



Legislation Text

File #: K-1819-147, **Version:** 1

CONTRACT K-1819-147: A PARKING LOT AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND FRANCIS EVC, L.L.C. FOR A FIFTEEN YEAR PARKING SPACE LEASE AGREEMENT FOR THE CITY OF NORMAN GRAY STREET PARKING IN ORDER TO INSTALL AN ELECTRIC VEHICLE CHARGING STATION.

BACKGROUND: The State of Oklahoma has been allocated approximately \$21 million from the Volkswagen Environmental Mitigation Trust Agreement to reduce nitrogen oxide emissions. The Oklahoma Department of Environmental Quality (ODEQ) has been designated as the lead agency with oversight from the Oklahoma Secretary of Energy and Environment. ODEQ has prepared and implemented the Beneficiary Mitigation Plan (BMP) with the State's intention for utilizing these funds. On November 29, 2018, DEQ released a Request for Proposal (RFP) for \$3.1 million to build out Oklahoma's light-duty electric vehicle charging network with 80% eligible for reimbursement when the project is completed. These grant funds are further divided into two (2) categories with 75% of funds allocated towards Transportation Corridor projects (\$2.325mil) and 25% of funds towards Single Point Location projects (\$775k).

On January 15, 2019, City Council approved Resolution R-1819-70 for services with the City's original CNG station design and engineering firm, Small Arrow Engineering, LLC, of Joplin, MO (SAE). For this project, SAE has teamed with an Oklahoma based electric vehicles (EV) systems provider to assure that charging stations installed in the City of Norman are consistent with other stations in the State and use compatible Charging Station Networking Software. SAE will also assure that the EV station equipment will meet the 5-year warranty performance period as per the ODEQ Grant requirements.

On February 26, 2019, City Council approved Contract K-1819-109 for Francis Solar of Tulsa, OK to submit a Grant Application to the Department of Environmental Quality for Electric Vehicle Charging Stations on the City's behalf on or before March 1, 2019. Francis Solar submitted the Grant Application package to ODEQ and was awarded funding for installation of two (2) of the four (4) sites applied for in the City of Norman. The funded sites include the Oncue Express #111 at 3601 N. Flood Avenue and the Rudy's Country Store & BBQ at 2450 Chautauqua Avenue. The two (sites) that were not awarded as part of the ODEQ grant with Francis Solar are Mathis Sleep Center in the University North Park Commercial District near I-35 and Robinson Street and the Longhorn Steakhouse in the out lot of Sooner Mall near I-35 and Main Street.

DISCUSSION: SAE and City staff have reviewed the status letter we received from Francis Solar updating the City on the outcome of the "ChargeOK" RFP submitted to the Department of Environmental Quality on March 1, 2019 (see attached letter) as well as the Memorandum of Understanding (MOU) between Francis Solar and ODEQ. As summarized in the letter and MOU, Francis Solar was awarded two (2) of the four (4) sites submitted for Grant funds. Francis Solar has concurred in the grant award. Francis Solar has now determined, due to the 75% Oklahoma tax rebate available until December 31, 2019, they are in a position to offer the City the ability to still have the four (4) original EV sites installed, along with a fifth site at the City's Downtown Municipal Parking Lot at 223 East Gray Street.

This contract amendment will allow for Francis Solar to proceed with the installation of five (5) EV charging stations in Norman by December 31, 2019. Francis Solar has also agreed to reduce the original marketing fee to the City from \$40,000 to a \$9,000 lump sum payment per site for a total City obligation of \$45,000; this amount is \$5,000 above the original lump sum payment expected for the original four locations. In addition, the City will receive a 10% discount on retail charging rates for all City EV fleet vehicles that utilize these stations for the next 15 years. Please see attached EV Charger Marketing Letter Agreement that outlines the terms and conditions for this amended contract.

Finally, Francis Solar has agreed to add a fifth EV charging station to this program at the City Municipal Parking Lot located at 223 East Gray Street. In the original grant package submittal to ODEQ, the primary focus was the installation of EV stations along ODOT Highway corridors, which include I-35, Hwy 77, and Hwy 9. In further discussions, it was determined that a fifth EV station in the Downtown area would be very beneficial to Norman residents.

Please see the attached Contract K-1819-147 Parking Space Lease Agreement that allows Francis to install and operate this EV station on City property for the 15-year term, if approved.

RECOMMENDATION: It is recommended that the City Council approve Contract K-1819-147 the Parking Space Lease Agreement with Francis Solar and the City of Norman for a 15-year Term for a level 3 vehicle charging area to be located at the City Municipal Parking Lot at 223 East Gray Street.