



Street Lighting



Conception

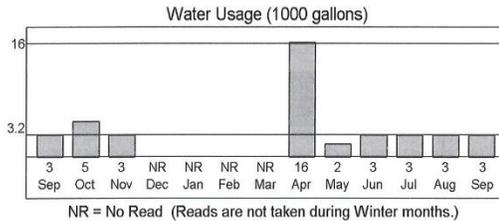
- Idea born at a Council Retreat and Mayor Joe Nelson championed the project.
- ~70% of voters supported street lighting citywide.
- Design was completed by lighting engineers.
- Three separate firms confirmed 150-watt lights at a 200-foot spacing was optimal.
- Holophane was the chosen manufacturer after decorative styles were chosen by the community.
- Construction began in 2001 and the order of installation was based upon crime statistics.

Financing

- In 1999, the City created a citywide Special Service District for street lighting.
- The City Council adopted a plan for citywide street lighting on February 22, 2000.
- Funding was finalized for the street lighting project on July 25, 2000 with the passage of a resolution that increased the Franchise Tax by 0.64% to 6.00%.
- One Equivalent Lighting Unit (ELU) → \$3.25.
- Commercial accounts: 1 ELU → 90' of frontage.
- PRDs and apartments would pay based on frontage.
- Every neighborhood was to pay for 17 years in order to retire this debt.

Sample Bill

SERVICE INFORMATION		
Service Period:		
Service Address:		
Previous Read	Current Read	Consumption
749	752	3



A NON-REFUNDABLE \$15 LATE FEE is assessed to all accounts that are not paid IN FULL by the DUE DATE.

Current	30 Days	60 Days	90 Days	120 Days or More
52.16				

CUSTOMER INFORMATION	
Previous Balance:	51.16
Payments Received:	-51.16
Credits:	0.00
Credit Amount:	0.00
Current Charges Due: 10/22/2018	51.16
Total Amount Due:	\$51.16
Due Date:	10/22/2018
CURRENT CHARGES	
Water Base Rate for 3/4" meter	18.70
Water Use Tier 1 \$0.88/1000g	2.64
Water Use Tier 2 \$1.10/1000g	0.00
Water Use Tier 3 \$1.31/1000g	0.00
Water Use Tier 4 \$1.75/1000g	0.00
Sewer Base Rate	10.72
Sewer charge \$2.18/1000g	6.98
Storm Sewer	7.10
City Franchise Tax	2.77
Street Lighting	3.25
Paperless Credit	-1.00
CURRENT TOTAL	51.16

This is the street lighting charge as it appears on the utility bill. Residential accounts are billed for 1 ELU (\$3.25) per month. Non-residential accounts are billed on frontage (1 ELU/90 feet)



Challenges

1. Multi-Unit Residential Complexes

- No clear system was established for allocating ELU charges to multi-unit dwellings (apartments, condos, townhomes, etc.)
- The difficulty in managing this complex system has results in inconsistencies among multi-unit ELU charges that were identified during a recent ELU audit.
- *Often these errors are associated with the number of utility accounts per building.*

Ellen Circle



Challenges (cont.)

