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DATE: December 17, 2014

TO: Honorable Mayor and City Councilmembers

FROM: City Manager

SUBJECT: **PROPOSAL FOR THE CITY AND THE VILLAGES OF RANCHO DEL ORO (RDO) ASSOCIATION TO SHARE THE COST OF STREET LIGHT POLE REPLACEMENT IN THE RDO AREA**

### **SYNOPSIS**

This proposal provides a mechanism for the replacement of 405 street light poles in the Rancho Del Oro (RDO) residential area. The existing deteriorated condition of pole connections has forced the removal of approximately 200 street lights in the surrounding neighborhoods. The proposal is for the City and the Villages of RDO Association to share the cost of the pole replacements, roughly 56.2 percent City and 43.8 percent RDO. The replacement schedule and available funding would allow for the replacement of all missing light the first year and the replacement of light, based on need, over the next two-plus years.

### **BACKGROUND**

In the early 1990s the City of Oceanside accepted revised ornamental standards for the Rancho Del Oro Development Districts for the installation of street lights, traffic signals, signage and street furniture. Although Rancho Del Oro was a large area of the community, the concept was to make this a definable and unique area. These revised standards required the property owners in RDO to bear any added costs to maintain specialized fixtures.

In the early 2010s approximately 200 of the over 600 RDO ornamental street light poles experienced failure due to corrosion near the base of the metal poles where they bolt to the concrete foundations. (Note: Street light poles are inspected annually as to structural integrity and safety.)

The City initiated discussions with the Villages of RDO to replace all of the ornamental street light poles. Although an option was forwarded to split the cost of replacing the street lights (50% RDO, 50% City) the issue was not resolved.

Litigation commenced by the Villages of RDO over the responsibility for the street light pole replacement concluded with the court determining that the City is not legally required to replace the street lights.

In 2014 further discussions with the management and Board for the Villages of RDO forwarded the concept of a shared-cost proposal. Board Members have indicated they are amenable to a shared-cost proposal; however, it is their position that a special assessment to fund the HOA's share under the proposal must be voted on by the home owners.

**ANALYSIS**

The Villages of RDO Board, through the advice of legal counsel, has indicated its ability to fund improvements in the public right-of-way is limited to enhancements to standard fixtures and/or the labor necessary to install any improvements to be owned by the City. In consideration of this position, the City Manager has forwarded the following concept to the Villages of RDO Board for consideration subject to City Council confirmation.

**Proposal:**

There are a total of 405 ornamental street light poles that are subject to or have already failed along residential streets in the Villages of RDO. The break out cost attributed to the City and to the Villages of RDO is summarized in Table 1.

**Table 1  
Street Light Pole Replacement Cost**

ITEM	UNIT COST	QUANTITY	TOTAL COST	CITY SHARE	RDO SHARE
Standard Pole*	\$2,050	405	\$830,250	\$830,250	
Extra Brn/Sq**	\$300	405	\$121,500		\$121,500
Labor	\$1,300	405	\$526,500		\$526,500
<b>Total</b>	\$3650		<b>\$1,478,250</b>	<b>\$830,250</b> (56.2%)	<b>\$648,000</b> (43.8%)

**Footnotes:**

- \* The Standard Pole is a round concrete. (Attachment 1)
- \*\* Extra cost for the pole includes brown color added and square shape. (Attachment 2)

This proposal, if accepted, would be slightly more costly (approximately \$100,000) to the City than the prior offer to split the cost 50/50, City/RDO.

In addition to the pole cost is the cost of the fixture. However, this cost has not been included since the City is currently replacing all City-owned fixtures with energy efficient LED lighting. The cost to equip the poles with LED fixtures at the time of installation would be approximately \$350 per pole location. The total additional cost for LED light

fixtures in the RDO residential area would be 405 locations at \$350 each or \$141,750. The cost of the LED fixtures would be paid out of energy savings over time.

**FISCAL IMPACT**

Assuming this proposal is accepted by all parties, the cost to the Villages of RDO would be provided through a one-time special assessment of individual homeowners in RDO. The Board has advised that the one-time cost for each of the homes in RDO would be slightly over \$200 each. The Board of Directors for the Villages of RDO is prepared to place the pole replacement to a vote of the individual membership (home owners) for consideration, with prior approval of the proposal by the City Council.

The total project funding required for the pole and fixture replacement project is \$1,478,250 for the poles and \$141,750 for the LED fixtures, or \$1,620,000 total. Funding would require the commitment of the Villages of RDO to fund \$648,000 or 43.8 percent of the pole replacement cost, exclusive of the City’s ongoing LED street light fixture change out program. Ongoing funding in the street light reserve budget (Fund 221), with the energy savings from the LED conversion project, and the anticipated funds from the Village of RDO assessment, are sufficient to cover the cost of the street light pole replacement proposal.

