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To: The Honorable City Council, City of Los Angeles
% City Clerk
Room 395, City Hall

CC: Sharon Tso, Chief Legislative Analyst
Matt Szabo, City Administrative Officer
Andrea Greene, Deputy Mayor of Infrastructure

COUNCIL FILE# 26-0955: IMMEDIATE ACTIONS TO PRESERVE STREET LIGHTING SERVICES AND LONG TERM STEPS TO STABILIZE THE BUREAU

The Bureau of Street Lighting (BSL) recently went out to ballot on District NO. 5500, proposing a much-needed update to the Assessment based on the Bureau's Long Term Plan. The results were presented to Council on June 26 and unfortunately District NO. 5500 failed to pass. In response to ramifications of the failed vote, the Council directed BSL, with the assistance from the City Attorney's Office, City Administrative Officer, the Chief Legislative Analyst, and any additional necessary departments, to present recommendations on how to mitigate immediate impacts to lighting services, update BSL fees to ensure full cost recovery, and options to monetize BSL's existing assets. This report answers both CF 26-0955 and 25-0600-S109: Revenue Generating Opportunities for the Bureau of Street Lighting.

FISCAL SITUATION OF BSL

At the start of FY26/27 the Bureau faces immediate fiscal challenges. As a result of reductions to the Bureau's hiring hall funding in the FY 26-27 budget and no current interim transfers to absorb the additional costs, the Bureau risks losing approximately 15% of its field staff which amounts to 27 hiring hall positions. In addition, overtime resources are significantly constrained, as overtime was also reduced by \$1M in the FY 26-27 budget through reduction exercises. The Bureau has started the fiscal year off with just \$171K in adopted overtime, which puts the funding at a level that has not been seen for over 20 years, and constrains overtime use to the

most extreme emergency cases. For comparison, the Bureau easily spends \$35,000 to \$40,000 in overtime over a weekend fully staffed for vandalism repairs. To address the immediate funding impacts of the current budget, the Bureau recommends the following allocation of funds to restore all hiring hall positions and the operating supplies and the materials accompanying those positions, as well as the overtime lost for FY 26-27 in CWPT Fortification and the Assistant Street Lighting Electrician which was also lost from that program.

Restoring Hiring Hall Positions and CWPT Fortification Resources Lost in FY 26-27

Bureau of Street Lighting Fund No. 100-84:

Account No. 001010 (Salaries, General) - \$103,517

Account No. 001090 (Salaries, Overtime) - \$1,000,000

Account No. 001100 (Salaries, Hiring Hall) - \$2,653,305

Account No. 001120 (Benefits, Hiring Hall) - \$2,122,644

Account No. 006020 (Operating Supplies & Expense) - \$115,000

Account No. 008780 (St Lighting Improvements & Supplies) - \$321,225

Total: \$6,315,691

Fiscal Issues to be Addressed Throughout Fiscal Year 26/27

While the above loss in staff and overtime is most pressing, other significant fiscal concerns remain: the DWP power bill currently remains underfunded by \$9M; several funding sources flexible enough to repair bridges and tunnels were reduced; the LED replacement program was eliminated; and the Street Lighting Maintenance Assessment Fund's General Fund subsidy continues and is estimated to be \$23M by the CAO. Throughout the FY and through the City's FSRs, we will continue to work with the CAO's office to close these gaps.

TABLE: Funding and Maintenance Categories Eliminated Over the Past Two Fiscal Years

\$50,000 - Architectural Lighting Maintenance - To repair or replace architectural lighting for bridges, statues, trees, walls, underpasses, medians, etc.

\$150,000 - Bikeway General Benefit Maintenance - To maintain well lit bikeways which can be prone to vandalism and copper wire theft.

\$495,000 - Security Lighting - This funding installs pedestrian lighting systems at select bus stop locations to meet lighting standards for pedestrian traffic and users of the transit system.

\$100,000 - Bridge & Tunnel Lighting Maintenance - Funding used to repair outages of bridge and tunnel lighting installed to improve visibility for motorists and pedestrians. Bridges and Tunnels and their lighting are a general benefit and SLMAF cannot pay for general benefit costs.

\$1,000,000 - LED Street Light Retrofit - To replace End-of-Life LED fixtures that are degraded or non functioning.

Executive Directive 18 (ED18) Implementation for Street Light Repairs

In order to meet the directive of the Mayor, the Bureau will temporarily use existing resources to provide expedited plan review and approval of solar street lighting plans. An additional Engineering resource will also be reassigned from the Right-of-Way-Enhancement Division until October. Existing overtime funds will also be utilized strategically to align with manufacturer and contractor production schedules, maximizing efficiency. However, it should be noted that should the Bureau exhaust its overtime early in the year, it would be unable to address emergency

issues or dangerous conditions (e.g: felled poles with live wires) off hours. Fund transfers may be requested later in the fiscal year to sustain standard maintenance operations.

ED18 also contemplated replacing 40,000 end-of-life LED streetlights within the next two years. This unfortunately is no longer possible without the new Assessment and would require an alternative funding source to accomplish. This is the most efficient and effective type of proactive repair, as already half of the LED fixtures within the City are end of life and in need of replacement.

FEES AND REVENUE GENERATING OPPORTUNITIES

While the Bureau has Constitutional Mandate to the Assessment payers (property owners), the Bureau is NOT precluded from using its assets and infrastructure beyond its intended use (street lighting) provided that no harm or loss is caused to Assessment payers. Furthermore, there are Federal laws, State laws, and LA's own policies that encourage attachments (such as telecom equipment) in order to more rapidly deploy new services, reduce construction times and impacts to the right-of-way, and reduce clutter on streets. In fact, attachments to an extent have actually offset the Bureau's costs, bringing investments into the system that would have otherwise required additional investments from Assessment payers. (see Co-Location Program)

Attachments themselves can vary widely from analog to digital: medallions; signs; banners; string lights; pedestrian counters; air quality sensors; LiDAR; telecommunications equipment. Because of this, the Bureau organizes most attachment requests into five categories that make up its different programs: Co-Location – Streetlights-As-A-Service (SAAS) – EV chargers – Community Impacts – and, finally, Banners. Each of these programs will have various fees associated. Of the above categories, the Banner Program represents the largest most immediate revenue generating opportunity, followed by a new category – Fiber and Conduit leasing. SAAS represents the greatest opportunity to drive down costs for other city agencies, saving money for the City as a whole, and the creation of technology platforms the Bureau can manage on behalf of the City for multiple benefits, including additional revenue (e.g.: drone detection for Counter-Unmanned Aerial Systems that would typically be a cost center for public safety operations merged with the revenue generating opportunity of managed drone delivery services).

