



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Tell and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Neil C. Miller, Director of Public Works
Dana Greenwood, City Engineer
Stephanie Katsouleas, Senior Civil Engineer

DATE: January 2, 2007

SUBJECT: Consideration of Initiating Proposed Utility Underground Assessment District (UUAD) 15 and Appropriation of \$15,000.00 From the General Fund for Southern California Edison (SCE) Engineering Services.

RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and File this report as a "Certificate of Sufficiency" to initiate Underground Utility Assessment District (UUAD) 15, indicating that more than 60% of the property owners of the newly proposed UUAD 15 have signed a petition and requested the proposed improvements.
2. Appropriate funds in the amount of \$15,000.00 from the General Fund for Southern California Edison (SCE) for their engineering services for Districts 15.

FISCAL IMPLICATION:

The total cost for engineering services for SCE is \$15,000.00, while Verizon and Time Warner costs are unknown at this time. However, staff anticipates that Verizon and Time Warner costs will be similar in magnitude to Edison fees given that a significant amount of design work was previously completed by all three utilities for parcels located District 15 (as a subset of former District 4, see Attachment A map).

It is important to note that should the assessment district be approved by property owners and City Council, then all engineering service fees associated with district formation will be added to the total cost of the project and recovered. If the assessment district is not approved, the City will not be able to recover funds expended.

BACKGROUND:

Over the past year, City Council has addressed several policy issues regarding utility undergrounding. The following summary includes those which apply to Proposed District 15.

December 6, 2005 City Council approves a motion to allow District 4 homeowners to reform based on known areas of support and opposition.

August 1, 2006 City Council reconfirms Resolution 5420 (adopted by City Council in 1998), which requires that at least 60% of affected property owners within a proposed district must sign a petition indicating support for undergrounding before it will be initiated by the City. City Council also adopts new procedures, including confirming property owner support for utility undergrounding via a *Validation Survey* immediately following submittal of petition signatures. And lastly, petition signatures must be collected and submitted the City within 6 months of boundaries being proposed to be considered valid.

October 3, 2006 City Council clarifies that at least 60% of the Validation Surveys *returned* must also indicate property owner support for utility undergrounding before the City will initiate the district and order design plans.

DISCUSSION:

In the early summer of 2006, a local property owner proposed forming a new UAD located fully within the boundaries of former District 4. Following is a timeline of the activities associated with that proposal:

June 2, 2005 A local property owner (referred to herein as the district leader) proposes a utility underground assessment district in the hill section of Manhattan Beach, an area located fully within the former District 4.

June 5, 2006 The proposed boundaries meet City policy and guidelines as well as utility network configurations and are accepted. The district is assigned No. 15. A letter is sent by the City informing all 61 affected residents of the petition drive underway with a map of the district boundaries included. (See Attachment B.)

October 10, 2006 The district leader formally proposes expanding the boundaries to include 13 parcels located on Duncan Ave. between Dianthus St. and Sepulveda Blvd. due to additional homeowner support for undergrounding. The additional parcels also meet City policy and guidelines as well as utility network configurations and are subsequently accepted. The final boundaries can generally be described as:

- 1st Street, from Poinsettia Ave. to Dianthus St.
- Duncan Ave., from Dianthus St. to Sepulveda Blvd.
- Poinsettia Ave., from 1st Street to Duncan Pl.
- Dianthus St., from 2nd Street to Boundary Pl.

- October 16, 2006** A second letter is sent by the City to all affected property owners notifying them of the expanded boundaries proposed, which now include a total of 74 parcels.
- October 25, 2006** 45 petition signatures are submitted and verified by City staff (60.8%).
- October 27, 2006** City staff mails all affected property owners a Validation Survey to confirm their support for or opposition to utility undergrounding (see Attachment C) and provides property owners a minimum of 45 days to respond.
- November 13, 2006** City staff mails a postcard reminder to those who have not yet responded to the Validation Survey, and encourages them to respond before the deadline.
- December 15, 2006** Validation Surveys are due back (the deadline) and counted.

By the conclusion of the 45-day response period, 65 homeowners had responded to the survey (an 87.8% response rate). The results indicated that 66.2% of property owners were in favor of utility undergrounding while 33.8% were opposed. As mentioned above, City policy requires that at least 60% of the surveys returned indicate support for utility undergrounding before the district will be initiated by City Council. The table below summarizes District 15 results.

District 15	Petition Signatures	Validation Survey Results
74 Parcels	45 Signatures Collected (60.8%)	65 Surveys Returned (87.8% Response Rate)
		43 in favor (66.2% of those returned)
		22 opposed (33.8% of those returned)
		9 not returned

It is important to note that the Council is not forming the district at this time. The Council is merely approving the necessary requirements to initiate district formation, which include accepting the Certificate of Sufficiency and ordering design plans. It is unknown at this time how long SCE, Verizon and Time Warner will need to produce design plans, but staff anticipates the designing stage will take at least 6-9 months because SCE must complete its designs before Verizon and Time Warner can begin theirs.

