



## LAKWOOD CITY COUNCIL SPECIAL MEETING

Monday, January 27, 2014

7:00 P.M.

City of Lakewood

City Council Chambers

6000 Main Street SW

Lakewood, WA 98499

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Page No.

**Call to Order**

**Roll Call**

**Flag Salute**

### R E G U L A R   A G E N D A

**New Business**

(1) Motion No. 2014-04

Approving the submittal of an energy grant application to the Washington State Department of Commerce, in the amount of \$500,000, for converting streetlights to energy-efficient light emitting diode (LED). - *Public Works Director*

**Adjournment**

*The Council Chambers is accessible to persons with disabilities. Equipment is available for the hearing impaired. Persons requesting special accommodations or language interpreters should contact the City Clerk's Office, 589-2489, as soon as possible in advance of the Council meeting so that an attempt to provide the special accommodations can be made.*

<http://www.cityoflakewood.us>

*The Council Chambers will be closed 15 minutes after adjournment of the meeting.*

**LAKWOOD CITY HALL**  
6000 Main Street SW, Lakewood, WA 98499-5027  
(253) 589-2489

**MEETING SCHEDULE**  
**January 27, 2014 – January 31, 2014**

Date	Time	Meeting	Location
January 27	7:00 P.M.	City Council Special Meeting	Lakewood City Hall Council Chambers
	<i>Following Council Special Meeting</i>	City Council Study Session	Lakewood City Hall Council Chambers
January 28	5:30 P.M.	Citizen's Transportation Advisory Committee	Lakewood City Hall 1st Floor, Conference Room 1E
	5:30 P.M.	Parks and Recreation Advisory Board	Lakewood City Hall 1 <sup>st</sup> Floor, Conference Room 1D
	6:00 P.M.	Pacific Neighborhood Association	Children of Light Ministries 5105 Solberg Dr. SW
January 29	No Meetings Scheduled		
January 30	No Meetings Scheduled		
January 31	No Meetings Scheduled		

**TENTATIVE MEETING SCHEDULE**  
**February 3, 2014 – February 7, 2014**

Date	Time	Meeting	Location
February 3	4:30 P.M.	Arts Commission	Lakewood City Hall 3 <sup>rd</sup> Floor, Conference Room 3A
	6:00 P.M.	Youth Council	Lakewood City Hall 3 <sup>rd</sup> Floor, Conference Room 3A
	7:00 P.M.	City Council	Lakewood City Hall Council Chambers
February 4	No Meetings Scheduled		
February 5	5:15 P.M.	Public Safety Advisory Committee	Lakewood Police Station Multi-Purpose Room 9401 Lakewood Drive SW
	5:30 P.M.	Community Development Block Grant Citizen's Advisory Board	Lakewood City Hall 3 <sup>rd</sup> Floor, Conference Room 3A
February 6	9:30 A.M.	Civil Service Commission	Lakewood City Hall 1 <sup>st</sup> Floor, Conference Room 1E
	6:30 P.M.	Tillicum/Woodbrook Neighborhood Association	Tillicum Community Center 14916 Washington Avenue SW
February 7	No Meetings Scheduled		

NOTE: The City Clerk's Office has made every effort to ensure the accuracy of this information. Please confirm any meeting with the sponsoring City department or entity.

# REQUEST FOR COUNCIL ACTION

<b>DATE ACTION IS REQUESTED:</b> January 27, 2014	<b>TITLE:</b> Application for a \$500,000.00 Department of Commerce Energy Efficiency Grant for LED street light conversion.	<b>TYPE OF ACTION:</b> — ORDINANCE — RESOLUTION <u>X</u> MOTION 2014-04 — OTHER
<b>REVIEW:</b> January 27, 2014	<b>ATTACHMENTS:</b> Project Scope Spreadsheet	

**SUBMITTED BY:** Don E. Wickstrom, Public Works Director

**RECOMMENDATION:** It is recommended that the City Council authorize the City Manager to apply for a \$500,000.00 Department of Commerce Energy Efficiency Grant for the conversion of 1,982 existing city street lights to light emitting diode (LED).