Co-Location Program (Co-Lo):

Co-Lo is the largest attachment program, in which, BSL establishes Master Permit Agreements with Telecommunication Companies and Utilities for the installation of equipment on street lighting poles. Generally fees associated with these installations fall under two categories: Permit Processing Fees and Annual Lease Fees. Permit fees processed and collected before construction include site permits, encroachment permits, and street lighting plan permits.

This program has actually offset costs that would have otherwise been borne by the Assessment payers. Below is the current cost breakdown of infrastructure improvements of new foundations at each Co Location site.

Description	Amount (Total Cost: \$20,539.25)
Labor (Field Operations Division Crews)	\$12,148.62
Equipment (Cement truck, flatbed, derrick)	\$3,862.19
Materials (Concrete, rebar, anchor bolts, conduit)	\$4,529.34

In total 2,400 poles and 4,200 foundations have been installed over the course of the program, worth nearly \$74M and \$58.9M respectively. As a reminder, the Bureau is not funded for pole and foundation work at this time.

Annual Lease Fees cover elements such as administrative costs, structural inspections, and pole depreciation. A thorough analysis and update of these fees was performed in 2023 and included a CPI factor for inflation. As of FY 24/25, the Annual Lease Fee is \$1,227.58 for colocation attachments on street lighting poles and \$767.15 for integrated poles. Currently these fee amounts provide full cost recovery and no additional updates are required. Engineering fees have been recalculated to reflect increases in labor rates and total hours of engineering review.

BSL has identified an older Master Permit Agreement with Southern California Gas Company which does not provide full cost recovery and requires updates to engineering and annual lease fees. It is the opinion of the Bureau to align the Gas Company fees to all other co-location fees.

TABLE 1:

Task	Current Fee Amount	Cost Recovery Amount
Foundation Cost (SoCal Gas)	\$13,091.17 (Last Updated 12/2022)	\$17,017.42 (30% increase in labor, Equipment, and Materials)
Foundation Cost (Others)	\$20,539.15 (Last Updated May 2022)	\$26,700 (30% increase in labor, Equipment, and Materials)
Engineering Plan Design Fee (Small Cell Plans)	\$1,200	\$3,500
Engineering Plan Design Fee (SoCal Gas)	\$0	\$3,500
Site Permit Fee	\$650	\$1,300
Annual Lease Fee (3% Increase per fiscal year)	\$1,302.34 (Last Updated July 2025)	No Change

Task	Current Fee Amount	Cost Recovery Amount
Annual Lease Fee (Integrated Pole) (3% Increase per fiscal year)	\$813.87 (Last Updated July 2025)	No Change
Annual Lease Fee (SoCal Gas)(2% Increase per fiscal year)	\$452.76 (Last Updated July 2025)	\$1,302.34 (Last Updated July 2025)
Energy Fee	\$0.19 / kWh	No Change

Analysis: Program has slowed but can still help offset infrastructure costs

In total the Bureau has approximately 3,000 Co-Lo sites throughout the City. The Co-Lo was a significant activity of BSL in the recent past; however, the program has slowed to double digit installations (10 in FY 25/26) annually, vs the hundreds in its heyday. There are two factors to this: 1) theft and vandalism that has made it so services can be unreliable in certain areas, making small cells, and ultimately the program, less attractive; 2) telecoms have adjusted their strategies from solely their own dense network builds to a range of options that include third party joint operators, the use wider frequency bands, and other attachment type equipment.

Banner Program

The Banner Program is a popular service that provides space on streetlights for charitable and non-profit entities to advertise their event or a series of events utilizing banners attached to streetlights. This program complies with the rules and criteria set forth in the City's Municipal Code. The BSL does not print, install, or maintain streetlight banners. The Bureau identifies poles/areas suitable for banner attachments, and approves permits for these attachments through our Banner Permitting System. Banner Fees consist of permit fees, and a per pole fee. The established fees were last updated in August 2020 to cover administrative costs, maintenance support, and pole depreciation. Most of the fees established in 2020 are no longer accurate and do not provide full cost recovery. Taking into consideration increases in processing time and staff hourly rates, the estimated new fee amount ensuring full cost recovery has been provided in Table 4. It is noted that the number of streetlights eligible for banner attachments is decreasing, due to structural concerns of the aging infrastructure, and other approved attachments on the streetlights.

TABLE 5:

Task	Current Fee Amount (Last Updated Aug. 2020)	Estimated Cost Recovery Amount
Application Submittal Fee	\$350	\$620
Banner Permit Fee (Non-Event w/o Logo)	\$105	\$310
Banner Permit Fee (Event w/o Logo)	\$100	\$310
Banner Permit Fee (Event w/o Logo)	\$100	\$310
Pole Permit Fee	\$105	\$310
Per Pole Banner Fee (per Ord.)	\$3	No Change
Per Pole Banner Fee (BID/Non-Profit)	\$15	No Change

Analysis: Program Update to Allow Revenue Generation

While historically focused on non-profit or City events, with some updates to its program and corresponding enabling ordinances, the Banner Program is a significant opportunity for BSL to generate additional revenue using its existing assets. Based on the most recent complete fiscal year in the document (FY 2024–2025), a total of 39,865 banners/poles were permitted, generating \$339,301 in total revenue. On a weekly basis, this equates to approximately 700 banners that are attached to the Bureau’s quarter of a million street poles. While the revenue at this moment is not significant, it is because it is limited purely to non-profit organizations and City business. Should the Bureau be allowed to generate additional revenue by updating its program and governing ordinance, the Bureau estimates the following as potential revenue assuming the following factors:

- Per Pole Fee: Increased from current rates \$3–\$24 to \$200- \$300 per pole.
- Across-the-Street Banner Fee: Increased from \$105–\$208 to \$1,000 per permit/banner.
- Permit Fees: Existing baseline rates \$100–\$130 per permit, \$0 for City Banners.

