



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Tell and Members of the City Council

THROUGH: Geoff Dolan, City Manager

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

DATE: November 21, 2006

SUBJECT: Report on Final Survey Results for Proposed Utility Underground Assessment Districts 8, 12, 13 and 14 and Consideration of an Appropriation of \$220,000 for Engineering Services for Districts 13 and 14.

RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and file this report on the final results of the survey for Proposed Utility Underground Districts 8, 12, 13, and 14 in the City of Manhattan Beach.
2. Receive and file this report as a "Certificate of Sufficiency" indicating that more than 60% of the property owners in Districts 13 and 14 have signed a petition as required by Resolution 5420 and requested the proposed improvements. Additionally, more than 60% of property owners who returned the City's Official Survey regarding utility undergrounding have indicated their support for utility undergrounding.
3. Appropriate funds in the amount of \$220,000 from the General Fund for Southern California Edison (SCE) for the engineering services for Districts 13 and 14.
4. Dissolve Districts 8 and 12 based on the results of the Official City Survey regarding utility undergrounding.

FISCAL IMPLICATIONS:

The City has paid \$40,000 to Southern California Edison for design plans for District 8. No design funds have been expended for Districts 12, 13 and 14, although some staff time can be attributed to these districts. For any assessment districts that move forward and are ultimately approved by property owners, the utilities' design fees as well as City staff time and assessment engineering fees will be added to the total cost of the assessments and recovered. However, the City will not be able to recover costs for districts that do not move forward through the district formation process or that are not approved by property owners.

The fiscal implications of moving Districts 13 and 14 forward through design plans are as follows:

District No.	Edison Design Fee Request	Verizon and Time Warner Fees	Assessment Engineering Fees	Total
District 13	\$140,000	\$100,000	\$30,000	\$270,000
District 14	\$80,000	\$100,000	\$30,000	\$210,000
Total	\$220,000	\$200,000	\$60,000	\$480,000

Note: Edison's design quotes are now higher than the quotes provided one year ago. Verizon and Time Warner fees are estimates only, and cannot be confirmed until design plans are actually requested from these two utilities (estimated to be 12-18 months after Edison begins).

The fiscal implications of not moving District 8 forward include the inability to recover \$40,000 already spent on designs. However, should a future district with the same or similar boundaries be created, the cost for any portion of the designs already completed and utilized may be recovered if the district is approved by property owners.

BACKGROUND:

On August 1, 2006, staff presented to City Council the outcome of the survey results for Districts 7-14. The results showed that a clear majority of homeowners in Districts 7, 9, 10 and 11 were no longer in favor of undergrounding and those districts were subsequently dissolved by City Council. However, the results for Districts 8, 12, 13 and 14 showed that a majority (between 54-58%) of homeowners in those districts do favor undergrounding. At the meeting, City Council also established a majority threshold requirement of 60% (of surveys returned) to move a district forward and extended the survey period an additional 90 days for these four districts. Notices were sent to all affected homeowners notifying them of the new survey deadline and the opportunity to respond through November 13, 2006.

DISCUSSION:

The overall response rate to the survey in Districts 8, 12, 13 and 14 was very high following the total survey period, with almost 88% of affected homeowners responding. Both a snapshot and detailed results for Districts 8, 12, 13 and 14 are presented below, showing that only Districts 13 and 14 met the 60% survey requirement. You may note that the number of parcels for three of the four districts has changed. This is due to:

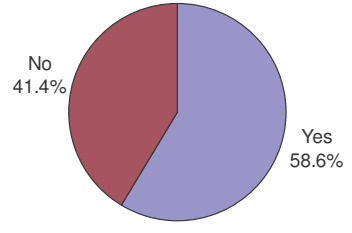
- City staff recently discovered that an underground utility district was formed in El Porto in 1973 while under the jurisdiction of Los Angeles County. Eighteen homes thought to be in Districts 12 and 14 were actually undergrounded as part of the County's District D, which includes parcels predominantly east of Highland Ave. between Rosecrans Ave. and 45th Street, and a handful west of and facing Highland. Those 18 homes have been removed from the two districts, and their survey responses discounted.
- A few new developments in District 13 have been recently constructed, resulting in two parcel counts where there was previously one (e.g., two condos replacing one home on a 30x90 lot).