CONCLUSION:

Staff recommends that City Council accept this report as a “Certificate of Sufficiency” indicating that more than 60% of the property owners of the newly proposed UUAD 15 have signed a petition and requested the proposed improvements, and authorize \$15,000.00 to initiate design plans with Southern California Edison.

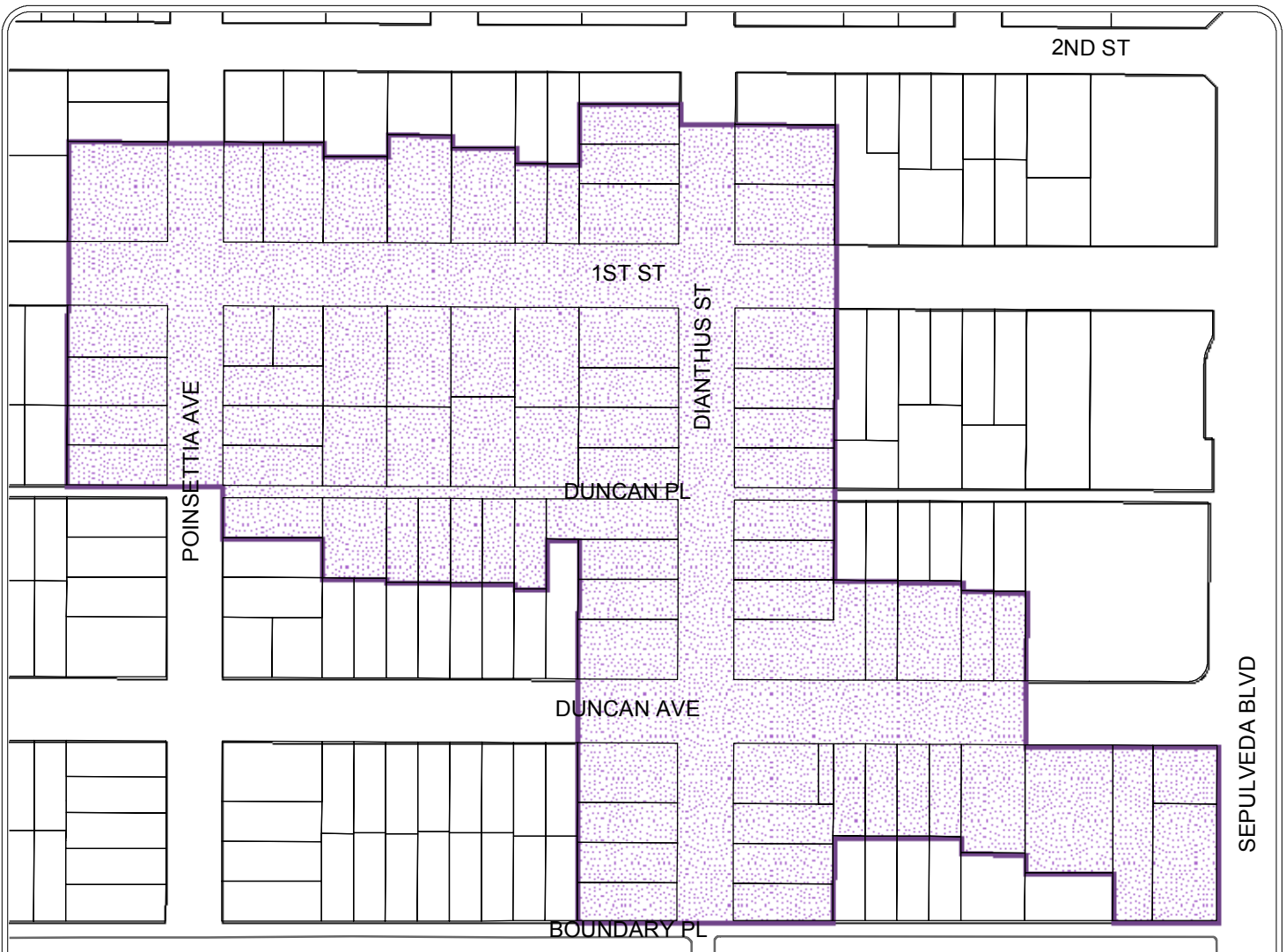
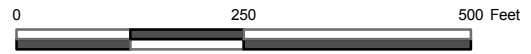
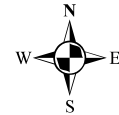
- Attachment A: Proposed District 15 boundary map
- Attachment B: District 15 Petition Notice
- Attachment C: District 15 Validation Survey

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xc: Robert V. Wadden, Jr., City Attorney
Bruce Moe, Finance Director

City of Manhattan Beach

Underground Utility Assessment District #15





June 6, 2006

**Petition Drive Request
Utility Underground District 4a**

**What Signing a Petition for
Utility Undergrounding Means**

By signing the petition circulated, you indicate that you are generally in favor of utility undergrounding given the current estimated cost, and would like to know the actual cost before voting for or against undergrounding. Obtaining the required 60% signatures of affected homeowners allows design plans to be developed, actual costs obtained, and a vote for undergrounding to take place.

