



City of Broken Arrow

Request for Action

File #: 17-2794, Version: 1

**Broken Arrow City Council
Meeting of: 11-07-17**

**To: Mayor and City Council
From: Assistant City Manager of Operations**

Title: Consideration, discussion, and possible approval of and authorization to execute Resolution No. 1062, a Resolution requesting assistance from the Oklahoma Department of Transportation in regard to constructing an industrial road to serve the Alfa Laval facility

Background:

Alfa Laval is an international company that manufactures and provides quality heat and air exchange units as well as other products to clients world-wide. Alfa Laval desires to consolidate certain manufacturing operations and expand a specific product line produced at its Broken Arrow facility. In order to help facilitate this consolidation and expansion effort, which will bring substantial economic benefits to our community and our economy, the City entered into an economic development agreement with Alfa Laval dated August 1, 2017.

As a part of this agreement, the City is obligated to provide an industrial access road and a 12-inch diameter water main running parallel to the road to serve the proposed expansion of the Alfa Laval facility, as well as other possible industrial developments in the general vicinity. The industrial access road will be located within the Nashville Street right-of-way extending eastward from 9th Street for a distance of approximately one-half mile to the end of the property. The right-of-way will be dedicated to the public through a separate instrument in order to construct the industrial road. It will be constructed with public funds.

The City has contracted with Olsson Associates, a professional engineering consulting firm, to engineer and design the public industrial access road and water main. The preliminary design is complete and final design is in progress. The Preliminary Opinion of Probable Costs provided by the engineer is a total of \$2,032,000 for the construction of the road and the water main. The projected cost to construct the road is \$1,685,000, whereas the projected cost to construct the water main is \$347,000. These costs are based upon using contract labor through a public construction contract.

State and City leaders have had numerous discussions and communications concerning

the significance of Alfa Laval, not only to Broken Arrow, but also to the state. In addition, State and City officials agree that expansion of industrial facilities located in this specific area will create important economic and other benefits which will serve this community as well as our state. Therefore, the State of Oklahoma and the City of Broken Arrow have joined together to fund the construction these improvements for this crucial venture.

The City of Broken Arrow has agreed to fund the engineering and design of the improvements and the construction of the water main using force labor. These costs are expected to be on the order of \$250,000, approximately \$190,000 for the design and \$60,000 for the materials to construct the water main. The City will contribute up to an additional \$250,000, not to exceed a total contribution for the improvements in an amount of \$500,000 for the construction of the road. The State has agreed to fund the remainder of the cost to construct the road through state-aided transportation funding assistance programs.

The Oklahoma Legislature has established funding for the construction or improvements of access roads for specific industrial operations or to officially designated industrial areas. These funds are administered by the Oklahoma Department of Transportation (ODOT) as the ODOT Industrial Access Program. The attached Resolution No. 1062 is an official request to the State for application of these funds in the amount of \$1,435,000 to be applied towards the construction of Nashville Street, the new industrial collector street to serve Alfa Laval and any future expansion in this general industrial district.

Staff recommends approval of and authorization to execute Resolution No. 1062, a resolution requesting the State's assistance in this joint venture.

Cost: To be determined (None at this time)

Prepared By: Kenneth D. Schwab, P.E., CFM, Assistant City Manager of Operations

Reviewed By: Engineering and Construction Department
Streets and Stormwater Department
Assistant City Manager - Operations
Legal Department

Approved By: Michael L. Spurgeon, City Manager

Attachments: Resolution No. 1062
Engineer's Preliminary Cost Estimate

Recommendation:

Approve Resolution No. 1062 and authorize its execution.