CITY OF NEWPORT BEACH

3300 Newport Boulevard
Newport Beach, CA 92658

FINAL ENGINEER'S REPORT

UNDERGROUND UTILITY ASSESSMENT DISTRICT NO. 92

Prepared by:

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January 22, 2008

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AGENCY: CITY OF NEWPORT BEACH

PROJECT: UNDERGROUND UTILITY ASSESSMENT DISTRICT NO. 92

TO: CITY COUNCIL

ENGINEER'S "REPORT" PURSUANT TO THE PROVISIONS OF SECTION 10204 OF THE STREETS AND HIGHWAYS CODE

WHEREAS, on January 22, 2008, the City Council of the City of Newport Beach, State of California, did, pursuant to the provisions of 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, 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:

CITY OF NEWPORT BEACH
UNDERGROUND UTILITY ASSESSMENT DISTRICT NO. 92

(hereinafter referred to as the "Assessment District" or "District").

The purpose of this Assessment District is to provide financing to underground power and telephone facilities in the area generally bounded by "Riverside Avenue, Cliff Drive, Tustin Avenue, and West Coast Highway." Further detail identifying the District boundary and location is shown on the Boundary Map available in Appendix B of this report. The proposed underground utility improvements will provide conversion to a more safe and reliable upgraded utility system, and will improve the neighborhood aesthetic streetscape and visual environment.

The construction of these improvements will conform to existing City of Newport Beach, Southern California Edison and AT&T standards. Cable may already be undergrounded. Furthermore, Time Warner Cable is required per Franchise Agreement with the City to provide these services. By virtue of such improvements, the proposed improvements will enhance the value of the parcels within the District. Therefore, the proposed improvements are of special and direct benefit to these properties.

Pursuant to the provisions of Article XIIID of the State Constitution, 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 Newport Beach, State of California, in connection with the proceedings for Underground Utility Assessment District No. AD 92 (hereinafter referred to as the "Assessment District"), I, Jon E. Bourgeois, P.E., a Registered Professional Engineer and authorized representative of Hall & Foreman, Inc., the duly appointed Engineer of Work, herewith submits the "Report" for the Assessment District, consisting of six (6) parts as stated on the following page.

PART I

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

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 parcels of land within the Assessment District, in proportion to the estimated special benefits to be received by such parcels 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, as near as may be determined, of the parcels of land and improvements which are propose 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 Newport Beach, 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.

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, is 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 Final Engineer's Report is submitted on January 22, 2008.

HALL & FOREMAN, INC.

Jon E. Bourgeois, P.E.
R.C.E. No. 30242
ENGINEER OF WORK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

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

_____
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

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

_____
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was filed in my office on the _____ day of _____, 200__.

_____
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF NEWPORT 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 NEWPORT BEACH, CALIFORNIA, on the _____ day of _____, 200__.

_____
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

I, _____, as CITY CLERK of the CITY OF NEWPORT 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 _____, 200__.

_____
CITY CLERK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

I, _____, as SUPERINTENDENT OF STREETS of the CITY OF NEWPORT BEACH, CALIFORNIA do hereby certify that the foregoing Assessment, together with the Diagram attached thereto, was recorded in my office on the _____ day of _____, 200__.

_____
SUPERINTENDENT OF STREETS
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

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. 92 in the area generally bounded by "Riverside Avenue, Cliff Drive, Tustin Avenue, and West Coast Highway," which describe the general nature, location and extent of the improvements for this Assessment District are referenced herein and incorporated as if attached and a part of this Report.

The Plans and Specifications for the improvements are on file in the offices of the Superintendent of Streets.

Part II
Cost Estimate

Table 1
City of Newport Beach AD No. 92
Cost Estimate

			Estimated Costs		
			Preliminary		Final Costs
CONSTRUCTION COSTS*					
Telephone Construction Cost					
AT&T Civil Construction		$	638,139.00	$	638,139.00
Contingency (~10%)		$	63,800.00	$	63,800.00
AT&T Design Engineering		$	48,500.00	$	48,500.00
Subtotal:		**$**	**750,439.00**	**$**	**750,439.00**
Electrical Construction Cost					
SCE Civil Construction		$	810,841.00	$	810,841.00
Contingency (~10%)		$	81,100.00	$	81,100.00
SCE Design Engineering		$	41,500.00	$	41,500.00
Subtotal:		**$**	**933,441.00**	**$**	**933,441.00**
Street Rehabilitation		$	12,687.00	$	12,687.00
Total Construction Costs:		**$**	**1,696,567.00**	**$**	**1,696,567.00**
INCIDENTAL EXPENSES					
Assessment Engineering		$	22,970.00	$	22,970.00
Contract Inspection		$	43,500.00	$	43,500.00
Disclosure Counsel		$	20,000.00	$	20,000.00
City Administration		$	25,000.00	$	25,000.00
Financial Advisor		$	25,000.00	$	25,000.00
Filing Fees		$	3,000.00	$	3,000.00
Bond Counsel		$	20,500.00	$	20,500.00
Paying Agent		$	3,000.00	$	3,000.00
Financial Printing, Registration, and Servicing		$	18,000.00	$	18,000.00
Incidental Contingencies		$	18,600.00	$	18,600.00
Total Incidental Expenses:		**$**	**199,570.00**	**$**	**199,570.00**
Total Construction & Incidental Expenses:		**$**	**1,896,137.00**	**$**	**1,896,137.00**
FINANCING COSTS					
Underwriter's Discount	1.10%	$	20,400.00	$	20,400.00
Bond Reserve / Credit Enhancement	7.00%	$	137,000.00	$	137,000.00
Total Financing Costs:		**$**	**157,400.00**	**$**	**157,400.00**
TOTAL AMOUNT TO ASSESSMENT:		**$**	**2,053,537.00**	**$**	**2,053,537.00**
Notes: Number of Assessable Parcels			54		54
Estimated Acreage of District			13.27		13.27
Estimated Linear Feet of Construction			3,635		3,635
Estimated Cost Per Linear Foot		$	564.93	$	564.93

Source: Costs provided by City of Newport Beach, October 18, 2007
* Time Warner Cable is required to pay for undergrounding through the Franchise Agreement with the City.

