



October 2, 2018

Councilmember Bob Blumenfield
Chair, Public Works & Gang Reduction Committee
Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Subject: Street Damage Restoration Fee; Council Files #15-0600-S22, #14-1571

Dear Councilmember Blumenfield,

On behalf of the Valley Industry & Commerce Association (VICA) and more than 400 businesses in the San Fernando Valley and throughout Los Angeles, we are writing to oppose the changes being proposed to the Street Damage Restoration Fee (SDRF).

Utility companies already incur costs under the new T-Trench and Pavement Restoration standards, which were approved by the Los Angeles City Bureau of Engineering in 2017. The proposed SDRF changes would significantly increase costs for utilities throughout the city by approximately 1,300% without a phase in. Phasing in the fee would allow utilities to budget appropriately and ensure the costs to ratepayers are mitigated.

The study conducted by the Public Works Commission recommends to expand the SDRF assessment area to 5 feet in each direction of an excavation. This would mean that for a 1-foot long trench, an entity would be required to pay for a total of 11 feet. The Bureau of Engineering already requires a higher standard of backfill material and T-cuts to prevent future failures, and also requires larger surface areas to be repaved. Applying width of influence to the SDRF assessment would create duplicative costs for utilities.

Although the SDRF has not been updated since 2006, any changes made to the fee should be based on a technical study that considers and evaluates the impact of roadway cuts under the new T-Trench and Pavement Restoration standards. This will help ensure an accurate fee increase is calculated and accounts for cost inflation.

As proposed, the SDRF changes will have a tremendous fiscal impact on utility companies, developers and ratepayers, especially with the removal of current exemptions from this fee.

For these reasons, we respectfully ask you to consider the implications and ramifications of this proposed fee increase and urge you to conduct a new study which considers the new Bureau of Engineering Standards.

Sincerely,

Lisa Gritzner
VICA Chair

Stuart Waldman
VICA President