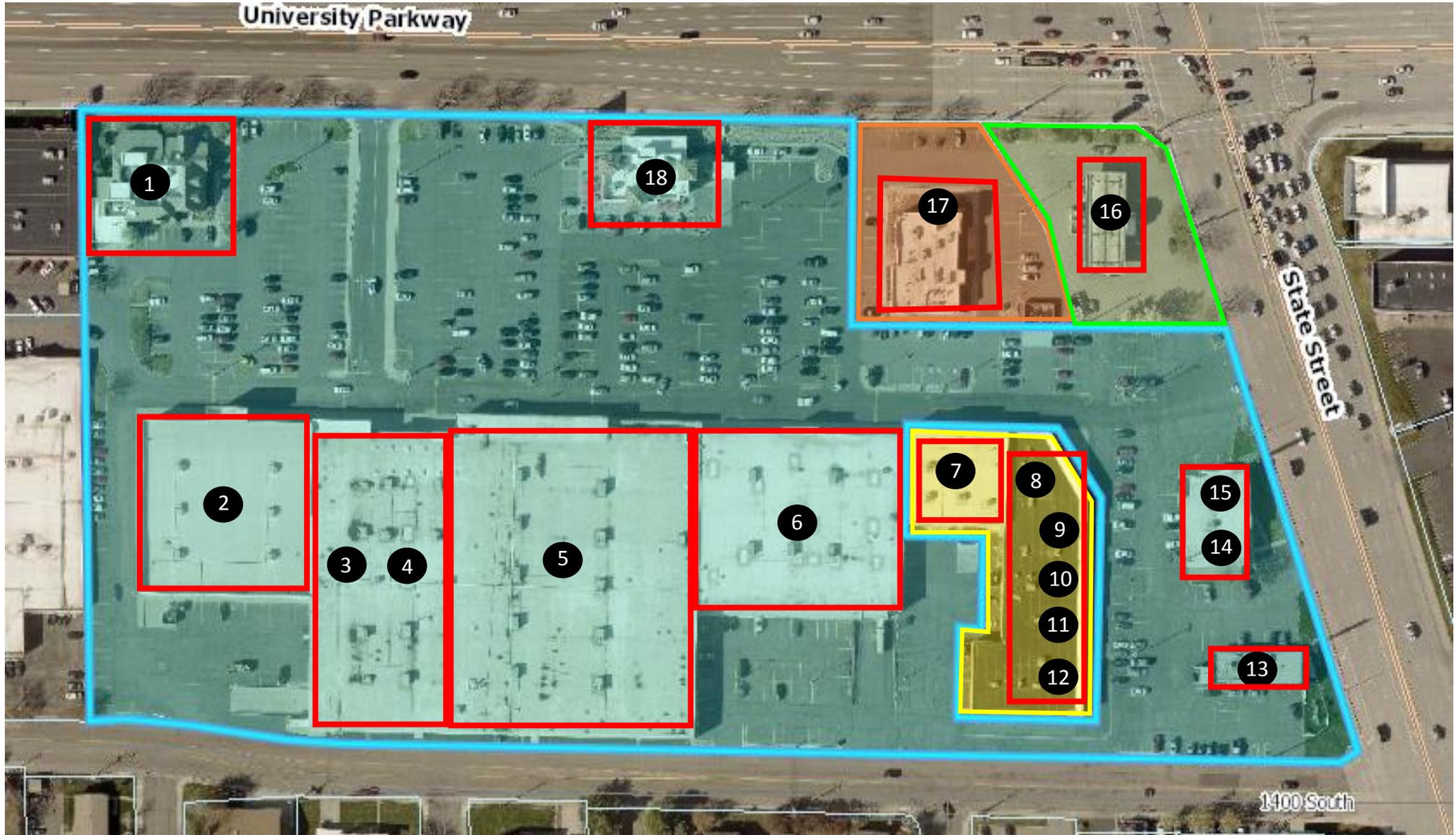
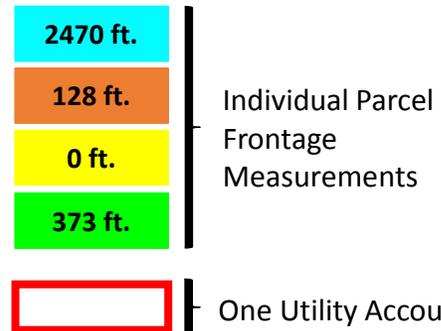
2. Non-Residential Units

- A recent non-residential ELU audit showed the complexities associated with assigning ELU charges to parcel frontage estimates.
- These inconsistencies are due primarily to the fact that *1 parcel is not typically equal to 1 utility billing account.*



Example – Businesses, Parcels, and Utility Accounts

- 1 Mimi's Cafe
- 2 Barnes and Noble
- 3 Sketchers
- 4 Staples
- 5 Burlington Coat Factory
- 6 Nordstrom Rack
- 7 Pier 1 Imports
- 8 Mattress Firm
- 9 American Red Cross
- 10 Shoga Sushi Bar
- 11 Spherion
- 12 Cookie Cutters
- 13 Arctic Circle
- 14 Zao Asian Cafe
- 15 Blaze Pizza
- 16 Chevron
- 17 Outback Steakhouse
- 18 In-N-Out Burger





Current System

- 24,037 Current Total ELU Charges
 - 20,209 Residential ELU Charges
 - 3,828 Non-Residential ELU Charges
- 30,712 Residential Living Units
 - Thus, **10,503** Residential Living Units are not being directly billed for street-light benefit

Fiscal Year	Franchise Tax Revenue (FTR)
13	\$ 764,809.00
14	\$ 453,000.00
15	\$ 600,000.00
16	\$ 660,000.00
17	\$ 700,000.00
18	\$ 775,000.00
Average	\$ 658,801.50

Expenses

- Franchise tax revenues have been paying a large portion of street lighting expenses.
- Previous ELU revenues of \$680,000/year have been used for debt service payments of street lighting bond.
- Payment for capital expenses begin to come off in April 2019.
- Currently, franchise tax revenues are being used to pay for operations and maintenance.
- The current ELU revenue is being used to pay for the final build-out of the street lighting system.