By not signing the petition, you indicate that you are not in favor of utility undergrounding at the current estimated costs, and have no interest in moving the project forward to actual pricing and a vote.

If the 60% signature threshold is achieved, all affected homeowners will be notified of a proposed schedule for district formation.

Dear Property Owner,

On June 5, 2006, homeowners in your neighborhood proposed the formation of revised utility underground district (4a) to the City of Manhattan Beach, the boundaries of which include your property as identified on the back of this notice. **This letter serves to notify you of the potential residential effort underway to form a revised district in your area.**

In order to become a proposed district recognized by the City, at least 60% of the homeowners within the defined area must sign a petition in support of undergrounding. The petition is then submitted to the City and signatures are verified. If the 60% signature requirement is met, the City will then facilitate the utility undergrounding process, which includes:

1. Initiating/completing utility design plans
2. Retaining an assessment engineer to allocate the total project costs among affected parcels
3. Implementing voting/balloting procedures for individual parcel assessments according to CA Proposition 218
4. Facilitating financing should the proposed district be approved by a majority of affected homeowners
5. Overseeing the undergrounding project through completion (construction, cabling, private property conversions and pole removal)

The estimated range of assessments for undergrounding utilities in your area ranges from \$37,000 – \$67,000 per parcel, depending to parcel size (square footage). Please note that this is only an estimate and is in today's dollars. Actual costs may be higher or lower should the project be initiated and ultimately priced for construction. Smaller parcels would expect to see assessments toward the lower end of the estimated range, and larger parcels toward the upper end.

Additional information about utility undergrounding can be found in the attached Fact Booklet. If you have any questions about this issue, please do not hesitate to contact me at (310) 802-5368 or via email to skatosuleas@citymb.info.

Sincerely,

Stephanie Katsouleas
Utility Underground Coordinator



City Hall 1400 Highland Avenue Manhattan Beach, CA 90266-4795
 Telephone (310) 802-5000 FAX (310) 802-5001 TDD (310) 546-3501

October 27, 2006

**Validation Survey
 Proposed Utility Undergrounding – District 15**

On October 26, petitions submitted to the City of Manhattan Beach were verified showing that at least 60% of the homeowners in Proposed District 15 are generally in favor of undergrounding. However, before City Council will authorize expenditures for modified design plans, support for the proposed district must be confirmed via this Validation Survey.

Your response to the attached Validation Survey is necessary to confirm the current level of SUPPORT FOR or OPPOSITION TO undergrounding utilities in Proposed District 15.

If at least 60% of the surveys returned indicate support for undergrounding, the City will initiate the district. This includes completing design plans, obtaining open market bids, preparing an assessment engineer's report and implementing Proposition 218 balloting procedures. At that time, you will have the opportunity to vote for or against undergrounding based on an exact cost to you. If the district is initiated, the City estimates that Prop 218 voting would occur in spring 2008, but actual timing will depend on the utilities' abilities to complete design plans and obtain open market bids. *Please note that actual assessment ranges may be higher or lower, and will depend on the open market bids received at the time the project is priced.*

Only one survey may be completed and submitted for each legal parcel within the District. If you own multiple properties, a separate survey must be submitted for each property location. Surveys must be: 1) filled out and signed by at least one property owner to be considered valid and 2) returned to City Hall at the address above by the deadline specified. If you have questions or would like more information prior to filling out this validation survey, please contact Stephanie Katsouleas at 310-802-5368, or vial email to skatsouleas@citymb.info. For finance-related questions, please contact the Finance Department at 310-802-5550.

This Validation Survey Must be Signed and Returned By: Friday, December 15, 2006

**District 15 - VALIDATION SURVEY
 City of Manhattan Beach**

Assessor Parcel Number: «APN»
 Owner Name: «MAILOWNER»
 Situs Address: «SITUSADDR»

**Estimated Range of Assessments
 (in today's dollars): \$30,000.00 - \$54,000.00**

Estimated Parcel Assessment Average: \$44,500.00

<input type="checkbox"/>	Yes, I am in favor of undergrounding at the current estimated assessment range.
<input type="checkbox"/>	No, I am opposed to undergrounding at the current estimated assessment range.

 Date Owner Printed Name Owner Signature