Streetlight Recovery Costs
MEMO

TO: Nick Edwards, City Manager
From: Tony Robyn, Assistant City Manager
DATE: October 14, 2024
SUBJECT: Streetlights and Development Cost Recovery

The following outlines information on residential subdivision developments. Commercial is addressed in a separate manner and highlighted as well.

The Article 3 Subdivision Regulations, Required Improvements, Section 5, 1(H) Streetlights, states “The city shall provide for the installation of streetlights at street intersections and other locations as it deems necessary. The developer shall be responsible for all costs providing street lighting equipment other than that determined as necessary by the city."

1. The breakdown of actual costs and who bears responsibility.
   a. Streetlight pole, masthead, and power supply is approximately $4000 - currently Liberty pays for this upfront and owns the lights; City pays a monthly facility usage fee
   b. Liberty spreads that cost out as a facility usage fee, which is currently set at 9% of install cost of the infrastructure per year. So theoretically after 11 years, the City has paid for the light and installation, but the charges remain to cover any maintenance after.
   c. Liberty owns the pole and maintenance costs are covered by the facility usage fee the City pays to Liberty.

2. Provide a detailed breakdown of the process we follow when a developer comes to us for a planned subdivision related to streetlight installation and maintenance. A step-by-step process that cites the relevant city code sections.
   a. Developer submits sub-division plat plan for review. Per Article 3 above, City ensures lighting and associated infrastructure is included in the plan and followed. The development standard is a streetlight placed at each intersection or at least every 300' if possible.
   b. All of the infrastructure costs associated with streetlights are assigned to the developer. This includes the conduit, power lines, and most recently the connection for the primary power distribution box and streetlight power lines to the main power line. Previously this did not include the light pole or masthead which will now be included.
   c. Liberty works with the developers making sure that the developer covers the install of the power to the locations for streetlights. The City ensures development installations are completed according to the plan, now including the streetlight pole and masthead.

d. The “process” for utility installation, including streetlights, must be codified in the subdivision regulations per state statue.
e. The statute also requires a review by the Zoning and Planning Commission as well as the City Council.
f. Planning will insert the new street light process into the subdivision regulations once finalized.
g. The fees will be codified in the subdivision regulations and updated accordingly under normal fee review.
h. Staff have drafted an ordinance outlining costs proposed effective January 1, 2025

3. What does this cost look like and do we have a cost breakdown from Liberty that shows what the ongoing monthly costs are for each pole and electric usage? What are the City’s actual costs incurred, if any?
   a. Liberty bases their monthly pole charges on averages, currently $500 annually.
   b. Liberty has averages for electric usage based on the type of light fixture. The cost is also averaged over the year and the cost varies with peak verses nonpeak times.

4. Cost recovery - Staff are recommending the $4,000.00 per streetlight pole cost be added to the current developer's civil infrastructure costs. This is the cost incurred by the City and complies with the State requirements under the Hancock Amendment in recovering the City’s cost. This will be a new fee and added to the developer’s civil package plan review and collected prior to permits issued. It will be collected by each phase of development.

Commercial developments are handled differently as the developer pays for all associated streetlight costs up front with Liberty during construction. When construction is complete, the City is deeded the public streets including the streetlights. From that point the City owns and maintains the infrastructure.

c: Troy Bolander, Planning, Development, and Neighborhood Services Director
Leslie Haase, Finance Director
Dan Johnson, Public Works Director
Peter Edwards, City Attorney