


DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET LIGHTING
REPORT NO. 1

May 15, 2015

C.D. All

Honorable Board of Public Works of the City of Los Angeles

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE CITY COUNCIL
MAY 15 2015


Executive Officer
Board of Public Works

**ANNUAL ASSESSMENT FOR STREET LIGHTING MAINTENANCE AND OPERATION FOR
2015/16 – LOS ANGELES CITY LIGHTING DISTRICT (ASSESSMENTS AND DISTRICT
FROZEN SINCE 1996)**

RECOMMENDATIONS

1. That your Board, in accordance with Section 6.98 of the Administrative Code of the City of Los Angeles, adopt and forward this report and transmittals to the City Clerk and City Council with the recommendations that:
 - (a) Council adopt this Report and the Ordinance of Intention for the Los Angeles City Street Lighting Maintenance Assessment District (LACL D), (Transmittal No. 2), under which individual maintenance assessments, and the composition of the District will remain substantially the same as in **2014/15**, and therefore assessments will be exempt from the “procedures and approval process” (section 4 of Proposition 218) as allowed in section 5 of Proposition 218. **No assessments will be increased and no properties will be added to this District. Therefore, no ballots will be required.**
 - (b) Proceedings for the maintenance of the LACL D for fiscal year **2015/16** be conducted in conformance with Division 6, Chapter 3, Article 1 of the Los Angeles Administrative Code, California Government Code Section 53753.5 and Proposition 218 (Articles XIII C and XIII D of the California State Constitution). **At the conclusion of the Council Public Hearing, assessments be confirmed and an ordinance levying the assessments be adopted.**

Confirmation of the assessments by **July 31, 2015** is necessary to meet the County deadline for inclusion of the assessments on the **2015/16** Property Tax Bills.

2. That your Board submit a copy of this report and its transmittals to the City Administrative Officer for review and comment prior to your Board’s public hearing, per their request in the 1987 Management Audit of the Bureau of Street Lighting.

FISCAL IMPACT STATEMENT

Approval will result in assessment revenue of about **\$45,255,434** to the Street Lighting Maintenance Assessment Fund (SLMAF) for **2015/16** street lighting operations, slightly **more** than in **2014/15**. An amount of **\$1,100,000** is budgeted from the Water and Electricity Fund for the City’s share of the Public Property assessments. About 510,000 parcels are included in this assessment district.

TRANSMITTALS

1. Draft of an Ordinance of Intention approved as to form and legality by the City Attorney.
2. Final Cost Estimate for Operation of the Street Lighting in the LACL D.

3. Specifications for the Operation of the Los Angeles City Street Lighting Maintenance Assessment District for 2015/16.
4. Proposed assessment roll.

SUMMARY DISCUSSION

Approval of this report, adoption of the Ordinance of Intention, holding of the public hearings, and adoption of the Final Ordinance by Council, with approval by the Mayor, is required under Sections 6.95 to 6.127 of the Los Angeles Administrative Code to levy the assessments needed to operate the Los Angeles City Street Lighting Maintenance Assessment District (LACLD) for 2015/16. The **\$45,255,434** in annual assessments is the primary source of revenue for the Bureau of Street Lighting's operating budget and other street lighting expenses. The assessments are collected through the County Property Tax Bills, and therefore the assessments must be confirmed by the Council by **July 31, 2015** to ensure that the information can be included on the tax bills.

In summary, the total estimated cost of LACLD street lighting operations for 2015/16 is **\$56,160,800** of which **\$45,255,434** is proposed to be assessed to benefiting properties, including City-owned properties, in accordance with established Council policy. The remaining **\$10,905,366** (**\$4,644,549** carry over from previous fiscal year) in costs are funded from other sources of revenue, including miscellaneous receipts, reimbursements from other agencies, and collections for damage claims, permits & fees, and maintenance agreement receipts. An appropriation of **\$1,100,000** from the Water & Electricity Fund is budgeted for the public property street lighting maintenance assessments.

SINCE INDIVIDUAL MAINTENANCE ASSESSMENTS, AND THE COMPOSITION OF THE DISTRICT WILL REMAIN SUBSTANTIALLY THE SAME AS IN 2014/15, THEY ARE EXEMPT FROM THE "PROCEDURES AND APPROVAL PROCESS" (SECTION 4 OF PROPOSITION 218) AS ALLOWED IN SECTION 5 OF PROPOSITION 218. NO ASSESSMENTS WILL BE INCREASED AND NO PROPERTIES WILL BE ADDED TO THIS DISTRICT.

SIGNIFICANT ITEMS AFFECTING THE ESTIMATE

REVENUES

- **STREET LIGHTING MAINTENANCE ASSESSMENTS** – The Bureau collects 99% of all assessments levied against benefitting property owners.
- **ENERGY EFFICIENCY LOAN** – The Bureau secured a new loan from DWP for phase 2 of the LED Conversion Program. This will convert 30,000 decorative streetlights to LED over a 4 year period. The Bureau is working on a new Energy Efficiency Loan with the CA Energy Commission for our "high voltage to low voltage" conversion projects.
- **HIGH VOLTAGE LED ENERGY EFFICIENCY CONVERSION PROGRAM (Energy Efficiency Loan (\$5,000,000))** – The Bureau will be converting a total of 12,500 high voltage circuits to LED low voltage as part of a 5 year High Voltage Conversion Program. This program will produce an accumulative energy and maintenance savings that will pay back the loan in 8 years. The program will eliminate 9,462 metric tons of Carbon Emissions from our environment. The City will continue to see a savings of \$2.2 million annually after debt service is retired.