SNAPSHOT		Of those who responded to the Survey	
District No.	% in Favor	% Opposed	
District 8	50.4%	49.6%	
District 12	58.6%	41.4%	
District 13	61.2%	38.8%	
District 14	60.0%	40.0%	

District 12

District 12 includes the northern portion of El Porto and is generally described as The Strand to Highland Ave., from Moonstone St. to 45th St. (see map below).

The estimated cost to underground utilities in this district ranges from \$6,196 – \$10,300, somewhat less than the \$8,000 - \$10,000 range originally expected. With a nearly 86% response rate, the survey results indicated that 58.6% of property owners are in favor of utility undergrounding. The outcome of District 12 surveys is as follows:

District 12 Survey Outcome		<p>District 12 Survey</p>  <p>The outcome of surveys received</p>
217	Number of Homes in District	
186	Number of Surveys Returned (85.7% of households)	
109	Number in Favor (50.2% of households)	
77	Number Opposed (35.5% of households)	
70	Non-responders (14.3% of households)	
61.8%	Original Petition Percentage (July 2004)	
\$7,745	Estimated Average Parcel Assessment	
\$0	Funds Expended to Date	



District 13

District 13, located in the 300 block of the sand section, is generally described as Highland Ave. to Alma Ave., from Rosecrans Ave. to Marine Ave.

The estimated cost to underground utilities in this district ranges from \$11,288 – \$18,767. Almost 89% of homeowners responded to the survey. Of those, just over 61% indicated support for utility undergrounding. The outcome of District 13 surveys is as follows:

District 13 Survey Outcome		District 13 Survey
282	Number of Homes in District	
250	Number of Surveys Returned (88.7% of households)	<p>District 13 Survey</p> <p>No 38.8%</p> <p>Yes 61.2%</p>
153	Number in Favor (54.3% of households)	
97	Number Opposed (34.4% of households)	
32	Non-responders (11.3% of households)	
73.3%	Original Petition Percentage (August 2005)	The outcome of surveys received
\$14,111	Estimated Average Parcel Assessment	
\$0	Funds Expended to Date	



District 14

District 14 is the southern portion of El Porto and is generally described as The Strand to Highland Ave., from Moonstone St. to 45th St.

The estimated cost to underground utilities in this district ranges from \$7,697 – \$12,795, within the ballpark of costs originally expected. Of the 88% of property owners responding to the survey, 60% of them indicated support for utility undergrounding. The outcome of District 14 surveys is as follows:

District 14 Survey Outcome	
233	Number of Homes in District
205	Number of Surveys Returned (88% of households)
123	Number in Favor (52.8% of households)
82	Number Opposed (35.2% of households)
71	Non-responders (12% of households)
60.8%	Original Petition Percentage (September 2005)
\$9,621	Estimated Average Parcel Assessment
\$0	Funds Expended to Date

District 14 Survey

The outcome of surveys received



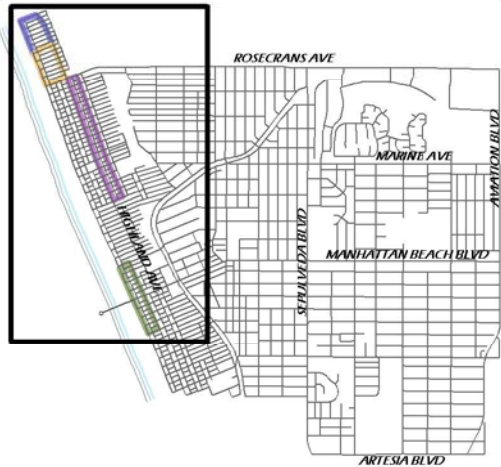
CONCLUSION:

Please note that City Council is not forming Districts 13 and 14 at this time, but rather approving the necessary requirements toward district formation. The entire process includes obtaining design plans from all three utilities (SCE, Verizon, Time Warner), pricing the project, allocating costs among affected parcels and implementing Proposition 218 balloting procedures. The estimated time to complete this process is approximately two years, but will ultimately depend on each utility's ability to complete design plans in a timely manner.

