



Office of the City Manager

CONSENT CALENDAR
April 25, 2017

To: Honorable Mayor and Members of the City Council
 From: Dee Williams-Ridley, City Manager
 Submitted by: Phillip L. Harrington, Director, Department of Public Works
 Subject: Declaration of Intent - FY 2018 Street Light Assessment

RECOMMENDATION

Adopt a Resolution granting the City Manager the authority to approve the Engineer's March 2017 report, Street Lighting Assessment District 1982-1; set a public hearing to be held before the Council of the City of Berkeley at its May 16, 2017 meeting; and authorize the City Clerk to publish Notice of the Public Hearing for FY 2018 Levy of Assessments of Street Lighting Assessment District No. 1982-1.

FISCAL IMPACTS OF RECOMMENDATION

The proposed rates are incorporated into the Engineer's Report (Attachment 2) and reflect no changes to the Berkeley Street Lighting Assessment District No. 1982-1 for FY 2018. Accordingly, 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 formula of the assessments would make the annual assessment for Berkeley Street Lighting Assessment District No. 1982-1 subject to the procedures and approval process of Proposition 218 (Government Code Section 53750-53754).

Since the Street Light Assessment has not generated enough revenue to sustain operations, the General Fund has subsidized the program with an annual \$514,000 transfer. However, in FY 2018 the General Fund is facing a deficit and the subsidy is scheduled to be discontinued as a citywide budget balancing measure. The City's Street Lighting Program in the FY 2018 Adopted Budget has planned expenditures in the amount of \$ 2,814,494. This amount includes a one-time contribution of \$214,715 to the Shattuck Reconfiguration project, and a \$378,740 capital outlay to the City Streetlight Program CIP (16TP04). FY 2018 revenue from street light assessments are estimated at \$1,410,489, resulting in a shortfall of approximately \$1,404,005; however, there is available fund balance that will be used to cover the operating deficit. . Street light rates that generate revenue to support the program cannot be increased without voter approval. Until these rates can be increased to fully cover costs, the Street Light Fund will continue to incur a deficit and will require an ongoing annual subsidy from the General Fund to offset program deficits. In FY 2018, staff will evaluate funding needs

for the Street Lighting program, and will provide recommendations to Council later this year.

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

Residential and Institutional	\$0.0108/BSF ¹
Industrial and Utility	\$0.0216/BSF
Commercial	\$0.0432/BSF

CURRENT SITUATION AND ITS EFFECTS

Street light assessment rates are set according to the median intensity of light received by real properties. An average residential parcel housing a 1,900 square foot building would pay \$20.52 per year (1,900 BSF x \$0.0108/BSF) for street lighting. Commercial areas have a median light intensity four times brighter than that of residential areas; consequently, the light assessment rate for commercial properties is four times higher than rates for residential properties. An average business property with 5,000 square feet of space would pay \$216.00 per year for street lighting (5,000 BSF x \$0.0432/BSF). Industrial areas have twice the median light intensity of residential areas and that rate is two times higher than residential rates. An industrial property housing a 10,500 square foot building would pay \$226.80 a year (10,500 GSF x \$0.0216/BSF). Again there are no rate changes proposed for FY 2018.

Since FY 1993, Street Light Assessment District No. 1982-1 has not had a rate increase and the district’s current revenue level is insufficient to cover regular ongoing operation and maintenance costs. Historically, a General Fund subsidy of between \$514,000 and \$670,000 has been used to offset Street Light Program deficits. In the proposed FY 2018 budget, the General Fund is facing a shortfall. To balance the General Fund budget the transfer to the Street Light Fund is scheduled to be eliminated beginning in FY 2018. The Street Light Assessment has available Fund Balance to support operations through FY 2018. Staff is currently analyzing the feasibility of a Proposition 218 process to increase the assessment in FY 2019. If rates are increased, the additional revenues will be used to fund future Street Light District budget needs.

The proposed rates enumerated here are incorporated into the Engineer’s Report and reflect the fact that no changes are recommended for assessments in Street Light

¹ Building Square Footage (BSF)

Assessment District No. 1982-1. The table below details prior year and proposed assessment rates.

