CITY OF MANHATTAN BEACH
WWW.CITYMB.INFO

AGENDA

1400 Highland Avenue | Manhattan Beach, CA 90266
Phone (310) 802-5000 | Fax (310) 802-5051 | www.citymb.info

City Council Study Session

Adjourned Regular Meeting - Study Session
Thursday, January 15, 2015
6:00 PM
City Council Chambers

Mayor Wayne Powell
Mayor Pro Tem Mark Burton
Councilmember Tony D'Errico
Councilmember David J. Lesser
Councilmember Amy Howorth

Executive Team

Mark Danaj, City Manager
Quinn Barrow, City Attorney

Robert Espinosa, Fire Chief
Cathy Hanson, Human Resources Director
Eve R. Irvine, Police Chief
Mark Leyman, Parks & Recreation Director
Bruce Moe, Finance Director
Nadine Nader, Assistant City Manager
Tony Olmos, Public Works Director
Liza Tamura, City Clerk
Marisa Lundstedt, Community Development Director

MISSION STATEMENT:
The City of Manhattan Beach is dedicated to providing exemplary municipal services, preserving our small beach town character and enhancing the quality of life for our residents, businesses and visitors.

January 15, 2015

City Council Meeting Study Session Agenda Packet

MANHATTAN BEACH'S CITY COUNCIL WELCOMES YOU!

Your presence and participation contribute to good city government.

By your presence in the City Council Chambers, you are participating in the process of representative government. To encourage that participation, the City Council has specified a time for citizen comments on the agenda under "Public Comment on Non-Agenda Items", at which time speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body, with each speaker limited to three minutes.

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are available for review on the City's website at www.citymb.info, the Police Department located at 420 15th Street, and are also on file in the Office of the City Clerk for public inspection. Any person who has any question concerning any agenda item may call the City Clerk's office at (310) 802-5056 to make an inquiry concerning the nature of the item described on the agenda.

In compliance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, you should contact the Office of the City Clerk at (310) 802-5056 (voice) or (310) 546-3501 (TDD). Notification 36 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

BELOW ARE THE AGENDA ITEMS TO BE CONSIDERED. THE RECOMMENDED COUNCIL ACTION IS LISTED IMMEDIATELY AFTER THE TITLE OF EACH ITEM IN BOLD CAPITAL LETTERS.

A. PLEDGE TO THE FLAG

5 MINUTES

B. ROLL CALL

1 MINUTE

C. CERTIFICATION OF MEETING NOTICE AND AGENDA POSTING

1 MINUTE

I, Liza Tamura, City Clerk of the City of Manhattan Beach, California, state under penalty of perjury that this notice/agenda was posted on Thursday, January 8, 2015, on the City's Website and on the bulletin boards of City Hall, Joslyn Community Center and Manhattan Heights.

D. PUBLIC COMMENT ON NON-AGENDA ITEMS

3 MINUTES PER PERSON - 30 MINUTES MAXIMUM

Speakers may comment on any item of interest to the public that is within the subject matter jurisdiction of the legislative body, not including items on the agenda. The Mayor may determine whether an item is within the subject matter jurisdiction of the City. While all comments are welcome, the Brown Act does not allow City Council to take action on any item not on the agenda, except under very limited circumstances. Please complete the "Request to Address the City Council" card by filling out your name, city of residence, and returning it to the City Clerk.

E. GENERAL BUSINESS

30 MINUTES PER ITEM

1. Report on Stormwater Management (Public Works Director Olmos) 15-0037
RECEIVE REPORT

Attachments: NPDES Update and Stormwater System Condition Assessment PowerPoint

2. Results of Preliminary Studies of Updated Storm Water Utility Fees and Landscape and Street Lighting Maintenance District Assessments; Revenue Measure Feasibility Study Survey Report; Information on Potential General Fund Revenues (Finance Director Moe) 15-0036
DISCUSS AND PROVIDE DIRECTION

Attachments: City Council Staff report from 8/21/2013 on Funding Options for Storm Water an
Storm Water Utility Fee Preliminary Study
Street Lighting and Landscaping District Assessment Preliminary Study
Revenue Measure Survey Results
Utility User Tax and Transient Occupancy Tax Comparison Chart

F. ADJOURNMENT

Adjourning to the 9:00 AM January 16, 2015, ULI /Downtown Visioning Public Presentation of the Advisory Services Panel's Finding at Joslyn Community Center, 1601 North Valley Drive, Manhattan Beach, CA 90266.

G. FUTURE MEETINGS

CITY COUNCIL MEETINGS

Jan. 15, 2015 -- Thursday -- 6:00 PM - Adjourned Regular Meeting
Jan. 20, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Feb. 3, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Feb. 17, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Mar. 4, 2015 – Wednesday -- 6:00 PM - City Council Meeting
Mar. 12, 2015 – City Council Retreat
Mar. 13, 2015 – City Council Retreat
Mar. 17, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Apr. 7, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Apr. 21, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 5, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 7, 2015 – Thursday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #1
May 11, 2015 – Monday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #2
May 14, 2015 – Thusrday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #3
May 19, 2015 – Tuesday -- 6:00 PM - City Council Meeting
May 21, 2015 – Thusday -- 6:00 PM - Adjourned Regular Meeting - Budget Study Session #4
Jun. 2, 2015 – Tuesday -- 6:00 PM - City Council Meeting
Jun. 16, 2015 – Tuesday -- 6:00 PM - City Council Meeting

BOARDS, COMMISSIONS AND COMMITTEE MEETINGS

Jan. 22, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Jan. 26, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Jan. 28, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 9, 2015 – Monday – 6:30 PM – Library Commission Meeting
Feb. 10, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Feb. 11, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 23, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Feb. 25, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Feb. 26, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Mar. 9, 2015 – Monday – 6:30 PM – Library Commission Meeting
Mar. 10, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Mar. 11, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Mar. 23, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting
Mar. 25, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Mar. 26, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Apr. 8, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Apr. 13, 2015 – Monday – 6:30 PM – Library Commission Meeting
Apr. 14, 2015 – Tuesday – 6:00 PM – Cultural Arts Commission Meeting
Apr. 22, 2015 – Wednesday – 6:30 PM – Planning Commission Meeting
Apr. 23, 2015 – Thursday – 6:30 PM – Parking & Public Improvements Commission Meeting
Apr. 27, 2015 – Monday – 6:30 PM – Parks and Recreation Commission Meeting

H. CITY HOLIDAYS

CITY OFFICES CLOSED ON THE FOLLOWING DAYS:

Jan. 19, 2015 – Monday – Martin Luther King Day
Feb. 16, 2015 – Monday – President's Day
May. 25, 2015 – Monday – Memorial Day
Jul. 3, 2015 - Friday - Independence Day
Sep. 7, 2015 – Monday – Labor Day
Oct. 12, 2015 – Monday – Columbus Day
Nov. 11, 2015 – Wednesday – Veterans Day
Nov. 26-27, 2015 – Thursday & Friday – Thanksgiving Holiday
Dec. 25, 2015 – Friday – Christmas Day
Jan. 1, 2016 – Friday – New Years Day

CITY OF MANHATTAN BEACH
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STAFF REPORT

1400 Highland Avenue | Manhattan Beach, CA 90266
Phone (310) 802-5000 | Fax (310) 802-5051 | www.citymb.info

Agenda Date: 1/15/2015

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Mark Danaj, City Manager

FROM:
Tony Olmos, Public Works Director
Raul Saenz, Utilities Manager

SUBJECT:
Report on Stormwater Management (Public Works Director Olmos)
RECEIVE REPORT

RECOMMENDATION:
Receive Report on Stormwater Management

FISCAL IMPLICATIONS:
No fiscal impact associated with this action

BACKGROUND:
City Council recognizes that the increasing social, regulatory and financial issues surrounding stormwater management are largely invisible to the general public. Accordingly, City Council directed staff to facilitate a workshop highlighting current and evolving stormwater issues and challenges.

Stormwater subject matter to be presented and discussed at this study session via a PowerPoint presentation includes:

- National Pollutant Discharge Elimination System (NPDES) Program Overview
- Latest NPDES Permit - Significant Changes
- Enhanced Watershed Management Program (EWMP)
- Coordinated Integrated Monitoring Program (CIMP)
- Next Steps
- Petitions/Actions on latest NPDES Permit
- Stormwater System Condition Assessment and Anticipated Rehabilitation Costs

DISCUSSION:

In order to fully address stormwater management topics, City staff will lead the discussion and has invited Geosyntec Consultants to assist in study session. The following is a brief overview of the NPDES program, requirements of the latest NPDES permit, plus an overview of the recently completed Stormwater Condition Assessment.

National Pollution Discharge Elimination System Program

As authorized by the Clean Water Act, the NPDES Permit Program was introduced in 1972 to control water pollution by regulating sources that discharge pollutants into waters of the United States. The City's stormwater system is considered a point source. Polluted stormwater runoff is commonly transported through stormwater water systems, from which it is often discharged untreated into local water bodies, including the ocean. To prevent harmful pollutants from being washed or dumped into a stormwater system , municipalities must obtain a NPDES permit and develop a stormwater management program.

NPDES Permittees shall comply with the following requirements:

1. Prohibition of Non-Storm Water Discharges - Each Permittee shall prohibit non-storm water discharges through the stormwater system to receiving waters.
2. Effluent Limitations - Each Permittee shall reduce pollutants in storm water discharges from the stormwater system to the maximum extent practicable through the implementation of six categories of best management practices; and shall comply with applicable pollutant load limitations .
3. Receiving Water Limitations - Discharges from the stormwater system that cause or contribute to the violation of water quality standards are prohibited.

The City of Manhattan Beach has implemented various programs and Best Management Practices intended to comply with NPDES requirements. The following is a list and brief description of those efforts:

- Public Information and Participation Program - Stormwater system pollution information is made available to the general public, contractors, restaurants and schools through the City's website, pamphlets, billing inserts, street banners, new letters, and publicly sponsored community events.
- Industrial/Commercial Facilities Program - Annual inspections of restaurants and biennial inspections of automotive facilities are conducted to assure Best Management Practices that prevent stormwater system contamination through food and chemical waste products.
- Development Planning Program - Developers are required to submit a Standard Urban Stormwater Mitigation Plan to address stormwater pollution from new developments and redevelopment projects.
- Development Construction Program - All construction activity must comply with storm water requirements stated in the City's codes and ordinances.
- Public Agency Activities Program - The City's Sewer System Response Plan describes procedures for preventing sewer spills from entering the storm drain system. All stormwater catch basins are cleaned up to three times per year to minimize trash conveyance to the sea. City employees are trained in Good Housekeeping practices that prevent City generated construction landscaping and chemical waste from entering the storm drain system.
- Illicit Stormwater Connection/Discharge Elimination Program - Public Works, Community Development and Police Code Enforcement staff are trained on how to

identify illicit stormwater connections/discharges and to take action to terminate them.
- Monitoring - The City has implemented a coordinated shoreline bacteria monitoring plan at 3 locations in the City that are monitored for bacteria levels.

Latest National Pollutant Discharge Elimination System Permit (Permit)
The fourth revision of the Permit became effective on December 28, 2012. Major changes to the latest permit include:

- New pollutant load limits for nonstormwater and stormwater bacteria, trash and hazardous chemicals.
- Expanded water quality monitoring for pollutants at the ocean, storm water outfalls and non-stormwater outfalls.
- Water quality performance-based annual reporting that assesses impact on the ocean, effectiveness of control measures, and quantifiable improvement over time.
- More prescriptive control measures, which include Public Information and Participation; Planning and Land Development; Development Construction; Industrial/Commercial Facilities Control; Illicit Discharge/Connection Elimination; and Public Agency Activities
- Permit implementation/compliance through the EWMP and CIMP

As noted, preparation of the EWMP and CIMP are major elements of the latest NPDES permit. The City of Manhattan Beach is pursuing their development and implementation in cooperation with the Los Angeles County Flood Control District and the cities of Hermosa Beach, Redondo Beach and Torrance (Group). The Group, through a Request for Proposals process, selected Geosyntec Consultants to assist in the development of the EWMP and CIMP.

As described in the new Permit, the EWMP will comprehensively evaluate opportunities within the Group's collective watershed management area for collaboration on multi-benefit regional projects that, wherever feasible, retain all (1.) Non-storm water runoff, and (2.) Storm water runoff from ¾ inch storm over a 24 hour period for the drainage areas that contribute stormwater runoff to the projects. In drainage areas within the EWMP collective watershed, where retention of the ¾ inch storm event is not feasible, the EWMP will include a Reasonable Assurance Analysis to demonstrate that all applicable water quality standards will be achieved through implementation of other watershed control measures. In the long term, however, the effectiveness of the EWMP will be evaluated through the CIMP, both of which are described below.

I. EWMP Work Plan

The EWMP Work Plan presents the basis for and defines the elements of the methodology that will be utilized by the Group in developing the EWMP, including: Water Body-Pollutant Prioritization, Stakeholder Process, Watershed Control Measures, Reasonable Assurance Analysis Approach, and EWMP Development Schedule and Cost Analysis. The EWMP Work Plan was submitted to the Regional Board in June 2014, for review and comment. The final EWMP Plan is due to the Regional Board in June 2015.

The Group's EWMP Work Plan:

- Identifies water quality priorities for each watershed within the EWMP area consistent with the Permit requirements.

- Proposes to build upon and leverage the joint work previously conducted by the Group since 2004 to meet the Santa Monica Bay Beaches bacteria targets in high priority areas.This previous work included a stormwater detention siting and nonstormwater source characterization and control studies, along with joint development and implementation of citywide public outreach measures targeted at pollutants of concern.
- Includes a compilation and mapping of existing and planned regional and local stormwater retention projects identified by City staff and/or in the previous work conducted by the Group.
- Proposes the approach to performing a Reasonable Assurance Analysis to demonstrate that applicable water quality standards will be achieved.

II. Coordinated Integrated Monitoring Program

The CIMP, submitted to the Regional Board in June 2014, was designed to achieve the following objectives:

- Assess the chemical, physical, and biological impacts of municipal stormwater discharges on receiving waters, including the ocean.
- Assess compliance with water quality standards established to implement all stormwater waste load allocations.
- Characterize pollutant loads in municipal stormwater discharges.
- Identify sources of pollutants in municipal stormwater discharges.
- Measure and improve the effectiveness of pollutant controls implemented under the Permit.
- Stromwater outfall pollutant screening and monitoring program during dry weather to identify whether significant non-stormwater discharges exist that may require investigation to assess whether they may be causing or contributing to adverse impacts on ocean water quality.
- Expanded chemical suites to be tested for ocean water monitoring in the Santa Monica Bay which will be collected in order to assess the impacts from the Group's storm drain discharges on water quality in the Santa Monica Bay.
- Group shoreline water sampling and monitoring consistent with the bacteria monitoring plan will continue at the same frequency.

III. Petitions on the New Permit

Following the issuance of the latest NPDES stormwater permit in December 2012, there were 37 petitions submitted to the State Water Resources Control Board (State Board) challenging various provisions of the new Permit. Among the petitioners were regulated Permittees and environmental organizations. The City of Manhattan Beach was one of 19 petitioners jointly represented by Richards, Watson, Gershon. After receiving and considering additional written comments on the various issues from the petitioners and interested parties, on November 21, 2014 the State Board issued a proposed revision to the new Permit to address some of the issues raised in the petitions. A workshop was recently held on December 16, 2014 to receive informal comments on the proposed revisions-the Richards Watson Gershon team was among the presenters at the workshop along with numerous other petitioners and the Los Angeles Regional Control Board (Regional Board) staff as well as State Board staff. Written comments on the proposed revisions are due on January 21, 2015. Following receipt and consideration of written comments, the State Board

will hold a final hearing before making a final decision on permit changes.

Key revisions to the new Permit proposed by the State Board which were the focus of discussion and debate at the December 16 workshop include:

- Clarification that final TMDL deadlines must be met, with no opportunity for a time extension
- If water quality monitoring shows that final TMDLs are not met for EWMP areas retaining the ¾ inch storm, then in order to remain in compliance with the Permit, the Group must submit a plan for additional control measures to be implemented
- Adds a new requirement to update the EWMP (including RAA) every six years
- States that Permittees monitoring comingled discharges are jointly liable for an exceedance of receiving water standards unless a Permittee can demonstrate its discharge did not cause or contribute

IV. Unfunded Mandate Test Claim

In parallel action to the petitions on the new Permit, the regulated community including 23 cities, LA County, and LACFCD joined an unfunded mandate test claim prepared by the law firm of Burhenn & Gest regarding certain aspects of the 2012 LA MS4 Permit. The claim has been stayed by the Commission on State Mandates pending a California Supreme Court decision on unfunded mandate claims made on the previous 2001 NPDES Stormwater Permit. The 2001 Permit case is expected to be heard during 2015 after which the Commission will consider the test claim on the 2012 Permit.

The unfunded mandate claim process is a means by which local governments can obtain reimbursement from State ordered mandates. In order to be reimbursable a mandate must be:

- A new program or higher level of service
- A state mandate, not a result of federal law or a voter-approved state initiative
- Not voluntarily incurred
- Its cost cannot be recovered from sources other than taxes, i.e., not by a fee, service charge or assessment

Stormwater System Condition Assessment and Anticipated Rehabilitation Costs

The SWCA was conducted using Closed Circuit Television (CCTV) to investigate the current structural and operational conditions of the City's storm drain system.

The SWCA included the following tasks to accomplish the project objectives:

- Conduct research and field reconnaissance of the City's storm drain system and Geographic Information System files.
- Calibrate City's Geographic Information System storm drain network files with the CCTV Pipeline Observation System Management application software.
- Inspect approximately 14.5 miles of the City's storm drains and laterals by means of CCTV inspections
- Provide structural and operational condition assessment compliant with the National Association of Sewer Service Companies Pipeline Assessment and Certification Program for the City's storm drain collection system through review of the CCTV

inspection
- Create a 10 year stormwater repair and replacement program

Review and analysis of the CCTV inspections lead to the development of recommendations for a Capital Improvement Program for the City's highest risk storm drains. The SWCA has provided the City with a $4 million stormwater system rehabilitation and replacement program that prioritizes structurally defective and operationally deficient storm drains over a 10 year planning horizon. Subsequent, to completion of the SWCA, Staff identified one storm drain system project that was not captured in the SWCA, plus various stormwater-outfall projects not included in the Scope of Work of the SWCA totaling $250,000, increasing the total cost of recommended projects to $4,250,000.

Attachment:
1. NPDES Update and Stormwater System Condition Assessment PowerPoint


CITY OF MANHATTAN BEACH
CALIFORNIA
SAND
SEA
SUN

Study Session

National Pollution Discharge Elimination System Permit Update

&

Stormwater System Condition Assessment

January 15, 2015

National Pollution Discharge Elimination System Permit Update

Kathleen McGowan, P.E.

Geosyntec consultants

Outline

- Municipal Stormwater Permit Overview
- Latest Stormwater Permit—significant changes
- Enhanced Watershed Management Program
- Coordinated Integrated Monitoring Program
- Next Steps
- Petitions/Actions on Stormwater Permit

Municipal Separate Storm Sewer System (MS4)

Interconnected system of **City- and County-owned/operated drainage improvements**:

- County typically owns larger conveyances
- City owns smaller storm drains, road drains, curb-and-gutter, catch basins

Municipal Stormwater Permit

Federal Clean Water Act

National Pollutant Discharge Elimination System (NPDES) Permit

Discharge of pollutants

from a point source,

e.g., a pipe or other conveyance to surface waters (receiving water)

requires a NPDES permit

NPDES Permitting Authority

California is authorized by USEPA to implement Clean Water Act NPDES permit program via:

- State Water Resources Control Board and
- 9 Regional Water Quality Control Boards
- **Los Angeles Regional Water Quality Control Board**

Permit violations subject to:

- Administrative, civil liability, and/or criminal penalties
- Mandatory minimum penalties under CA Water Code
- Citizen suit provision under the Clean Water Act

Municipal Stormwater NPDES Permit Objectives:

Prohibit and require elimination of non-stormwater discharges

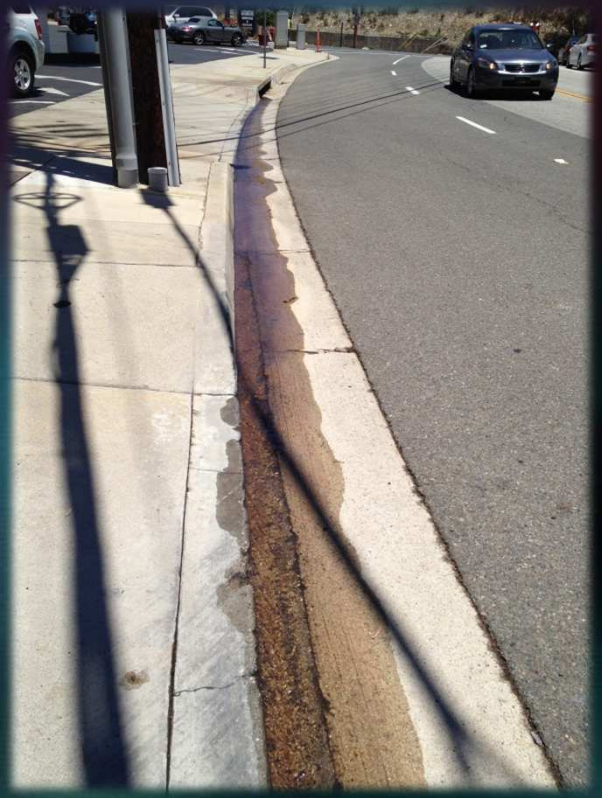
(with a few exceptions)

Prevent/minimize stormwater pollution

Six categories of minimum control measures

Implement Pollutant Limitations

Total Maximum Daily Loads (TMDLs)



Order No. R4-2012-0175
Municipal Stormwater Permit for Coastal Watersheds of LA County

84 municipalities and
Los Angeles County Flood Control District

Effective on December 28, 2012

Significant Changes in latest Permit

Significant changes in new permit:

- Numeric limits on pollutant loads
- More prescriptive minimum control measures and record-keeping
- Expanded water quality monitoring
- Water quality performance-based annual reporting
- No Principal Permittee
- Implementation via Enhanced Watershed Management Program

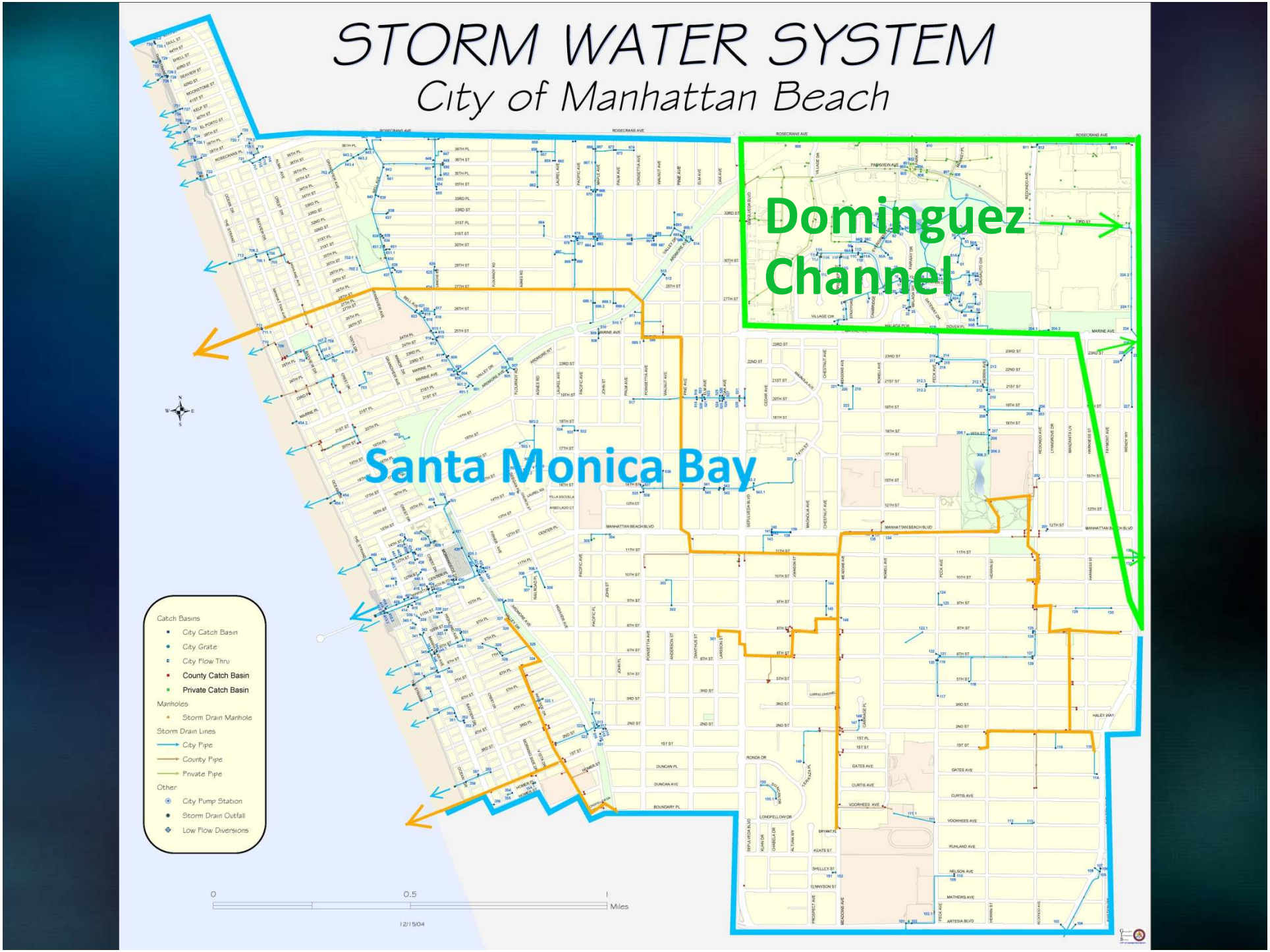
Pollutant Limits Applicable to Manhattan Beach

Santa Monica Bay

- Dry Weather Bacteria
- Wet Weather Bacteria
- Debris/trash
- DDT and PCBs, legacy pollutants

Dominguez Channel

- Metals: copper, lead, zinc
- Legacy pesticides and PCBs
- Polynuclear aromatic hydrocarbons


STORM WATER SYSTEM
City of Manhattan Beach
Dominguez Channel
Santa Monica Bay
Catch Basins
City Catch Basin
City Grate
City Flow Thru
County Catch Basin
Private Catch Basin
Manholes
Storm Drain Manhole
Storm Drain Lines
City Pipe
County Pipe
Private Pipe
Other
City Pump Station
Storm Drain Outfall
Low Flow Diversions
0
0.5
1
Miles
12/15/04

More prescriptive requirements:

For all **Minimum Control Measures:**

- Public Information and Participation
- *Planning & Land Development*
- Development Construction
- Industrial/Commercial Facilities Control
- Illicit Discharge & Illicit Connection Elimination
- Public Agency (municipal) Activities

Enhanced Watershed Management Program (EWMP) Work Plan

Enhanced Watershed Management Program

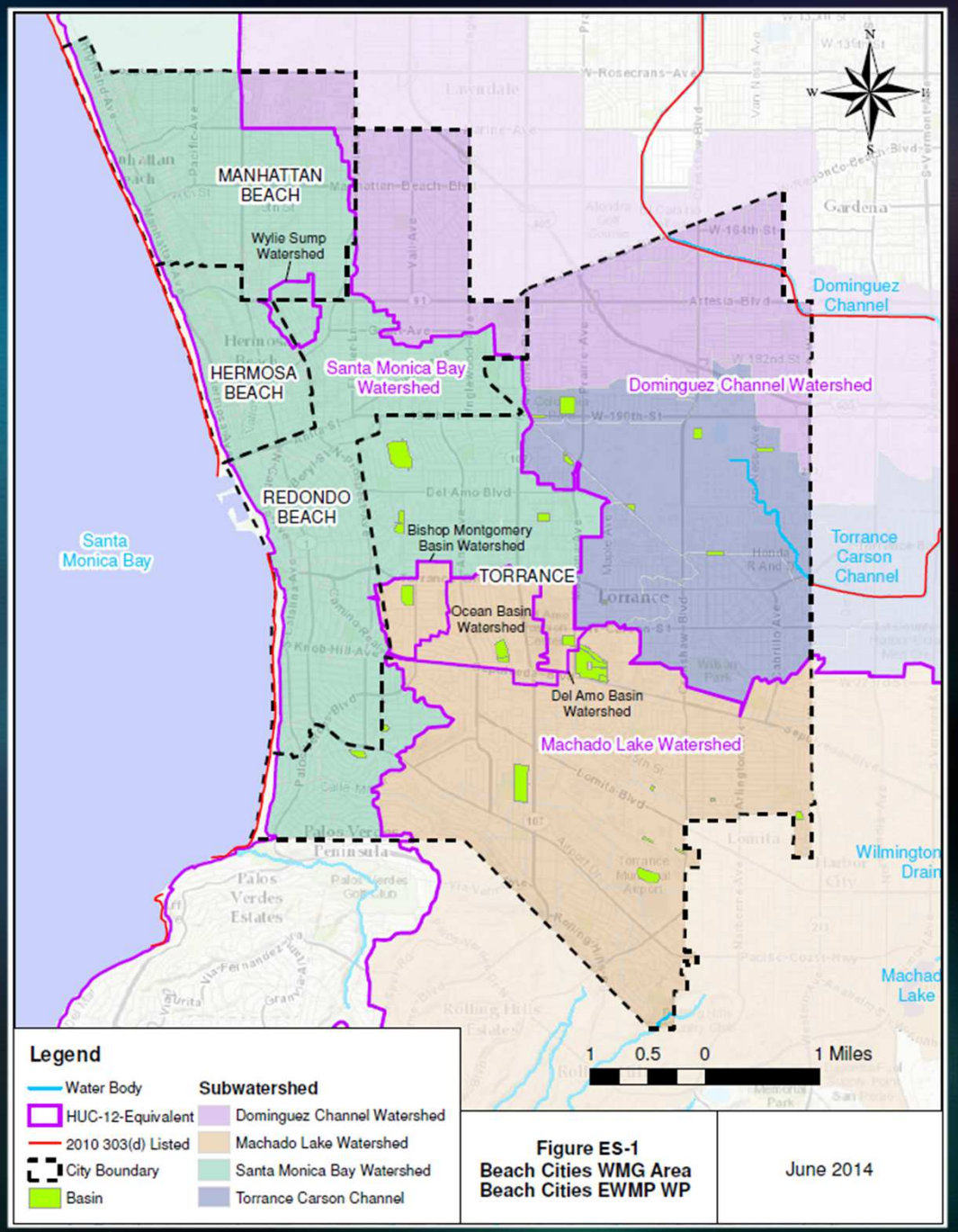
- Evaluates opportunities for multi-benefit regional projects:
  - Collaboration among Permittees and other partners
  - If feasible, retain all non-stormwater runoff and stormwater runoff from the **design storm**, 85th percentile 24-hour event (**about ¾ inch**)
  - Provide other benefits: e.g., flood control, water supply
- Permittees are *deemed in compliance* with final TMDLs in areas where design storm is retained
- Where it is not feasible to retain design storm, demonstrate via Reasonable Assurance Analysis modeling that all final TMDLs and receiving water limitations will be met through other Watershed Control Measures

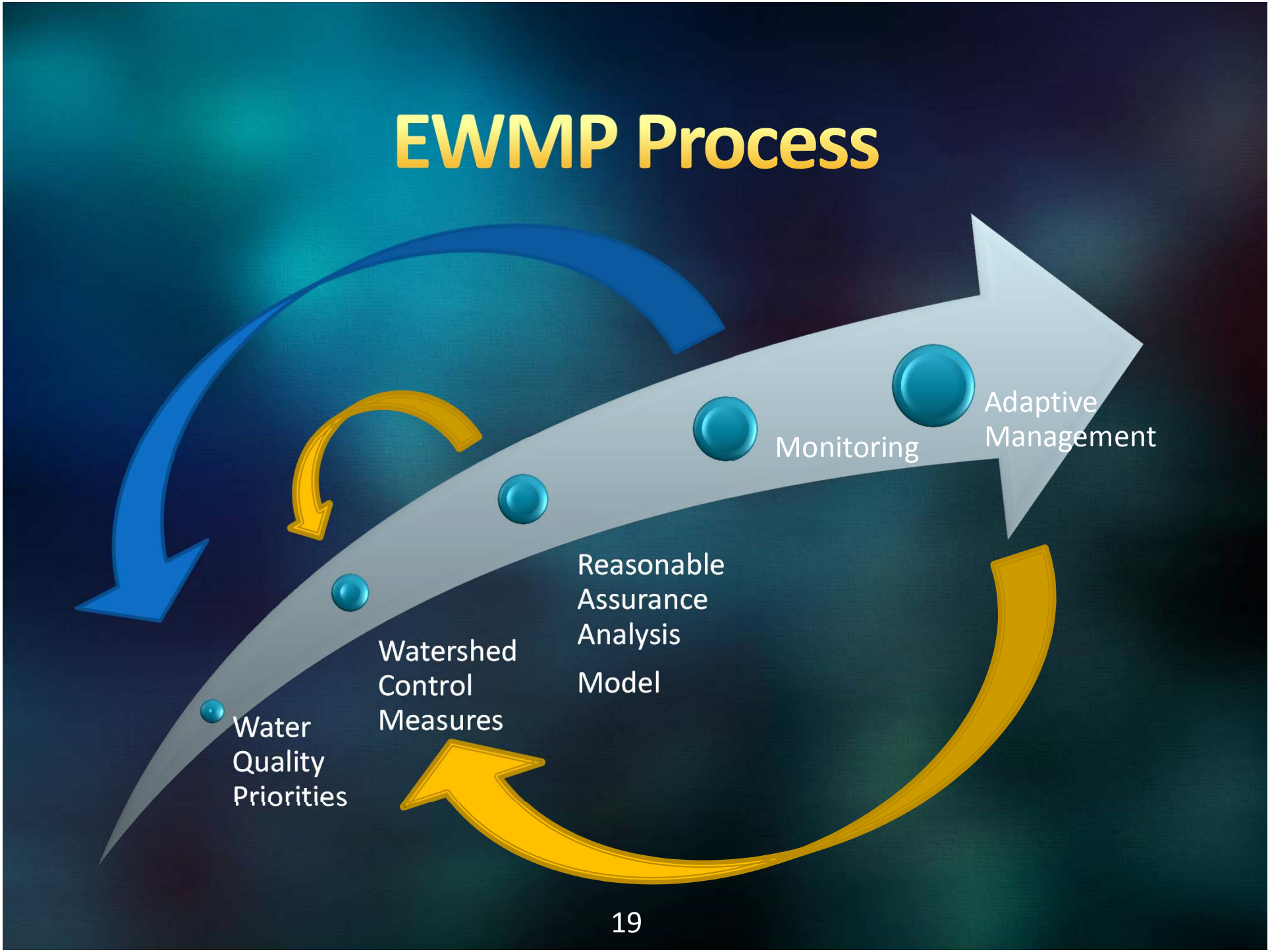
Watershed Control Measures

- **Regional Projects** – Projects that capture runoff from large, multi-parcel area
- **Distributed Projects** – Projects that collect runoff from small areas (e.g., single parcel or group of parcels)
- **Institutional Measures—**baseline or enhanced minimum control measures
  - Public Outreach and Education
  - Low Impact Development and Green Street Policy
  - Commercial Facility inspections
  - Public Works best practices
  - Illicit Discharge Detection and Elimination

Beach Cities Watershed Management Group

- Manhattan Beach
- Hermosa Beach
- Redondo Beach
- Torrance
- Los Angeles County Flood Control District




EWMP Process
Adaptive Management
Monitoring
Reasonable Assurance Analysis
Model
Watershed Control Measures
Water Quality Priorities
19

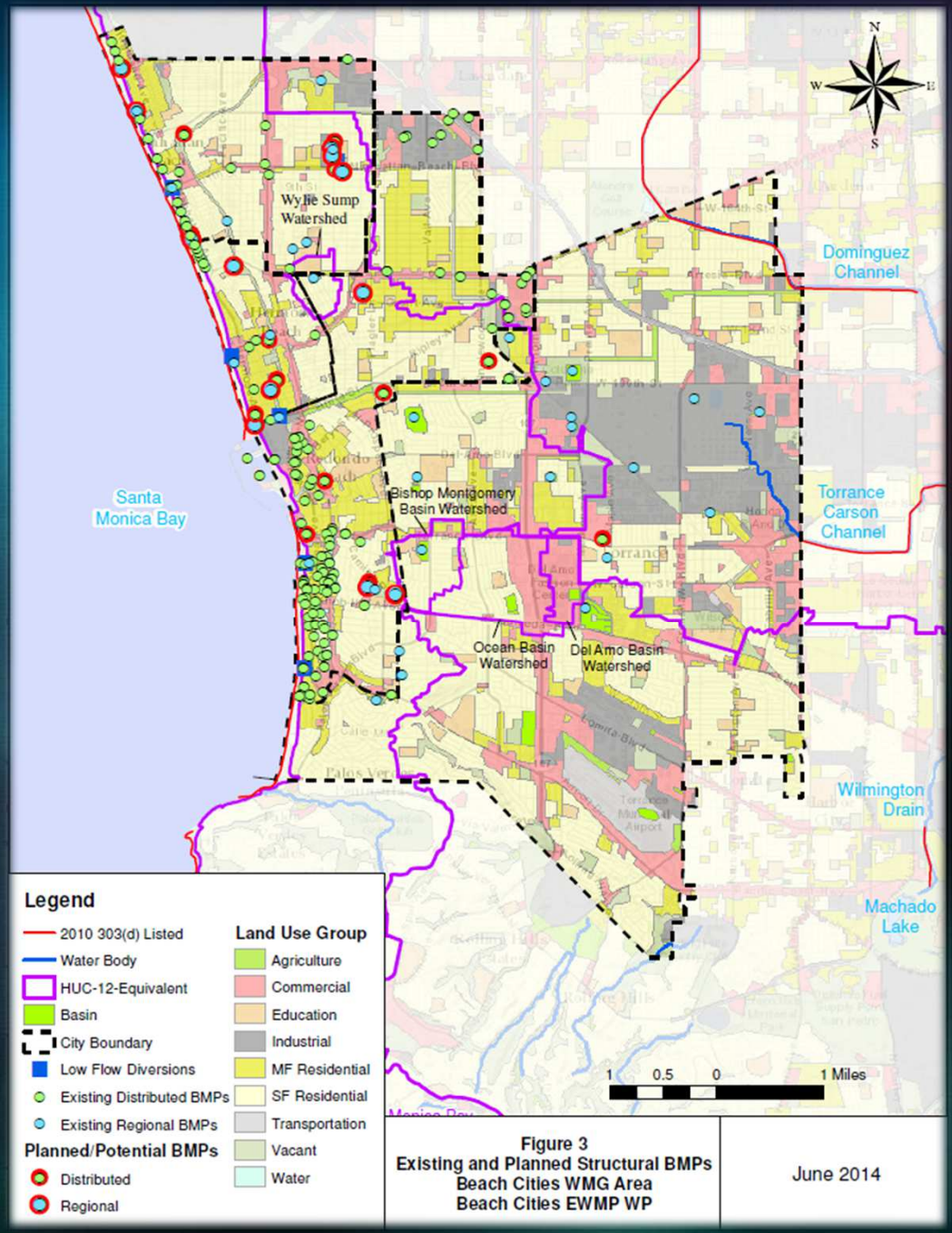
Water Quality Priorities

Category	Water Body	Pollutant
1: Highest Priority (TMDLs)	Santa Monica Bay Beaches	Bacteria (Wet and dry weather)
	Santa Monica Bay nearshore and offshore	Trash and plastic pellets
		Toxics (DDTs and PCBs)
	Dominguez Channel	Toxics (toxicity, PAHs, DDTs, PCBs, chlordane, dieldrin) and Metals (copper, lead, and zinc)
2: High Priority (303[d] listings)	Dominguez Channel	Indicator bacteria
3: Medium Priority (WQ data)	Dominguez Channel	Cyanide
		pH
		Selenium
		Mercury
		Cadmium