**Table 2  
Available Street Light Replacement Funding**

	Year 1	Year 2	Year 3	Total
RDO Assessment*	\$648,000			\$648,000
Unallocated reserves	\$253,000	\$253,000	\$253,000	\$759,000
LED net savings**	\$100,000	\$100,000	\$100,000	\$300,000
<b>TOTAL AVAILABLE FUNDING</b>	<b>\$1,001,000</b>	<b>\$353,000</b>	<b>\$353,000</b>	<b>\$1,707,000</b>

**Footnotes:**

- \* One-time assessment funding from HOAs
- \*\* Citywide LED energy and maintenance saving estimated between \$30,000 and \$170,000 per year.

The total project funding required for the pole and fixture replacement project is \$1,478,250 for the poles and \$141,750 for the LED fixtures, or \$1,620,000. This is slightly less than the combined available funding over three years of \$1,707,000.

## **ALTERNATIVE OPTIONS**

**City to pay cost of replacement from existing street light funds.** This would assume citywide responsibility for the deteriorating poles installed in the RDO area. Generally the cost of public improvements is attributed in relationship to those who benefit most from their installation. The direct beneficiaries of the residential street lights are to the neighborhood receiving such lighting. While the City does assume responsibility for water and sewer service as a mandatory public service, residential street light is not a mandated service. There are insufficient revenues in the citywide street lighting district fund to cover replacement costs for the RDO lights. Assessment balloting under Prop 218 would be required.

**Special District Assessment.** The cost of improvements is not sufficient to merit consideration of a district formation. The cost of establishing such a district is disproportional to the size of the improvement that would be financed.

## **CITY ATTORNEY'S ANALYSIS**

City Council has discretion to allocate unrestricted funds to replace the RDO street lights.

## **RECOMMENDATION**

Staff recommends that the City Council approve the proposed funding mechanisms and the recommended cost share for the street light pole replacement in the estimated amounts of \$830,250 City cost, and \$648,000 Villages of RDO cost, subject to the approval of the Villages of RDO Board and the approval vote of the affected homeowners initiated by the RDO Board.

SUBMITTED BY:



Steven R. Jepsen  
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant City Manager  
James Riley, Financial Services Director  
Kiel Koger, Public Works Division Manager



## **ATTACHMENTS**

- Attachment 1: Standard pole bid
- Attachment 2: Square brown pole bid

# PATTERSON BROTHERS LIGHTING, INC

## PROPOSAL

**PROPOSAL NO. 1003-17c**

September 4, 2014

**PROJECT: RDO Replacements (City Standard Anchor Base)**

City of Oceanside Public Works

**STREET LIGHTS**

Attention: Steve Elliott

**ITEM I-SCOPE OF WORK AND PRICE #1:** Provide and place new (2B2-24) Ameron Anchor base pole w/ GE 60 watt LED STREET LIGHT on a new foundation excavated and poured by us. Provide wire and conduit from new pole location to existing hand hole. Pour new foundation cap and re-energize new street light. Haul away dirt/concrete debris. The existing anchor base foundation will be taken down to 6 inches below grade.

**ITEM I-SCOPE OF WORK AND PRICE #2:** Provide and place new (2B2-26) Ameron anchor base pole w/ GE 130 watt LED STREET LIGHT on a new foundation excavated and poured by us. Provide wire and conduit from new pole location to existing hand hole. Pour new foundation cap and re-energize new street light. Haul away dirt/concrete debris. The existing anchor base foundation will be taken down to 6 inches below grade.

All work to comply with the CITY OF OCEANSIDE specifications.

LUMP SUM PRICE SCOPE #1.....\$ 3,900.00 Dollars - Labor @ \$ 1,500 + Material @ \$ 2,400  
LUMP SUM PRICE SCOPE #2.....\$ 4,050.00 Dollars - Labor @ \$ 1,500 + Material @ \$ 2,550

**ITEM II-PAYMENT SCHEDULE:** Payment of 100% for actual work completed due within 30 days of invoice date.

**ITEM III-EXCLUSIONS:** This proposal has no provisions for engineering, bonds, permits, testing, export of spoil, SDG&E fees, traffic control, removing or replacing any asphalt/concrete, saw cutting, or excavation of any material not reasonably possible to excavate with a 416 CAT backhoe.

