



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** September 28, 2010

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Chapala Street Underground Utility Assessment District Engineer's Report And Recommended Project Conclusion

**RECOMMENDATION:** That Council:

- A. Receive the Assessment Engineer's Report for the Chapala Street Underground Utility Assessment District (UUAD); and
- B. Take no further action regarding the formation of the proposed Chapala Street UUAD.

### **DISCUSSION:**

#### Background

On February 12, 2008, Council received and filed a petition from property owners of a portion of Chapala Street (generally between 1209 and 2535 Chapala Street, including properties along portions of adjacent streets), requesting that a UUAD be initiated, and subsequently adopted Resolution No. 08-010, initiating proceedings for the formation of a UUAD for Chapala Street. There were 125 properties included within the original Council approved UUAD boundary. At that time, Council also authorized the issuance of Purchase Orders to hire consultants, including the Assessment Engineer, utility company design services, and project management services. Staff then held public neighborhood information sharing meetings on March 19, 2009, December 1, 2009, and July 12, 2010.

#### Assessment Engineer's Report

The Assessment Engineer prepared an Engineer's Report under the provisions of the California Municipal Improvement Act of 1913, and the City's Municipal Code. This included obtaining the Santa Barbara County Assessor's property owner information, preparing a Boundary Map and Assessment Diagram, preparing benefit methodology which specifies the method used to apportion the costs to properties within the UUAD, and reviewing preliminary cost estimates.

The Engineer's Report identified one additional property (2020 Chapala Street) outside the original Council approved UUAD boundary that was added to the UUAD because the Assessment Engineer determined this property would receive a special benefit if this UUAD was formed. It was also determined that two properties (27 West Constance Street and a parcel associated with 2215 Chapala Street) would not receive a special benefit if this UUAD was formed and they were subsequently removed from the UUAD assessment. (See Attachment for the current UUAD boundary.) These changes resulted in a reduction in the number of properties in this UUAD from 125 to 124.

The Engineer's Report identifies that the purpose of the UUAD is to provide financing to underground the electrical, telephone, and cable utilities, which will enhance neighborhood aesthetics, improve emergency ingress and egress, and provide new and upgraded facilities. It reflects residential (single and multi-residential) property assessments ranging from \$12,218 to \$58,511 for 100% payoff, and from \$14,459 to \$69,244, if financed through the UUAD Program. Non-residential property assessments ranged from \$13,923 to \$97,151 for 100% payoff, and from \$16,477 to \$114,972, if financed through the UUAD Program. Per state law, these assessments are required to be in direct proportion to the benefit received by the proposed undergrounding of the existing overhead utilities. The Assessment Engineer made a presentation of preliminary assessment costs at a July 12, 2010, neighborhood information meeting.

There is one noteworthy distinction of this Engineer's Report as compared to the two previously filed UUAD Engineer's Reports for the Ferrelo Road UUAD and Eucalyptus Hill Road UUAD projects. The Engineer's Report states that if the Chapala UUAD was approved, the City would be obligated to pay for general benefits to the public associated with the project in the estimated amount of \$227,461, because Chapala Street is designated as a secondary arterial road. In accordance with Article XIII D of the California Constitution (Proposition 218), general benefits to the public must be quantified and those benefits may not be apportioned to the specially benefiting properties in the UUAD. The calculation of general benefits to the public is provided in the Engineer's Report.

The Engineer's Report has been filed with the City Clerk, as required by the City Municipal Code, and reflects updated assessment criteria modified in response to public input, various recommendations by the Assessment Engineer regarding apportionment of costs, construction cost estimates, and input received from the utility companies.

#### Chapala Street UUAD Status

The February 12, 2008, Council meeting included discussion related to the level of neighborhood support necessary for Council to approve this UUAD. In summary, Council indicated that there would need to be strong neighborhood support for Council to approve the UUAD.

In accordance with the UUAD Program procedures, staff conducted a survey in August 2010 to gauge the level of neighborhood support to form the UUAD. This was subsequent to the July 12, 2010, meeting outlining anticipated property assessments. The question posed to the UUAD property owners was: "Do you support the proposed Chapala Street UUAD based on information received to date, and the project cost estimates, including the estimated cost to be assessed against your property?" The survey results showed that 64 property owners responded "no," 26 property owners responded "yes," and the remainder did not respond. Subsequently staff recommends no further action toward the formation of this proposed UUAD.

If the UUAD was to proceed, the next steps would be to bid the project to finalize costs, finalize loan financing for the UUAD, and then proceed to a final vote by the property owners. In accordance with Proposition 218, the final vote must be a "weighted vote" proportional to the benefit received. If the final weighted vote had the same results as the recent survey, the project would not meet the 50% weighted majority vote required by Proposition 218 for approval.

