




Office of the City Manager

ACTION CALENDAR
May 7, 2013

To: Honorable Mayor and Members of the City Council
From:  Christine Daniel, City Manager
Submitted by: Andrew Clough, Director, Public Works
Subject: Public Hearing: FY 2014 Street Light Assessment

RECOMMENDATION

Conduct a public hearing and upon conclusion adopt a Resolution:

- 1. Confirming the assessments in the Engineer’s Report, dated January 2013, and
- 2. Authorizing the levying of FY 2014 Assessments for Berkeley Street Lighting Assessment District No. 1982-1.

FISCAL IMPACTS OF RECOMMENDATION

On March 19, 2013, Council adopted Resolution No. 66,041-N.S. decalring the City’s intent on levying and collecting assessments for FY 2014, approving the Engineer’s report without modifications, and setting the public hearing for a regular council meeting on May 7, 2013.

There are no changes in the rates or formulas used to calculate the annual assessments for the Berkeley Street Lighting Assessment District No. 1982-1. The Landscaping and Lighting Act of 1972, under which this Assessment District was formed, requires the City Council to hold a public hearing each year to consider the adoption of an annual budget and changes to the Engineer’s Report, even if the assessment is not being increased. This action is exempt from the notice, protest, and hearing requirements of State Proposition 218 (Government Code Section 53753) as set forth in Government Code Section 53753.5 (Article XIII D, Sec. 5). Any increase or change in formulas of the assessments would make the annual assessment for Berkeley Street Lighting Assessment District No. 1982-1 subject to procedures and approval process of Proposition 218 (Government Code Section 53750-53754).

The proposed annual assessment rates for Berkeley Street Lighting Assessment District No. 1982-1 are:

Residential and Institutional	\$0.0108/Building Square Footage (BSF)
Industrial	\$0.0216/BSF
Commercial.....	\$0.0432/BSF

The street light assessment rates are set according to the median intensity of light received by property. An average residential property with a 1,900 square foot building would pay \$20.52 a year (1,900 BSF x \$0.0108/BSF) for street lighting. Commercial areas have a median light intensity four times brighter than residential areas; therefore the rate for commercial properties is four times higher than for residential properties. An average business with 5,000 square feet would pay \$216.00 a year (5,000 BSF x \$0.0432/BSF). Industrial areas have twice the median light intensity of a residential area and the rate is two times higher than the residential rate. An industrial property with 10,500 square foot business would pay \$226.80 a year (10,500 GSF x \$0.0216/BSF). Again there are no changes proposed for FY 2014.

The net revenue generated from these assessments is \$1.3 million. The County retains 1.7 percent of the revenue to cover their collection costs (\$23,342). The City's Street Lighting Program for FY 2014 is budgeted at \$2.02 million. The street light rates cannot be increased without voter approval. Until the rates can be increased to fully cover costs, the Street Light Fund will require an ongoing annual subsidy from the General Fund to offset the program deficit.

CURRENT SITUATION AND ITS EFFECTS

The Street Light Assessment District No. 1982-1 has not had a rate increase since FY 1993 and the current level of revenues is not adequate to cover ongoing maintenance and operation costs. Because of the continued fund shortfall for maintaining the 8,000 streetlights, and the declining number of FTEs to maintain the system, staff will spend more time responding to outages and emergency repairs than to a more efficient preventative light bulb replacement maintenance schedule. Almost half of the assessment funds, or \$626,189, is used to pay the street light electrical bills. Electric costs will continue to increase leaving less of the fund for maintenance activities and increasing the need to be supplemented by General Funds.

BACKGROUND

On July 27, 1982, Council formed the Berkeley Street Lighting Assessment District No. 1982-1 by approving Resolution No. 51,449-N.S.

The City's Engineering Division has filed with the City Clerk the Engineer's Report for the levies of the annual assessment for FY 2014. Copies of the Engineer's Report with FY 2014 assessments are on file as of February 11, 2013 in the Main Library and the City Clerk's Office.

The Landscaping and Lighting Act of 1972, under which this Assessment District was formed, requires a public hearing to be held each year at a City Council Meeting to consider the adoption of an annual budget and changes the Engineer's Report.

Any owner of assessed property may make protest to the annual levy either orally or in writing. At the conclusion of the hearing, Council may order changes in any matters provided in the Engineer's Report including in the improvements, any zones within the

assessment district, and the proposed diagram of the proposed assessment. With the incorporation of any changes that are made by Council to the Engineer's Report, it is then adopted, upon supporting vote by Council confirming the diagrams, and assessments and levying assessments for Fiscal Year 2014.

The district is exempt from the requirements of State Proposition 218, the Right to Vote on Taxes Act, since it was implemented before November 6, 1996 and the rates have not been increased since FY 1993. No increases are recommended for FY 2014 in the Street Lighting Assessment District No. 1982-1. If the City imposes a fee increase in the future, the district will then be subject to the procedures and approval process as set forth in the act.