EWMP builds on Previous Work

- Santa Monica Bay Beaches Bacteria TMDL Implementation Plan (2005):
  - Jurisdictional Groups 5 & 6 (J5&6)
- **Santa Monica Bay Beaches Bacteria TMDL – J5&6 Implementation Studies (2011):**
  - Structural BMP Siting and Conceptual Design Study
  - Dry Weather Source Characterization and Control Summary
  - Programmatic Solutions – Report of Findings
- Santa Monica Bay Debris (Trash) TMDL
  - Certified full capture systems on storm drain system
  - Plastic Bag, Polystyrene and Smoking ordinances

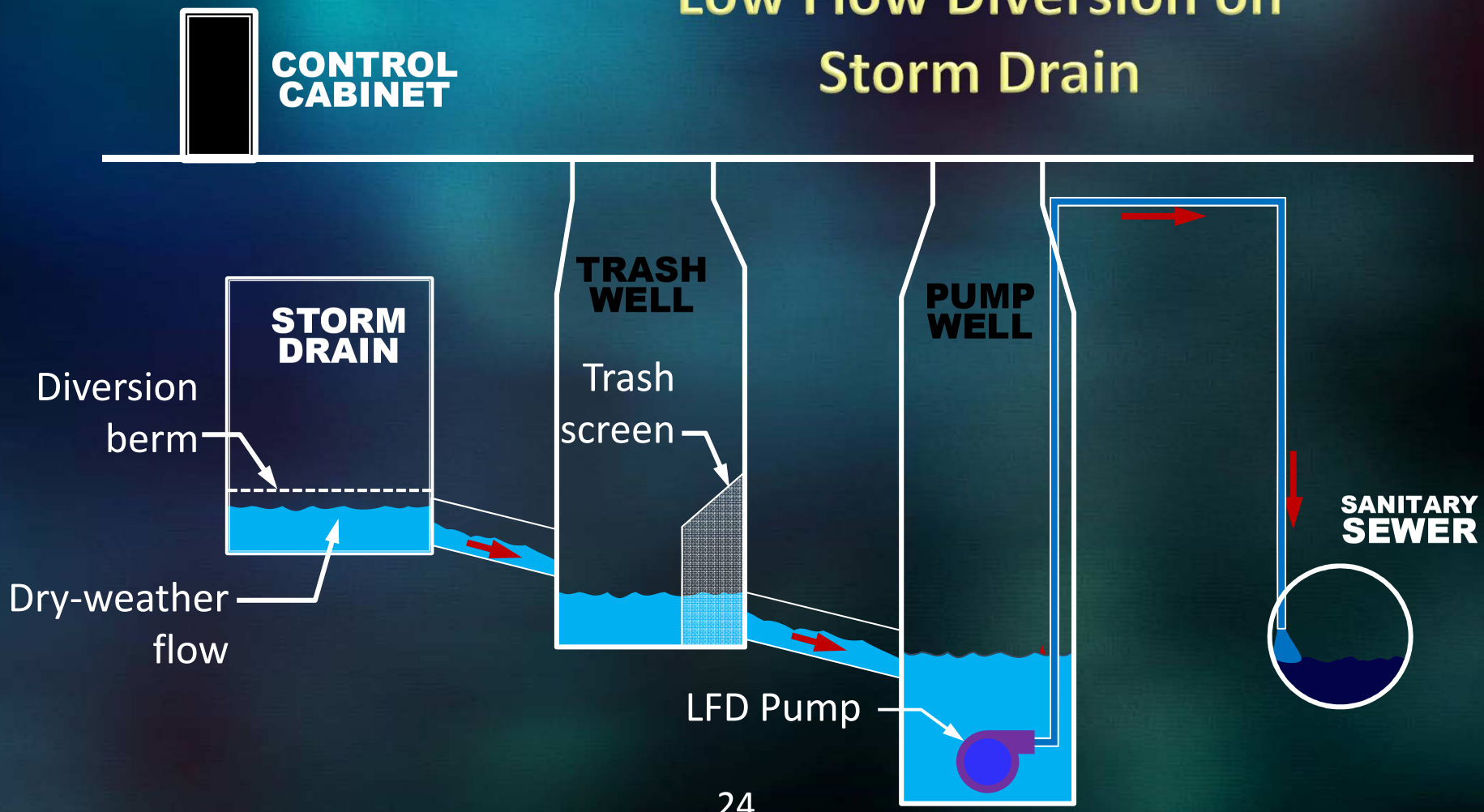
Existing and Planned Structural BMPs



Existing Regional BMPs

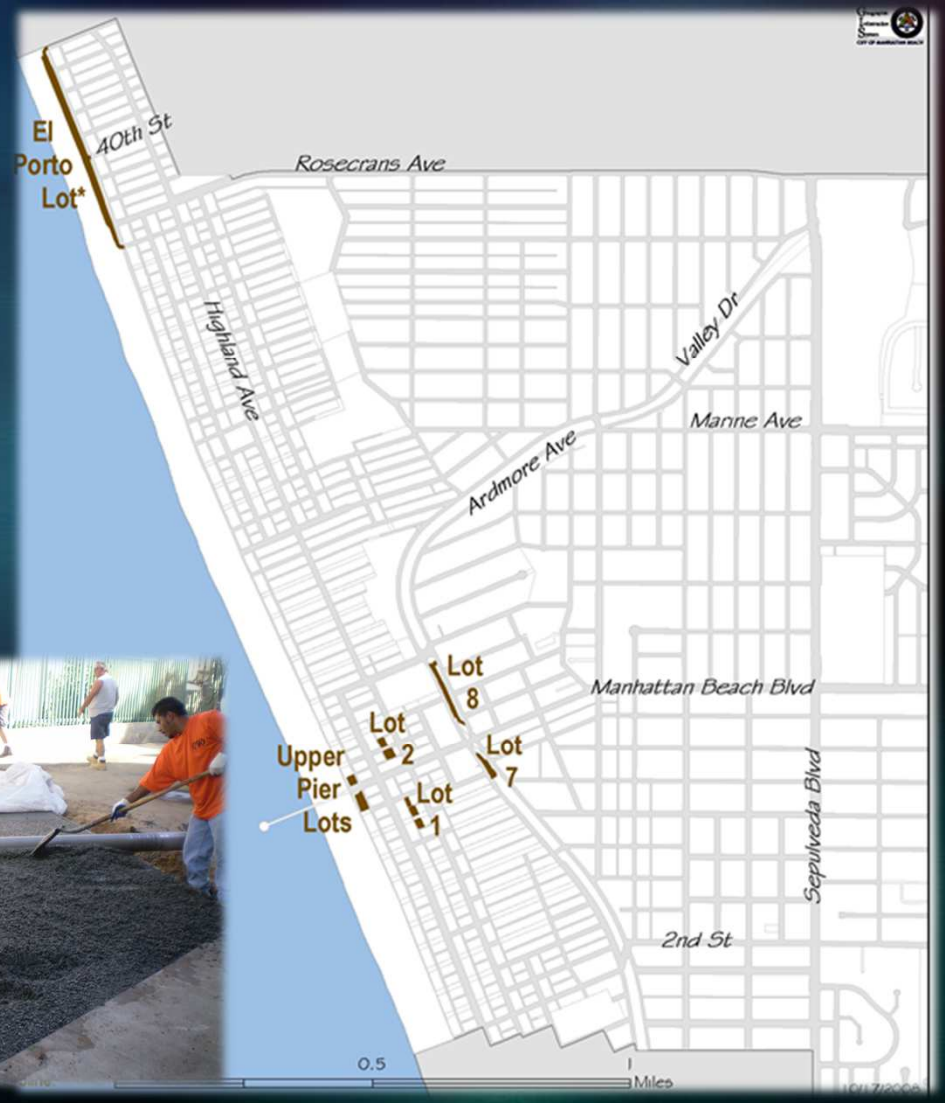
- **Manhattan Beach Greenbelt Infiltration**
  - 55 acre drainage area
  - Utilizes linear greenbelt parkland
  - Intercepts and infiltrates low flows: dry weather and wet weather, year-round
  - Screened to remove trash and gross solids before gravity flow to subsurface infiltration system

Existing Regional BMPs (dry weather)



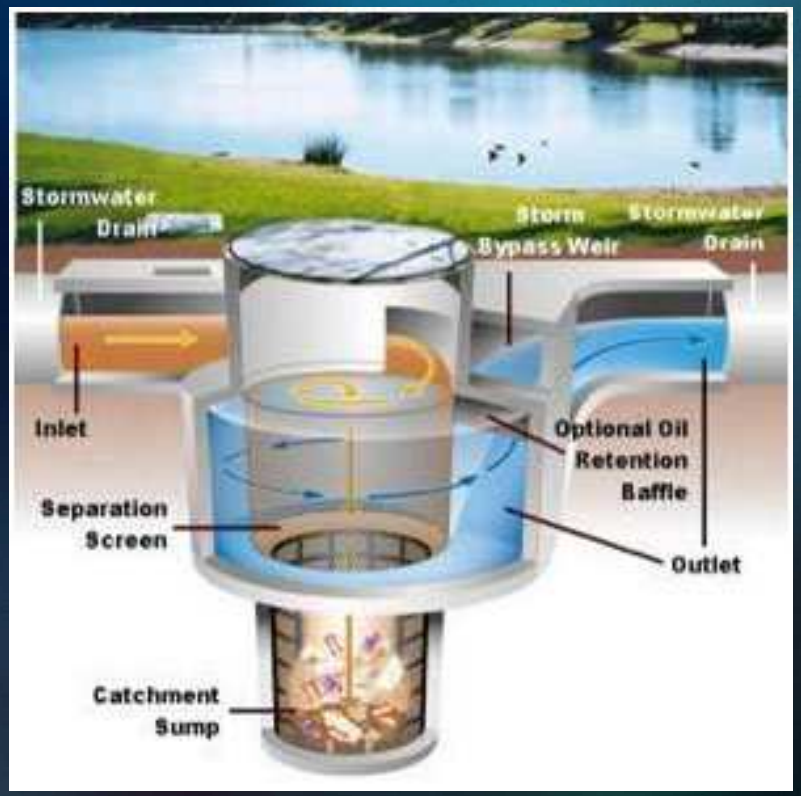
Existing Distributed BMPs

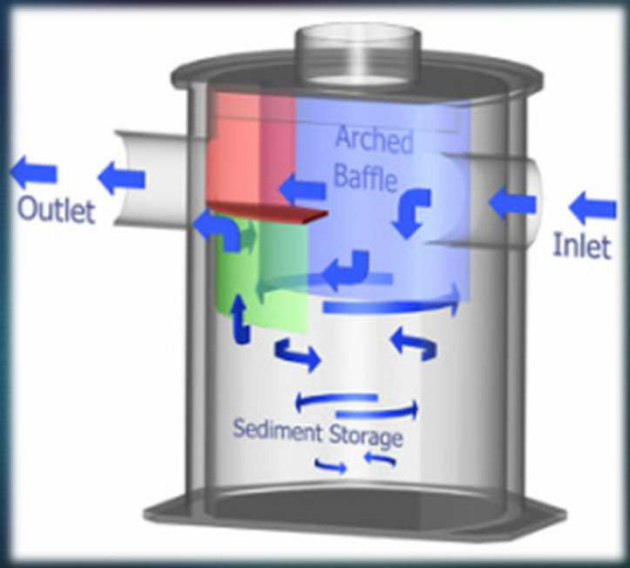
Manhattan Beach
Porous Paving



Existing Regional BMPs for Trash

- Continuous Deflection Systems (CDS) or
- Hydrodynamic Separators





Existing Distributed BMPs for Trash

Connector Pipe Screens

Auto-retractable screens
Fixed screens

Existing Institutional Measures

- Clean Bay Restaurant Program
- Stormwater Awareness Website (southbaystormwaterprogram.com)
- Water Efficient Landscape Ordinance
- CalGreen Code
- Plastic Bag Ban
- Polystyrene Ban
- No Smoking in Public Areas
- Pet Waste Stations & Dog Parks

Low Impact Development Ordinance

New Development and Redevelopment projects must control pollutants, pollutant loads, and stormwater runoff volume from the completed project by:

1. Minimizing impervious surface area
2. Retain design storm runoff from impervious surfaces via: infiltration, bioretention, and/or rainfall harvest and use

Design storm= 85th percentile 24-hour storm or ¾ inch, *whichever is greater*

LID = Reduce Imperviousness + Stormwater Capture

Low Impact Development

Bioretention in residential yard

Photo Credit: Geosyntec Consultants

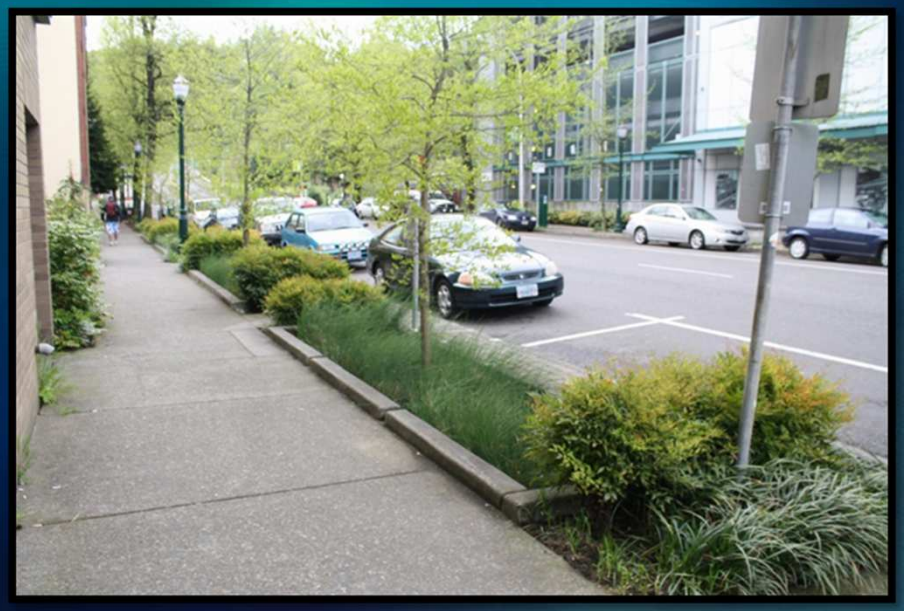
Permeable pavement application

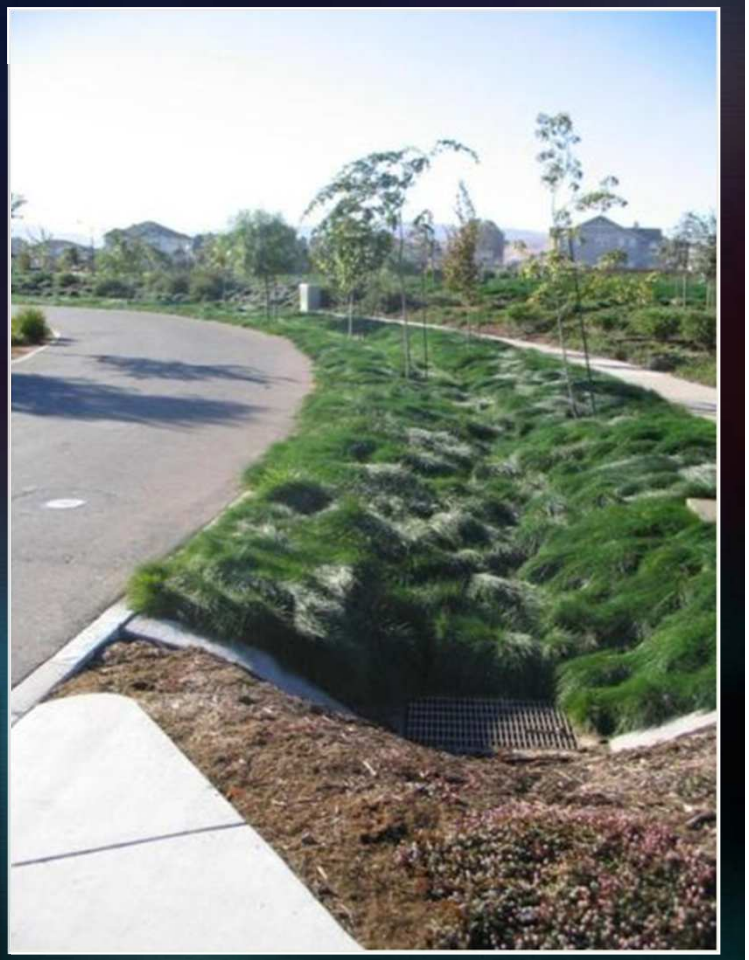
Photo Credit: Johnson Concrete

Green Street Policy

- Specify the use of green street strategies for transportation corridors
- Policy must prescribe a menu of BMPs for street and road construction projects of 10,000+ sq.ft. of impervious surface
- Reference a design manual and follow USEPA guidance regarding Managing Wet Weather with Green Infrastructure: Green Streets

Green Streets





Coordinated Integrated Monitoring Program (CIMP)

Beach Cities' Coordinated Integrated Monitoring Program (CIMP)

Customized monitoring program:

- Achieves 5 primary objectives
- Includes permit-required elements
- Provides for cost-efficient, effective water quality monitoring on a watershed basis
- Coordinates with EWMP

Primary Objectives of Monitoring Program are to assess:

1. Pollutant loads in MS4 discharges
2. Whether water quality standards are met
3. Sources of pollutants in MS4 discharges
4. Chemical, physical, and biological impacts on receiving waters
5. Effectiveness of pollutant controls

Required Elements

Receiving Water Monitoring:

- Wet weather - 3x per year

Storm Water Outfall monitoring:

- Representative locations to reflect mix of land use
- Wet weather - 3x per year

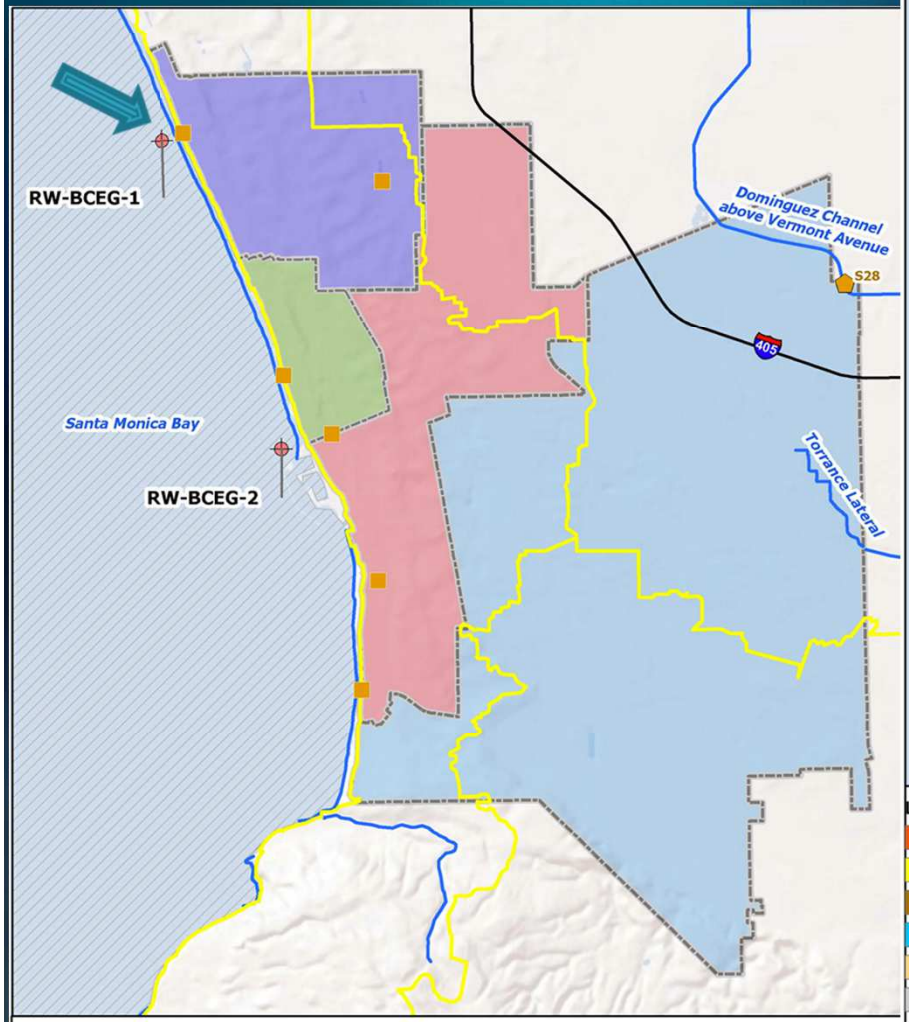
Continue with ongoing TMDL Monitoring

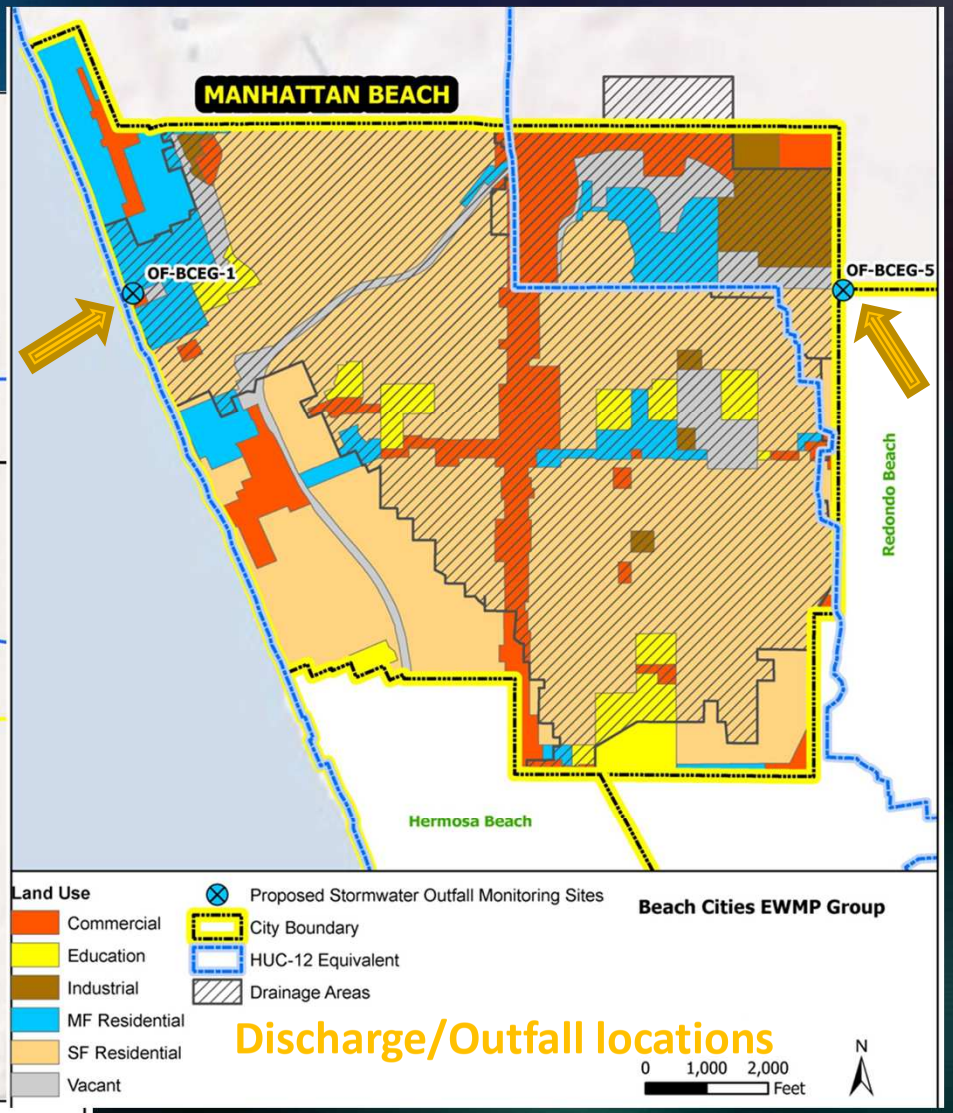
Non-stormwater Outfall Screening and Monitoring Program

Regional/Special Studies

Low Impact Development Effectiveness Tracking

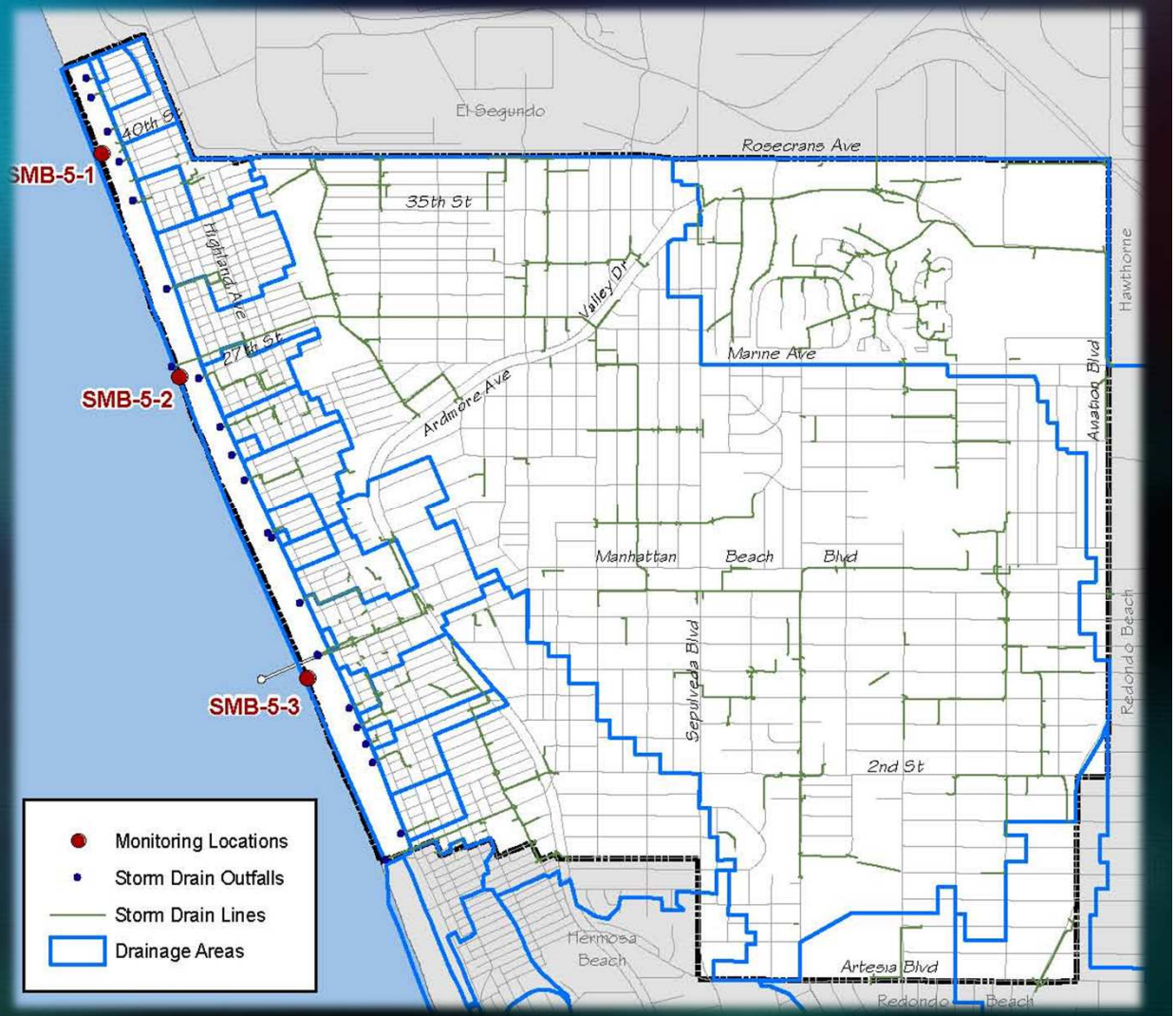
New Monitoring Locations





Ongoing Bacteria TMDL Monitoring

- 3 shoreline locations
  - Weekly sampling at El Porto and Pier locations
  - Daily sampling (5 days/wk) at 28th Street
- 3 types of indicator bacteria



Non-Stormwater Screening and Monitoring

- Systematic screening of major outfalls
- Identify significant non-stormwater flows
- Track to identify source
- Determine whether discharge is:
  - Illicit,
  - Conditionally exempt, or
  - Permitted
- Monitor those that cannot be eliminated and report

Summary of June 2014 Milestone

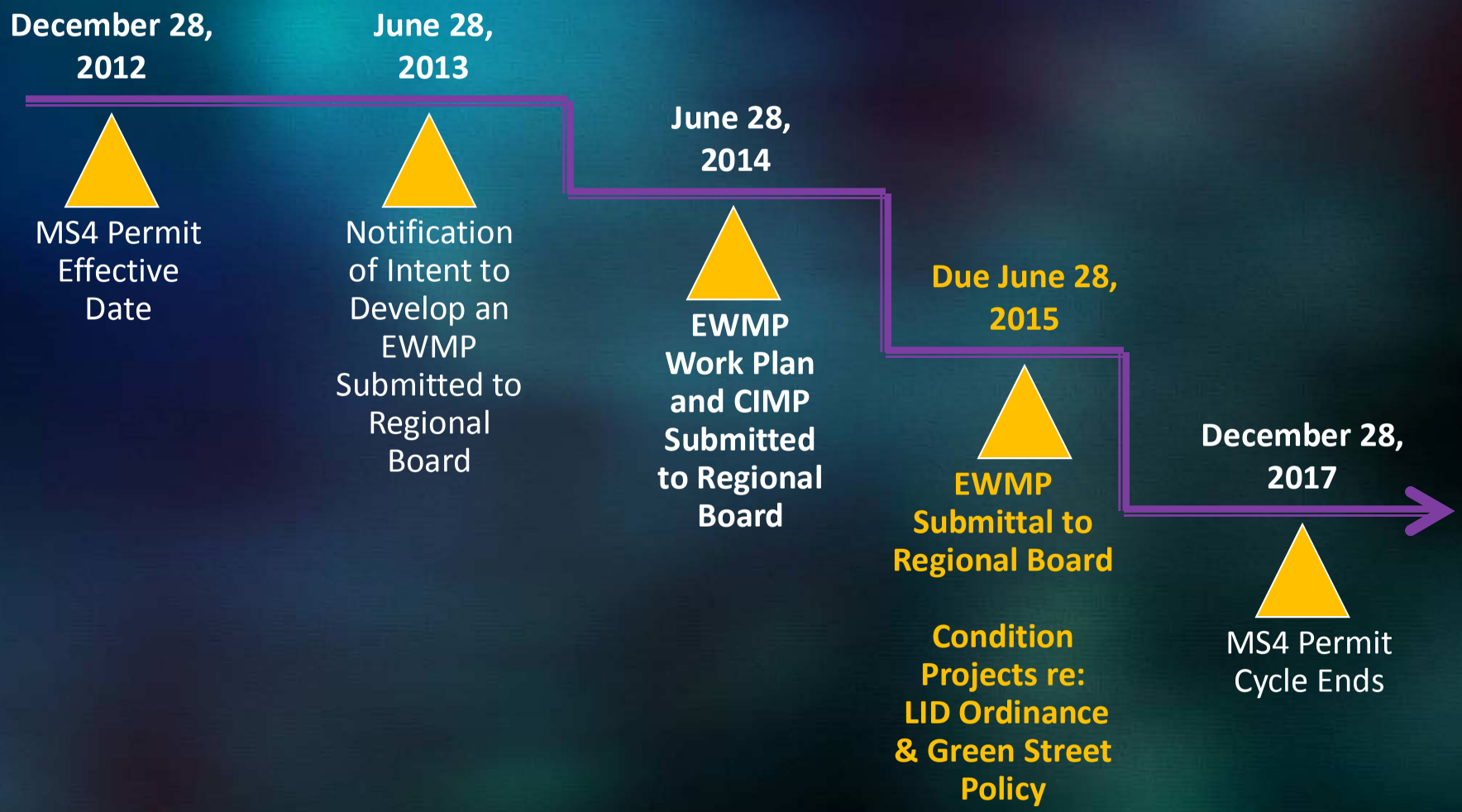
EWMP Work Plan

- Describes approach for development of a comprehensive program and multi-agency strategy for achieving water quality goals

Coordinated Integrated Monitoring Program

- Will measure progress toward addressing water quality priorities and meeting water quality target schedules

Permit Timeline



Next Steps

- Initiate new monitoring within 90 days of approval of CIMP by Regional Board
- Low Impact Development Ordinance
- Green Street Policy
- **EWMP Plan submittal – June 28, 2015**

Petitions/Actions on the 2012 Stormwater Permit

Petition Process Re: 2012 Permit

- State Board received 37 petitions challenging various provisions of 2012 Stormwater Permit
- In response, on 11/21/2014 State Board issued proposed Order to revise 2012 Stormwater Permit
- Workshop on 12/16/2014 included petitioners and other interested parties statewide
- Written comments on the Proposed Order due 1/21/2015
- State Board to hold final hearing on the Order after receipt of written comments
  - May hold another workshop prior to final hearing

Key Revisions Proposed by State Board

- Clarifies that final TMDL deadlines must be met, no extension
- If water quality monitoring shows final TMDLs are not met for EWMP areas "deemed in compliance" for areas that retain design storm, then Permittees must submit a plan for additional control measures
- Adds requirement to update the EWMP (including Reasonable Assurance Analysis) every six years
- Where Permittees are monitoring comingled discharges, then jointly liable for any exceedance of water quality standards unless a Permittee can demonstrate its discharge did not cause or contribute

Workshop Comment Summary

- Richards Watson Gershon Team (19 Permittees):
  - Rather than automatic update of Reasonable Assurance Analysis/model every 6 years, as part of permit renewal process Permittees should evaluate RAA and propose whether a revision is needed
  - 85th % 24-hour storm should remain the compliance design standard
  - Permittees should have a defense to joint liability for discharges based on compliance with design or implementation of EWMP
  - Mayor Lutz: If money were no object, cities would be “just doing it”. Cities have relied on the commitment in the Permit that they would be in compliance while implementing the WMPs/EWMPs

Unfunded Mandate Test Claim

- 23 cities, LA County, and LACFCD joined an unfunded mandate test claim prepared by law firm Burhenn & Gest on aspects of the 2012 LA MS4 Permit.
- Claim currently stayed by Commission on State Mandates pending CA Supreme Court decision on 2001 LA MS4 Permit.
- Reimbursable Mandate is:
  1. A new program or higher level of service
  2. It is a state mandate, not a result of federal law or a voter-approved state initiative
  3. Not voluntarily incurred
  4. Its cost cannot be recovered from sources other than taxes, i.e., not by a fee, service charge or assessment

WesternCity.com/Western-City/March-2014/Feature-Understanding-State-Mandates/

Questions/Discussion


CITY OF MANHATTAN BEACH
CALIFORNIA
SAND
SEA
SUN

Storm Drain Condition Assessment

Stormwater System Statistics

Length of Citywide Storm Drain by Channel Type

Channel Type	Area Drain	Collector	Flow Through	Open Channel	Pipe	Strand	Total
Length (miles)	1.3	3.5	3.8	2.1	2.5	5.2	20.7

Length of Storm Drain by Year Constructed

Year	Up to 1960	1960's	1970's	1980's	1990's	2000's	Unknown	Total
Length (miles)	1.3	3.5	3.8	2.1	2.5	5.2	2.3	20.7

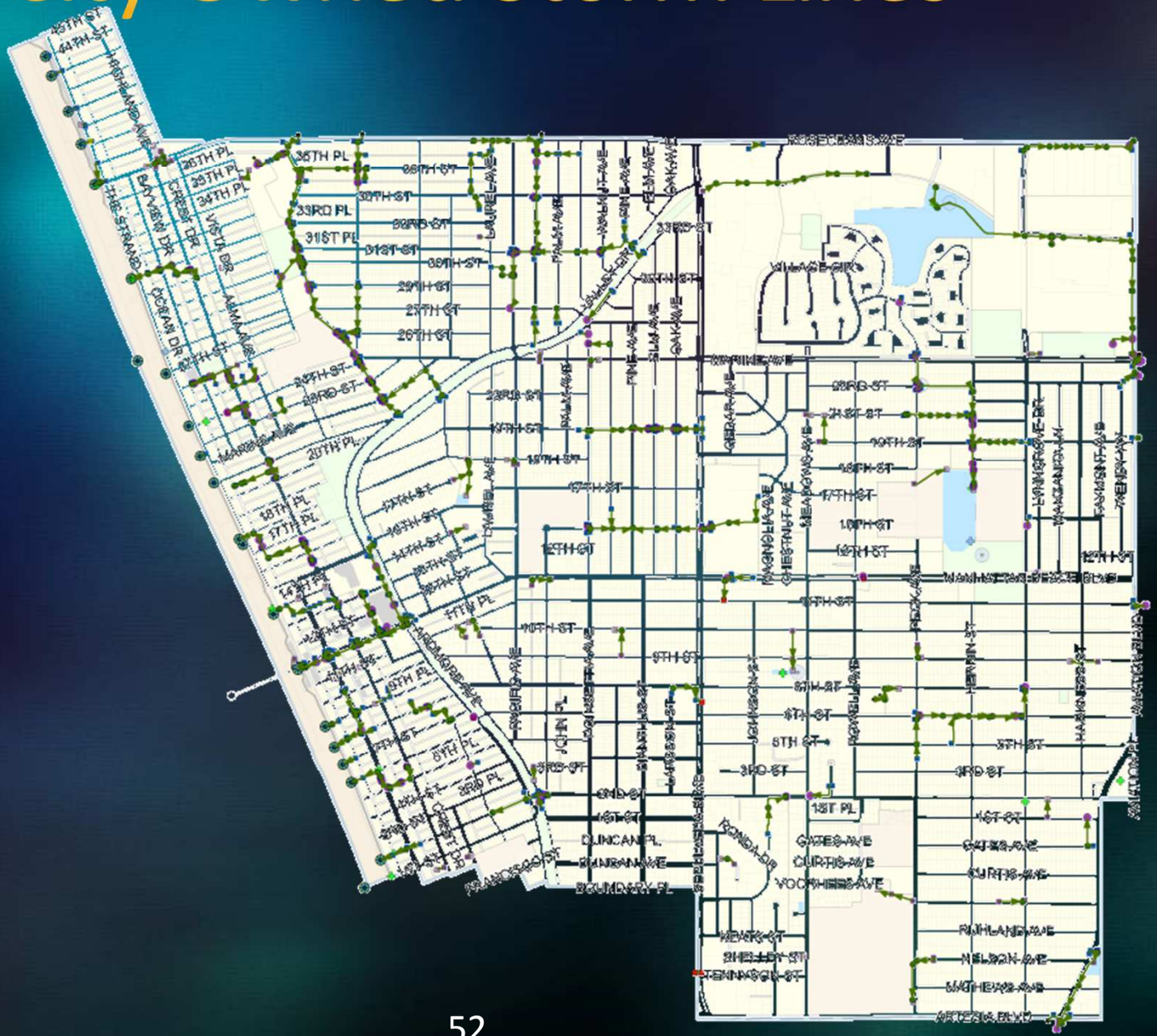
Length of Citywide Storm Drain by Conduit Material