**ITEM IV-ATTORNEY'S FEES:** In the event that any matter under this proposal is referred to an attorney because of dispute or default under the terms of this proposal, then the defaulting party agrees to pay the sum of reasonable attorney's fees and any other costs involved in enforcing the terms of this proposal.

Prices set forth in this proposal will be honored for thirty (30) days.

This proposal contingent upon receipt of a signed purchase order or subcontract agreement.

Respectfully submitted,

By: Kyle Patterson  
Kyle Patterson, President

STANDARD POLE - \$2,050  
LED FIXTURE - \$350  
\$2,400

### ACCEPTANCE

This proposal is accepted as submitted and PATTERSON BROTHERS LIGHTING, INC. is authorized to complete the work as specified above.

Contractor: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Contractor's License No.: \_\_\_\_\_

Title: \_\_\_\_\_

Please sign and return one copy of this proposal together with your signed purchase order or subcontract agreement, certificate of insurance requirements, and preliminary lien information. Thank you!

# PATTERSON BROTHERS LIGHTING, INC

## REVISED BUDGET PROPOSAL

PROPOSAL NO. 1003-17

September 4, 2014

PROJECT: RDO Replacements (Square Direct Burial)

City of Oceanside Public Works

STREET LIGHTS

Attention: Steve Elliott

**ITEM I-SCOPE OF WORK AND PRICE #1:** Provide and place new (Square MEQ 7.5) Ameron Direct Burial (Anti Graffiti & brown in color) GE 60 watt LED STREET LIGHT in a new foundation and compact with DG. Provide wire and conduit from new pole location to existing hand hole. Pour new foundation cap and re-energize new street light. Haul away dirt/concrete debris. The existing anchor base foundation will be taken down to 6 inches below grade.

**ITEM I-SCOPE OF WORK AND PRICE #2:** Provide and place new (Square MEQ 7.5) Ameron Direct Burial (Anti Graffiti & brown in color) GE 95 watt LED STREET LIGHT in a new foundation and compact with DG. Provide wire and conduit from new pole location to existing hand hole. Pour new foundation cap and re-energize new street light. Haul away dirt/concrete debris. The existing anchor base foundation will be taken down to 6 inches below grade.

**ITEM I-SCOPE OF WORK AND PRICE #3:** Provide and place new (Square MEQX09.4) Ameron Direct Burial (Anti Graffiti & brown in color) GE 130 watt LED STREET LIGHT in a new foundation and compact with DG. Provide wire and conduit from new pole location to existing hand hole. Pour new foundation cap and re-energize new street light. Haul away dirt/concrete debris. The existing anchor base foundation will be taken down to 6 inches below grade.

All work to comply with the CITY OF OCEANSIDE specifications.

LUMP SUM PRICE SCOPE #1.....	\$ 4,000.00 Dollars - Labor @ \$ 1,300 + Material @ \$ 2,700
LUMP SUM PRICE SCOPE #2.....	\$ 4,875.00 Dollars - Labor @ \$ 1,300 + Material @ \$ 2,775
LUMP SUM PRICE SCOPE #3.....	\$ 4,700.00 Dollars - Labor @ \$ 1,300 + Material @ \$ 3,400

**ITEM II-PAYMENT SCHEDULE:** Payment of 100% for actual work completed due within 30 days of invoice date.

**ITEM III-EXCLUSIONS:** This proposal has no provisions for engineering, bonds, permits, testing, SDG&E fees, traffic control, removing or replacing any asphalt/concrete, saw cutting, or excavation of any material not reasonably possible to excavate with a 416 CAT backhoe.

**ITEM IV-ATTORNEY'S FEES:** In the event that any matter under this proposal is referred to an attorney because of dispute or default under the terms of this proposal, then the defaulting party agrees to pay the sum of reasonable attorney's fees and any other costs involved in enforcing the terms of this proposal.

Prices set forth in this proposal will be honored for thirty (30) days.

This proposal contingent upon receipt of a signed purchase order or subcontract agreement.

Respectfully submitted,

By: Kyle Patterson  
Kyle Patterson, President

STANDARD FBLE - \$2,050  
 SQUARE/BROWN (EXTRA) - \$300  
 LED FIXTURE - \$350  
 \$2,700

### ACCEPTANCE

This proposal is accepted as submitted and PATTERSON BROTHERS LIGHTING, INC. is authorized to complete the work as specified above.

Contractor: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Contractor's License No.: \_\_\_\_\_

Title: \_\_\_\_\_

Please sign and return one copy of this proposal together with your signed purchase order or subcontract agreement, certificate of insurance requirements, and preliminary lien information. Thank you!