



### Streetlight System Replacement Charge

Streetlight user fees or charges levied on property owners, have been used to cover the cost of operating public streetlights in many communities. The fee or charge are often billed on a municipal service bill, such as the water/sewer quarterly or tax bill annually. Examples of communities with streetlight user fees for operational expenses are:

- [City of Rice Lake, 2005](#)
- [City of Milwaukee, 2021](#)
- [City of Marshfield, 2023](#)

Shorewood's infrastructure dates to the early 1900's and our streetlight system is no exception. Approximately 1,500 fixtures light the roadways, parks and municipal parking lots. In Shorewood a streetlight system replacement charge is proposed to fund implementation of an entirely new streetlight system in 2025 – 2029 in five phases, a current estimated cost of \$17.4 million. The charge can be implemented equally across all parcels or by units, one unit for residential and a weighted scale for commercial based upon assessed value to account for retail, office and rental units assess as commercial.

SCHEDULE: A [Streetlight System Replacement Plan](#) was presented to the Village Board in May 2023. The plan recommends a phased replacement of the existing system, including wiring, control cabinets, poles and fixtures. The plan identifies five project phases with construction to occur 2025-2029. The charge would be in effect for 25-years, the period required to finance replacement of the system. The charge will be updated annually to reflect current interest, design and construction costs. For 2025, the residential fee per parcel is estimated at \$153, pending remaining costs incurred to conclude design of Phase I this year. Commercial parcels would increase the number of units paid (est. \$153) based upon value:

Commercial value	Est. Charge
over \$30 million	\$ 1,528
over \$20 million	\$ 1,375
over \$15 million	\$ 1,223
over \$10 million	\$ 1,070
over \$5 million	\$ 917
over \$1 million	\$ 765
over \$500,000	\$ 612
over \$250,000	\$ 459
under \$250,000	\$ 306

#### PROS:

- \$17.4 million in additional revenue to implement a new system over a five-year period.
- The charge revenue directly funds the improvements over a 25-year period of the bonds used to fund the system replacement.



- Public safety as well as worker safety are the two strongest justifications for updating this system. Due to aged infrastructure, including reliance on direct buried cables, coupled with splices and handholds for the wires that are in poor condition, the system experiences intermittent outages affecting entire neighborhoods. Outdated panels, some dating back to 1971, lack essential safety features, posing electrical hazards. This results in high maintenance costs and unacceptable service, as the lights are often inoperative at many points of the year.
- A new system will also enable the use of LED lights and in doing so, the Village will realize an energy cost savings. We have already seen an electrical cost savings for the light fixtures installed on Capitol and Oakland Avenue last year.
- Residential properties defined as one-, two- and three-unit parcels pay 1 unit or an estimated \$153 per parcel. Tax exempt property owners pay 2 units or an estimated \$306 per parcel. Commercial property owners pay units per parcel based upon building value, reflecting distribution of the fee among the community that benefit from the improvements.

CONS:

- An additional charge to each parcel owner.