



## Legislation Text

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**File #:** R-1718-102, **Version:** 1

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**RESOLUTION R-1718-102:** A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, DECLARING A RECOUPMENT PROJECT FOR 24TH AVENUE EAST, AN ARTERIAL ROAD, FROM LINDSEY STREET TO ASHWOOD LANE

**BACKGROUND:** On November 22, 2011, the Norman City Council approved Programming Resolution R-1112-62 requesting federal funds for the 24th Avenue East 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% of 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 construction cost, estimated at \$7,831,000, and administration of the construction with the matching share from the City of Norman.

On August 28, 2012, the citizens of Norman voted in favor of a Bond Issue to finance the local share of eight transportation/stormwater improvement projects. One of the eight 2012 bond projects is the 24th Avenue East Widening Project. Please see the attached location map showing the project boundaries. The total estimated project cost including design, utility relocations, right-of-way, construction and construction management is \$13,008,000. The City's share is \$5,177,000.

Proposed improvements for the 24<sup>th</sup> Avenue East Widening Project include:

- Widen two miles of roadway from two lanes to four lanes
- New traffic signal at 24th Avenue East and Meadowood Boulevard
- Intersection improvements at 24<sup>th</sup> Avenue East and Meadowood Boulevard and 24th Avenue East and Robinson Street.
- Interconnect traffic signals on 24<sup>th</sup> Avenue East from Lindsey Street to Robinson Street
- Continuous sidewalks and accessibility
- Stormwater improvements
- On-street bike lanes

On March 12, 2013, City Council approved engineering services Contract K-1213-169 with Atkins North America, Inc. for the design of the 24th Avenue East Widening Project between Lindsey Street and Robinson Street in the amount of \$875,266.50.

On January 23, 2018, City Council approved Contract K-1718-63 in the amount of \$45,413 with Oklahoma Natural Gas (ONG) for Phase 1 (Lindsey to Alameda) utility relocations within private easements.

On January 23, 2018, City Council approved the allocation of \$74,200 for acquisition services under On-Call Contract K-1314-103 with Pinnacle Consulting Management Group.

On February 27, 2018, City Council approved Amendment No. 1 to Contract K-1213-169 with Atkins North America in the amount of \$133,455 for additional design related scope items.

Currently, City staff has contracted with Pinnacle Consulting Management Group, 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 may be 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 establishes 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.

Under City development regulations, improvement of arterial roadways is a cost normally paid by the developer when property adjoining the roadway is developed. However, since the roadway is being improved prior to all 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. The recoupment process levels the playing field among property developers by requiring payment of the applicable land development cost regardless whether the developed property is adjacent to a City road improvement project that occurs prior to development of that particular adjacent property. This recoupment ordinance applies to unplatted parcels along and adjacent to 24<sup>th</sup> Avenue East.

**DISCUSSION:** There are twenty-one (21) unplatted parcels along 24<sup>th</sup> Avenue East. It appears eighteen (18) parcels will require either right-of-way and/or easements for the project. Currently all unplatted parcels have been included in the recoupment ordinance since all right-of-way and easement needs has not been finalized. All other platted parcels along 24<sup>th</sup> Avenue East have dedicated additional street right-of-way for the project and have paid deferral fees and traffic impact fees for this project. A recoupment map of the unplatted parcels and a table of the recoupment parcels are attached. By adopting Resolution R-1718-102, the City will be able to recover the appropriate costs for the 24<sup>th</sup> Avenue SE improvements when each parcel is platted and developed in the future. According to the City's Recoupment Ordinance, if a 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.

These property owners have been notified at least ten (10) days before Council considers adopting the recoupment resolution for the 24<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 24<sup>th</sup> Avenue East 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 eighteen (18) parcels. 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 NO. 1:** As outlined above, the Recoupment Resolution is presented with this item, as outlined in Section 16-603 of the Norman Code, 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-1718-102.