



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

UB-15

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

December 16, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached resolution overruling protests, determining results of the election; adopt the resolution adopting the revised Final Engineer's Report, confirming assessments and ordering the improvements for the undergrounding of utilities between 5430 and 5544 The Toledo to be funded by Assessment District No. 08-01. (District 3)

DISCUSSION

On September 23, 2008, City Council adopted RES-08-0116, declaring its intention to order improvements and to form Assessment District No. 08-01, and RES-08-0117, preliminarily approving the Engineering Report for the assessment district and calling for a public hearing and a property owner election for the proposed assessment district on November 11, 2008. The September 23rd council letter describing the project is attached as Exhibit A.

On November 11, 2008, the City Council conducted the required hearing and received no public comments during the hearing. The public hearing was closed; however, due to a written protest received by U.S. Mail earlier in the day, it was recommended that the matter of formal consideration of adopting the required resolutions to form the assessment district be held over until December 2, 2008, to give staff time to review the protest letter.

In reviewing the protest letter with legal counsel and the consultant who prepared the Engineers Report, staff feels that all requirements under the State and City codes for the formation of the proposed assessment district have been complied with. A copy of a letter signed by the City's assessment district engineer for the proposed district is attached as Exhibit B. This matter was continued to December 16, 2008 in order to explore the possibility to secure an indemnity agreement from a property owner in the proposed district. However, an agreement could not be reached. Therefore, if litigation is filed with respect to the formation of the district and the City decides to proceed, the City would bear the cost of defending that action.

**DIRECTOR'S OFFICE
BUDGET & PERSONNEL**
333 W. Ocean Blvd., 9th Floor
Long Beach, CA 90802
Ph. (562) 570-6383
Fax (562) 570-6012

ENGINEERING
333 W. Ocean Blvd., 9th Floor
Long Beach, CA 90802
Ph. (562) 570-6634
Fax (562) 570-6012

**ENVIRONMENTAL
SERVICES**
2929 E. Willow Street
Long Beach, CA 90806
Ph. (562) 570-2850
Fax (562) 570-2861

FLEET SERVICES
2600 Temple Avenue
Long Beach, CA 90806
Ph. (562) 570-5400
Fax (562) 570-5414

PUBLIC SERVICE
1601 San Francisco Avenue
Long Beach, CA 90813
Ph. (562) 570-2782
Fax (562) 570-2729

As part of the process for forming an assessment district, the City is required to mail out ballots to each property owner of record within the proposed assessment district as provided for by California law. The ballots were to be turned in prior to the close of the public hearing on this matter. Each ballot is weighted by the amount of the proposed assessment for the property represented by that ballot. This means that a property whose proposed assessment is twice that of another property in the district has twice the weight when tabulated. Formation of the proposed assessment district can only proceed if a majority of the weighted ballots received were in favor of forming the assessment district. Of the 38 properties to be included in the assessment district, 28 property owners turned in ballots prior to the closure of the public hearing on November 11, 2008. 76 percent of the weighted ballots received were in favor of forming the assessment district. Since a majority of the weighted ballots received were in favor of forming the assessment district, the Council may consider formation of the district through the adoption of the attached resolutions. The Final Engineer's Report for Assessment District 08-01 is attached as Exhibit C.

This matter was reviewed by Chief Assistant City Attorney Heather Mahood on December 10, 2008 and Budget Management Officer Victoria Bell on October 22, 2008.

TIMING CONSIDERATIONS

By Resolution No. RES-08-0117, the date for action on this matter was set for November 11, 2008, and then continued to December 16, 2008 by City Council action. This matter must be acted on December 16, 2008, or continued by Council action to another date.

FISCAL IMPACT

If the Council adopts the attached resolutions for the formation of the proposed assessment district, there will be a 30-day cash collection period for property owners to prepay their assessments. Subsequently, it is anticipated that the City, by future action, will issue tax-exempt bonds for the remaining amount. In order to reduce costs, the property owners proposed that the bonds be sold as a direct private placement rather than as a public offering. The private placement will eliminate certain costs including printing, registration, servicing costs, and the underwriter's discount. If the direct placement is unsuccessful, the project may be underfunded and therefore infeasible. In this scenario, the bonds will not be issued.

Naples Elementary School is located within the proposed assessment district with an assessment of \$122,488. This assessment cannot be enforced and will be voluntarily paid via a separate agreement by other property owners within the assessment district prior to the issuance of any bonds.

There will be no fiscal impact to the City.

HONORABLE MAYOR AND CITY COUNCIL

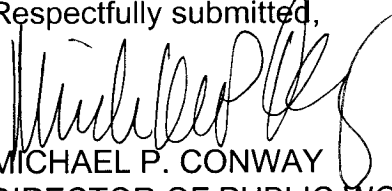
December 16, 2008

Page 3

SUGGESTED ACTIONS:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER

MPC:MAC:SC:db
P/the Toledo undergrounding.rev4.doc



CITY OF LONG BEACH
DEPARTMENT OF PUBLIC WORKS

UB-13

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

September 23, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt resolutions related to the undergrounding of utilities between 5430 and 5544 The Toledo: 1) Resolution of intention to order improvements and to form Assessment District No. 08-01; and 2) Resolution of preliminary approval of engineer's report, calling for a public hearing and election on November 11, 2008. (District 3)

DISCUSSION

Property owners adjoining The Toledo between 5430 to 5544 The Toledo have petitioned the City of Long Beach to underground the aerial utilities along this street portion, with the understanding that such undergrounding must be financed as an assessment district. The utilities proposed to be undergrounded are electrical service, telephone and cable communication lines. The maximum cost of this project is estimated at \$1,335,000, which includes the construction of utility conduit infrastructure, the placement of distribution lines, assessment engineering, city administrative costs, bond issuance, and funded interest for 12 months. Connection of the individual properties to the new underground system is at the expense of each property owner. The petition was signed by owners of over two-thirds of the parcels in the district, weighted by value of the proposed individual assessments. A description of the work is attached as Exhibit A, a map of the proposed assessment district is attached as Exhibit B, and the per-parcel assessment spread is attached as Exhibit C.

If City Council finds that this undergrounding of utilities is in the best interest of the community, that this project would enhance public safety and the overall aesthetics of the area, and that the benefits of this project are of more than local or ordinary public benefit, they may adopt a resolution declaring their intention to order the improvements and form an assessment district pursuant to the Municipal Improvement Act of 1913. By passage of this resolution, Harris & Associates shall be appointed as the Engineer of Work for the assessment district, and Quint & Thimmig LLP shall be designated as bond counsel.

City Council is required to consider the engineer's report containing a description of the improvements, a diagram showing the boundaries of the assessment district, an estimate of the total cost of the improvements, and the apportionment of this cost to each parcel within the district. A copy of this report is attached as Exhibit D. If the report is found to be sufficient, City Council may adopt a resolution approving the report, setting a date for a public hearing, and calling for an election of the property owners within the district. The City Clerk shall then be directed to mail notices of the hearing and ballots to all persons owning property in the proposed district. If the property owners of no more than 50 percent of the total cost of improvements file a protest against the proposed improvement, City Council may confirm the assessment.

Chief Assistant City Attorney Heather Mahood prepared the attached resolutions on May 30, 2008. In conformance with the California Environmental Quality Act, Categorical Exemption Number CE-110-08, was filed for this project.

This matter was reviewed by Chief Assistant City Attorney Heather Mahood on July 30, 2008 and Budget Management Officer Victoria Bell on July 30, 2008.

TIMING CONSIDERATIONS

Utility company estimates of project cost are time sensitive. City Council action is requested on September 23, 2008 in order to respond to the property owners' petition without unnecessary delay, as delay could adversely affect project costs.

FISCAL IMPACT

There is no fiscal impact to the City, as the proposed undergrounding of utilities is to be financed by the assessment district. Although the Naples Elementary School property lies within the proposed district, with an estimated assessment of \$122,488, which assessment collection cannot be enforced, this amount will be collected from other beneficiaries prior to the issuance of the bond.

