

April 3, 2003

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
April 8, 2003

**UNDERGROUND UTILITY ASSESSMENT DISTRICT TEAM; BOND COUNSEL AND  
ASSESSMENT ENGINEER SERVICE AGREEMENTS**

**Recommendation:**

That the City Council review and approve the agreements with Stradling, Yocca, Carlson & Rauth, Bond Counsel, and David Taussig & Associates, Inc., Assessment Engineers, and direct the City Manager to execute the agreements on behalf of the City.

**Background:**

The City has been working with a number of resident groups that would like to have the overhead utility lines placed underground through the formation of assessment districts. As you know, the City assisted two other areas in this process and those districts have been completed. As the result of the efforts in one of the areas currently in the design phase, SCE and Verizon has completed the engineering and cost estimates for the Beach Drive Project, which begins at 24th Street and will continue up to 21st Street along Beach Drive. This project is ready for the final resident meeting as we have construction cost estimates which will allow the residents to know what the overall construction cost will be for their property. The next step is to start the formal assessment district proceedings, which requires engaging the services of a bond counsel and assessment engineer. I have attached proposed contracts with both a bond counsel and assessment engineer. Both of the firms are well experienced in the formation of assessment districts. The bond counsel worked with the City on the two most recent districts. The assessment engineer is very experienced in all kinds of assessment proceedings including underground districts. The cost for these services is paid from the assessment district and is part of the overall assessment that the property owner will have if the project proceeds.

The bond counsel has proposed a cost of \$20,000 per district under \$1,000,000 and \$25,000 for districts over \$1,000,000. In addition, they have proposed to serve as Disclosure Counsel for the bond issues over \$1,000,000 at a cost of \$15,000 per district. The assessment engineering services are proposed to total \$15,000 per district based on the proposal. This includes doing all of the notices, mailings, assessment diagram, assessment spread, preparation of the records for recording, tax lien data and assistance in preparing an offering statement. Both agreements include provisions for reimbursement of certain expenses.

Staff will add language to each of the proposed contracts to include coordination with each of the two consultants as well as City staff to ensure that there are not any gaps in the needed services and the responsibility for getting all of the work done to finalize the assessments and sell the bonds. The engagement of these firms will allow staff to prepare the next steps to proceed with these assessment districts.

Respectfully submitted,

Stephen R. Burrell  
City Manager