The improvements to be made in this assessment district are generally described as the maintenance or servicing, or both, of existing and future public lighting facilities, including: traffic signals, and the installation and construction of curbs, gutters, walls, sidewalks or paving, or water, or irrigation, drainage related to operation of the public lighting facilities.

RATIONALE FOR RECOMMENDATION

The Landscaping and Lighting Act of 1972, under which this Assessment District was formed, requires a public hearing to be held each year at the City Council Meeting to consider the adoption of an annual budget and changes to the Engineer's Report.

CONTACT PERSON

Phil Harrington, Deputy Director, Public Works, 981-6661

Lorin Jensen, Supervising Civil Engineer, Public Works, 981-6411

Attachments:

1: Resolution

2: Engineer's Report, Dated January 2013

RESOLUTION NO. ##,###-N.S.

LEVY AND COLLECTION OF FY 2014 STREET LIGHTING ASSESSMENT

WHEREAS, the Council of the City of Berkeley adopted Resolution No. 66,041-N.S. declaring the City's intent to levy and collect assessments for FY 2014, approving the Engineer's Report, dated January 2013, for the Berkeley Lighting Assessment District 1982-1, thereby setting a public hearing for May 7, 2013; at a regular Council Meeting at 2134 Martin Luther King Jr. Way; and

WHEREAS, the City Clerk published notice of the public hearing 10 days prior to the public hearing in accordance with Streets and Highway Code Sections 22625, 22626, 22552, and 22553 and Government Code Section 6061 in a newspaper with general circulation; and

WHEREAS, a public hearing was held on Tuesday, May 7, 2013 at 2134 Martin Luther King Jr. Way at the regular City Council meeting; and all interested persons were afforded the opportunity to hear and be heard or file a written protest with the Clerk; and

WHEREAS, there was no majority protest against the levy of an annual assessment at the same rate as was levied in FY 2014.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council authorizes the levy and collection of assessments within Berkeley Street Lighting Assessment District No. 1982-1 as indicated in the approved Engineer's Report, dated January 2013, for FY 2014. The area of Land to be assessed is located in the City of Berkeley, Alameda County.

BE IT FURTHER RESOLVED that improvements to be made in this assessment district are generally described as the maintenance or servicing, or both, of existing and future public lighting facilities, including, but not limited to, traffic signals and the installation and construction of public lighting or the maintenance or servicing thereof, including but not limited to grading, clearing, removal of debris, installation and construction of curbs, gutters, walls, sidewalk or paving, or water or irrigation, drainage or operation of the public lighting facilities.

CITY OF BERKELEY

STREET LIGHTING ASSESSMENT DISTRICT 1982-1

ENGINEER'S REPORT

on the
Levy of an Assessment
for the
Fiscal Year 2014

January 2013

Prepared by

LORIN JENSEN, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

BACKGROUND

By its Resolution 51,230 N.S., adopted April 6, 1982, the Berkeley City Council initiated proceedings under the provisions of Division 15, Part 2, of the California Streets and Highways Code, entitled “Landscaping and Lighting Act of 1972”. The required public hearing was held on July 20, 1982, at which time the Council ordered the improvements and the formation of the assessment district, and confirmed the diagram and assessment. The district so formed was designated the “City of Berkeley Street Lighting Assessment District 1982-1”. Assessments were levied for the 1983 through 2013 fiscal years.

This report was prepared and filed pursuant to Division 15, Part 2, of the California Streets and Highway Code Section 2250, and is exempt from Government Code Section 53753 since the proposed assessment for FY 2014 will not be increased.

PLANS AND SPECIFICATIONS

The plans and specifications for this assessment district were prepared and filed with the Engineer’s Report for the 1983 fiscal year, which plans and specifications are incorporated herein by this reference thereto.

METHODOLOGY

The benefit to individual parcels within the Assessment District was established in 1982 based on the median light intensity a parcel receives. Parcel’s Land Use Code (LUC) is used to categorize the parcels. The assessment is calculated by multiplying the building square footage on the parcel times the rate of its category. The rate structure has three categories: 1) Residential and Institutional, 2) Industrial, 3) Commercial. An industrial area has twice the median light intensity of a residential area and a commercial area has four times the median light intensity; therefore, the rates are two and four times higher, respectively, than the residential rate. The rates are:

Residential and Institutional ...	\$0.0108/Building Square footage
Industrial	\$0.0216/Building Square Footage
Commercial	\$0.0432/Building Square Footage

ESTIMATE OF COSTS

The improvements to be made in this assessment district are generally described as the maintenance or servicing, or both, of existing and future public lighting facilities, including, but not limited to, traffic signals and the installation and construction of public lighting or the maintenance or servicing thereof, including but not limited to grading, clearing, removal of debris, installation and construction of curbs, gutters, walls, sidewalk or paving, or water or irrigation, drainage or electrical facilities.