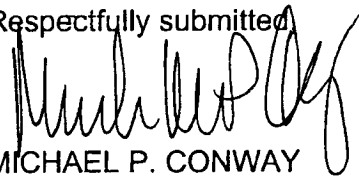
The district will be funded with City issued tax-exempt bonds. In order to reduce costs to the owners of the 36 residential properties in the district, the project proponents propose that the bonds be sold as a direct private placement rather than as a public offering. Certain bond finance costs were therefore deleted from the project total, including disclosure counsel; financial printing, registration and servicing; the underwriter's discount; and an excess bond reserve of 5 percent. If the direct placement of bonds is unsuccessful, the project may be underfunded and therefore infeasible.

HONORABLE MAYOR AND CITY COUNCIL
September 23, 2008
Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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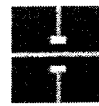
Attachments

APPROVED:



PATRICK H. WEST
CITY MANAGER

Memorandum



Harris & Associates

Program Managers
Construction Managers
Civil Engineers

to: Heather Mahood, Assistant City Attorney
company: City of Long Beach
from: Joan Cox
re: 5534 The Toledo Re: Proposed Assessment District No. 08-01
VIA E-MAIL
cc: Paul Thimmig, Mark Christoffels
date: November 20, 2008

The following are our responses to issues that were brought up in the letter dated November 10, 2008, from Lagerlof Senecal Gosney & Kruse LLP (the "Letter") regarding Proposed Assessment District No. 08-01 (AD 08-01).

1. Petition Process. (Others to respond.)
2. The Engineer's Report.
 - a) The Letter's discussion about general benefits refers to the California Supreme Court decision on the Silicon Valley Taxpayers' Assn. v. Santa Clara County Open Space Authority (the "Santa Clara Decision"). The Santa Clara Decision was a ruling on a fairly global county-wide assessment district funding future undesignated open space properties, as opposed to a small neighborhood assessment district funding very specific utility undergrounding improvements. As these two types of assessment districts are very different from each other, we feel that the quotes cited in the Letter from the Santa Clara Decision should be taken from the perspective of this more global concept.

A case in point is the quote "If everything is special, then nothing is special." This statement refers specifically to the more global case under consideration. Footnote No. 8 in the Santa Clara Decision provides clarification that this does not apply to assessment districts whose boundaries are drawn to include only those parcels receiving special benefits.
 - b) Article XIIIID of the California Constitution (Proposition 218) states that general enhancement of property value does not constitute special benefit. It can therefore be concluded that special enhancement of property values *does* constitute special benefit, which is what the Engineer's Report is stating: "By virtue of such benefits, the proposed improvements will increase the desirability and will specifically enhance the values of the properties within the Assessment District."
 - c) No matter what the contribution from the utility company is for, it is still a contribution to the project. This is a Rule 20B undergrounding project and a contribution is required. If this were a Rule 20C project, no contribution would be required and the property owners would bear the entire cost of the project.
 - d) A number of general benefits have been identified. We will recognize these in the Final Engineer's Report, however our conclusion remains essentially the same: the general benefits are incidental and are adequately covered by the utility company contribution.

C:\My Documents\1 Right of Way\Utility Undergrounding\Toledo 20B UUD\Cox transmittal Nov 26 08\response to legal challenge memo.doc

34 Executive Park, Suite 150, Irvine, California 92614-4705 949.655.3900 FAX 949.655.3995 irvine@harris-

Memorandum

Heather Mahood, Assistant City Attorney

City of Long Beach

November 20, 2008

Page 2

- e) The tennis courts at Naples Elementary School are located at the northeast corner of the school and are accessed off of a street that is not part of the undergrounding project.

3. Special Benefit Allocation.

A. Aesthetics

- a) A question was raised regarding the highest and best use for the school property. Based on the City's Zoning maps, this property is zoned "Institutional" which would not allow residential uses. This has been clarified in the Final Engineer's Report.
- b) Increased desirability due to aesthetic enhancement of a property is a special benefit. If that corresponds to a specific increase in property value, then that is a special benefit too.
- c) Bay views were not considered, as these views are not impacted by the wires and poles that are proposed to be removed.

B. Safety

- d) The safety benefit is not determined by whether or not a pole can hit a property. The benefit is the elimination of the threat of downed power lines and poles due to wind, rain and other unforeseeable events and the improvement emergency ingress/egress to properties (which verbiage has been added to the Final Engineer's Report to provide more clarity).

C. Service Reliability

- e) Because the school serves as a shelter for the public in the case of emergency, it is required to have a back-up generator on the premises. This was taken into consideration and a reduction in benefit was provided. For a residence, there is no requirement that a generator be on site and, therefore, it can be removed at any time. Therefore, this would not be taken into consideration with respect to reducing a homes' service reliability benefit.
- f) Putting utilities underground in beach communities with high water tables is not unique. Undergrounding projects are routinely done in beach communities all up and down the coast and the utility companies design for these circumstances. No system is fool proof, but the benefit described is for the enhanced reliability due to having all new wires and equipment and having that equipment underground, which reduces the threat of service interruption from downed power lines.

D. Proportionality in general.

- g) There are a number of different ways to determine proportionality of benefit. All properties, except Naples Elementary School are zoned residential and benefit is to the residential structure on the property. Size of property is often taken into consideration if a variety of land and zoning uses are evident within the assessment district. In this case, we did not consider that to be the best indicator of benefit.
- h) The Assessment Diagram originally showed the main line poles that were designated for removal and didn't show the two ancillary poles that come off the main line. That has been rectified, and

Memorandum

Heather Mahood, Assistant City Attorney

City of Long Beach

November 20, 2008

Page 3

the Assessment Diagram now shows the ancillary poles to be removed, including the pole adjacent to Asmt No. 24.

4. Public Policy. (Others to respond.)

5. Financial Hardship.

- a) There is no legal requirement to include information regarding the private service connections in the notice and ballot. The Engineer's Report, under Part VI (Description of Facilities) clearly notes that the private service connections are not included in the assessment district budget.
- b) The Notice to Property Owners clearly stated that if the assessment amount is not paid within 30 days then the property would be subject to principal and interest to be collected on the property tax bills.
- c) Shift in maintenance liability – (Others to respond. This has never come up before in any assessment district I've been involved in.)

6. Exception for 5534 The Toledo.

- a) The property at 5548 The Toledo is very different from the subject, as it has a line of poles and wires directly adjacent to it. It truly does not benefit from the improvements being undergrounded.
- b) The confusion over the ancillary pole that is adjacent to Asmt No. 25 (next to the subject property) should be rectified with the modification to the Assessment Diagram confirming that this pole will be removed as part of the undergrounding project.

7. Compliance with Local Coastal Plan. (Others to respond.)

If you have any questions regarding the above, please call me at 949-655-3900 ext. 2337 or email me at jcox@harris-assoc.com.

Memorandum

Heather Mahood, Assistant City Attorney

City of Long Beach

November 20, 2008

Page 3

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If you have any questions regarding the above, please call me at 949-655-3900 ext. 2337 or email me at jcox@harris-assoc.com.



Final Engineer's Report

for

**Assessment District No. 08-01
(The Toledo Utility Undergrounding)**

Prepared under the provisions of the
Long Beach Assessment District
Procedural Ordinance
and, where applicable, the
Municipal Improvement Act of 1913

For the

**City Engineer of the
City of Long Beach**
Los Angeles County, California

Prepared by:



Harris & Associates

November 24, 2008

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AGENCY: CITY OF LONG BEACH

PROJECT: ASSESSMENT DISTRICT NO. 08-01

TO: CITY COUNCIL

**ENGINEER'S "REPORT" PURSUANT TO THE
PROVISIONS OF SECTION 3.52.426
OF THE LONG BEACH MUNICIPAL CODE**

Pursuant to the provisions of Division IV of Chapter 3.52 of the Long Beach Municipal Code, Article XIIID of the State Constitution, and, where applicable, Part 7.5 of the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931", being Division 4 of the Streets and Highways Code of the State of California, and the "Municipal Improvement Act of 1913", being Division 12 of said Code, and the Resolution of Intention, adopted by the City Council of the CITY OF LONG BEACH, State of California, on August 19, 2008, in connection with the proceedings for Assessment District No. 08-01 (The Toledo Utility Undergrounding) (hereinafter referred to as the "Assessment District"), I, Mark Christoffels, P.E., City Engineer of the City of Long Beach, the duly appointed Engineer of Work, in conjunction with Joan E. Cox, P.E., a Registered Professional Engineer and authorized representative of Harris & Associates, herewith submits the "Report" for the Assessment District, consisting of six (6) parts as stated below.

PART I

This part contains the plans and specifications which describe the general nature, location and extent for the proposed improvements to be constructed, and are filed herewith and made a part hereof. Said plans and specifications are on file in the Office of the City Engineer.

PART II

This part contains an estimate of the cost of the proposed improvements, including capitalized interest, if any, incidental costs and expenses in connection therewith as set forth herein and attached hereto.

PART III

This part consists of the following information:

- A. A proposed assessment of the total amount of the costs and expenses of the proposed improvements upon the several subdivisions of land within the Assessment District, in proportion to the special benefits to be received by such subdivisions from said improvements, which is set forth upon the assessment roll filed herewith and made a part hereof.
- B. The total amount, as near as may be determined, of the total principal sum of all unpaid special assessments and special assessments required or proposed to be levied under any completed or pending assessment proceedings, other than that contemplated for the Assessment District, which would require an investigation and report under the "Special Assessment Investigation, Limitation and Majority Protest Act of 1931" against the total area proposed to be assessed.

- C. The total true value, determined from the latest Assessor's roll, of the parcels of land and improvements which are proposed to be assessed.

PART IV

This part contains the proposed maximum annual administrative assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the CITY OF LONG BEACH, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration and registration of any associated bonds and reserve or other related funds, or both.

PART V

This part contains a map showing the boundaries of the Assessment District, and a diagram showing the Assessment District, the boundaries and the dimensions of the subdivisions of land within said Assessment District, as the same existed at the time of the passage of the Resolution of Intention. The Boundary Map and Assessment Diagram are filed herewith and made a part hereof, and part of the assessment.


PART VI

This part shall consist of the following information:


- A. Description of Facilities
- B. Right-of-Way Certificate
- C. Environmental Certificate

This report is submitted on November 24, 2008.

HARRIS & ASSOCIATES



JOAN E. COX, P.E.
R.C.E. No. 41965



MARK CHRISTOFFELS, P.E.
CITY ENGINEER
CITY OF LONG BEACH
STATE OF CALIFORNIA

EXHIBIT C
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Preliminary approval by the CITY COUNCIL of the CITY OF LONG BEACH, CALIFORNIA, on the 23rd day of September, 2008.

CITY CLERK
CITY OF LONG BEACH
STATE OF CALIFORNIA

Final approval by the CITY COUNCIL of the CITY OF LONG BEACH, CALIFORNIA, on the _____ day of _____, 2008.

CITY CLERK
CITY OF LONG BEACH
STATE OF CALIFORNIA

EXHIBIT C
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Part I Plans and Specifications

The plans and specifications to construct the utility undergrounding improvements, and any ancillary improvements thereof, for the area generally described as Assessment District No. 08-01, (The Toledo Utility Undergrounding), specifically The Toledo from south of Second Street to west of Geneva Walkway, describe the general nature, location and extent of the improvements for this Assessment District and are referenced herein and incorporated as if attached and a part of this Report.

Said Plans and Specifications for the improvements are on file in the office of the City Engineer.

EXHIBIT C
Page 6 of 26

Part II Cost Estimate

	Estimated Costs	
	Preliminary	Confirmed
CONSTRUCTION COSTS		
Infrastructure (includes de-watering, inspection, etc.)	\$600,000	\$600,000
Southern California Edison	\$297,250	\$297,250
City Light & Power (Street Light Improvements)	\$6,500	\$6,500
Verizon Telephone	\$95,000	\$95,000
Charter Cable	\$30,500	\$30,500
Estimated Utility Contribution for Equivalent Overhead System	(\$47,250)	(\$47,250)
Contingency (10%)	\$98,200	\$98,200
Subtotal Costs:	\$1,080,200	\$1,080,200
Total Construction Costs:	\$1,080,200	\$1,080,200
INCIDENTAL EXPENSES (assuming direct placement of bonds with an investor)		
Assessment Engineering	\$30,000	\$30,000
City Administration	\$3,000	\$3,000
Financial Advisor	\$25,000	\$25,000
Bond Counsel	\$33,000	\$33,000
Disclosure Counsel	\$0	\$0
Filing Fees	\$2,500	\$2,500
Paying Agent	\$3,000	\$3,000
Financial Printing, Registration and Servicing	\$0	\$0
Incidental Contingencies	\$11,300	\$11,300
Total Incidental Expenses:	\$107,800	\$107,800
Total Construction and Incidental Expenses:	\$1,188,000	\$1,188,000
FINANCING COSTS (assuming direct placement of bonds with an investor)		
Underwriter's Discount	0.00%	\$0
Bond Reserve	5.00%	\$67,000
Funded Interest @ 12 months @ 6.00%	\$80,000	\$80,000
Total Financial Costs:	\$147,000	\$147,000
DISTRICT FORMATION AMOUNT TO ASSESSMENT:	\$1,335,000	\$1,335,000

Part III Assessment Roll and Method of Assessment Spread

WHEREAS, on August 19, 2008 the City Council of the CITY OF LONG BEACH, State of California, did, pursuant to the provisions of the Long Beach Assessment District Procedural Ordinance, being Division IV of Chapter 3.52 of the Long Beach Municipal Code and, where applicable, the 1913 Act "Municipal Improvement Act of 1913", being Division 12 of the Streets and Highways Code, of the State of California, adopt its Resolution of Intention No. 08-0116, for the installation and construction of certain public improvements, together with appurtenances and appurtenant work in connection therewith, in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 08-01 (The Toledo Utility Undergrounding) (hereinafter referred to as the "Assessment District"); and

WHEREAS, said Resolution of Intention, as required by law, did direct the Engineer of Work to make and file a "Report", consisting of the following as required by Section 3.52.426 of the Long Beach Municipal Code:

- a. Description of improvements to be financed;
- b. An estimate of the total cost of the improvements and the amount to be assessed against the benefited lands within the Assessment District;
- c. Assessment Diagram showing the boundaries of the Assessment District, and reference to the County of Los Angeles Assessor's parcel numbers or other identification of parcels;
- d. A proposed assessment of the costs and expenses of the works of improvement levied upon the parcels within the boundaries of the Assessment District;
- e. The proposed maximum annual assessment to be levied upon each subdivision or parcel of land within the Assessment District to pay the costs incurred by the City and not otherwise reimbursed resulting from the administration and collection of assessments or from the administration and registration of any associated bonds and reserve or other related funds.

For particulars, reference is made to the Resolution of Intention as previously adopted.

NOW, THEREFORE, I, Mark Christoffels, P.E., City Engineer and Engineer of Work for the Assessment District, in conjunction with Joan E. Cox, P.E., the authorized representative of HARRIS & ASSOCIATES, do hereby submit the following:

1. Pursuant to the provisions of law and the Resolution of Intention, I have assessed the costs and expenses of the works of improvement to be performed in the Assessment District upon the parcels of land in the Assessment District specially benefited thereby in direct proportion and relation to the special benefits to be received by each of said parcels. For particulars as to the identification of said parcels, reference is made to the Assessment Diagram, a copy of which is attached hereto and incorporated herein.
2. As required by law, a Diagram is hereto attached, showing the Assessment District, as well as the boundaries and dimensions of the respective parcels and subdivisions of land within

EXHIBIT C

said Assessment District as the same existed at the time of the passage of said Resolution of Intention, each of which subdivisions of land or parcels or lots respectively have been given a separate number upon said Diagram and in said Assessment Roll.

3. The subdivisions and parcels of land the numbers therein as shown on the respective Assessment Diagram as attached hereto correspond with the numbers as appearing on the Assessment Roll as contained herein.
4. NOTICE IS HEREBY GIVEN that bonds will be issued in accordance with Division IV of Chapter 3.52 of the Long Beach Municipal Code (the "Law") and, where applicable, Division 10 of the Streets and Highways Code of the State of California (the "Improvement Bond Act of 1915"), to represent all unpaid assessments, which bonds shall be issued not to exceed the legal maximum term as authorized by law, THIRTY (30) YEARS from the 2nd day of September next succeeding twelve (12) months from their date. Said bonds shall bear interest at a rate not to exceed the current legal maximum rate of 12% per annum.
5. By virtue of the authority contained in the Law and, where applicable, the "Municipal Improvement Act of 1913", and by further direction and order of the legislative body, I hereby recommend the following Assessment to cover the costs and expenses of the works of improvement for the Assessment District based on the costs and expenses as set forth below:

	As Preliminarily Approved	As Confirmed
Estimated Cost of Construction:	\$1,080,200	\$1,080,200
Estimated Incidental Expenses:	\$107,800	\$107,800
Estimated Financial Costs:	\$147,000	\$147,000
Estimated Total to Assessment:	\$1,335,000	\$1,335,000

For particulars as to the individual assessments and their descriptions, reference is made to Table 1 (Assessment Roll) attached hereto.

6. The Method of Assessment Spread is as set forth in the exhibit identified as Part III (Exhibit 1), which is attached hereto, referenced and so incorporated.

Table 1
Assessment Roll

Asmt No.	Assessor's Parcel Number	Total True Value	Existing Liens	Asmts As Preli-minarily Approved	Asmts As Finally Confirmed & Recorded	Value to Lien Ratio
1	7244-016-021	\$2,677,766	\$0	\$37,117.70	\$37,117.70	72
2	7244-016-022	\$1,835,496	\$0	\$37,117.70	\$37,117.70	49
3	7244-016-012	\$670,830	\$0	\$37,117.70	\$37,117.70	18
4	7244-016-024	\$1,228,632	\$0	\$37,117.70	\$37,117.70	33
5	7244-016-026	\$2,494,596	\$0	\$37,117.70	\$37,117.70	67
6	7244-016-028	\$2,910,477	\$0	\$37,117.70	\$37,117.70	78
7	7244-016-030	\$1,781,857	\$0	\$37,117.70	\$37,117.70	48
8	7244-016-032	\$1,449,494	\$0	\$37,117.70	\$37,117.70	39
9	7244-016-034	\$1,769,351	\$0	\$37,117.70	\$37,117.70	48
10	7244-016-020	\$3,191,886	\$0	\$37,117.70	\$37,117.70	86
11	7244-016-036	\$2,557,126	\$0	\$37,117.70	\$37,117.70	69
12	7244-016-038	\$1,287,139	\$0	\$37,117.70	\$37,117.70	35
13	7244-016-018	\$1,242,340	\$0	\$37,117.70	\$37,117.70	33
14	7244-016-040	\$1,138,276	\$0	\$37,117.70	\$37,117.70	31
15	7244-019-018	\$2,866,520	\$0	\$37,117.70	\$37,117.70	77
16	7244-019-030	\$0	\$0	\$0.00	\$0.00	N/A
17	7244-019-028	\$2,106,231	\$0	\$37,117.70	\$37,117.70	57
18	7244-019-026	\$3,204,754	\$0	\$37,117.70	\$37,117.70	86
19	7244-019-015	\$270,350	\$0	\$37,117.70	\$37,117.70	7
20	7244-019-014	\$535,556	\$0	\$37,117.70	\$37,117.70	14
21	7244-019-013	\$4,993,920	\$0	\$37,117.70	\$37,117.70	135
22	7244-019-020	\$4,852,955	\$0	\$37,117.70	\$37,117.70	131
23	7244-019-021	\$296,199	\$0	\$37,117.70	\$37,117.70	8
24	7244-019-022	\$270,808	\$0	\$37,117.70	\$37,117.70	7
25	7244-019-012	\$1,372,556	\$0	\$37,117.70	\$37,117.70	37
26	7244-015-010	\$498,369	\$0	\$49,490.27	\$49,490.27	10
27	7244-015-011	\$171,807	\$0	\$30,931.41	\$30,931.41	6
28	7244-015-012	\$352,526	\$0	\$24,745.13	\$24,745.13	14
29	7244-015-013	\$369,987	\$0	\$24,745.13	\$24,745.13	15
30	7244-015-014	\$428,952	\$0	\$24,745.13	\$24,745.13	17
31	7244-015-015	\$773,100	\$0	\$6,186.29	\$6,186.29	125
32	7244-014-039	\$596,759	\$0	\$30,931.41	\$30,931.41	19
33	7244-014-018	\$770,961	\$0	\$28,869.32	\$28,869.32	27
34	7244-014-019	\$826,979	\$0	\$24,745.13	\$24,745.13	33
35	7244-014-020	\$1,085,000	\$0	\$24,745.13	\$24,745.13	44
36	7244-014-021	\$83,957	\$0	\$32,993.50	\$32,993.50	3
37	7244-014-022	\$83,742	\$0	\$18,558.85	\$18,558.85	5
38	7244-017-900	\$1,398,752	\$0	\$122,488.50	\$122,488.50	11
		\$54,446,006		\$1,335,000.00	\$1,335,000.00	41

Table 2
Debt Limit Valuation

A. ESTIMATED BALANCE TO ASSESSMENT	\$1,335,000
B. UNPAID SPECIAL ASSESSMENTS	\$0 *
TOTAL A & B	\$1,335,000
C. TRUE VALUE OF PARCELS	\$54,473,910 **
AVERAGE VALUE TO LIEN RATIO	41 :1

* Unpaid Special Assessments shall consist of the total principal sum of all unpaid special assessments previously levied or proposed to be levied other than in the instant proceedings.

** True Value of Parcels means the total value of the land and improvements as estimated and shown on the last equalized roll of the County.


This report does not represent a recommendation of parcel value, economic viability or financial feasibility, as that is not the responsibility of the Assessment Engineer.

CERTIFICATION

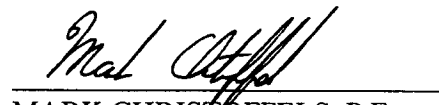
I, the undersigned City Engineer, do hereby certify that the total amount of the principal sum of the special assessments proposed to be levied, together with the principal amount of previously levied special assessments, as set forth above, do not exceed one-half (1/2) the total true value of the parcels proposed to be assessed.

EXECUTED on November 24, 2008.

HARRIS & ASSOCIATES



JOAN E. COX, P.E.
R.C.E. No. 41965



MARK CHRISTOFFELS, P.E.
CITY ENGINEER
CITY OF LONG BEACH
STATE OF CALIFORNIA

Exhibit 1 Method of Assessment

BACKGROUND

The Assessment District is formed under the authority of the Law and Article XIID of the California State Constitution, which require that local agencies levy assessments according to special benefit. In addition, Article XIID, Section 4, of the State Constitution requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. Section 4 provides that only special benefits are assessable and the local agency levying the assessment must separate the general benefits from the special benefits. It also requires that publicly owned property that benefits from the improvements be assessed. Neither the Law nor the State Constitution specifies the method or formula that should be used to apportion the costs to properties in any special assessment district proceedings. The responsibility for recommending an apportionment of the costs to properties which specially benefit from the improvements rests with the Assessment Engineer, who is appointed for the purpose of making an analysis of the facts and determining the correct apportionment of the assessment obligation. Therefore, costs and expenses of proposed improvement(s) will be apportioned against the properties by a formula or method that distributes the costs in direct proportion to the estimated special benefits these parcels receive from the improvements.

The approval of the assessments rests with the City Council. The Council renders its decision after hearing testimony and evidence presented at a public hearing and tabulating the assessment ballots, which are mailed to all record owners of property within the Assessment District. Only ballots delivered to the City prior to the close of the public hearing are tabulated. The Council's findings must include whether or not the assessment spread has been made in direct proportion to the estimated special benefits received by each parcel.

Apportionment of Special Benefit

The purpose of this Assessment District is to provide the financing to underground existing overhead electrical, telephone and cable facilities. These facilities are the direct source of service to the properties within the Assessment District.