Projected Revenue Comparisons

Fee Structure	Pole Fees Collected	Across-the-Street Fees	Permit Fees	Total Estimated Revenue	Net Increase vs. FY24–25
Current Baseline (FY 24–25)	~\$191,100	~\$936	~\$147,265	\$339,301	—
Proposed Low End (\$200/pole)	~\$7,972,000	~\$3,000	~\$147,265	\$8,122,265	+\$7.78 M (+2,293%)
Proposed High End (\$300/pole)	~\$11,958,000	~\$3,000	~\$147,265	\$12,108,265	+\$11.77 M (+3,468%)

Geographic & Foot-Traffic Tiers

A possible way to update the Banner Program is through a geographic and foot-traffic approach based on daily impressions, foot traffic, and commercial value. The Bureau suggests this as the starting point for council consideration of a new banner program.

- Tier 1 — Prime Commercial & Entertainment Corridors (High Demand):
 - *Areas:* Major downtown corridors, entertainment districts, tourist hubs, high-traffic arterial streets.
 - *Rates:* \$250 – \$300 per pole | \$1,000 Across-the-Street
 - *Rationale:* High advertiser/sponsor value and maximum visibility justify top-tier pricing.
- Tier 2 — Secondary Commercial Corridors & BIDs:
 - *Areas:* Neighborhood commercial corridors, mid-density retail streets.
 - *Rates:* \$100 – \$150 per pole | \$600 Across-the-Street
 - *Rationale:* Balances revenue generation with affordability for local business associations.
- Tier 3 — Community & Residential Neighborhoods:
 - *Areas:* Local neighborhood streets, residential margins, civic centers.
 - *Rates:* \$25 – \$50 per pole | \$300 Across-the-Street
 - *Rationale:* Keeps permits accessible for local non-profit community events and neighborhood identity banners.

To present a new Banner Program to council, the Bureau estimates it will take nine months to revise the program scope and fees, determine administrative requirements and support staff, proceed with the necessary regulatory and environmental compliance checks (including CEQA), present the new Program for council consideration and approval, and finally work with the City Attorney to update the corresponding City Ordinances that govern the current banner program. It is the Bureau's recommendation that the City Council and Mayor direct the Bureau to proceed.

Streetlights-As-A-Service (SAAS) Program

The SAAS program began with the advancement of technologies and Smart Cities programs within the City. Such technologies include cameras, sensors, wifi antennas and digital signage to name a few. The Bureau mainly works with law enforcement, other City Departments, and outside agencies for attachments to streetlights in this program. Historically many of these attachments began as pilot programs to test the capabilities of the technology and compatibility with the street lighting system. Fees for the SAAS program generally consist of permit application, installation, and annual lease fees. Permit fees cover engineering staff time for structural, electrical and field assessments, and possible field crew assessment of the location/circuit. The pole annual fee covers the cost of energy if the attachment taps into streetlighting circuitry, loss of potential revenue from other attachments, and deterioration of the pole. The BSL is currently working to establish a program with corresponding fees for access to camera feeds and data smart devices that are owned, installed, and maintained by the BSL.

TABLE 2:

Task	Current Fee Amount	Estimated Cost Recovery Amount
SaaS Permit Application Fee	\$500 (Last Updated July 2022)	Tier Approach: 1-5: \$500 6-20: \$1000 21-40: \$1,500 40+: \$500 per 10 poles
SaaS Permit Installation Fee	\$400 / hr (Last Updated Feb. 2022)	\$500 / hr
SaaS Annual Lease Fee	\$300 (Last Updated Feb. 2022)	No Change

Historically, unpermitted streetlight attachments create significant financial and operational liabilities for the City. To mitigate these risks, all installations must be strictly managed through formal authorization channels. Ensuring comprehensive permit compliance is vital to protecting public safety, which remains the City's primary objective. Improperly installed equipment poses

severe safety hazards, including potential injuries from detached hardware or structural pole failures caused by unapproved weight loads.

Additionally, the permitting process protects municipal network security and data integrity. It provides the City with essential transparency regarding equipment specifications and data destinations. Finally, unauthorized attachments jeopardize infrastructure reliability by risking circuit overloads that can disable entire lighting networks. To prevent these disruptions, staff proactively evaluates technical risks during pre-authorization reviews and enforces strict compliance through mandatory, on-site field supervision during every installation.

An Opportunity with Autonomous Vehicles and Drone Guidance / Response

Anticipating the significant impact of drones to Los Angeles, BSL continues to expand its SAAS by piloting drone detection and management as it relates to the right of way. The public right of way has historically referred to the physical space—streets, sidewalks, utility corridors—that cities manage for shared public use. By taking advantage of existing assets, BSL's smart poles and sensors have already begun redefining that concept, converting passive infrastructure into an active, connected, platform; increasing situational awareness rather than a reactive response. The sensors used for drone guidance will enable the city to create a robust and extensible network of acoustic envelope detectors. Through edge-based artificial intelligence, these sensors can report the direction and estimate location of threats such as gunshots, crashes, and vandalism to the street lighting network. This information is extremely valuable to ensure public safety. Acoustic intelligence can also be used in noise pollution prevention by mapping and monitoring excessive urban noise and construction zones.

Recently, Walmart announced the expansion of drone delivery to hundreds more stores aiming to establish a network of more than 270 drone delivery locations by 2027 across the country including Los Angeles. Leveraging BSL's smart city portfolio can provide additional investment and public-private partnerships. While the Bureau currently works in partnership with the LAPD to install security cameras, municipal drone management can enforce compliance from registered and unregistered drones, and be a conduit for quick response to threats.

The Model Cities Initiative (MCI) is a Federal grant that seeks comprehensive municipal frameworks to allocate approximately \$300 million toward the systemic transformation of urban public safety. Under this program, two to four jurisdictions will be awarded funding to execute integrated and forward-thinking strategies aimed at crime reduction, the restoration of order, and the enhancement of community security. Eligible cities must submit their formal proposals by the **September 01** deadline. Allowable activities include artificial intelligence systems, small unmanned aircraft systems (UAS) and counter-UAS. The Bureau and LAPD can, for instance, use this as a source of capital dollars to achieve both a platform for a market on drone detection and management as well as first response to Counter-UAS.

Analysis: SAAS can help drive down costs across the City departments

Smart City technology deployments have tremendous potential to improve City services and drive down costs for the City. However, this is only if the *City as a whole* coordinates and deploys with that objective in mind. The Bureau is already working closely with the Bureau of Sanitation for camera installations to mitigate illegal dumping and can further add department users.

Given the technology trends happening around drones, and the security risks they pose, it behooves City departments to begin understanding their impacts to the City and understand how this might be a new SAAS platform for multiple purposes: economic development, revenue generation, and public safety.

