

May 25, 2004

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
June 8, 2004

**UNDERGROUND UTILITY ASSESSMENT DISTRICT TEAM; BOND COUNSEL AND
ASSESSMENT ENGINEER SERVICE AGREEMENTS FOR BAYVIEW ET AL PROPOSED
ASSESSMENT DISTRICT**

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 three other areas in this process and two of 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 Bayview Drive Project, which begins at Pier Ave and continues to 10th Street and Monterey Blvd West to Palm Drive. A map is attached that shows the proposed assessment district boundaries. The next step is to start the formal assessment district proceedings, which requires engaging the services of a bond counsel and assessment engineer. Both of the firms are well experienced in the formation of assessment districts. The bond counsel working with the City on the Beach Drive Assessment District and has provided bond counsel services on the other districts as well as other financings that the city has completed. The assessment engineer is presently working with the City on the Beach Drive Assessment District which will have the return of the ballots on the 6/22/04 City Council meeting. 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 for this district. The assessment engineering services are proposed to total \$20,000 for this district plus reimbursement of certain expenses. This includes doing all of the notices, attendance at various meetings, mailings, assessment diagram, assessment spread, preparation of the records for recording, tax lien data and assistance in preparing an offering statement

The Bayview District is comprised of 63 parcels. The total estimated cost for the district is \$833,950 and this is based on the utility work and the cost of forming and financing the district. A copy of the handout prepared for the property owner meeting staff attended on 5/24/04 is also attached. It is proposed that this district also use the private bond placement approach for financing the project that we are using for the Beach Drive Assessment District as it will result in a lower cost to the property owners.

Respectfully submitted,

Stephen R. Burrell
City Manager