Proposed and Prior Years Assessment Rates District 1982-1

<u>YEAR</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>
1982-83	\$0.0137	\$0.0548	\$0.0274
1983-84	\$0.0115	\$0.0460	\$0.0230
1984-85	\$0.0069	\$0.0276	\$0.0138
1985-86	\$0.0096	\$0.0384	\$0.0192
1986-87	\$0.0147	\$0.0588	\$0.0294
1987-88	\$0.0116	\$0.0464	\$0.0232
1988-89	\$0.0120	\$0.0480	\$0.0240
1989-90	\$0.0120	\$0.0480	\$0.0240
1990-91	\$0.0120	\$0.0480	\$0.0240
1991-92	\$0.0120	\$0.0480	\$0.0240
1992-93	\$0.0108	\$0.0432	\$0.0216
1993-15	\$0.0108	\$0.0432	\$0.0216
2015-16	\$0.0108	\$0.0432	\$0.0216
2016-17	\$0.0108	\$0.0432	\$0.0216
2017-18	\$0.0108	\$0.0432	\$0.0216

BACKGROUND

On July 27, 1982 under the Landscaping and Lighting Act of 1972 (Streets and Highway Code Section 22620-22631), Council established the Berkeley Street Lighting Assessment District No. 1982-1 (Resolution No. 51,499-N.S.).² The Landscaping and Lighting Act of 1972 requires the City Council to hold a public hearing each year to consider adoption of an annual budget and changes to the Engineer’s Report, even if assessments are not being increased.

The City’s Engineering Division has filed the Engineer’s Report for levies of the annual assessment for FY 2018 with the City Clerk. Copies of the Engineer’s Report with FY 2018 assessments will be on file as of March 31, 2017 at the Main branch of the Berkeley Public Library and at the City Clerk’s Office.

In accordance with the Landscaping and Lighting Act of 1972, Council must set a date to conduct a public hearing and authorizes publication of a notice at least ten days prior to the date of that hearing to allow owners of assessed properties to make oral or

² State of California legislation (Streets & Highways §22500) allows local governmental agencies to form Landscape & Lighting Maintenance Districts. A 1972 Act Landscaping and Lighting District is a flexible tool used by local government agencies to pay for landscaping, lighting and other improvements and services in public areas. It is based on the concept of assessing only those properties that benefit from improvements financed, either directly, or indirectly through increased property values.
<http://bit.ly/2orw7td>

written protest against the annual levy. During the course of, or upon conclusion of the public hearing, Council may order changes in any of the matters presented in the Engineer's Report, including changes in improvements, zones within the assessment district, and the proposed diagram or the proposed assessment, as long as any proposed changes are less than the proposed annual levy.

The Street Light Assessment District No. 1982-1 is exempt from the requirements of State Proposition 218 (Right to Vote on Taxes Act) as it was implemented before November 6, 1996, and rates have not been increased since FY 1993. No increase is recommended for FY 2018 in the District. If the City proposes 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 District are generally described as maintenance and/or servicing of existing and future public lighting facilities including traffic signals; installation and construction of curbs, gutters, walls, sidewalks or paving; and water, irrigation, or drainage related to operation of the public lighting facilities.

ENVIRONMENTAL SUSTAINABILITY

The City has successfully converted its street lighting to Light Emitting Diode (LED) equivalents. The project's objectives were optimization of the environmental benefits of the Street Light program by reducing the level of greenhouse gases emitted; reduction of the level of toxic materials disposed; maximization of energy and energy cost savings; achieving the City's illumination standards; and minimization of administration costs and staff time for street light maintenance.

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 during the course of a regular City Council Meeting to consider adoption of an annual budget and changes to the Engineer's Report.