The proposed replacement of existing overhead utility facilities (power, telephone and cable facilities) with underground facilities will provide a special benefit to the parcels who will be served by the new distribution facilities as a result of enhanced service, reliability and capacity, as well as improved safety. All new wires and equipment will be installed underground, which eliminates the threat of interrupted service by downed power lines due to wind and rain. Removal of the existing wood poles and the overhead wires will also aesthetically enhance all parcels that are directly adjacent to these facilities. By virtue of such benefits, the proposed improvements will increase the desirability and will specifically enhance the values of the properties within the Assessment District. Therefore, the proposed improvements are of direct and special benefit to the properties within the boundaries of this Assessment District.

General Benefits

General benefits to the surrounding community and public in general from undergrounding of these local overhead utilities, such as to the general public visiting Naples Elementary School or Naples Island in cars, on bikes or on foot, are incidental and are adequately offset by the 4.2% contribution from the utility companies to the project's construction budget.

Methodology

To establish the benefit to the individual parcels within the Assessment District, a Benefit Point system is used. Each parcel of land is assigned Benefit Points in proportion to the estimated special benefit the parcel receives relative to the other parcels within the Assessment District from the Utility Undergrounding Improvements. The highest and best use of each property is the basis on which the Benefit Points are assigned. For example, a vacant property is considered developed to its highest potential and connected to the system.

All properties within the Assessment District are zoned for residential uses on small lots except for the Naples Elementary School property, which is zoned for institutional uses.

The special benefits from undergrounding the overhead utilities are segregated into three (3) categories, which are discussed below:

- **Improved Property Aesthetics Benefit.** This benefit relates to the improved aesthetics of the streetscape due to the removal of overhead wires and utility poles. The aesthetic benefit of removing poles and overhead lines adjacent to residential properties is deemed to be the same for all adjacent properties because the increase in property desirability from the construction of the improvements is considered the same. Residential parcels that are directly adjacent to streets with facilities being underground are considered to receive special benefit from the undergrounding project. Therefore, these properties are assigned one (1) Aesthetic Benefit Point (ABP) per parcel for Improved Property Aesthetics.

Poles and overhead lines being underground in alleys are not considered to provide significant aesthetic benefit, as the alleys are in the rear of the properties.

- Parcels that are adjacent to two streets, where only one street is part of the undergrounding project, are assigned half the benefit, or 0.5 ABP. (This applies to Asmt Nos. 27, 32, 37 and 38.)
 - Parcels that are adjacent to only one street, where that street is not part of the undergrounding project, are deemed to receive no aesthetic benefit and are assigned 0 ABP. (This applies to Asmt Nos. 28, 29, 30 and 31.)
 - Asmt No. 38, Naples Elementary School, is deemed to receive no aesthetic benefit from the undergrounding project, as improved aesthetics does not impact the desirability of a school property. Therefore, this property is assigned 0 ABP.
- **Improved Safety Benefit.** This benefit relates to the improved safety of having the overhead wires placed underground and having the power poles removed, which eliminates the threat of downed power lines and poles due to wind, rain and other unforeseeable events and improves

emergency ingress/egress to properties. All residential parcels that are directly adjacent to a street or alley with facilities being underground are considered to receive the same special benefit from the undergrounding project. Therefore, these residential properties are assigned one (1) Safety Benefit Point (SBP) for Improved Safety.

- Residential parcels that are adjacent to two streets or alleys that are part of the undergrounding project, are assigned twice the benefit, or 2 SBP. (This applies to Asmt No. 26.)
- Asmt No. 31 is adjacent to an alley that is part of the undergrounding project, but the pole directly adjacent to this property will remain, which reduces the safety benefit to this property. Therefore, this property is assigned half the benefit, or 0.5 SBP.
- Asmt No. 38, Naples Elementary School, receives benefit from improved safety from the undergrounding project, and this benefit is related to the benefit to residential property by comparing the length of frontage along the undergrounding project. The average frontage of the residential properties on The Toledo in this Assessment District is 53 feet and The Toledo frontage of the school is 497.94 feet, which is 9.4 times as long as the average residential property frontage. Therefore, Asmt No. 38 is assigned 9.4 SBP's.

▪ **Improved Service Reliability Benefit.** This benefit relates to the enhanced reliability of service from the utilities being underground, due to having all new wires and equipment and having that equipment underground, which reduces the threat of service interruption from downed power lines. All properties that are connected to poles and wires that are to be underground are considered to receive this benefit and are assigned one (1) Reliability Benefit Point (RBP) for Improved Service Reliability.

- Parcels that take no service from the wires or poles being underground receive no service reliability benefits and are therefore assigned 0 RBP. (This applies to Asmt Nos. 31, 35 and 37.)
- Properties that receive service from only one or two of the three utilities are assigned RBP's based on their proportion of utilities they receive service from. Therefore, properties that receive only Cable service from the utilities being underground are assigned 1/3 RBP (this applies to Asmt No. 33), and properties that receive only Cable and Telephone service from the utilities being underground are assigned 2/3 RBP (the applies to Asmt No. 36).
- Asmt No. 38, Naples Elementary School, receives benefit from improved service reliability. Because the school serves as a shelter for the public in the case of emergency, it is required to have a back-up generator on the premises. This reduces the benefit received by the school. Therefore, the benefit to the school from improved service reliability is considered to be half of what other parcels receive, so Asmt No. 38 is assigned 0.5 RBP's.

The three categories of Benefit Points are added together for each property to calculate the Total Benefit Points assigned to each property, as follows:

$$\begin{array}{ccccccc} \text{Aesthetics} & & \text{Safety} & & \text{Reliability} & & \text{Total} \\ \text{Benefit Points} & + & \text{Benefit Points} & + & \text{Benefit Points} & = & \text{Benefit Points} \end{array}$$

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The following table provides an example of how the Benefit Points are calculated for the various land uses.

Sample Typical Benefit Point Calculation Table

Land Use	Aesthetics Benefit Points	+	Safety Benefit Points	+	Reliability Benefit Points	=	Total Benefit Points
SFR	1	+	1	+	1	=	3
SCHOOL	0	+	9.4	+	0.5	=	9.9

Exemptions:

The following types of parcels are considered to be exempt from the assessment due to their having no benefit from the improvements because they have virtually no potential for development:

- Parcels that are unbuildable because they are too small.
- Parcels that are too small for a dwelling unit but may have ancillary uses to other residential properties, such as Asmt. No. 16.

These properties are assigned 0 Benefit Points.

Exceptions:

- 5548 E The Toledo Street (the parcel directly east of Asmt No. 25) has overhead utility lines directly adjacent to its property, along the easterly side, and takes service from these lines. These lines are not proposed to be underground; therefore, this property is not deemed to receive any benefit from the proposed undergrounding project.
- 5429 E The Toledo Street (the parcel directly north of Asmt No. 26) takes its service from the pole in the alley that will remain after this underground project is constructed. Because this pole is located in the middle of this property, this parcel is not considered to receive either an enhanced safety benefit or an enhanced reliability benefit from the undergrounding project.

Assessment Apportionment

Based on the findings above, it is our conclusion that the improvements specially benefit all developable properties in the Assessment District in proportion to the number of Benefit Points calculated for each property, such that:


$$\begin{matrix} \text{Aesthetics} & & \text{Safety} & & \text{Reliability} & & \text{Total} \\ \text{Benefit Points} & + & \text{Benefit Points} & + & \text{Benefit Points} & = & \text{Benefit Points} \end{matrix}$$

Incidental Expenses and Financing Costs have been assessed to the entire Assessment District on a prorata basis relative to the total construction cost allocations.


Complete calculations for each assessment, providing the Benefit Points, the construction portion of the assessment, and incidental and financial components of the assessment are included in the Appendix.

DATED: November 24, 2008

HARRIS & ASSOCIATES



JOAN E. COX, P.E.
R.C.E. No. 41965



MARK CHRISTOFFELS, P.E.
CITY ENGINEER
CITY OF LONG BEACH
STATE OF CALIFORNIA



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I, _____, as CITY CLERK of the CITY OF LONG BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was filed in my office on the ____ day of _____, 2008.

CITY CLERK
CITY OF LONG BEACH
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF LONG BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was preliminarily approved by the City Council of the CITY OF LONG BEACH, CALIFORNIA, on the ____ day of _____, 2008.

CITY CLERK
CITY OF LONG BEACH
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF LONG BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was approved and confirmed by the City Council of said City on the ____ day of _____, 2008.

