Special Assessment to Improve Dayton's Street Light System

Dayton City Commission Work Session

May 21, 2014

What is proposed?

Through a six-year property assessment, establish a revenue stream dedicated to improving Dayton's street light system.

This dedicated revenue stream will:

1. **Standardize** street lighting throughout the city to increase visibility and safety by adding new street lights over the six-year period.
2. **Upgrade** city-owned street lights to high-efficiency LED lights which consume less energy, have a longer useful life, and reduce the City's carbon footprint.
3. **Repair** street lights more efficiently and effectively.
4. **Maintain** the street lighting system.

Why a new assessment?

1. Without the assessment we would be unable to upgrade and enhance our street light system in light of recent revenue losses due to the Great Recession and the over $9 million in state revenue-sharing cuts.

2. In fact, the 2014 General Fund budget includes the use of $3 million in cash reserves—a one-time source of revenue.

3. The proposed city-wide assessment will replace an assessment for the Downtown that lapsed in 2006. In the past, several other neighborhoods had assessments for capital improvements that have since ended.

How will street light program be funded?

1. The street light assessment will be calculated based on assessed value of property in the city, as defined by state law.

2. All properties receiving a benefit from the street light system will be assessed, which will keep the assessment rate low and equitable.

3. Neighborhoods without street lighting (portions of Forest Ridge and Villages of Forest Ridge) or with neighborhood-supported street lighting (Oregon Historic District, Cooper Place and Hook Estate) will not be assessed. The Dayton International Airport pays for its own street lights and will not be assessed.

4. Two districts with different lighting standards were developed: A) Central Business District, and B) the remainder of the city (excepting Oregon Historic District, Cooper Place, Hook Estate, portions of Forest Ridge and Villages of Forest Ridge).

How will street light program be funded?

5. The assessment has been proposed for the six-year period beginning July 2014 through June 2020. The City Commission can determine if it should be renewed.

6. The assessment will appear annually on property tax bills payable in 2015 to 2020, unless property owners chose to pre-pay the assessment.

How will street light program be funded?

7. Upon the adoption of the Resolution of Necessity, staff will calculate the cost to each key parcel in the city based on data from the County Auditor's Office.

8. The table below shows annual and monthly estimates for the two districts:

Estimated Downtown Special Assessment by Type

District A Estimated Assessment Rate		0.0346%	
Property Type	Property Value	Est. Annual Assessment	Est. Monthly Assessment
Residential	$ 185,000	64	$ 5.34
Commercial	$ 450,000	156	$ 12.98
Exempt	$ 3,000,000	1,039	$ 86.56