**DISCUSSION:** The WA State Department of Commerce has been authorized in the current biennial budget to distribute up to \$25 Million in energy efficiency and solar grants to various public agencies. The first round of applications are due January 30, 2014 for up to \$18 Million. The second round of applications for up to \$7 Million are due in May 2014.

The scope of the project this grant would be applied to would convert approximately 1,982 of the city’s streetlights to energy efficient LEDs. This project is unable to convert the rental lights in the Tacoma Power (TPU) and Puget Sound Energy (PSE) areas (totaling 1,424). LEDs provide several benefits including: lower energy costs due to the ability of producing the same light levels with less power; lower maintenance costs because LEDs can last up to seven times longer than high pressure sodium lights; and better lighting through higher light quality. **(continued on page 2).**

**ALTERNATIVE(S):** An alternative would be to not apply for the grant and not pursue the LED replacement project. Another alternative would be to postpone application until the round in May 2014 where less money will be available.

**FISCAL IMPACT:** Submitting the grant application does not have any fiscal impacts except for the staff time and consultant costs of \$5,170 if the city chooses not to move forward with the LED conversions. Award of the grant does not irreversibly commit the city to pursue this project. If the city is successful in receiving a grant and chooses to move forward with this project, the city would be required to pursue financing of the outstanding capital costs of approximately \$1,900,000, financed with existing City resources.

Prepared by _____  _____ Department Director	 _____ City Manager Review
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**DISCUSSION (continued from page 1):**

The attached “draft work-in-progress spreadsheet” is anticipated show an improvement on the simple pay back to 10-12 years as the project costs are further developed. The construction costs are anticipated to be lower as bids are received. In addition, utility incentives and annual utility savings will be greater as we find opportunities to lower the lamp wattage (without sacrificing light quality).

If the City is awarded the grant and if the analysis shows a worthwhile return on investment, the benefit to the community will be better lighting and public safety improvements that will be paid for with the grant, incentives from utility providers and operational savings from the City’s general fund. The investment would be cost-neutral to the City, though ultimately, after the amortization of the investment is repaid, the general fund would recognize savings that would be available for other city services.

**DRAFT - WORK IN PROGRESS <sup>(1) (2)</sup>**

Purveyor	Description	Lamp Size	# of Lights	Initial Capital Cost	Utility Incentive	Net Capital Cost	Annual Utility Savings	Annual Maintenance Savings	TOTAL Savings
<b>INCLUDED IN ESCO PROJECT</b>									
PSE	Signalized Intersection Street lights	250 watt	30	\$45,000	\$4,000	\$41,000	\$1,500	\$1,000	\$2,500
Lakeview L&P	Signalized Intersection Street Lights	250-400 watt	110	\$165,000	\$10,000	\$155,000	\$9,000	\$2,000	\$11,000
	Street Lights - City owned	150-250 watt	1098	\$1,345,000	\$100,000	\$1,245,000	\$56,000	\$30,000	\$86,000
TPU	Signalized Intersection Street Lights	250 watt	110	\$150,000	\$14,000	\$136,000	\$3,500	\$2,000	\$5,500
	Street Lights - H-1 (City-owned, flat rate)	150-250 watt	420	\$565,000	\$43,000	\$522,000	\$14,500	\$14,000	\$28,500
	Street Lights - City-owned, metered	250-400 watt	214	\$350,000	\$22,000	\$328,000	\$8,000	\$5,000	\$13,000
	<b>TOTALS</b>		1982	\$2,620,000	\$193,000	\$2,427,000	\$92,500	\$54,000	\$146,500
					Energy Savings Grant	\$500,000			
					TOTAL Net Project Cost	\$1,927,000			
					Simple Pay Back (Years) <sup>(3)</sup>	13.15			
<b>REMAINING STREET LIGHTS (not city owned)</b>									
PSE	Leased Lights - paid by City	150 - 400 watt	1071						
TPU	Rental Lights-paid by private citizens/businesses	150 - 400 watt	353						

(1) Initial capital cost anticipated to go down with bidding process.

(2) Utility incentive and annual utility savings anticipated to be higher with possibility to reduce lamp wattage.

(3) Simple pay back projected to be 10-12 years