CITY CLERK
CITY OF LONG BEACH
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF LONG BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was recorded in my office on the ____ day of _____, 2008.

SUPERINTENDENT OF STREETS
CITY OF LONG BEACH
STATE OF CALIFORNIA

Part IV Annual Administrative Assessment

A proposed maximum annual administrative assessment shall be levied on each parcel of land and subdivision of land within the Assessment District to pay for necessary costs and expenses incurred by the CITY OF LONG BEACH, and not otherwise reimbursed, resulting from the administration and collection of assessments, from the administration or registration of any bonds and reserve or other related funds, or both. The maximum assessment is authorized pursuant to the provisions of Section 10204(f) of the Streets and Highways Code and shall not exceed five hundred dollars (\$500) per parcel, subject to an annual increase based on the annual change in the Consumer Price Index (CPI), during the preceding year ending in January, for all Urban Consumers in the Los Angeles, Riverside, and Orange County areas. The exact amount of the administration charge will be established each year by the Superintendent of Streets.

The annual administrative assessment will be collected in the same manner and in the same installments as the assessment levied to pay for the cost of the works of improvement.

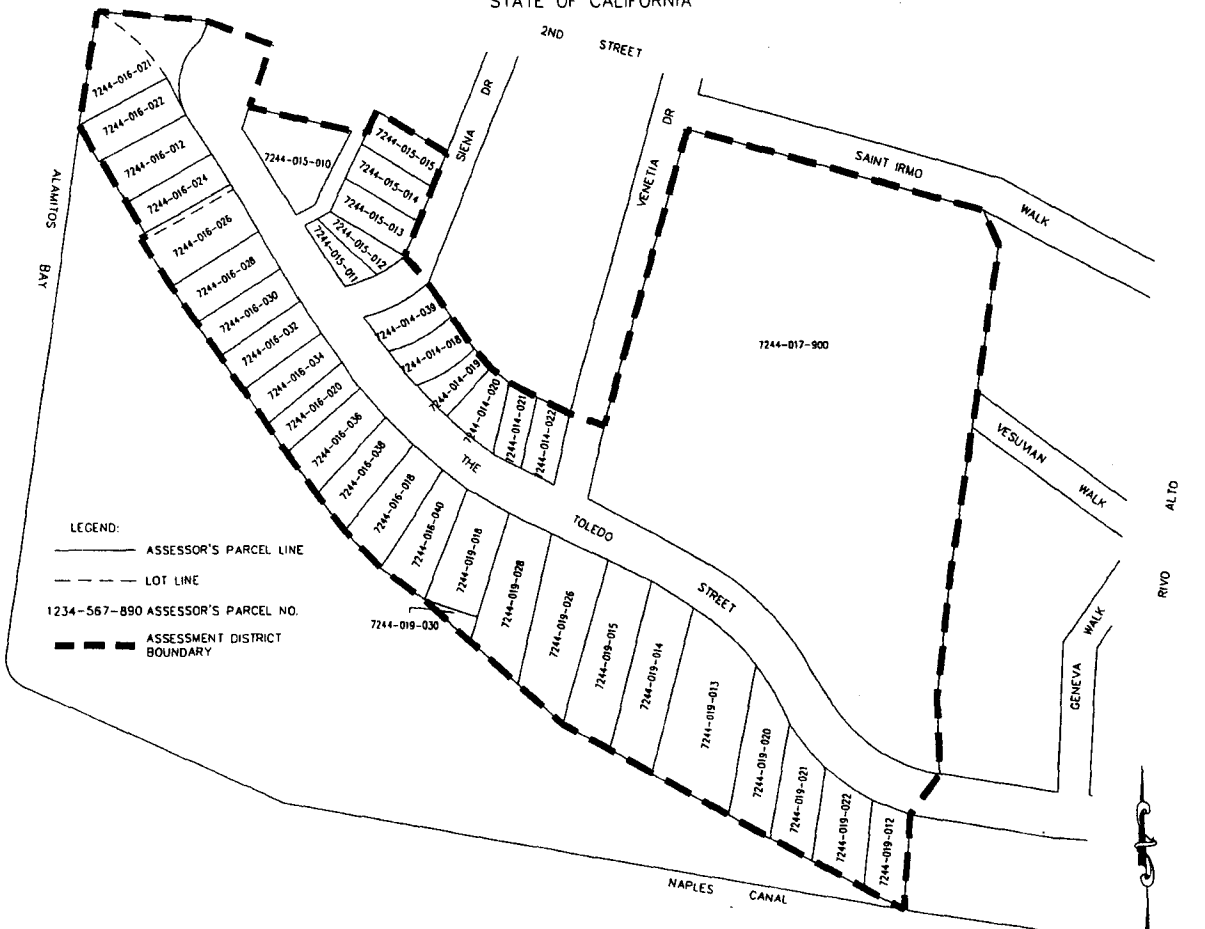
Part V
Boundary Map and Diagram of Assessment

A reduced copy of the Boundary Map and Assessment Diagram are attached hereto. Full-sized copies of the Boundary Map and Assessment Diagram are on file in the Office of the City Clerk, of the City of Long Beach.

As required by the Act, the Assessment Diagram shows the exterior boundaries of the assessment district and the assessment number assigned to each parcel of land corresponding to its number as it appears in the Assessment Roll contained in Part III Table 1. Reference is hereby made to the Assessor's Parcel Maps of the County of Los Angeles for the boundaries and dimensions of each parcel of land.

EXHIBIT C
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PROPOSED BOUNDARY OF
 ASSESSMENT DISTRICT No. 08-01
 (THE TOLEDO UTILITY UNDERGROUNDING)
 CITY OF LONG BEACH, COUNTY OF LOS ANGELES
 STATE OF CALIFORNIA



THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE LOS ANGELES COUNTY ASSESSOR.

FILED THIS ___ DAY OF ___, 20___, AT THE HOUR OF ___ O'CLOCK ___ M. IN BOOK ___ OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AT PAGE ___ IN THE OFFICE OF THE COUNTY RECORDER, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

___ COUNTY RECORDER
 COUNTY OF LOS ANGELES

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LONG BEACH THIS ___ DAY OF ___, 20___.