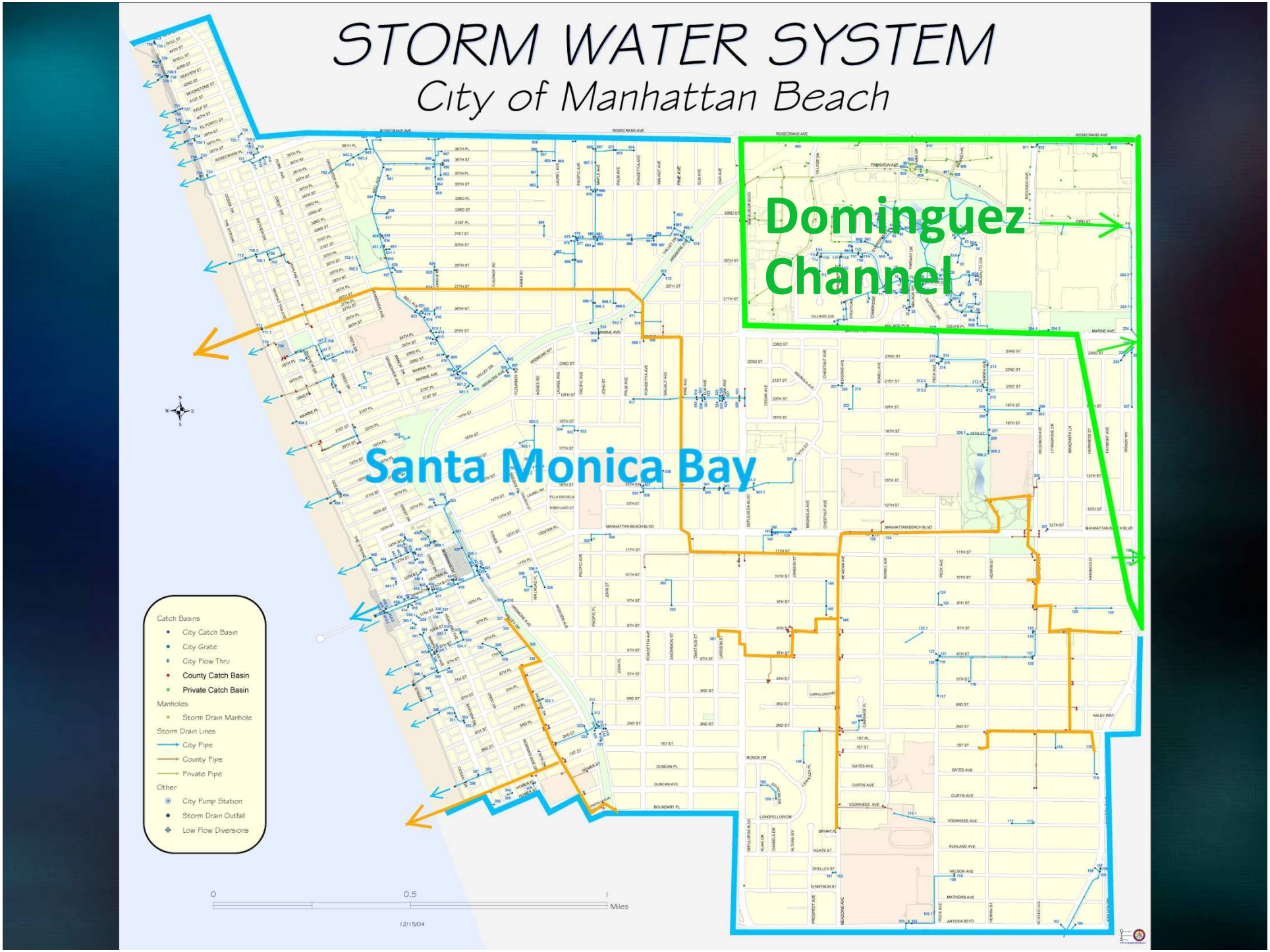
Conduit Material	RCP/RCB	CIP	CMP	PVC/HDPE[1]	VCP	Other[2]	Unknown	Total
Length (miles)	12.1	0.2	1.1	2.8	0.1	2.9	1.3	20.7

Length of Storm Drain within Manhattan Beach, Owned by other Entities

Owner	LA County	Hermosa Beach	Redondo Beach	Private	Total
Length	8.7-miles	190-feet	970-feet	7.7-miles	16.6-miles

City Owned Storm Lines




STORM WATER SYSTEM
City of Manhattan Beach
Dominguez Channel
Santa Monica Bay
Catch Basins
City Catch Basin
City Grate
City Flow Thru
County Catch Basin
Private Catch Basin
Manholes
Storm Drain Manhole
Storm Drain Lines
City Pipe
County Pipe
Private Pipe
Other
City Pump Station
Storm Drain Outfall
Low Flow Diversions
0
0.5
1
Miles
12/15/04

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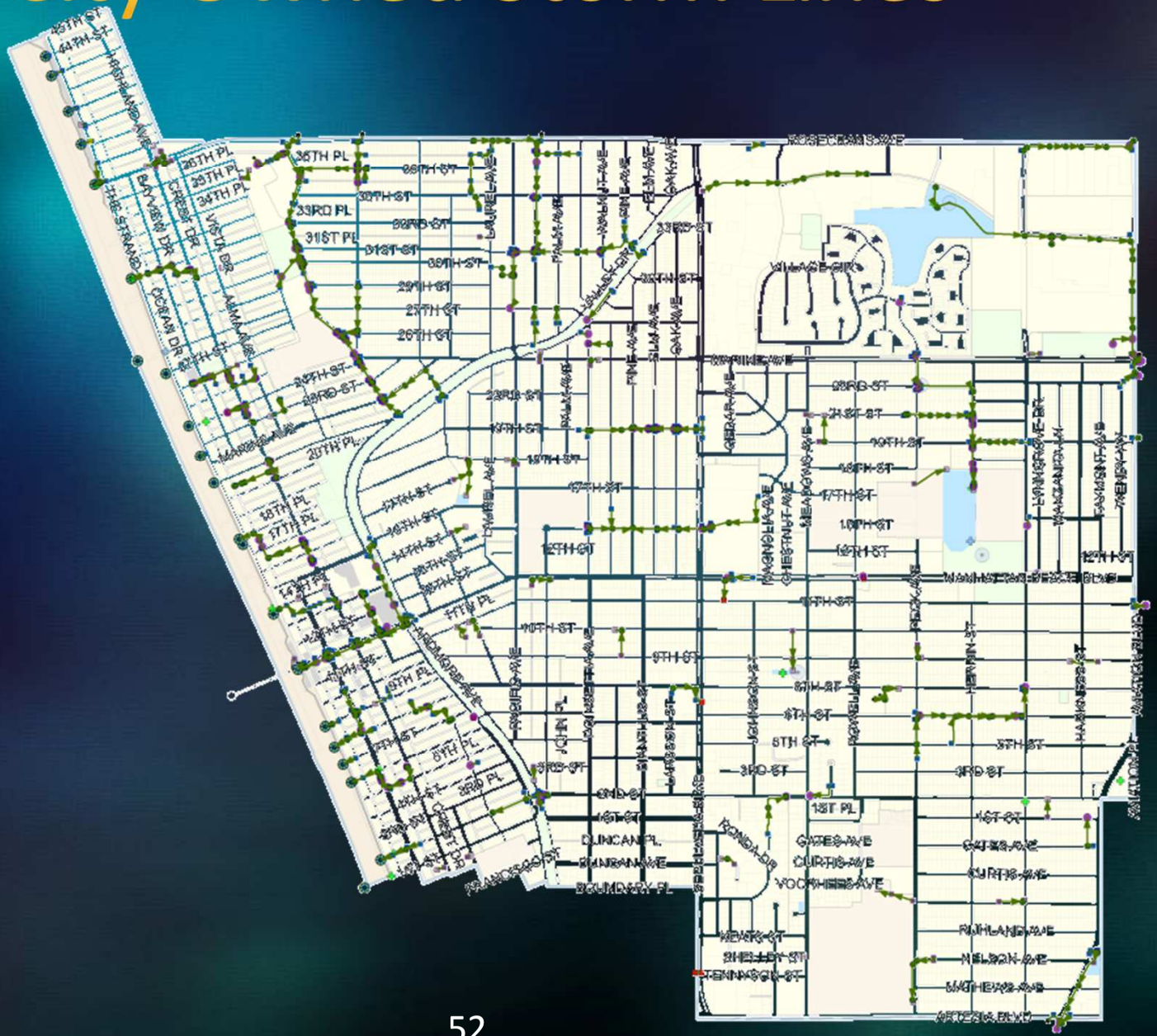

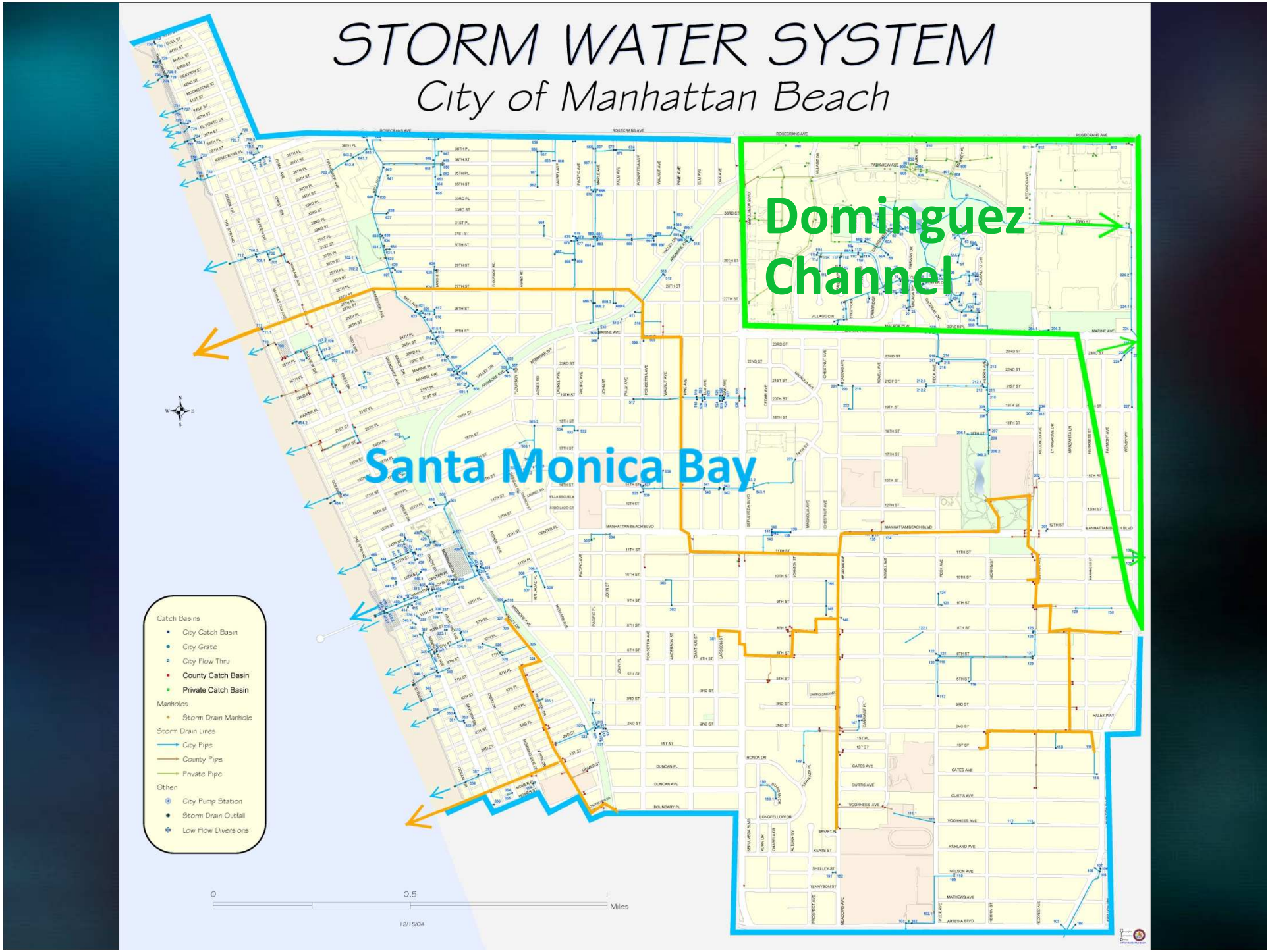
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Storm Drain Outfall
Low Flow Diversions
0
0.5
1
Miles
12/15/04

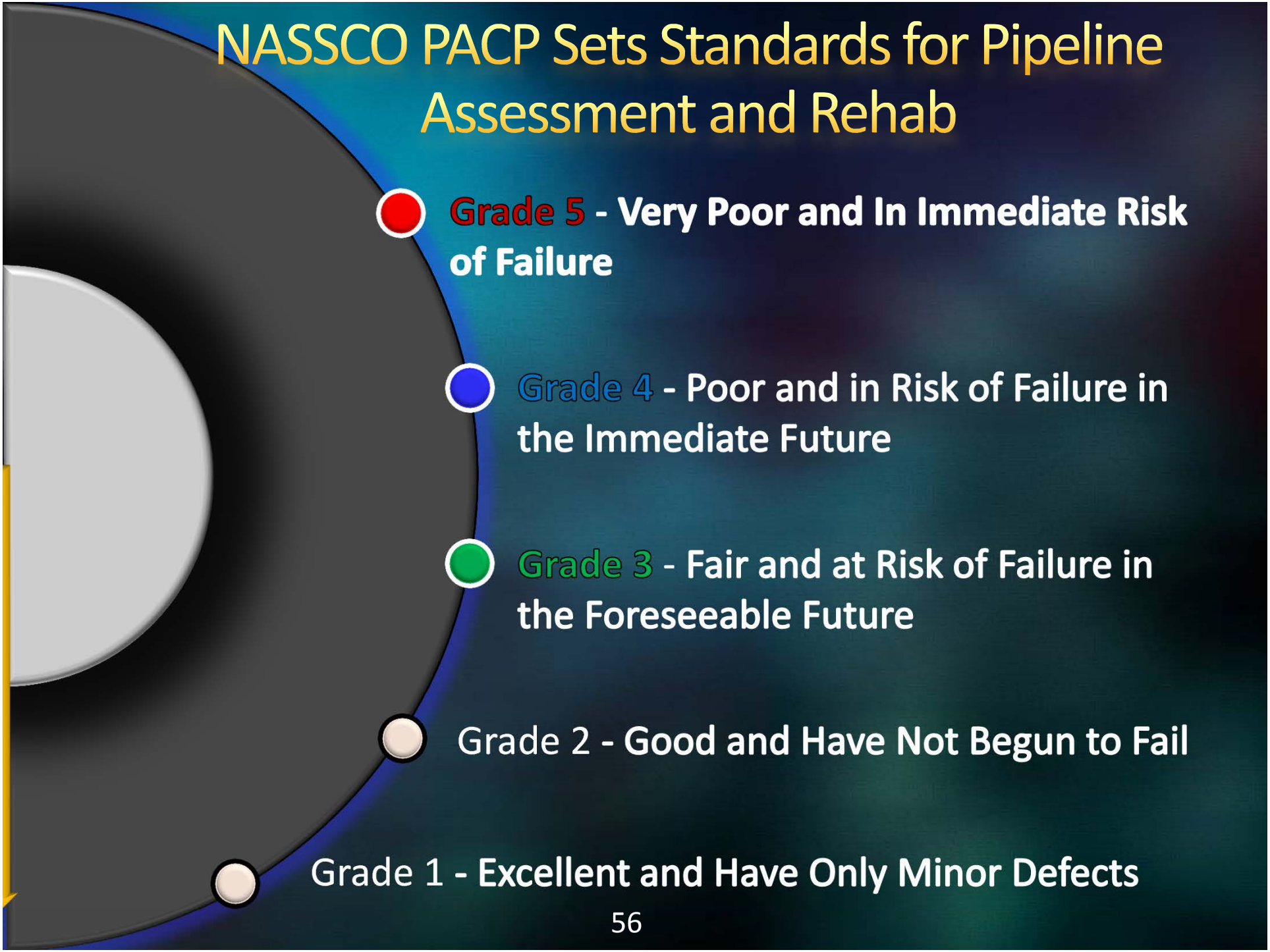
Condition Assessment Approach

- Performed detailed inspection of record drawings, conducted field visits, incorporated changes to the GIS
- Calibrated City's GIS with CCTV software
- Corrected discrepancies between CCTV field observations and GIS file
- Breaks and separated joints
- Observed capacity deficiencies in small and highly deteriorated Pipes
- Damage from roots
- Gross pollutants (junk) and organic debris buildup
- Poorly constructed or deteriorating lateral Connections and repairs
- Sags
- Deteriorating steel, iron, corrugated metal, and concrete pipe

CCTV Inspection

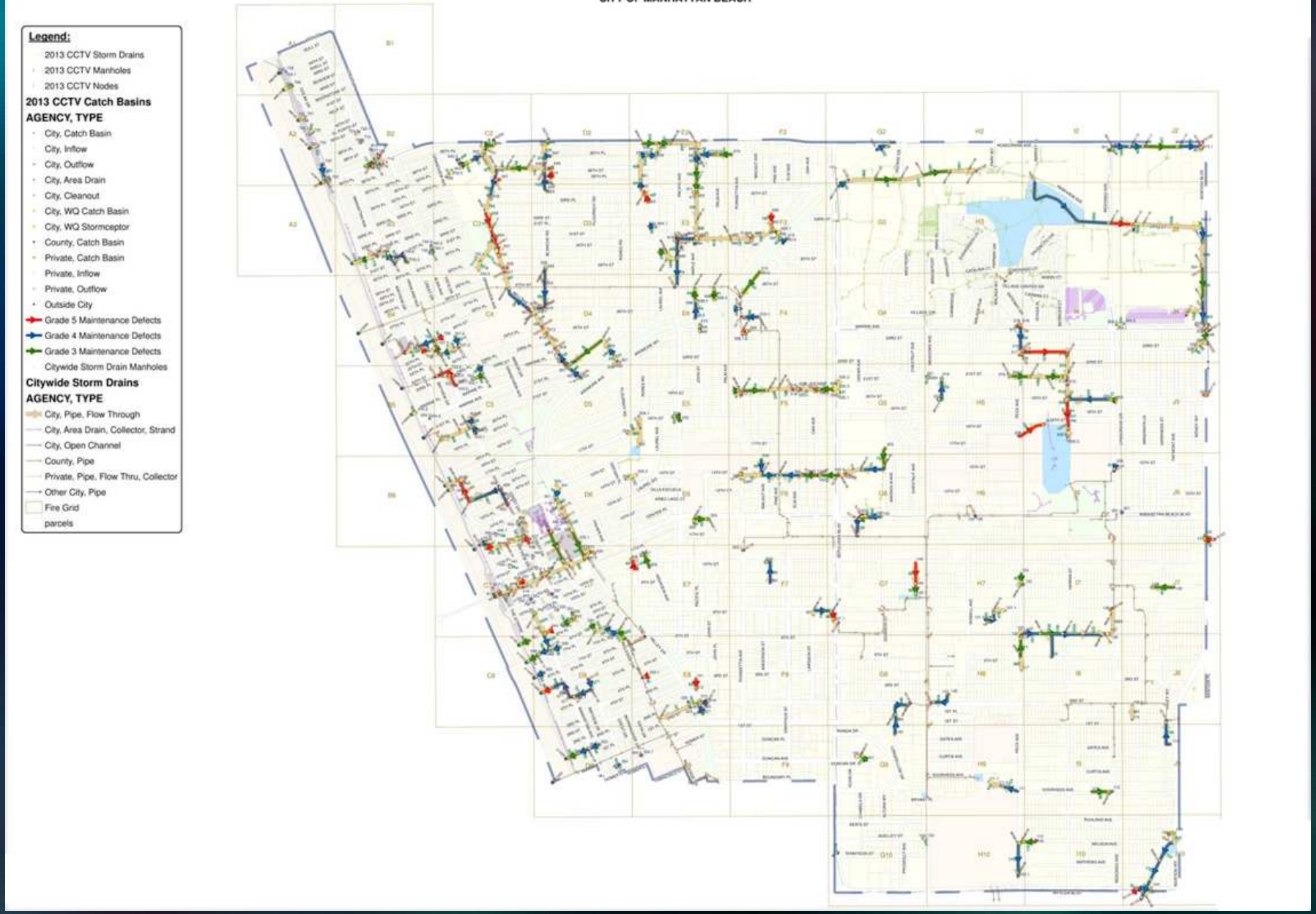
- CCTV Inspection for 14.5 Miles of:
  - Storm Drains
  - Catch Basins
  - Manholes
  - Laterals
  - Outlet Structures
- Reports, Photos, and Videos Linked to GIS

NASSCO PACP Sets Standards for Pipeline Assessment and Rehab



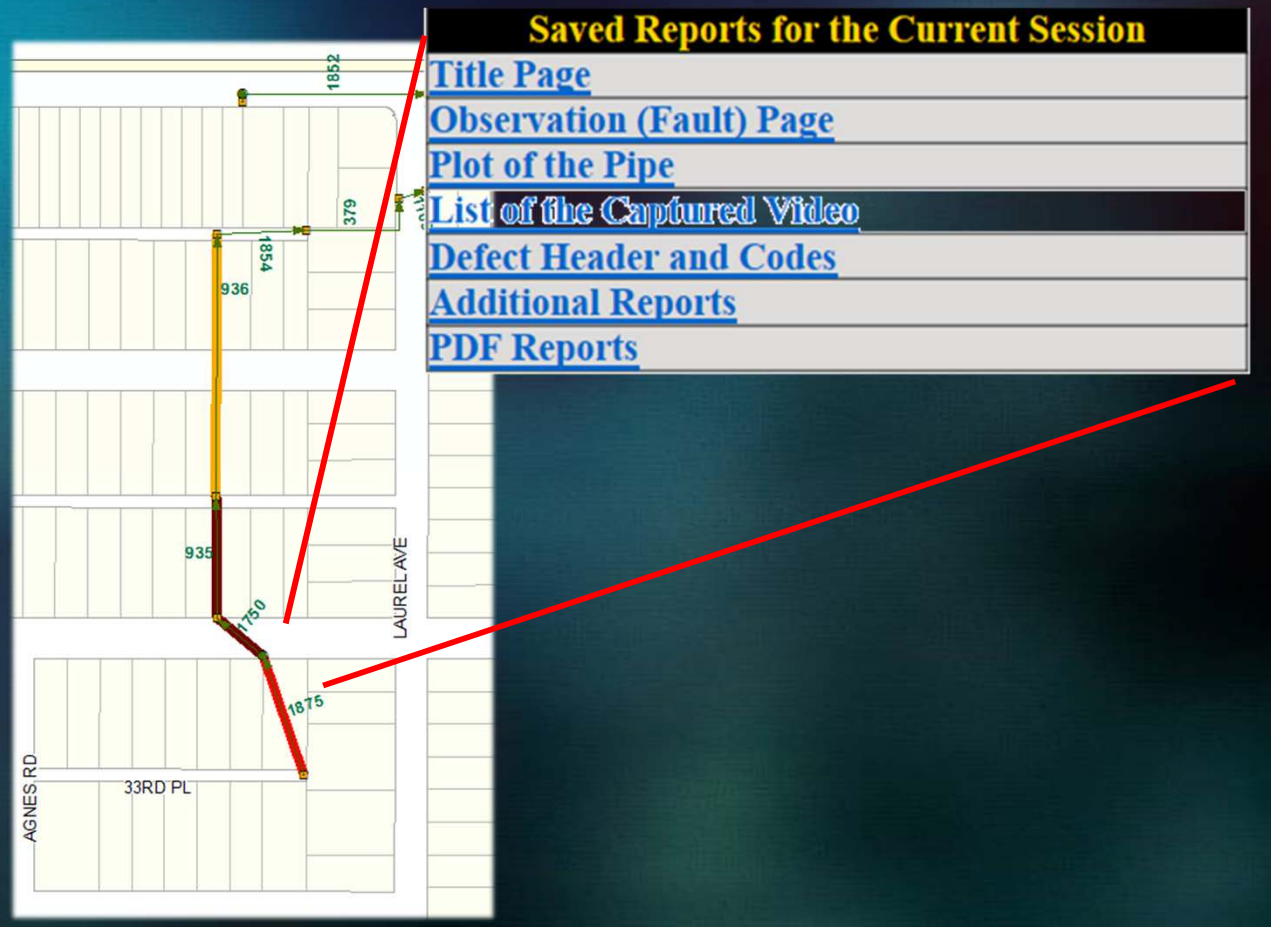
STORM DRAIN CONDITION ASSESSMENT - CAPITAL IMPROVEMENT PROGRAM

CITY OF MANHATTAN BEACH



GIS/CCTV Link

- Click on Pipe
- Link CCTV Inspection to City's GIS
- Retrieve Inspection:
  - Reports
  - Photographs
  - Videos
  - Summary Tables



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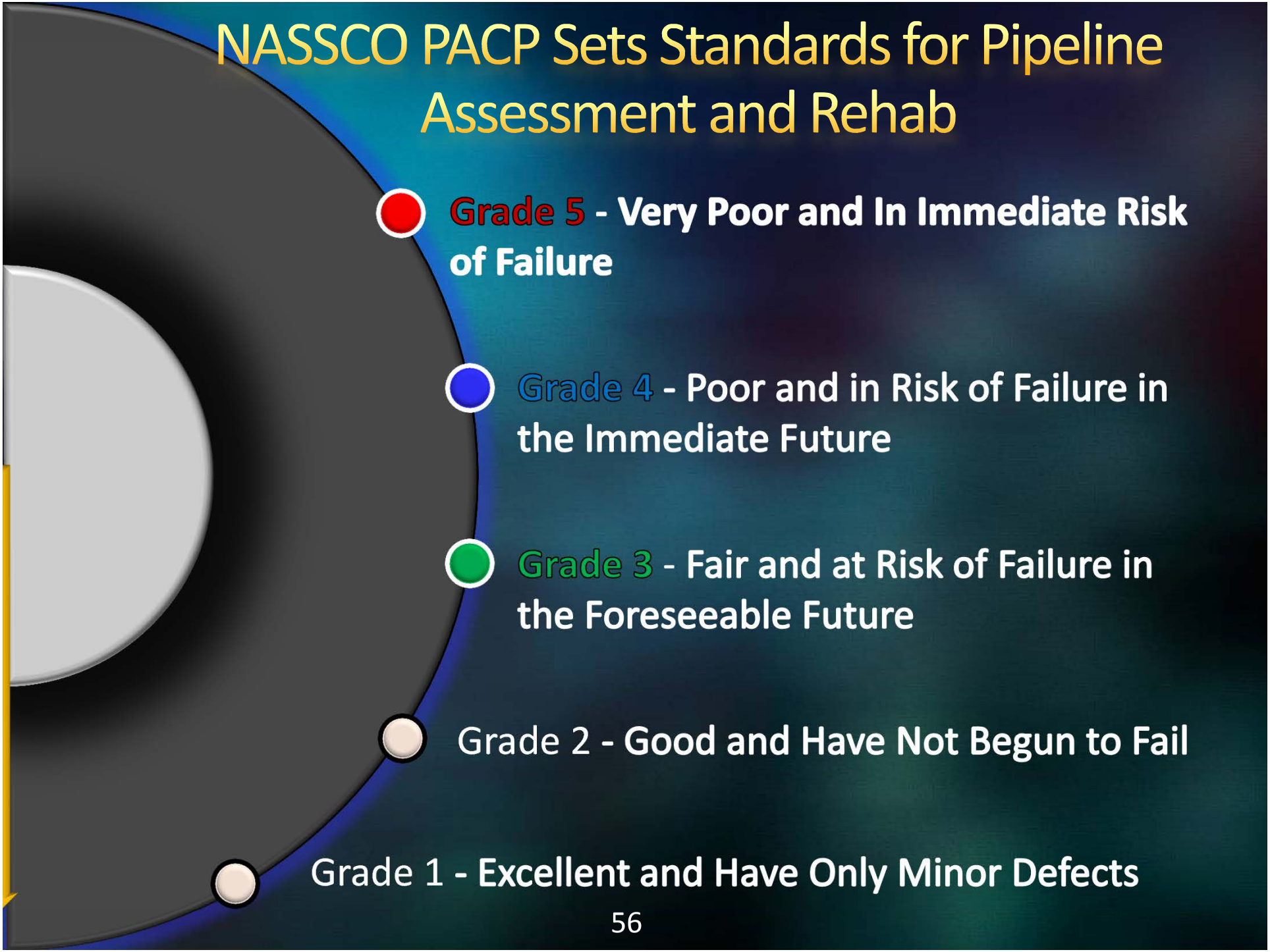

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CITY OF MANHATTAN BEACH

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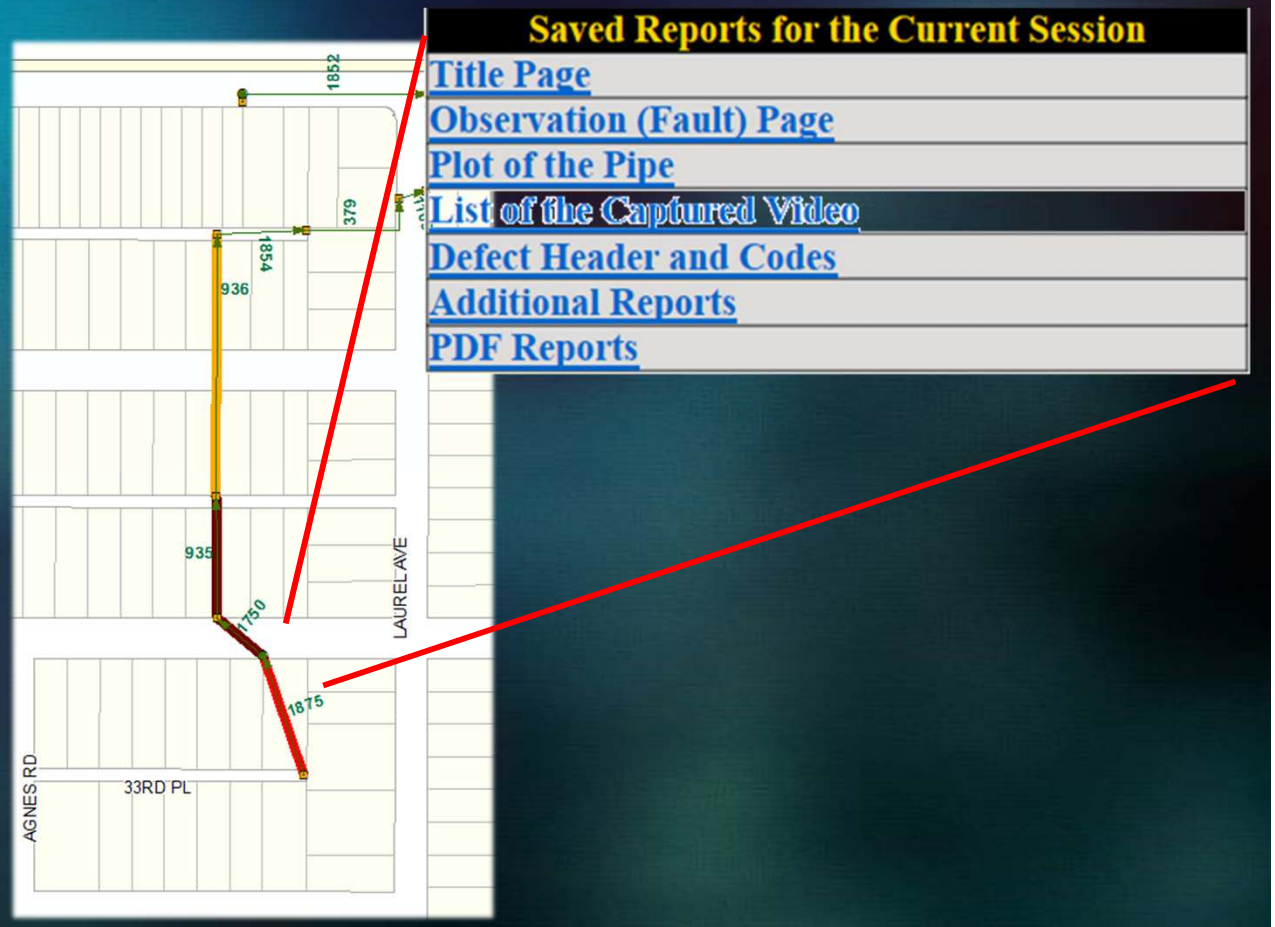


Construction Cost Estimates

Identified 109 projects ranging in cost form $6k - $160k

ID	Grade	Street	Observations	Recommendation	Pipe ID	Size (in)	Material	Length (ft)	Construction Cost Only
Y1-1	5	8th St	HVV at 0' from CB126	Clean and re-CCTV, then repair (6')	327	18	RCP	6	$12,500
Y1-2	5	Ardmore Ave	Defective transition structure at 6' from CB511; Broken at 14' and 56' from N174 (County Manhole)	Replace transition structure; Repair breaks (6' ea)	393	15	RCP	18	$17,000
Y1-3	5	26th St	LOJ, reinforcement exposed at 7' from MH02-12 (slope change)	Repair (6') including new collar	481	18	RCP	6	$12,500
Y1-4	5	Pine Ave	Broken at 1' from MH04-14	Repair (6')	543	18	RCP	6	$11,500
Y1-4	5	Valley Dr	JOL and JOM beginning 85' and ending 115' from CB515	Replace 30' of 18" RCP and repair landscaping	938	18	RCP	30	$11,500
Y1-4	5	Pine Ave	Corroded invert; Broken beginning 0' and ending 15' from CB693	Replace	1851	12	CMP	168.2	$41,500
Y1-4	5	Pine Ave	Corroded invert, Broken beginning 0' and ending 52' from CB694	Replace	382	18	CMP	81.3	$22,700
								Y1-4 SUBTOTAL	$87,200

10-Year Storm Drain CIP

CIP Year	Structural Repairs	Design, CM, and Admin	Contingency	CCTV (7.5-Miles)	Sub-Total
2014/2015	$195,744	$78,298	$19,574		$293,616
2015/2016	$216,212	$86,485	$21,621		$324,318
2016/2017	$353,436	$141,374	$35,344		$530,154
2017/2018	$353,128	$141,251	$35,313		$529,692
2018/2019	$315,452	$126,181	$31,545	$45,000	$518,178
2019/2020	$315,776	$126,310	$31,578		$473,664
2020/2021	$280,456	$112,182	$28,046		$420,684
2021/2022	$243,204	$97,282	$24,320		$364,806
2022/2023	$223,896	$89,558	$22,390		$335,844
2023/2024	$117,072	$46,829	$11,707	$45,000	$220,608
TOTAL	***$2,614,376***	***$1,045,750***	***$261,438***	***$90,000***	***$4,011,564***

Funding Requirement

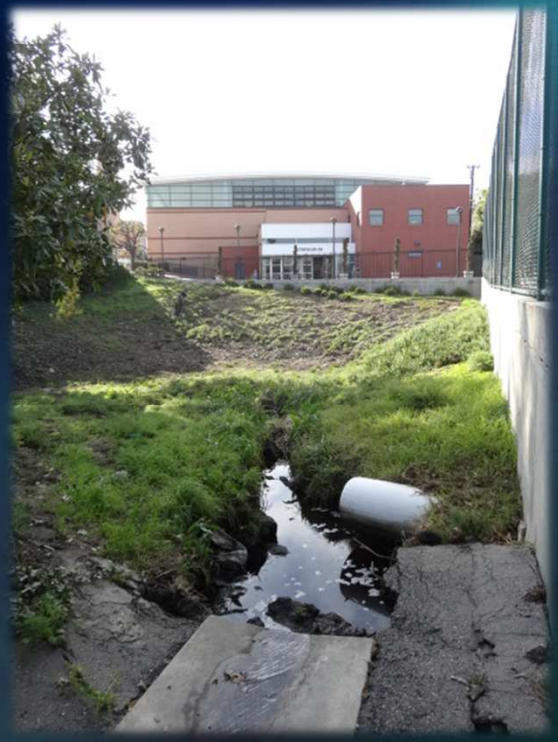
Stormwater Condition Assessment Projects			$4,010,000
Extra Storm Drain Projects	Quantity	Cost	
Stormwater Out Fall Structure	10	$106,000	
Percolation and Drainage Structure	5	$50,000	
Stormwater Out Fall Line	350 Feet	$94,000	
			$250,000
		Total	**$4,260,000**
10 Year Average Annual Funding Requirement			**$426,000**

Polliwog Lake
07/29/2009 13:25

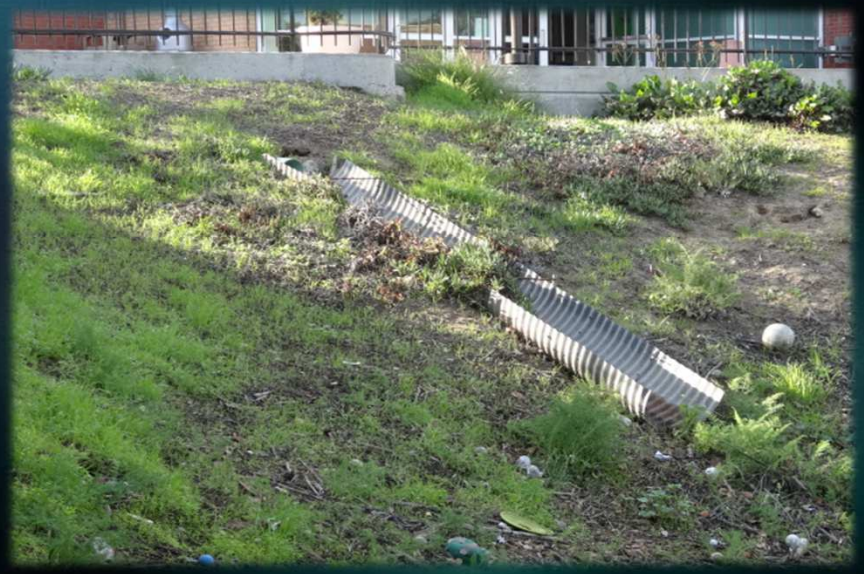

Polliwog Lake
Flooding
PARK CLOSED 10PM-6AM

Marriot Sump Lift Station

Sand Dune Retention Basin



American Martyrs Spreading Ground



23rd/Peck Lift Station

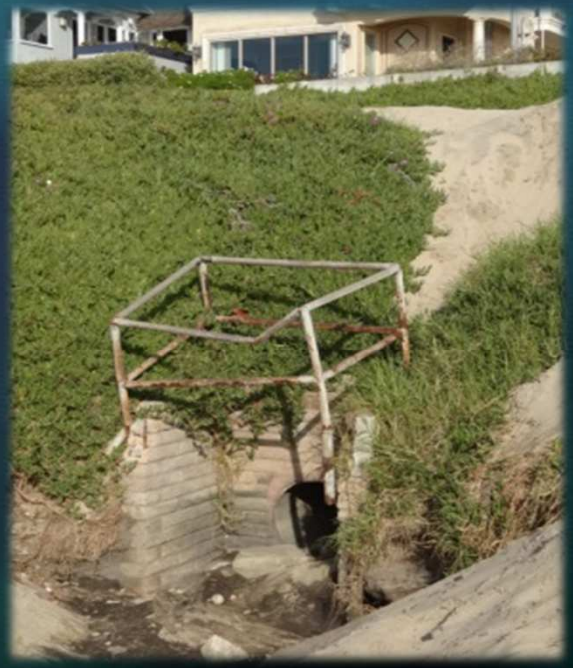

45th Street Outfall

El Porto Parking Lot Percolation/Drainage

Stormwater Outfalls








Questions and Answers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STAFF REPORT

1400 Highland Avenue | Manhattan Beach, CA 90266
Phone (310) 802-5000 | Fax (310) 802-5051 | www.citymb.info

Agenda Date: 1/15/2015

TO:
Honorable Mayor and Members of the City Council

THROUGH:
Mark Danaj, City Manager

FROM:
Bruce Moe, Finance Director

SUBJECT:
Results of Preliminary Studies of Updated Storm Water Utility Fees and Landscape and Street Lighting Maintenance District Assessments; Revenue Measure Feasibility Study Survey Report; Information on Potential General Fund Revenues (Finance Director Moe)
DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:
Staff recommends that the City Council receive presentations, and discuss and provide direction on the preliminary studies (including survey results) for the Storm Water funding and Street Lighting and Landscaping District funding, as well as information regarding other General Fund revenues.

FISCAL IMPLICATIONS:
Both the Storm Water and Street Lighting & Landscape District funds have no fund balance and operate at a deficit. Further, over the next five years, General Fund subsidies of these funds are projected to total approximately $7 million (including unreimbursed support costs incurred in the General Fund). These subsidies draw resources away from other important General Fund needs as well as diminishing the City's ability to fund certain general capital improvement projects.

Additionally, while yet to be fully identified, the costs of compliance with the National Pollution Discharge Elimination System (NDPES) will certainly add significant costs to the Storm Water utility in the coming years, which may require further fee increases in order to fund these federal mandates.

Fiscal implications are discussed further later in this report.

BACKGROUND:
The City established separate funding sources for Storm Water activities (1995), as well as

Street Lighting and Landscaping districts (SLLD, 1972). These funds segregated the activities from the General Fund, and included dedicated revenue sources to pay for the services provided. In the case of Storm Water it is a fee collected on parcels based on a 1996 independent study by the firm of Kennedy Jenks, which allocated costs based on storm water runoff factors for each parcel. An assessment is collected for SLLD which is designed to cover the costs of operations (including energy costs) and maintenance of street lights. Both the fees and assessments are land use based and are collected through the annual property tax bill (even though these are not taxes).

Like other enterprise funds (water, wastewater, parking, etc.), Storm Water and SLLD funds are designed to be self-sustaining (e.g., fees and assessments sufficient to provide the service and maintain adequate reserves). However, these activities are not adequately funded; neither the Storm Water fees or the Street Lighting and Landscaping District assessments have been changed since 1996 (pre Proposition 218), while at the same time costs have risen, and mandates have been imposed. As a result, the General Fund is subsidizing both activities.

Given the aforementioned structural imbalances in the Storm Water and Landscaping and Lighting funds, the City Council authorized preliminary studies of increased fees/assessments. Through a competitive process, the firm of Harris and Associates was retained to conduct the studies, which also included a survey on the community's capacity for increased fees. Please see Attachment #1 for the initial staff report on funding options for Storm Water and Street Lighting and Landscaping Districts.

DISCUSSION:

Attached to this staff report are the preliminary studies as well as the survey results. Staff recommends that City Council read those reports as a basis for the discussion at the Study Session. Dennis Anderson of Harris and Associates will present the information contained in the reports at the Study Session, and will be available for questions.

By way of a high level overview of the reports, the following summarizes the increased fees as determined by Harris and Associates:

Storm Water Analysis (Attachment #2)

Currently, typical single family residence (SFR) owners are charged $19.12 per year for Storm Water services. These parcels, as well as non SFR housing, commercial properties, and school district properties generate approximately $350,000 per year. The estimated annual costs of the Storm Water system for analytical purposes was the FY 2014-2015 operating budget and a placeholder for capital improvement projects of $1 million. The total theoretical cost equals $2,488,545.

Using standard methodology, Harris and Associates engineers developed a technique to allocate those costs ($2.49 million) based on size, use of parcel and runoff factors. The allocation tool is referred to as the Drainage Measurement Unit, or DMU. Full cost recovery would result in a maximum first year fee for each DMU of $191.80. A parcel of .08 to .14 acres (3,500 square feet to 6,100 square feet) equates to 1 DMU. Parcels with fewer than 3,500 square feet carry a DMU of 0.791789, while larger parcels may have DMUs of 13-14.

These DMUs are multiplied by the $191.80 fee to arrive at the annual maximum fee for the first year (which may be adjusted by the Consumer Price Index thereafter if approved by voters). The results of these calculations are shown on Table 4 of Attachment #2 - the Storm Water Utility Fee Preliminary Analysis. First year fees based on the DMUs would range from a low of $151.87 per year to a high of $23,061.51.

Street Lighting and Landscaping Districts (Attachment #3)

Street lighting charges across the City vary based on the type of lighting (standard, gas lamp, Strand, etc.) as well as the type of use (single family, condo, etc.). Current charges range from a low of $2.70 for vacant residential walk street to $208.99 for a triplex in the Gas Lamp area. A typical single family residence (SFR) with standard street lighting pays $17.03 per year. These assessments have not been changed since 1996.

The preliminary analysis by Harris and Associates calculates the fee required for a SFR with standard lighting (Zone A) at $38.79 (an increase of $21.76 or 128%). Further, the Landscaping and Lighting District assessments for SFR within each identified zones would increase as follows:

Description	Current	Required	Increase %
Zone A - Standard Lighting	$17.03	$38.79	128%
Zone B - Gas Light Area	$87.08	$155.17	78%
Zone C - The Strand	$10.52	$116.37	1006%
Zone D - Walkway Streets	$10.80	$38.79	259%
Zone E - Arbolado Tract	$126.34	$155.17	23%

These figures are based on first year costs of $657,326 as outlined in the report.

While technically classified as a Special Revenue Fund, Street Lighting and Landscaping Districts are quasi enterprises; they are designed to function in the same manner as enterprises, meaning charges (assessments) for service should be sufficient for the operations to be self-supporting.

Survey Results

Through Harris and Associates, a survey was conducted by the firm of True North Research based on the above fees and assessments (please see Attachment #4). By way of a summary, staff recommends a review of pages 5 through 10 of the report, which includes the main factual findings and conclusions.

As described in more detail in the report, neither measure (Storm Water or Street Lighting and Landscaping) garnered the majority required for passage in the survey. Property owner support for the Lighting and Landscaping measure, in particular, was quite low. Even when the rate was reduced to 60% of the proposed fee, support never eclipsed 38% once the weighted votes were factored in.

Support was stronger for the Storm Water fee (reaching 44% at 60% of the proposed fee), but it's clear that for a measure to have a reasonable chance of success a more modest fee (e.g., $35 to $49 per year for the typical property) will be required, along with a number of other conditions spelled out in the report (clear support from the City Council, effective public education, a well-organized independent campaign, etc.).

Dr. Timothy McLarney from True North Research will present the survey results and will be available to answer questions at the Study Session.

Risks from Continued Subsidies

While already stated, the importance of correcting the funding imbalance, particularly in Storm Water, cannot be overemphasized. Recognized experts and organizations in public finance recommend several practices with regard to enterprise funds. For example, the Government Finance Officers Association (GFOA) states that "it is essential that a government maintain adequate levels of working capital in its enterprise funds to mitigate current and future risks and to ensure stable services and fees."

Additionally, Michael Coleman, recognized in the state of California as an expert on local government finance, says that "unless there is a specific reason otherwise, enterprise funds should be self-supporting; cities get into trouble when they continue to subsidize a worsening condition, unless there is a strong public benefit and the subsidy is maintained at a static level" (the latter of which is clearly not the case for Storm Water and Street Lighting).

In 2011, Moody's Investors Service downgraded the City of Fresno, California from Aa2 to A2 (four ratings lower) in part because of increasing General Fund subsidies for underperforming enterprises, and indicated that the rating could improve if there were to be increased self-sufficiency and decreased subsidies for those troubled enterprises.

More recently, in 2012, Moody's downgraded the City of Burlington, Vermont from A3 to Baa3 (four ratings lower) due to strains on the City's resources caused by non-self-supporting enterprise funds, and cited the situation as being caused by inadequate rate increases in prior years.

While the City of Manhattan Beach may not be in the same situation as Fresno or Burlington, it is clear that the rating agencies view on-going enterprise fund subsidies negatively. As a Triple-A rated city, Manhattan Beach would be expected to proactively correct these subsidies.

As a reminder, the City's Financial Policies state that Enterprise Funds will maintain reserves equal to four months of operating expenses. For Fiscal Year 2014-2015 that reserve for Storm Water should be approximately $250,000. However, because we are projecting that by June 30, 2015 there will be no fund balance in Storm Water, there are no funds available for that policy reserve. Street Lighting should also have a reserve of $217,000 but there is no available fund balance. Unfortunately, the General Fund is now the de facto backstop for these enterprises.

Finally, it is important to note that the Storm Water and Street Lighting funds are not only

directly subsidized through cash transfers; the support provided to those enterprises by General Fund resources, which should be reimbursed, is not being collected due to the lack of funds. The total loss to the General Fund from non-reimbursement is approximately $200,000 per year.

The most salient question when considering the risks of continued subsidies is this: What could the City do with $7 million over the next five years if it wasn't needed to support programs that by design should be self-sustaining?

Next Steps

Given the information provided by the preliminary studies and survey, the City Council needs to determine if the City should proceed with a Proposition 218 process for Storm Water fees and/or Street Lighting and Landscaping District assessments. This would include further assistance from the engineering firm, public education and outreach, and polling among other steps. The estimated cost is $125,000 to $175,000 for each process (Storm Water and Street Lighting), which may be recovered through the fees and assessments. The timeline for such processes is 12-18 months.

If the City Council wishes to proceed, staff will return with the necessary contracts and specific details of the processes.

Other Potential Revenues

At the request of City Council, staff has included information on potential General Fund revenues, including the Transient Occupancy Tax (TOT), a Utility User Tax (UUT) and a Sales Transaction Tax (STT). While these are presented as part of the report on funding for the Storm Water, and Street Lighting and Landscaping Districts, it is important to note that TOT, UUT and STT are General Fund revenues that can be used for many purposes (capital improvements, additional services, etc.) and should not be used as a long term solution to the funding of Storm Water and Street Lighting, which have dedicated sources for which corrective action is needed.

Transient Occupancy Tax (TOT)

The City currently collects a 10% TOT on all hotel and motel room rentals, as well as vacation rentals, of 30 days or less. Fifteen percent of the hotel and motel TOT is directed to the City's Capital Improvement Project (CIP) fund for debt service on the Police/Fire facility and to fund general non-enterprise or Special Revenue fund improvements. The balance is deposited in the General Fund (the vacation rental TOT revenue is purely General Fund). The TOT for FY 2014-2015 is projected to generate $3,769,000. As a result, each 1% increase in the TOT rate would be expected to generate $376,900.

Attachment #5 includes a survey of TOT and UUT rates of surrounding cities. Other agencies' TOT rates range from 8% in El Segundo to 14% in Santa Monica, Beverly Hills, Inglewood and Los Angeles (these rates exclude any tourism or hotel improvement district fees).

Changes to the TOT require a vote by the electorate. If the funds will be used for general

purposes then a simple majority is required for passage. If the funds are to be dedicated to a particular purpose, then a super majority (2/3rds) approval is required.

Utility User Tax (UUT)
While the City of Manhattan Beach does not currently have this tax, it is common for cities to impose (with voter approval) a tax on the use of utilities. These typically include cable television, telephone service, natural gas, electricity, water, sewer, etc.

Attachment #5 includes the UUT rates for other communities, which range from 0% to 10% depending upon the utility being taxed. The cities of Beverly Hills, Palos Verdes Estates and Rolling Hills along with Manhattan Beach do not impose or collect the tax. The other cities listed range from 2% to 10%.

A preliminary analysis of a UUT in Manhattan Beach indicates potential annual revenue of approximately $880,000 from each 1% if charged on the aforementioned services (with the exception of telephone services for which we have no current data on revenues generated by the carriers). Imposing a UUT requires a vote by the electorate. If the funds will be used for general purposes than a simple majority is required for passage. If the funds are to be dedicated to a particular purpose, then a super majority (2/3rds) approval is required.

Add-On Sales Transaction Tax (STT)
An increasingly popular method for cities to generate revenue is through an increase in the local sales tax (a transaction tax). Cities have used this tool to fund general needs as well as specific purposes including police/fire services, flood control, streets and road, etc.

Like the TOT and UUT, imposing a STT requires a vote by the electorate. If the funds will be used for general purposes than a simple majority is required for passage. If the funds are to be dedicated to a particular purpose, then a super majority (2/3rds) approval is required. Recent statistics show that 68% of city general purpose sales transaction tax ballot measures have been successful. Specific purpose city sales transaction tax measures have been less successful at 50% approval.

By way of mechanics, the sales transaction tax would be added to the existing sales tax rate in Manhattan Beach (9%), and collected on all retail transactions. Staff estimates each one-quarter percent (.25%) of sales transaction tax would generate approximately $2,225,000 annually. The maximum transaction tax allowable by law is 2%.

CONCLUSION:
The City currently subsidizes Storm Water and Street Lighting and Landscaping District activities. Over the next five years, those subsidies are expected to total approximately $7 million, which reduces funds available for General Fund purposes including police, fire and paramedics, as well as general non-enterprise capital improvement projects.

The studies performed by Harris and Associates indicate that sizeable increases are needed in both Storm Water fees and Street Lighting and Landscaping District assessments in order

to fully fund these enterprises. However, the survey conducted on these topics concluded that there is not sufficient support for full cost recovery fees and assessments, but that the Storm Water fee may have a reasonable chance of success if a more modest fee were pursued. It also listed other conditions that need to be present for success, including clear support from the City Council, effective public education, a well-organized independent campaign, etc.

Staff has also presented several potential General Fund revenue sources which may be used to fund enhanced services. While these are presented as part of the report on funding for the Storm Water, and Street Lighting and Landscaping Districts, it is important to note that TOT, UUT and STT are General Fund revenues that can be used for many purposes (capital improvements, additional services, etc.) and should not be used as a long term solution to the funding of Storm Water and Street Lighting, which have dedicated sources for which corrective action is needed.

Attachments:

1. City Council Staff report from 8/21/2013 on Funding Options for Storm Water and Street Lighting
2. Storm Water Utility Fee Preliminary Study
3. Street Lighting and Landscaping District Assessment Preliminary Study
4. Revenue Measure Survey results
5. Utility User Tax and Transient Occupancy Tax Comparison Chart

Legislation Text

File #: 13-0328, **Version:** 1

TO:
Honorable Mayor and Members of the City Council

THROUGH:
David N. Carmany, City Manager

FROM:
Bruce Moe, Finance Director

SUBJECT:
Funding Options and Processes to Mitigate Storm Water and Street Lighting & Landscaping District Deficits.
DISCUSS AND PROVIDE DIRECTION

_____

RECOMMENDATION:
Staff recommends that the City Council discuss and provide direction regarding funding options and processes to mitigate Storm Water, and Street Lighting and Landscaping District deficits.
FISCAL IMPLICATIONS:
Both the Storm Water and Street Lighting & Landscape District funds operate at a deficit. Further, over the next five years, General Fund subsidies of these funds are projected to total $4,058,555. These subsidies draw resources away from other important General Fund needs as well as diminishing the City's ability to fund certain general capital improvement projects. Under current conditions, the City's five year forecast projects the use of Economic Uncertainty funds of $2.7 million between fiscal year 2015 and 2018, and reduced capital improvement funding below the annual goal of $2 million per year starting in fiscal year 2016-2017. The subsidies to Storm Water and Street Lighting and Landscaping funds are directly related to these projections.

Additionally, while yet to be fully identified, the costs of compliance with the National Pollution Discharge Elimination System (NDPES) will certainly add significant costs to the Storm Water utility in the coming years, which may require further fee increases in order to fund these federal mandates.

BACKGROUND:
One of the City Council Strategic Plan goals is for staff to present to the City Council for action, alternative funding for existing Street Lighting and Landscaping District, Storm Water utility, and streets and sidewalks. This report addresses the first two activities. The remaining issue, Streets and Sidewalks, which focuses on resident responsibility for maintenance and repair of sidewalks and parkway trees, and the potential for the City to takeover that responsibility, is a much broader topic than addressing the existing deficits in the other two funds. Further, Streets and Sidewalks require two separate processes under two separate State laws, further complicating the overall goal of correcting the Storm Water and Street Lighting deficits. As a result, staff will present that topic and related issues and options at a future meeting.

DISCUSSION:
The purpose of this report is to highlight the insufficient funding of the City's Storm Water utility and Street Lighting and Landscaping Districts, and provide information on the steps necessary to mitigate the funding shortfalls. The report is designed to provide a high level overview. This report does not estimate the fees or assessments necessary to fully fund these operations; that determination will require further analysis as well as assistance from outside parties. Depending upon the City Council's discussion, staff would anticipate receiving direction to pursue a course of action which will necessitate additional funding and hiring such consultants necessary to fully vet the issues and develop plans (e.g., assessment engineers, polling and public relations firms, etc.).

Storm Water
The City's Storm Water system is designed to channel water generated as a result of storm flows from public right of ways and private properties to its ultimate drainage destination, the Pacific Ocean. Because run-off water travels directly to the ocean without the benefit of treatment, operators of storm drain systems must comply with the conditions of the National Pollutant Discharge Elimination System (NPDES) permit. The Storm Drain system is comprised of: 83,538 feet of Manhattan Beach storm lines and 43,805 feet of Los Angeles County storm lines; 800 catch basins; eight continuous deflection systems; two dry weather storm water diversions; five storm water sumps; and one lift station.

The Storm Water utility is funded through the Storm Water Fund. The annual Storm Water fee is approximately $19 per year per single family residence but varies with land use. It is collected by Los Angeles County through the property tax rolls, and remitted to the City. This fee generates approximately $346,000 per year and has remained unchanged since 1996. However, total costs to operate this service are growing due to federal clean water mandates.

The City's Storm Water Fund is utilized to promote storm water pollution awareness to the citizens of Manhattan Beach in order to prevent property damage due to flooding, and minimize pollution run-off into the ocean consistent with the National Pollution Discharge Elimination System requirements. Other current activities in the fund include updating the City's Storm Drain System Master Plan; developing storm water runoff monitoring and capture programs that will reduce trash and pollutants that enter the sea; identifying and mitigating storm system illicit discharge and illicit connection violations; performing maintenance of catch basins, continuous deflector separators and Polliwog Pond to minimize trash conveyance to the sea in compliance with NPDES Total Daily Maximum Load (TMDL) requirements for trash and bacteria; and maintaining dry weather diversion sump to assure dry weather run-off is conveyed away from the ocean and to the Los Angeles Sanitation District in an effort to reduce bacteria contamination at the shore line.

While the total costs of compliance with the NPDES Municipal Separate Sanitary Storm System (MS4) permit are yet to be determined, the City's current five year forecast (included in the FY 2013-2014 budget) projects General Fund subsidies totaling $2,726,332 from Fiscal Year (FY) 2013-2014 through FY 2017-2018. This excludes the General Fund overhead charge for services provided by General Fund to the Storm Water utility of $375,000 per year, which is not being recovered due to insufficient fund balance in the Storm Water Fund. These subsidies have a deleterious effect on the General Fund and take away from other services that are provided by the City with General Fund dollars (e.g., Police, Fire, Paramedics, Parks and Recreation, etc.). It also has a direct effect on the City's ability to fund capital improvement projects since General Fund surpluses are relied upon to

fund such activities.

The City's current fee is insufficient to fully fund the Storm Water utility and its long range requirements. Increasing the fee to offset these costs is a logical starting point to correct the existing problem, while at the same time recognizing future costs are yet to be determined and may require further action by the City Council to offset those costs.

Substantive Requirements
Adjusting the funding for the Storm Water operation can be accomplished through updating the annual fee under the authority of the California Health and Safety Code Section 5471 et seq. The fee is also governed by Article XIII D of the California Constitution (Proposition 218) Section 6. Section 6 of Proposition 218 identifies five (5) specific requirements:

1. Revenues derived from the fee shall not exceed the funds required to provide the property related service.

2. Revenues derived shall not be used for any purpose other than that for which the fee was imposed.

3. The amount of the fee imposed upon any parcel as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

4. No fee may be imposed for a service unless that service is actually used by or immediately available to the owner of the property. Fees or charges based on potential or future use of a service are not permitted.

5. No fee may be imposed for general governmental services.

Procedural Requirements
Once the above conditions are met, the following steps are necessary to gain approval for the new fee:

1. Prepare a storm water runoff analysis using an engineer

2. Prepare a preliminary cost and fee analysis (including the City's triennial cost allocation plan scheduled to begin in Fall 2013)

3. Conduct public education and outreach/opinion polling

4. Prepare an Engineer's Report

5. Mail a notice of Protest Hearing (45 days prior to hearing) to all property owners

6. Conduct Protest Hearing; if no majority protest is received, then submit the proposed fee increase to the voters for approval at an election that is not less than 45 days after the public hearing.

7. Conduct election. The proposed fee increase must be approved by a majority vote of the property owners of the property subject to the fee or, at the option of the City, by a two-thirds vote of the

electorate of the City.

This process typically lasts 12 to 18 months. It involves a tremendous amount of research, community outreach and information dissemination. Often times, community surveys are performed and public relations firms are retained in order to publicize the need and explain the purpose of the funding requirement. The total process from start to finish costs an estimated $125,000 to $175,000 plus mailing costs. It is possible to recover those costs through the fee, perhaps over an extended period of time (several years in order to keep the fee as low as possible). The City Council could also consider a sunset clause on the fee; the City of Rancho Palos Verdes included a 30 year sunset clause in their recent voter-approved storm drain fee.

Before committing to any large scale process, the City Council may wish to perform a preliminary analysis of the issue with the community. This can include an engineer's calculation of the estimated fee increase and early polling. This can be accomplished in a timeframe of 4 to 6 months with an estimated cost of $30,000. The Council may consider combining polling of both the Storm Water and Street Lighting and Landscaping District issues in one survey for efficiency.

City Council's alternatives to increasing the Storm Water fee include continued General Fund subsidization; seeking voter approval for a general tax increase, the proceeds of which may be used to continue that subsidy; or seeking a special tax increase specifically for Storm Water funding purposes (requiring 2/3 voter approval).

Street Lighting & Landscaping Districts

In the early 1970's, the City formed several Street Lighting & Landscaping Assessment Districts under the State Landscaping and Lighting Act of 1972. Through an assessment paid by property owners, this program provides for the payment of energy and maintenance costs of one thousand, eight hundred and eighty five (1,885) street lights, and landscaping in the downtown streetscape district. The method of assessment, which was approved at the time of the districts' formation, is based on zones and dwelling units for street lighting, and frontage area in the landscaping district. It is collected by Los Angeles County through the property tax rolls, and remitted to the City.

Like the Storm Water utility, the revenues generated are insufficient to support existing operations, as well as funding for capital improvements. The assessments have remained unchanged since 1996 when Proposition 218 took effect, which imposed strict limitations on the City's authority to assess. As a result, the City has not changed the assessments since that time.

The result of unchanged assessments and rising costs has resulted in General Fund subsidies of SLLD of $1,332,223 over the next five years. Like Storm Water subsidies, these will directly impact the City's ability to fund general capital projects and offer expanded services to the community. The original assessments were created to fund these services and the fees required to meet that goal should be updated to reflect the actual costs.

Updating and increasing the assessments would be subject to the limitations in Proposition 218. As relevant here, the requirements to increase the assessment are as follows:

Substantive Requirements

Under Proposition 218, only special benefits, defined as "particular and distinct benefit over and above general benefits conferred on real property located in the [assessment district] or to the public

at large" are assessable. General enhancement of property value does not constitute *special* benefit. Furthermore, no assessment may be levied against a parcel that exceeds the reasonable cost of the proportional special benefit conferred on the parcel (This is a change from the requirements in place when the district was originally established). Funds other than assessment proceeds must be used to pay for the general benefits associated with a project. If an assessment is challenged in court, the City would bear the burden of showing that these requirements have been met.

Proposition 218 requires that an assessment be supported by a detailed engineer's report, prepared by a registered professional engineer. The report must, among other things, (i) identify all parcels which will have a special benefit conferred upon them by the assessment, (ii) determine the proportionate special benefit derived by each parcel in relation to the entire cost of the improvement being built or the service being provided, (iii) separate the general benefits from the special benefits conferred upon each parcel, and (iv) identify the amount of the assessment to be levied against each parcel.

As a practical matter, these requirements mean that, should the City decide to undertake proceedings to increase the assessment, it must be prepared to utilize some alternate source of funds to pay for a portion of the costs. This is because an assessment engineer likely will find at least some general benefit is generated by the street light services. As has been noted, such general benefits may not be assessed against real properties.

Procedural Requirements

Proposition 218 also requires that the City conduct a hearing and mail ballot proceeding prior to the imposition of a new or increased assessment. Mailed notice must be sent to each owner of property that will be subject to the assessment. Along with this notice, the City must include an assessment ballot, which may be cast by the property owner at any time before the close of the hearing on the assessment. If, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, then the assessment may not be imposed. Ballots are weighted according to the proportional financial obligation that the property would bear if the assessment is imposed. Thus, for example, a ballot for a property that would be subject to a $1,000 assessment would have ten times as much weight as a ballot for a property subject to a $100 assessment.

Assuming no majority protest, the City Council may approve the assessment.

Similar to the Storm Water fee, this process typically lasts 12 to 18 months. It involves a tremendous amount of research, community outreach and information dissemination. Often times, community surveys are performed and public relations firms are retained in order to publicize the need and explain the purpose of the funding requirement. The total process from start to finish costs an estimated $100,000 to $150,000 plus mailing costs. It is possible to recover those costs through the assessment, perhaps over an extended period of time (several years in order to keep the assessment as low as possible).

Before committing to any large scale process, the City Council may wish to perform a preliminary analysis of the issue. This can include an engineer's calculation on benefit-nexus and early polling. This can be accomplished in a timeframe of 4 to 6 months with an estimated cost of $25,000. The Council may consider combining polling of both the Storm Water and Street Lighting and Landscaping District issues in one survey for efficiency.

City Council's alternatives to increasing the Street Lighting & Landscaping assessments include continued General Fund subsidization; seeking voter approval for a general tax increase, the proceeds of which may be used to continue that subsidy, or seeking a new special tax specifically for Street Lighting and Landscaping funding purposes.

Other Considerations

Aside from the procedural requirements listed for both the Storm Water, and Street Lighting and Landscaping District issues, there are other considerations. For example, when scheduling the election process, it may be helpful to avoid general elections to minimize distractions from important community issues such as this. This would suggest a target of late 2013 or mid 2015 to commence the City's efforts. Additionally, asking the community to address both issues at the same time may prove to be too much, and could result in neither succeeding. Finally, it is important that any efforts be supported by the entire City Council, and that the City Council actively engages the public in dialog and education on the needs.

CONCLUSION:

The Storm Water, and Street Lighting and Landscaping District services are operating at deficits, and will require continued General Fund subsidies unless action is taken to increase the fees/assessments to recover costs. If the City Council wishes to proceed with addressing these issues, staff recommends that the City Council authorize a preliminary analysis of Storm Water *and/or* Street Lighting Assessment District costs and the resulting estimated fees/assessments. If so directed, staff will seek proposals for the assessment engineer and polling firm needed to perform the work and return to the City Council for contractual approval and appropriation.

ALTERNATIVES:

1. Authorize preliminary analysis/polling for Storm Water fees ($30,000 and 4-6 months after contract award)

2. Authorize preliminary analysis/polling for Street Lighting and Landscaping District assessments ($25,000 and 4-6 months after contract award)

3. Authorize preliminary analyses for both Storm Water fees and Street Lighting and Landscaping District assessments ($55,000 and 4-6 months after contract award)

4. Take no action at this time (continue subsidies)

Harris & Associates

SHAPING THE FUTURE ONE PROJECT AT A TIME

DRAFT

Preliminary Analysis

for the

Stormwater Utility Fee

For the

City of Manhattan Beach

June 18, 2014

Introduction

The City of Manhattan Beach is looking at the feasibility of updating their Stormwater Utility Fee per the California Health and Safety Code Section 5471 et seq.

The purpose of this Preliminary Analysis is to:

- Review the Stormwater Utility Fee and improvements to be funded.
- Review the requirements of Article XIIID of the State Constitution (Proposition 218) relating to requirements for apportioning the costs associated with the City's stormwater runoff system.
- Analyze and recommend an appropriate rate structure and provide estimated rates based on cost data information provided by the City.

Proposition 218 Requirements

This fee must comply with the provisions of Article XIIID of the California Constitution (Proposition 218). Section 6 of Proposition 218 has the following requirements for all "new, extended, imposed or increased" fees and charges:

1) "Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service."

2) "Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed."

3) "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."

4) "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with [the assessment section of this code]."

5) "No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services where the service is available to the public at large in substantially the same manner as it is to property owners."

Background Information

In accordance with the Federal Clean Water Act of 1972, the United States Environmental Protection Agency (EPA) is required to establish regulations setting forth National Pollution Discharge Elimination System (NPDES) permit standards. The enactment of 1987 amendments to the Federal Clean Water Act (Act) of 1972 imposes permit requirements for discharge of storm waters. The Act allows the EPA to delegate its NPDES permitting authority to states with an approved environmental regulatory program. The State of California is one of the delegated states.

The responsibility for implementing various NPDES permits in the State of California has been delegated to the State Water Resources Control Board (SWRCB). The SWRCB administers NPDES authority through its nine Regional Boards. As an NPDES permittee, the City is required to manage stormwater pollution within its jurisdiction.

In order to provide for the safety of the residents of the City and protect property in the City from the damage associated with flooding and to meet the requirements of the NPDES permit, it is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff and convey and treat such runoff in a safe manner to an acceptable point of discharge. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping, and illicit discharges. In order to properly fund such facilities and activities, the City has determined that it is necessary to update the user charge for storm drainage service.

Harris reviewed the City's parcel data and stormwater sheds to determine the applicable properties that would be subject to this user fee. For purposes of the feasibility analysis, any properties that are in sheds where the storm water drains outside the City limits, have been removed from this analysis. Table 1 summarizes the land uses currently in the City that would be subject to the fee.

Table 1 – Land Use

Landuse	Units	Acres
Single Family Residential lot size less than 0.08	1896	
Single Family Residential lot size 0.08-0.14	4609	
Single Family Residential lot size 0.15-0.19	1917	
Single Family Residential lot size 0.20-0.24	219	
Single Family Residential lot size 0.25-0.49	115	
Single Family Residential lot size 0.49-1	17	
Condo	693	
MFR	1412	
Commercial		120.99
Schools		3.42
Parks/Greenbelts		5.71
Parking Lots		2.83
Government Offices		9.79
Beach		55.89
Median		6
Easements		0.17

Services Funded

Expenditures from the revenue generated from the Stormwater Utility Fee are intended to comply with the requirements set forth in the NPDES permit and routine maintenance and capital replacement.

Rate Structure Analysis

Section 6.b of Article XIIID of the State Constitution (Proposition 218) states that:

> "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel."
>
> and
>
> "No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question."

By definition, all properties that shed stormwater into the City's stormwater drainage system use, or are served by, the City's stormwater drainage system. The amount of use attributed to each parcel is measurable by the amount of storm runoff contributed by the property, which is directly proportional to the amount of impervious area on a parcel (such as buildings and concrete). The more impervious area on a property, the more storm runoff the property generates, the more demand placed on the storm drain system.

The amount each parcel uses the stormwater drainage system is computed by the following formula:

(Parcel Area) x (Impervious Percentage) = Drainage Units

The typical percent impervious (% Impervious) for residential land uses in the City, were obtained by reviewing available parcel data and aerial photos. These percentages have been applied for the purposes of estimating the runoff generated by each property. For non-residential landuses, the LA County drainage manual percent impervious areas were used. These impervious areas are shown in Appendix A.

The more Drainage Units a parcel has, the more storm run-off it generates, and the more it uses and impacts the stormwater drainage system.

It is standard practice to relate other land uses to a developed single family residential (SFR) parcel, instead of working exclusively with drainage units. The median size of a SFR parcel will be approximately 0.11 acre. Therefore, it makes sense to relate all parcels to this median residential property. The runoff from a 0.11-acre SFR parcel is set equal to one Drainage Measurement Unit (DMU) and this base DMU is calculated as follows:

(0.11 acres of area) x 62% = 0.0682 Impervious Area = 1 DMU

Single Family Residential Parcels

As a SFR property increases in size over the median parcel size, the typical percentage of impervious area decreases, as shown in Appendix A. Conversely, as a SFR parcel decreases in size below the median parcel size, the typical percentage of impervious area increases, and such increase is typically proportional to the decrease in size. Therefore, SFR properties are separated into six (6) groups. The median parcel area for each group was used and their DMUs are calculated as follows:

SFR Category	DMU/ Formula
SFR parcels 0.07 acres or less	0.7918 DMUs
SFR parcels 0.08 - 0.14 acres	1.00 DMU
SFR parcels 0.15 – 0.19 acres	1.246 DMUs
SFR parcels 0.20 – 0.24 acres	1.386 DMUs
SFR parcels 0.25 – 0.49 acres	1.560 DMUs
SFR parcels 0.50 – 1.00 acres	1.865 DMUs

Multi-Family Residential Parcels

Multi-Family Residential (MFR) and Condominiums (Condos) would pay a fee based on the lot acreage as follows:

MFR Category	% Impervious
MFR	90%
Condo	93%

$$\frac{\text{Acreage x \%Impervious}}{0.0682} = \text{DMUs}$$

Condominium unit parcel areas are calculated by dividing the total area of the condominium complex (which includes the common area) by the number of condominium units, and the total imperviousness of the entire complex is attributed to each individual condo parcel in the complex. (This divides the runoff of the entire complex to each of the individual units.) Because these condominium common areas are taken into consideration in this manner, they are exempt from the charge.

Non- Residential Parcels

All non-residential parcel DMUs will be based on the impervious area (runoff coefficient) table shown in Exhibit B, using the following formula:

$$\frac{\text{Acreage x \%Impervious}}{0.0682} = \text{DMUs}$$

All parcels draining into the Manhattan Beach Stormwater Utility Fee-maintained drainage infrastructure are proposed to be charged the same user fee rate per DMU for stormwater runoff treatment. The Manhattan Beach Stormwater Utility Fee is proposed in perpetuity.

For the purposes of this report, City-maintained drainage infrastructure includes streets, pipes, inlets, outlets, and natural drainage courses. Parcels related to these types of property uses are exempt from the runoff charge, as they are part of the infrastructure being funded.

Drainage units may be adjusted based on appeal from the property owner. See the Appeals Process below.

Table 2, below, provides a preliminary summary of DMUs for the various land uses in Manhattan Beach.

Table 2 – Drainage Measurement Unit Summary Table

Landuse		Number of Units	Acres	DMUs
SFR	lot size less than 0.08	1896		1501
SFR	lot size 0.08-0.14	4609		4609
SFR	lot size 0.15-0.19	1917		2389
SFR	lot size 0.20-0.24	219		303
SFR	lot size 0.25-0.49	115		179
SFR	lot size 0.49-1	17		32
Condos		693		851
MFR		1412		1296
Commercial			120.99	1635
Public Parcels			83.81	178
Total:		**10878**	**204.8**	**12,974**

Cost Estimate

Table 3 below shows the estimated costs to maintain infrastructure in the City. The annual maintenance costs were derived from the FY 14-15 proposed budget. The City's 5-year CIP budget was used to derive the annual cost for repairs. A ten (10) percent contingency was added as well as a ten (10) percent overhead and administration allowance. The detailed budget information is shown in Appendix B.

Table 3 – Estimated Costs

Item	FY 14/15 Budget
Storm Drainage Maintenance	$ 623,454
Repairs and Replacements	$ 608,000
CCTV	$ 9,000
Subtotal:	$ 1,240,454
Contingency	$ 124,045
Overhead and Administration	$ 124,045
Capital Projects	$ 1,000,000
Total Annual Cost	**$ 2,488,545**

Fee Calculations

The estimated annual costs for the proposed storm drain improvements are $2,488,545 as shown in Table 3 above. Dividing that by the total number of proposed DMU's in Manhattan Beach (12,974), the maximum estimated annual Stormwater Utility Fee rate is **$191.80 per DMU**.

This would be the proposed maximum fee rate for fiscal year 2014-15. The maximum rate will be increased each subsequent Fiscal Year by the annual change in the Consumer Price Index (CPI), during the preceding year, for All Urban Consumers, for the Los Angeles area, published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index should the stated index be discontinued, as determined by the Director of Public Works).

The actual rate to be levied each year will be as approved by the City at a public hearing, after they consider an Annual Fee Report outlining the estimated annual costs of the program for the ensuing fiscal year.

Table 4 provides sample fee calculations for various land uses and parcel sizes.

Table 4 – Sample Calculations

Category	Lot Size	Total Area (acres)	Runoff Coefficient	DMU's	Sample Fee
Single Family Residential	lot size less than 0.08	0.06		0.791789	$ 151.87
Single Family Residential	lot size 0.08-0.14	0.1		1	$ 191.80
Single Family Residential	lot size 0.15-0.19	0.17		1.246334	$ 239.05
Single Family Residential	lot size 0.20-0.24	0.22		1.38563	$ 265.77
Single Family Residential	lot size 0.25-0.49	0.3		1.560117	$ 299.24
Single Family Residential	lot size 0.49-1	0.75		1.865103	$ 357.73
Condo		1	93%	13.63636	$ 2,615.51
MFR		1	90%	13.19648	$ 2,531.14
Commercial		1	96%	14.07625	$ 2,699.88
Schools		10	82%	120.2346	$ 23,061.51
Parks/Greenbelts		5	10%	7.331378	$ 1,406.19
Parking Lots		1	91%	13.34311	$ 2,559.27
Government Offices		1	91%	13.34311	$ 2,559.27

Respectfully submitted:

Harris & Associates

Dennis A. Anderson
Senior Project Manager

APPENDIX A

Runoff Coefficient

Category	Lot Size	Percent Impervious
Single Family Residential	lot size less than 0.08	90%
Single Family Residential	lot size 0.08-0.14	62%
Single Family Residential	lot size 0.15-0.19	50%
Single Family Residential	lot size 0.20-0.24	45%
Single Family Residential	lot size 0.25-0.49	38%
Single Family Residential	lot size 0.49-1	24%
Condo		93%
MFR		90%
Commercial		96%
Schools		82%
Parks/Greenbelts		10%
Parking Lots		91%
Government Offices		91%
Beach Parks		10%

Residential percent impervious were taken by looking at the average impervious area by lot size.

