



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

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

DATE: October 3, 2006

SUBJECT: Discussion and Clarification Regarding: 1) the Survey Threshold Required to Move Utility Undergrounding Districts 8, 12, 13 and 14 Forward and 2) the Definition of a Failed Utility Underground District.

RECOMMENDATION:

Staff recommends that City Council discuss and clarify: 1) the survey threshold required to move Districts 8, 12, 13 and 14 forward through design plans and the Prop 218 ballot process and 2) the definition of a failed district for waiting period purposes.

FISCAL IMPLICATIONS:

There are no fiscal implications in clarifying the survey threshold required to move a district forward or further defining what constitutes a failed district.

DISCUSSION (Survey Threshold):

On June 13, 2006, the City initiated a survey campaign for homeowners in Districts 7-14 to determine whether support for undergrounding in those districts had changed since petitions were originally submitted to the City. However, because the survey response rate could not be predicted at the onset of the survey campaign, City Council refrained from setting any particular threshold criteria for either dissolving districts or moving them forward to pricing and voting.

The results of the survey campaign were presented to City Council on August 1, 2006. They showed that a clear majority of homeowners in Districts 7, 9, 10 and 11 no longer favored undergrounding at the current, estimated, per-parcel cost. Those districts were subsequently dissolved by City Council. Conversely, District 8, 12, 13 and 14 survey responses showed majority support for undergrounding according to the table below:

	Number of Homes	Survey Response Rate	Of Those Who Responded...	
			In Favor	Opposed
District 8	136	77%	54%	46%
District 12	228	71%	58%	42%
District 13	277	73%	57%	43%
District 14	240	72%	55%	45%

Based on these outcomes, Council discussed and approved setting a 60% survey threshold requirement before moving any currently proposed or future district forward to pricing and voting. However, no formal motion was made to establish whether that survey threshold would apply to total parcels surveyed or only those surveys returned. District homeowners attending the Council meeting voiced their frustration about the 60% requirement, stating that City Council had not disclosed that it was looking for some specific percentage before initiating the survey process. Both district proponents and opponents stated they would have campaigned differently had a 60% survey threshold been disclosed at the onset of the petition drive. City Council subsequently approved a motion to extend the survey period an additional 90 days to allow homeowners to campaign for or against undergrounding knowing the 60% threshold now adopted. City Council also requested (in September) that this item be re-agendized to clarify whether the threshold applies to total homes surveyed or only those surveys returned during the survey validation process.

RECOMMENDATION (Survey Threshold):

Staff recommends that Council clarify whether the 60% survey threshold criterion applies to all parcels within a district **OR** only those surveys returned.

DISCUSSION (Defining a Failed District):

On August 1, 2006, City Council also reaffirmed its previous policy stipulating that failed districts must wait a minimum of one year before any new utility underground district proceedings can be reinitiated by homeowners. At that time, a failed district was characterized as one that had gone through the Prop 218 balloting process but did not pass. However, given the recent survey results and subsequent dissolution of Districts 7, 9, 10 and 11, it has become evident that the definition of a failed district needs further clarification for Districts 7-10, areas which were initiated by the City in July 2005.¹ Issues to consider include:

- Must an initiated district have gone through a Prop 218 ballot process to be considered failed for waiting period purposes?
- Should City expenditures on design plans be considered in determining whether Districts 7-10 are considered failed if they have not gone through the Prop 218 process?
- Can a subset of any area in Districts 7-10 reinitiate upon request without waiting one year if

¹ This issue is unique to Districts 7-10 because they were initiated by the City before the survey validation process was implemented. The surveying of Districts 11-14 and new survey procedures adopted on August 1, 2006 ensure that 60% support within future proposed districts is confirmed *prior to* district initiation (i.e., funds being expended).

the survey results show there was majority support in that area?

RECOMMENDATION:

Staff recommends that City Council further clarify the definition of a failed district, and determine whether any part or all of Districts 7-10 must wait one year before reinitiating an underground district.