



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Aldinger and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Bruce Moe, Finance Director
Jim Arndt, Director of Public Works
Dana Greenwood, City Engineer
Stephanie Katsouleas, Senior Civil Engineer

DATE: December 18, 2007

SUBJECT: Appropriation of \$176,608.45 from the General Fund for Verizon and Time Warner Design Plans for Underground Utility Assessment Districts 13.

RECOMMENDATION:

Staff recommends that the City Council appropriate funds in the amount of \$176,608.45 from the General Fund reserves for Verizon and Time Warner for their engineering services for District 13.

FISCAL IMPLICATION:

The total cost for Verizon and Time Warner engineering services is \$176,608.45 which represents:

- \$138,548.45 for Verizon
- \$38,060.00 for Time Warner

Verizon's design fees are significantly higher than those charged for Districts 1-6, but similar to the amount approved by City Council (\$140,000.00) for Southern California Edison designs more than one year ago. In addition to the large number of parcels in District 13 (approximately 282), Verizon's design services are now contracted out rather than performed in-house. Both factors contribute to the high design fee quoted.

It is important to note that should the assessment district be approved, then these engineering service fees as well as staff time and assessment engineering services will be added to the total cost of the assessment and recovered. If the assessment district is not approved, the City will not be able to recover these expenses. Staff anticipates that District 13 will be voted on by property owners near the end of 2008, following completion of design plans, public review and open market bidding. Funds are available from the General Fund.

BACKGROUND:

The boundaries of Underground Utility Assessment District 13 can generally be described as Highland Ave. to Alma Ave., from Rosecrans Ave. to Marine Ave. (see Attachment A). There are approximately 282 parcels in the proposed boundary. The average range of assessments for District 13 in 2006 dollars was estimated to be \$11,288 – \$18,767.

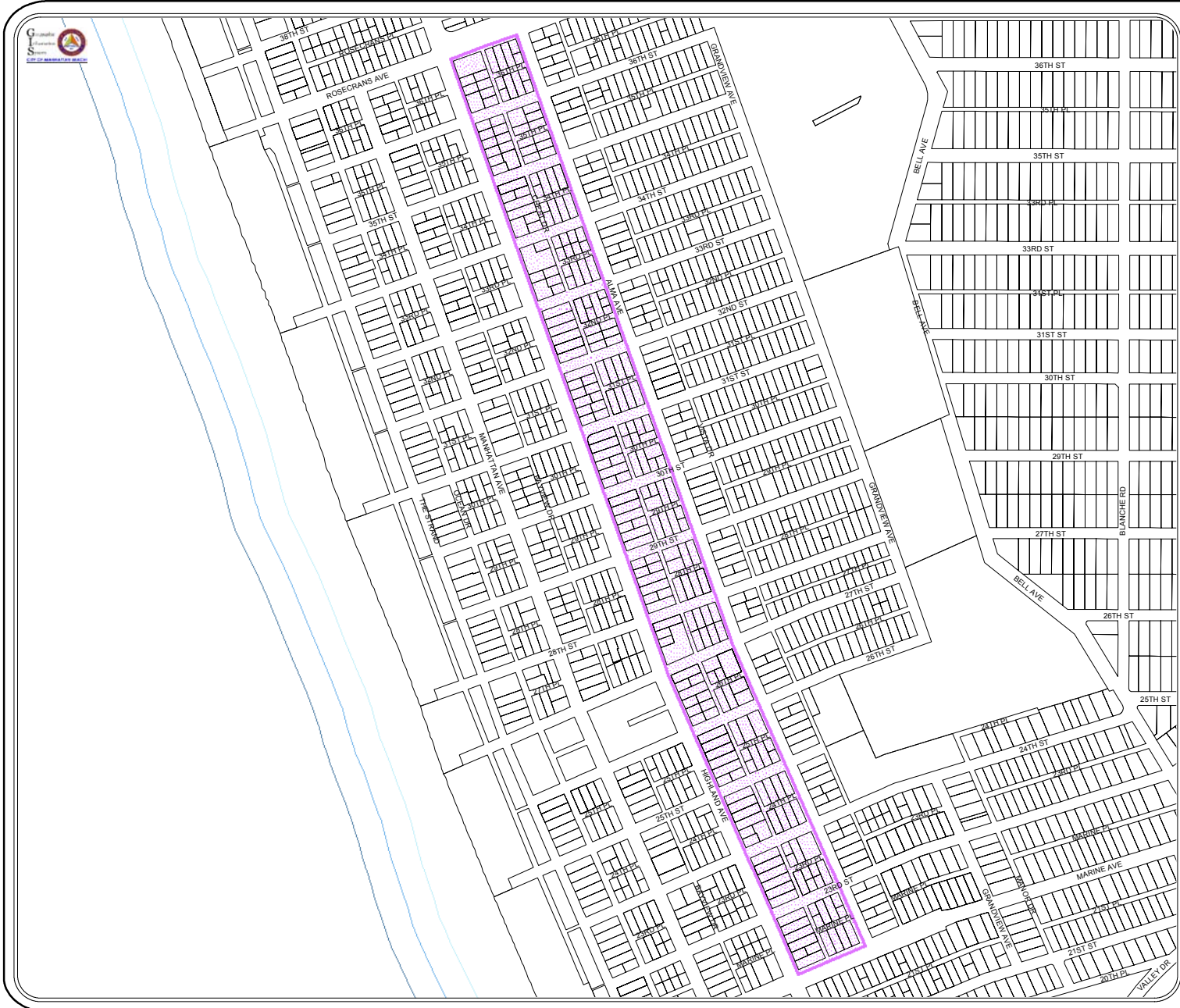
Petitions to form District 13 were originally submitted in August 2005. However, in June, 2006 before any funds were allocated to initiate the district, the City conducted a five-month survey campaign to confirm whether or not the majority of residents in District 13 were still interested in undergrounding utilities given the recent spike in estimated assessments. With more than 88.7% of households responding to the survey, the results showed that 61.2% were still in favor of moving the district forward to a vote despite the increased price. Therefore, in November, 2006, City Council approved \$140,000.00 in funding for Southern California Edison designs.

DISCUSSION:

Over the past year, Edison has been drafting the design plans for District 13. Red line drawings of the plans are expected to be received by the end of this month. Once received, those plans will be immediately forwarded to both Verizon and Time Warner for their own design overlays. Staff anticipates coupling the final District 13 designs with District 8's designs (now with Verizon) for open market bidding sometime in summer 2008. This approach not only consolidates City resources, it may also potentially lower the open market price both districts receive due to potentially more work and less mobilization expense for the contractors bidding on the projects.

It is important to note that City Council is not forming the district at this time. The Council is merely approving the next necessary step in the process toward district formation. Following receipt of design plans from all three utilities, other steps will include public review of the proposed construction plans, open market bidding, development of an Assessment Engineer's report and finally Prop 218 balloting procedures. Approval of district formation will ultimately require: 1) approval from property owners by a weighted majority (50%+1) of the ballots returned, and 2) approval from City Council through adoption of a resolution to form the district.

Attachment A: Map of Underground Utility Assessment District 13



City of Manhattan Beach

Underground Utility Assessment District #13



12/22/2005