EV Chargers on Streetlights Program

The Bureau of Street Lighting's (BSL) EV Charger on Streetlights program is the largest initiative of its kind in the United States, averaging over 7,500 charging sessions per week and delivering more than 185 million kilowatt-hours (kWh) of power to electric vehicle (EV) drivers this fiscal year. As a vital asset across all Los Angeles communities, the program plays a critical role in the City's transition toward electrification; furthermore, in alignment with Mayor Bass's Climate Action Report, BSL is tasked with installing 10,000 new charging ports in disadvantaged communities by 2030. The program's success relies on a highly efficient deployment model that retrofits existing streetlight infrastructure, allowing BSL to install chargers significantly faster and at a lower cost than traditional, standalone deployments. However, the current user fee of \$2.00 per hour has remained unchanged since the program's inception in 2016 and is no longer sufficient to offset rising operational expenses.

The proposed cost recovery structure (Table #) reflects the operational requirements of our two network management platforms, FLO and AmpUp. While turnover rates differ due to each platform's specific limitations, adjusting end-user fees is required to sustain the program's net-neutral financial model.

TABLE 3:

Task	Current Fee Amount	Cost Recovery Amount
Energy Rate	\$2 per hour (\$0.27 per kWh) for the first 4 hours	\$0.40 per kWh
Turnover Fee Rate 6am - 10pm	\$4 per hour after 4 hours	FLO Network: \$3 extra per hour after 4 hours AmpUp: \$4 per hour idle fee
Overnight Charging	No turnover fees between 10pm and 6am	No turnover fees between 10pm and 6am

Community Impact Program

The Community Impact Program includes permit approvals for string light and community lighting attachments, and non-lighting attachments such as community-based medallions. Fees for lighting permits in this program include a one-time permit application fee, installation fee, and annual energy use fee. The permit fee covers engineering work for electrical and structural analysis and possible field visits. The installation costs cover one or two streetlighting crews to attach the lights to the BSL streetlighting circuit, and the annual lease fee covers ongoing energy costs for actual usage based on project equipment specifications. If a project area for string lights is currently approved for banner attachments, the BSL charges the applicant for loss of banner revenue at the project location, for the duration of the string light installation. Non-lighting permit attachments do not have annual lease fees, however, these revocable permits have a \$350 cost, which covers administrative costs up front.

The Bureau sees great potential for this program to improve neighborhood placemaking and increase civic engagement and is a proponent of this program. But because of its nature as a smaller, typically bespoke, neighborhood scale improvement, the Community Impact Program has the smallest revenue generating potential of all BSL programs and is of a considerably higher administrative burden to operate. For example, a common request of the Bureau is to install string lights. This request still entails administrative book keeping, engineering resources to ensure safety and interoperability, and BSL field forces to often fix contractor issues or repair damaged circuits. The Bureau at this moment in time does not intend to expand this program unless there are corresponding resources available.

TABLE 4:

Task	Current Fee Amount	Estimated Cost Recovery Amount
Permit Application Fee	\$500	\$880
Annual Energy Fee	\$0.15 / kWh	\$0.19 / kWh
String Light Permit Fee	\$500	\$1,240
String Light Installation Fee	\$700	\$1200
String Light Maintenance Fee	\$400	\$800
Glare Shield Fee	\$350	\$586
Medallion Permit Fee	\$350	\$586

Fiber Conduit Co-location and Surplus Conduit Leasing

As described in previous reports to Council (re: CF's 20-0761-S1, 21-0600-S46, 25-1350, and 25-0217), one of the Bureau's key untapped revenue opportunities is in the leasing or otherwise monetizing of existing and future conduit assets. The BSL system currently has over 7,000 miles of galvanized steel conduit (mostly 1") – which can be vacated in conjunction with solar retrofits – and approximately 15 miles of dedicated HDPE fiber conduit (mostly 3") that was constructed in recent years. New Bureau standards established in 2023 require the inclusion of 3" HDPE conduit for system monitoring as part of any new lighting construction project, and the Bureau is currently finalizing new standards to increase steel conduit size to 2". Furthermore, given the Bureau's 100+ year experience and expertise in installing underground conduit, its existing trained workforce and equipment, and the City's 4-foot ROW reservation for public works assets within the sidewalk, the Bureau can deploy on-demand conduit at a highly competitive timeframe and cost structure.

In line with the co-location structure that has already been established for permitting third-party assets within street light poles, the Bureau has developed a draft leasing agreement template for BSL conduits. This agreement has been reviewed by the Bureau's City Attorney counsel and the Bureau is finalizing standards for different sizes and types of BSL conduits.

Opportunity	Material / Size	Length
Future Solar Conversion Circuits	1" Galvanized Steel (some rare 1.5"-3")	Estimated at 1,700 miles
Completed Solar Conversion Circuits	1" Galvanized Steel	~34 Miles (various locations)
MMBI Joint-Build Fiber Conduit Project	Three 20mm HDPE Microducts	~12 miles (110 Corridor)
Community Connectivity Pilot Fiber Conduit Projects	3" Smooth Wall HDPE	~3.5 miles complete, 2 miles planned (Crenshaw, Canoga Park, East Hollywood)

The expected revenue opportunity from these projects is difficult for the Bureau to estimate without outside expert assistance, due to specialized market factors and a large number of possible agreement structures. In 2024, the Bureau commissioned a report from HR&A that provided an initial analysis of revenue potential from new HDPE conduit construction. And while this report strongly recommended that the City install and lease dark fiber cable assets rather than empty conduit, it did include a rough estimate for conduit-only leases of approximately \$1.25 per foot per year (approx. \$6,600 per mile) for 20mm microduct conduits, which are similar to the capacity of 1" galvanized steel conduit. Without expert professional representation of Bureau assets, our recent experience suggests an average annual lease fee of closer to \$0.50 per foot, in line with Competitive Local Exchange Carrier (CLEC) structure access pricing.

With proper marketing and commercialization and realization of the \$1.25 per foot revenue, the estimated revenue potential of the 1,700 miles of solar-potential conduit is approximately \$9.5M. As HR&A noted in their 2024 report, if the Bureau were to undertake dark fiber installation and leasing (potentially with the support of a managed service provider) the revenue potential is more than 10x, with both much higher leasing revenues and much lower share of operating expenses.

To date, the Bureau has established an LOI with Destination Crenshaw (DC) to pursue a partnership whereby DC's Digital Equity Zone project would lease existing BSL HDPE conduit along Crenshaw as well as evaluate any galvanized steel conduit that is made available for repurposing through solar conversions within the area. This LOI includes a proposed lease fee of approximately 32 cents per linear foot per year for repurposed conduit.

Copper Wire, Fiber, and Conduit Repair and Installation

With BSL's extensive experience, expertise, and capabilities in conduit installation, restoration, and fortification, as well as electric systems repair and burgeoning fiber-optic cable operations, the Bureau can provide needed repair and installation services for other City departments that currently must rely on contractors. Many systems and services in the City rely on copper wire or fiber optic cables installed in the right-of-way or in City facilities. And as with the Bureau's network, many of these systems are aging and facing vandalism and theft.

As a short-term opportunity to maintain the BSL workforce while sustainable funding is achieved, Bureau field operations crews can support other City operations. The Bureau is already in discussions with the Department of Transportation about the potential for BSL crews to provide repair, restoration, and fortification services for vandalism/theft incidents.

Optimized Assets and Managed Service Provision

In order to realize the full value of BSL assets and maximize their utilization, the Bureau must follow best practices and establish an ongoing consolidated leasing program that operates in partnership with one or more external activation partners (such as through a "managed service provider" model). To reach this goal, the Bureau must first package and position its assets and undertake a procurement process. Based on the Bureau's discussions with subject matter experts, these "startup" tasks will require skills and expertise that are beyond the current scope of the Bureau. Some initial funding will therefore be necessary to procure consulting services that will help establish a successful program.

In response to the Council's directions to BSL re: CF 25-1350 and BSL's February 2026 report on potential repurposing of conduit on solar-converted circuits, BSL commissioned a short-term engagement with HR&A to help define the Bureau's next steps toward an optimized consolidated commercialization of BSL assets. HR&A's summarized report recommends four next steps for the Bureau:

- Legal Assessment: BSL should collaborate with the City Attorney's Office to confirm the City's and the Bureau's existing powers and constraints to enter into agreements and commercialize each of its assets. Based on what the City Attorney's Office finds, the City Council and/or the Board of Public Works may need to consider additional authorizations for BSL to commercialize assets and collect revenue.
 - Startup resources needed:
 - none

- Asset Inventory and Database: BSL must undertake a comprehensive, regularly-updated inventory of its leasable assets and establish a queryable public database positioned toward potential leasing partners. This will likely require using a mix of existing software and workflows (such as the Bureau's existing Operations Management System and ArcGIS databases) as well as new specialized systems and new staffing resources.
 - Startup resources needed:
 - New Fiber Infrastructure Management Software: Approx. \$12,000-\$15,000 per year. Proposed Source: SLMAF.
 - Note: alternatively, the Bureau could contract out a portion of this work though that would still require BSL staff resources to document and verify asset status

- Asset "Agent": BSL must engage a commercialization strategy manager and owner's representative to help the Bureau undertake a structured market engagement from research through procurement and negotiations. That engagement would identify priority user segments, confirm interest and capabilities among prospective government partners, define specific commercialization opportunities, and inform prospective partners of opportunities to use BSL assets commercially. The consultant would also design and administer a Request for Innovative Ideas or comparable procurement to select a portfolio of pilot activation partners and help BSL negotiate its contracts.
 - Startup resources needed:
 - Funds for engagement: Estimated at approximately \$400,000 to \$500,000. Proposed Source: \$180,000 from Digital Inclusion fee component of Co-Location Lease revenues. Remaining balance TBD.
 - Future resources needed:
 - None identified at this time, though ongoing consultation may be beneficial to the Bureau and the City

- Activation Partners: Following the procurement process, the Bureau must select one or more activation partners and/or Managed Service Providers to commercialize or operationalize partnerships for specific activation verticals and collect revenue on behalf of BSL over the long term.
 - Upfront resources needed:
 - None

For context and planning purposes, BSL has begun the initial identification of future resources that will be necessary to achieve full success. These resources would be intended to be covered by future revenues.

- Information Technology Division:
 - Additional GIS Team Resources to maintain and update asset inventory with real-time status of assets and their uses (relevant for all opportunities in this report)
 - Systems Analyst for verifying connections (relevant for future SAAS, smart city, and fiber operations)
- Field Operations Division:
 - Additional splicing training (relevant for fiber-related operations – especially fiber repair and installation for other departments).
 - Additional splicing equipment sets (relevant for fiber-related operations).
- BSL Engineering and Management:
 - BSL Engineering Associate position for feasibility and specification audits (relevant for asset permitting/co-locations)
 - BSL Electrical Drafting Technician position for drafting and recording changes in infrastructure use (relevant for asset permitting/co-locations).
- Partner Departments:
 - Dedicated support from City Attorney for leasing/partnership agreements.
 - Additional CAO, DPW, Controller, and other departmental support will likely be necessary to ensure smooth operations with leasing/activation partners.

Digital Privacy Considerations

The Bureau is currently working to expand and enhance the capabilities of the street lighting network to serve as a platform for a wide array of technological devices. This work includes the installation of multi-use open-access fiber-optic conduit and network equipment that will dramatically improve the capacity of the network to support wireless communications systems as well as various types of sensors including cameras. Such uses and attachments will be permitted through the Bureau's Co-Location and Street Lights as a Service programs, as described above.

In order to preserve the trust of the communities that we serve, it is important that the Bureau take effort to ensure that the enhanced and in many cases emerging technologies that are deployed on the street lighting network are not employed to encroach on residents' digital privacy rights. The Bureau currently adheres to the Digital Code of Ethics as developed by The ITA and published in March 2025, which guides our own deployment of technologies for Bureau purposes. However, the Bureau seeks to also establish an umbrella set of standards for all uses of the street lighting network, so that trust in the streetlight network – a community asset primarily funded through property assessment – is not degraded.

The Bureau therefore has drafted the following Digital Privacy Rights policy framework by which assessments and determinations can be made regarding both its own technology applications as well as those of others (both public and private) operating on the street light network via Bureau permit. Additionally, the Bureau recommends that the City seek to establish a broader multi-department policy to ensure that all City assets, authorities, and operations in the public right-of-way are aligned toward preserving digital privacy. This is especially pertinent as the City prepares for large upcoming events where concerns around privacy in public spaces will be heightened. The Bureau suggests that the Board of Public Works serve to lead and coordinate the establishment of such a policy.