Part III
Assessment Roll and
Method of Assessment Spread

WHEREAS, on November 27, 2007, the City Council of the CITY OF NEWPORT BEACH, State of California, did, pursuant to the provisions of 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, 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. 92; 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 10204 of the Act:

a. Plans;
b. Specifications;
c. Cost Estimates;
d. Assessment Diagram showing the Assessment District and the subdivisions of land therein;
e. A proposed assessment of the costs and expenses of the works of improvement levied upon the parcels within the boundaries of the Assessment District;
f. 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, Jon E. Bourgeois, P.E., the authorized representative of Hall and Foreman, Inc., pursuant to Article XIIID of the California Constitution and the "Municipal Improvement Act of 1913," 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 estimated 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 said 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 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-NINE (39) 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 percent per annum.

5. By virtue of the authority contained in said "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 in Table 2, Summary of Costs and Expenses:

Table 2
City of Newport Beach AD No. 92
Summary of Costs and Expenses

Estimated Costs and Expenses	Preliminary	Final
Construction Costs	$ 1,696,567.00	$ 1,696,567.00
Incidental Expenses	$ 199,570.00	$ 199,570.00
Financing Costs	$ 157,400.00	$ 157,400.00
TOTAL	**$ 2,053,537.00**	**$ 2,053,537.00**

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

6. The Method and Formula of Assessment Spread is as set forth in Exhibit "A", which is attached hereto, referenced and so incorporated.

7. I, the undersigned Assessment Engineer, do hereby find that the total amount of the principal sum of the assessments proposed to be levied for the District, together with the principal amount of all other assessments levied or proposed to be levied on the properties within the District, as set forth above, does not exceed one-half (1/2) of the total true value of the parcels proposed to be assessed for the District.

Dated:_____

HALL & FOREMAN, INC.

_____
Jon E. Bourgeois, P.E.
R.C.E. No. 30242
ENGINEER OF WORK
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

Table 3 City of Newport Beach AD No. 92 Debt Limit Information[1]	
Description	**Amount**
Estimated Balance to Assessment	$ 2,053,537.00
Unpaid Special Assessments[2]	$ 0.00
TOTAL	$ 2,053,537.00
True Value of Parcels	$ 39,143,272.00

1. Required under Part 7.5 of Division 4.
2. Unpaid Special Assessments shall consist of the total principal sum of all unpaid special assessments previously levied or proposed to be levied other than the instant proceedings. True Value of Parcels means the total assessed value of the land and improvements as estimated and shown on the last equalized roll of the County.

Note: This report does not represent a recommendation of parcel value, economic viability or financial feasibility, as it is not the responsibility of the Engineer's Report.

EXHIBIT "A"

METHOD AND FORMULA OF ASSESSMENT SPREAD

Since the improvements are to be funded by the levying of assessments, the "Municipal Improvement Act of 1913" and Article XIIID of the State Constitution require that assessments must be based on the estimated special benefit that the properties receive from the works of improvement. In addition, Article XIIID, 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, which receive special benefit from the improvements, be assessed. Neither the Act 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. In order to apportion the assessments to each parcel in direct proportion with the special benefit each will receive from the improvements, an analysis has been completed and is used as the basis for apportioning costs to each property within the Assessment District.

Based upon an analysis of the special and direct benefit to be received by each parcel from the construction of the works of improvement, the Assessment Engineer recommends the apportionment of costs, as outlined below. The final authority and action rests with the City Council after hearing all testimony and evidence presented at a public hearing as well as tabulating the assessment ballots previously mailed to all record owners of property within the Assessment District. Upon the conclusion of the public hearing, the City Council must make the final determination whether or not the assessment spread has been made in direct proportion to the estimated special benefits received by each parcel within the Assessment District. Ballot tabulation will be finalized at that time and, if a majority of the ballots submitted, weighted by the assessment amount, are in opposition to the Assessment District, then the District must be abandoned. If this is not the case, then the City Council shall form the Assessment District and levy the special assessment against the parcels therein.

The following sections set forth the methodology used to apportion the costs of the improvements for each parcel.

Definition

Parcel is defined as a legal, taxable parcel as shown on the assessor parcel maps as an assessor parcel number.

Special Benefit

In further making the analysis, it is necessary that the properties receive a special and direct benefit distinguished from general benefits conferred to the public at large.

This District was initiated by property owners who petitioned the City to form a District to underground utility services. The proposed improvements (the undergrounding of power and telephone facilities) are all located along the streets within the boundaries of the District. The undergrounding will provide a safer and more reliable level of service to all properties being serviced, in that, all new wires and equipment will be installed underground reducing the threat of interrupted service due to downed power lines incurred by wind, rain or fire. In addition, undergrounding overhead utility lines will further prevent other hazardous situations that restrict or slow access to emergency personnel in event the utility lines are downed.

The undergrounding of power and telephone facilities will also remove physical and visual impediments within the neighborhood streets, thus improving the neighborhood aesthetic streetscape and visual environment for parcels within the District.