___ CITY CLERK

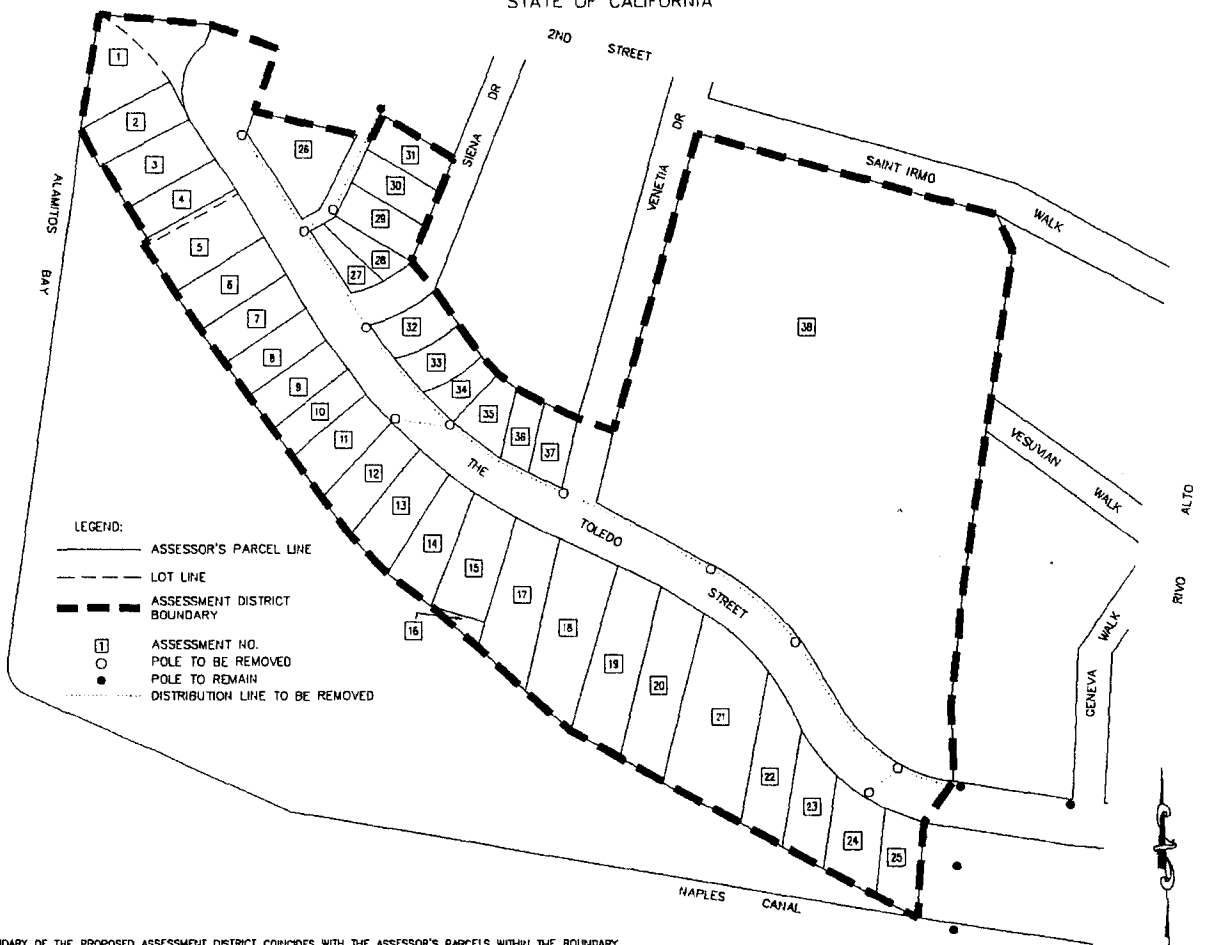
I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 08-01 (THE TOLEDO UTILITY UNDERGROUNDING), CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LONG BEACH, AT A REGULAR MEETING THEREOF, HELD ON THE ___ DAY OF ___, 20___, BY ITS RESOLUTION NO. ___.

___ CITY CLERK

HARRIS & ASSOCIATES
 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
 CIVIL ENGINEERS

DATE JULY 24, 2008 SHEET 1 OF 1

ASSESSMENT DIAGRAM FOR
 ASSESSMENT DISTRICT No. 08-01
 (THE TOLEDO UTILITY UNDERGROUNDING)
 CITY OF LONG BEACH, COUNTY OF LOS ANGELES
 STATE OF CALIFORNIA



THE BOUNDARY OF THE PROPOSED ASSESSMENT DISTRICT COINCIDES WITH THE ASSESSOR'S PARCELS WITHIN THE BOUNDARY SHOWN ON THIS MAP. FOR PARTICULARS OF LINES AND DIMENSIONS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE LOS ANGELES COUNTY ASSESSOR.

FILED THIS ____ DAY OF ____, 20__ AT THE
 HOUR OF ____ O'CLOCK ____, IN BOOK ____ OF
 MAPS OF ASSESSMENTS AND COMMUNITY
 FACILITIES DISTRICTS AT PAGE ____ IN THE
 OFFICE OF THE COUNTY RECORDER, IN THE
 COUNTY OF LOS ANGELES, STATE OF
 CALIFORNIA

 COUNTY RECORDER
 COUNTY OF LOS ANGELES

RECORDED IN THE OFFICE OF THE
 SUPERINTENDENT OF STREETS OF THE CITY
 OF LONG BEACH THIS ____ DAY OF ____
 20__

 SUPERINTENDENT OF STREETS

AN ASSESSMENT WAS LEVIED BY THE CITY
 COUNCIL ON THE LOTS, PIECES AND PARCELS
 OF LAND SHOWN ON THIS ASSESSMENT
 DIAGRAM. SAID ASSESSMENT WAS LEVIED ON
 THE ____ DAY OF ____, 20__.
 REFERENCE IS MADE TO THE ASSESSMENT
 ROLL RECORDED IN THE OFFICE OF THE
 SUPERINTENDENT OF STREETS FOR THE EXACT
 AMOUNT OF EACH ASSESSMENT LEVIED
 AGAINST THE PARCELS SHOWN ON THIS
 ASSESSMENT DIAGRAM.

 CITY CLERK

FILED IN THE OFFICE OF THE CITY CLERK OF
 THE CITY OF LONG BEACH THIS ____ DAY OF ____
 20__

 CITY CLERK

ASSESSMENT DIAGRAM FOR
 ASSESSMENT DISTRICT NO. 08-01
 (THE TOLEDO UTILITY UNDERGROUNDING)
 CITY OF LONG BEACH, COUNTY OF LOS ANGELES
 STATE OF CALIFORNIA

HARRIS & ASSOCIATES
 PROGRAM MANAGERS
 CONSTRUCTION MANAGERS
 CIVIL ENGINEERS

DATE JULY 24, 2008 SHEET 1 OF 1

Part VI Description of Facilities

Below is a list of proposed improvements as allowed under the Law to be installed, or improved under the provisions of the Law, including the acquisition of required right-of-way and/or property. For the general location of the improvements to be constructed referenced is hereby made to the Plans and Specifications described in Part I of this report.

These improvements are proposed to be constructed and installed in the general location referred to as Assessment District No. 08-01 (The Toledo Utility Undergrounding).

The proposed facilities include the undergrounding of electric, telephone and cable on The Toledo south of Second Street and west of Geneva Walkway.

Improvements:

1. The removal of existing overhead power, telephone and cable wires and poles.
2. Removal of overhead resident service drops.
3. Construction of mainline underground power, telephone and cable conduit, with appurtenant manholes and pullboxes.
4. Construction of service conduit and appurtenances to property line.
5. Installation of new conductor within said conduit and underground structures by the utility companies.
6. Construction of street lighting conversion improvements.

These improvements will be designed by Southern California Edison, Verizon Telephone and Charter Cable. The City of Long Beach will inspect the work to ensure conformance to City standards and specifications where applicable.

Note: The foregoing improvements do not include any individual service connections on private properties. Each owner of property located within the Assessment District will be responsible for arranging for and paying for work on his or her property necessary to connect facilities constructed by the public utilities in the public streets and alleys to the points of connection on the private property.

Right-of-Way Certificate

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF LONG BEACH

The undersigned hereby CERTIFIES UNDER PENALTY OF PERJURY that the following is all true and correct.

That at all time herein mentioned, the undersigned was, and now is, the authorized representative of the duly appointed SUPERINTENDENT OF STREETS of the CITY OF LONG BEACH, CALIFORNIA.

That there have now been instituted proceedings under the provisions of Article XIID of the California Constitution, and the "Municipal Improvements Act of 1913," being Division 12 of the Streets and Highways Code of the State of California, for the construction of certain public improvements in a special assessment district known and designated as ASSESSMENT DISTRICT NO. 08-01 (The Toledo Utility Undergrounding) (hereinafter referred to as the "Assessment District").

THE UNDERSIGNED STATES AND CERTIFIES AS FOLLOWS:

It is acknowledged that the proposed Works of Improvement must be located within public rights-of-way, land, or easements owned by or licensed to the CITY OF LONG BEACH, County of Los Angeles, State of California, at the time of the construction of the Works of Improvement, and the undersigned hereby further certifies that all rights-of-way necessary for the Works of Improvements will be obtained and in possession of the City, County, or State prior to construction by the CITY OF LONG BEACH.

EXECUTED this 24th day of November, 2008, at CITY OF LONG BEACH, California.

SUPERINDENT OF STREETS
CITY OF LONG BEACH
State of California

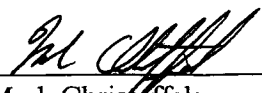
By: 
Mark Christoffels

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Certificate of Completion of Environmental Proceedings

**STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF LONG BEACH**

The undersigned, under penalty of perjury, CERTIFIES as follows:

1. That I am the person who authorized to prepare and process all environmental documentation as needed as it relates to the formation of the special assessment district being formed pursuant to the provisions of the Long Beach Assessment District Procedural Ordinance, being Division IV of Chapter 3.52 of the Long Beach Municipal Code and, where applicable, the "Municipal Improvement Act of 1913" being Division 12 of the Streets and Highways Code of the State of California, said special Assessment district known and designated as ASSESSMENT DISTRICT NO. 08-01 (The Toledo Utility Undergrounding) (hereinafter referred to as the "Assessment District").
2. The specific environmental proceedings relating to this Assessment District that have been completed are as follows:

CEQA compliance review:

The proposed project is Categorically Exempt (Class 2) from the provisions of CEQA (replacement or reconstructions).