Non-residential percent impervious were taken from the LA County Drainage Manual.

Appendix B

Cost Information

CITY OF MAHNHATTAN BEACH
10-Year Storm Drain Condition Assessment CIP Summary

CIP Year	Stuctural Repairs	Design, CM, and Admin	Contingency	CCTV (7.5-Miles)	Grand Total
2014/2015	$195,744	$78,298	$19,574		$293,616
2015/2016	$216,212	$86,485	$21,621		$324,318
2016/2017	$353,436	$141,374	$35,344		$530,154
2017/2018	$353,128	$141,251	$35,313		$529,692
2018/2019	$315,452	$126,181	$31,545	$45,000	$518,178
2019/2020	$315,776	$126,310	$31,578		$473,664
2020/2021	$280,456	$112,182	$28,046		$420,684
2021/2022	$243,204	$97,282	$24,320		$364,806
2022/2023	$223,896	$89,558	$22,390		$335,844
2023/2024	$117,072	$46,829	$11,707	$45,000	$220,608
TOTAL	**$2,614,376**	**$1,045,750**	**$261,438**	**$90,000**	**$4,011,564**

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Reference : 15-18-311
Date : 03/03/2014
Description : PWKS - Storm Drain Maint
Fiscal Year : 2015
Document No : 8138
Group : pwks15

Account Mask : *-18-311-*
Account Class : DE Department Budgeting Exp

Column 1 : Content : * 2013 Actuals
Formula :

Column 2 : Content : * 2014 CC ADOPTED VI
Formula :

Column 3 : Content : * 2014 Actuals
Formula :

Column 4 : Content : 2014 Yr. End Est
Formula :

Column 5 : Content : 2015 DEPT REQ II
Formula :

FY 12/13 Actual | 13/14 adopted | 13/14 year-end estimates | Proposed 14/15

Account Number & Title	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
502-18-311-4103 Part Time Employee Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-4111 Overtime Regular Employees	0.00	3,932.00	96.50	500.00	3,515.00	0.00	0.00
502-18-311-5101 Contract Services	96,995.67	665,314.00	286,120.21	635,400.00	595,188.00	0.00	0.00
502-18-311-5102 Contract Personnel	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5103 Audit Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5104 Computer Contract Services	663.06	2,340.00	0.00	2,300.00	2,410.00	0.00	0.00
502-18-311-5108 Legal Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5201 Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5202 Memberships & Dues	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5203 Reference Books & Periodical	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5204 Conferences & Meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5205 Training	0.00	20,000.00	0.00	2,000.00	2,000.00	0.00	0.00
502-18-311-5206 Uniforms/Safety Equipment	279.54	675.00	31.69	700.00	1,422.00	0.00	0.00
502-18-311-5207 Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5209 Tools & Minor Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5210 Computers, Supplies & Softwa	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5212 Office Equipment Maintenanc	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5213 Computer Maintenance & Rep	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5214 Employee Awards & Events	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5216 Tuition Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* = View-only field ! = Formula does not apply

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 170

Reference : 15-18-311
Date : 03/03/2014

Description : PWKS - Storm Drain Maint
Fiscal Year : 2015

Document No : 8138
Group : pwks15

(Continued)

Account Number & Title	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
502-18-311-5217 Departmental Supplies	15,951.31	10,947.00	4,106.86	10,000.00	8,764.00	0.00	0.00
502-18-311-5218 Recruitment Costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
502-18-311-5225 Printing	0.00	20,000.00	0.00	2,000.00	10,000.00	0.00	0.00
502-18-311-5611 Warehouse Purchases	78.88	450.00	23.03	100.00	155.00	0.00	0.00
Total :	113,967.58	722,458.00	290,378.29	653,000.00	623,454.00	0.00	0.00

13/14 adopted

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 171

Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-4111 Overtime Regular Employees

	Qty	Unit	Unit Cost	Amount
(1)	85.00	hrs	46.25	3,931.25
	Emergency overtime for 1 Stormwater Worker 85 Hours at new MOU OT rate for average Sewer Maint Worker (no Stormwater M/W avail)			
(2)	0.00		0.00	0.75
	Rounding			
			Total :	3,932.00

13/14

DEPT REQ II : 502-18-311-4111 Overtime Regular Employees

	Qty	Unit	Unit Cost	Amount
(1)	76.00	hrs	46.25	3,515.00
	After-Hours overtime for water related emergencies 22 hours @$46.25/Hour			
			Total :	3,515.00

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 172

Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5101 Contract Services

	Qty	Unit	Unit Cost	Amount
(1)	12.00		260.00	3,120.00
	Landscape maintenance at Aviation Sump (601 Aviation Way) $260 per month			
(2)	12.00		88.00	1,056.00
	Landscape maintenance at Meadows and Bryant $88 per month			
(3)	0.00		0.00	3,700.00
	Landscape extras - tree trimming, plant replacements, extra work			
(4)	12.00		89.00	1,068.00
	Landscape maintenance at Parkview Avenue E/O Parkway - Marriot Sump $89 per month			
(5)	0.00		0.00	6,700.00
	Sump Pump & Control Repairs Marriot Pumps - 3 @ $1,600 Metlox Pumps - 2 @ $600 Live Oak Pumps - 1 @ $700			
(6)	12.00		80.00	960.00
	Landscape Maintenance at Martyr's Sump (Laurel Ave & 15th St) $80 per month			
(7)	0.00		0.00	240,000.00
	National Pollution Discharge Elimination System Permit Compliance Programs Integrated Stormwater Management Plan $40k Enhanced Stormwater Management Plan $100k Consultant Implementation Plan $100k			
(8)	0.00		0.00	11,440.00
	NPDES Santa Monica Bay Beaches Bacteria Total Maximum Daily Load Testing Program of Ocean Shoreline Water Quality Per Memoramdum of Agreement with the City of Redondo Beach			
(9)	0.00		0.00	2,905.00
	Southern California Edison Pump Efficiency and Diagnostic Testing (7 Pumps @ $415/Pump)			
(10)	0.00		0.00	39,260.00
	Clean Bay Restaurant Certification Inspections Per NPDES Permit Requirements - Contract with John Hunter & Associates			

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

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Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

(11)	0.00	0.00		8,755.00
	Los Angeles County Sanitation District Wastewater/Stormwater Treatment Surcharge - NPDES Point Source Low-Flow Stormwater Diversion at the Pier Weir Preventing			
(12)	0.00	0.00		1,850.00
	NPDES Annual Testing and Calibration of Pier Weir - 1 @ $1,850			
(13)	3.00	1,500.00		4,500.00
	Rebuild Optic Water Level Controller - 3 @ $1,500.00 each			
(14)	0.00	0.00		15,000.00
	Replace Circuit Breaker System at the 23rd/Peck Storm Lift Station			
(15)	0.00	0.00		325,000.00
	Streetsweeping Contract Moved from 510-18-411-5101 per Bruce Estimate based on contract with Arakelian			
			Total :	665,314.00

DEPT REQ # : 502-18-311-5101 Contract Services

	Qty	Unit	Unit Cost	Amount
(1)	12.00		258.00	3,096.00
	Landscape maintenance at Aviation Sump (601 Aviation Way) $258 per month			
(2)	12.00		133.00	1,596.00
	Landscape maintenance at Meadows and Bryant $133 per month			
(3)	0.00		0.00	3,748.00
	Landscape extras - tree trimming, plant replacements, extra work			
(4)	12.00		66.00	792.00
	Landscape maintenance at Parkview Avenue E/O Parkway - Marriot Sump $66 per month			
(5)	0.00		0.00	6,910.00
	Sump Pump & Control Repairs Marriot Pumps - 3 @ $1,650 Metlox Pumps - 2 @ $620 Live Oak Pumps - 1 @ $720			
(6)	12.00		81.00	972.00
	Landscape Maintenance at Martyr's Sump (Laurel			

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

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Reference : 15-18-311 **Description :** PWKS - Storm Drain Maint **Document No:** 3138

	Ave & 15th St) $81 per month		
(7)	0.00	0.00	165,000.00
	National Pollution Discharge Elimination System Permit Compliance Programs Integrated Stormwater Management Plan and Enhanced Wastewater Management Plans @ $95k Consultant Implementation Plan $70k		
(8)	0.00	0.00	30,000.00
	NPDES Santa Monica Bay Beaches Bacteria Total Maximum Daily Load Testing Program of Ocean Shoreline Water Quality and Coordinated Integrated Monitoring Plan		
(9)	7.00	427.00	2,989.00
	Southern California Edison Pump Efficiency and Diagnostic Testing - 7 Pumps @ $427/Pump		
(10)	0.00	0.00	40,440.00
	Clean Bay Restaurant Certification Inspections Per NPDES Permit Requirements - Contract with John Hunter & Associates		
(11)	0.00	0.00	9,040.00
	Los Angeles County Sanitation District Wastewater/Stormwater Treatment Surcharge - NPDES Point Source Low-Flow Stormwater Diversion at the Pier Weir Preventing		
(12)	0.00	0.00	1,905.00
	NPDES Annual Testing and Calibration of Pier Weir		
(13)	0.00	0.00	328,700.00
	Streetsweeping Contract		
		Total	**595,188.00**

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5104 Computer Contract Services

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	2,340.00

SCADA Maintenance: Repairs, Hardware, Diagnostics, Programming; and Rockwell SCADA Software Technical Support (Represents 3 year average; and 15% distribution of expenses for all Utilites Accounts)

Total 2,340.00

13/14

DEPT REQ II : 502-18-311-5104 Computer Contract Services

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	2,410.00

SCADA Maintenance: Repairs, Hardware, Diagnostics, Programming; and Rockwell SCADA Software Technical Support (40% distribution of expenses for all Utilities Accounts)

Total 2,410.00

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

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Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5205 Training

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	20,000.00

NPDES Permit Compliance Training for Staff

Total : **20,000.00**

13/14

DEPT REQ II : 502-18-311-5205 Training

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	2,000.00

NPDES Permit Compliance Training for Staff

Total : **2,000.00**

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

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Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5206 Uniforms/Safety Equipment

	Qty	Unit	Unit Cost	Amount
(1)	1.00		675.00	675.00

Uniform package per employee-$675 x 1 employee =$675.00
Uniforms-$220
T-Shirts-$70 - $10 per shirt, 7 shirts per employee
Safety Jacket-$50
Boot allowance-$335

Total 675.00

13/14

DEPT REQ II : 502-18-311-5206 Uniforms/Safety Equipment

	Qty	Unit	Unit Cost	Amount
(1)	1.00		1,422.00	1,422.00

Uniform packages @ 2 employee
Uniforms - 462
T-Shirts-$150
Safety Jacket - $106
Boot allowance - $704

Total 1,422.00

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 178

Reference : 15-16-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5217 Departmental Supplies

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	2,575.00
	Sand Bags for Stormwater and Wastewater Containment			
(2)	0.00		0.00	2,372.00
	Miscellaneous Supplies Polliwog Bubbler Air Filters - 12 @ $ 26 Each Nozzels for Hydro - 2 @ $515 each Vac-Con Canna-Flex Hose - 1 @ $ 515 Each			
(3)	0.00		0.00	900.00
	Water Elevation Transducer for Pier Weirs - 1 @ $900.00			
(4)	0.00		0.00	3,700.00
	Electrical Control hardware: transformers, switches, overloads, fuses, brakers, wire, and relays.			
(5)	0.00		0.00	500.00
	Small hand tools/minor equipment: shovels, manhole hooks, disposable coveralls JG			
			Total	**10,047.00**

13/14

DEPT REQ II : 502-18-311-5217 Departmental Supplies

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	2,650.00
	Sand Bags for Stormwater and Wastewater Containment			
(2)	0.00		0.00	1,914.00
	Miscellaneous Supplies: Polliwog Bubbler Air Filters - 12 @ $ 27 Each Nozzles for Hydro - 2 @ $530 each Vac-Con Canna-Flex Hose - 1 @ $ 530 Each			
(3)	0.00		0.00	3,700.00
	Electrical Control hardware: transformers, switches, overloads, fuses, brakers, wire, and relays			
(4)	0.00		0.00	500.00
	Small hand tools/minor equipment: shovels, manhole hooks, disposable coveralls.			
			Total	**8,764.00**

proposed
14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 179

Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5225 Printing

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	20,000.00

NPDES Stormwater Management Education and Outreach - Direct Mailings, Calendars, Posters, Publications.

Total 20,000.00

13/14

DEPT REQ II : 502-18-311-5225 Printing

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	10,000.00

NPDES Stormwater Management Education and Outreach - Direct Mailings, Calendars, Posters, Publications.

Total 10,000.00

proposed 14/15

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Budget Preparation Posting List
CITY OF MANHATTAN BEACH

Page: 180

Reference : 15-18-311 Description : PWKS - Storm Drain Maint Document No: 8138

CC ADOPTED VI : 502-18-311-5611 Warehouse Purchases

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	150.00

Warehouse Allocation Charges - safety glasses, gloves, hard hats, rain gear, reflective vests, particle masks, batteries.

Total 150.00

13/14

DEPT REQ II : 502-18-311-5611 Warehouse Purchases

	Qty	Unit	Unit Cost	Amount
(1)	0.00		0.00	155.00

Warehouse Allocation Charges - safety glasses, gloves, hard hats, rain gear, reflective vests, particle masks, batteries.

Total 155.00

proposed 14/15

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DRAFT
2015-2019 PROPOSED Capital Improvement Plan Projects by Type

City of Manhattan Beach, Capital Improvement Plan 2015-2019 — **BY TYPE**

DRAFT PROJECTS BY TYPE FOR FY2014-15 THRU FY2018-19

STORMWATER PROJECTS

	PROJECT TITLE	Carryover Project Number	Carryover Project Original Funding Yr	Status as of 04/04/14	Carryover Project Funds Remaining	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FIVE YEAR TOTAL (Includes Carryover Project Funds Remaining & New Funds)	FUND SOURCE(S)
	STORMWATER PROJECTS											
1	Stormwater Quality Improvement Catch Basin Inserts						$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 840,000	Storm Drain Fund
2	Storm Drain Projects (spot repairs & sections)					$ 440,000	$ 440,000	$ 440,000	$ 440,000	$ 440,000	$ 2,200,000	Storm Drain Fund
	Stormwater Projects TOTAL				$ -	$ 440,000	$ 650,000	$ 650,000	$ 650,000	$ 650,000	$ 3,040,000	

Harris & Associates℠

SHAPING THE FUTURE ONE PROJECT AT A TIME℠

Preliminary Analysis

FOR

LANDSCAPING AND STREET LIGHTING MAINTENANCE ASSESSMENT DISTRICT

For the

CITY OF MANHATTAN BEACH

LOS ANGELES COUNTY, CALIFORNIA

May 28, 2014

INTRODUCTION

The City of Manhattan Beach formed the Landscaping and Street Lighting Assessment District in the early 1970's pursuant to the Landscaping and Lighting Act of 1972, Part 2, Division 15, Sections 22500 through 22679, of the Streets and Highways Code of the State of California. The District is being renewed annually. City Council reviews the proposed costs and reserves for the ensuing fiscal year and considers accumulated fund balances from the current year in the setting of the annual assessment. The method of assessment has been approved at the time of formation of the District. This year's report includes projected costs and fund balances, and is submitted for City Council's determination of the assessment for Fiscal Year 2014-15. No increase in the assessment rate is proposed for Fiscal Year 2014-15.

The maintenance and operation of the facilities within the District is consistent with the Landscaping and Lighting Act of 1972 and is administered pursuant to Manhattan Beach ordinances and regulations.

The City Council of the City of Manhattan Beach adopted its General Plan with various elements to provide guidelines for orderly development within the community. The City Council further adopted ordinances and regulations governing the development of land providing for the installation and construction of certain landscaping, lighting and appurtenant facilities to enhance the quality of life and to benefit the value of property.

The requirement for the construction and installation of landscaping, lighting and appurtenant facilities is a condition of development provided for in the City's Subdivision Ordinance and is a requirement of issuance of a permit for construction of any commercial, industrial, and planned unit development.

Landscaping and appurtenant facilities generally include trees, shrubs, plants, turf, irrigation systems, and necessary appurtenances including curbs, hardscape, monumentation, fencing, drainage detention facilities, drainage structures (including percolation wells) located in public rights-of-way, medians, parkways, and/or easements adjacent to public rights-of-way, in and along major thoroughfares and certain designated primary and secondary arterials as defined in the General Plan's Infrastructure Element.

Lighting and appurtenant facilities include poles, lighting fixtures, conduits and the necessary equipment to maintain, operate and replace a lighting system at designated intersections, in medians, parkways and adjacent to certain public facilities in and along certain streets, rights-of-way and designated lots.

The installation of landscaping and lighting systems and the construction of the necessary appurtenant facilities is the responsibility of the property owner/applicant, triggered by the approval of a development application.

The City may cause the installation by property owners directly, or accept financial arrangements for installation of these facilities as provided for by the City's ordinances and regulations. When on any given street of the approved system, a majority of the required facilities have been provided, but gaps exist, and it has been determined that these facilities in front of, or adjacent to certain already developed properties, are required to bridge missing gaps, and/or where the future development or redevelopment of existing property is not likely to occur in a foreseeable future, the City Council may deem it appropriate to retrofit such missing gaps pursuant to the provisions of the Landscaping and Lighting Act of 1972.

The servicing, operation, maintenance, repairs and replacement of the landscaping, lighting and appurtenant facilities in turn becomes the responsibility of the benefiting properties.

The City is presently administering one Landscaping Zone within the District.

The City of Manhattan Beach also administers a lighting system for the benefit of all parcels of land within the City. The lighting benefit is directly related to public safety and property protection. These benefits have been studied widely, locally, regionally and nationally.

ESTIMATE OF COST

The estimated cost of the operation, servicing and maintenance of the street and sidewalk improvements for fiscal year 2014-15, are summarized herein and described below. All costs include administration and utilities where applicable.

	Zone A - F	Zone G
Operation and Maintenance	$483,737.09	$ 217,161
Cashflow Reserves (projected as of 30-Jun-15) pursuant to Streets & Highways Code Section 22569(a)	$ 241,869	$ 108,581
Total	$ 725,606	$ 325,742
General Fund Transfer for General Benefit	$ (68,279)	$ -
Total to Assessment	$ 657,326	$ 325,742
Benefit Units	16,945	4,823
Assessment per Benefit Unit	$ 38.79	$ 67.54

METHOD OF APPORTIONMENT OF ASSESSMENT

GENERAL

Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include operation, maintenance and servicing of street lights, traffic signals, parks and landscaping.

The 1972 Act requires that maintenance assessments be levied according to benefit rather than according to assessed value. Section 22573 provides that:

> The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.

The Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvement" (Sec. 22574). Thus, the 1972 Act requires the levy of a true "benefit assessment" rather than a "special tax."

Excepted from the assessment would be the areas of all publicly owned property in use in the performance of a public function.

BENEFIT DETERMINATION

Landscaping. Trees, landscaping and parks, if well maintained, provided beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property value.

The landscaping maintenance provided by the District is deemed to benefit business properties on Manhattan Beach Boulevard, Highland Avenue and Manhattan Avenue, which are designated as Zone 10.

Lighting. Street lighting is for the benefit of all parcels within the District as all property in the City derives benefit from the convenience, safety and protection of people and property they provide.

METHODOLOGY

ZONES OF BENEFIT

The Assessment District previously consisted of 7 zones of benefit, 6 lighting benefit zones and 1 benefit landscaping zone, as described as follows:

LIGHTING BENEFIT ZONES

ZONE A (1) - Includes the majority of parcels within the City which have standard levels and types of street lighting. Assigned a benefit factor of 1.0.for basic lighting.

ZONE B (5) - Properties utilizing natural gas lighting. Assigned a lighting benefit factor of 4.0 as follows: 1 for basic lighting, 1 for decorative lighting, and 2 for 2 times the illumination.

ZONE C (6) - Properties on the Strand. Assigned a lighting benefit factor of 3 as follows: 1 for basic lighting and 2 for 2 times the illumination.

ZONE D (7) - Properties on walkway streets in the area bounded by 15th Street on the south, 21st Street on the north, Ocean Drive on the west and Live Oak Park on the east. Assigned a lighting benefit factor of 1.0 for basic lighting.

ZONE E (9) - Tract No. 44884, Arbolado Tract. Assigned a lighting benefit factor of 5.0 as follows: 1 for basic lighting, 1 for decorative lighting, and 3 for 3 times the illumination.

ZONE F (10) - Business properties on Manhattan Beach Boulevard from the Strand to Valley Drive, Highland Avenue from 11th Street to 15th Street and Manhattan Avenue from 8th Street to 13th Street. Assigned a lighting benefit factor of 4.0 as follows: 1 for basic lighting, and 3 for 3 times the illumination.

LANDSCAPING BENEFIT ZONES

ZONE G (10) Business properties on Manhattan Beach Boulevard from the Strand to Valley Drive, Highland Avenue from 11th Street to 15th Street and Manhattan Avenue from 8th Street to 13th Street. Assigned a landscaping benefit factor of 1.0 for benefit from adjacent landscaping.

ZONES A-F

Equivalent Dwelling Units

The Equivalent Dwelling Unit method uses the single family home as the basic unit of assessment. A single family home equals one Equivalent Dwelling Unit (EDU). Every other land-use is converted to EDU's based on an assessment formula appropriate for the City. Multi-family and condominium parcels are converted to EDU's based on the number of dwelling units on each parcel of land; Commercial and Industrial parcels are converted to EDU's based on the lot size of each parcel of land.

Single Family Residential. The single family parcel has been selected as the basic unit for calculation of the benefit assessments. This basic unit shall be called an Equivalent Dwelling Unit (EDU). Parcels designated as single family residential per the Los Angeles County land-

use code are assessed 1 EDU.

Multiple Residential. Multiple family uses, as well as condominiums, are given a factor of .80 EDU per dwelling unit. Based on data from representative cities in Southern California, the multiple residential factor of 80 percent is determined by the statistical proportion of relative trip generation from various types of residential uses, in combination with population density per unit.

Commercial/Industrial. Commercial/Industrial properties are designated as commercial, industrial, recreational, institutional or miscellaneous uses per the Los Angeles County land-use codes. In converting improved Commercial/Industrial properties to EDUs, the factor used is the City of Manhattan Beach's highest requirement for a single family residential lot, which is 1 dwelling unit per 7,500 sq. ft, or 5.808 dwelling units per acre. The Commercial/Industrial parcels will be assessed 5.808 EDU for the first acre or any portion thereof, and then 25% of 5.808 EDUs (1.4520) for every additional acre or portion thereof, as the utilization of that portion of non-residential property greater than one acre is reduced and will be treated as vacant land. The minimum number of EDUs per parcel will be 1 EDU.

Vacant Property

Vacant property is described as parcels with no improved structures. Because property values in a community are increased when public infrastructure are in place, improved, operable, safe, clean and maintained, all properties, including vacant parcels, receive benefits based on their land, as this is the basis of their value. Based upon the opinions of professional appraisers, appraising current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in Manhattan Beach, we find that the average is about 50 percent. Additionally, the utilization of vacant property is significantly less than improved property and vacant property has a traffic generation rate of 0. Therefore, we recommend that vacant property be assessed at the rate of 25 percent of improved property.

Vacant Residential. Parcels defined as single family residential parcels which do not have structures on the parcels are assessed 25% of a single family dwelling. The parcels will be assessed 0.25 EDU per parcel.

Vacant Non-Residential. Parcels defined as parcels which are not single family residential and which do not have structures on the parcel are assessed based upon the acreage of the parcel. The parcels will be assessed at the rate of 25% of the developed non-residential properties, or 1.4520 EDU per acre or any portion thereof, with a minimum of .25 EDU per parcel.

Exempt. All publicly owned property and utility rights-of-way are exempt from assessment. Also excepted from assessment is the residential area bounded by Village Drive, Marine Avenue, Redondo Avenue, and Park View Avenue, which has all private streets.

The land-use classification for each parcel has been based on the 2014-15 Los Angeles County Assessor's Roll.

ZONE G

The Zone 10 improvements maintained and operated by the District consist of a higher level of landscaping than are found in other parts of the City. These facilities increase the aesthetic appeal of the area and promote business in the downtown area. Front footage is the best approach for this type of improvement, as each parcel's benefit is proportional to its frontage along the improved street. Therefore, it is recommended that the assessments for Zone 10 be on an Adjusted Front Footage (AFF) basis.

ASSESSMENTS

ZONES A-F

Benefit Units (BUs) are calculated as follows:

EDUs x Benefit Factor = Benefit Units (BUs)

The distribution of BUs per Zone is as follows:

LIGHTING BENEFIT ZONES							
New Zone	**A**	**B**	**C**	**D**	**E**	**F**	**Totals**
Old Zone	1	5	6	7	9	10	
EDUs	13,274.26	386.60	395.00	388.25	18.40	114.79	14,577.30
Benefit Factor	1	4	3	1	5	4	
Benefit Units	13,274.26	1,546.40	1,185.00	388.25	92.00	459.15	16,945.07

Zone G

Benefit Units (BUs) are calculated as follows:

AFF x Benefit Factor = Benefit Units (BUs)

The distribution of BUs per Zone is as follows:

LANDSCAPING BENEFIT ZONES	
New Zone	**G**
Old Zone	10
EDUs	4,823.00
Benefit Factor	1
Benefit Units	4,823.00

Sample calculations for various zones and land-use types are provided on the following page.

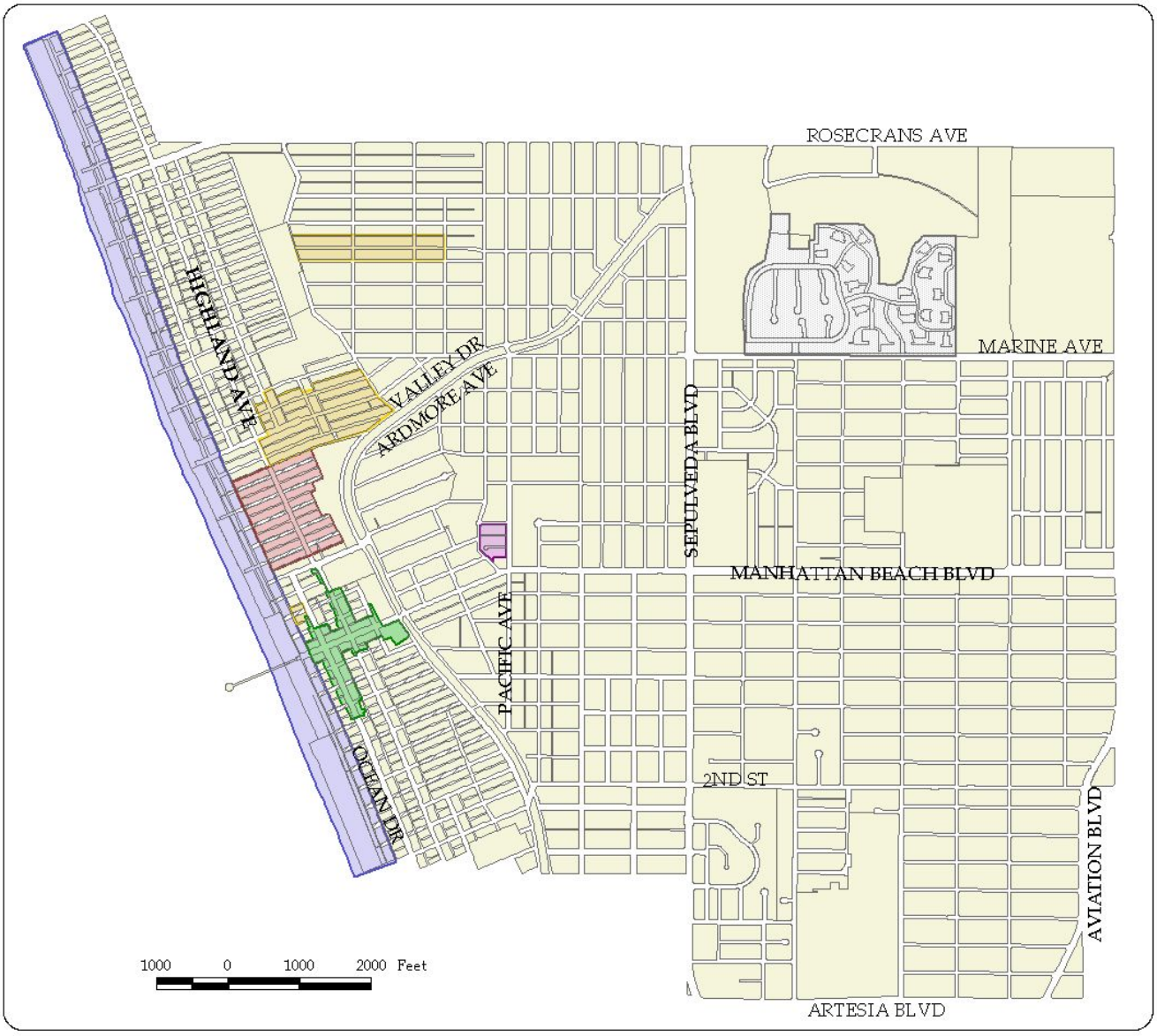
SAMPLE CALCULATIONS – LIGHTING ZONES

ZONE A - Standard Lighting		EDU	BU	FY 14-15 Asmt	Current Rates
Single Family Residential		1.0	1.0	$38.79	$17.03
Condominium		0.8	0.8	$31.03	$13.62
Vacant Residential		0.25	0.25	$9.70	$4.26
Multi-Family Residential	Duplex	1.6	1.6	$62.07	$27.25
	Triplex	2.4	2.4	$93.10	$40.87
Commercial/Industrial	1/4 acre	1.425	1.425	$55.28	$24.27
	1/2 acre	2.904	2.904	$112.65	$49.46
	1 acre	5.8	5.8	$225.30	$98.91
Vacant Commercial/Industrial	1/4 acre	0.363	0.363	$14.08	$6.18
	1/2 acre	0.726	0.726	$28.16	$12.36
ZONE B - Gas Light Area					
Single Family Residential		1.0	4.0	$155.17	$87.08
Condominium		0.8	3.2	$124.13	$69.66
Vacant Residential		0.25	1.00	$38.79	$21.77
Multi-Family Residential	Duplex	1.6	6.4	$248.27	$139.33
	Triplex	2.4	9.6	$372.40	$208.99
ZONE C - The Strand					
Single Family Residential		1.0	3.0	$116.37	$10.52
Condominium		0.8	2.4	$93.10	$8.42
Vacant Residential		0.25	0.75	$29.09	$2.63
Multi-Family Residential	Duplex	1.6	4.8	$186.20	$16.83
	Triplex	2.4	7.2	$279.30	$25.25
	4-plex	3.2	9.6	$372.40	$33.66
	10-unit Apt	8.0	24.0	$931.00	$84.16
ZONE D - Walkway Streets					
Single Family Residential		1.0	1.0	$38.79	$10.80
Condominium		0.8	0.8	$31.03	$8.64
Vacant Residential		0.25	0.25	$9.70	$2.70
Multi-Family Residential	Duplex	1.6	1.6	$62.07	$17.28
	Triplex	2.4	2.4	$93.10	$25.92
ZONE E - Arbolado Tract					
Condominium		0.8	4.0	$155.17	$126.34
ZONE F - Formerly Zone 10					
Commercial	0.16 acre	1.000	4.000	$155.17	
	1/4 acre	1.452	5.808	$225.30	
	0.33 acre	1.917	7.667	$297.40	

SAMPLE CALCULATIONS – LANDSCAPING ZONES

ZONE G - Formerly Zone 10	AFF	BU	**FY 14-15 Asmt**
Commercial	30.00	30.00	$2,026.18
	60.00	60.00	$4,052.35
	90.00	90.00	$6,078.53

City of Manhattan Beach
Lighting and Landscape Assessment Districts



			Total Area (Acres)
Zone 1	A	General	2231.7
Zone 5	B	Gas Lights	39.0
Zone 6	C	The Strand	127.5
Zone 7	D	Walkway Streets	25.7
Zone 9	E	Arbolado Tract	2.9
Zone 10	F/G	Downtown Streetscape	15.4
		Excepted	82.5

N W E S

August 2001

Revenue Measure Feasibilty Study
Summary Survey Report

prepared for the
City of Manhattan Beach



October 20, 2014

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INTRODUCTION

Located along the coastal edge of Los Angeles County, the City of Manhattan Beach is home to an estimated 35,619 residents.[1] Incorporated in 1912 as a General Law city, Manhattan Beach's current team of full-time and part-time employees provides a full suite of services through various departments including City Attorney, City Clerk, City Manager, Community Development, Finance, Fire, Parks & Recreation, Human Resources, Police, and Public Works.

As Manhattan Beach has grown, so too have the demands placed upon its facilities, services, infrastructure, and staff. Unfortunately, the City's revenue streams have not kept pace with the growing demands and escalating costs, leading to shortfalls in recent years in the funding required to provide essential municipal services at the desired levels of service. Two areas, in particular, are experiencing costs that are well in excess of dedicated revenue streams: addressing stormwater pollution and providing landscape maintenance and street lighting.

Stormwater Pollution Under the Federal Clean Water Act, each county and municipality throughout the nation is issued a National Pollutant Discharge Elimination System (NPDES) Permit. The goal of the permit is to stop polluted discharges from entering the storm drain system, local water sources, and coastal waters. The City of Manhattan Beach is responsible for developing and implementing public improvements and services designed to not only meet the requirements of the federal NPDES Permit, but also improve public health by identifying, controlling and removing pollution from the stormdrain system, local water sources, and coastal waters.

In order to provide for the safety of the residents, protect property in the city from damage associated with flooding, and to meet the requirements of the NPDES permit, it is necessary to design, construct, operate, maintain, improve and replace storm drainage facilities which collect storm and surface water runoff, as well as convey and treat such runoff in a safe manner to an acceptable point of discharge. It is also necessary to inspect, monitor, and take enforcement action related to illegal dumping and illicit discharges. In order to adequately fund such facilities and activities, the City has determined that it is necessary to update and increase the fee for storm drainage services.[2]

Landscape & Lighting Part 2 of Division 15 of the Streets and Highways Code, the Landscaping and Lighting Act of 1972, permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include the operation, maintenance and servicing of street lights, traffic signals, parks, and landscaping. Trees, landscaping and parks, if well maintained, provided beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property values. Similarly, street lighting benefits all parcels within the city by enhancing the convenience, safety, and protection of people and property.[3]

Although the City of Manhattan Beach has had an assessment district in place since the early 1970's to fund landscape maintenance and street lighting, the costs of providing these services have escalated beyond the revenues generated by the existing assessment district. Accordingly,

1. Source: California Department of Finance estimate, January 2014.
2. Source: *Preliminary Analysis for the Stormwater Utility Fee* conducted for the City of Manhattan Beach by Harris & Associates, 2014.
3. Source: *Preliminary Analysis for Landscaping and Street Lighting Maintenance Assessment District* conducted for the City of Manhattan Beach by Harris & Associates, 2014.

to adequately fund landscape maintenance and street lighting in future years, the City is considering increasing assessments for this purpose.

MOTIVATION FOR RESEARCH The primary purpose of this study was to produce an unbiased, statistically reliable evaluation of property owners' interest in supporting local revenue measures to address stormwater pollution and landscape & lighting, respectively, in the City of Manhattan Beach. Additionally, should the City decide to move forward with a measure, the survey data provides guidance as to how to structure a measure so that it is consistent with the community's priorities and expressed needs. Specifically, the study was designed to:

- Gauge current, baseline support for a local revenue measure (stormwater fee or landscaping & lighting assessment)
- Identify the fee rate that the community is willing to support
- Identify the types of services and improvements that property owners are most interested in funding, should the measure pass
- Expose property owners to arguments in favor of, and against, the proposed measure to gauge how information affects support for the measure, *and*
- Estimate support for the measure once property owners are presented with the types of information they will likely be exposed to during the ballot proceeding.

It is important to note at the outset that property owners' opinions about revenue measures are often somewhat fluid, especially when the amount of information they initially have about a measure is limited. How property owners think and feel about a measure today may not be the same way they think and feel once they have had a chance to hear more information about the measure in the months leading up to a vote. Accordingly, to accurately estimate the feasibility of establishing a revenue measure, it was important that in addition to measuring *current* opinions about the measure, the survey expose respondents to the types of information property owners are likely to encounter prior to a vote—including arguments in favor and opposed to the measure—and gauge how this information ultimately impacts their voting decision.

TESTING TWO ALTERNATIVES: STORMWATER FEE AND LANDSCAPING & LIGHTING ASSESSMENT One of the objectives of the study was to determine how support for a local measure may vary depending on the type of measure employed: a property-related fee to address stormwater pollution, or a benefit assessment to fund landscaping & lighting.

To raise the funds needed to address stormwater pollution, the City is considering a **property-related fee**. A property-related fee is voted on by all property owners in the city who are being asked to pay the new fee. In addition to residential property owners, owners of other types of properties (i.e., commercial, industrial, apartments, etc.) as well as absentee owners are eligible to participate. Because all affected property owners can participate in a property-related fee, a majority of ballots returned (one vote per parcel) is required for approval. In a property-related fee ballot proceeding, all property owners are typically mailed a ballot that includes an information sheet, but does not include arguments in support or opposition as is the case with a special tax. Most of the funding measures for similar water and stormwater quality programs in California have been property-owner balloted, property-related fees.[4]

4. Examples include fees established in Rancho Palos Verdes, Palo Alto, Burlingame, and San Clemente.

To fund landscape maintenance and lighting, the City is considering a **benefit assessment**. Although a benefit assessment shares many of the same features outlined above for a property-related fee, the key difference is that the returned votes are weighted proportionately according to the amount of the fee charged to each property owner. The greater the fee levied for a parcel, the more that property owner's vote will count toward the outcome of the ballot proceeding.

To ensure a reliable estimate of property owner support for the respective measures being considered, two separate surveys were conducted using mutually-exclusive random samples of Manhattan Beach property owners. One survey focused on a property-related fee to address stormwater pollution, whereas the second survey focused on a landscape & lighting assessment. A combination of mailed invitations and phone calls were employed to recruit participation in the surveys. In total, 760 property owners participated online or by telephone between September 11 and October 7, 2014, with the interviews divided evenly between the stormwater (382) and landscape & lighting surveys (378). The telephone interviews averaged 15 minutes in length. For a full discussion of the research methods and techniques used in this study, turn to *Methodology* on page 36.

ORGANIZATION OF REPORT This report is designed to meet the needs of readers who prefer a summary of the findings as well as those who are interested in the details of the results. For those who seek an overview of the findings, the sections titled *Just the Facts* and *Conclusions* are for you. They provide a summary of the most important factual findings of the surveys in bullet-point format and a discussion of their implications. For the interested reader, this section is followed by a more detailed question-by-question discussion of the results from the surveys by topic area (see *Table of Contents*), as well as a description of the methodology employed for collecting and analyzing the data. And, for the truly ambitious reader, the questionnaires used for the interviews are contained at the back of this report (see *Questionnaire & Toplines* on page 40) and a complete set of crosstabulations for the survey results are contained in Appendix A for the stormwater version, Appendix B for the landscape & lighting version.