In this District, 100 percent of the cost allocation for the improvements is for special benefit to the parcels within the District and there is no general benefit. By virtue of such benefits, the proposed improvements will increase the desirability and will specifically enhance the value of the properties within the Assessment District. The Assessment in this District has two components wherein 50 percent of costs are allocated for Safety and Reliability of Utility Undergrounding Installation, and the remaining 50 percent of costs are allocated for Aesthetic View Enhancement of Neighborhood Area:

Method of Apportionment

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.

The more a property is developed, the more it benefits from the proposed improvements. In a purely residential Assessment District, properties are often assessed based on the number of dwelling units that can be constructed on them. Because the properties in this Assessment District are of mixed use, this methodology could not be used.

The properties within this Assessment District are zoned for either residential or commercial, with full utilization of the property. There is a direct correlation between the size of a property and the extent to which a property may develop. Because parcel size is one of the many limiting factors for what can be built on a property, or the extent the property is developed, the size of each parcel, in acres, is used as the base unit for measuring benefit.

The special benefits from undergrounding the overhead utilities are divided into two (2) categories, which are discussed below. These benefits are assigned Benefit Factors, which are multiplied by the parcel size, in square footage / acres, to calculate the Benefits Points for each parcel.

The benefit formula is as follows:

Parcel Area (SF)	x	[	Safety / Reliability Benefit Factor	+	Aesthetic View Enhancement of Neighborhood Area Benefit Factor	]	=	Total Benefit Points

Based upon the findings described above, the special benefits received by the properties within the boundaries of the District are:

1) Conversion from an Overhead to Underground Utility System Resulting in Safer and Improved Reliability from the Upgraded Utility System;

2) Aesthetic View Enhancements of the Neighborhood Area due to the Removal of the Overhead Facilities and Opening of Neighborhood View Corridors.

The two special benefits described above, are estimated to be of equal benefit to the parcels located within the District boundaries. Therefore, the total cost of the underground utility district formation assessment will be spread with approximately fifty percent of the costs to the parcels who benefit from the conversion from an overhead to an underground upgraded utility system, and approximately fifty percent of the costs will be spread to the parcels that receive the aesthetic view enhancement benefit to the neighborhood area.
The following method for distribution of special benefit is described below:

1) Conversion from an Overhead to Underground Utility System Results in Safer and Improved Reliability from the Upgraded Underground Utility System

All of these assessable parcels will have their overhead utility service converted to an underground upgraded utility system. All the properties will benefit equally from the underground upgraded utility system. Therefore, the properties will be assigned a benefit factor to each assessor parcel number based on lot area. The estimated cost of the underground upgraded utility system will be spread proportionally per benefit factor per parcel. The benefit factors for the Conversion to a Safer and Improved Reliability Upgraded Underground Utility System are as follows in Table 4:

Table 4 City of Newport Beach AD No. 92 Conversion to an Upgraded Underground Utility System		
Zoning	**Lot Area (SF)**	**Benefit Factor**
SP-5 Mariner's Mile	Varies	1
R-1 Single Family Residential	Varies	1

Exception(s)

Certain parcels are receiving a partial utility installation and will be assessed based on the proportionate share of construction costs for type of utility improvement. Further details are available in the Assessment Roll located in Appendix A.

- Assessment No. 17, APN 049-122-22 – This is a commercial parcel has two (2) stub locations for connection to receive both electrical and phone; thus this parcel will receive two (2) Benefit Factors.

- Assessment No. 19, APN 049-122-30 – This is a commercial parcel on Riverside Avenue. No service stubs will be available for electrical or phone connection, thus parcel will receive a zero (0) Benefit Factor. According to County Parcel Map, this parcel is designated with above listed Assessor Parcel Number; however, referenced Parcel Map 74-22 designates this parcel to be designated as one lot combined with APN 049-122-29.

- Assessment No. 20, APN 049-122-29 – This is a commercial parcel on Riverside Avenue and will receive both electric and phone utility undergrounding; thus this parcel will receive 1.0 Benefit Factor. Notably, according to County Parcel Map, this parcel is designated with above listed Assessor Parcel Number; however, referenced Parcel Map 74-22 designates this parcel to be designated as one lot combined with APN 049-122-30.

- Assessment No. 43, APN 425-471-14 – This is a commercial parcel on Tustin Avenue. No service stubs will be available for electrical or phone connection, thus parcel will receive a zero (0) Benefit Factor.

- Assessment No. 45, APN 049-121-23 – This is a commercial parcel where it currently receives electrical undergrounding from West Coast Highway. This parcel will receive partial utilities (phone) per plans; thus parcel will receive a 0.5 Benefit Factor.

- Assessment No. 49, APN 049-110-25 – This is a commercial parcel on the corner of West Coast Highway and Riverside. Parcel is already receiving underground utility service for electric and phone from West Coast Highway; thus parcel will receive a zero (0) Benefit Factor.

- Assessment No. 51, APN 049-110-30 – This is a commercial parcel on Riverside Avenue. Easement has been established for poles. Receives electric and phone service connection via Avon Street, which is located outside of utility plan improvement boundary; thus parcel will receive a zero (0) Benefit Factor.

- Assessment No. 52, APN 049-110-27 – This is a commercial parcel adjacent to Post Office where it is not a stand-alone buildable lot and will not be receiving service. Further, this lot will always need to be connected to the adjacent lot where the Post Office presides. Thus, parcel will receive a zero (0) Benefit Factor.

- Assessment No. 54, APN 049-103-17 – This is a commercial parcel on the northwest corner of Avon Street and Riverside Avenue. This parcel will receive electric connection from utility improvements. Phone service stubbing will not be received; thus parcel will receive a 0.5 Benefit Factor.

