

**UTILITY UNDERGROUNDING AREA
ALONG THE TOLEDO
(PROPOSED ASSESSMENT DISTRICT)**



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

~~R-25~~

333 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6383 • FAX (562) 570-6012

September 21, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Authorization to Debit City of Long Beach Rule 20A Utility Undergrounding Account for The Toledo Project Design Engineering (District 3)

DISCUSSION

A majority (76 percent) of the homeowners along 5429 to 5548 The Toledo filed a petition with the City Engineer to form an assessment district, to fund the undergrounding of the utilities along the street area, shown on Exhibit A. The petition acknowledged that the cost of this project is estimated to be \$19,500 per parcel. The next step of the project is the production of a preliminary engineering plan, to determine actual cost. Southern California Edison ("Edison") requests a non-refundable payment of \$10,000, to cover their preliminary design engineering expenses.

The undergrounding of utilities on this residential street is classified as a Rule 20B project, under State of California Public Utilities Commission Rules. Rule 20B projects occur along local or unclassified streets. Rule 20A projects are projects that occur along major and minor arterials that carry a heavy concentration of overhead electric facilities. Funding for Rule 20A projects comes primarily from the City's account credits with Southern California Edison. Adjacent property owners primarily fund rule 20B projects, with Edison contributing only a small portion of the cost.

Edison is willing to provide design engineering for a Rule 20B project, using the City's Rule 20A credits, if so requested by the City. These credits will be restored to the City, if the homeowners eventually create an assessment district to pay for this project. The property owners along 5429 to 5548 The Toledo request that the City allow Edison to debit the City's Rule 20A account by \$10,000, for the required design engineering down payment.

This item was reviewed by Deputy City Attorney Lisa Peskay Malmsten on August 18, 2004 and Budget Management Officer David Wodynski on September 3, 2004

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TIMING CONSIDERATIONS

City Council action on this item is not time critical.

FISCAL IMPACT

If an Assessment District for this project is formed after the project is designed and bid, \$10,000 will be re-credited to the City of Long Beach Rule 20A account. If, within two and one-half years, the property owners do not agree to form the district by majority vote, Edison will invoice the City for the \$10,000. If the City does not reimburse Edison with cash, the City's Rule 20A funds will be debited by \$10,000. As a point of reference, the City currently receives approximately \$2.6 million annually towards Rule 20A projects.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute a Preliminary Design and Engineering Agreement with Edison for the undergrounding of the utilities along The Toledo, as shown on Exhibit A, and to authorize Edison to debit the City of Long Beach Rule 20A account by \$10,000 for the required preliminary engineering design work.

Respectfully submitted,

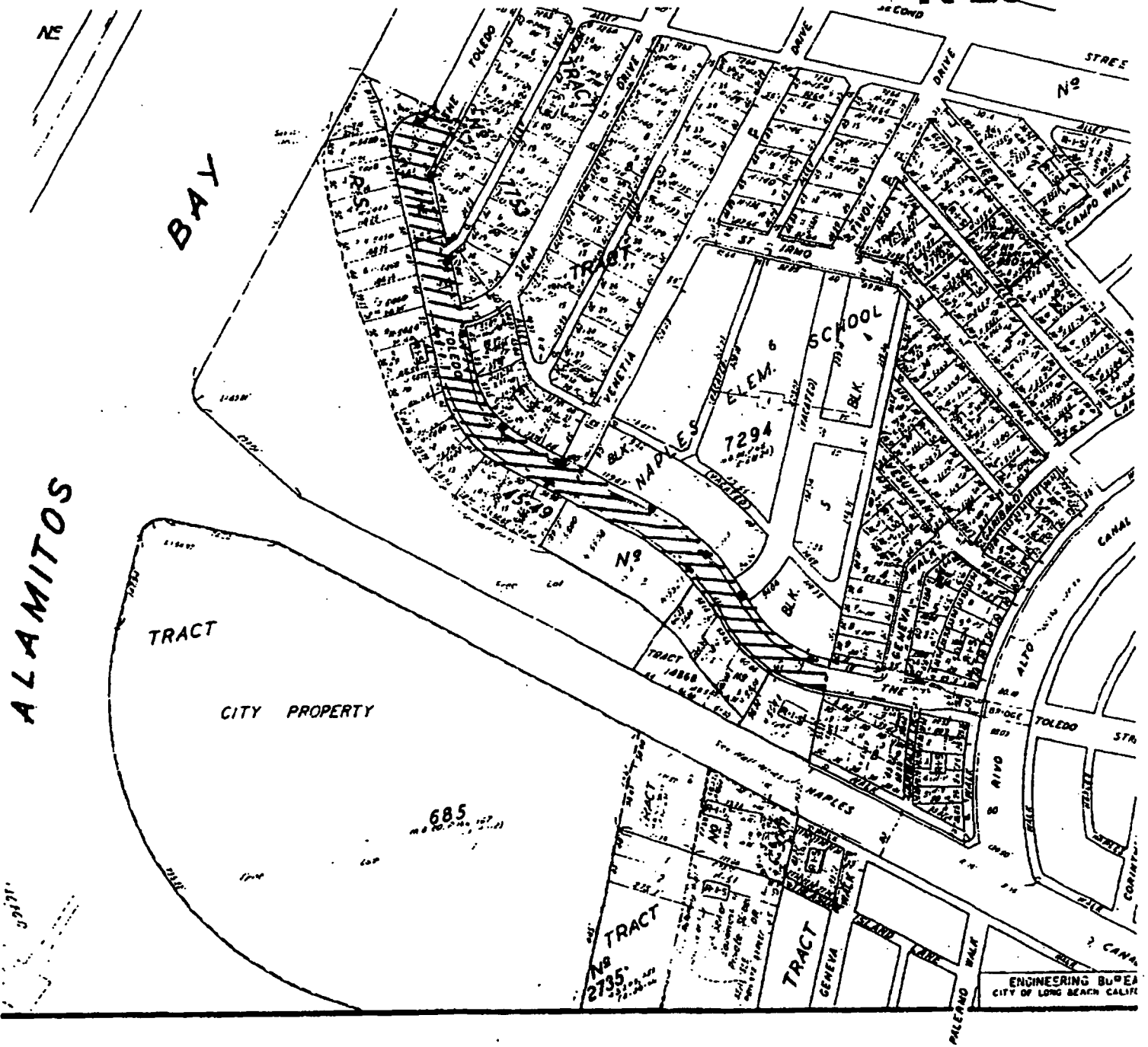

CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS

Attachment

GMM:SC

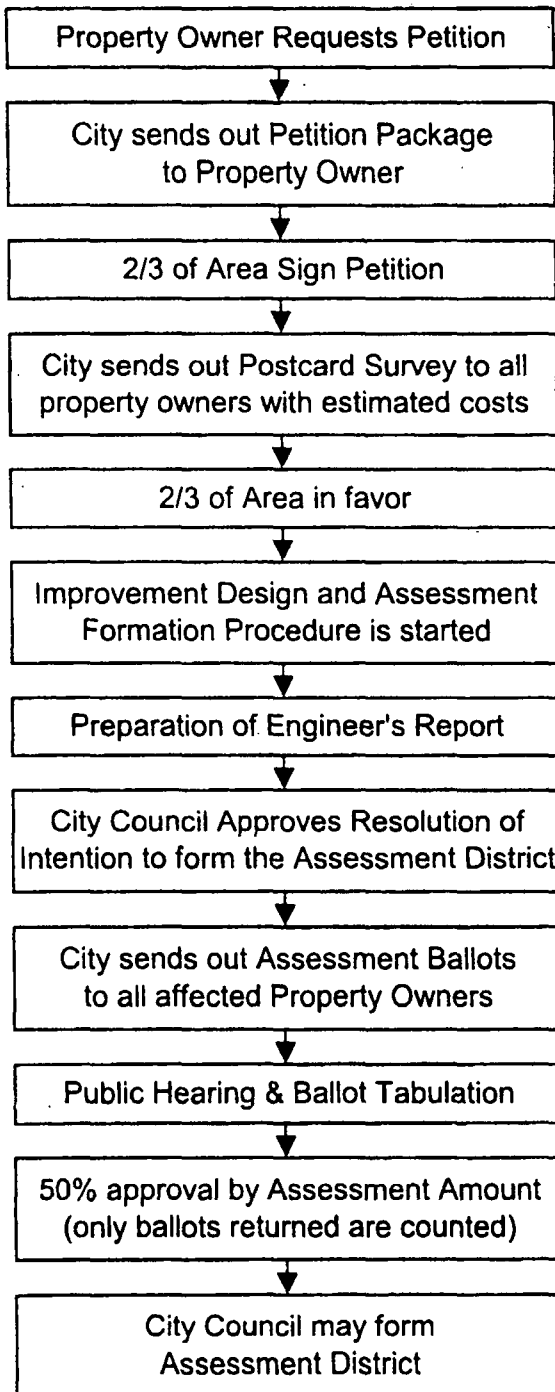
APPROVED:


GERALD R. MILLER
CITY MANAGER



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Process Flow Chart



A Property Owner's Guide



How to Form an Assessment District for:

- Alley Improvements
- Sidewalk Improvements
- Street Lighting
- Undergrounding of Utilit

Contact:

562-570-6996
City of Long Beach
Department of Public Works
Bureau of Engineering
333 West Ocean Blvd, 10th Floor
Long Beach, CA 90802

This information is available in an alternative format by request.

What is an Assessment District?

An Assessment District is a means for property owners to finance desired improvements in the public right-of-way that the City typically does not or cannot fund. Such improvements can include the paving or repaving of alleys, the undergrounding of power lines, the installation of sidewalks, and the upgrading or installation of new street or alley lighting. Through a process dictated by state law (summarized on the back of this pamphlet) the property owners agree to have the City arrange for the issuance of a bond to pay for the improvements and, once the project is completed, have the annual payments included in their property tax bill.

What are the actions required to determine if an Assessment District should be formed?

A property owner acting in the lead for this process contacts the City at the telephone number on the back of this pamphlet. The City will then prepare a petition that must be signed by all of the affected property owners. If two thirds of those signing the petition are interested in forming an assessment district, the City will conduct a Cost and Feasibility Study for the desired improvements.

After the study is completed, the City will mail to each affected property owner the estimated project cost and their estimated prorated share of the costs. Included in this mailing will be a postcard survey card, addressed to the City, for the property owner to indicate whether he or she still supports the formation of the assessment district.

If property owners representing 2/3 of the area benefiting from the requested improvements are in support of the project, the City will proceed with the formation process.

The postcard survey does not commit the property owners to finance the project. It only indicates sufficient support for the City to go forward with the assessment district formation process.

How is the Assessment District formed?

The formation process starts with the preparation of an Engineer's Report which includes construction plans, a detailed cost estimate, a map showing all of the properties to be included in the district, and the estimated assessments for each property. The City Council then approves the Preliminary Engineer's Report, adopts a Resolution of Intention to form the Assessment District, sets a public hearing date, and authorizes advertising for construction bids. Forty-five (45) days before the public hearing, each affected property owner will be mailed a Notice of Public Hearing and an official Assessment Ballot showing their proposed assessment.

The ballots are due by the end of the public hearing. At the end of the public hearing, the ballots will be tabulated. If the returned ballots favor the project by at least 50% (based on the assessment amount), the City Council may approve the District and award the construction contract.

When does construction begin and assessments are levied?

Once the Assessment District is approved by the City Council, construction of the improvements will commence under the direction of the City Engineer. The City will also arrange for the issuance of the bonds that will finance the improvements. The County Tax Assessors Office includes the assessment amount on annual property tax bills within the District for each property owner's share of the annual bond payment. Bond payments typically range from 10 to 15 years and can be paid off early if the property owner so desires.

How long will this process take?

From the time the initial petition is received by the City until the improvements are completed typically takes up to two years, depending on the type of improvements. Sidewalk and alley paving require less time while lighting and utility undergrounding require more.