Draft Digital Privacy Policy of the Bureau of Street Lighting

It is the Policy of the Bureau of Street Lighting to protect the privacy of individuals and the digital form of any Personally Identifiable Information that is collected via equipment installed on or within the assets of the Street Lighting Network, including but not limited to street light poles and luminaires. In order to safeguard the public's trust in these core neighborhood assets, the Bureau will reserve the right to deny or to revoke permits for any uses of the street lighting network found to be contrary to the aims of this policy framework.

Technological applications utilizing equipment installed on the street lighting network shall be designed and operated in alignment with the following standards:

- The collection and processing of personally-identifying information shall be limited as best as possible to what is necessary to provide the associated service(s) or business task
- Any non-necessary information that is collected that could be personally-identifiable shall be anonymized, de-identified, or otherwise masked wherever possible
- Public notice shall be provided at the site and time that collection of personally-identifiable information is made, in a way that is visible to users of the public right of way
- Any personally-identifiable information collected shall be deleted or deidentified after such information is no longer needed and after any legal retention periods expire
- Personally-identifiable information that is collected shall not be shared with third parties for uses unrelated to the original purpose of collection; sharing of collected personally-identifiable information with third parties must be documented, including the time and place of collected information
- A reasonable process must be in place for individuals to request a copy of any retained information that personally identifies the given individual
- Information shall not be collected or used in any manner that is in conflict with other City and State laws or policies
- Documentation shall be maintained and made available for both Bureau and public review that demonstrates that collected information meets these standards

BALLOT RESULTS

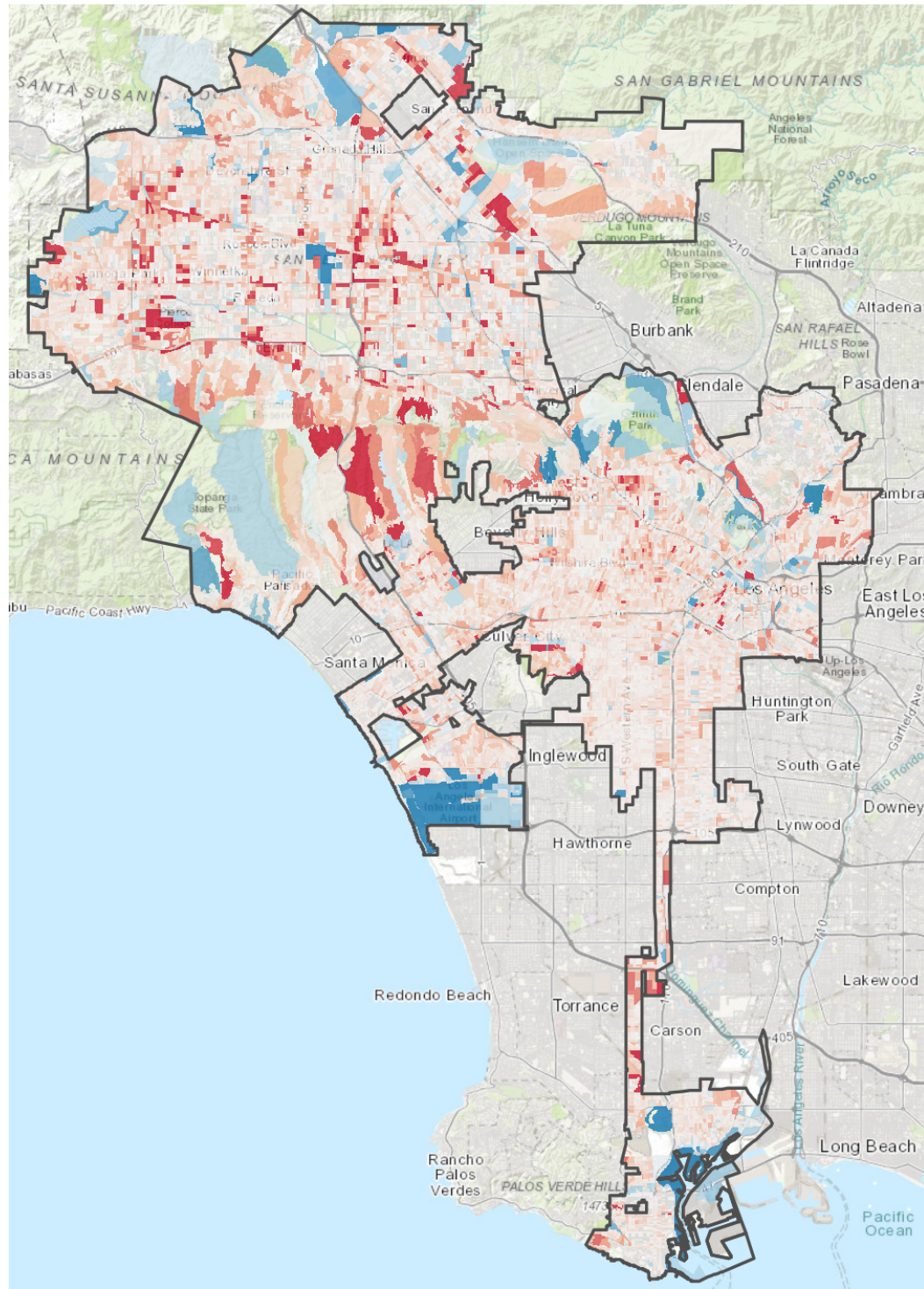
In short, the ballot returns delivered a resounding “no” for the proposed assessment increase. Overall, the assessment-weighted vote was less than 20% in favor of the proposed increase. As the map and tables below illustrate, there was some variation in voting based on geography, parcel type, and ownership location. However, there is no sizable community (at the census tract or larger scale) or parcel type (besides government owned properties) that would have passed the assessment vote (i.e. received a higher than 50% weighted “yes” vote).

Within the private sector, the parcel type with the highest recorded vote turnout rate (38.0%) was apartments (rental-income properties as defined by the LA County Assessor). Owners of these properties overwhelmingly voted against the measure, with only 5.6% of the recorded votes being favorable. Commercial properties were statistically identical to apartment properties in terms of turnout (37.9%), with a slightly higher weighted “yes” vote of 12.0%. As was expected, single-family home and condominium owners had the highest “yes” rate of any major non-government-owned parcel category, at 18.1%. Among just owner-occupied property owners, that figure increased to 19.3%.

