



# Staff Report

## City of Manhattan Beach

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

**THROUGH:** Geoff Dolan, City Manager

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

**DATE:** September 6, 2005

**SUBJECT:** Approval of Contract Agreement With Southern California Edison and Authorize Payment of \$1,102,147.00 for the Rosecrans Gateway Utility Undergrounding Project

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### RECOMMENDATION:

Staff recommends approval of a contract agreement with Southern California Edison (SCE) for the Rosecrans Gateway Utility Undergrounding Project and authorization of a payment in the amount of \$1,102,147 for construction services.

### FISCAL IMPLICATION:

Southern California Edison has designed and submitted plans to the City to underground the remaining overhead utilities (both transmission and distribution lines). Edison has already received a \$180,000 deposit on the estimated construction costs (\$600,000) for undergrounding the distribution lines as well as \$80,000 on transmission design, but the total estimated construction cost for undergrounding transmission lines was still outstanding at that time.

This second cost for the transmission lines is now estimated to be approximately \$1,102,147, bringing the total undergrounding project cost to about \$1.71 million. It is important to note that this is only an estimate and that the actual cost may be higher or lower at the time of construction. The total cost of the project is shared among various stakeholders as follows:

Source of Funding	Amount	Status
The Disney Corporation	\$500,000	Deposited with City
1800 Rosecrans Partners	\$200,000	Deposited with City
Continental Corp	\$300,000	Pending
County of Los Angeles (Prop C)	\$300,000	Pending
City of Manhattan Beach (Prop C)	\$300,000	Available
<b>Total Allocated</b>	<b>\$1.6 Million</b>	
<b>Residual (shortfall)</b>	<b>\$102,147</b>	MTA or Prop C Grant Funds for Balance

Should the actual cost of construction exceed the estimate provided, Edison will inform the City of such increases as soon as they are known. This is anticipated to be when the construction bids are opened. At that time, the City will have the option to either allocate additional funds, or withdraw from the project according to the proposed agreement. The City would be responsible for all costs up to the termination date.

The City had submitted a grant application to the MTA (\$1,745,000) as part of the 2001 Call for Projects. While the application was approved by the MTA, actual funding has been delayed due to fiscal problems at the state and county level. These funds will become available later this fiscal year. A portion of these grant funds was earmarked for widening the south side of Rosecrans at this location. The remaining funds were intended for other intersection improvements at Nash and Douglas. Recent commitments by the developer of the El Segundo Plaza Project to fund street improvements on Rosecrans have freed up some of the grant funds. Staff is working with the MTA to reassign some of the funds to the undergrounding if necessary.

Edison has not yet requested the balance due for construction of distribution lines (\$420,000). As mentioned above, the total outstanding balance will be known once the construction project has been bid. At that time, we anticipate asking City Council to authorize payment for the remaining funds needed to cover construction costs assuming they are within reason.

**BACKGROUND:**

Most of the utility lines along the Rosecrans Corridor between Sepulveda and Aviation have been previously undergrounded. However, the stretch between Market Place and Gateway still has overhead power lines. At its January 15, 2002 City Council Meeting, the City Council adopted Resolution No. 5731 recognizing the value and importance of undergrounding utility lines along Rosecrans. The Resolution stated, in part:

1. That such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
2. The street right-of-way is extensively used by the general public and carries a heavy volume of pedestrian and vehicular traffic; and
3. That such undergrounding is necessary for the widening of this portion of Rosecrans Ave.