ACKNOWLEDGMENTS True North thanks the City of Manhattan Beach for the opportunity to assist the City in this important effort, as well as Dennis Anderson of Harris & Associates for contributing to the design of the study. Their collective expertise, insight, and local knowledge improved the overall quality of the research presented here.

DISCLAIMER The statements and conclusions in this report are those of the authors (Dr. Timothy McLarney and Richard Sarles) at True North Research, Inc. and not necessarily those of the City of Manhattan Beach. Any errors and omissions are the responsibility of the authors.

ABOUT TRUE NORTH True North is a full-service survey research firm that is dedicated to providing public agencies with a clear understanding of the values, perceptions, priorities and concerns of their residents and voters. Through designing and implementing scientific surveys, focus groups and one-on-one interviews, as well as expert interpretation of the findings, True North helps its clients to move with confidence when making strategic decisions in a variety of areas—such as planning, policy evaluation, performance management, organizational development, establishing fiscal priorities, passing revenue measures, and developing effective public information campaigns.

During their careers, Dr. McLarney and Mr. Sarles have designed and conducted over 800 survey research studies for public agencies, including more than 300 revenue measure feasibility studies. Of the measures that have gone to ballot based on Dr. McLarney's recommendation, more than 93% have been successful. In total, the research that Dr. McLarney has conducted has led to over $22 billion in successful local revenue measures.

JUST THE FACTS

The following section is an outline of the main factual findings from the survey. For the reader's convenience, we have organized the findings according to the section titles used in the body of this report. Thus, if you would like to learn more about a particular finding, simply turn to the appropriate report section.

QUALITY OF LIFE & CITY SERVICES

- Among those who were administered the **landscape & lighting** survey, more than nine-in-ten respondents shared favorable opinions of the quality of life in Manhattan Beach, with 60% reporting it is excellent and 34% stating it is good. An additional 4% of respondents indicated that the quality of life in the City is fair, and no one used poor or very poor to describe the quality of life in Manhattan Beach.
- The results were strikingly similar among property owners who were administered the **stormwater** version of the survey, with 58% reporting it is excellent, 36% stating it is good, and 6% offering that the quality of life in Manhattan Beach is fair.
- Nearly nine-in-ten respondents (89%) who received the **landscape & lighting** version of the survey indicated that they were satisfied with the City's overall performance in providing municipal services, whereas 9% were dissatisfied and 2% were unsure.
- Similarly, 87% of property owners administered the **stormwater** survey indicated that they were satisfied with the City's overall performance in providing municipal services, whereas 10% were dissatisfied and 3% were unsure.

INITIAL BALLOT TEST

- In an *unweighted* scenario (each vote counts equally), 47% of property owners initially indicated that they would support the **landscape & lighting** assessment at the highest fee rate proposed, whereas 45% stated they would oppose the assessment and 8% were unsure. Once weighted proportionately according to the fee proposed for each property, overall support for the measure declined to 36%, with 54% opposed and 10% unsure.
- Overall, 41% of property owners initially indicated that they would support the **stormwater** measure at the highest fee rate proposed, whereas 51% stated that they would oppose the measure, and 8% were unsure or unwilling to share their vote choice.
- The most frequently-mentioned reasons for opposing the **landscape & lighting** assessment were a perception that taxes/fees are already too high (26%), concern that the money will be mismanaged (22%), a perception that the City already has enough funding (14%), and a need for more information (13%).
- The reasons expressed for not supporting the **stormwater** measure were similar, including a perception that taxes/fees are already too high (40%), concern that the money will be mismanaged (20%), a perception that the City already has enough funding (14%), and a need for more information (11%).

FEE THRESHOLD

- At the highest proposed rate for each property based on the engineer's assessment (Rate A), just 23% of property owners (weighted) indicated they would support the **landscape & lighting** measure. Incremental reductions in the fee rate resulted in incremental increases in support for the measure, with 38% of property owners indicating that they would support the landscape & lighting assessment at 60% of the highest proposed rate (Rate C).

- Converting the rates to dollar ranges, support for the proposed **landscape & lighting** assessment was found among a majority (52%) of property owners when the annual fee to their property was less than $25. As the fee escalated, support declined—with just 28% of property owners indicating that they would support a fee of $100 or more per year.
- At the highest proposed rate for each property based on the engineer's assessment for the **stormwater** measure, 38% of property owners indicated they would support the measure. As the fee rate was lowered to 80% (Rate B) and 60% (Rate C) of original rate (Rate A), support climbed to 40% and 44%, respectively.
- Converting the rates to actual dollar amounts reveals that support for the **stormwater** measure was not particularly sensitive to the amount of the fee within the range of fees being considered by the City. At an annual amount of less than $90, for example, 45% of property owners stated they would support the measure. The comparable figure for fees of $150 or more per year was 41%.

PROGRAMS & PROJECTS

- Among the items that could be funded by the **landscape & lighting** assessment, property owners most strongly favored using the funds to operate, maintain and repair street lights on a timely basis (78%), fix broken or burnt-out street lights (77%), and replace outdated lighting systems that are expensive to operate and repair with new energy efficient lights that will be more cost-effective (74%).
- For the **stormwater** measure, property owners most strongly favored using the funds to reconstruct or replace storm drains that are identified by engineers as being high risk for collapse or failures (79%), install and maintain devices in storm drains that capture trash and pollution before they enter our waterways (76%), reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution (70%), and keep trash and pollution off our beaches and out of local waterways and the ocean (70%).

POSITIVE ARGUMENTS

When presented with arguments in favor of the **landscape & lighting** measure, property owners found the following arguments to be the most persuasive:

- *Street lights are a matter of public safety. Good street lights deter crime, prevent car accidents, and protect pedestrians.*
- *By switching to energy efficient lights, this measure will allow the City to be more cost-effective and environmentally friendly in the future.*
- *Quality street lighting improves the appearance, character and quality of life in a neighborhood.*

When presented with arguments in favor of the **stormwater** measure, property owners found the following arguments to be the most persuasive:

- *It is a lot cheaper to fix a storm drain now than to pay for reconstruction, property damage and lawsuits when it fails.*
- *Stormwater runoff carries tons of trash, infectious bacteria and toxic pollutants directly to the ocean and local beaches. This measure is one of the best ways to protect our water quality and public health.*

- *Every year, thousands of pounds of trash from our streets washes up on local beaches. This measure will help prevent and clean up trash and pollution before it ends up in our water and on our shorelines and beaches.*

INTERIM BALLOT TEST

- After exposing respondents to the types of positive arguments they may encounter during an election cycle, as well as the services and facilities that may be funded by the measures, overall support for the **landscape & lighting** measure declined to 22% in a weighted-vote scenario using the proposed Rate A, with 50% of respondents opposed to the measure and an additional 28% unsure or unwilling to state their vote choice.
- At the Interim Ballot Test, 39% of property owners indicated they would support the **stormwater** measure at the highest proposed rate (Rate A), whereas 54% opposed the measure and 7% were unsure or unwilling to share their opinion.

NEGATIVE ARGUMENTS

Of the arguments in opposition to the **landscape & lighting** assessment, property owners found the following arguments to be the most persuasive:

- *Property owners already pay an assessment for street lighting to the City. Now they want another one? That's not fair to taxpayers.*
- *This measure is unfair because it can be passed with a majority vote rather than the usual two-thirds requirement, and many voters are not allowed to participate.*
- *The City can't be trusted with this tax. They will mismanage the money.*

Of the arguments in opposition to the **stormwater** measure, property owners found the following arguments to be the most persuasive:

- *This measure won't make a difference. Most of the water pollution is coming from Los Angeles and other cities, and they aren't doing much to stop it.*
- *The City can't be trusted with this tax. They will mismanage the money.*
- *People are having a hard time making ends meet with high unemployment and a sluggish economy. Now is NOT the time to be raising taxes.*

FINAL BALLOT TEST

- After providing respondents with the wording of the proposed measures, possible fee rates, programs and projects that could be funded by the measures, as well as arguments in favor and against the proposals, support for the **landscape & lighting** measure was found among 21% of property owners in a weighted-vote scenario using the proposed Rate A, with 57% of respondents opposed to the measure and an additional 22% unsure or unwilling to state their vote choice.
- Support for the proposed **stormwater** measure remained steady a the Final Ballot Test, with 38% of property owners indicating they would support the stormwater measure at the highest proposed rate (Rate A), 55% opposed, and 7% unsure or unwilling to share their opinion.

Conclusions

The bulk of this report is devoted to conveying the details of the study findings. In this section, however, we attempt to 'see the forest through the trees' and note how the collective results of the survey answer the key questions that motivated the research. The following conclusions are based on True North's interpretations of the survey results and the firm's collective experience conducting revenue measure studies for public agencies throughout the State.

Do local property owners support establishing a revenue measure?

The vast majority of property owners in the City of Manhattan Beach have high opinions of the quality of life in city, are satisfied with the City's performance in providing municipal services, and clearly value the services that they receive from the City. When it comes to *funding* municipal services and facilities, however, property owners' interest in maintaining the quality of city services is in tension with their sensitivity to increasing local taxes or fees.

The results of the **landscape & lighting** assessment survey indicate that Manhattan Beach property owners are not prepared at this juncture to support a new assessment to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City, avoid reductions in street lighting service, and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. Even at a fee rate that was 60% of the full rate proposed in the *Preliminary Analysis for Landscaping and Lighting Maintenance Assessment District* report for each parcel, support for the assessment was found among just 38% of property owners in a *weighted* vote scenario. Moreover, weighted support for the assessment generally declined as property owners learned more about the measure, with approximately one-in-five property owners (21%) supporting the assessment at the Final Ballot Test.

The results of the **stormwater** measure survey were more positive, although still below the majority required for passage at the full fee rate proposed in the *Preliminary Analysis for the Stormwater Utility Fee* report. At the Initial Ballot Test, 41% of Manhattan Beach property owners indicated they would support a measure to protect public health and reduce water pollution in Manhattan Beach, repair, reconstruct, and maintain the storm drain system throughout the City, remove pollutants, toxic chemicals, and infectious bacteria from runoff, keep trash and pollution off our beaches and out of local waterways and the ocean, and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. Support for the stormwater measure remained fairly consistent throughout the interview as property owners learned more about what the measure would fund, alternative fee rates, as well as arguments pro and con.

If the City is inclined to pursue a stormwater measure, a number of conditions will need to be met for the measure to have a reasonable chance of success—including that it is packaged appropriately, kept affordable, has clear support from the City Council, and is combined with effective public education from the City and a well-organized, independent campaign. The following paragraphs discuss some of the challenges and the next steps that True North recommends in packaging a stormwater measure for success.

How will the fee rate affect support for the measure?

Naturally, the willingness of property owners to support a specific revenue measure is contingent—in part—on the fee rate associated with a measure. The higher the rate, all other things being equal, the lower the level of aggregate support that can be expected. It is critical that the rate be set at a level that the necessary proportion of property owners view as affordable.

Although Manhattan Beach property owners did not exhibit significant price sensitivity in their support for the proposed stormwater measure, this pattern likely reflects the comparatively high fees being considered by the City. For the most common residential property (single family residential with a lot size of 0.1 acres) the proposed fee was $114.73 per year, which means that even at the lowest rate tested in the survey (60% of the proposed fee) the annual amount was still nearly $70 per year. A fee of $70 per year for stormwater services is outside the comfort zone for a majority of Manhattan Beach property owners.

For the stormwater measure to have a reasonable chance for success, it will require a more modest fee increase ($35 to $49 per year) for the typical residential property. Although rates at this level were not tested in this study, past research has shown that fees in this range tend to garner significantly higher support when compared to fees of $50 or more.

How might public education affect support for the stormwater measure?

As noted in the body of this report, individuals' opinions about revenue measures are often not rigid, especially when the amount of information presented to the public on a measure has been limited. Thus, in addition to gauging current support for the measure, one of the goals of the stormwater survey was to explore how the introduction of additional information about the measure may affect property owners' opinions about the proposed stormwater measure.

It is clear from the survey results that property owners' opinions about the stormwater measure are somewhat sensitive to the nature—and amount—of information that they have about the measure. Information about the specific services and projects that could be funded by the measure, as well as arguments in favor of the measure, were found by many respondents to be compelling reasons to support the measure. Moreover, this information played an important role in limiting the erosion of

support for the measure once respondents were exposed to the types of opposition arguments they will likely encounter during an election cycle.

Accordingly, one of the keys to building and sustaining support for a stormwater measure will be the presence of an effective, well-organized public outreach effort and independent campaign to that focuses on the need for the measure as well as the many benefits it will bring.

How might the economic or political climate alter support for the measure?

A survey is a snapshot in time—which means the results of this study and the conclusions noted above must be viewed in light of the current economic and political climates. Ongoing concerns about unemployment, economic uncertaintly, and the lingering effects of the recession continue to weigh on property owners' minds, and these concerns are factored into the results of this survey. Should the economy and/or political climate continue to improve, support for a measure could increase. Conversely, negative economic and/or political developments, especially at the local level, could dampen support for a measure below what was recorded in this study.

Quality of Life & City Services

The opening series of questions in the survey were designed to profile property owners' opinions regarding the quality of life in Manhattan Beach, as well as their assessment of the City's overall performance in providing municipal services.

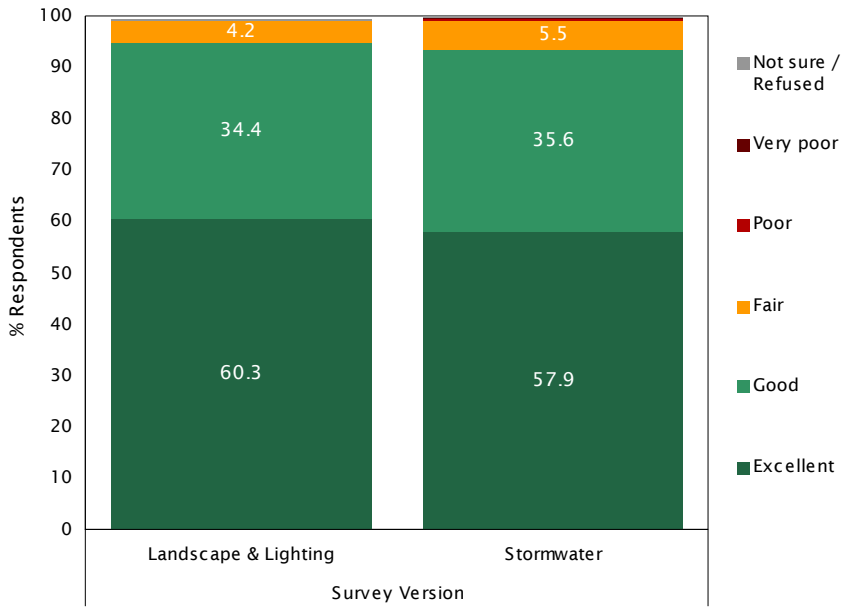
OVERALL QUALITY OF LIFE

At the outset of the interview, respondents were asked to rate the overall quality of life in the City using a five-point scale of excellent, good, fair, poor, or very poor. Following a convention that will be used throughout this report, Figure 1 presents the results to Question 2 separately for each version of the survey.

Among those who were administered the landscape & lighting survey, more than nine-in-ten respondents shared favorable opinions of the quality of life in Manhattan Beach, with 60% reporting it is excellent and 34% stating it is good. An additional 4% of respondents indicated that the quality of life in the City is fair, and no one used poor or very poor to describe the quality of life in Manhattan Beach. The results were strikingly similar among property owners who were administered the stormwater version of the survey, with 58% reporting it is excellent, 36% stating it is good, and 6% offering that the quality of life in Manhattan Beach is fair.

Question 2: Landscape & Lighting/Stormwater *How would you rate the overall quality of life in the City? Would you say it is excellent, good, fair, poor or very poor?*

FIGURE 1 QUALITY OF LIFE



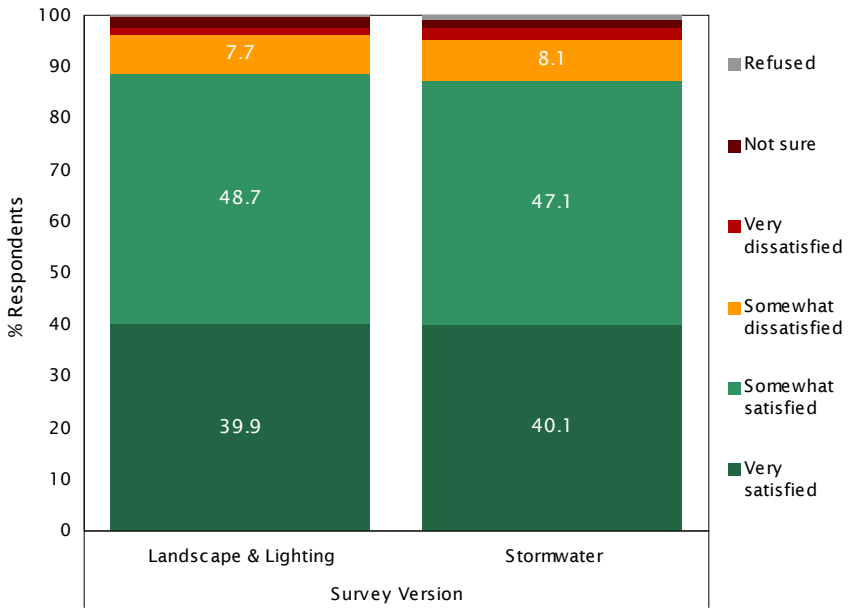
OVERALL SATISFACTION WITH CITY SERVICES

Respondents were next asked if, overall, they were satisfied or dissatisfied with the job the City of Manhattan Beach is doing to provide city services. Because this question does not reference a specific program, facility, or service and requested that the respondent consider the City's performance in general, the findings of this question may be regarded as an *overall performance rating* for the City.

As shown in Figure 2, nearly nine-in-ten respondents (89%) who received the landscape & lighting version of the survey indicated that they were satisfied with the City's overall performance in providing municipal services, whereas 9% were dissatisfied and 2% were unsure. Similarly, 87% of property owners administered the stormwater survey indicated that they were satisfied with the City's overall performance in providing municipal services, whereas 10% were dissatisfied and 3% were unsure.

Question 3: Landscape & Lighting/Stormwater *Generally speaking, are you satisfied or dissatisfied with the job the City of Manhattan Beach is doing to provide city services?*

FIGURE 2 OVERALL SATISFACTION WITH CITY



Initial Ballot Test

The primary research objective of this survey was to estimate property owners' interest in supporting local revenue measures to address stormwater pollution and landscaping & lighting, respectively. To accommodate the City's interest in understanding how support for a measure may vary depending on the type and purpose of the measure, two separate surveys were conducted using mutually-exclusive random samples of Manhattan Beach property owners. One survey focused on a property-related fee to address stormwater pollution, whereas the second survey focused on a landscaping & lighting assessment. Question 4 was designed to take an early assessment of property owners' support for the respective measures.

The motivation for placing Questions 4 up-front in the survey is twofold. First, property owner support for a measure can often depend on the amount of information they have about a measure. At this point in the survey, the respondent has not been provided information about the proposed measure beyond what is presented in the ballot language. This situation is analogous to a person casting a ballot with limited knowledge about the measure, such as what might occur in the absence of an effective education campaign. Question 4, also known as the Initial Ballot Test, is thus a good measure of property owner support for the proposed measure *as it is today*, on the natural. Because the Initial Ballot Test provides a gauge of natural support for the measure, it also serves a second purpose in that it provides a useful baseline from which to judge the impact of various information items conveyed later in the survey on property owner support for the measure.

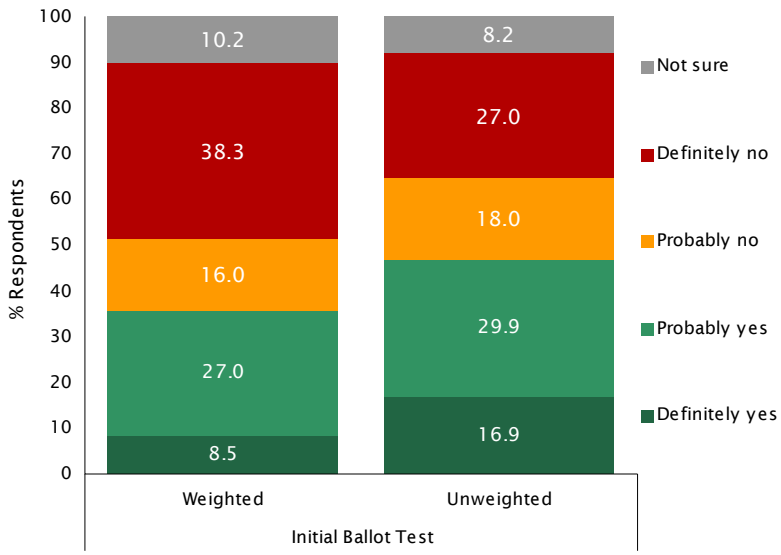
SUPPORT FOR LANDSCAPE & LIGHTING MEASURE

Figure 3 on the next page presents the results of the Initial Ballot Test for the landscape & lighting measure that would raise funds to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City, avoid reductions in street lighting service, and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. Note that each property owner was presented with a rate that was specific to their property based on the *Preliminary Analysis for Landscaping and Street Lighting Maintenance Assessment District* conducted for the City of Manhattan Beach by Harris & Associates in 2014.

Figure 3 presents the results unweighted, as well as weighted to account for the fact that in a benefit assessment each vote is weighted according to the proposed fee for the parcel. In an *unweighted* scenario (each vote counts equally), 47% of property owners indicated that they would support the landscape & lighting assessment, whereas 45% stated they would oppose the assessment and 8% were unsure. Once weighted proportionately according to the fee proposed for each property, overall support for the measure declines to 36%, with 54% opposed and 10% unsure. The decline in support in the weighted scenario reflects the tendency for property owners who receive comparatively high assessments to be more likely to oppose the measure.

Question 4: Landscape & Lighting *Next year, property owners in the City of Manhattan Beach may be asked to vote on a local ballot measure. Let me read you a summary of the measure. In order to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City; avoid reductions in street lighting service; and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure?*

FIGURE 3 INITIAL BALLOT TEST: LANDSCAPE & LIGHTING



LANDSCAPE & LIGHTING: SUPPORT BY SUBGROUPS For the interested reader, Table 1 on the next page shows how support at the Initial Ballot Test for the landscape & lighting measure varied by key demographic traits. The blue column (Approximate % of Universe) indicates the percentage of the weighted voter universe that each subgroup category comprises.

When compared with their respective counterparts, those who live in a condominium, property owners who reside in a Dual Democratic household, households for which the assessors file information allowed for a match to the voter file, individuals who received comparatively low proposed fees (less than $33 annually), and males were the most likely to support the landscape & lighting measure at the Initial Ballot Test.

TABLE 1 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INITIAL BALLOT TEST: LANDSCAPING & LIGHTING

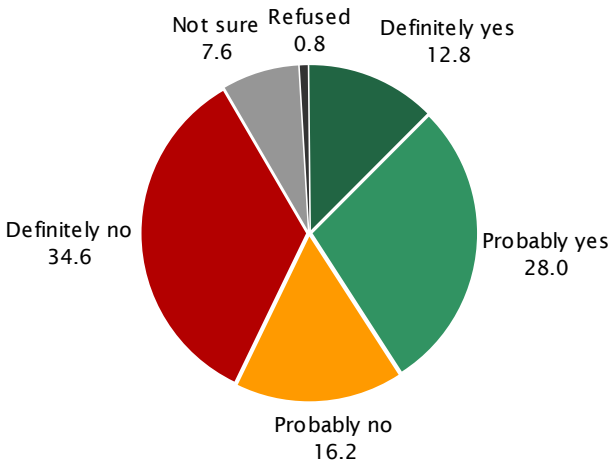
		Approximate % of Weighted Voter Universe	% Probably or Definitely Yes	% Not sure
Overall		100	35.5	10.2
Years in Manhattan Beach (Q1)	Less than 5	8	50.8	8.1
	5 to 9	7	50.0	8.8
	10 to 14	31	49.2	1.2
	15 or longer	54	33.9	18.4
Land Use Category	Commercial	46	25.8	12.5
	Condo	5	60.7	5.3
	Mult Family	13	25.6	7.7
	Single Family	36	48.1	8.8
Household Party Type	Single dem	6	46.7	16.5
	Dual dem	4	62.8	2.7
	Single rep	6	24.7	18.5
	Dual rep	6	58.3	5.2
	Other	5	46.7	14.0
	Mixed	6	46.1	8.3
	No voter ID	67	29.9	9.8
Voter Hsld Identified	Yes	33	47.0	11.0
	No	67	29.9	9.8
Rate A Group	Low (<$33)	2	64.4	0.0
	Mid ($33~$66)	34	47.3	8.4
	High ($66+)	64	28.4	11.4
Gender	Male	75	37.7	3.3
	Female	25	28.8	31.5

SUPPORT FOR STORMWATER MEASURE Figure 4 on the next page presents the results of the Initial Ballot Test for the stormwater measure that would raise funds to protect public health and reduce water pollution in Manhattan Beach, repair, reconstruct, and maintain the storm drain system throughout the City, remove pollutants, toxic chemicals, and infectious bacteria from runoff, keep trash and pollution off our beaches and out of local waterways and the ocean, and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. As was the case with the landscape & lighting survey, each property owner was presented with a rate that was specific to their property based on the *Preliminary Analysis for the Stormwater Utility Fee* conducted for the City of Manhattan Beach by Harris & Associates in 2014.

Overall, 41% of property owners indicated that they would definitely or probably support the stormwater measure at this stage in the survey, whereas 51% stated that they would oppose the measure, and 8% were unsure or unwilling to share their vote choice.

Question 4: Stormwater *Next year, property owners in the City of Manhattan Beach may be asked to vote on a local ballot measure. Let me read you a summary of the measure. In order to protect public health and reduce water pollution in Manhattan Beach; repair, reconstruct, and maintain the storm drain system throughout the City; remove pollutants, toxic chemicals, and infectious bacteria from runoff; keep trash and pollution off our beaches and out of local waterways and the ocean; and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure?*

FIGURE 4 INITIAL BALLOT TEST: STORMWATER



STORMWATER: SUPPORT BY SUBGROUPS Table 2 on the next page shows how support at the Initial Ballot Test for the stormwater measure varied by key demographic traits. The blue column (Approximate % of Universe) indicates the percentage of the voter universe that each subgroup category comprises. When compared with their respective counterparts, those who had lived in Manhattan Beach less than 10 years, those living in a condominium or single family residence, Single and Dual Democratic households, and property owners whose proposed fee was less than $200 were the most likely to exhibit support for the measure.

TABLE 2 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INITIAL BALLOT TEST: STORMWATER

		Approximate % of Voter Universe	% Probably or Definitely Yes	% Not sure
Overall		100	40.8	7.6
Years in Manhattan Beach (Q1)	Less than 5	7	44.4	14.8
	5 to 9	11	47.6	4.8
	10 to 14	13	42.6	8.5
	15 or longer	69	39.5	7.0
Land Use Category	Commercial	3	16.7	0.0
	Condo	8	45.2	3.2
	Mult Family	14	30.8	5.8
	Single Family	75	43.2	8.7
Household Party Type	Single dem	12	55.6	11.1
	Dual dem	7	50.0	3.8
	Single rep	11	41.9	7.0
	Dual rep	11	29.3	4.9
	Other	10	26.3	18.4
	Mixed	17	45.5	4.5
	No voter ID	32	39.0	6.5
Voter Hsld Identified	Yes	68	41.7	8.1
	No	32	39.0	6.5
Rate A Group	Low (<$150)	6	39.1	4.3
	Mid ($150~$200)	85	41.8	8.0
	High ($200+)	9	32.4	5.9
Gender	Male	68	41.7	5.8
	Female	32	39.0	11.4

REASONS FOR OPPOSING MEASURE Respondents who opposed the measures at Questions 4 were subsequently asked if there was a particular reason for their position. Question 5 was asked in an open-ended manner, thereby allowing respondents to mention any reason that came to mind without being prompted by or restricted to a particular list of options. True North later reviewed the verbatim responses and grouped them into the categories shown in Figure 5 for the landscape & lighting assessment, Figure 6 for the stormwater measure.

The most frequently-mentioned reasons for opposing the landscape & lighting assessment were a perception that taxes/fees are already too high (26%), concern that the money will be mismanaged (22%), a perception that the City already has enough funding (14%), and a need for more information (13%). The reasons expressed for not supporting the stormwater measure were similar, including a perception that taxes/fees are already too high (40%), concern that the money will be mismanaged (20%), a perception that the City already has enough funding (14%), and a need for more information (11%).

Question 5 *Is there a particular reason why you do not support the measure I just described?*

FIGURE 5 REASONS FOR NOT SUPPORTING MEASURE: LANDSCAPE & LIGHTING

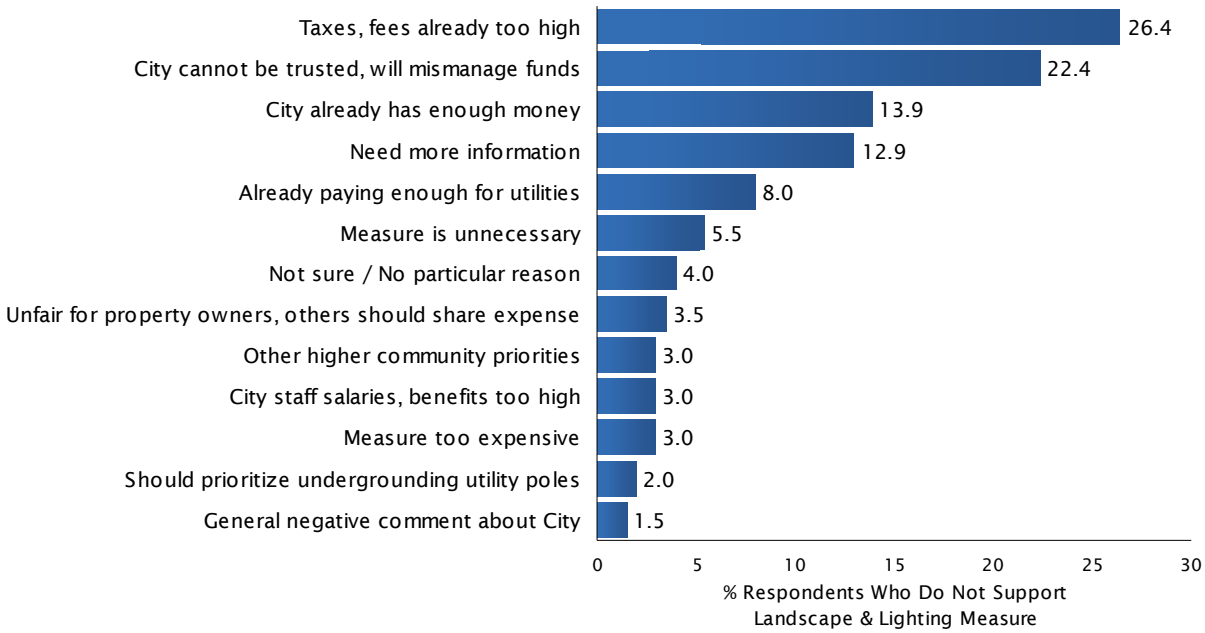
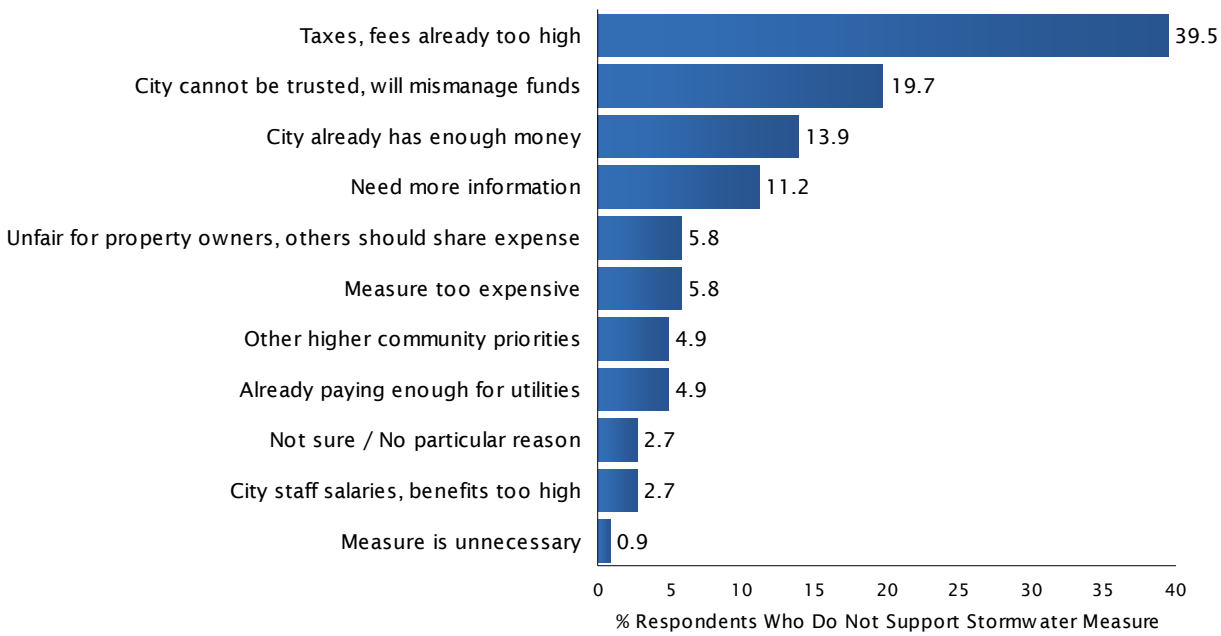


FIGURE 6 REASONS FOR NOT SUPPORTING MEASURE: STORMWATER



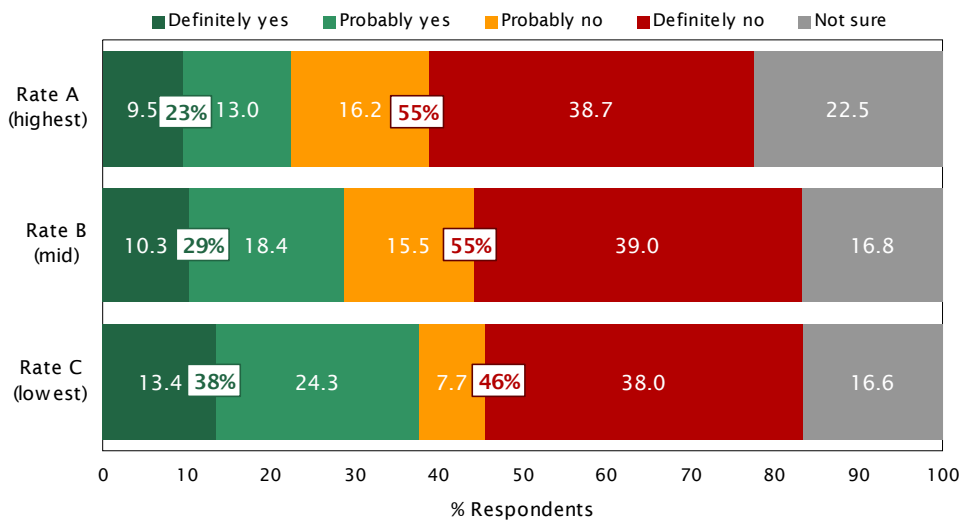
Fee Threshold

Naturally, property owner support for a revenue measure is often contingent on the cost of the measure. The higher the tax rate or fee, all other things being equal, the less likely an individual is to support the measure. One of the goals of this study was thus to gauge the impact that changes in the fee rate can be expected to have on property owner support for the proposed revenue measures.

Question 6 was designed to do just that. Respondents were first instructed that the fee rate for the measure had yet to be determined, although several rates were being considered. They were then presented with the highest amount for their property based on the preliminary engineer's analysis (Rate A) and asked if they would support the proposed measure at that amount. If a respondent did not answer 'definitely yes', they were asked whether they would support the measure at the next lowest rate (Rate B), and so on. Note that Rate B was 80% of the Rate A amount, whereas Rate C was 60% of Rate A. The three rates tested, as well as the percentage of respondents who indicated they would vote in favor of the measure at each rate, are shown below in Figure 7 for the landscape & lighting assessment, Figure 9 for the stormwater measure.

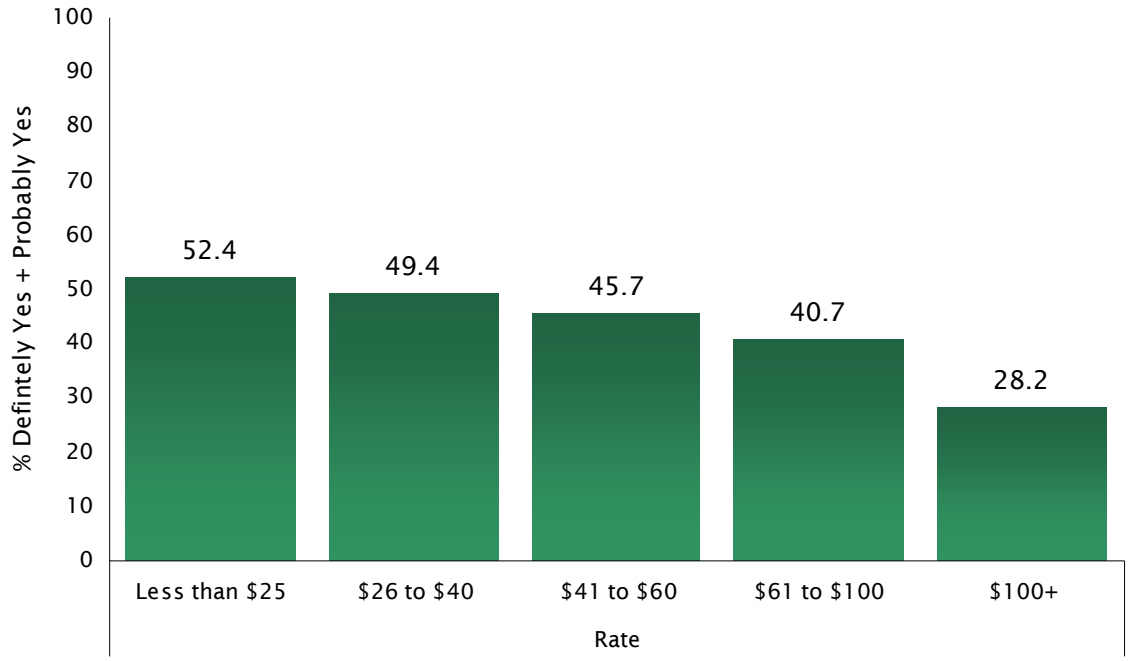
Question 6: Landscape & Lighting *The measure I just described would raise money through annual property taxes paid by residential and commercial property owners in the City. However, the amount to be charged to each parcel has not been determined yet. If you heard that your household would pay an additional _____ per year for each property you own in Manhattan Beach, would you vote yes or no on the measure?*

Figure 7 Tax Threshold: Landscape & Lighting



At the highest proposed rate for each property based on the engineer's assessment, just 23% of property owners (weighted) indicated they would support the measure. Incremental reductions in the fee rate resulted in incremental increases in support for the measure, with 38% of property owners indicating that they would support the landscape & lighting assessment at 60% of the highest proposed rate (Rate C).