2) Aesthetic View Enhancement of the Neighborhood Area is due to the Removal of the Overhead Facilities and Opening of Neighborhood View Corridors

All of the assessable parcels will receive a neighborhood aesthetic enhancement benefit from the removal of utility poles and overhead utility lines. All parcels benefit from the enhancement of the neighborhood streetscape and the removal of obstructions near their properties and within the boundaries of the District. This benefit relates to the improved aesthetics of the streetscape due to the removal of overhead wires and utility pole. Therefore, the properties will be assigned a benefit factor to each assessor parcel number based on lot area. The estimated cost will be spread proportionally per benefit factor per parcel. A summary of the assigned benefit factors are shown below on Table 5.

Table 5
City of Newport Beach AD No. 92
Conversion to Aesthetic View Enhancement of the Neighborhood Area

Zoning Designation	Lot Area (SF)	Benefit Factor
SP-5 Mariner's Mile	Varies	1
R-1 Single Family Residential	Varies	1

Exception(s)

Certain parcels are receiving a partial utility installation and will be assessed based on the proportionate share of construction costs for type of utility improvement. Further details are available in the Assessment Roll located in Appendix A.

- Assessment No. 50, APN 049-110-19 – This is a commercial parcel along West Coast Highway. Parcel is already receiving underground utility service for electric and phone and served via an overhead feed from Riverside Avenue. Poles will be removed where utilities are received from behind parcel; thus 0.5 Benefit Factor.

- Assessment No. 51, APN 049-110-30 – This is a commercial parcel along Riverside Avenue. Parcel is already receiving underground utility service for electric and phone and served via Avon Street. Poles along a portion of the northern boundary of the parcel on Avon Street will not be removed as these utilities are situated outside the district boundary, and poles along Riverside Avenue will be removed. In that portions of the parcel are not part of the district boundary, yet the predominant area of the parcel fronts Riverside Avenue and benefits with an neighborhood enhancement, this parcel is assessed for 50 percent of lot area with a 1.0 Benefit Factor.

- Assessment No. 53, APN 049-110-17 – This is a commercial parcel located at the southwest corner of Riverside Avenue and Avon Street. This parcel is situated where it fronts Riverside Avenue where poles will be removed within the district boundary. Poles along the northern boundary of the parcel on Avon Street will not be removed as these utilities are situated outside the district boundary. Thus, this parcel will receive a partial neighborhood enhancement and assigned a 0.5 Benefit Factor.

- Assessment No. 54, APN 049-103-17 – Commercial parcel located at the northwest corner of Avon Street and Riverside Avenue. Property faces poles on Avon Street and will receive neighborhood enhancement with removal of poles fronting Riverside Avenue; thus parcel receives a 0.5 Benefit Factor.

Incidental and Bond Costs

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

Part IV
Annual Administrative Assessment District

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 Newport Beach, and not otherwise reimbursed, resulting from the administration and collection of assessments and/or from the administration or registration of any bonds and reserve or other related funds. This maximum assessment hereinafter set forth, is authorized pursuant to the provisions of Section 10204(f) of the Streets and Highways Code, and said maximum assessment shall not exceed ten percent (10%) of the annual assessment per individual assessment parcel per year.

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 Assessment Diagram is 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 Newport 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. The Assessor's parcel number is also shown for each parcel as they existed at the time of the passage of the Resolution of Intention and reference is hereby made to the Assessor's Parcel Maps of the County of Orange for the boundaries and dimensions of each parcel of land. (See Appendix "B" for Assessment Diagram).

Part VI
Description of Facilities

Section 10100 of the Act provides for the legislative body of any municipality to finance certain capital facilities and services within or along its streets or any public way or easement. The following is a list of proposed improvements as allowed under the Act to be constructed, installed, maintained, repaired or improved. For the general location of the improvements to be constructed, reference is hereby made to the Plans and Specifications described in Part I of this report.

The following improvements are proposed to be constructed and installed in the general location referred to as Underground Utility Assessment District No. 92, generally bounded by "Riverside Avenue, Cliff Drive, Tustin Avenue, and West Coast Highway".

1. Removal of existing power and telephone poles.
2. Removal of overhead resident service drops.
3. Construction of mainline underground power and telephone conduit, with appurtenant manholes and pullboxes.
4. Construction of service conduit and appurtenances.

The Southern California Edison Company and AT&T will design the improvements. Once completed, the underground facilities will become the property and responsibility of Southern California Edison Company and AT&T.

Each owner of property located within the Assessment District will be responsible for arranging for and paying for work on his property necessary to connect facilities constructed by the public utilities in the public streets to the points of connection on the private property. Conversion of individual service connections on private property is not included in the work executed by the assessment district.

The estimated time for completion of the undergrounding of the facilities is approximately four (4) months from the start of construction. Property owners will be required to provide necessary underground connections within four (4) months of the completion of the entire underground facilities.

Failure to convert individual service connections on private property may result in a recommendation to the City Council that the public utilities be directed to discontinue service to that property. Overhead facilities cannot be removed until all overhead service has been discontinued.

Right-of-Way Certificate

STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF NEWPORT BEACH

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

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

That there have now been instituted proceedings under the provisions of Article XIIID of the California Constitution, the "Municipal Improvements Act of 1913," being Division 12 of the Streets and Highways Code of the State of California, as amended, for the construction of certain public improvements in a special assessment district known and designated as *UNDERGROUND UTILITY ASSESSMENT DISTRICT NO. AD No. 92.*

THE UNDERSIGNED STATES AND CERTIFIES AS FOLLOWS:

It is acknowledged that the proposed Works of Improvement must be constructed within public rights-of-way, land, or easements owned by or licensed to the CITY OF NEWPORT BEACH, County of Orange, 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 the commencement of any construction by the City of Newport Beach.

