



Legislation Details (With Text)

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Type: Ordinance **Status:** Passed

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On agenda: 6/5/2017 **Final action:** 6/8/2017

Title: To authorize the Director of Public Utilities to enter into a reimbursement agreement with R&N Property Holdings, LLC for the construction of a sanitary sewer in Chambers Road; to authorize the expenditure of \$335,870.26 within the Sanitary Sewer General Obligation Bond Fund 6109; to amend the 2017 Capital Improvements Budget; and to declare an emergency. (\$335,870.26)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ord. 1363-2017 DAX Funding REVISED

Date	Ver.	Action By	Action	Result
6/8/2017	1	CITY CLERK	Attest	
6/7/2017	1	MAYOR	Signed	
6/5/2017	1	COUNCIL PRESIDENT	Signed	
6/5/2017	1	Columbus City Council	Approved	Pass

BACKGROUND: This legislation authorizes the Director of Public Utilities to execute a reimbursement agreement with R&N Property Holdings, LLC (R&N) to reimburse R&N for the construction of a sanitary sewer constructed along Chambers Road and to settle claims related to R&N's construction of the sewer. The sewer will provide sanitary sewer service to a property related to R&N and to other properties currently served by home sewage treatment systems (HSTS) along Chambers Road. The sewer was constructed under the provisions of City Code Chapter 1141, which provides that the entity constructing the sewer can recover a proportionate share of its construction costs from abutting properties that connect to the sanitary sewer based on the front footage of the property connected. The total cost of construction was \$450,152.00, which corresponds to a proportional cost of \$586.55 per foot of frontage. This cost exceeds the \$45.00 per foot fee that the City charges for connection to a sewer constructed by the City through its Capital Improvements Program (CIP), and a disagreement arose regarding the front footage fee recoverable by R&N under the provisions of City Code Chapter 1141. In an effort to improve the environment and address health issues associated with HSTS, the Department of Public Utilities (DPU) has implemented through its CIP a program to eliminate HSTS and provide centralized sewers to unsewered areas throughout the city, and under this program DPU would have eventually constructed a sewer in this area had R&N not done so. In consideration of this effort and to limit the cost for abutting properties to connect to the sewer, DPU agreed to reimburse R&N \$335,870.26, which corresponds to the cost of construction of the sewer less the proportionate front footage fee attributable to the R&N property connected to the sewer. As part of the agreement, the City will take over ownership of the sewer and R&N will agree to release the City from any related claims.

EMERGENCY DESIGNATION: Emergency action is requested in order to meet the project timeline and deliverables schedule.

CONTRACT COMPLIANCE NO: R & N Property Holdings, LLC is not contract compliant as a vendor in DAX. R & N is being reimbursed for work already performed.

FISCAL IMPACT: The amount of the reimbursement is \$335,870.26.

To authorize the Director of Public Utilities to enter into a reimbursement agreement with R&N Property Holdings, LLC for the construction of a sanitary sewer in Chambers Road; to authorize the expenditure of \$335,870.26 within the Sanitary Sewer General Obligation Bond Fund 6109; to amend the 2017 Capital Improvements Budget; and to declare an emergency. (\$335,870.26)

WHEREAS, R&N Property Holdings, LLC (R&N) constructed a sanitary sewer along Chambers Road that will provide sanitary sewer service to a property related to R&N and to other properties currently served by home sewage treatment systems (HSTS) along Chambers Road.; and

WHEREAS, R&N constructed the sewer under the provisions of City Code Chapter 1141, which provides that the entity constructing the sewer can recover a proportionate share of its construction costs from abutting properties that connect to the sanitary sewer based on the front footage of the property connected; and

WHEREAS, the total cost of construction was \$450,152.00, which corresponds to a proportional cost of \$586.55 per foot of frontage; and

WHEREAS, this cost exceeds the \$45.00 per foot fee that the City charges for connection to a sewer constructed by the City through its Capital Improvements Program (CIP), and a disagreement arose regarding the front footage fee recoverable by R&N under the provisions of City Code Chapter 1141; and

WHEREAS, in an effort to improve the environment and address health issues associated with HSTS, the Department of Public Utilities (DPU) has implemented through its CIP a program to eliminate HSTS and provide centralized sewers to unsewered areas throughout the city, and under this program, DPU would have eventually constructed a sewer in this area had R&N not done so; and

WHEREAS, in consideration of this effort and to limit the cost for abutting properties to connect to the sewer, DPU agreed to reimburse R&N \$335,870.26, which corresponds to the cost of construction of the sewer less the proportionate front footage fee attributable to the R&N property connected to the sewer; and

WHEREAS, as part of the agreement, the City will take over ownership of the sewer and R&N will agree to release the City from any related claims; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to authorize the Director to enter a reimbursement agreement with R&N Property Holdings, LLC at the earliest time possible to reimburse R&N for costs related to construction of the sewer for the preservation of public health, peace, property, safety, and welfare; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities is hereby authorized to execute a reimbursement agreement with R&N Property Holdings, LLC for reimbursement of costs related to the construction of a sanitary sewer along Chamber Road.

SECTION 2. That the City Auditor is hereby authorized to transfer \$335,870.26 within the Sanitary Sewer General Obligation Bond Fund 6109 per the account codes in the attachment to this ordinance.

SECTION 3. That the 2017 Capital Improvements Budget Ordinance is hereby amended as follows:

Fund | Project No. | Project Name | Current Authority | Revised Authority | (Change)

6109 | P650495-100001 | Upper Scioto West Air Improvements | \$103,625 | \$0 | (-\$103,625) carryover

6109 | P650510-100031 | Fairwood Facilities Improvements | \$97,525 | \$0 | (-\$97,525) carryover
6109 | P650714-100000 | Richards/Granden/Torrence Area Sanitary Relief Sewer| \$100,652 | \$0 | (-\$100,652) carryover
6109 | P650560-100000 | Franklinton East Sewer Improvements | \$76,695 | \$42,626 | (-\$34,069) carryover
6109 | P650900-100000 | Sanitary Sewer Construction Reimbursement - Chambers Rd. | \$0 | \$335,871 | + \$335,871

SECTION 4. That the Director is hereby authorized to expend up to \$335,870.26 within the Sanitary Sewer General Obligation Bond Fund 6109 per the account codes in the attachment to this ordinance.

SECTION 5. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 6. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts and modifications associated with this ordinance.

SECTION 7. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 8. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 9. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.