

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS  
(Sitting/Acting as the Board of the Clackamas County Service District #5)**

**Study Session Worksheet**

**Presentation Date:** December 16, 2014 **Approx Start Time:** 3:30 p.m. **Approx Length:** 30 min.

**Presentation Title:** Clackamas County Service District #5: Capital Project Update

**Department:** Transportation and Development

**Presenter:** Dan Johnson, Wendi Coryell,

**Other Invitees:** Barbara Cartmill, Joe Marek, MAP-IT Representatives

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Is there direction the Board would like to provide District staff regarding the advancement of planned capital improvements to improve streetlighting?

**EXECUTIVE SUMMARY:**

District staff met with the Board on April 22, 2014 to discuss options for the use of \$865,089 of additional revenue received from the sale of the District owned "Option B" street lighting and Energy Trust Credit incentive. As a part of this discussion, staff provided a conceptual list of possible capital projects to improve street lighting throughout the County. See Attachment A. At that time, the Board directed staff to coordinate with Portland General Electric to develop a more detailed plan for providing street lighting on McLoughlin and refine the estimated capital and operational costs for all proposed projects.

The following paragraphs expand on the results of staffs work to date.

**1. McLoughlin Boulevard Lighting Improvements**

The District currently has a conceptual plan and is working collaboratively with PGE towards a final plan for installing street lighting for the Mcloughlin Blvd. frontage. The plan includes street lighting on both sides of Mcloughlin Blvd stretching from Park Ave. to the north to the Gladstone city limit to the south. The plan assumes a mix of pole types to maximize the use of existing facilities and minimize cost. The following is a general scope of the project:

<b>Element</b>	<b>Unit</b>	<b>Number</b>
Existing Wood	Pole	86
New Wood	Pole	5
New Aluminum	Pole	83
LED Cobra Luminary	Luminary/Light	83
Trenching	Linear Feet	23,000

**Next Steps:** As outlined in the Financial Implications below, there are insufficient capital funds to advance this project at this time. In order to develop a viable project the following needs to occur:

- **Capital Funding Shortfall** – To address the issue of insufficient capital funds, additional sources of funding, such as regional grants, need to be secured or the project scope needs to be reduced. With Board concurrence, staff could work with local interested

parties to assess of viable grant funding and update the Board at a future date on the results of this effort.

In the event no other sources of funding are available, staff will coordinate with local interested parties to assess options to reduce project scope.

- Petition / Operational Funding Shortfall – Once the issue of capital funding is addressed there is still the issue of the necessity to annex those properties bordering McLoughlin Blvd. into the district and the adoption of a new rate. These efforts will be the responsibility of the local interested parties, primarily MAP-IT, to advance these efforts through the District's standard petition process. Staff will continue, to coordinate and assist MAP-IT on this effort once the issue of insufficient capital funding is addressed.

## **2. Idleman Rd. Street Lighting Safety Enhancements**

Staff has been coordinating with PGE and the City of Happy Valley to provide street lighting improvements to a portion of Idleman Rd. Costs associated with adding street light fixtures is minimal. In order to determine the financial feasibility we are preparing the scope of work needed which includes some tree trimming and the addition of one or more poles. The cost for this work is not expected to exceed \$20,000 and there are opportunities to partner with funding in Happy Valley to advance this project.

Next Steps: Staff will continue to coordinate with PGE to refine the project scope and cost. With Boards concurrence, the project will be advance to bid and completed as soon as reasonably possible.

### **FINANCIAL IMPLICATIONS (current year and ongoing):**

Staff has prepared a Financial Impact Form for the Boards consideration. See Attachment A. In summary:

Capital Funding Shortfall: Based on preliminary cost estimates there is a funding shortfall of approximately \$500,000, primarily associated with the lighting of McLoughlin Boulevard.

Operational Shortfall: Based on preliminary estimates to operate, the current rate structure for commercial, industrial, and multifamily of \$1.20 per linear foot is insufficient to operate the lighting along McLoughlin Boulevard. Current estimates suggest an annual operating deficit of approximately \$12,000. To meet this need, a new rate for this specific area would be necessary.

### **LEGAL/POLICY REQUIREMENTS:**

Not applicable

### **PUBLIC/GOVERNMENTAL PARTICIPATION:**

District staff is working closely with Portland General Electric to plan, create and implement the street lighting plan for the McLoughlin Area street lighting plan. Representative from the Mcloughlin Plan Implementation Team (MAP-IT) committee have been consulted and informed throughout the planning process.

### **QUESTIONS PRESENTED FOR CONSIDERATION**

QUESTION 1: Does the Board concur with the recommended next steps regarding the identified Capital Improvement Projects?

**OPTIONS AVAILABLE**

- Option 1: Board concurs with next steps as outlined above and directs staff continue to advance the identified Capital Improvement Projects.
- Option 2: Board amends the identified next steps and directs staff to advance the identified Capital Improvement Projects consistent with the Boards direction.
- Option 3: Board rejects the recommended next steps and directs staff to advance, or not advance, the identified Capital Improvement Projects consistent with the Boards direction.

**RECOMMENDATION:** Staff respectfully recommends the Board concur with next steps as outlined above and directs staff continue to advance the identified Capital Improvement Projects.

**ATTACHMENTS:**

Attachment A: Fiscal Impact Form

**SUBMITTED BY:**

Division Director/Head Approval 

Department Director/Head Approval M. B. Coryell 12-10-14

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Wendi Coryell @ 503-742-4657.

# FISCAL IMPACT FORM

Attachment A

## RESOURCES:

Is this item in your current work plan and budget?

- YES  
 NO

## START-UP EXPENSES AND STAFFING (if applicable):

Capital deficiencies outlined below.

## ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

Operational deficiencies outlined below.

## ANTICIPATED RESULTS:

The District has received \$615,089 from the sale of the Option B lighting and \$250,000 from the LED conversion Energy Trust Credit. Staff was directed to allocate these funds towards possible capital construction projects.

## COSTS & BENEFITS:

<b>Costs:</b>							
*	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
ML	(86) New Wood Poles		\$25,000				\$25,000
ML	New Wood Pole Junction Boxes		\$16,688				\$16,688
ML	(83) New Aluminum Poles				\$21,165		\$21,165
ML	(83) New Cobra LED Luminary				\$30,420		\$30,420
ML	Trenching (\$35/Ft.)		\$805,000				\$805,000
ML	Trenching Contingency (\$15/Ft.)		\$345,000				\$345,000
ML	Cost to install circuitry and energize (Line Extension Cost)		\$73,136				\$73,136
ML	Flagging/Traffic Control		\$100,000				\$100,000
HV	Tree Trimming		\$20,000				
<b>Total Start-up Costs</b>			<b>\$1,384,824</b>		<b>\$51,585</b>		<b>\$1,416,409</b>
<b>Benefits/Savings:</b>							
	Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL
	PGE Acquisition Revenue		\$615,089				\$615,089
	Energy Trust Credits Revenue		\$250,000				\$250,000
ML	Yearly Revenue from Rates (Current Rate Revenue)				\$39,930		\$39,930
<b>Total Start-up Benefit/Savings</b>			<b>\$865,089</b>				<b>\$905,019</b>
<b>Ongoing Annual Benefit/Savings</b>					<b>\$39,930</b>		
<b>Net Cost / Benefit</b>			<b>(\$519,735)</b>		<b>(\$11,655)</b>		<b>(\$511,390)</b>

\*ML = Mcloughlin Blvd. Street Lighting Project

\*HV = Happy Valley Idleman Rd. Street Lighting Project