EXECUTED this _____day of _____, 2008, at City of Newport Beach, California.

SUPERINTENDENT OF STREETS
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

By: _____

Certification of Completion of Environmental Proceedings

STATE OF CALIFORNIA
COUNTY OF ORANGE
CITY OF NEWPORT 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 "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 *UNDERGROUND UTILITY ASSESSMENT DISTRICT NO. 92* (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, as follows:

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

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 _____ day of _____, 2008 at Newport Beach, California.

SUPERINTENDENT OF STREETS
CITY OF NEWPORT BEACH
STATE OF CALIFORNIA

By: _____

APPENDIX "A"

ASSESSMENT ROLL

ASSESSMENT ROLL

ASMT. NO	APN	Lot Acreage (ac)	Lot Area (sf)	X	Upgraded Utility System (Benefit Factor) Per Lot	+	Neighborhood Enhancement (Benefit Factor) Per Lot	=	Total Benefit Points x Lot Area	+	Existing Liens	=	Preliminary District Formation Total Assessment (1st Bond Issue)	Final District Formation Total Assessment (1st Bond Issue)	Total Value	Value to Lien Ratio
1	049-123-08	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 753,696	26
2	049-123-07	0.16	7,020	X	1	+	1	=	14,040	+	$ -	=	$ 27,316.79	$ 27,316.79	$ 372,926	14
3	049-123-06	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 144,965	5
4	049-123-10	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 1,456,560	50
5	049-123-09	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 144,199	5
6	049-123-04	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 2,024,228	69
7	049-123-03	0.17	7,500	X	1	+	1	=	15,000	+	$ -	=	$ 29,184.60	$ 29,184.60	$ 809,238	28
8	049-123-02	0.23	10,101	X	1	+	1	=	20,202	+	$ -	=	$ 39,305.82	$ 39,305.82	$ 1,181,341	30
9	049-123-11	0.26	11,450	X	1	+	1	=	22,900	+	$ -	=	$ 44,555.15	$ 44,555.15	$ 904,164	20
10	049-123-12	0.14	6,097	X	1	+	1	=	12,194	+	$ -	=	$ 23,725.13	$ 23,725.13	$ 1,140,798	48
11	049-122-35	0.17	7,592	X	1	+	1	=	15,184	+	$ -	=	$ 29,542.60	$ 29,542.60	$ 738,768	25
12	049-122-34	0.26	11,400	X	1	+	1	=	22,800	+	$ -	=	$ 44,360.59	$ 44,360.59	$ 121,812	3
13	049-122-03	0.14	6,000	X	1	+	1	=	12,000	+	$ -	=	$ 23,347.68	$ 23,347.68	$ 96,537	4
14	049-122-04	0.17	7,580	X	1	+	1	=	15,160	+	$ -	=	$ 29,495.90	$ 29,495.90	$ 928,557	31
15	049-122-05	0.17	7,200	X	1	+	1	=	14,400	+	$ -	=	$ 28,017.22	$ 28,017.22	$ 351,037	13
16	049-122-06	0.17	7,200	X	1	+	1	=	14,400	+	$ -	=	$ 28,017.22	$ 28,017.22	$ 191,877	7
17	049-122-22	0.27	11,700	X	2	+	1	=	35,100	+	$ -	=	$ 68,291.96	$ 68,291.96	$ 1,135,713	17
18	049-122-25	0.09	3,900	X	1	+	1	=	7,800	+	$ -	=	$ 15,175.99	$ 15,175.99	$ 573,592	38
19	049-122-30	0.18	7,800	X	0	+	1	=	7,800	+	$ -	=	$ 15,175.99	$ 15,175.99	$ 274,422	18
20	049-122-29	0.18	7,800	X	1	+	1	=	15,600	+	$ -	=	$ 30,351.98	$ 30,351.98	$ 501,611	17
21	049-122-26	0.20	8,880	X	1	+	1	=	17,760	+	$ -	=	$ 34,554.56	$ 34,554.56	$ 553,362	16
22	049-122-12	0.22	9,600	X	1	+	1	=	19,200	+	$ -	=	$ 37,356.29	$ 37,356.29	$ 186,120	5
23	049-122-13	0.21	9,324	X	1	+	1	=	18,648	+	$ -	=	$ 36,282.29	$ 36,282.29	$ 93,305	3
24	049-122-14	0.25	11,011	X	1	+	1	=	22,022	+	$ -	=	$ 42,846.88	$ 42,846.88	$ 1,530,000	36
25	049-122-15	0.26	11,297	X	1	+	1	=	22,594	+	$ -	=	$ 43,959.79	$ 43,959.79	$ 178,718	4
26	049-122-16	0.27	11,850	X	1	+	1	=	23,700	+	$ -	=	$ 46,111.66	$ 46,111.66	$ 823,135	18
27	049-122-17	0.26	11,520	X	1	+	1	=	23,040	+	$ -	=	$ 44,827.54	$ 44,827.54	$ 96,073	2

ASSESSMENT ROLL (continued)

