



CITY OF KIRKLAND
Department of Public Works
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Rob Jammerman, Development and Environmental Services Manager
Ray Steiger, P.E., Public Works Director

Date: May 26, 2011

Subject: Street Lighting Administration in the Annexation Area

RECOMMENDATION:

It is recommended that the City Council approve the attached Ordinance requiring property owners to continue being responsible for the cost of providing and maintaining existing and new street lights along residential streets in the Juanita, Finn Hill, Kingsgate annexation area (JFK). The ordinance also establishes that the City shall develop a phasing plan by no later than 2014 which will identify how and when the City shall assume responsibility for providing and paying for street light utility services in the portions of the JFK Annexation Area currently or hereafter served by a street light district.

BACKGROUND DISCUSSION:

At the April 8, 2011, City Council Study Session, street light information in the JFK area was presented to the Council. The following information is a summary of what was presented to Council and the issues that need to be addressed as City staff moves forward:

1. How many street lights were planned for when the annexation was contemplated?

When the City was obtaining street light inventory data from the County in 2007, the County communicated that there were approximately 600 street lights in the JFK for which the County paid energy costs. The subsequent annexation budget based energy costs on this data and using a comparable Kirkland cost per street light budgeted \$130,000/year for street light energy costs. New and more recent data obtained from the County reduces the actual number of lights, and it is now estimated that the energy costs will be approximately \$84,000/year; these lights are predominantly along arterials and collectors. Additional data verification by City staff is underway with the County and Puget Sound Energy (PSE). Options for how to allocate any final savings will be brought back to the Council but staff is likely to propose to set aside any savings into a street light transition reserve to help ultimately pay for the City assuming the cost of all street lights in the annexation area.

2. How many street lights are funded by property owners?

When staff was obtaining street light inventory data from the County, it was not known nor was it disclosed by the County that there were other street lights in the JFK that are

paid for by private property owners. In the last few months, during discussions with water districts serving the area, it became apparent that there were approximately 1,460 street lights paid for by property owners; the majority of these lights are located on residential streets (not arterials or collectors). The estimated energy cost for these lights is \$190,000/year. The payments by the property owners for these lights are collected by Northshore Utility District (NUD) or Woodinville Water District (WWD) through separate Lighting Districts that have been established through the years in conjunction with development of each neighborhood. The annual cost to each property owner is approximately \$36/year.

3. *What direction did the Council give when briefed on this issue at the April 8, 2011 Study Session?*

After discussing the issue, the Council recommended that the City should pay for the arterial/collector systems currently being paid for by the County, that JFK Lighting Districts remain paid for by the owners, that new developments in the JFK area also develop lighting districts to pay for lights, but that the City should develop a plan to eventually take over the street light energy costs for the entire area in the future.

4. *When will a plan be developed to assume the street light energy costs?*

Staff recommends that a plan be developed no later than 2014 for the assumption of the street light energy costs that are now paid by property owners; this timeframe will allow the Finance Department to have sufficient time to gather accurate data and analyze costs and revenues in the annexation area as a whole. This approach will also allow the Finance Department to program the assumption of the street light energy costs into the street operating budget and establish a date certain when the assumption of costs can occur.

5. *How will street light energy costs be handled for new developments in the JFK?*

In order to maintain equity in lighting costs for all developments in the JFK, staff is recommending that all new development be required to pay for their respective lighting costs as they would have under the County jurisdiction, i.e., energy costs for lights installed along residential streets shall be borne by the property owners. It would be problematic and inequitable to assume the street light energy costs from new development (post annexation) and leave the existing Lighting Districts in place. Given this Staff recommendation, the attached Ordinance requires new developments to establish a Lighting District with the respective water or sewer utility (NUD or WWD) to administer the payment for street lights by the property owners. Any new Lighting Districts created in conjunction with new development will be included in the City's plan to ultimately assume the street lighting costs.

In summary, it is recommended that the Council approve the attached Ordinance requiring new development in the JFK area to continue to install street lights and establish Lighting Districts to pay for them and authorizing staff to develop a plan by no later than 2014 to assume the street lighting costs in the JFK area.

Attachment: Ordinance

cc: John Hopfauf, Street Department Manager
Julie Elsom, Senior Operations and Finance Analyst

ORDINANCE NO. 4309

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE PROVISION OF STREET LIGHTING IN THE JFK ANNEXATION AREA OF THE CITY OF KIRKLAND.

WHEREAS, on June 1, 2011, the City of Kirkland annexed the North Juanita, Finn Hill and Kingsgate area legally described in Ordinance No. 4229 and the Wild Glen area legally described in Ordinance No. 4296 (collectively referred to herein as "JFK Annexation Area"); and

WHEREAS, prior to annexation, certain residential developments in the JFK Annexation Area established street lighting districts to pay the costs associated with providing street lighting within the respective district; and

WHEREAS, the City intends for the existing street lighting districts in the JFK Annexation Area to continue to pay the costs associated with street lighting in their respective district until such time as the City assumes responsibility for providing and paying for street light utility services in the JFK Annexation Area; and

WHEREAS, the City intends for new residential development in the JFK Annexation Area to establish street lighting districts to pay the costs associated with providing street lighting until such time as the City assumes responsibility for providing and paying for street light utility services in the JFK Annexation Area; and

WHEREAS, the City intends to assume the costs associated with street lighting in the JFK Annexation Area in accordance with a phasing plan that will be developed by no later than 2014.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. The cost of providing and maintaining street light service in existing street light districts in the JFK Annexation Area and street light districts subsequently created in the JFK Annexation Area shall be borne by the lots and lot residents within the street light districts who are billed for utility services provided to the lots.

Section 2. The electric utility provider shall, by agreement with the applicable utility district, bill each lot within the boundary of a street light district for street light utility services. The charge for street light service shall be determined by the applicable utility district after consultation with the electric utility provider.

Section 3. The City shall develop a phasing plan by no later than 2014 which identifies how and when the City shall assume

responsibility for providing and paying for street light utility services in the portions of the JFK Annexation Area currently or hereafter served by a street light district. The street light districts in the JFK Annexation Area shall be disbanded at such time as the City assumes responsibility for providing and paying for street light utility services in the portions of the JFK Annexation Area served by street light districts.

Section 4. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 5. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney