this project. Under City development regulations, improvement of arterial roadways is a cost normally paid by the developer when property adjoining the roadway is developed. However, in this instance, since the roadway is being improved prior to development of adjoining land, a mechanism to require the developer to pay the development costs that would normally be paid by the

developer is applicable. Section 16-603 of the Norman Code, adopted by Council on February 11, 1997, established a recoupment process to recover costs associated with the widening of arterial streets. Recoupment will allow the City of Norman to recover funds used to purchase right-of-way. Recoupment will also allow the City to recover funds used to cover the cost of design, utility relocation, and construction to the extent that those costs are not paid from bonds or federal grants. This recoupment ordinance applies to unplatted parcels along and adjacent to 12<sup>th</sup> Avenue SE.

**DISCUSSION:** There is one (1) unplatted parcel along 12<sup>th</sup> Avenue SE; part of which will be needed as right-of-way for the project. All other platted parcels along 12<sup>th</sup> Avenue SE have dedicated additional street right-of-way for the project and have paid deferral fees and traffic impact fees for this project. Exhibit A is a map of the unplatted parcel and Exhibit B is a table of the recoupment parcel. By adopting Resolution R-1617-67, the City will be able to recover the appropriate costs for the 12<sup>th</sup> Avenue SE improvements when the parcel is platted and developed in the future. According to the City's Recoupment Ordinance, if the one (1) parcel does not develop within 20 years, the recoupment fee is waived. If the parcel develops between years 15 and 20, then the Recoupment assessment will be reduced proportionately each year down to zero at the twentieth year.

The property owner has been notified at least ten (10) days before Council considers adopting the recoupment resolution for the 12<sup>th</sup> Avenue SE Widening Project as required by city code. If approved, the attached Resolution will be filed with Cleveland County to provide notice to all future property owners and their agents. When the 12<sup>th</sup> Avenue SE Widening Project is completed, another Resolution will be prepared for Council's consideration, indicating the actual cost of the project and the associated recoupment fee for the one (1) parcel. Recoupment fees are collected by the City upon approval by Council of a final plat of the property that is developed after the initial recoupment resolution is adopted.

**RECOMMENDATION:** As outlined above, the Recoupment Resolution is presented with this item to preserve the right of the City to collect normal arterial roadway development costs that would normally be paid by the property developer, if the unplatted property is developed over the next twenty years. Staff recommends that Council approve Resolution R-1617-67.