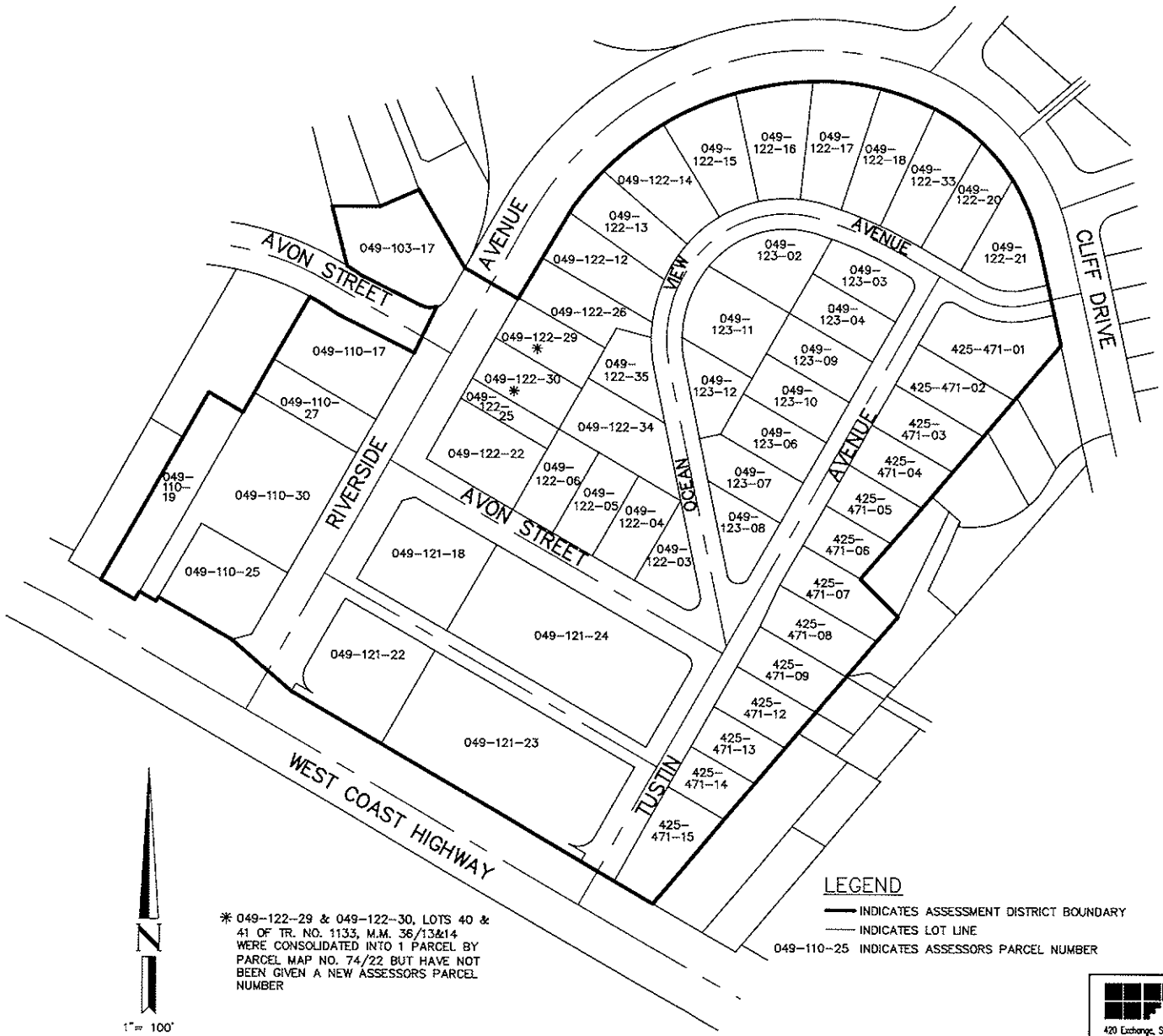
ASMT. NO	APN	Lot Acreage (ac)	Lot Area (sf)	X	Upgraded Utility System (Benefit Factor) Per Lot	+	Neighborhood Enhancement (Benefit Factor) Per Lot	=	Total Benefit Points x Lot Area	+	Existing Liens	=	Preliminary District Formation Total Assessment (1st Bond Issue)	Final District Formation Total Assessment (1st Bond Issue)	Total Value	Value to Lien Ratio
28	049-122-18	0.25	10,855	X	1	+	1	=	21,710	+	$ -	=	$ 42,239.83	$ 42,239.83	$ 673,370	16
29	049-122-33	0.24	10,660	X	1	+	1	=	21,320	+	$ -	=	$ 41,481.03	$ 41,481.03	$ 261,934	6
30	049-122-20	0.21	9,176	X	1	+	1	=	18,352	+	$ -	=	$ 35,706.37	$ 35,706.37	$ 1,007,855	28
31	049-122-21	0.26	11,200	X	1	+	1	=	22,400	+	$ -	=	$ 43,582.32	$ 43,582.32	$ 794,198	18
32	425-471-01	0.26	11,248	X	1	+	1	=	22,496	+	$ -	=	$ 43,769.10	$ 43,769.10	$ 97,496	2
33	425-471-02	0.19	8,280	X	1	+	1	=	16,560	+	$ -	=	$ 32,219.79	$ 32,219.79	$ 67,391	2
34	425-471-03	0.17	7,560	X	1	+	1	=	15,120	+	$ -	=	$ 29,418.07	$ 29,418.07	$ 82,819	3
35	425-471-04	0.16	6,900	X	1	+	1	=	13,800	+	$ -	=	$ 26,849.82	$ 26,849.82	$ 1,624,310	60
36	425-471-05	0.14	6,000	X	1	+	1	=	12,000	+	$ -	=	$ 23,347.67	$ 23,347.67	$ 976,450	42
37	425-471-06	0.13	5,500	X	1	+	1	=	11,000	+	$ -	=	$ 21,402.03	$ 21,402.03	$ 1,378,530	64
38	425-471-07	0.18	7,700	X	1	+	1	=	15,400	+	$ -	=	$ 29,962.84	$ 29,962.84	$ 1,625,000	54
39	425-471-08	0.19	8,280	X	1	+	1	=	16,560	+	$ -	=	$ 32,219.79	$ 32,219.79	$ 383,210	12
40	425-471-09	0.17	7,200	X	1	+	1	=	14,400	+	$ -	=	$ 28,017.21	$ 28,017.21	$ 215,063	8
41	425-471-12	0.15	6,658	X	1	+	1	=	13,316	+	$ -	=	$ 25,908.13	$ 25,908.13	$ 639,468	25
42	425-471-13	0.14	6,074	X	1	+	1	=	12,148	+	$ -	=	$ 23,635.62	$ 23,635.62	$ 582,768	25
43	425-471-14	0.10	4,458	X	0	+	1	=	4,458	+	$ -	=	$ 8,673.66	$ 8,673.66	$ 190,429	22
44	425-471-15	0.19	8,103	X	1	+	1	=	16,206	+	$ -	=	$ 31,531.03	$ 31,531.03	$ 1,105,886	35
45	049-121-23	0.96	42,000	X	0.5	+	1	=	63,000	+	$ -	=	$ 122,575.29	$ 122,575.29	$ 2,325,945	19
46	049-121-24	0.88	38,350	X	1	+	1	=	76,700	+	$ -	=	$ 149,230.55	$ 149,230.55	$ 183,917	1
47	049-121-18	0.42	18,200	X	1	+	1	=	36,400	+	$ -	=	$ 70,821.28	$ 70,821.28	$ 1,910,161	27
48	049-121-22	0.43	18,900	X	1	+	1	=	37,800	+	$ -	=	$ 73,545.17	$ 73,545.17	$ 629,721	9
49	049-110-25	0.39	16,790	X	0	+	1	=	16,790	+	$ -	=	$ 32,667.28	$ 32,667.28	$ 1,497,611	46
50	049-110-19	0.30	13,000	X	1	+	0.5	=	19,500	+	$ -	=	$ 37,939.97	$ 37,939.97	$ 1,135,347	30
51	049-110-30	0.60	26,136	X	0	+	1	=	26,136	+	$ -	=	$ 50,851.23	$ 50,851.23	$ 1,236,627	24
52	049-110-27	0.18	7,840	X	0	+	1	=	7,840	+	$ -	=	$ 15,253.81	$ 15,253.81	$ 82,213	5
53	049-110-17	0.32	14,000	X	1	+	0.5	=	21,000	+	$ -	=	$ 40,858.43	$ 40,858.43	$ 300,493	7
54	049-103-17	0.38	16,500	X	0.5	+	0.5	=	16,500	+	$ -	=	$ 32,103.05	$ 32,103.05	$ 828,306	26
	54	13.27	578,890						1,055,456		$ -		$2,053,537.00	$2,053,537.00	$ 39,143,272	