Est. Remainder of the City Special Assessment by Type

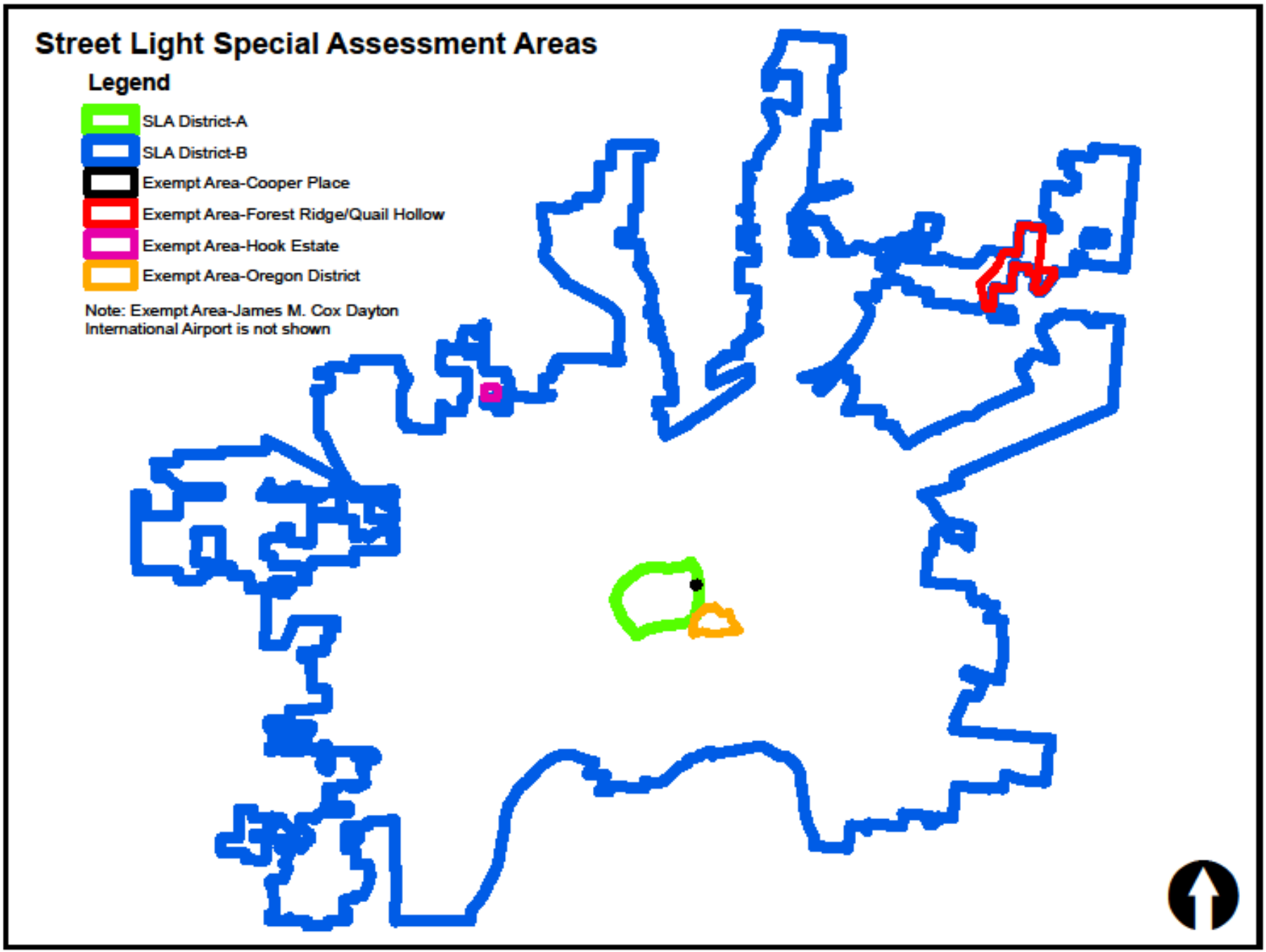
District B Estimated Assessment Rate		0.0490%	
Property Type	Property Value	Est. Annual Assessment	Est. Monthly Assessment
Residential	$ 52,000	$ 25	$ 2.12
Commercial	$ 125,000	$ 61	$ 5.10
Exempt	$ 440,000	$ 215	$ 17.95

Street Light Improvements

1. The assessment would generate approximately $3M annually, assuming all assessments are paid, and yield about $2.0M net of capital, administrative costs and City's share of investment.

2. Street Lighting Inventory:
   - 5,300+ City-owned poles
   - 14,300+ Miami Valley Lighting (DPL)-owned poles
   - Assessment plan will add street lights to standardize lighting across the city

Street Light Special Assessment Areas



How will the Public be notified?

1. Property owners with proposed assessments greater than $42 per year or $250 for the six-year assessment period will be notified by certified mail.

2. Two legal advertisements will be published notifying all property owners in the city of the proposed assessment.

3. The amount for each proposed assessment will be posted on the City's website and available in the Clerk of Commission's office.

4. Property owners have the right to file an objection to the proposed assessment and be granted a hearing before the Assessment Equalization Board.

How can a property owner find out more information?

1. City's website, www.daytonohio.gov/StreetLights, will have a link that explains the assessment and allows property owners to look up what their assessment will be.

2. Public Works Call Center, 937-333-4800, will have the same information.

3. Property owners will have the option to pay their assessment before it is certified to their tax bill and thereby avoid the 5% fee the County Auditor will add if the assessment is included in the tax bill.

Next Major Steps

1. City Commission adopts resolution to initiate assessment process and a resolution appointing the Assessment Equalization Board.

2. Notice of proposed assessment mailed to property owners whose assessment will be more than $250 over the six year assessment period.

3. Legal ad published in Dayton Daily News notifying all property owners of proposed assessment.

4. Assessment Equalization Board hears objections filed by property owners to their proposed assessment.

5. City Commission adopts legislation implementing assessment.

Thank You

Questions?