#### Conclusion

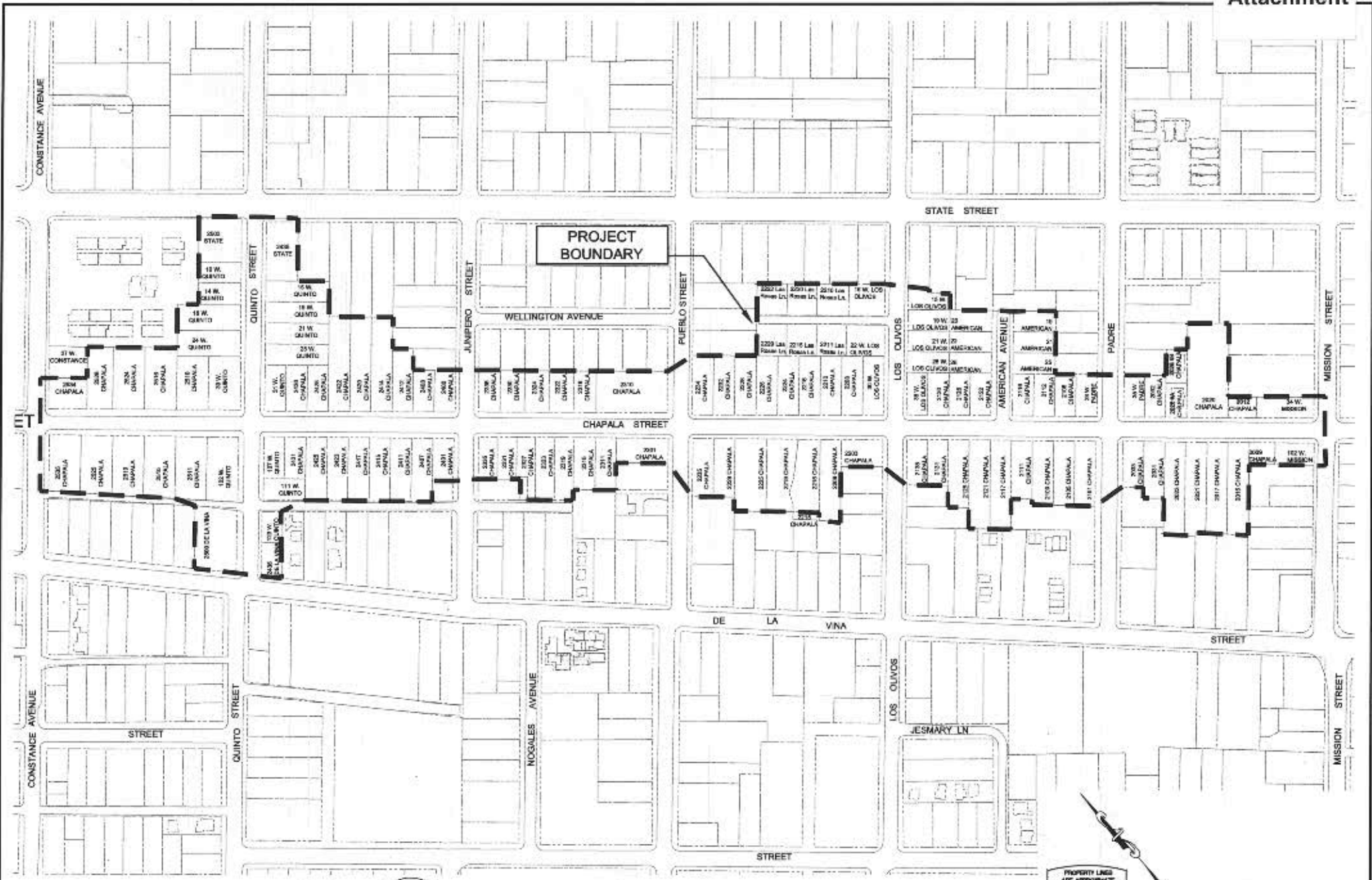
Since a majority of the property owners in this UUAD have submitted written responses of non-support of the project, staff recommends that Council acknowledge the Engineer's Report as an approvable report, but take no further action regarding the formation of the proposed Chapala Street UUAD. By taking no further action, the City's work on the proposed UUAD will be concluded at this time. A notice was mailed to property owners within the proposed UUAD to advise them of the survey's outcome and staff's recommendation that Council take no further steps toward the formation of the UUAD.

**ATTACHMENT:** Chapala Street UUAD Boundary Map

**PREPARED BY:** John Ewasiuk, Principal Civil Engineer/LA/mj

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office



NO.	DESCRIPTION	DATE	APPROVED

DESIGN	LA
DRAWN	LA
CHECKED	
SCALE	
DATE	
PROJECT ENGINEER	



UNDERGROUND UTILITY ASSESSMENT DISTRICT  
**PROJECT BOUNDARY**  
 NORTH CHAPALA



CITY OF SANTA BARBARA  
 PUBLIC WORKS DEPARTMENT—ENGINEERING DIVISION  
 APPROVED: \_\_\_\_\_ DATE: 03

SCALE:		PROJ. NO.:	
VERT.:	N/A	SHT. 1	OF 1
HOR.:	1"=100'	DWG. NO.:	