One valuable insight from the vote results in owner-occupied communities is that areas with decorative and/or historic post-top lanterns were statistically significantly even more favorable of the assessment. Single family and condominium parcels within 150 feet of neighborhood post-top lanterns voted 24.8% in favor of the assessment (based on raw ballot counts), a more than 5 percentage-point increase over the city-wide figure for all single family and condominium parcels. The Bureau’s analysis is that homeowners are more likely to see value in and to identify with historic/decorative poles – an analysis that is strengthened by contrasting data for demographically similar communities that have “standard” cobra-head modern poles.

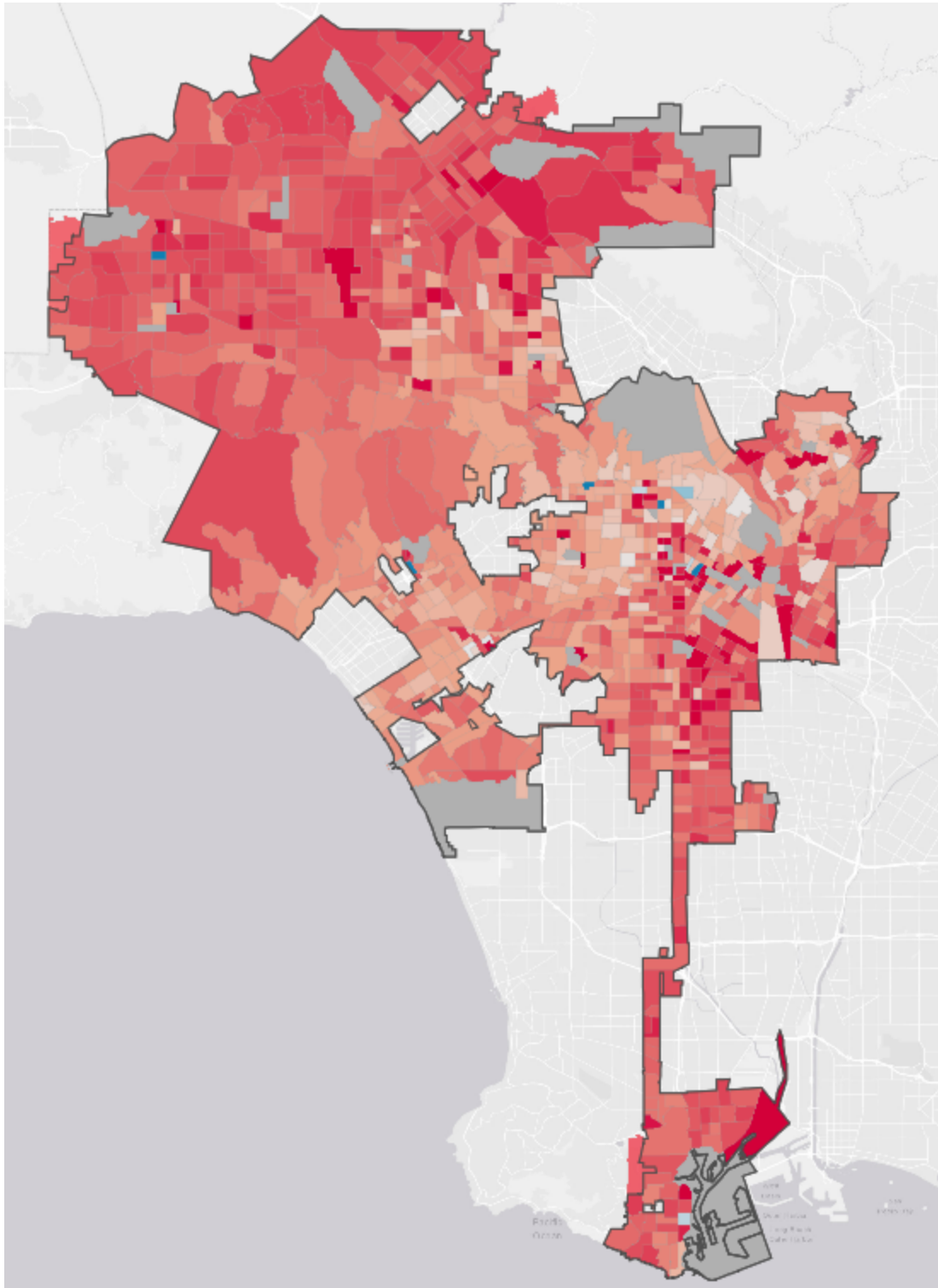
MAPS ON NEXT PAGE

Map: Ballot Results – Assessment-Weighted Value “Yes” (Blue) Minus “No” (Red)



This map, aggregated by Census Block, displays the assessment-weighted value difference between “yes” recorded ballots and “no” recorded ballots. Blue denotes that the weighted value of “yes” ballots cast was higher than “no” ballots cast— indicating that the assessment ballot vote would have passed within that Census Block. Red denotes a higher weighted sum of “no” ballots cast. Most large “blue” areas shown on this map contain significant government properties such as port/airport facilities.

Map: “Yes” Share of Total Recorded Votes - Single Family Residences and Condominiums Only



This map, aggregated by Census Tract, displays the simple percentage share of “Yes” votes as a total of all votes recorded, for Single Family Residences (SFRs) and Condominium properties only. A higher than 50% share displays as blue on this map.

Table: Assessment Results by Property Type and Ownership

Property Type	Total Assessment Value		Total Voting Value		Turnout Rate (by assessment value)	"Yes" Vote Result (by assessment value)
	\$ Amount	Share of Total	\$ Amount	Share of Total		
Single Family Residence / Condominium	\$51,116,993	45.7%	\$14,544,827	38.2%	28.5%	18.1%
Owner-Occupied	\$37,260,570	33.3%	\$10,289,514	27.0%	27.6%	19.3%
City of LA Owner	\$6,280,386	5.6%	\$2,009,976	5.3%	32.0%	12.2%
CA Owner	\$6,284,035	5.6%	\$1,952,389	5.1%	31.1%	14.1%
Out of State	\$1,216,660	1.1%	\$241,321	0.6%	19.8%	26.4%
Rental Income (Apartments)	\$28,202,309	25.2%	\$10,728,144	28.2%	38.0%	5.6%
City of LA Owner	\$17,895,060	16.0%	\$6,725,193	17.7%	37.6%	5.8%
CA Owner	\$9,248,499	8.3%	\$3,646,909	9.6%	39.4%	5.4%
Out of State	\$1,043,233	0.9%	\$353,247	0.9%	33.9%	3.9%
Commercial / Industrial	\$24,445,173	21.9%	\$9,265,011	24.3%	37.9%	12.0%
City of LA Owner	\$13,342,133	11.9%	\$5,721,906	15.0%	42.9%	11.7%
CA Owner	\$8,458,544	7.6%	\$3,132,514	8.2%	37.0%	8.6%
Out of State	\$2,483,013	2.2%	\$313,516	0.8%	12.6%	23.5%
Government Property	\$4,531,968	4.1%	\$2,495,473	6.5%	55.1%	99.3%
Other	\$3,463,124	3.1%	\$1,067,843	2.8%	30.8%	43.7%
Total	\$111,759,569	100.0%	\$38,101,300	100.0%	34.1%	19.1%