FIGURE 8 SUPPORT FOR LANDSCAPE & LIGHTING MEASURE BY DOLLAR AMOUNT



Whereas Figure 7 shows support at each of the proposed rate structures (recognzing that the amount will vary by parcel), Figure 8 illustrates how support varied depending on the specific dollar amount presented to property owners. As note in the figure, support for the proposed landscape & lighting assessment was found among a majority (52%) of property owners when the annual fee to their property was less than $25. As the fee escalated, support declined—with just 28% of property owners indicating that they would support a fee of $100 or more per year.

When compared to the landscape & lighting assessment, support for the proposed stormwater measure was somewhat higher (see Figure 9 on the next page). At the highest proposed rate for each property based on the engineer's assessment, 38% of property owners indicated they would support the measure. As the fee rate was lowered to 80% (Rate B) and 60% (Rate C) of original rate (Rate A), support climbed to 40% and 44%, respectively.

Converting the rates to actual dollar amounts reveals that support for the stormwater measure was not particularly sensitive to the amount of the fee within the range of fees being considered by the City (see Figure 10). At an annual amount of less than $90, for example, 45% of property owners stated they would support the measure. The comparable figure for fees of $150 or more per year was 41%. It is likely, however, that a more modest fee (less than $50, for example), would generate a spike in support.

Question 6: Stormwater *The measure I just described would raise money through annual property taxes paid by residential and commercial property owners in the City. However, the amount to be charged to each parcel has not been determined yet. If you heard that your household would pay _____ per year for each property you own in Manhattan Beach, would you vote yes or no on the measure?*

FIGURE 9 TAX THRESHOLD: STORMWATER

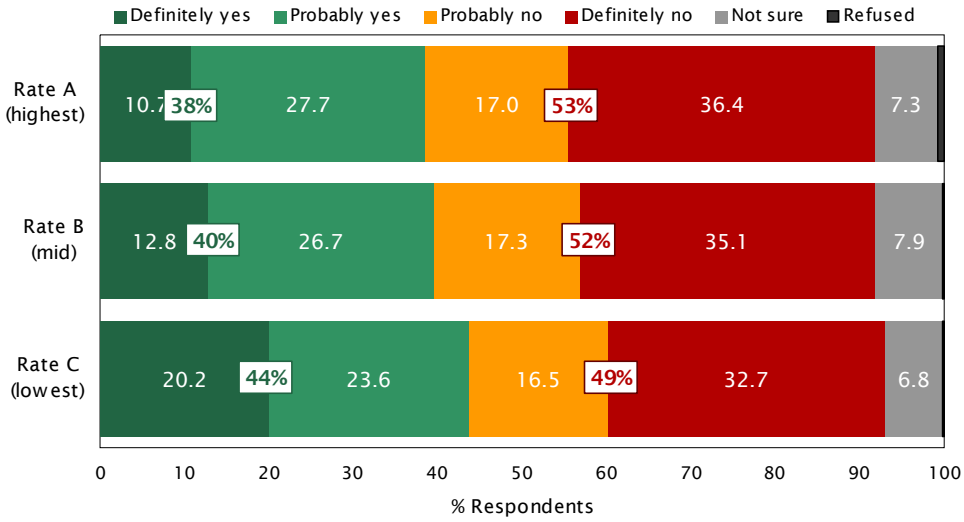
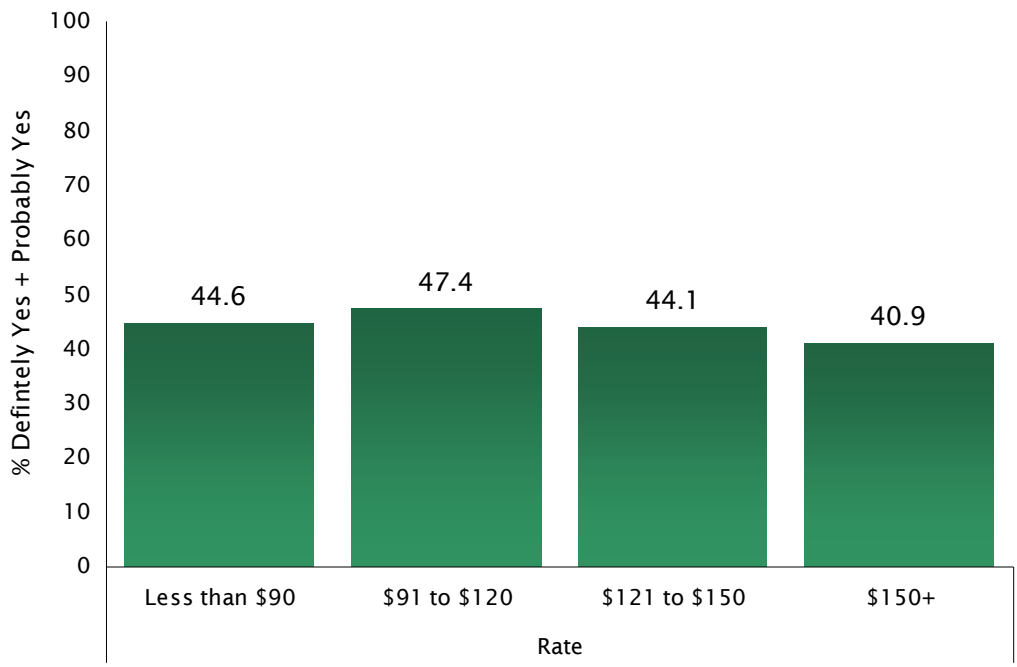


FIGURE 10 SUPPORT FOR STORMWATER MEASURE BY DOLLAR AMOUNT



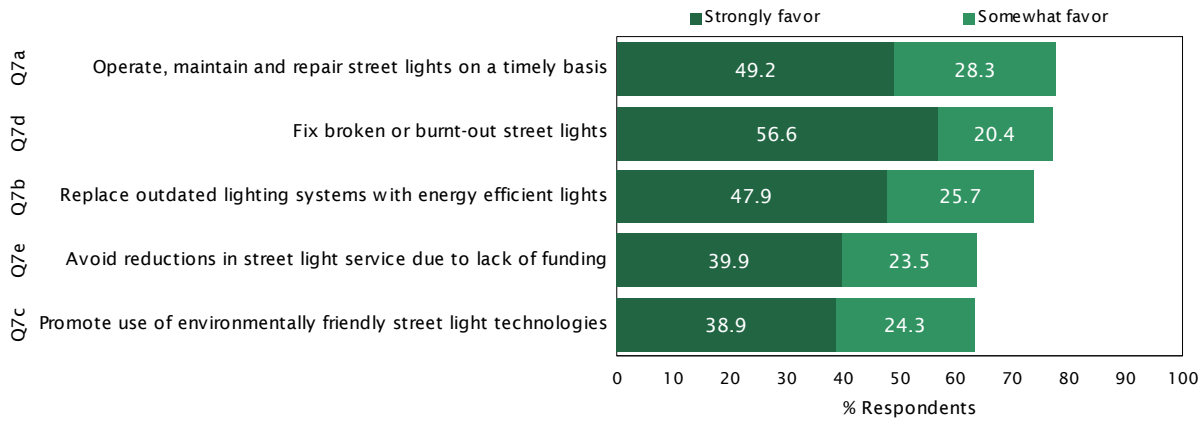
PROGRAMS & PROJECTS

The ballot language presented in Question 2 indicated that the proposed landscape & lighting assessment would raise funds to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City, avoid reductions in street lighting service, and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. The ballot language for the stormwater measure was similarly succinct, stating that the measure would raise funds to protect public health and reduce water pollution in Manhattan Beach, repair, reconstruct, and maintain the storm drain system throughout the City, remove pollutants, toxic chemicals, and infectious bacteria from runoff, keep trash and pollution off our beaches and out of local waterways and the ocean, and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. The purpose of Question 7 was to provide respondents with the full range of services and infrastructure improvements that may be funded by the proposed measures, as well as identify which of these improvements property owners most favored funding with measure proceeds.

After reading each service or project that may be funded by the measure, respondents were asked if they would favor or oppose spending some of the money on that particular item assuming that the measure passes. Truncated descriptions of the improvements tested, as well as property owners' responses, are shown in Figure 11 for the landscape & lighting assessment, Figure 12 for the stormwater measure.[5]

Question 7: Landscape & Lighting/Stormwater *The measure we've been discussing will fund a variety of projects and services in the City. If the measure passes, would you favor or oppose using some of the money to: _____, or do you not have an opinion?*

FIGURE 11 PROGRAMS & PROJECTS: LANDSCAPE & LIGHTING



Among the items that could be funded by the landscape & lighting assessment, property owners most strongly favored using the funds to operate, maintain and repair street lights on a timely basis (78%), fix broken or burnt-out street lights (77%), and replace outdated lighting systems that are expensive to operate and repair with new energy efficient lights that will be more cost-

5. For the full text of the items tested, turn to Question 6 in *Questionnaire & Toplines* on page 40.

effective (74%). For the interested reader, Table 3 ranks the five projects and services (showing the percentage of respondents who *strongly* favor each) by position at the Initial Ballot Test.

TABLE 3 TOP PROGRAMS & PROJECTS BY POSITION AT INITIAL BALLOT TEST: LANDSCAPE & LIGHTING

Position at Initial Ballot Test (Q4)	Item	Program or Project Summary	% Strongly Favor
Probably or Definitely **Yes** (*n* = 177)	Q7d	Fix broken or burnt-out street lights	77
	Q7b	Replace outdated lighting systems with energy efficient lights	73
	Q7a	Operate, maintain and repair street lights on a timely basis	69
	Q7e	Avoid reductions in street light service due to lack of funding	59
	Q7c	Promote use of environmentally friendly street light technologies	58
Probably or Definitely **No** (*n* = 170)	Q7d	Fix broken or burnt-out street lights	39
	Q7a	Operate, maintain and repair street lights on a timely basis	32
	Q7e	Avoid reductions in street light service due to lack of funding	24
	Q7b	Replace outdated lighting systems with energy efficient lights	22
	Q7c	Promote use of environmentally friendly street light technologies	19
Not Sure (*n* = 31)	Q7b	Replace outdated lighting systems with energy efficient lights	42
	Q7c	Promote use of environmentally friendly street light technologies	42
	Q7d	Fix broken or burnt-out street lights	32
	Q7a	Operate, maintain and repair street lights on a timely basis	26
	Q7e	Avoid reductions in street light service due to lack of funding	19

For the stormwater measure (see Figure 12), property owners most strongly favored using the funds to reconstruct or replace storm drains that are identified by engineers as being high risk for collapse or failures (79%), install and maintain devices in storm drains that capture trash and pollution before they enter our waterways (76%), reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution (70%), and keep trash and pollution off our beaches and out of local waterways and the ocean (70%). Table 4 on the next page ranks the five projects and services (showing the percentage of respondents who *strongly* favor each) by position at the Initial Ballot Test.

FIGURE 12 PROGRAMS & PROJECTS: STORMWATER

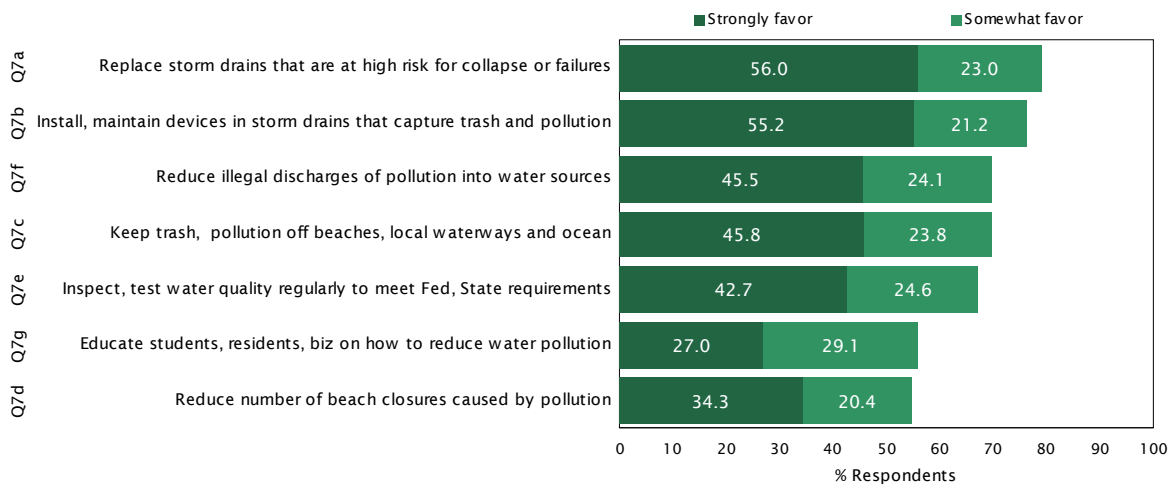


TABLE 4 TOP PROGRAMS & PROJECTS BY POSITION AT INITIAL BALLOT TEST: STORMWATER

Position at Initial Ballot Test (Q4)	Item	Program or Project Summary	% Strongly Favor
Probably or Definitely **Yes** (*n* = 156)	Q7a	Replace storm drains that are at high risk for collapse or failures	85
	Q7b	Install, maintain devices in storm drains that capture trash and pollution	85
	Q7c	Keep trash, pollution off beaches, local waterways and ocean	79
	Q7f	Reduce illegal discharges of pollution into water sources	73
	Q7e	Inspect, test water quality regularly to meet Fed, State requirements	71
Probably or Definitely **No** (*n* = 194)	Q7a	Replace storm drains that are at high risk for collapse or failures	31
	Q7b	Install, maintain devices in storm drains that capture trash and pollution	31
	Q7f	Reduce illegal discharges of pollution into water sources	23
	Q7e	Inspect, test water quality regularly to meet Fed, State requirements	21
	Q7c	Keep trash, pollution off beaches, local waterways and ocean	18
Not Sure (*n* = 29)	Q7a	Replace storm drains that are at high risk for collapse or failures	66
	Q7b	Install, maintain devices in storm drains that capture trash and pollution	59
	Q7c	Keep trash, pollution off beaches, local waterways and ocean	55
	Q7f	Reduce illegal discharges of pollution into water sources	52
	Q7e	Inspect, test water quality regularly to meet Fed, State requirements	38

Positive Arguments

If the City Council chooses to place a measure on an upcoming ballot, voters will be exposed to various arguments about the measure in the ensuing months. Proponents of the measure will present arguments to try to persuade property owners to support the measure, just as opponents may present arguments to achieve the opposite goal. For this study to be a reliable gauge of property owner support for a measure, it is important that the survey simulate the type of discussion and debate that will occur prior to the vote taking place and identify how this information ultimately shapes property owners' opinions about the measure.

The objective of Question 8 was thus to present respondents with arguments in favor of the proposed measures and identify whether they felt the arguments were convincing reasons to support the measures. Arguments in opposition to the measures were also presented and are discussed later in this report (see *Negative Arguments* on page 31). Within each series, specific arguments were administered in random order to avoid a systematic position bias.

Question 8: Landscape & Lighting/Stormwater *What I'd like to do now is tell you what some people are saying about the measure we've been discussing. Supporters of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to SUPPORT the measure?*

Figure 13 Positive Arguments: Landscape & Lighting

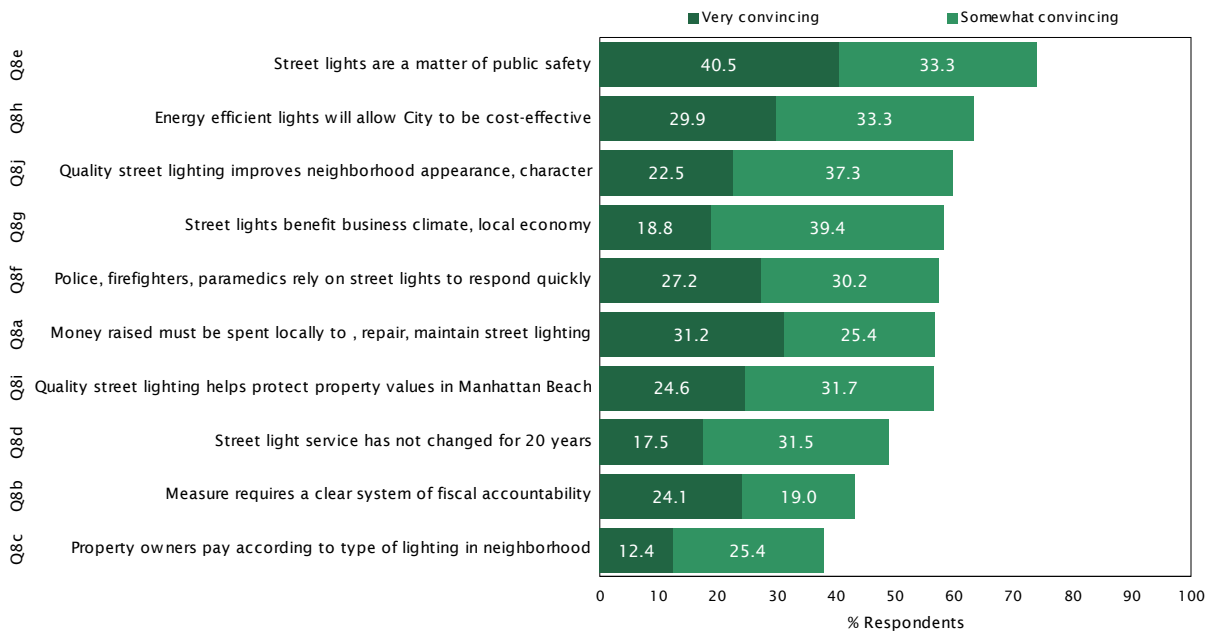


Figure 13 presents the truncated positive arguments tested in the landscape & lighting survey, as well as property owners' reactions to the arguments. The arguments are ranked from most convincing to least convincing based on the percentage of respondents who indicated that the argument was either a 'very convincing' or 'somewhat convincing' reason to support the measure. Using this methodology, the most compelling positive argument was: *Street lights are a matter of public safety. Good street lights deter crime, prevent car accidents, and protect pedestrians* (74%), followed by *By switching to energy efficient lights, this measure will allow the City to be more cost-effective and environmentally friendly in the future* (63%), and *Quality street*

lighting improves the appearance, character and quality of life in a neighborhood (60%). Table 5 lists the top five most convincing positive arguments for the landscape & lighting measure (showing the percentage of respondents who cited each as *very* convincing) according to respondents' vote choice at the Initial Ballot Test.

TABLE 5 TOP POSITIVE ARGUMENTS BY POSITION AT INITIAL BALLOT TEST: LANDSCAPE & LIGHTING

Position at Initial Ballot Test (Q4)	Item	Positive Argument Summary	% Very Convincing
Probably or Definitely **Yes** (*n* = 177)	Q8e	Street lights are a matter of public safety	66
	Q8a	Money raised must be spent locally to operate, repair, maintain street lighting	54
	Q8h	Energy efficient lights will allow City to be cost-effective, environmentally friendly	51
	Q8f	Police, firefighters, paramedics rely on street lights to respond quickly	48
	Q8i	Quality street lighting helps protect property values in Manhattan Beach	45
Probably or Definitely **No** (*n* = 170)	Q8e	Street lights are a matter of public safety	18
	Q8a	Money raised must be spent locally to operate, repair, maintain street lighting	10
	Q8h	Energy efficient lights will allow City to be cost-effective, environmentally friendly	9
	Q8f	Police, firefighters, paramedics rely on street lights to respond quickly	9
	Q8b	Measure requires a clear system of fiscal accountability	7
Not Sure (*n* = 31)	Q8e	Street lights are a matter of public safety	23
	Q8h	Energy efficient lights will allow City to be cost-effective, environmentally friendly	23
	Q8a	Money raised must be spent locally to operate, repair, maintain street lighting	19
	Q8g	Street lights benefit business climate, local economy	16
	Q8j	Quality street lighting improves neighborhood appearance, character, quality of life	16

For the stormwater measure (see Figure 14), the most compelling positive arguments were: *It is a lot cheaper to fix a storm drain now than to pay for reconstruction, property damage and lawsuits when it fails* (61%), *Stormwater runoff carries tons of trash, infectious bacteria and toxic pollutants directly to the ocean and local beaches. This measure is one of the best ways to protect our water quality and public health* (57%), and *Every year, thousands of pounds of trash from our streets washes up on local beaches. This measure will help prevent and clean up trash and pollution before it ends up in our water and on our shorelines and beaches* (53%).

FIGURE 14 TOP POSITIVE ARGUMENTS: STORMWATER

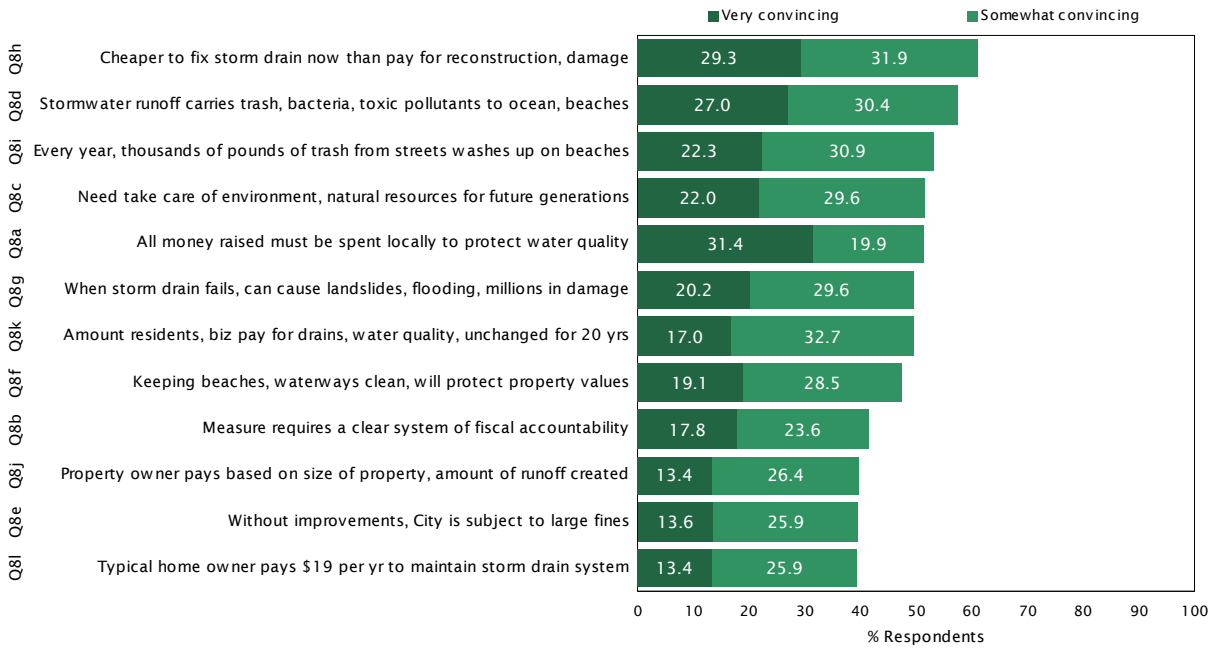


Table 6 lists the top five most convincing positive arguments for the stormwater measure (showing the percentage of respondents who cited each as *very* convincing) according to respondents' vote choice at the Initial Ballot Test.

TABLE 6 TOP POSITIVE ARGUMENTS BY POSITION AT INITIAL BALLOT TEST: STORMWATER

Position at Initial Ballot Test (Q4)	Item	Positive Argument Summary	% Very Convincing
Probably or Definitely **Yes** (*n* = 156)	Q8a	All money raised must be spent locally to protect water quality	60
	Q8d	Stormwater runoff carries trash, bacteria, toxic pollutants to ocean, beaches	58
	Q8h	Cheaper to fix storm drain now than pay for reconstruction, damage, lawsuits	50
	Q8i	Every year, thousands of pounds of trash from streets washes up on beaches	46
	Q8c	Need take care of environment, natural resources for future generations	44
Probably or Definitely **No** (*n* = 194)	Q8h	Cheaper to fix storm drain now than pay for reconstruction, damage, lawsuits	11
	Q8a	All money raised must be spent locally to protect water quality	8
	Q8g	When storm drain fails, can cause landslides, flooding, millions in damage	7
	Q8c	Need take care of environment, natural resources for future generations	5
	Q8i	Every year, thousands of pounds of trash from streets washes up on beaches	4
Not Sure (*n* = 29)	Q8h	Cheaper to fix storm drain now than pay for reconstruction, damage, lawsuits	41
	Q8g	When storm drain fails, can cause landslides, flooding, millions in damage	34
	Q8a	All money raised must be spent locally to protect water quality	31
	Q8f	Keeping beaches, waterways clean, pollution-free will protect property values	24
	Q8b	Measure requires a clear system of fiscal accountability	21

INTERIM BALLOT TEST

After exposing respondents to the types of positive arguments they may encounter during an election cycle, as well as the services and facilities that may be funded by the measures, the survey again presented property owners with the ballot language used previously to gauge how their support for the proposed measures may have changed.

LANDSCAPE & LIGHTING ASSESSMENT

As shown in Figure 15, overall support for the landscape & lighting measure at this point declined to 22% in a weighted-vote scenario using the proposed Rate A, with 50% of respondents opposed to the measure and an additional 28% unsure or unwilling to state their vote choice. When the votes were not weighted, support at the Interim Ballot Test was higher (43%) yet still below the majority required for passage. Table 7 on the next page displays how support for the landscape & lighting assessment at this point in the survey varied by key demographic subgroups, as well as the percentage change in subgroup support when compared to the Initial Ballot Test. Positive differences appear in green, whereas negative differences appear in red.

Question 9: Landscape & Lighting *Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again. In order to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City; avoid reductions in street lighting service; and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure.*

FIGURE 15 INTERIM BALLOT TEST: LANDSCAPE & LIGHTING

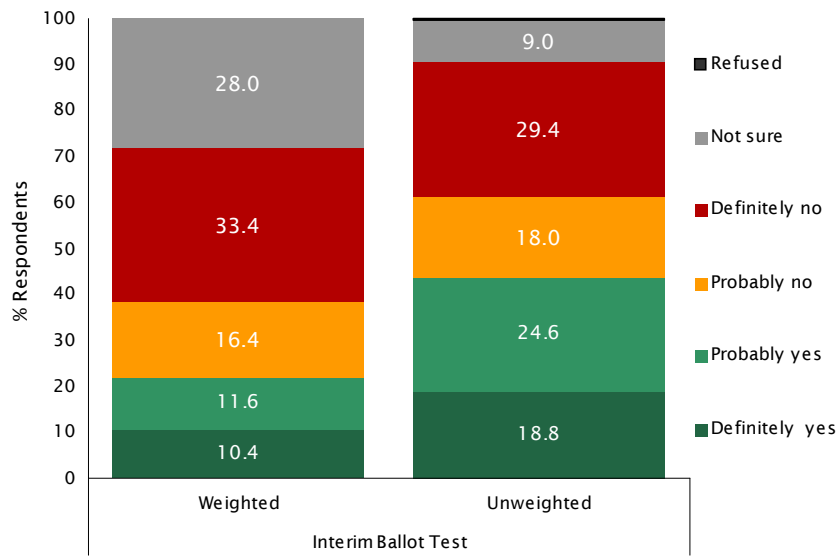


TABLE 7 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INTERIM BALLOT TEST: LANDSCAPE & LIGHTING

		Approximate % of Weighted Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q4)
Overall		100	22.1	-13.4
Years in Manhattan Beach (Q1)	Less than 5	8	53.2	+2.4
	5 to 9	7	46.5	-3.5
	10 to 14	31	5.8	-43.4
	15 or longer	54	30.0	-3.9
Land Use Category	Commercial	46	0.2	-25.6
	Condo	5	48.2	-12.5
	Mult Family	13	25.0	-0.6
	Single Family	36	45.1	-3.0
Household Party Type	Single dem	6	43.0	-3.7
	Dual dem	4	57.4	-5.3
	Single rep	6	27.8	+3.1
	Dual rep	6	50.3	-8.0
	Other	5	46.7	No change
	Mixed	6	39.4	-6.6
	No voter ID	67	11.6	-18.3
Voter Hsld Identified	Yes	33	43.4	-3.6
	No	67	11.6	-18.3
Rate A Group	Low (<$33)	2	55.8	-8.6
	Mid ($33~$66)	34	44.1	-3.2
	High ($66+)	64	9.4	-19.0
Gender	Male	75	20.7	-17.0
	Female	25	26.4	-2.4

STORMWATER MEASURE When compared to support for the landscape & lighting assessment, support for the proposed stormwater measure was more consistent between the Initial and Interim Ballot Tests, as well as higher overall. At the Interim Ballot Test, 39% of property owners indicated they would support the stormwater measure at the highest proposed rate (Rate A), whereas 54% opposed the measure and 7% were unsure or unwilling to share their opinion. Table 8 shows that the relative stability of property owner support for the measure in the aggregate was also shared at the subgroup level, with nearly every subgroup exhibiting little or no change in support for the stormwater measure between the Initial and Interim Ballot Tests.

Question 9: Stormwater *Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again. In order to protect public health and reduce water pollution in Manhattan Beach; repair, reconstruct, and maintain the storm drain system throughout the City; remove pollutants, toxic chemicals, and infectious bacteria from runoff; keep trash and pollution off our beaches and out of local waterways and the ocean; and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure?*

FIGURE 16 INTERIM BALLOT TEST STORMWATER

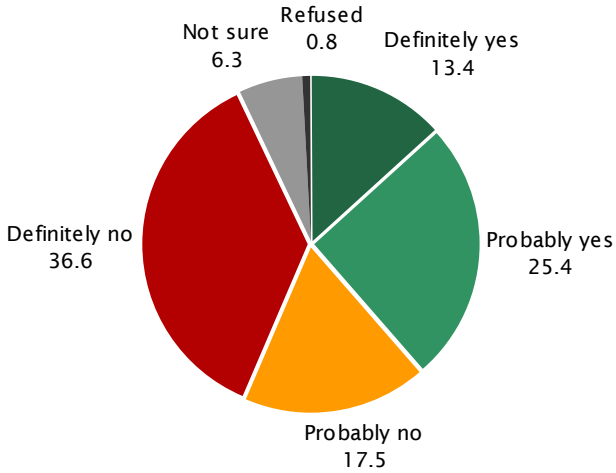


TABLE 8 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT INTERIM BALLOT TEST: STORMWATER

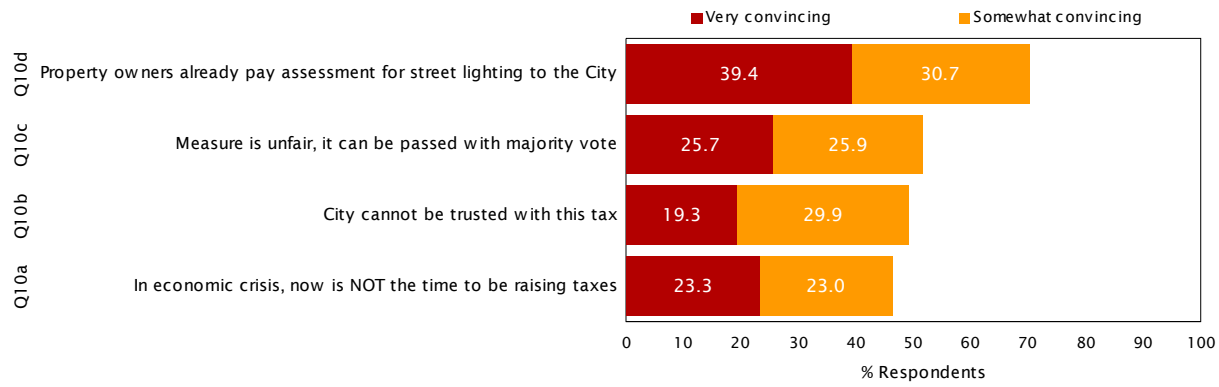
		Approximate % of Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q4)
Overall		100	38.7	-2.1
Years in Manhattan Beach (Q1)	Less than 5	7	44.4	No change
	5 to 9	11	40.5	-7.1
	10 to 14	13	46.8	+4.3
	15 or longer	69	37.1	-2.3
Land Use Category	Commercial	3	16.7	No change
	Condo	8	41.9	-3.2
	Mult Family	14	30.8	No change
	Single Family	75	40.8	-2.4
Household Party Type	Single dem	12	53.3	-2.2
	Dual dem	7	50.0	No change
	Single rep	11	37.2	-4.7
	Dual rep	11	26.8	-2.4
	Other	10	26.3	No change
	Mixed	17	40.9	-4.5
	No voter ID	32	38.2	-0.8
Voter Hsld Identified	Yes	68	39.0	-2.7
	No	32	38.2	-0.8
Rate A Group	Low (<$150)	6	39.1	No change
	Mid ($150~$200)	85	39.4	-2.5
	High ($200+)	9	32.4	-0.0
Gender	Male	68	38.6	-3.1
	Female	32	39.0	No change

Negative Arguments

Whereas Question 8 presented respondents with arguments in favor of the measures, Question 10 presented respondents with arguments designed to elicit opposition to the measures. In the case of Question 10, however, respondents were asked whether they felt that the argument was a very convincing, somewhat convincing, or not at all convincing reason to *oppose* the measure. The arguments tested, as well as property owners' opinions about the arguments, are presented in Figure 17 for the landscape & lighting measure and Figure 18 for the stormwater measure.

Question 10: Landscape & Lighting/Stormwater *Next, let me tell you what opponents of the measure are saying. Opponents of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?*

Figure 17 Negative Arguments: Landscape & Lighting



Among the negative arguments tested for the landscape & lighting assessment, the most compelling were: *Property owners already pay an assessment for street lighting to the City. Now they want another one? That's not fair to taxpayers* (70%), *This measure is unfair because it can be passed with a majority vote rather than the usual two-thirds requirement, and many voters are not allowed to participate* (52%), and *The City can't be trusted with this tax. They will mismanage the money* (49%). Table 9 ranks the negative arguments (showing the percentage of respondents who cited each as very convincing) according to respondents' vote choice at the Initial Ballot Test for the landscape & lighting measure.

Table 9 Negative Arguments by Position at Initial Ballot Test: Landscape & Lighting

Position at Initial Ballot Test (Q4)	Item	Negative Argument Summary	% Very Convincing
Probably or Definitely **Yes** (*n* = 177)	Q10d	Property owners already pay assessment for street lighting to the City	15
	Q10c	Measure is unfair, it can be passed with majority vote	12
	Q10a	In economic crisis, now is NOT the time to be raising taxes	5
	Q10b	City cannot be trusted with this tax	5
Probably or Definitely **No** (*n* = 170)	Q10d	Property owners already pay assessment for street lighting to the City	68
	Q10a	In economic crisis, now is NOT the time to be raising taxes	44
	Q10c	Measure is unfair, it can be passed with majority vote	41
	Q10b	City cannot be trusted with this tax	35
Not Sure (*n* = 31)	Q10d	Property owners already pay assessment for street lighting to the City	26
	Q10c	Measure is unfair, it can be passed with majority vote	19
	Q10b	City cannot be trusted with this tax	16
	Q10a	In economic crisis, now is NOT the time to be raising taxes	13

Among the negative arguments tested for the stormwater measure, the most compelling were: *This measure won't make a difference. Most of the water pollution is coming from Los Angeles and other cities, and they aren't doing much to stop it* (69%), *The City can't be trusted with this tax. They will mismanage the money* (56%), and *People are having a hard time making ends meet with high unemployment and a sluggish economy. Now is NOT the time to be raising taxes* (52%). Table 10 ranks the negative arguments (showing the percentage of respondents who cited each as very convincing) according to respondents' vote choice at the Initial Ballot Test for the stormwater measure.

FIGURE 18 NEGATIVE ARGUMENTS: STORMWATER

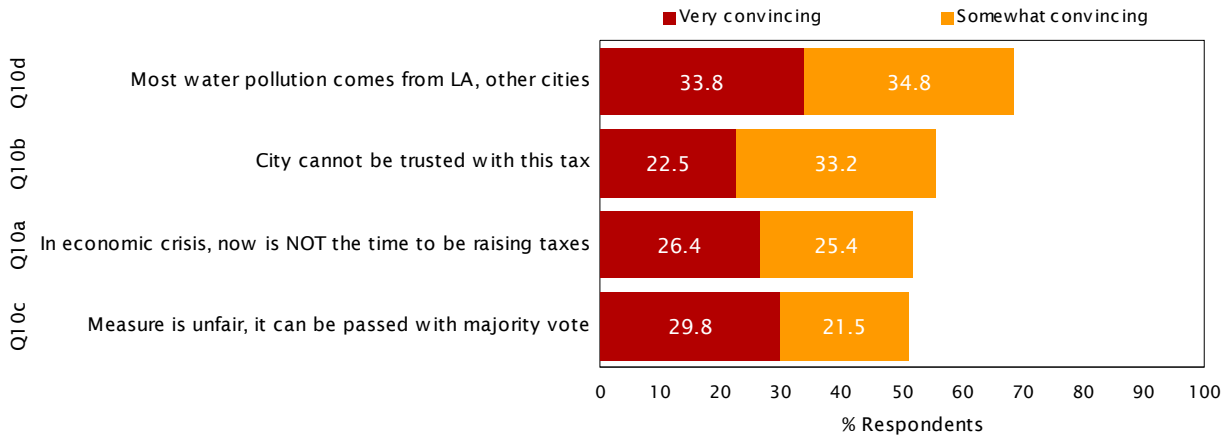


TABLE 10 NEGATIVE ARGUMENTS BY POSITION AT INITIAL BALLOT TEST: STORMWATER

Position at Initial Ballot Test (Q4)	Item	Negative Argument Summary	% Very Convincing
Probably or Definitely **Yes** (*n* = 156)	Q10d	Most water pollution comes from LA, other cities	15
	Q10c	Measure is unfair, it can be passed with majority vote	8
	Q10a	In economic crisis, now is NOT the time to be raising taxes	6
	Q10b	City cannot be trusted with this tax	4
Probably or Definitely **No** (*n* = 194)	Q10c	Measure is unfair, it can be passed with majority vote	49
	Q10d	Most water pollution comes from LA, other cities	48
	Q10a	In economic crisis, now is NOT the time to be raising taxes	46
	Q10b	City cannot be trusted with this tax	39
Not Sure (*n* = 29)	Q10d	Most water pollution comes from LA, other cities	38
	Q10c	Measure is unfair, it can be passed with majority vote	14
	Q10b	City cannot be trusted with this tax	10
	Q10a	In economic crisis, now is NOT the time to be raising taxes	7

Final Ballot Test

Property owners' opinions about revenue measures are often not rigid, especially when the amount of information presented to the public on a measure has been limited. An important goal of the survey was thus to gauge how property owners' opinions about the proposed measures may be affected by the information they could encounter during the course of an election cycle. After providing respondents with the wording of the proposed measures, possible fee rates, programs and projects that could be funded by the measures, as well as arguments in favor and against the proposals, respondents were again asked whether they would vote 'yes' or 'no' on the proposed landscape & lighting assessment and stormwater measure.

