PUBLIC HEARING
May 15, 2018

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 2019 Street Lighting Assessment

RECOMMENDATION
Conduct a public hearing and upon conclusion, adopt a Resolution confirming the assessments in the Engineer’s March 2018 Report, and authorizing the levying of assessments for FY 2019 Berkeley Street Lighting Assessment District No. 1982-1.

FISCAL IMPACTS OF RECOMMENDATION
On April 24, 2018, Council adopted Resolution No. 68,394-N.S. declaring the City’s intent to levy and collect assessments for FY 2019; approving the Engineer’s report without modifications; and scheduling a public hearing for May 15, 2018 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:

<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</td>
<td>$0.0216/BSF</td>
</tr>
<tr>
<td>Commercial</td>
<td>$0.0432/BSF</td>
</tr>
</tbody>
</table>

1 Building Square Footage
Street lighting 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 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). There are no changes proposed for FY 2019.

The City’s Street Lighting Program in the FY 2019 has a projected expenditure in the amount of $2,525,961. For FY 2019, the net assessment revenue from street lighting assessments are estimated to be $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 District Fee that will fund the Street Lighting program at a level to sustain necessary operations. This new fee would raise revenues in addition to the existing Street Lighting Assessment District Fee.

CURRENT SITUATION AND ITS EFFECTS
The Street Lighting Assessment District No. 1982-1 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, the General Fund subsidy was suspended to cover the citywide operating budget deficit, with the Street Lighting 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.

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 12, 2018, the Department of Public Works Engineering Division filed copies of the Engineer’s Report with FY 2019 Street Lighting 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 an annual public hearing at a 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 and zones within the assessment district of the proposed assessment. With the incorporation of any changes made by City Council to the Engineer’s Report, it is then adopted upon supporting vote by City Council confirming the 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 2019 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 Light Emitting Diode (LED) equivalents, ensures environmental benefits of the Street Lighting 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 each year at the City Council Meeting to consider the adoption of an annual budget and changes to the Engineer’s Report.

CONTACT PERSON
Nisha Patel, Manager of Engineering, Public Works (510) 981-6406
Kenneth Emeziem, Supervising Civil Engineer, Public Works (510) 981-6444

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

LEVY AND COLLECTION OF FY 2019 STREET LIGHTING ASSESSMENT

WHEREAS, the Council of the City of Berkeley adopted Resolution No. 68,394-N.S. declaring the City’s intent to levy and collect assessments for FY 2019, approving the Engineer’s Report, dated March 2018, for the Berkeley Lighting Assessment District 1982-1, thereby setting a public hearing for May 15, 2018; at a regular Council Meeting at 2134 Martin Luther King Jr. Way; and

WHEREAS, the City Clerk published notice of the public hearing ten 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 15, 2018 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 2018.

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 March 2018, for FY 2019. 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 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
Fiscal Year 2019

March 2018

Prepared by
KENNETH EMEZIEL, 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:

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

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>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs</td>
<td>$615,584</td>
</tr>
<tr>
<td><strong>Non-Personnel Costs</strong></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>
</tr>
<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><strong>Total Costs</strong></td>
<td><strong>$2,525,961</strong></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>
</tr>
<tr>
<td><strong>Net Assessment</strong></td>
<td><strong>$1,378,612</strong></td>
</tr>
<tr>
<td>Deficit</td>
<td>($1,147,349)</td>
</tr>
</tbody>
</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>Description</th>
<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>
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</thead>
<tbody>
<tr>
<td>Customer Service - 311</td>
<td>$30,748</td>
<td>$30,748</td>
<td>$30,748</td>
<td>$30,748</td>
<td>$30,748</td>
<td>$4,710</td>
<td>$2,650</td>
<td>$35,458</td>
<td>$35,458</td>
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<tr>
<td>Revenue Collection</td>
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<td></td>
<td>$21,127</td>
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<tr>
<td>Financial Admin Services</td>
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<td>$364</td>
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<td>$1,091</td>
<td>$1,091</td>
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<tr>
<td>Corp Yard Administration</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,091</td>
<td>$1,091</td>
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<tr>
<td>General Engineering</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,091</td>
<td>$1,091</td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,091</td>
<td>$1,091</td>
</tr>
<tr>
<td>System Mte</td>
<td>$1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1,000</td>
<td>$1,000</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>
<td>$2,415,095</td>
</tr>
<tr>
<td>Traffic Signal Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$21,544</td>
<td>$21,544</td>
</tr>
<tr>
<td>Corp Yard Maintenance</td>
<td>$12,740</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$16,136</td>
<td>$30,161</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,285</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$615,584</strong></td>
<td><strong>$94,108</strong></td>
<td><strong>$349,335</strong></td>
<td><strong>$326,743</strong></td>
<td><strong>$214,715</strong></td>
<td><strong>$554,354</strong></td>
<td><strong>$151,628</strong></td>
<td><strong>$207,374</strong></td>
<td><strong>$2,525,961</strong></td>
</tr>
</tbody>
</table>
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
CITY OF BERKELEY
DEPARTMENT OF PUBLIC WORKS
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>
<tr>
<td>Total</td>
<td>26,602</td>
<td>85,074,283</td>
<td></td>
<td>$1,402,454.42</td>
</tr>
</tbody>
</table>

- * 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 are 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.cityofberkeley.info 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

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 22525, 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 3, 2018.

Mark Numainville, City Clerk