Staff recommends that City Council: 1) receive and file this report as a "Certificate of Sufficiency" indicating that at least 60% of the property owners in Districts 13 and 14 have signed a petition and requested the proposed improvements, 2) appropriate funds in the amount of \$220,000 from the General Fund for Southern California Edison (SCE) for the engineering services for Districts 13 and 14, and 3) dissolve Districts 8 and 12 based on the results of the Official City Survey regarding utility undergrounding.

ATTACHMENTS:

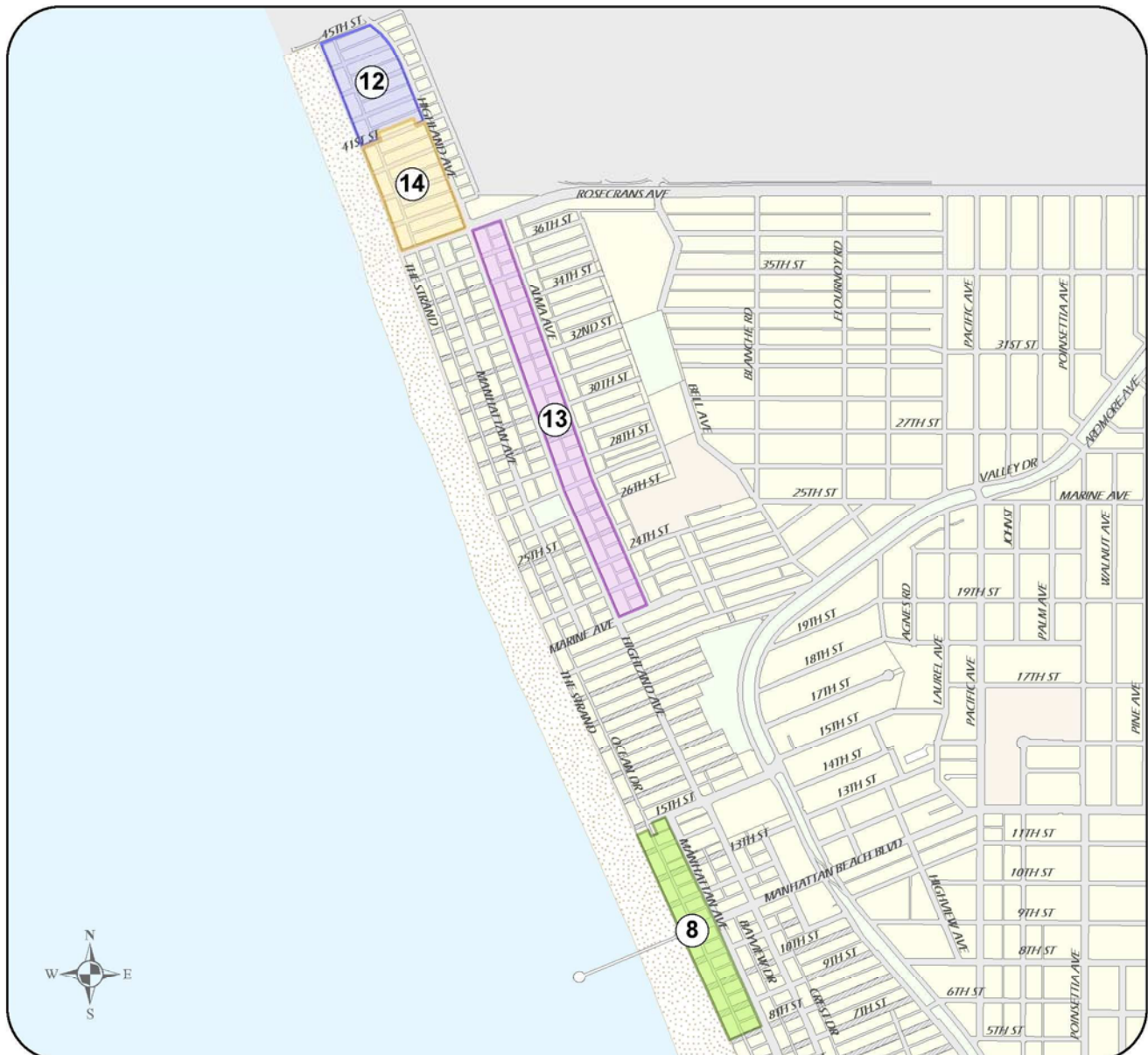
Attachment A	Utility Undergrounding District Map
Attachment B	Responder and Non-responder Sample Survey Forms (3 rd Mailing)