**DISCUSSION:**

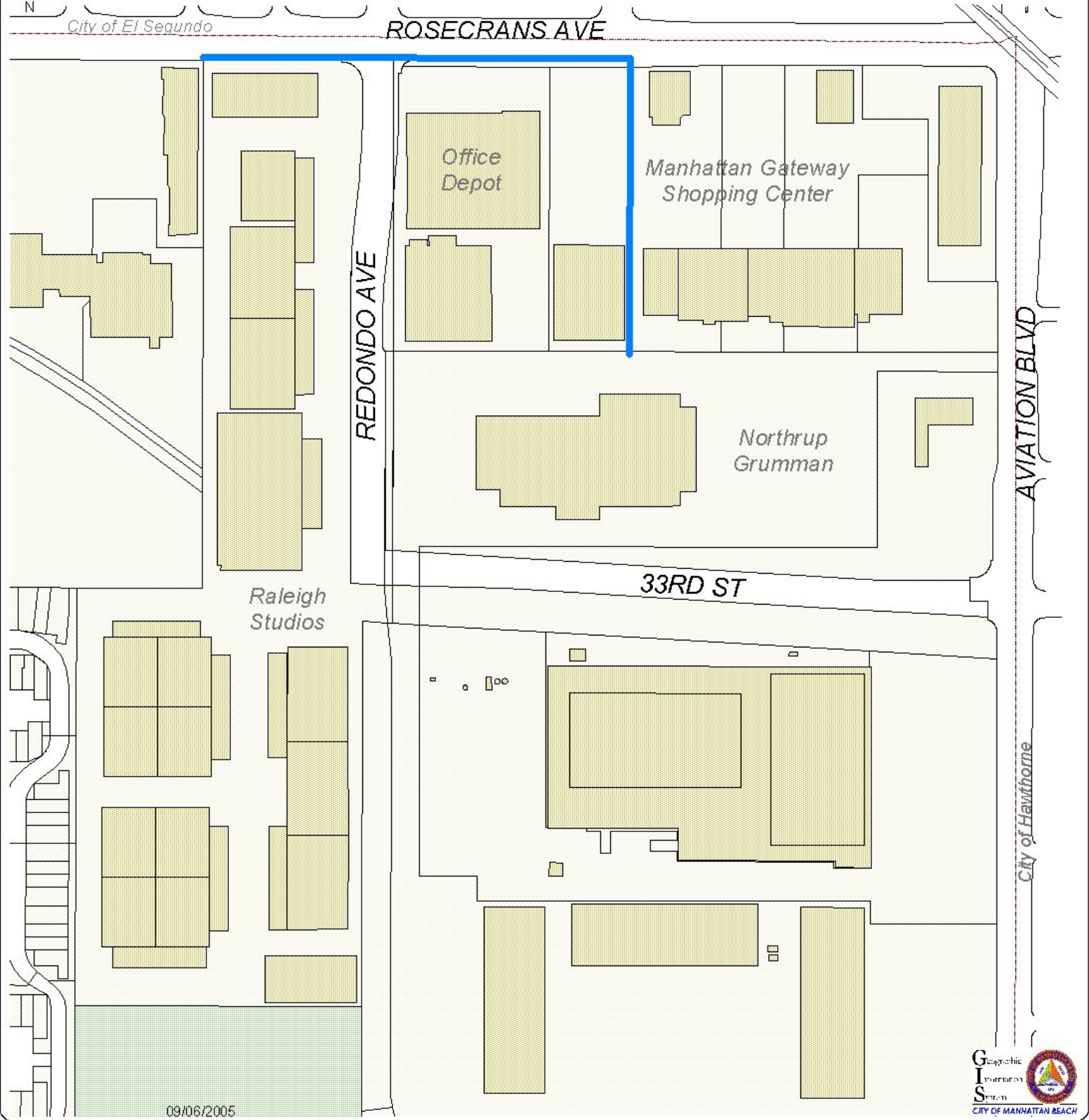
The next steps towards moving the project forward are to ensure that SCE has both the total estimated funds for transmission construction in hand and an executed contract with the City so that the project may commence. Edison must also secure additional easements from affected property owners before any actual construction takes place. City staff is currently in the process of getting the necessary easements delivered and signed for distribution lines, and will do the same for transmission facilities once Edison has prepared them (expected 6-8 weeks after funds have been received).

Due to the complexities of this construction project, it is estimated that construction will commence approximately one year from now. This is due, in large part, to the time needed to order a custom steel riser pole that will link the new underground system to the existing overhead system near the back of the Gateway property. This pole takes approximately one year to receive once ordered, and will not be ordered until funds are deposited. Staff is therefore recommending that the City Council approve the contract agreement and authorize a payment in the amount of \$1,102,147 to Southern California Edison to initiate the project.

Attachments: Southern California Edison Agreement (not available in electronic format)  
GIS Map

xc: Robert V. Wadden, Jr., City Attorney

# Rosecrans Gateway Utility Undergrounding Project



09/06/2005