

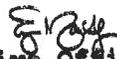
DEPARTMENT OF PUBLIC WORKS
BUREAU OF STREET LIGHTING
REPORT NO. 1

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California

May 14, 2025

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C.D. All


Executive Officer
Board of Public Works

Honorable Board of Public Works
of the City of Los Angeles

**ANNUAL ASSESSMENT FOR STREET LIGHTING MAINTENANCE AND OPERATION FOR
2025/26 – LOS ANGELES CITY LIGHTING DISTRICT (ASSESSMENTS AND DISTRICT
FROZEN SINCE 1996)**

Recommending the Board:

1. ADOPT and FORWARD this report and transmittals to the City Clerk and City Council in accordance with Section 6.98 of the Administrative Code of the City of Los Angeles, with the recommendations that:
 - a. Council adopt this Report and the Ordinance of Intention for the Los Angeles City Street Lighting Maintenance Assessment District (LACLD), under which individual maintenance assessments, and the composition of the district will remain substantially the same as in **2024/25**, 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 LACLD for fiscal year **2025/26** 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, 2025** is necessary to meet the County deadline for inclusion of the assessments on the **2025/26** Property Tax Bills.

FISCAL IMPACT STATEMENT

Approval will result in assessment revenue of about **\$40,500,000** to the Street Lighting Assessment Fund (SLMAF) for **2025/26** street lighting operations, slightly **less** than in 2024/25. An amount of **\$2,600,000** 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 LACLD for **2025/26**.
3. Specifications for the Operation of the Los Angeles City Street Lighting Maintenance Assessment District for **2025/26**.

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 **2025/26**. The **\$45,000,000** 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, 2025** to ensure that the information can be included on the tax bills.

In summary, the total estimated cost of LACLD street lighting operations for **2025/26** is **\$55,230,245** of which **\$40,500,000** is proposed to be assessed to benefiting properties, including City-owned properties, in accordance with established Council policy. The remaining **\$37,109,755 (\$3,390,245** 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 **\$2,600,000** 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 2024/25, 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 98% of all assessments levied against benefiting property owners.
- **ACCELERATED HIGH VOLTAGE CONVERSION PROGRAM (MICLA)** – The Bureau will be converting the remaining 1,000 high voltage streetlights to energy efficient low voltage LED streetlights next fiscal year.

EXPENDITURES

- **ELECTRIC RATES** - The annual bills for electricity for the LACLD are estimated to total **\$11,674,727** for **2025/26**.
- **STREET LIGHTING MAINTENANCE ASSESSMENT FUND (SLMAF)** – The SLMAF covers design, operation, and maintenance of the street lighting system (~ 220,000 streetlights).

OTHER SIGNIFICANT ITEMS

- **REVIEW OF ASSESSMENT FUND REVENUES** – In fiscal year **2025/26** the Bureau will be reviewing the assessment fund to ensure that all assessments are accurate and being properly collected.
- **CITYWIDE ASSESSMENT BALLOT** – In fiscal year 2016-2017, the Bureau worked with a consultant to establish a detailed plan for a Citywide LACLD ballot proceeding. The consultant concluded its study and recommendation in fiscal year 2017-18 to move forward with the LACLD ballot. The CAO's Needs Analysis Report contract was updated in March, 2025. The Bureau awarded a personal service contract in 2021 to NBS Government Finance, Inc. for a database software that will calculate street lighting maintenance assessments for over 550,000 parcels. The Board Adopted our Supplemental Agreement No. 1 with NBS on May 18, 2022 and the Agreement was Executed on June 22, 2022. Supplemental Agreement No. 1 added nine (9) months to the original Contract end date of December 10, 2021 thereby extending the end date to September 7, 2022. The terms and language in the Supplemental Agreement No. 1 allowed us to extend the Agreement with NBS by providing NBS written notice on a month-to-month basis for a maximum of 6 months thereby extending the Contract to March 7, 2023. We Executed the First Amendment to Supplemental Agreement No. 1 with NBS on October 17, 2023 which added 12 months to the Contract thereby extending the Contract end date of March 7, 2023 to March 7, 2024. The terms and language in the First Amendment to Supplemental Agreement No. 1 allowed us to extend the Agreement with NBS by providing NBS written notice on a month-to-month basis for a maximum of 6 months thereby extending and ending our Contract with NBS on September 7, 2024.
- **WIRE THEFT** - Over the past decade, theft and vandalism have increasingly contributed to street light outages, significantly impacting response times due to the extensive work required to restore operations after such incidents. In Fiscal Year 23/24, BSL recorded 9,825 theft and vandalism incident requests accounting for 30% of all street lighting incidents reported within the respective fiscal year. These incidents led to approximately more than 30,000 light outages citywide. It should be noted, however, that the actual incidents of theft and vandalism, once inspected, verified, and repaired, are higher than is initially reported by 311, which results in the Bureau's 40% figure of all incidents being related to theft and vandalism.
- **EV CHARGING STATIONS** - Innovative curbside Streetlight EV Charging Stations attach to the streetlight and utilize the existing circuitry, making them extremely cost-effective. Our first Infrastructure as a Service solution is expanding to meet the mandate set by the Mayor's Sustainable plan to increase EV adoption 25%, adding 100,000 new electric vehicles in the City by 2025.

- **FIRST 5G CITY IN THE NATION** - Technology continues to evolve such that access and connectivity to our street lighting poles is in high demand. As the use of smartphones, live-streaming, and other communication devices increases, the demand for, and proliferation of, additional antennas and communication cabinets increases. The City took an innovative approach to reduce the installation of cabinets or additional antenna poles on our sidewalks and decided to combine the needed equipment with existing streetlight poles, hence Co-Location. The Co-Location Program facilitates this effort through the installation of communication devices/ antennas to be attached to or placed within the City's existing streetlight poles. This work includes the replacement of poles, installing larger, stronger foundations, and, when required, rewiring of circuits. Street Lighting coordinates with telecommunication companies, provides designs, coordinates with City crews, and performs administration duties. There are currently over 3500 Co-Location poles citywide. The Bureau's rigorous engineering and design standards are resulting in more innovative streetlight designs, and sleeker integrated poles. These more advanced, aesthetically pleasing poles will strengthen the City's cellular coverage for constituents, businesses, and visitors. We developed a brochure detailing the function of 5G and integrated small cells, safety, and benefits to keep the community informed on small cell attachments.
- **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 can 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, but it also 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. We envision this will provide infrastructure for future Smart City applications.
- **CAMERAS** – The Bureau will continue to deploy cameras to safeguard our street lighting infrastructure and guard against theft / vandalism as well as build cases of enforcement. We will continue to work collectively with other City agencies to improve the quality of life and minimize illegal dumping.

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 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.

STREET LIGHTING MAINTENANCE ASSESSMENTS – FINAL ESTIMATE

Transmittal No. 2 is the FINAL ESTIMATE of expenditures and revenues for the 2025/26 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 for about 510,000 individual properties (about 2/3 of the City) will remain the same as in 2024/25. 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 2024/25 will be assessed the same amount in 2025/26.

This estimate has been prepared consistently with Council Policy in Administrative Code Sections 6.95-6.127, and based on 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 by 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, 2025 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.

Report Prepared By:

Respectfully submitted,

Ruben Flamenco, Division Engineer
Street Lighting Assessment Division


Bureau of Street Lighting
f6v Miguel Sangalang, Director