3. I do hereby certify that all environmental evaluation proceedings necessary for the formation of the Assessment District have been completed to my satisfaction, and that no further environmental proceedings are necessary.

EXECUTED this 24th day of November, 2008, at CITY OF LONG BEACH, California.

By: 

Mark Christoffels
CITY OF LONG BEACH
STATE OF CALIFORNIA

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APPENDIX
Assessment Calculations

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Parcel Address	Asmt No.	APN	Land Use	BENEFIT POINTS					ASSESSMENT CALCULATIONS					
				Aesthetics Benefit Points	+ Safety Benefit Points	+ Reliability Benefit Points	= Total Benefit Points	Construction Costs	Incidental Costs	Financing Costs	Total Assessment			
5430 E THE TOLEDO	1	7244-016-021	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5436 E THE TOLEDO	2	7244-016-022	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5438 E THE TOLEDO	3	7244-016-012	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5446 E THE TOLEDO	4	7244-016-024	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5450 E THE TOLEDO	5	7244-016-026	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5456 E THE TOLEDO	6	7244-016-028	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5460 E THE TOLEDO	7	7244-016-030	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5464 E THE TOLEDO	8	7244-016-032	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5468 E THE TOLEDO	9	7244-016-034	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5472 E THE TOLEDO	10	7244-016-020	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5474 E THE TOLEDO	11	7244-016-036	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5480 E THE TOLEDO	12	7244-016-038	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5484 E THE TOLEDO	13	7244-016-018	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5488 E THE TOLEDO	14	7244-016-040	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5490 E THE TOLEDO	15	7244-019-018	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5490 E THE TOLEDO	16	7244-019-030	SFR	0.0	+	0.0	+	0.00	=	0.00	\$0.00	\$0.00	\$0.00	\$0.00
5494 E THE TOLEDO	17	7244-019-028	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5500 E THE TOLEDO	18	7244-019-026	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5508 E THE TOLEDO	19	7244-019-015	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5518 E THE TOLEDO	20	7244-019-014	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5528 E THE TOLEDO	21	7244-019-013	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5530 E THE TOLEDO	22	7244-019-020	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5534 E THE TOLEDO	23	7244-019-021	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5538 E THE TOLEDO	24	7244-019-022	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5544 E THE TOLEDO	25	7244-019-012	SFR	1.0	+	1.0	+	1.00	=	3.00	\$30,033.36	\$2,997.22	\$4,087.12	\$37,117.70
5437 E THE TOLEDO	26	7244-015-010	2DU	1.0	+	2.0	+	1.00	=	4.00	\$40,044.49	\$3,996.29	\$5,449.49	\$49,490.27
105 SIENA DR	27	7244-015-011	SFR	0.5	+	1.0	+	1.00	=	2.50	\$25,027.80	\$2,497.68	\$3,405.93	\$30,931.41
115 SIENA DR	28	7244-015-012	SFR	0.0	+	1.0	+	1.00	=	2.00	\$20,022.24	\$1,998.15	\$2,724.74	\$24,745.13
117 SIENA DR	29	7244-015-013	SFR	0.0	+	1.0	+	1.00	=	2.00	\$20,022.24	\$1,998.15	\$2,724.74	\$24,745.13
123 SIENA DR	30	7244-015-014	SFR	0.0	+	1.0	+	1.00	=	2.00	\$20,022.24	\$1,998.15	\$2,724.74	\$24,745.13
125 SIENA DR	31	7244-015-015	SFR	0.0	+	0.5	+	0.00	=	0.50	\$5,005.56	\$499.54	\$681.19	\$6,186.29
5467 E THE TOLEDO	32	7244-014-039	SFR	0.5	+	1.0	+	1.00	=	2.50	\$25,027.80	\$2,497.68	\$3,405.93	\$30,931.41
5471 E THE TOLEDO	33	7244-014-018	SFR	1.0	+	1.0	+	0.33	=	2.33	\$23,359.28	\$2,331.17	\$3,178.87	\$28,869.32
5475 E THE TOLEDO	34	7244-014-019	SFR	1.0	+	1.0	+	0.00	=	2.00	\$20,022.24	\$1,998.15	\$2,724.74	\$24,745.13
5481 E THE TOLEDO	35	7244-014-020	SFR	1.0	+	1.0	+	0.00	=	2.00	\$20,022.24	\$1,998.15	\$2,724.74	\$24,745.13
5485 E THE TOLEDO	36	7244-014-021	SFR	1.0	+	1.0	+	0.67	=	2.67	\$26,696.32	\$2,664.19	\$3,632.99	\$32,993.50
101 VENETIA DR	37	7244-014-022	SFR	0.5	+	1.0	+	0.00	=	1.50	\$15,016.68	\$1,498.61	\$2,043.56	\$18,558.85
Naples Elem. School	38	7244-017-900	SCHOOL	0.0	+	9.4	+	0.50	=	9.90	\$99,110.23	\$9,890.81	\$13,487.46	\$122,488.50
				Totals:					107.90	\$1,080,200.00	\$107,800.00	\$147,000.00	\$1,335,000.00	

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH OVERRULING PROTESTS AND
DETERMINING RESULTS OF ELECTION – ASSESSMENT
DISTRICT NO. 08-01 (THE TOLEDO UTILITY
UNDERGROUNDING)

WHEREAS, on September 23, 2008 the City Council (the “Council”) of the
City of Long Beach (the “City”) adopted Resolution No. RES-08-0116 expressing its
intention to order improvements and to form the City of Long Beach Assessment District
No. 08-01 (The Toledo Utility Undergrounding) (the “Assessment District”); and

WHEREAS, on September 23, 2008, the Council also adopted Resolution
No. RES-08-0117 preliminarily approving an Engineer’s Report for the proposed
Assessment District, and calling for a public hearing and an election with respect to the
Assessment District; and

WHEREAS, a notice of the public hearing, accompanied by ballot materials,
was mailed to each of the owners of property within the boundaries of the proposed
Assessment District in accordance with applicable law; and

WHEREAS, on November 11, 2008 the Council held the public hearing
regarding the Assessment District; and

WHEREAS, a copy of the only written communication received from
property owners with respect to the Assessment District prior to the close of the public
hearing was provided to the Council prior to the close of the public hearing, and all
persons desiring to be heard at the public hearing were given the opportunity to be heard;
and

WHEREAS, at the conclusion of the public hearing, the ballots cast in the
election with respect to the Assessment District were tabulated, and the City Clerk has

1 completed and filed with the Council a Certificate regarding the results of the election in
2 the form attached hereto as Exhibit A; and

3 WHEREAS, a revised draft of the Engineer's Report for the proposed
4 Assessment District, dated November 24, 2008, has been placed on file with the City
5 Attorney, and the Council has been advised of the Engineer's Report; and

6 WHEREAS, this Council now desires to overrule any protests against the
7 Assessment District and to declare the results of the election.

8 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
9 follows:

10 Section 1. That protests, if any, against the Assessment District
11 presented prior to the close of the public hearing regarding the Assessment District were
12 not signed by the owners of a majority or more of the area of the lands within the
13 Assessment District to be assessed for the purposes of the Assessment District.

14 Section 2. That said protests, if any, and each of them, are hereby
15 overruled.

16 Section 3. That the results of the election held within the Assessment
17 District, as reported by the City Clerk, were that more than a majority of votes cast
18 (weighted according to the proportional financial obligation of each property voting) were
19 in favor of the establishment of the Assessment District and the levy of assessments
20 therein, so it is therefore determined that a majority protest against the Assessment
21 District does not exist.

22 Section 4. This Resolution shall take effect immediately upon its
23 adoption by the City Council, and the City Clerk shall certify the vote adopting this
24 Resolution.

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk