

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

Study Session Worksheet

Presentation Date: November 22, 2016 **Approx Start Time:** 2:00 p.m. **Approx Length:** 30 min.

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

Department: Transportation and Development

Presenters: Dan Johnson, Wendi Coryell

Other Invitees: MAP-IT Representatives

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

The purpose of this policy session is to update the district board on the McLoughlin Blvd. Street Lighting project and request direction on how to proceed.

EXECUTIVE SUMMARY:

With the approval of the McLoughlin Boulevard street lighting petition (November 25, 2015), the board directed district staff to advance work with Portland General Electric (PGE) and the Oregon Department of Transportation (ODOT) to design a street lighting plan for McLoughlin Boulevard to create a safer environment for this highly traveled corridor.

Subsequently, in June of 2016 the district board, based on preliminary cost estimates, allocated \$1,075,089 to fund the aforementioned capital construction project. Project funding was a collaborative effort between ODOT and the lighting district as summarized in the following table.

| Capital Funding | |
|-------------------------------------|--------------------|
| Source | Amount |
| CCSD#5: Option B Pole Sale | \$615,089 |
| CCSD#5 Energy Trust Credit - LED | \$250,000 |
| Oregon Department of Transportation | \$210,000 |
| Total | \$1,075,089 |

West Side Project – Existing Wood Poles

The McLoughlin Blvd. street lighting project, as currently scoped, consists of two independent components. The first being informally termed as the *West Side* and consisting of the application of new luminaries to existing wood utility poles. Overhead power from these existing utility poles will be used to energize the new luminaries.

Currently the district is advancing an independent permit for this work through ODOT. Work is estimated to begin in January of 2017 with an approximate cost of \$150,259.

East Side Project – New Aluminum Poles

The second component is informally termed the *East Side* and consisting of the application of new luminaries to new aluminum poles. As currently designed, power to energize these poles would be provided underground through the installation of new conduit and associated circuitry.

Currently the district is advancing an independent permit for this work through ODOT. Work is estimated to begin at a date uncertain in 2017 with an approximate cost of \$1,322,414 or less.

Based on the cost estimate for the East Side Project work it can easily be deduced that there have been additional costs, not all associated with work on the east side of McLoughlin, that have impacted our total project cost.

Project Costs

As with any capital construction project, when moving from concept to construction there are additional unanticipated costs. Since the development of the preliminary cost estimate in November 2015 to the current costs estimate, there has been an increase of approximately \$397,584.

Elements culminating in these increased costs consist of:

- Replacement Poles (Wood),
- Discontinuance costs for Light Replacement,
- Photometric Study – required by ODOT,
- Contracted Labor expense for Night Work required by ODOT - (\$150,000 placeholder), and
- Civil Inspector costs – (\$130,000 placeholder)

As previously discussed, the district Board allocated \$1,075,089 for the street lighting petition project. The current cost estimate, including costing for aforementioned items equates to approximately \$1.5 million or less.

It should be noted that the cost estimate does include a contingency of \$285,000, approximately 20% of the expected project cost. These funds are within normal parameters and are set aside to deal with project unknowns such as geotechnical, environmental, and utility conflicts.

While cost estimates for West Side construction are generally set, staff continues to access ways to reduce cost of the East Side portion of the project. These efforts include: cost refinements, scope adjustments, and additional funding partners.

Operational Costs

It is important to note that the operational costs associated with the provision of Street Lighting are paid through the McLoughlin Boulevard Street lighting petition proposed by the community and approved by the Board on November 25, 2015.

Though the petition has been approved, charges will not be assessed until such time as lighting is energized.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

Estimated project costs November 2015 = \$1,064,824

Estimated project costs November 2016 = \$1,472,673

Estimated needed funding: \$407,849

LEGAL/POLICY REQUIREMENTS:

Not applicable

PUBLIC/GOVERNMENTAL PARTICIPATION:

District staff continues 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.

OPTIONS:

Does the Board have any direction regarding the aforementioned funding shortfall and how to proceed on for the Mcloughlin Blvd. street lighting project?

- Direct staff to advance West Side installation and refine project scope for East Side to deliver project within currently allocated funds.
- Direct staff to advance West Side installation and refine costs and assess funding alternatives to deliver existing East Side project scope.
- Direct staff to delay project until all project issues are resolved.

RECOMMENDATION: Staff respectfully recommends the district Board direct staff to advance installation of the West Side lighting and refine costs and assess funding alternatives to deliver existing East Side project scope.

ATTACHMENTS:

N/A

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

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