



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: April 1, 2008

SUBJECT: Appropriation of \$282,487.00 from the General Fund for Verizon and Time Warner Design Plans for Underground Utility Assessment Districts 12 and 14.

RECOMMENDATION:

Staff recommends that the City Council appropriate funds in the amount of \$282,487.00 from the General Fund reserves for Verizon and Time Warner for their engineering services for Districts 12 and 14.

FISCAL IMPLICATION:

The total cost for Verizon and Time Warner engineering services is \$282,487.00, which represents:

District 12

- \$116,498.50 for Verizon
- \$20,810.00 for Time Warner

District 14

- \$123,248.50 for Verizon
- \$21,930.00 for Time Warner

Funds are available from the General Fund. Verizon's design fees are significantly higher than those charged for Districts 1-6, but similar to the amount approved by City Council for Southern California Edison designs for proposed District 13 in December, 2007. In addition to the large number of parcels in Districts 12 and 14 (approximately 230 and 243, respectively), 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 Districts 12 and 14 will be voted on by property owners in the winter/spring of 2009, following completion of design plans, public review and open market bidding. Total funds requested and/or allocated to date include:

District No.	SCE	Verizon	Time Warner	City Total
District 12	\$60,000.00	\$116,498.5	\$20,810.00	\$197,308.50
District 14	\$80,000.00	\$123,248.5	\$21,930.00	\$225,178.50

BACKGROUND:

The boundaries of District 12 can generally be described as Highland Ave. to The Strand., from 45th Street to Moonstone St. The boundaries of the adjacent District 14 can generally be described as Highland Ave. to The Strand, from Moonstone St. to Rosecrans Ave. (see Attachment A). The average range of assessments for District 12 in 2006 dollars was estimated to be \$7,000 – \$10,300, and for District 14, \$7,700 - \$13,000, both of which have high density housing.

Petitions to form Districts 12 and 14 were originally submitted in 2004 and 2005, respectively. 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 Districts 12 and 14 were still interested in undergrounding utilities given the recent spike in estimated assessments. With more than 85% of households in both districts responding to the survey, the results showed that 58.6% of District 12 homeowners and 60.5% of District 14 homeowners were still in favor of moving the districts forward to a vote despite the increased price. Therefore, in November, 2006, City Council approved a combined \$140,000.00 in funding for Southern California Edison designs.

DISCUSSION:

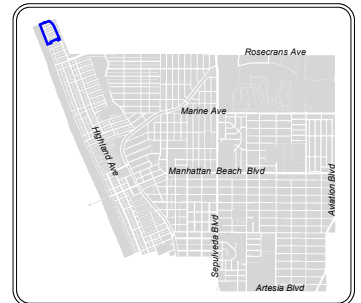
Over the past year, Edison has been drafting the design plans for Districts 12 and 14. Red line drawings for District 12 were delivered to the City on February 19, 2008, and plans for District 14 are expected by April 30, 2008. The plans are immediately forwarded to both Verizon and Time Warner for their own design overlays once received and funds appropriated. Staff anticipates coupling the final District 12 and 15 designs for open market bidding sometime in fall 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 districts 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.



City of Manhattan Beach

Underground Utility Assessment District #12



12/22/2005





City of Manhattan Beach

Underground Utility Assessment District #14



12/23/2005