

City of South Daytona
Economic Development

1672 S. Ridgewood Avenue • South Daytona, FL 32121 • 386-322-3025



MEMORANDUM

To: James L. Gillis, Jr., City Manager

From: Josh McEnany, Economic Development Director

Date: May 6, 2025

Re: Consideration of awarding a contract to FPL in the amount of \$732,421 for the burial of the overhead power lines on US 1 for the final phase (Phase III) of the US 1 Undergrounding and Streetscape project from Ridge Boulevard to the southern City Limits

The final phase of the US 1 Undergrounding and Streetscape project (Phase III) has project limits from Ridge Boulevard to the southern City Limits. Staff requested a cost estimate from Florida Power & Light (FPL) to bury the overhead electrical lines in this final phase. Attached is the proposal submitted by FPL for the anticipated work. The estimate to complete the work is \$732,421.

To fulfill the goal of completing this decade-long project, staff is recommending awarding a contract to FPL in the amount of \$732,421 to bury the overhead power lines on US 1 in the final phase. Funds to complete this project will be made available in the Redevelopment Trust Fund. It is important to note that due to the length of this final phase, it qualifies for an Avoided Storm Restoration Cost (ASRC) credit from FPL. When this project has been completed, FPL will issue the City a refund of \$186,337 as the credit under this program.



April 14th, 2025

Josh McEnany
Economic Development Director
1672 S Ridgewood Ave
South Daytona, FL 32119

**Re: City of South Daytona – Phase 3
Electric Facilities Conversion – Ballpark Estimate
WR # 14011476**

Dear Mr. McEnany:

FPL welcomes the opportunity to assist you in examining the feasibility of converting from overhead electric distribution facilities to an underground system at the following location:

S Ridgewood Ave – between Reed Canal Rd and City Limits

As per your request, the non-binding "ballpark" estimate to complete this conversion is \$732,421. This estimate is provided strictly to assist you in preliminary decision making and it does not include the conversion of the existing streetlight system. It is not an offer from FPL to perform the requested conversion and should not be construed or used as such for detailed planning purposes. This represents an "order of magnitude" figure based on previous FPL experience and reflects the CIAC payment that the City would ultimately need to make to FPL if the conversion were performed at this point in time. It is our experience that conversions in developed areas are the most complex and challenging types of construction. As such, this estimate likely will not precisely represent the City's ultimate actual cost to convert but can assist the City in preliminary decision-making.

FPL estimates include only estimated charges to be paid by the City to FPL. The costs of the following items are not included with the estimate and are the responsibility of the City / residents. These potential costs should be included in future planning of the project:

- Site restoration (sod, landscaping, pavement, sidewalks, etc)
- Rearrangement of customer electric service entrances (requires electrician) from overhead to underground. Also, additional customer expense if local inspecting authorities require customer wiring to be brought to current codes.
- Replacement street and security lighting currently attached to be poles being removed
- Trenching/backfilling for service laterals.
- Removal and undergrounding of other utilities (e.g. telecom, CATV, etc.)
- All work will be performed during the daylight hours, Monday through Friday, 8 A.M. to 5 P.M.. Any afterhours work, e.g. disconnect / reconnect service appointments, would be an additional expense for the City.
- Acquiring, describing, securing and recording of easements for underground facilities. In underground systems, major components formerly attached to poles must now occupy "at grade" appurtenances, e.g., ground level pad mounted transformers and switch cabinets.

Facilities of an underground distribution system will not be placed in road right-of-way, with the exception of cables required for crossings. (See special note below)

Note: Obtaining easements is typically the most difficult aspect of the conversion process; the time required to secure the easements may even exceed the 180 day binding estimate timeframe. FPL strongly suggests that all easements required for the conversion be described and secured prior to requesting the detailed cost estimate.

According to the FPL tariff, this project qualifies for an Avoided Storm Restoration Costs (ASRC) credit and an operational costs differential credit. Based on the overhead mileage of this project, the estimated credit is \$186,337. This is not reflected in the ballpark estimate mentioned above.

After reviewing the "ballpark" estimate, if you decide to move forward with the conversion project, the City along with FPL would discuss a plan to apportion the project into phases. Then, you may request a detailed and "binding" estimate for those phases. Due to the complexity and time required to estimate such a conversion, a non-refundable engineering deposit is required prior to beginning the estimating process for each phase, as set forth in the Florida Administrative Code 25-6.115. For this conversion project the amount of the required engineering deposit is \$3,998. If you decide to proceed with the work contained in the estimate, the amount of this deposit would be applied toward the estimated amount owed to FPL for the conversion. The work must commence within 180 days of the date the binding estimate is provided.

The request for the binding estimate must be in writing, and must describe in detail the facilities to be converted. Binding estimates are valid for 180 days, and would be subject to change in the event of a work scope change. Should actual FPL costs exceed the binding estimate amount, the customer may be responsible for those additional costs up to a maximum of 10% of the binding estimate amount. Payment of customer costs, easements (with opinion of title and recorded), agreements from other utilities/pole licensees, and execution of a Conversion Agreement would be required before commencement of construction.

If you have any questions or wish to consider a binding cost estimate, please call me at (561-389-9976)

Sincerely,



Andrea Castelblanco
Project Manager
Overhead to Underground Conversions
FPL