



Office of the City Manager

PUBLIC HEARING  
May 16, 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: FY 2018 Street Light Assessment

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution confirming the assessments in the Engineer's March 2017 Report, and authorizing the levying of assessments for FY 2018 Berkeley Street Lighting Assessment District No. 1982-1.

FISCAL IMPACTS OF RECOMMENDATION

On April 25, 2017, Council adopted Resolution No. 67,916-N.S. declaring the City's intent to levy and collect assessments for FY 2018; approving the Engineer's report without modifications; and setting the public hearing for the May 16, 2017 Council meeting.

There are no changes to the rates or formulas used to calculate annual assessments for the Berkeley Street Lighting Assessment District No. 1982-1. This Assessment District was formed under the Landscaping and Lighting Act of 1972, which requires City Council to hold a public hearing each year to consider adoption of an annual budget and changes to the Engineer's Report, even when 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 (California Constitution Article XIII D, Sec. 5). Any increase or change in the formulas used in 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 Sections 53750-53754).

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

Residential and Institutional	\$0.0108/BSF <sup>1</sup>
Industrial	\$0.0216/BSF
Commercial	\$0.0432/BSF

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<sup>1</sup> Building Square Footage

Street light assessment rates are set according to the median intensity of light received by each property type. 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 that of residential areas. Therefore, the commercial property assessment rate is four times higher than the residential property rate. An average business with 5,000 square feet would pay \$216.00 a year (5,000 BSF x \$0.0432/BSF). Industrial areas have median light intensity twice that of a residential area, and the rate is accordingly, two times higher than the residential rate. An industrial 10,500 square foot property would pay \$226.80 a year (10,500 GSF x \$0.0216/BSF). Again there are no changes proposed for FY 2018.

The City's Street Lighting Program in the FY 2018 Adopted Budget has planned \$2,814,494 of expenditures that 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). For FY 2018, revenue from street light assessments are estimated to be \$1,352,432, resulting in a shortfall of approximately \$1,462,062. The General Fund has been making annual transfers in excess of \$500,000 to subsidize the fund and offset the Street Lighting Program operating deficits. Now as the General Fund struggles to balance its \$5 million operating shortfall in FY 2018 and \$5.3 million operating shortfall in FY 2019 the General Fund transfer to the Street Light Fund is scheduled to be suspended beginning in FY 2018. The Street Light Assessment has available fund balance to support operations through FY 2018 but is facing a shortfall in FY 2019. Street light rates that generate revenue to support the program cannot be increased without voter approval. Staff is 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.

#### CURRENT SITUATION AND ITS EFFECTS

Rates for Street Light Assessment District No. 1982-1 have not increased since FY 1993. The current level of revenues received is insufficient to cover ongoing maintenance and operation costs. Since the Street Light Assessment has not generated enough revenue to sustain operations, the General Fund has subsidized the program in previous years with an annual \$514,000 transfer. In FY 2018, however, the General Fund is facing a deficit and the subsidy is scheduled to be discontinued as a citywide budget balancing measure. Discontinuing the subsidy will require the Street Lighting Program to address its ongoing structural deficit by either reducing expenditures or increasing revenues. Staff is 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.

#### BACKGROUND

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

As of March 31, 2017, the Department of Public Works Engineering Division filed copies of the Engineer's Report with FY 2018 assessments at the Berkeley Public Library - Main Branch and at the Office of the City Clerk.

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 any changes to the Engineer's Report.

Any owner of assessed property may make protest to the annual levy orally or in writing. At the conclusion of the hearing, Council may order changes in any matters provided in the Engineer's Report, including the improvements, zones within the assessment district, and the diagram of the proposed assessment. With the incorporation of any changes made by Council to the Engineer's Report, it is then adopted upon supporting vote by Council confirming the diagrams, assessments, and levying assessments for the current Fiscal Year.

The District 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 increases are recommended for FY 2018 in the Street Lighting Assessment District No. 1982-1. If the City were to impose a fee increase in the future, the District would 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 maintenance and/or servicing of existing and future public lighting facilities including, but not limited to traffic signals,; installation and construction of curbs, gutters, walls, sidewalks or paving; water, irrigation, and/or drainage related to operation of the public lighting facilities.

#### ENVIRONMENTAL SUSTAINABILITY

Continued servicing of public lighting facilities, including the recently converted Light Emitting Diode (LED) equivalents, ensures environmental benefits of the Street Light program. These benefits include reduction of greenhouse gas emissions, reduced toxic materials disposal, and maximizing energy use and energy cost savings while achieving City illumination standards.

#### 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

Kenneth Emeziem, Supervising Civil Engineer, (510) 981-6444

#### Attachments:

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

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

LEVY AND COLLECTION OF FY 2018 STREET LIGHTING ASSESSMENT

WHEREAS, on Tuesday, April 25, 2017, the Council of the City of Berkeley adopted Resolution No. 67,916-N.S., declaring the City's intent to levy and collect assessments for FY 2018, and approving the Engineer's Report, dated March 2017, for the Berkeley Lighting Assessment District 1982-1, thereby setting a public hearing for May 16, 2017, 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 16, 2017 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 2017.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley 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 March 2017, for FY 2018. 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 maintenance, 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, sidewalks or paving; water, irrigation, and/or 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  
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:

<b>Personnel Costs</b>	<b>\$1,058,739</b>
<b>Non- Personnel Costs</b>	
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>
<b>Subtotal, Non-Personnel Costs</b>	<b><u>\$1,755,755</u></b>
<b>Total Costs</b>	<b>\$2,814,494</b>
Gross Assessment	\$1,386,942
County Collection Fee (1.7%)	<u>\$ (23,578)</u>
<b>Net Assessment</b>	<b><u>\$1,363,363</u></b>
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							TOTALS
	Personnel	Supplies, etc	Debt Service	PGE Electric	Infrastructure/ Streets	Deferred Capital/Maintenance	Indirect Costs	Internal Services	
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	\$378,740	\$144,268	\$180,238	\$2,726,330
Corp Yard Maintenance		\$12,740		\$1,285				\$16,136	\$30,161
<b>TOTALS</b>	<b>\$1,058,739</b>	<b>\$115,652</b>	<b>\$370,451</b>	<b>\$326,743</b>	<b>\$214,715</b>	<b>\$378,740</b>	<b>\$153,080</b>	<b>\$196,374</b>	<b>\$2,814,494</b>

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, 4<sup>th</sup> 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:

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**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
<b>Total</b>	<b>26,595</b>	<b>84,247,704</b>		<b>\$1,386,942.45</b>

- \* Includes Institutional
- \*\* includes Utility

CITY OF BERKELEY

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ASSESSMENT DISTRICT 1982-1**

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**STREET LIGHTING  
ASSESSMENT DISTRICT 1982-1**

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**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, 1<sup>st</sup> 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.cityofberkeley.info](http://www.cityofberkeley.info) as of May 4, 2017

For further information, please contact Kenneth Emeziem at (510) 981-6444 or Phil Harrington, Director of Public Works at (510) 981-6300.

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.

Communications to the Berkeley City Council are public record and will become part of the City’s electronic records, which are accessible through the City’s website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or [clerk@cityofberkeley.info](mailto:clerk@cityofberkeley.info) for further information.

**Published:** May 5, 2017 – The Berkeley Voice

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