Table: Assessment Results by Property Assessment Category

Property Assessment Category	Total Assessment Value		Number of Parcels	Total Recorded Ballots	Turnout Rate (by ballots recorded)	"Yes" Vote Result (by ballots recorded)
	\$ Amount	Share of Total				
Less than \$100	\$12,070,159	10.8%	144,105	37,431	26.0%	19.1%
\$100 to \$150	\$32,053,876	28.7%	257,628	71,761	27.9%	17.7%
\$150 to \$250	\$23,322,516	20.9%	116,865	37,924	32.5%	14.4%
\$250 to \$1000	\$25,664,071	23.0%	56,020	22,608	40.4%	11.0%
\$1000 or more	\$18,648,949	16.7%	9,383	4,002	42.7%	33.1%
Total	\$111,759,570	100.0%	584,001	173,726	29.7%	16.8%

Lessons Learned from the Assessment Ballot

Without significant and sustained outreach and engagement efforts to change public perception, it is clear that it would be extremely difficult to pass a future ballot with the same subject as the one that was administered. However, it is the Bureau's analysis that the results do not indicate a broader lack of interest in street lighting or in increasing funding for street lighting maintenance and operations. Rather, the results should be seen narrowly as a rejection of the specific process and proposal – specifically, a Prop 218-compliant ballot seeking to increase property assessments for street lighting on a city-wide basis.

This analysis leaves open the possibility for other ballot-based approaches to increase revenues for street lighting maintenance. Given that assessments on properties is the Bureau's established administrative power to levy charges in order to fund operations, we see the clearest such path to be one that falls cleanly within these powers (this approach is described below).

It should be noted this approach does not preclude the City Council's and Mayor's – or the electorate's – ability to revise the fiscal structure of the Bureau. This could involve changing from the current Special Benefit / Proposition 218 method to an electorate ballot measure, a decision to be made by the City Council and elected officials. Until such a change is authorized, though, the Bureau is required to, and will operate within, the existing financial framework.

Minimum Viable District Approach

Barring any major outreach efforts to change city-wide perceptions, the Bureau believes that success lies in approaching communities individually and incrementally, starting with geographies that represent the smallest-possible district size that BSL can administer and operate "independently" – i.e. with dedicated field operations crews. The Bureau refers to this approach as the "Minimum Viable District" model.

Working with Council Offices, the Mayor, and trusted local messengers, the Bureau would engage property owners within these small districts to increase assessments (via a Prop 218-compliant ballot process) to generate dedicated funding for meaningful, noticeable changes within those districts. Coupled with enhanced and sustained communication and participation activities with assessed parcel owners, we believe that the "Minimum Viable District" approach would help to restore faith in the assessment structure and counter perceptions that fees are funding services in other geographies.

The following are the Bureau's proposed categories and factors for approaching the definition of minimum viable districts. As each Minimum Viable District is developed given a specific geography and makeup of infrastructure, the Assessments on properties will ultimately vary. The proposed range for median property assessment is listed next to each category is for illustrative purposes and is based on the Long Term Plan's SFR most common Assessment.

Basic Districts: \$117-\$150

Over 70% of parcels currently in the lighting district are categorized as SFR. Taking the analysis done by BSL's long term plan and the Engineer's Report prepared for the district wide assessment, these new districts can be created in compliance with Proposition 218. The annual assessment takes into account additional administrative costs, IT needs, and customer service demands that would be necessary to properly administer multiple smaller districts.

Historic Districts: \$200-\$250

There are approximately 20,000 ornamental and historic lights throughout the city. The nature and physical configuration of these lighting systems require 60% more vertical assets to provide adequate illumination. Hence, the creation of Prop. 218 compliant districts for this category has a different rate when compared to the city's basic districts.

LA28 districts: \$250-\$300

These districts are centered around LA28 venues and the vehicular and pedestrian approaches. In addition to the core services provided by the basic lighting districts, these enhanced districts will include additional amenities related to public safety, mobility, and connectivity, such as cameras, pedestrian counters, and fiber connectivity.

Solar Districts: \$250-\$300

This new lighting district category continues the efforts of the Mayor's Executive Directive 18 and the Bureau's sustainable vision. On average each solar light benefits six SFR parcels. The current retrofit cost of solar LEDs would be divided by the lifespan of the solar equipment (10 yrs), and distributed among the benefitting property owners. The annual assessment for a solar district also includes the basic district cost to ensure funding for all operational needs and the installation and replacement of solar battery-enabled LED lights every ten years. The solar districts can be created in local and collector streets in the city where existing infrastructure is structurally adequate to sustain the additional loads.

RECOMMENDATIONS

This report recommends that the Council:

- Instruct the Bureau of Street Lighting, with the assistance of the City Attorney, to update the Banner Program, ensure any required studies are completed, and present them to Council for consideration.
- Direct the Bureau of Street Lighting to proceed with an RFP / RFQ for a Managed Service Provider for its Assets, using the \$180,000 in digital inclusion fees as a starting fund. Should additional resources be needed, the Bureau shall work with the Office of the City Administrative Officer to identify funds to secure a Managed Service Provider.
- Instruct the Bureau of Street Lighting, with the assistance of the City Attorney, to draft an ordinance memorializing the Bureau's responsibility to collect fees or charges for attachments, and require that the Bureau remove any unpermitted attachments to reduce liability for the City and improve confidence with technology deployed in the public right of way.
- Direct the BSL to coordinate directly with individual Council Offices to establish a minimum viable district with corresponding service levels.

A handwritten signature in black ink, reading "Miguel Sangalang" followed by a stylized monogram or initials.

Miguel Sangalang
Executive Director, Bureau of Street Lighting