City of Manhattan Beach

Utility Undergrounding Assessment Districts 8, 12, 13 & 14

0 1,000 2,000
Feet





City Hall 1400 Highland Avenue Manhattan Beach, CA 90266-4795

Telephone (310) 802-5000

FAX (310) 802-5001

TDD (310) 546-3501

August 11, 2006

Official City Survey: Utility Undergrounding – District 12

Dear Homeowner;

Recently, the City of Manhattan Beach sent out a survey to homeowners in your district to gauge their support for or opposition to undergrounding. However, as reported at the August 1, 2006 City Council meeting, the results of that survey were inconclusive. City Council has extended the survey period an additional 90 days to encourage those who did not respond to the survey to do so.

What You Should Know:

- The purpose of the survey is to determine whether to continue with plan designs and obtain an exact cost for Proposed District 12 or whether to cancel all or a portion of the project. The Fact Booklet recently sent to you contains additional information regarding undergrounding and associated costs.
- The City ***DID NOT*** receive your survey response. This mailing provides you an additional opportunity to respond and state your position on undergrounding.
- The Estimated Parcel Assessment Average and Range stated below were recently verified based on the open market bids received to construct District 6. Individual assessments would be about 10% less for homeowners who choose to pay the assessment in full rather than financing it over 20 years due to the elimination of financing costs. Please refer to tab #7 of Fact Booklet for more information

If multiple surveys are submitted, the City will record only the most recent response received for each legal parcel. If you own multiple properties, a separate survey must be submitted for each property location. Surveys should be: 1) filled out and signed by a property owner to be considered valid and 2) returned to City Hall at the address above on or before November 13, 2006. We anticipate presenting the results of District 12 at the November 21, 2006 City Council Meeting (subject to change). If you have any questions about the survey, its purpose or issues related to your district, please contact Stephanie Katsouleas directly at 310/802-5368 or via email at skatsouleas@citymb.info.

The revised deadline to respond to this survey is November 13, 2006.



OFFICIAL SURVEY

This is not a Ballot or Bill

**City of Manhattan Beach
District 12**

Assessor Parcel Number:

Owner Name:

Situs Address:

\$7,745.00

Estimated Parcel Assessment Average

\$6,196.00 – \$10,300.00

Estimated Parcel Assessment Range
(in today's dollars)

_____ Yes, I am in favor of undergrounding at the current estimated assessment range.

_____ No, I am opposed to undergrounding at the current estimated assessment range.

Date

Owner Printed Name

Owner Signature



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What You Should Know:

- The purpose of the survey is to determine whether to continue with plan designs and obtain an exact cost for Proposed District 12 or whether to cancel all or a portion of the project. The Fact Booklet recently sent to you contains additional information regarding undergrounding and associated costs.
- The City **DID** receive your survey response. You may change your position at any time during the extended survey period by sending in the new survey form below; we will update your position accordingly. However, if your position has not changed, no further action is needed by you.
- The Estimated Parcel Assessment Average and Range stated below were recently verified based on the open market bids received to construct District 6. Individual assessments would be about 10% less for homeowners who choose to pay the assessment in full rather than financing it over 20 years due to the elimination of financing costs. Please refer to tab #7 of Fact Booklet for more information

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The NEW deadline to respond to this survey is November 13, 2006.



OFFICIAL SURVEY

This is not a Ballot or Bill

City of Manhattan Beach

District 12

Assessor Parcel Number: «APN»

Owner Name: «MAILOWNER»

Situs Address: «SITUSADDR»

\$7,745.00

Estimated Parcel Assessment Average

\$6,196.00 - \$10,300

Estimated Parcel Assessment Range
(in today's dollars)

_____ Yes, I am in favor of undergrounding at the current estimated assessment range.

_____ No, I am opposed to undergrounding at the current estimated assessment range.

Date

Owner Printed Name

Owner Signature