APPENDIX "B"

BOUNDARY MAP

PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 92

CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA



ACCEPTED AND FILED AT THE REQUEST OF

CITY OF NEWPORT BEACH

DATE _____

TIME _____ FEE$ _____

INSTRUMENT # _____

BOOK _____ PAGE _____

OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE RECORDER OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA.

TOM DALY
COUNTY CLERK-RECORDER

BY _____
DEPUTY

EXEMPT RECORDING PER GC 6103

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF NEWPORT BEACH THIS _____ DAY OF _____ 200__.

_____
CITY CLERK

I HEREBY CERTIFY THAT THE MAP SHOWING PROPOSED BOUNDARIES OF ASSESSMENT DISTRICT NO. 92 CITY OF NEWPORT BEACH, COUNTY OF ORANGE, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF NEWPORT BEACH AT A REGULAR MEETING THEREOF HELD ON THE _____ DAY OF _____ 200__ BY ITS RESOLUTION NO. _____.

_____
CITY CLERK

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 ASSESSMENTS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ORANGE COUNTY ASSESSOR AND TRACT NO. 919 RECORDED IN BOOK 29 PAGE 32 AND TRACT NO. 1133 RECORDED IN BOOK 36 PAGES 13 AND 14 BOTH OF MISCELLANEOUS MAPS AND PARCEL MAPS FILED IN BOOK 73 PAGE 22, BOOK 74 PAGE 22 AND 122 PAGE 48.

* 049-122-29 & 049-122-30, LOTS 40 & 41 OF TR. NO. 1133, M.M. 36/13&14 WERE CONSOLIDATED INTO 1 PARCEL BY PARCEL MAP NO. 74/22 BUT HAVE NOT BEEN GIVEN A NEW ASSESSORS PARCEL NUMBER

N

1" = 100'

100 0 100 200
scale 1" = 100' feet

LEGEND

- INDICATES ASSESSMENT DISTRICT BOUNDARY
- INDICATES LOT LINE
- 049-110-25 INDICATES ASSESSORS PARCEL NUMBER

Hall & Foreman, Inc.
Civil Engineering • Planning • Surveying • Public Works
420 Exchange, Suite 100 • Irvine, CA 92602 • (714) 665-4500