EXPENDITURES

- **ELECTRIC RATES** - The annual bills for electricity for the LACLD are estimated to total **\$12,460,192** for **2015/16**.
- **HIGH VOLTAGE LED ENERGY EFFICIENCY CONVERSION PROGRAM** – The Bureau is proceeding with a plan to convert 12,500 high voltage streetlights to low voltage LED. This conversion of older, incandescent lighting to energy efficient fixtures will save energy, lower costs, and preserve the look of the nighttime light. The new energy efficient fixtures require re-lamping about every 8 years, instead of every 6 months with incandescent lamps. The savings in maintenance costs will make the conversions economically viable. Conversion from high voltage to low voltage LED will occur simultaneously.

OTHER SIGNIFICANT ITEMS

- **REVIEW OF ASSESSMENT FUND REVENUES** – In fiscal year 2015-16 the Bureau will be reviewing the assessment fund to ensure that all assessments are accurate and being properly collected.
- **REVIEW OF STREET LIGHTING MAINTENANCE ASSESSMENT FUND** – In fiscal year 2015-16 the Bureau will be evaluating the options regarding the re-ballot of the Assessment Fund to incorporate a CPI or other inflationary measure.
- **WIRE THEFT** – The City of Los Angeles has over 200,000 streetlights that are powered through underground conduit with copper wires. The use of high strength, composite, lockable pullboxes along with increased awareness by the LAPD and the public have been instrumental in reducing copper wire theft.
- **WIRE THEFT PREVENTION** – The Bureau has a program that will install 6,000 lockable pullbox lids to deter wire theft in high crime areas.
- **NEW TECHNOLOGY: SOLAR to GRID / LED PROGRAM** – The Bureau is finalizing a Power Purchase Agreement with DWP for solar to grid installations. The Bureau currently has 52 locations in the City with solar panels that are feeding electricity back into the grid during the day. These locations have been installed for several years as part of a pilot program.
- **ELECTRIC VEHICLE (EV) CHARGING STATIONS ON STREET LIGHTING POLES** – The Bureau has a program that will install 45 Electric vehicle (EV) charging stations connected to existing street lighting poles throughout the City in the public right of way. The Bureau anticipates receiving a grant from LADWP and funding from the City's "Great Streets" for this program.

- **REMOTE MONITORING CONTROLS ON STREET LIGHTING POLES** – The Bureau will continue to install remote monitoring controls on street lighting fixtures as well as monitor energy use and the status of each light. The streetlights are able to identify themselves to the network instantly using mobile technology embedded into each fixture. This smart plug-and-play approach not only reduces the cost of installing each fixture, it reduces the time of commissioning and eliminates on-site commissioning completely. Additionally, the entire system will be securely controlled and managed remotely through a web browser.
- **LA LIGHTS MOBILE APPLICATION** – The Bureau has released a mobile application available for iPhone and Android devices that allows the public to submit service requests for streetlight repairs. The application is titled 'LA Lights'. By downloading and using the LA Lights app, streetlight problems can be reported directly to the Bureau for quick resolution. The app utilizes a map-based user interface to easily locate any desired location or the user's current location.

PROPOSITION 218

Shortly after approval of Proposition 218 on November 5, 1996, we conferred with experts in assessments in the private sector, in other cities, and within the City, including the City Attorney, CAO, CLA, City Clerk and others to ascertain and deal with the impacts on assessments, particularly for this District. Our conclusions, concurred in by the City Attorney, are:

1. This assessment district can be renewed, a year at a time, and is exempt from the voting, mailed notices and other requirements of Proposition 218, Section 4, as long as the assessments and the composition of the District are not increased or added to from the previous year.
2. When an increase becomes necessary, a ballot and notice must be mailed to all property owners in the District; if a weighted majority of the votes received are against the increased assessment, it cannot be levied.

THE ESTIMATE AND STREET LIGHTING MAINTENANCE ASSESSMENTS

Transmittal No. 2 is the FINAL ESTIMATE of expenditures and revenues for the **2015/16** LACLD. It also provides a description of the cost and revenue elements of the estimate, and the basis for the street lighting maintenance assessments that are levied by City Council.

The assessments to about 510,000 individual properties (about 2/3 of the City) will remain the same as in **2014/15**. Properties without streetlights (about 1/3 of the City) are not assessed. A typical R-1 property with a 50-foot frontage which was assessed \$53.07 in **2014/15** will be assessed the same amount in **2015/16**.

This estimate has been prepared consistent with Council Policy in Administrative Code Sections 6.95-6.127, and on the basis of maintaining the Street Lighting Maintenance Assessment Fund in a solvent condition throughout the next fiscal year. The major portion of the revenue to this Fund is planned to be secured from the annual assessment to benefiting properties, which comprise the LACLD. The Bureau of Street Lighting (BSL) budget is also financed from the SLMAF. Therefore, we depend on reimbursement of design fees and other charges to the SLMAF from other funds and agencies.

PROCEDURES FOR CONFIRMING THE ASSESSMENTS

Upon approval of this report and adoption of the Ordinance of Intention by the Council, dates will be set for hearing appeals, one hearing at the Board of Public Works, and then one hearing at the Council. After consideration of the appeals, Council may vote to confirm the assessments, and to adopt a Final Ordinance ordering the maintenance work to be done and the assessments to be levied. ***This must be completed in time to submit the necessary information to the County Tax Collector for inclusion with the Property Tax Bills, to avoid a costly, separate City billing preparation, mailing and collection. The Council must confirm the assessments by July 31, 2015 to be included in the County Property Tax Bills.***

The assessment diagrams of lands previously approved for assessments, except for assessments first confirmed in 1996/97 and thereafter, are available, and the roll of individual assessments proposed to be levied within the district is being prepared by our assessment engineering staff. These documents will be available prior to the publication of the Notice of Public Hearing. The Ordinance of Intention for the LACLD has been approved as to form by the City Attorney.

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Respectfully submitted,



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