LANDSCAPE & LIGHTING ASSESSMENT Support for the landscape & lighting measure at this point in the survey was found among 21% of property owners in a weighted-vote scenario using the proposed Rate A, with 57% of respondents opposed to the measure and an additional 22% unsure or unwilling to state their vote choice. When the votes were not weighted, support at the Interim Ballot Test was considerably higher (41%) yet still below the majority required for passage.

Question 11: Landscape & Lighting *Now that you have heard a bit more about the measure, let me read you a summary of it one more time. In order to keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City; avoid reductions in street lighting service; and replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure.*

FIGURE 19 FINAL BALLOT TEST LANDSCAPE & LIGHTING

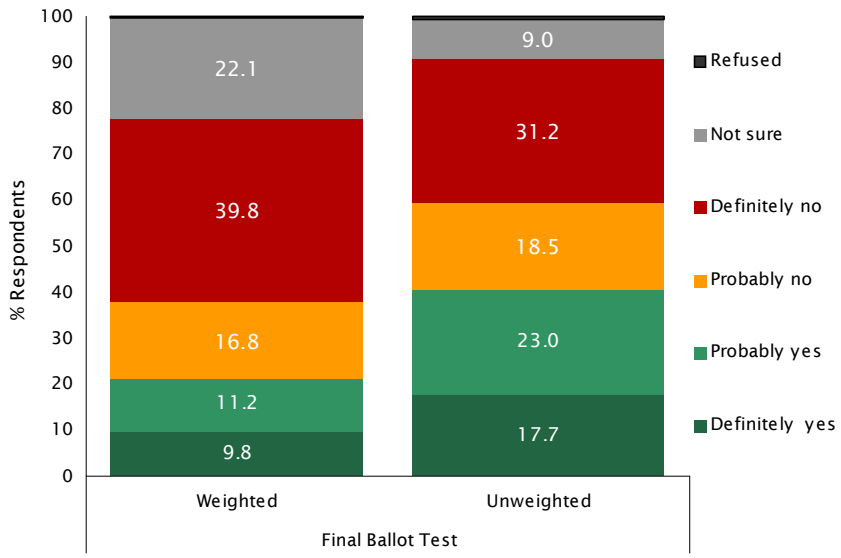


Table 11 provides a closer look at how support for the landscape & lighting assessment changed over the course of the interview by calculating the difference in support between the Initial, Interim, and Final Ballot Tests within various subgroups of property owners. The percentage of support for the measure at the Final Ballot Test is shown in the column with the heading *% Probably or Definitely Yes*. The columns to the right show the difference between the Final and the Initial, and the Final and Interim Ballot Tests. Positive differences appear in green, negative differences in red.

TABLE 11 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT FINAL BALLOT TEST: LANDSCAPE & LIGHTING

		Approximate % of Weighted Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q4)	Change From Interim Ballot Test (Q9)
Overall		100	21.0	-14.5	-1.0
Years in Manhattan Beach (Q1)	Less than 5	8	50.2	-0.6	-3.0
	5 to 9	7	43.0	-7.1	-3.5
	10 to 14	31	5.8	-43.4	No change
	15 or longer	54	28.6	-5.2	-1.3
Land Use Category	Commercial	46	0.2	-25.6	No change
	Condo	5	46.4	-14.3	-1.8
	Mult Family	13	25.0	-0.6	No change
	Single Family	36	42.5	-5.6	-2.7
Household Party Type	Single dem	6	39.3	-7.4	-3.7
	Dual dem	4	57.4	-5.3	+0.0
	Single rep	6	25.8	+1.1	-1.9
	Dual rep	6	48.6	-9.7	-1.7
	Other	5	40.6	-6.1	-6.1
	Mixed	6	37.8	-8.3	-1.7
	No voter ID	67	11.3	-18.6	-0.3
Voter Hsld Identified	Yes	33	40.9	-6.1	-2.5
	No	67	11.3	-18.6	-0.3
Rate A Group	Low (<$33)	2	51.5	-12.9	-4.3
	Mid ($33~$66)	34	41.3	-6.0	-2.8
	High ($66+)	64	9.4	-19.0	-0.0
Gender	Male	75	19.7	-18.0	-1.0
	Female	25	25.1	-3.7	-1.3

STORMWATER MEASURE Support for the proposed stormwater measure remained steady a the Final Ballot Test, with 38% of property owners indicating they would support the stormwater measure at the highest proposed rate (Rate A), 55% opposed, and 7% unsure or unwilling to share their opinion (see Figure 20). Table 12 on the next page shows how support for the stormwater measure changed over the course of the interview by calculating the difference in support between the Initial, Interim, and Final Ballot Tests within various subgroups of property owners.

Question 11: Stormwater *Now that you have heard a bit more about the measure, let me read you a summary of it one more time. In order to protect public health and reduce water pollution in Manhattan Beach; repair, reconstruct, and maintain the storm drain system throughout the City; remove pollutants, toxic chemicals, and infectious bacteria from runoff; keep trash and pollution off our beaches and out of local waterways and the ocean; and reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution. Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure?*

FIGURE 20 FINAL BALLOT TEST: STORMWATER

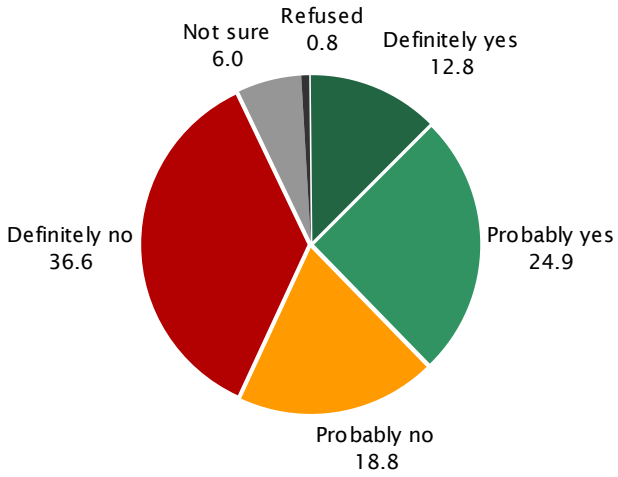


TABLE 12 DEMOGRAPHIC BREAKDOWN OF SUPPORT AT FINAL BALLOT TEST: STORMWATER

		Approximate % of Voter Universe	% Probably or Definitely Yes	Change From Initial Ballot Test (Q4)	Change From Interim Ballot Test (Q9)
Overall		100	37.7	-3.1	-1.0
Years in Manhattan Beach (Q1)	Less than 5	7	44.4	No change	No change
	5 to 9	11	38.1	-9.5	-2.4
	10 to 14	13	40.4	-2.1	-6.4
	15 or longer	69	37.1	-2.3	No change
Land Use Category	Commercial	3	16.7	No change	No change
	Condo	8	45.2	No change	+3.2
	Mult Family	14	28.8	-1.9	-1.9
	Single Family	75	39.4	-3.8	-1.4
Household Party Type	Single dem	12	48.9	-6.7	-4.4
	Dual dem	7	50.0	No change	No change
	Single rep	11	37.2	-4.7	No change
	Dual rep	11	26.8	-2.4	No change
	Other	10	28.9	+2.6	+2.6
	Mixed	17	39.4	-6.1	-1.5
	No voter ID	32	36.6	-2.4	-1.6
Voter Hsld Identified	Yes	68	38.2	-3.5	-0.8
	No	32	36.6	-2.4	-1.6
Rate A Group	Low (<$150)	6	39.1	No change	No change
	Mid ($150~$200)	85	38.5	-3.4	-0.9
	High ($200+)	9	29.4	-2.9	-2.9
Gender	Male	68	38.6	-3.1	No change
	Female	32	35.8	-3.3	-3.3

METHODOLOGY

The following sections outline the methodology used in the study, as well as the motivation for using certain techniques.

QUESTIONNAIRE DEVELOPMENT Dr. McLarney of True North Research worked closely with the City of Manhattan Beach and Harris & Associates to develop a questionnaire that covered the topics of interest and avoided possible sources of systematic measurement error, including position-order effects, wording effects, response-category effects, scaling effects, and priming. Several questions included multiple individual items. Because asking the items in a set order can lead to a systematic position bias in responses, items were asked in random order for each respondent.

Some of the questions asked in this study were presented only to a subset of respondents. For example, only individuals who did not support the measure at Question 4 were asked the follow-up open-ended Question 5 regarding their reasons for not supporting the measure. The questionnaires included with this report (see *Questionnaire & Toplines* on page 40) identify the skip patterns that were used during the interview to ensure that each respondent received the appropriate questions.

PROGRAMMING & PRE-TEST Prior to fielding the survey, the questionnaire was CATI (Computer Assisted Telephone Interviewing) programmed to assist interviewers when conducting the telephone interviews, as well as web programmed to allow online participation. Both programs automatically navigate skip patterns, randomize the appropriate question items, and alert the interviewer (phone) or participant (web) to certain types of keypunching mistakes should they occur. The integrity of the questionnaire was pre-tested internally by True North prior to formally commencing the interviewing.

SAMPLE, RECRUITING & DATA COLLECTION To ensure a reliable estimate of property owner support for the respective measures being considered, two separate surveys were conducted using mutually-exclusive random samples of Manhattan Beach property owners. One survey focused on a property-related fee to address stormwater pollution, whereas the second survey focused on a landscaping & lighting assessment. A combination of mailed invitations and phone calls were employed to recruit participation in the surveys.

A total of 6,000 property owners were mailed letters that invited them to participate in the study either online at a secure website or by telephone. Each property owner was assigned a unique personal identification number (PIN), which prevented outsiders from participating in the survey and ensured that property owners completed the survey only once.[6] Following a three-week period of online data collection, True North began calling households that had not yet participated in the online survey. In total, 760 property owners participated online or by telephone between September 11 and October 7, 2014, with the interviews divided evenly between the stormwater (382) and landscaping & lighting surveys (378). The telephone interviews averaged 15 minutes in length.

6. In cases where an individual owned multiple properties, they were eligible to receive multiple survey invitations—one per parcel.

STATISTICAL MARGIN OF ERROR The final samples of property owners were representative of property owners who are eligible and likely to participate in a ballot proceeding. The results of the samples can thus be used to estimate the opinions of *all* property owners likely to cast a vote in an upcoming landscape & lighting or stormwater measure election. Because not all property owners participated in the study, however, the results have what is known as a statistical margin of error due to sampling. The margin of error refers to the difference between what was found in the survey of property owners for a particular question and what would have been found if *all* of the approximately 12,360 property owners who are eligible to cast a ballot had been surveyed for the study.

For example, in estimating the percentage of property owners that would *definitely* support the stormwater measure at the Initial Ballot Test (Question 4 in the survey), the margin of error can be calculated if one knows the size of the population, the size of the sample, a confidence level, and the distribution of responses to the question. The appropriate equation for estimating the margin of error, in this case, is shown below.

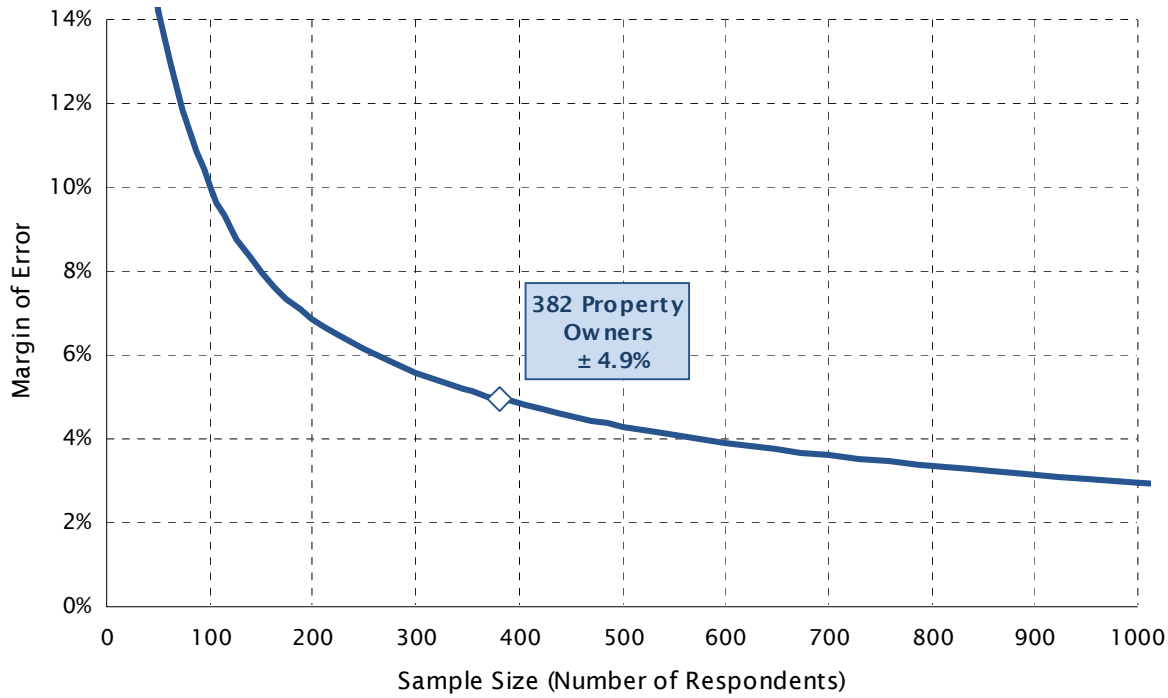
$$\hat{p} \pm t\sqrt{\left(\frac{N-n}{N}\right)\frac{\hat{p}(1-\hat{p})}{n-1}}$$

Where $\hat{p}$ is the proportion of property owners who said *definitely yes* (0.13 for 13% in this example), N is the population size of eligible property owners (12,360), n is the sample size that received the question (382) and t is the upper $\alpha/2$ point for the t-distribution with $n-1$ degrees of freedom (1.96 for a 95% confidence interval). Solving the equation using these values reveals a margin of error of ± 3.32%. This means that with 13% of survey respondents indicating they would *definitely* support the measure at the Initial Ballot Test, we can be 95% confident that the actual percentage of all property owners that would definitely support the measure is between 10% and 16%.

Figure 21 on the next page provides a graphic plot of the *maximum* margin of error in this study. The maximum margin of error for a dichotomous percentage result occurs when the answers are evenly split such that 50% provide one response and 50% provide the alternative response. For *each* survey, the maximum margin of error is approximately ± 4.9%.

Within this report, figures and tables show how responses to certain questions varied by subgroups such as age, gender, and partisan affiliation. Figure 21 is thus useful for understanding how the maximum margin of error for a percentage estimate will grow as the number of individuals asked a question (or in a particular subgroup) shrinks. Because the margin of error grows exponentially as the sample size decreases, the reader should use caution when generalizing and interpreting the results for small subgroups.

FIGURE 21 MAXIMUM MARGIN OF ERROR DUE TO SAMPLING



DATA PROCESSING Data processing consisted of checking the data for errors or inconsistencies, coding and recoding responses, and preparing frequency analyses, and crosstabulations.

ROUNDING Numbers that end in 0.5 or higher are rounded up to the nearest whole number, whereas numbers that end in 0.4 or lower are rounded down to the nearest whole number. These same rounding rules are also applied, when needed, to arrive at numbers that include a decimal place in constructing figures and charts. Occasionally, these rounding rules lead to small discrepancies in the first decimal place when comparing tables and pie charts for a given question.

TABLE 13 DEMOGRAPHICS OF SAMPLE

	Survey Version	
	Landscape & Lighting	Stormwater
Total Respondents	*378*	*382*
Years in Manhattan Beach (Q1)		
Less than 5	12.2	7.1
5 to 9	9.8	11.0
10 to 14	9.0	12.3
15 or longer	67.5	67.0
Refused	1.6	2.6
Land Use Category		
Commercial	3.7	3.1
Condo	8.5	8.1
Mult Family	12.7	13.6
Single Family	74.9	75.1
Other	0.3	0.0
Household Party Type		
Single dem	10.3	11.8
Dual dem	6.9	6.8
Single rep	9.8	11.3
Dual rep	12.7	10.7
Other	10.8	9.9
Mixed	14.3	17.3
No voter ID	35.2	32.2
Voter Hsld Identified		
Yes	64.8	67.8
No	35.2	32.2
Rate A Group		
Low	6.3	6.0
Mid	79.4	85.1
High	14.3	8.9
Gender		
Male	67.2	67.8
Female	32.8	32.2

In addition to questions directly related to the proposed measures, the study collected basic demographic information about respondents and their households. Some of this information was gathered during the interview, although much was collected from the assessor's file or voter file. The profile of the property owner samples used for this study are shown in Table 13.

TRUE NORTH RESEARCH

City of Manhattan Beach
Stormwater Fee Survey
Final Toplines
September 2014

Section 1: Introduction to Study
Hi, may I please speak to _____. My name is _____, and I'm calling on behalf of TNR, an independent public opinion research firm. We're conducting a survey of property owners about important issues in Manhattan Beach and I'd like to get your opinions.
If needed: This is a survey about important issues in your community. I'm NOT trying to sell anything and I won't ask for a donation. *If needed:* The survey should take about 12 minutes to complete. *If needed:* If now is not a convenient time, can you let me know a better time so I can call back? *If the person asks why you need to speak to the listed person or if they ask to participate instead, explain:* For statistical purposes, at this time the survey must only be completed by this particular individual. *If the person says they are an elected official or is somehow associated with the survey, politely explain that this survey is designed to measure the opinions of those not closely associated with the study, thank them for their time, and terminate the interview.*

Section 2: Screener for Inclusion in the Study			
SC1	Before we begin, could you please tell me whether you currently rent or own your home in Manhattan Beach?		
	1	Rent	*Terminate*
	2	Own	*Go to intro preceding Q1*
	99	Not sure/Refused	*Terminate*

Section 3: Quality of Life & City Services			
I'd like to begin by asking you a few questions about what it is like to live in the City of Manhattan Beach.			
Q1	How long have you lived in the City of Manhattan Beach?		
	1	Less than 1 year	1%
	2	1 to 2 years	3%
	3	3 to 4 years	4%
	4	5 to 9 years	11%
	5	10 to 14 years	12%
	6	15 years or longer	67%
	99	Not sure/Refused	3%

Q2	How would you rate the overall quality of life in the City? Would you say it is excellent, good, fair, poor or very poor?		
	1	Excellent	58%
	2	Good	36%
	3	Fair	5%
	4	Poor	1%
	5	Very poor	0%
	98	Not sure	0%
	99	Refused	0%
Q3	Generally speaking, are you satisfied or dissatisfied with the job the City of Manhattan Beach is doing to provide city services? *Get answer, then ask:* Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?		
	1	Very satisfied	40%
	2	Somewhat satisfied	47%
	3	Somewhat dissatisfied	8%
	4	Very dissatisfied	2%
	98	Not sure	2%
	99	Refused	1%

Section 4: Initial Ballot Test

Next year, property owners in the City of Manhattan Beach may be asked to vote on a local ballot measure. Let me read you a summary of the measure:

Q4

In order to:

- Protect public health and reduce water pollution in Manhattan Beach
- Repair, reconstruct, and maintain the storm drain system throughout the City
- Remove pollutants, toxic chemicals, and infectious bacteria from runoff
- Keep trash and pollution off our beaches and out of local waterways and the ocean
- And reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution

Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?

	1	Definitely yes	13%	*Skip to Q6*
	2	Probably yes	28%	*Skip to Q6*
	3	Probably no	16%	*Ask Q5*
	4	Definitely no	35%	*Ask Q5*
	98	Not sure	8%	*Ask Q5*
	99	Refused	1%	*Skip to Q6*

Q5	Is there a particular reason why you do not support the measure I just described? *If yes, ask:* Please briefly describe your reason. Verbatim responses recorded and later grouped into the categories shown below.	
	Taxes, fees already too high	39%
	City cannot be trusted, will mismanage funds	20%
	City already has enough money	14%
	Need more information	11%
	Prefer not to answer	11%
	Measure too expensive	6%
	Unfair for property owners, others should share expense	6%
	Already paying enough for utilities	5%
	Other higher community priorities	5%
	City staff salaries, benefits too high	3%
	Not sure / No particular reason	3%
	Measure is unnecessary	1%

Section 5: Tax Threshold

Q6 The measure I just described would raise money through annual property taxes paid by residential and commercial property owners in the City. However, the amount to be charged to each parcel has not been determined yet.

If you heard that your household would pay _____ per year for each property you own in Manhattan Beach, would you vote yes or no on the measure? *Get answer, then ask:* Is that definitely (yes/no) or probably (yes/no)?

Read in sequence starting with the highest amount (A), then the next highest (B), and so on. If respondent says 'definitely yes', record 'definitely yes' for all LOWER dollar amounts and go to next section.

	Ask in Order	Definitely Yes	Probably Yes	Probably No	Definitely No	Not Sure	Refused
A	Rate A	11%	28%	17%	36%	7%	1%
B	Rate B	13%	27%	17%	35%	8%	0%
C	Rate C	20%	24%	16%	33%	7%	0%

Section 6: Programs & Projects							
Q7	The measure we've been discussing will fund a variety of water-related projects and services in the City. If the measure passes, would you favor or oppose using some of the money to: _____, or do you not have an opinion? *Get answer, if favor or oppose, then ask:* Would that be strongly (favor/oppose) or somewhat (favor/oppose)?						
	Randomize	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	No Opinion	Refused
A	Reconstruct or replace storm drains that are identified by engineers as being high risk for collapse or failures	56%	23%	2%	9%	4%	5%
B	Install and maintain devices in storm drains that capture trash and pollution before they enter our waterways	55%	21%	6%	9%	3%	5%
C	Keep trash and pollution off our beaches and out of local waterways and the ocean	46%	24%	5%	12%	7%	7%
D	Reduce the number of beach closures caused by pollution	34%	20%	7%	14%	18%	7%
E	Inspect and test water quality on a regular basis to ensure that it meets Federal and State clean water requirements	43%	25%	7%	15%	6%	5%
F	Reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution	46%	24%	8%	13%	5%	4%
G	Educate students, residents and businesses on how they can reduce water pollution	27%	29%	11%	20%	8%	4%

Section 7: Positive Arguments							
What I'd like to do now is tell you what some people are saying about the measure we've been discussing.							
Q8	Supporters of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to **SUPPORT** the measure?						
	Randomize	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
A	By law, all of the money raised by this measure must be spent locally to protect our water quality. It cannot be taken away by the State or be used for other purposes.	31%	20%	18%	20%	5%	6%
B	There will be a clear system of accountability including annual independent audits to ensure that the money is spent properly.	18%	24%	24%	24%	4%	6%

C	It's our responsibility to take care of the environment and our natural resources for future generations. This measure will help improve our quality of life as well as theirs.	22%	30%	25%	13%	4%	7%
D	Stormwater runoff carries tons of trash, infectious bacteria and toxic pollutants directly to the ocean and local beaches. This measure is one of the best ways to protect our water quality and public health.	27%	30%	19%	14%	4%	6%
E	Without these improvements, the City is subject to large fines because it can't meet the new laws for stormwater pollution control.	14%	26%	24%	21%	8%	7%
F	By keeping our local beaches and waterways clean and free of pollution, this measure will help protect property values in Manhattan Beach.	19%	29%	24%	18%	4%	6%
G	When a storm drain fails, it can cause landslides, flooding, and millions of dollars in damage to property.	20%	30%	26%	13%	5%	6%
H	It is a lot cheaper to fix a storm drain now than to pay for reconstruction, property damage and lawsuits when it fails.	29%	32%	18%	9%	5%	6%
I	Every year, thousands of pounds of trash from our streets washes up on local beaches. This measure will help prevent and clean up trash and pollution before it ends up in our water and on our shorelines and beaches.	22%	31%	21%	15%	4%	7%
J	This measure is designed to be fair. The amount each property owner pays is based on the size of their property and the amount of runoff it creates.	13%	26%	24%	25%	4%	7%
K	The amount residents and local businesses pay for storm drains and water quality projects has not changed for nearly 20 years, even though the costs to the City have grown every year. This measure is needed to close this gap and keep up with inflation.	17%	33%	22%	17%	5%	6%
L	The typical home owner in Manhattan Beach currently pays 19 dollars per year to help maintain the storm drain system. This measure will replace that fee.	13%	26%	29%	16%	9%	6%

Section 8: Interim Ballot Test			
Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again:			
Q9	In order to: ◇ Protect public health and reduce water pollution in Manhattan Beach ◇ Repair, reconstruct, and maintain the storm drain system throughout the City ◇ Remove pollutants, toxic chemicals, and infectious bacteria from runoff ◇ Keep trash and pollution off our beaches and out of local waterways and the ocean ◇ And reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?		
	1	Definitely yes	13%
	2	Probably yes	25%
	3	Probably no	18%
	4	Definitely no	37%
	98	Not sure	6%
	99	Refused	1%

Section 9: Negative Arguments							
Next, let me tell you what opponents of the measure are saying.							
Q10	Opponents of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?						
	Randomize	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
A	People are having a hard time making ends meet with high unemployment and a sluggish economy. Now is NOT the time to be raising taxes.	26%	25%	32%	10%	3%	3%
B	The City can't be trusted with this tax. They will mismanage the money.	23%	33%	22%	12%	7%	4%
C	This measure is unfair because it can be passed with a majority vote rather than the usual two-thirds requirement, and many voters are not allowed to participate.	30%	21%	30%	7%	9%	3%

D	This measure won't make a difference. Most of the water pollution is coming from Los Angeles and other cities, and they aren't doing much to stop it.	34%	35%	17%	5%	6%	3%

Section 10: Final Ballot Test			
Now that you have heard a bit more about the measure, let me read you a summary of it one more time:			
Q11	In order to: ◇ Protect public health and reduce water pollution in Manhattan Beach ◇ Repair, reconstruct, and maintain the storm drain system throughout the City ◇ Remove pollutants, toxic chemicals, and infectious bacteria from runoff ◇ Keep trash and pollution off our beaches and out of local waterways and the ocean ◇ And reduce illegal discharges of pollution into water sources through improved monitoring, investigation and prosecution Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?		
	1	Definitely yes	13%
	2	Probably yes	25%
	3	Probably no	19%
	4	Definitely no	37%
	98	Not sure	6%
	99	Refused	1%
Those are all of the questions that I have for you. Thanks so much for participating in this important survey.			

Post-Interview & Sample Items			
S1	Gender		
	1	Male	68%
	2	Female	32%
S2	Voter Household Identified		
	1	Yes	68%
	2	No	32%

S3	Household Party Type		
	1	Single Dem	12%
	2	Dual Dem	7%
	3	Single Rep	11%
	4	Dual Rep	11%
	5	Single Other	8%
	6	Dual Other	2%
	7	Dem & Rep	6%
	8	Dem & Other	3%
	9	Rep & Other	7%
	0	Mixed (Dem + Rep + Other)	1%
		No voter ID	32%
S4	Land Use Category		
	Commercial		3%
	Condo		8%
	Mult Family		14%
	Single Family		75%
S5	Rate A Group		
	1	Low (<$150)	6%
	2	Mid ($150~$200)	85%
	3	High ($200+)	9%

TRUE NORTH RESEARCH

City of Manhattan Beach
Landscape & Lighting Survey
Final Toplines
September 2014

Section 1: Introduction to Study
Hi, may I please speak to _____. My name is _____, and I'm calling on behalf of TNR, an independent public opinion research firm. We're conducting a survey of property owners about important issues in Manhattan Beach and I'd like to get your opinions.
If needed: This is a survey about important issues in your community. I'm NOT trying to sell anything and I won't ask for a donation. *If needed:* The survey should take about 12 minutes to complete. *If needed:* If now is not a convenient time, can you let me know a better time so I can call back? *If the person asks why you need to speak to the listed person or if they ask to participate instead, explain:* For statistical purposes, at this time the survey must only be completed by this particular individual. *If the person says they are an elected official or is somehow associated with the survey, politely explain that this survey is designed to measure the opinions of those not closely associated with the study, thank them for their time, and terminate the interview.*

Section 2: Screener for Inclusion in the Study			
SC1	Before we begin, could you please tell me whether you currently rent or own your home in Manhattan Beach?		
	1	Rent	*Terminate*
	2	Own	*Go to intro preceding Q1*
	99	Not sure/Refused	*Terminate*

Section 3: Quality of Life & City Services			
I'd like to begin by asking you a few questions about what it is like to live in the City of Manhattan Beach.			
Q1	How long have you lived in the City of Manhattan Beach?		
	1	Less than 1 year	1%
	2	1 to 2 years	4%
	3	3 to 4 years	7%
	4	5 to 9 years	10%
	5	10 to 14 years	9%
	6	15 years or longer	67%
	99	Not sure/Refused	2%

Q2	How would you rate the overall quality of life in the City? Would you say it is excellent, good, fair, poor or very poor?		
	1	Excellent	60%
	2	Good	34%
	3	Fair	4%
	4	Poor	0%
	5	Very poor	0%
	98	Not sure	0%
	99	Refused	1%
Q3	Generally speaking, are you satisfied or dissatisfied with the job the City of Manhattan Beach is doing to provide city services? *Get answer, then ask:* Would that be very (satisfied/dissatisfied) or somewhat (satisfied/dissatisfied)?		
	1	Very satisfied	40%
	2	Somewhat satisfied	49%
	3	Somewhat dissatisfied	8%
	4	Very dissatisfied	1%
	98	Not sure	0%
	99	Refused	2%

Section 4: Initial Ballot Test

Next year, property owners in the City of Manhattan Beach may be asked to vote on a local ballot measure. Let me read you a summary of the measure:

Q4

In order to:

- Keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City
- Avoid reductions in street lighting service
- And replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment

Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?

			Weighted	Unweighted	
	1	Definitely yes	8%	17%	*Skip to Q6*
	2	Probably yes	27%	30%	*Skip to Q6*
	3	Probably no	16%	18%	*Ask Q5*
	4	Definitely no	38%	27%	*Ask Q5*
	98	Not sure	10%	8%	*Ask Q5*
	99	Refused	0%	0%	*Skip to Q6*

Q5	Is there a particular reason why you do not support the measure I just described? *If yes, ask:* Please briefly describe your reason. Verbatim responses recorded and later grouped into the categories shown below.	
	Taxes, fees already too high	26%
	City cannot be trusted, will mismanage funds	22%
	City already has enough money	14%
	Need more information	13%
	Prefer not to answer	11%
	Already paying enough for utilities	8%
	Measure is unnecessary	5%
	Not sure / No particular reason	4%
	Measure too expensive	3%
	City staff salaries, benefits too high	3%
	Other higher community priorities	3%
	Unfair for property owners, others should share expense	3%
	Should prioritize undergrounding utility poles	2%
	General negative comment about City	1%

Section 5: Tax Threshold

Q6 The measure I just described would raise money through annual property taxes paid by residential and commercial property owners in the City. However, the amount to be charged to each parcel has not been determined yet.

If you heard that your household would pay an additional _____ per year for each property you own in Manhattan Beach, would you vote yes or no on the measure? *Get answer, then ask:* Is that definitely (yes/no) or probably (yes/no)?

Read in sequence starting with the highest amount (A), then the next highest (B), and so on. If respondent says 'definitely yes', record 'definitely yes' for all LOWER dollar amounts and go to next section.

	Ask in Order	Definitely Yes	Probably Yes	Probably No	Definitely No	Not Sure	Refused
	Weighted						
A	Rate A	10%	13%	16%	39%	23%	0%
B	Rate B	10%	18%	16%	39%	17%	0%
C	Rate C	13%	24%	8%	38%	16%	0%
	Unweighted						
A	Rate A	17%	27%	18%	28%	9%	0%
B	Rate B	19%	27%	17%	28%	8%	0%
C	Rate C	25%	25%	15%	26%	8%	1%

Section 6: Programs & Projects							
Q7	The measure we've been discussing will fund a variety of projects and services in the City. If the measure passes, would you favor or oppose using some of the money to: _____, or do you not have an opinion? *Get answer, if favor or oppose, then ask:* Would that be strongly (favor/oppose) or somewhat (favor/oppose)?						
	Randomize	Strongly Favor	Somewhat Favor	Somewhat Oppose	Strongly Oppose	No Opinion	Refused
A	Operate, maintain and repair street lights on a timely basis	49%	28%	3%	8%	8%	3%
B	Replace outdated lighting systems that are expensive to operate and repair with new energy efficient lights that will be more cost-effective	48%	26%	4%	12%	8%	2%
C	Promote the use of environmentally friendly street light technologies	39%	24%	10%	14%	11%	3%
D	Fix broken or burnt-out street lights	57%	20%	3%	9%	8%	3%
E	Avoid reductions in street light service due to lack of funding	40%	24%	7%	13%	12%	4%

Section 7: Positive Arguments							
What I'd like to do now is tell you what some people are saying about the measure we've been discussing.							
Q8	Supporters of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to **SUPPORT** the measure?						
	Randomize	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
A	By law, all of the money raised by this measure must be spent locally to operate, repair and maintain quality street lighting. It cannot be taken away by the State or be used for other purposes.	31%	25%	21%	14%	6%	3%
B	There will be a clear system of accountability including annual independent audits to ensure that the money is spent properly.	24%	19%	25%	23%	6%	4%
C	This measure is designed to be fair. The amount each property owner pays is based on the quality and type of lighting they have in their neighborhood.	12%	25%	30%	21%	7%	4%

D	The amount residents and local businesses pay for street light service has not changed for nearly 20 years, even though the costs to the City have grown every year. This measure is needed to close this gap and keep up with inflation.	17%	31%	25%	17%	6%	3%
E	Street lights are a matter of public safety. Good street lights deter crime, prevent car accidents, and protect pedestrians.	40%	33%	15%	4%	3%	4%
F	Police, firefighters, and paramedics rely on good street lights to help them respond quickly to emergencies after dark.	27%	30%	26%	8%	5%	3%
G	By keeping commercial areas well lit after dark, street lights benefit the business climate and local economy.	19%	39%	24%	8%	6%	4%
H	By switching to energy efficient lights, this measure will allow the City to be more cost-effective and environmentally friendly in the future.	30%	33%	16%	11%	6%	4%
I	Quality street lighting helps protect property values in Manhattan Beach.	25%	32%	23%	12%	5%	4%
J	Quality street lighting improves the appearance, character and quality of life in a neighborhood.	22%	37%	22%	11%	4%	4%

Section 8: Interim Ballot Test

Sometimes people change their mind about a measure once they have more information about it. Now that you have heard a bit more about the measure, let me read you a summary of it again:

Q9

In order to:

- Keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City
- Avoid reductions in street lighting service
- And replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment

Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year.
If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?

		Weighted	Unweighted
1	Definitely yes	10%	19%
2	Probably yes	12%	25%
3	Probably no	16%	18%
4	Definitely no	33%	29%
98	Not sure	28%	9%
99	Refused	0%	0%

Section 9: Negative Arguments

Next, let me tell you what opponents of the measure are saying.

Q10 Opponents of the measure say: _____. Do you think this is a very convincing, somewhat convincing, or not at all convincing reason to OPPOSE the measure?

	Randomize	Very Convincing	Somewhat Convincing	Not At All Convincing	Don't Believe	Don't Know/No Opinion	Refused
A	People are having a hard time making ends meet with high unemployment and a sluggish economy. Now is NOT the time to be raising taxes.	23%	23%	31%	16%	4%	2%
B	The City can't be trusted with this tax. They will mismanage the money.	19%	30%	27%	13%	8%	3%
C	This measure is unfair because it can be passed with a majority vote rather than the usual two-thirds requirement, and many voters are not allowed to participate.	26%	26%	31%	5%	10%	2%
D	Property owners already pay an assessment for street lighting to the City. Now they want another one? That's not fair to taxpayers.	39%	31%	19%	4%	6%	2%

Section 10: Final Ballot Test

Now that you have heard a bit more about the measure, let me read you a summary of it one more time:

Q11 In order to:

- Keep pace with the increasing costs of electricity and operating, maintaining, and repairing street lights throughout the City
- Avoid reductions in street lighting service
- And replace outdated light systems with energy efficient lights that are less costly to operate and maintain and are better for the environment

Shall property owners in Manhattan Beach be assessed an annual fee for each property that they own? The fee increase for your property would be approximately: $<Rate A> per year. If the election were held today, would you vote yes or no on this measure? *Get answer, then ask:* Would that be definitely (yes/no) or probably (yes/no)?

		Weighted	Unweighted
1	Definitely yes	10%	18%
2	Probably yes	11%	23%
3	Probably no	17%	19%
4	Definitely no	40%	31%
98	Not sure	22%	9%
99	Refused	0%	1%

Those are all of the questions that I have for you. Thanks so much for participating in this important survey.

Post-Interview & Sample Items			
S1	Gender		
	1	Male	67%
	2	Female	33%
S2	Voter Household Identified		
	1	Yes	65%
	2	No	35%
S3	Household Party Type		
	1	Single Dem	10%
	2	Dual Dem	7%
	3	Single Rep	10%
	4	Dual Rep	13%
	5	Single Other	8%
	6	Dual Other	3%
	7	Dem & Rep	5%
	8	Dem & Other	4%
	9	Rep & Other	3%
	0	Mixed (Dem + Rep + Other)	2%
		No voter ID	35%
S4	Land Use Category		
	Commercial		4%
	Condo		8%
	Mult Family		13%
	Single Family		75%
	VRS		<1%

S5	Rate A Group		
	1	Low (<$33)	6%
	2	Mid ($33~$66)	79%
	3	High ($66+)	14%

Utility User Tax and Transient Occupancy Tax Comp Cities Survey - December 2014

		Utility User Tax Rates					TOT
	City	Electric	Gas	Cable	Water / Sewer	Telephone (Landline / Cellular)	Transient Occupancy
1	PVE	0%	0%	0%	0%	0%	0%
2	Rolling Hills	0%	0%	0%	0%	0%	0%
3	El Segundo	3%	3%	3%	3%	2%	8%
4	Hermosa Beach	6%	6%	5.5%	6%	5.5%	10%
5	Huntington Beach	5%	5%	5%	5%	5%	10%
6	**Manhattan Beach**	**0%**	**0%**	**0%**	**0%**	**0%**	**10%**
7	Torrance	6.5%	6.5%	6%	5.5%	6.5%	11%
8	Redondo Beach	4.75%	4.75%	4.75%	4.75%	4.75%	12%
9	Hawthorne	5%	5%	5%	5%	5%	12%
10	Inglewood	10%	10%	10%	10%	10%	14%
11	Los Angeles	10%	10%	9%	0%	9%	14%
12	Beverly Hills	0%	0%	0%	0%	0%	14%
13	Santa Monica*	10%	10%	10%	10%	10%	14%

Cable Franchisees & Other Utilities - Gross Receipts & Potential U.U.T. Revenue

Company	Gross Receipts (2013)	Potential Revenue per 1%
Time Warner	$ 3,665,484.00	$ 36,654.84
Verizon	$ 10,972,199.77	$ 109,722.00
So Cal Gas	$ 9,805,285.21	$ 98,052.85
So Cal Edison	$ 44,362,864.36	$ 443,628.64
MB Water (FY 2014)	$ 16,079,164.25	$ 160,791.64
MB Sewer (FY 2014)	$ 3,540,069.39	$ 35,400.69
*Telephone (Landline & Cellular)	TBD	TBD
Total:	**$ 88,425,066.98**	**$ 884,250.67**

**Gross Receipts to be determined (TBD)*