



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Aldinger and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

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

**DATE:** February 5, 2008

**SUBJECT:** Approval of a Contract Agreement in the Amount of \$202,300 for Assessment Engineering Services for Five (5) Proposed Utility Underground Assessment Districts (Districts 8, 12, 13, 14 and 15) and Authorize an Appropriation in the net amount of \$202,300

---

### RECOMMENDATION:

Staff recommends that City Council pass a motion to:

- a) Award a contract to Harris and Associates in the amount of \$202,300 for assessment engineering services for five (5) proposed Utility Underground Assessment Districts (Districts 8, 12, 13, 14 and 15).
- b) Approve an appropriation of \$202,300 from unreserved General Funds.

### FISCAL IMPLICATION:

Funds are available from unreserved General Funds. The total cost for assessment engineering services is \$202,300, which represents the sum of individual fees for five (5) proposed assessment districts as follows:

Development of Assessment Formula:	\$33,300.00
District 8 (approx. 138 parcels):	\$29,100.00 <sup>1</sup>
District 12 (approx. 225 parcels):	\$38,000.00
District 13 (approx 282 parcels):	\$38,000.00
District 14 (approx. 239 parcels):	\$38,000.00
District 15 (approx. 74 parcels):	\$23,900.00
Additional Service (extra public meeting if needed):	\$ 2,000.00

---

<sup>1</sup> Of \$29,100 fee identified in the consultant's proposal for District 8 assessment engineering services, \$8,068.00 will be paid using the funds remaining from the original \$80,000 residential contribution accepted by City Council on November 21, 2006, leaving a residual balance of \$21,032.00. Please see the Background section of this report for additional information.

Development of the assessment formula has been separated as a line item because it must be developed regardless of the number of districts proposed. Should even one district form, this expense becomes fully reimbursable. Ultimately, the expense will be evenly divided among the districts that are approved. Also, please note that for each proposed assessment district approved by property owners and City Council, all costs associated with preparing the Engineer’s Reports will be added to the total cost of the assessments and recovered by the City. For each assessment district not approved, the City will not be able to recover these costs.

To date, the following funds have been appropriated to these five districts:

District No.	SCE	Verizon	Time Warner	Private Contribution	City Total
District 8	\$40,000.00	\$71,931.26	N/A	-\$71,931.26	\$40,000.00
District 12	\$60,000.00				\$60,000.00
District 13	\$100,000.00	\$138,548.45	\$38,060.00		\$276,608.45
District 14	\$80,000.00				\$80,000.00
District 15	\$15,000.00				\$15,000.00

District 8 was initiated in July, 2005; Districts 12, 13 and 14 in November, 2006, and District 15 in January, 2007.

Additionally, staff estimates that an additional \$160,000 will be needed to cover design costs for Districts 12 and 14 (each), and an additional \$40,000 will be needed for District 15 designs.

**BACKGROUND:**

The five proposed UUADs can generally be described as (see also Attachment A map):

- District 8: The Strand to Manhattan Ave., between 8<sup>th</sup> Street and 15<sup>th</sup> Street
- District 12: The Strand to Highland Ave., between Rosecrans Ave. and Moonstone St.
- District 13: Highland Ave. to Alma Ave., between Marine Ave. and Rosecrans Ave.
- District 14: The Strand to Highland Ave., between Moonstone St. and 45<sup>th</sup> Street
- District 15: First Street, from Poinsettia to Dianthus; Duncan Ave, from Dianthus to Sepulveda; Poinsettia, from 1st Street to Duncan Place; and Dianthus, from 2nd Street to Boundary Place

