



Request for City Council Committee Action From the Department of Public Works

Date: January 22, 2008
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Subject: **Street Lighting Policy Framework Direction**

Recommendation:

A.

1. Implement a plan that allows for lighting changes on all streets.

B.

1. Use a combination of general fund and a city-wide street light utility fee to pay street light operation and maintenance costs.
2. Use a combination of uniform assessments and general fund to pay for new street light installation costs.
3. Continue to use net debt bonding along with uniform assessments to pay for parkway lighting installation costs.

C.

1. Install lighting without petitions as part of all reconstruction and development projects that require a large amount of excavation of the boulevard/sidewalk/curb areas.
2. Implement a systematic program to install improved lighting in the pedestrian and CBD areas without petitions.
3. Implement a systematic program to install improved lighting in residential areas that opt-in early (before a reconstruction project occurs) through a petition process.

D.

1. Design lighting systems to meet and continually update to stay current with Illuminating Engineers Society (IES) guidelines for three different lighting areas – CBD, pedestrian corridors/areas, and residential streets.

Previous Directives:

- August 7, 2007 – The Council directed Public Works to seek input on the Draft Policy
- February 1, 2005 – Removed moratorium on new lighting petitions for capital improvement reconstruction projects.
- December 14, 2004 – The Council directed Public Works to proceed with the Best Management Practices work and return to Committee in February with a working plan for the development of visibility standards.

- October 12, 2004 – The Council received a progress update of the Draft Street Lighting Policy and community feedback.
- July 27, 2004 – The Council received an overview of the 2004 Draft Street Lighting Policy dated July 19, 2004, requested Public Works to begin the community involvement process, and to return to committee with an update on October 12, 2004.
- December 13, 2002 – Council adopted the Standard Street/Alley Wood Pole System and again allowed for wood pole lighting petitions; the rest of the Lighting Policy was postponed.
- August 9, 2002 – The Council directed Public Works to gain neighborhood input, cease new petitions, and review Orfield proposal.
- June 13, 2002 – 2002 Draft Minneapolis Street Lighting Guidelines were presented and postponed at TPW.
- December 1, 1999 – Draft Street Lighting Policy discussed and postponed at TPW.

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Approved by:

Steve Kotke, P.E., City Engineer, Director of Public Works

Presenters: Jon Wertjes, P.E., PTOE, Director, Traffic and Parking Services

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's Finance Dept. contact when provided to the Committee Coordinator

Community Impact

Neighborhood Notification: Public input was gathered
 City Goals: Maintain the physical infrastructure to ensure a healthy, vital and safe city
 Comprehensive Plan: Not Applicable
 Zoning Code: Not Applicable

Background/Supporting Information

At the August 7, 2007 T&PW Committee meeting, Public Works outlined a street lighting policy that included three main components: standards for lighting, process for installation, and a method for funding.

The plan presented to City Council in August 2007 was presented and discussed at nine community meetings in September. The most frequent comments about the proposed fee were:

- Concern about the amount of the street light utility fee
- The desire for this fee to be tax deductible.
- Concern that residents would pay for street light installation costs before the lights were installed in their area.

Following the community meeting Public Works modified the proposal to incorporate the community's comments.

November 30 City Council Study Session

Public Works presented a revised proposal to City Council in a Study Session format on November 30, 2007. The revised proposal included the following changes to respond to the above public comments:

1. Reduction in the proposed city-wide street light utility fee from an estimated \$8-12/month to approximately \$2/month to only cover operating electricity costs.
2. Installation costs will be assessed to adjacent property owners. The assessment rate will be set annually in the form of a uniform street light assessment similar to the uniform street assessment. General Fund (property tax) dollars are included in the proposed capital funding mechanism to reduce the assessment to property owners.
3. Property owners will begin to pay assessments for new lighting after the capital costs are incurred either in a lump sum or payment over time options similar to other assessment procedures.

The proposed funding approach (see Study Session presentation slides below) presented the following relative funding changes and dollar magnitudes:

- \$2.5M/year new funding for operations (operation fee)
- \$2.0M/year new funding for capital (assessments)

The forthcoming Policy Framework Direction and subsequent next steps will further refine these funding amounts and details.

Existing Funding Sources

Operation/Maintenance

\$11.1 Million Gen Fund

- \$6.1M traffic
- \$5.0M lighting
 - \$0.8M city maint.
 - \$4.2M Xcel
 - \$2.5M electricity
 - \$1.7M maint.