The costs of this assessment district for Fiscal Year 2014 are estimated to be as follows:

Personnel Costs		\$961,455
Non-Personnel Costs		
Supplies, Etc.	\$94,467	
PGE Electric Costs	\$627,474	
Indirect Costs	\$104,264	
Internal Services	<u>\$234,121</u>	
Subtotal, Non-Personnel Costs		\$1,060,326
Total Costs		\$2,021,781
Gross Assessment		\$1,375,774
County Collection Fee (1.7%)		(\$23,342)
Net Assessment		\$1,352,432
Transfer from General Fund		\$671,529

DIAGRAM

The diagram for this assessment district was prepared and filed with the Engineer’s Report for the 1983 fiscal year, which diagram is incorporated herein by this reference thereto.

ASSESSMENT

Except as described below, the assessments to be made against the assessable lots and parcels of land within this assessment district are contained in the “2014 Assessment Roll” for this district, which roll is filed herewith and incorporated herein by this reference thereto.

Said assessment roll filed herewith is based on data contained in the City’s 2013 Library Tax tape and the County Assessor’s 2013 maps. In the event that data contained in the 2013 Library Tax tape and 2013 maps, when issued, conflict therewith, assessments to be made against the affected parcels for this 2014 fiscal year shall be based upon the revised data contained in said 2014 tape and 2014 maps.

Dated: _____, 2013

Lorin Jensen, RCE 53342
Engineer of Work

Filed in the office of the City Clerk of the City of Berkeley, Alameda County, California,
this _____ day of _____, 2013

Mark Numainville
City Clerk

Filed in the office of the County Auditor-Controller of Alameda County, California, this
_____ day of _____, 2013.

Patrick O'Connell
County Auditor-Controller

**DETAIL OF PROPOSED STREET LIGHTING COSTS
2014**

	Personnel	Non-Personnel			Internal Services	TOTALS
	Personnel	Supplies, etc	PG&E Electric	Indirect Costs		
Customer Service - 311	\$26,810			\$3,502		\$30,312
Revenue Collection	\$18,208			\$1,751		\$19,959
Admin & Fiscal Services					\$364	\$364
Corp Yard Administration					\$1,091	\$1,091
General Engineering					\$121	\$121
Facilities Maintenance		\$1,000				\$1,000
Street Lighting Maintenance	\$916,437	\$80,727	\$626,189	\$99,011	\$211,192	\$1,933,556
Corp Yard Maintenance		\$12,740	\$1,285		\$21,232	\$35,257
Clean Cities					\$121	\$121
TOTALS	\$961,455	\$94,467	\$627,474	\$104,264	\$234,121	\$2,021,781

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**2014 Assessment Roll
Listed by
Assessor's Parcel Number**

January 2013

Engineer's Report with Full Listing of Assessments by Assessor's Parcel Number is available at the following locations on or after February 11, 2013:

- City Clerk's Office, 2180 Milvia Street, Berkeley, CA 94704
- Main Berkeley Library, Reference Desk, 2090 Kittredge Avenue, Berkeley, CA 94704
- Public Works Engineering Division, 1947 Center Street, 4th Floor, Berkeley, CA 94704

Prepared by

LORIN JENSEN, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**2014 Assessment Roll
Listed by
Street Address**

January 2013

Engineer's Report with Full Assessments Roll by Street Address is available at the following locations on or after February 11, 2013:

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- Main Berkeley Library, Reference Desk, 2090 Kittredge Avenue, Berkeley, CA 94704
- Public Works Engineering Division, 1947 Center Street, 4th Floor, Berkeley, CA 94704

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STREET LIGHTING ASSESSMENT DISTRICT 1982-1
UTILITY PARCELS ASSESSMENT ROLL

UTILITY	PARCEL NO.	SQ. FT.	ASSESSMENT
PG&E			
135-1-6-5	060-2479-040	3,080	\$66.53
135-1-6C-1	057-2069-022	5,670	\$122.47
135-1-12-2	055-1838-021	2,374	\$51.28
135-1-41-2	053-1681-003	2,200	\$47.52
135-1-66-1	057-2022-018	5,457	\$117.87
135-1-22-3	053-1618-005	432	\$9.33
PT&T			
279-1-12-6	055-1893-019	96,000	\$2,073.60
EBMUD			
	058-2180-001-01	4,500	\$97.20
	059-2323-003-02	2,000	\$43.20
SOUTHERN PACIFIC			
872-1-9-9	052-1514-008	4,445	\$96.01
TOTALS		126,158	\$2,725.01

CITY OF BERKELEY
ASSESSMENT DISTRICT NO. 1982-1
ASSESSMENT SUMMARY

TYPE	NUMBER	SQ. FT.	RATE	ASSESSMENT
Residential	24,394	60,819,589	0.0108	\$666,059.34
Commercial	1500	12,957,369	0.0432	\$522,210.26
Industrial	426	7,396,662	0.0216	\$159,732.46
Institutional	185	2,318,976	0.0108	\$25,046.88
Subtotals	26,505	83,492,596		\$1,373,048.94
Utility	10	126,158	0.0216	\$2,725.01
TOTALS	26,515	83,618,754		\$1,375,773.95