CONTACT PERSON

Phillip L. Harrington, Director, Department of Public Works (510) 981-6303
Kenneth Emeziem, Supervising Civil Engineer (510) 981-6444

Attachments:

- 1: Resolution
- 2: Engineer's Report, Dated March 2017
- 3: Notice of Public Hearing

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

DECLARATION OF INTENT - FY 2018 STREET LIGHTING ASSESSMENTS

WHEREAS, on July 27, 1982, the Council of the City of Berkeley Adopted Resolution No. 51,449–N.S. that completed proceedings to form the Berkeley Street Lighting Assessment District No. 1982-1; and

WHEREAS, pursuant to Chapter III of the Landscaping and Lighting Act of 1972 Street and Highway Code Section 22620-22631, the Department of Public Works, Engineering Division, Engineer of Work for Berkeley Street Lighting Assessment District No. 1982-1, prepared and filed an annual report and Diagram for levy of annual assessments for Fiscal Year 2018 with the City Clerk.

NOW THEREFORE, BE IT RESOLVED, the Council of the City of Berkeley approves the Engineer's Report, dated March 2017, on levy of assessments for FY 2018 for Berkeley Street Lighting Assessment District 1982-1. The area of land to be assessed is located in the City of Berkeley, Alameda County.

BE IT FURTHER RESOLVED, the Council of the City of Berkeley declares its intention to levy and collect assessments within the Berkeley Street Lighting Assessment District 1982-1 for FY 2018.

BE IT FURTHER RESOLVED, the City Clerk shall publish a notice at least ten (10) days prior to the date of the public hearing listing the date, hour, and place of the public hearing for annual levy and collection of assessments in accordance with Streets and Highway Code Sections 22625, 22626, 22552, and 22553 and Section 6061 of the Government Code.

BE IT FURTHER RESOLVED, improvements to be made in this assessment district are generally described as 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 related to operation of the public lighting facilities.

BE IT FURTHER RESOLVED, the annual report for Fiscal Year 2018 for which assessments are to be levied and collected to pay the costs of the improvements described in the report prepared by the Department of Public Works, Engineering Division, in accordance with the Landscaping and Lighting Act of 1972 is filed with the Office of City Clerk. All interested persons are referred to that report for a full and detailed description of improvements, boundaries of the assessment district, and proposed assessments upon assessable lots and parcels of land within the assessment district.

BE IT FURTHER RESOLVED, on Tuesday, May 16, 2017 the City Council will conduct a public hearing in the Berkeley Council Chambers located at 2134 Martin Luther King, Jr. Way, Berkeley, California.

CITY OF BERKELEY

STREET LIGHTING ASSESSMENT DISTRICT 1982-1

ENGINEER'S REPORT

on the
Levy of an Assessment
for
Fiscal Year 2018

March 2017

Prepared by

KENNETH EMEZIEM, 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 2017 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 2018 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 and Utility	\$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 2018 are estimated to be as follows:

Personnel Costs	\$1,058,739
Non- Personnel Costs	
Supplies, Etc.	\$115,652
Debt Service	\$370,451
PG&E Electric Costs	\$326,743
Infrastructure/Streets	\$214,715
Deferred Capital Maintenance	\$378,740
Indirect Costs	\$153,080
Internal Services	<u>\$196,374</u>
Subtotal, Non-Personnel Costs	<u>\$1,755,755</u>
Total Costs	\$2,814,494
Gross Assessment	\$1,386,942
County Collection Fee (1.7%)	<u>\$ (23,578)</u>
Net Assessment	<u>\$1,363,363</u>
Deficit	(\$1,451,131)

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 “2017 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 2017 Library Tax tape and the County Assessor’s 2017 maps. In the event that data contained in the 2017 Library Tax tape and 2017 maps, when issued, conflict therewith, assessments to be made against the affected parcels for this 2018 Fiscal Year shall be based upon the revised data contained in said 2018 tape and 2018 maps.

Dated: _____, 2017

Kenneth Emeziem, RCE 54937
Engineer of Work

Filed in the office of the City Clerk of the City of Berkeley, Alameda County, California,
this _____ day of _____, 2017

Mark Numainville
City Clerk

Filed in the office of the County Auditor-Controller of Alameda County, California, this
_____ day of _____, 2017.