Capital

Proposed 5 year CIP

- Street Lights-\$210,000
- Parkway Lights-\$800,000

(former 100% assessment)

Proposed Funding Sources

Operation/Maintenance

\$13.6 M (\$11.1M) Gen Fund

- \$6.1 M traffic
- \$7.5 M lighting (\$5M)
 - \$1.3M city maint (\$0.8M)
 - \$4.2M Xcel
 - \$2.5M electricity
 - \$1.7M maint
 - \$2.0M lighting capital

New Revenues

Streetlight Operation Fee
\$2.5M/year
 (< \$2/month per DU)
 (Metro avg = \$2.03/month)

Uniform Assessment
\$2.0M/year
 (\$100/year/DU for 20 years)

Capital

\$4.0 M/year
 \$2.0M city general fund
 \$2.0M uniform assessment
 +Parkway Assessments to match CIP
 funding for Parkway lights

General
Fund
Match

Policy Framework Discussion

Public Works requests City Council direction on four policy framework issues which are presented in the Table 1 as follows:

- A. City Street Lighting Plan
- B. Funding for street lighting
- C. Process to implement street lighting
- D. Standards to be used for lighting design

Next Steps

Based on the City Council Policy Framework directions, Public Works will then:

- Revise Street Lighting Policy document that includes the details related to the Policy Framework
- Return to Council for adoption of the Street Lighting Policy document

TABLE 1 – STREET LIGHTING POLICY FRAMEWORK

Policy Issue	Policy Questions	Options	Public Works Recommendation	City Council Framework Direction
A. City Street Lighting Plan	<ol style="list-style-type: none"> 1. What is the Ultimate Plan for street lighting? 2. Does the City want a different street lighting plan than what exists today? 3. Should lighting changes be installed on all streets or just on certain areas or street types? 4. Do we allow citizens to decide which streets get lighting changes? 	<ul style="list-style-type: none"> ▪ No change to existing plan ▪ New lighting to be installed on All streets ▪ New lighting to be installed only in Pedestrian and Central Business district (CBD) areas and street types ▪ Lighting to be installed as a combination of the above choices 	Implement a plan that allows for lighting changes on all streets.	
B. Funding for street lighting	<ol style="list-style-type: none"> 1. How will street lighting be funded? 2. Is a street lighting utility fee an option? 3. Should the affected properties be assessed 100% for the installation, or should the percentage be lower? 4. Should the City of Minneapolis set an annual uniform assessment rate for the capital installation cost? 	<ul style="list-style-type: none"> ▪ General Fund (Property Tax) ▪ Street Lighting Utility Fee ▪ Uniform annual assessment rate for effected properties ▪ Net Debt bonds 	<p>Use a combination of general fund and a city-wide street light utility fee to pay operation and maintenance costs.</p> <p>Use a combination of uniform assessments and general fund to pay for new street light installation costs.</p> <p>Continue to use net debt bonding along with uniform assessments to pay for parkway lighting installation costs.</p>	

Policy Issue	Policy Questions	Options	Public Works Recommendation	City Council Framework Direction
C. Process to implement street lighting	<ol style="list-style-type: none"> 1. Should lighting be installed as part of street reconstruction projects? 2. Should lighting be installed when large portions of the boulevard and curb are disturbed? 3. Should there be a different process to install lighting in pedestrian and CBD areas? 4. Should a petition process be used for residential streets wishing to install street lighting? 	<ul style="list-style-type: none"> ▪ No change from existing processes ▪ Install with street reconstruction (or other major curb and boulevard replacement) projects ▪ Install lighting in pedestrian and CBD areas ▪ Allow for residential areas to petition in lighting ▪ Install on all streets in a systematic basis around the City of Minneapolis (every street gets without petition) 	<p>Install lighting without petitions as part of all reconstruction and development projects that require a large amount of excavation of the boulevard/sidewalk/curb areas.</p> <p>Implement a systematic program to install improved lighting in the pedestrian and CBD areas without petitions.</p> <p>Implement a systematic program to install improved lighting in residential areas that opt-in early (before a reconstruction project occurs) through a petition process.</p>	
D. Standards to be used for lighting design	<ol style="list-style-type: none"> 1. Do we design lighting based on Illuminating Engineers Society (IES) guidelines, or do we derive our own? 	<ul style="list-style-type: none"> ▪ Maintain current design standards (some meet and some do not meet IES Guidelines) ▪ Improve standards to meet IES guidelines for all areas ▪ Exceed IES guidelines 	<p>Design lighting systems to meet and continually update to stay current with IES guidelines for three different lighting areas – CBD, pedestrian corridors/areas, and residential streets.</p> <p>(This recommendation includes the three visibility parameters – quantity, uniformity and glare guidelines for each of the three lighting areas.)</p>	