***Districts 8, 12, 13 and 14***

Between June and November, 2006, an extensive survey process was conducted to reevaluate the level of homeowner support for undergrounding. Based on the survey’s results, on November 21, 2006 Council approved funding to initiate Districts 12, 13 and 14 and motioned to dissolve District 8 (see survey results summary below). However, that evening a homeowner in District 8 offered the City \$80,000, the amount estimated for Verizon and Time Warner design plans, and asked that the district be moved through the formation process. Given that the survey results showed a slight majority of homeowners in favor of undergrounding, City Council approved a motion to accept the residential contribution and move District 8 forward to a Prop 218 vote. Please note however, that the private donation accepted did not include provisions for assessment engineering services, a cost unknown at that time. In November, 2007, Edison delivered draft design plans for District 8. These plans, along with a check for \$71,931.26 were forwarded to Verizon to begin its design overlay, leaving a private contribution balance of

\$8,068.74 to offset a portion of the City’s General Fund contributions to this District’s formation costs. Time Warner has determined that it has no overhead lines in District 8 and thus will not be participating in the design process.

The outcome of the surveys was as follows:

District No.	2006 Survey Results
District 8	50.4% in Favor
District 12	58.6% in Favor
District 13	61.2% in Favor
District 14	60.5% in Favor

***District 15***

District 15 was formed under new guidelines approved by Council in August, 2006, which calls for a secondary verification process via Validation surveys of the support for undergrounding. Petition signatures (60.8%) were submitted and verified in October, 2006, and a validation survey was conducted by the City in November/December 2006. More than 87% of homeowners responded to the validations survey, of which 66.2% were in favor of undergrounding. Initiation of the proposed district was approved by City Council in January, 2007 and funds were provided to Edison to start the design phase.

**DISCUSSION:**

Preparation of an Assessment Engineer’s report, as required by law, details the estimated costs for each legally separate parcel in the proposed assessment district. The report also details the method for distributing the cost of the project among affected property owners and is the basis for conducting a Proposition 218 balloting process. The Assessment Engineer’s scope of work includes:

1. Developing an assessment methodology to be used for all five (5) districts following Council, staff and community meetings.
2. Preparing individual preliminary Engineer’s Reports following open market bidding of the civil construction for each district.
3. Conducting the Prop 218 balloting process.
4. Preparing a Final Engineer’s Report for those districts approved.
5. Filing appropriate documentation with the Los Angeles County Assessor’s Office.

Staff estimates that conducting several public meetings and developing a final assessment methodology will take approximately 4-5 months to complete. This should coincide well with the anticipated completion of design plans for Districts 8 and 13 and the beginning of the public meeting process to review those plans.

During 2008, staff anticipates the following schedule for all five proposed districts (subject to each utility completing its designs in the timeframe estimated):

District/ Action	2008											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Districts 8, 13	Complete Verizon and Time Warner design plans				Public meeting to review plans	Finalize design plans	Bid project			Initiate Prop 218 balloting		
Districts 12, 14	Complete Edison design plans	Complete Verizon and Time Warner design plans				Public meeting to review plans		Finalize design plans	Bid project			
District 15	Complete Edison design plans				Complete Verizon and Time Warner design plans			Public meeting to review plans	Finalize design plans	Bid project		
Assessment Methodology	Develop assessment methodology								Create Assessment Engineer's reports			

Based on the schedule outlined above, Districts 12, 14 and 15 can expect to undergo the Prop 218 balloting process in the beginning of 2009. However, should any of the utilities complete their design plans earlier (or later) than expected, each subsequent phase will be adjusted accordingly. Lastly, please note that the bidding and voting process has changed following subcommittee discussions with Edison in 2006/07. Rather than providing utility-generated construction cost estimates, actual open market bids will be obtained and used to calculate per-parcel assessments prior to the Prop 218 voting process. In addition to knowing real market costs up front, this approach also allows construction to begin sooner than under the previous approach because the project can be immediately awarded to the low bidder if the district is approved by voters and City Council.

Attachment A: Map of Districts 8, 12, 13, 14 and 15

# City of Manhattan Beach Utility Undergrounding Assessment Districts 8, 12, 13, 14 & 15

