



Legislation Text

File #: 08-0872, **Version:** 3

Recommendation to 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

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.

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.

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.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH OF INTENTION TO ORDER IMPROVEMENTS AND TO FORM ASSESSMENT DISTRICT NO. 08-01 (THE TOLEDO UTILITY UNDERGROUNDING)

MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER