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 2019 Street Lighting Assessment

RECOMMENDATION
Adopt a Resolution granting the City Manager the authority to approve the Engineer’s March 2018 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 15, 2018 meeting; and authorize the City Clerk to publish Notice of the Public Hearing for FY 2019 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 Fiscal Year (FY) 2019. 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 procedures and approval process of Proposition 218 (Government Code Section 53750-53754).

Since the Street Lighting Assessment has not generated enough revenue to sustain operations, the General Fund (010) has subsidized the Street Lighting Program (Program) with an annual $514,000 transfer. In FY 2018, the General Fund faced a deficit and the subsidy was discontinued as a City-wide budget balancing measure. Subsequently, the City used available Street Lighting Assessment District fund balance (assessment fees are added to the Street Light Fund (470)) to cover the operating deficit. The City’s Street Lighting Program in FY 2019 has projected expenditures in the amount of $2,525,961. FY 2019 net assessment revenue from current street lighting assessments are estimated at $1,378,612, resulting in a shortfall of approximately $1,147,349. The FY 2019 operating deficit can be covered by projected available fund balance in the Street Lighting Assessment District Fund; however, that fund balance is projected to be exhausted by FY 2020. 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 Lighting Assessment District Fund will continue to incur a deficit, and will require continued use of the fund balance or transfers.
in from other eligible funds to offset operating deficits. After an evaluation of funding needs for the Street Lighting program, staff has initiated a Proposition 218 process to establish a new Street Light Assessment Fee that will fund the Street Light Program at a level to sustain necessary operations. This new fee would raise revenues in addition to the current Street Light Assessment Fee, which is not proposed to change in FY 2019.

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential and Institutional</td>
<td>$0.0108/BSF</td>
</tr>
<tr>
<td>Industrial and Utility</td>
<td>$0.0216/BSF</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0.0432/BSF</td>
</tr>
</tbody>
</table>

**CURRENT SITUATION AND ITS EFFECTS**

Street Lighting 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).

The Street Lighting Assessment District rates have never been increased above the initial rates, and the fund’s current revenue level is insufficient to cover operation, maintenance, and capital costs. Historically, a General Fund subsidy has been used to offset Street Lighting Program deficits. For FY 2018 and FY 2019, the General Fund subsidy was suspended to cover the citywide operating budget deficit, with the Street Light Assessment District Fund Balance covering the program deficit in FY 2018. In the FY 2019 budget, subject to May 2019 Council authorization, the Street Lighting Assessment District Fund Balance will again be used to cover the deficit.

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 Lighting Assessment District No. 1982-1. The table below details prior year and proposed assessment rates. There are no rate changes proposed for FY 2019.

---

1 Building Square Footage (BSF)
Proposed and Prior Years Assessment Rates District 1982-1

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RESIDENTIAL</th>
<th>COMMERCIAL</th>
<th>INDUSTRIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-83</td>
<td>$0.0137</td>
<td>$0.0548</td>
<td>$0.0274</td>
</tr>
<tr>
<td>1983-84</td>
<td>$0.0115</td>
<td>$0.0460</td>
<td>$0.0230</td>
</tr>
<tr>
<td>1984-85</td>
<td>$0.0069</td>
<td>$0.0276</td>
<td>$0.0138</td>
</tr>
<tr>
<td>1985-86</td>
<td>$0.0096</td>
<td>$0.0384</td>
<td>$0.0192</td>
</tr>
<tr>
<td>1986-87</td>
<td>$0.0147</td>
<td>$0.0588</td>
<td>$0.0294</td>
</tr>
<tr>
<td>1987-88</td>
<td>$0.0116</td>
<td>$0.0464</td>
<td>$0.0232</td>
</tr>
<tr>
<td>1988-89</td>
<td>$0.0120</td>
<td>$0.0480</td>
<td>$0.0240</td>
</tr>
<tr>
<td>1989-90</td>
<td>$0.0120</td>
<td>$0.0480</td>
<td>$0.0240</td>
</tr>
<tr>
<td>1990-91</td>
<td>$0.0120</td>
<td>$0.0480</td>
<td>$0.0240</td>
</tr>
<tr>
<td>1991-92</td>
<td>$0.0120</td>
<td>$0.0480</td>
<td>$0.0240</td>
</tr>
<tr>
<td>1992-93</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
<tr>
<td>1993-15</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
<tr>
<td>2015-16</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
<tr>
<td>2016-17</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
<tr>
<td>2017-18</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
<tr>
<td>2018-19</td>
<td>$0.0108</td>
<td>$0.0432</td>
<td>$0.0216</td>
</tr>
</tbody>
</table>

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.). The Landscaping and Lighting Act of 1972 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 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 2019 with the City Clerk. Copies of the Engineer’s Report with FY 2019 assessments will be on file as of March 12, 2018 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, City Council sets a date for 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 an oral or written protest against the annual levy. During the course of, or upon conclusion of the public hearing, City Council may order changes in any of the matters provided in the 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 District is exempt from the requirements of State Proposition 218 (Right to Vote on Taxes Act) since it was implemented before November 6, 1996 and rates have not been increased above the 1982 levels. No increase is recommended for FY 2019 in the Street Lighting Assessment District No. 1982-1. 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 assessment 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; water, irrigation, or drainage related to operation of the public lighting facilities.

ENVIRONMENTAL SUSTAINABILITY
The City exclusively uses LED (light emitting diode) street lighting. LED lights provide environmental benefits by reducing the level of greenhouse gases emitted; reducing level of toxic materials disposed; maximizing energy and energy cost savings; achieving the City’s illumination standards; and minimizing administration costs and staff time for streetlight 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
Nisha Patel, Manager of Engineering (510) 981-6406
Kenneth Emeziem, Supervising Civil Engineer, Public Works (510) 981-6444

Attachments:
1: Resolution
2: Engineer’s Report, Dated March 2018
3: Notice of Public Hearing
RESOLUTION NO. #.#.#-N.S.

DECLARATION OF INTENT - FY 2019 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 for levy of annual assessments for Fiscal Year 2019 with the City Clerk.

NOW THEREFORE, BE IT RESOLVED the Council of the City of Berkeley approves the Engineer’s Report, dated March 2018, on levy of assessments for FY 2019 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 2019.

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 2019 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 15, 2018 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 2019

March 2018

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 2018 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 2019 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, 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 2019 are estimated to be as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs</td>
<td>$615,584</td>
</tr>
<tr>
<td>Non-Personnel Costs</td>
<td></td>
</tr>
<tr>
<td>Supplies, Etc.</td>
<td>$94,108</td>
</tr>
<tr>
<td>Debt Service</td>
<td>$349,335</td>
</tr>
<tr>
<td>PG&amp;E Electric Costs</td>
<td>$326,743</td>
</tr>
<tr>
<td>Infrastructure/Streets</td>
<td>$214,715</td>
</tr>
<tr>
<td>Deferred Capital Maintenance</td>
<td>$554,354</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>$151,628</td>
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<tr>
<td>Operating Transfer out</td>
<td>$12,120</td>
</tr>
<tr>
<td>Internal Services</td>
<td>$207,374</td>
</tr>
<tr>
<td><strong>Subtotal, Non-Personnel Costs</strong></td>
<td><strong>$1,910,377</strong></td>
</tr>
<tr>
<td>Total Costs</td>
<td>$2,525,961</td>
</tr>
<tr>
<td>Gross Assessment</td>
<td>$1,402,454</td>
</tr>
<tr>
<td>County Collection Fee (1.7%)</td>
<td>$(23,842)</td>
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<tr>
<td><strong>Net Assessment</strong></td>
<td><strong>$1,378,612</strong></td>
</tr>
<tr>
<td>Deficit</td>
<td>$(1,147,349)</td>
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</table>

**DIAGRAM**

The diagram for this assessment district was prepared and filed with the Engineer’s Report for the 1983 fiscal year.

