

July 6, 2005

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
July 12, 2005

## **BONNIE BRAE UNDERGROUND UTILITY DISTRICT (UUD)**

### **Recommendation:**

It is recommended that the City Council approve the following actions for the Bonnie Brae UUD:

1. Award of Contract to David Taussig & Associates, Inc. in the amount of \$30,000 to provide Assessment Engineering services;
2. Award of Contract to Stradling Yocca Carlson & Rauth in the amount of \$41,000 to provide Bond Counsel services;
3. Award of Contract to Northcross, Hill & Ach in the amount of \$25,000 as Financial Advisors for bond sales;
4. Authorize the City Manager to execute the above contracts on behalf of the City; and
5. Advance \$30,000 from the Contingency Fund to the Bonnie Brae UUD to fund the contract services of David Taussig & Associates.

### **Summary:**

The Bonnie Brae Underground Utility District (UUD) is bounded by Prospect Avenue, Aviation Boulevard, PCH and 18<sup>th</sup> Street. There are approximately 180 parcels within this district and the total cost is estimated to be approximately \$3,000,000. Southern California Edison and Verizon have completed their designs and Adelphia is working on their design for this project. The next step is to begin the process of formation of the district. Staff recommends staying with the assessment district team utilized on previous districts David Taussig & Associates, Stradling Yocca Carlson & Rauth, and Craig Hill of Northcross, Hill & Ach.

Taussig & Associates will develop the District Boundary Map and determine the spread of assessments. The \$30,000 contract amount will cover all their expenses through preparation of the Engineer's Report, balloting and preparing the Assessment Role. The cost for these services must be advanced by the City but will be reimbursed by the District upon successful formation

The Stradling Yocca Carlson & Rauth contract amount of \$41,000 includes the basic service amount of \$25,000 for a bond sale of \$1,000,000 to \$2,500,000. If the bond sale exceeds \$2,500,000 then there is extra fee of 1/10 of 1% of the exceedance amount. An extra \$1,000 is included to provide for this possibility. There is also a \$15,000 fee for issuance of a disclosure statement. If the bonds are privately placed with an investor, as has been done in the recent past, then no disclosure statement was required. Because this is a much larger bond amount, it will be competitively bid and require a disclosure statement. In addition to these costs, the City will also pay any out-

of-pocket expenses that may be incurred. These costs are not paid until the formation is successfully completed and is paid using District assessment funds.

Craig Hill, as Financial Advisor, will assist the City in the sale of bonds to fund the District improvements. His costs are also not paid until the formation is successfully completed and is paid using District assessment funds.

**Fiscal Impact:**

The advance of \$30,000 from the Contingency Fund to 310-8105-4201 (Bonnie Brae UUD) will be reimbursed if the UUD is successfully formed.

Respectfully submitted,

Concur:

---

Richard D. Morgan, P.E.  
Director of Public Works/City Engineer

---

Stephen R. Burrell  
City Manager

Noted for fiscal impact:

---

Viki Copeland  
Finance Director