PROJECT NO. 05143

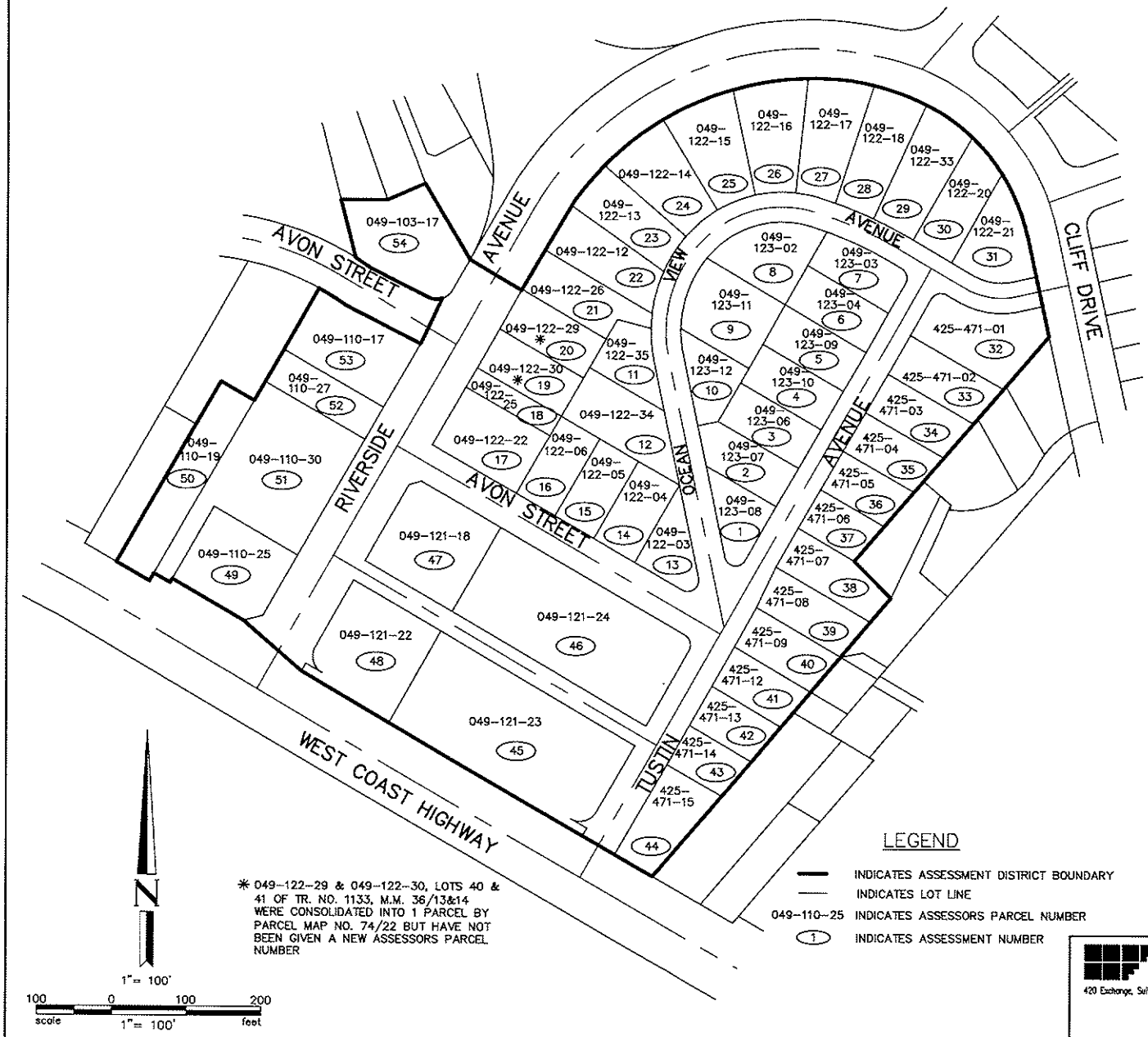
SHEET 1 OF 1

APPENDIX "C"

ASSESSMENT DIAGRAM

ASSESSMENT DIAGRAM FOR ASSESSMENT DISTRICT NO. 92

CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA



* 049-122-29 & 049-122-30, LOTS 40 & 41 OF TR. NO. 1133, M.M. 36/13&14 WERE CONSOLIDATED INTO 1 PARCEL BY PARCEL MAP NO. 74/22 BUT HAVE NOT BEEN GIVEN A NEW ASSESSORS PARCEL NUMBER

LEGEND

━━	INDICATES ASSESSMENT DISTRICT BOUNDARY
──	INDICATES LOT LINE
049-110-25	INDICATES ASSESSORS PARCEL NUMBER
(1)	INDICATES ASSESSMENT NUMBER

ACCEPTED AND FILED AT THE REQUEST OF

CITY OF NEWPORT BEACH

DATE _____

TIME _____ FEE$ _____

INSTRUMENT # _____

BOOK _____ PAGE _____

OF MAPS OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS IN THE OFFICE OF THE RECORDER OF THE COUNTY OF ORANGE, STATE OF CALIFORNIA.

TOM DALY
COUNTY CLERK-RECORDER

BY _____
DEPUTY

EXEMPT RECORDING PER GC 6103

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF NEWPORT BEACH THIS _____ DAY OF _____ 200__.

_____
CITY CLERK

RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF STREETS, CITY OF NEWPORT BEACH THIS _____ DAY OF _____ 200__

_____
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 _____ 200__. 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

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 ASSESSMENTS OF ASSESSOR'S PARCELS, REFERENCE IS MADE TO THE MAPS OF THE ORANGE COUNTY ASSESSOR AND TRACT NO. 919 RECORDED IN BOOK 29 PAGE 32 AND TRACT NO. 1133 RECORDED IN BOOK 36 PAGES 13 AND 14 BOTH OF MISCELLANEOUS MAPS AND PARCEL MAPS FILED IN BOOK 73 PAGE 22, BOOK 74 PAGE 22 AND 122 PAGE 48.

Hall & Foreman, Inc.
Civil Engineering • Planning • Public Works
420 Exchange, Suite 100 • Irvine, CA 92602 • (949) 665-4500
Planning - Survey

PROJECT NO. 05143

SHEET 1 OF 1