



City of Hermosa Beach

Inter Office Memorandum

DATE: January 8, 2004

TO: Mayor and City Council

FROM: Steve Burrell

SUBJECT: Beach Drive Assessment District – Underground Utilities Status Report –
Appropriation of Funds approved by the City Council and approval of agreement with
Financial Advisor.

RECOMMENDATION

1. That the City Council receive this status report on the subject of underground district.
2. Approve appropriation in the amount of \$15,000 to be consistent with City Council approval of the contract for Assessment Engineers.
3. Approve agreement with Financial Advisor in the amount of \$5,000 to assist the City in a private bond placement should the district proceed.

BACKGROUND

The Assessment Engineer has completed the preliminary assessment spread and staff has begun working on different approaches to financing the bond sale that will result in a lower cost. This information is now complete and we are attempting to schedule the resident meeting in the last week of January. Following that meeting the Engineers Report will be placed on the City Council meeting of February 24, 2004 for review and approval.

Then the formal ballots will be sent to each property included in the district and the results tabulated at a City Council meeting in the spring.

The City Council authorized the Assessment Engineer to proceed to complete the contracted work at the September 23, 2003 meeting. The City Council needs to appropriate a total of \$15,000 to the cover the cost of the contract. These funds, like all other advances to the project, are repaid to the City if the Assessment District proceeds.

An agreement is attached with the financial firm of Northcross, Hill, and Ach. They have advised the City on all of the other debt issues over the years. They will handle the private placement which will lower the financing cost of the district.