**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 “2019 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 2018 Library Tax tape and the County Assessor’s 2018 maps. In the event that data contained in the 2018 Library Tax tape and 2018 maps, when issued, conflict therewith, assessments to be made against the affected parcels for this 2019 Fiscal Year shall be based upon the revised data contained in said 2019 tape and 2019 maps.
Dated: ________________, 2018

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 ________________, 2018

________________________________
Mark Numainville
City Clerk

Filed in the office of the County Auditor-Controller of Alameda County, California, this ________________ day of ________________, 2018.

________________________________
Steve Manning
County Auditor-Controller
## DETAIL OF STREET LIGHTING COSTS IN FY 2019

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Supplies, etc</th>
<th>Debt Service</th>
<th>PGE Electric</th>
<th>Infrastructure/ Streets</th>
<th>Indirect Costs</th>
<th>Operating Transfer Out</th>
<th>Internal Services</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service - 311</td>
<td>$30,748</td>
<td></td>
<td></td>
<td></td>
<td>$4,710</td>
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<td>$35,458</td>
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<tr>
<td>Revenue Collection</td>
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<td></td>
<td></td>
<td>$2,650</td>
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<td>$21,127</td>
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<tr>
<td>Financial Admin Services</td>
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<td></td>
<td></td>
<td></td>
<td>$364</td>
<td></td>
<td>$364</td>
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<tr>
<td>Corp Yard Administration</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>$1,091</td>
<td>$1,091</td>
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<tr>
<td>General Engineering</td>
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<td></td>
<td></td>
<td>$121</td>
<td></td>
<td>$121</td>
<td></td>
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<tr>
<td>Communication System Mtce</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,000</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Street Lighting Maintenance</td>
<td>$566,359</td>
<td>$80,368</td>
<td>$349,335</td>
<td>$325,458</td>
<td>$214,715</td>
<td>$554,354</td>
<td>$122,724</td>
<td>$191,238</td>
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<tr>
<td>Traffic Signal Maintenance</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$21,544</td>
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<tr>
<td>Corp Yard Maintenance</td>
<td>$12,740</td>
<td>$1,285</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$16,136</td>
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</tbody>
</table>

**TOTALS** $615,584 $94,108 $349,335 $326,743 $214,715 $554,354 $151,628 $12,120 $207,374 $2,525,961
CITY OF BERKELEY

STREET LIGHTING
ASSESSMENT DISTRICT 1982-1

FY 2019 Assessment Roll
Listed by
Assessor’s Parcel Number

March 2018

Engineer’s Report with Full Listing of Assessments by Assessor’s Parcel Number is available at the following locations on or after March 12, 2018:

• 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 2019 Assessment Roll
Listed by
Street Address

March 2018

Engineer’s Report with Full Assessments Roll by Street Address is available at the following locations on or after March 12, 2018:

- 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
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ENGINEERING DIVISION
CITY OF BERKELEY

ASSESSMENT DISTRICT NO. 1982-1

ASSESSMENT SUMMARY

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>SQ. FT.</th>
<th>Rate</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential*</td>
<td>24,741</td>
<td>65,162,175</td>
<td>0.0108</td>
<td>$723,080.26</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,471</td>
<td>12,547,384</td>
<td>0.0432</td>
<td>$519,498.84</td>
</tr>
<tr>
<td>Industrial**</td>
<td>390</td>
<td>7,364,724</td>
<td>0.0216</td>
<td>$159,875.32</td>
</tr>
</tbody>
</table>

**Total** 26,602 85,074,283 $1,402,454.42

- * Includes Institutional and No Rate
- ** includes Utility
NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL

ANNUAL STREET LIGHTING ASSESSMENT

The Department of Public Works is proposing no increase in FY 2019 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 2019 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 15, 2018 at 6:00 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 3, 2018.

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 for further information.

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

Published: May 4, 2018 – The Berkeley Voice
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 3, 2018.

Mark Numainville, City Clerk