Options

1. Continue with the Franchise Tax and Street Lighting Fee (status quo).
2. Continue with the Franchise Tax and a reduction in the Street Lighting Fee.
3. Eliminate the Franchise Tax contribution and reduce the Street Lighting Fee appropriately to become self sufficient.

← RECOMMENDED

	O&M	Capital	Total
Monthly Charge per Unit	\$2.13	\$0.21	\$2.34
Total Number of ELUs	33,544	33,544	33,544
Total Annual Revenue	\$857,385	\$84,531	\$941,916

Solution

- Equal benefit → Equal pay (by the door)
- \$2.13/ELU O&M Expenses
- \$0.21/ELU Capital Purchases
- \$2.34/ELU Total to be adjusted annually according to the CPI
- Self-sustaining Fund

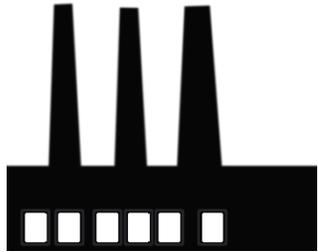


Residential Impact



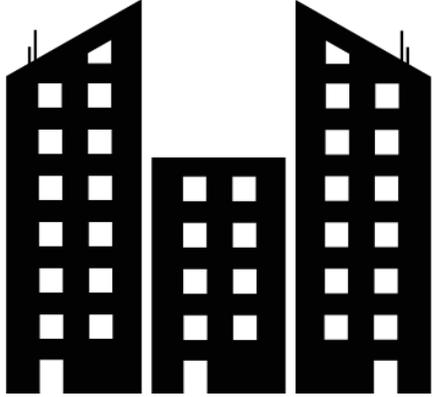
- **Each residential living unit** will be billed 1 ELU per month (\$2.34)
- Single-family Home → \$2.34 per month
- Condominium Unit → \$2.34 per month
- Apartment Unit → \$2.34 per month
- 10-plex → \$23.40 per month

Non-residential Impact



- **Non-residential units** will be charged for 1 ELU per month instead of paying based on frontage.
- Not all businesses have a separate utility account.
- Church → \$2.34 per month
- Business → \$ 28.08 annually (12 x \$2.34)
- When the annual business license is renewed, a street lighting fee of \$28.08 will be added.
- Businesses will no longer have a monthly fee.

Mixed-use Impact



- **Mixed-use developments** will be charged by combining the previous two methods and on a case-by-case basis.
- Example: A mixed-use development with 10 businesses and 100 apartment living units.
 - Business → \$28.08 annually (12 x \$2.34)
 - 100 Living Units → \$234.00 per month

Implementation

Neighborhood	Transition Year
Cherry Hill	2019
Lakeview	2019
Geneva Heights	2019
Windsor	2019
Orem	2019
Orem North	2019
Suncrest	2019
Lakeridge	2020
Stonewood	2020
Sunset Heights East	2020
Orem Park	2020
Sunset Heights West	2020
Aspen	2021
Sharon	2021
Northridge	2021
Heatheridge	2021
Sharon Park	2021
Timpview	2021
Hillcrest	2021
Cascade	2022
Orchard	2022
Canyon View	2022



**\$3.25 to \$2.34 on
July 1, 2019**



**\$3.25 to \$2.34 on
July 1, 2020**



**\$3.25 to \$2.34 on
July 1, 2021**



**\$3.25 to \$2.34 on
July 1, 2022**

Process

- Extensive audit completed on existing system
- Options for moving forward analyzed
- Multiple presentations to Utility Review Committee
- Multiple presentations to Executive Staff
- Feedback considered from all committees
- Presentation to Public Works Advisory Commission
- Presentation to the City Council

Moving Forward

- **January 2019** – Public Outreach Efforts
 - Mailers, Social Media
 - Public Meetings
- **February 2019** – City Council meeting to adopt street lighting plan
- **May 2019** – City Council FY20 Budget approval
- **July 2019** – New fee structure starts for **seven** neighborhoods
- **July 2020** – New fee structure starts for **five** neighborhoods
- **July 2021** – New fee structure starts for **seven** neighborhoods
- **July 2022** – New fee structure starts for **three** neighborhoods

Questions?