Patrick O'Connell
County Auditor-Controller

DETAIL OF STREET LIGHTING COSTS FY 2018

	Personnel	Non-Personnel				Deferred Capital/Maintenance	Indirect Costs	Internal Services	TOTALS
		Supplies, etc	Debt Service	PGE Electric	Infrastructure/ Streets				
Customer Service - 311	\$29,974					\$4,598		\$34,572	
Revenue Collection	\$18,217					\$2,638		\$20,855	
Financial Admin Services						\$364		\$364	
Corp Yard Administration						\$1,091		\$1,091	
General Engineering Facilities Maintenance						\$121		\$121	
Communication System Mtce		\$1,000						\$1,000	
Street Lighting Maintenance	\$1,010,548	\$101,912	\$370,451	\$325,458	\$214,715	\$144,268	\$180,238	\$2,726,330	
Corp Yard Maintenance		\$12,740		\$1,285			\$16,136	\$30,161	
TOTALS	\$1,058,739	\$115,652	\$370,451	\$326,743	\$214,715	\$153,080	\$196,374	\$2,814,494	

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**FY 2018 Assessment Roll
Listed by
Assessor's Parcel Number**

March 2017

Engineer's Report with Full Listing of Assessments by Assessor's Parcel Number is available at the following locations on or after March 31, 2017:

- 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

KENNETH EMEZIEM, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**FY 2018 Assessment Roll
Listed by
Street Address**

March 2017

Engineer's Report with Full Assessments Roll by Street Address is available at the following locations on or after March 31, 2017:

- 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

KENNETH EMEZIEM, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

CITY OF BERKELEY
ASSESSMENT DISTRICT NO. 1982-1

ASSESSMENT SUMMARY

Type	Number	SQ. FT.	Rate	Assessment
Residential*	24,717	64,286,994	0.0108	\$705,330.72
Commercial	1,483	12,653,509	0.0432	\$523,910.64
Industrial**	395	7,307,201	0.0216	\$157,701.09
Total	26,595	84,247,704		\$1,386,942.45

- * Includes Institutional
- ** includes Utility

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**FY 2018 Assessment Roll
Listed by
Assessor's Parcel Number**

March 2017

Engineer's Report with Full Listing of Assessments by Assessor's Parcel Number is available at the following locations on or after March 31, 2017:

- 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

KENNETH EMEZIEM, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

CITY OF BERKELEY

**STREET LIGHTING
ASSESSMENT DISTRICT 1982-1**

**FY 2018 Assessment Roll
Listed by
Street Address**

March 2017

Engineer's Report with Full Assessments Roll by Street Address is available at the following locations on or after March 31, 2017:

- 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

KENNETH EMEZIEM, PE
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL**

ANNUAL STREET LIGHTING ASSESSMENT

The Department of Public Works is proposing no increase in FY 2018 assessment rates. The existing rates are:

Residential and Institutional:	\$0.0108/Bldg Sf.
Industrial:	\$0.0216/Bldg Sf
Commercial:	\$0.0432/Bldg Sf

Assessments are determined by building square footage and rates. FY 2018 Assessment Rolls for the Berkeley, Street Lighting Assessment District No. 1982-1 will be available at the City Clerk’s Office 2180 Milvia Street, 1st Floor, and at the main Public Library, 2090 Kittredge Street.

The hearing will be held on, MAY 16, 2017 at 7:00 p.m. In the City Council Chambers, 2134 Martin Luther King, Jr. Way.

A copy of the agenda material for this hearing will be available on the City’s website at www.ci.berkeley.ca.us as of May 4, 2017

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Councilmembers and inclusion in the agenda packet. Comments received no later than Monday, May 11, 2017 will be included in Council agenda packets. Comments received thereafter will be submitted to Council as supplemental communications at the meeting. For further information, call Mark Numainville, City Clerk, (510) 981-6900. FAX: (510) 981-6901. TDD: (510) 981-6903.

For further information, please contact Kenneth Emeziem at (510) 981-6444 or Phil Harrington, Director of Public Works at (510) 981-6303

Published: On or before May 6, 2017

City Clerk shall publish a notice at least 10 days prior to the date of the public hearing with the date, hour, and place of the public hearing for annual levy and collection of assessments in accordance with Streets and Highway Code Sections 22625, 22626, 22552, and 22553 and Section 6061 of the Government Code.

~~~~~  
I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on May 4, 2017.

Mark Numainville, City Clerk

