

**CITY MANAGER
MEMORANDUM**

To: Honorable Mayor Costello and City Commissioners

Through: Joyce A. Shanahan, City Manager

From: John E. Noble, P.E., Acting City Engineer

Date: September 30, 2010

Subject: John Anderson Drive Resident Survey

Introduction: Staff would like to inform the City Commission of the results of the recent survey of John Anderson Drive residents which was conducted to gauge interest in supporting a special assessment for the cost to underground existing overhead franchise utilities that could be done at the time the proposed road improvements were constructed.

Background: On July 22, 2010, the City Commission authorized the engineering design services for roadway and stormwater improvements on John Anderson Drive. At the time, staff indicated that the cost for the design services to underground the utilities were negotiated with the consultant but were not included in the scope of work. Staff indicated they would be performing a survey of the residents to determine their interest in supporting the costs associated with undergrounding the utilities, and once those survey results were in, the City Commission would be informed in order to decide if this additional design effort should be included in the scope of work for the project. The cost allowance for this additional design effort was \$50,000.

The undergrounding of the utilities would enable the removal of the FPL poles. As there is limited right-of-way along the corridor, many of the poles are located close to the edge of the roadway. This concern was brought up by several area residents during the previous public meetings that were held to discuss improvements that were being proposed for John Anderson Drive. The residents expressed concern about safety and reliability of service during hurricanes and requested the City consider undergrounding the utilities and removing the power poles.

As existing overhead utilities are privately owned franchise utilities, the funding mechanism was proposed to include this improvement with the John Anderson Drive project was a special assessment. Under a special assessment each homeowner along John Anderson Drive would pay a proportionate share of the entire cost to underground the utilities.

Based on the Engineer's cost estimate, costs to underground the utilities along John Anderson Drive from SR40 north to the City limits are estimated to be \$2,276,300. This estimate was based on approximately 144 homes participating in the cost, and resulted in an approximate cost per home assessment of \$15,800. Actual costs would

have been assessed based on property width frontage along John Anderson Drive. There also would have been an additional cost to each homeowner, estimated to be \$3,000, for undergrounding utilities from the roadway to the homeowner's house, for a total cost of \$18,800.

Discussion: On August 5, 2010 staff sent out 155 surveys to residents along John Anderson Drive. A copy of the survey form has been attached. As of September 22 a total of 85 responses were received (55%). From those responding, 26 (20%) were in favor of supporting the costs for undergrounding the utilities and 68 (80%) were against it. (The completed surveys are available for review in the City Clerk's office.) In order to support a special assessment, a majority vote by the residents involved would be required. Based on the survey results it appears that approval of the assessment would be unlikely to occur.

Budget Impact: There is no budget impact with this item.

Recommendation: It is recommended that the issue of undergrounding the utilities along John Anderson Drive not be included in the proposed roadway improvements currently under design and that a special assessment to support the funding for the undergrounding of the utilities not be pursued.

Reviewed by: 
Theodore S. MacLeod, P.E.
Public Works Director


Date


Kelly McGuire, Finance Director


Date

Approved by: 
Joyce Shanahan, City Manager


Date

Instructions: This questionnaire survey has been prepared to assess the interest of residents along John Anderson Drive to fund the cost associated with including the undergrounding of existing utilities (electric, telephone, and cable) with the currently proposed upcoming roadway improvements.

At the public meetings that were held to discuss the roadway improvement project, the City was requested to consider undergrounding of the existing overhead utilities along the roadway. As existing utilities are privately owned franchise utilities, the funding mechanism that the City would use to include this improvement with the John Anderson Drive project is through a special assessment whereby each homeowner along John Anderson Drive would pay a proportionate share of the entire cost of the project. This survey has been prepared to gauge the interest of residents in funding this improvement and will determine whether the City proceeds with a special assessment district in which the residents can then vote to fund the improvements. A majority of greater than 50% of those votes received would need to be in favor of the assessment in order for it to be approved.

Please read the information provided below before completing the survey. To complete the survey, check your responses in the boxes provided adjacent to the question being asked. The City welcomes your suggestions so feel free to make comments. The survey is already addressed and postage has been prepaid, so all you have to do is fill out the survey, cut along the dotted line and drop it in a mail box.

The City of Ormond Beach thanks you for your response to this survey. **If you have any questions, please call the City Engineering Division at (386) 676-3269.**

Depending upon the results of this survey, the City may proceed with establishment of a Special Assessment District for funding the undergrounding of utilities. Results of the survey

will be posted on the City's website, www.ormondbeach.org.

- **What costs will the individual homeowners have to pay to have the City include the undergrounding of existing utilities?**

Based on the Engineer's cost estimate, costs to underground the utilities are estimated to be \$2,276,300 for work within the John Anderson Drive right-of-way. Based on approximately 144 homes participating in the cost, this would result in an approximate cost per home assessment of \$15,800. Actual costs would be assessed based on property width frontage along John Anderson Drive. There will also be an additional cost to each homeowner, estimated to be \$3,000, for undergrounding utilities from the roadway to the homeowner's house for a total cost of \$18,800. If your home currently has underground utility service, this additional \$3,000 cost would not be required.

- **Will I have to pay the full amount at once?**

No. The City will offer a 10 year financing program that will allow for yearly payments. The estimated yearly cost is \$2,550. Costs are based on a finance interest rate of 6.0%. The financing option will result in a homeowner paying a total financed cost of \$25,500 for utility underground conversion.

- **Would everyone be required to pay for the undergrounding in the assessment district if it was approved even if they were not in favor of it?**

Yes. Florida Statutes requires everyone within the assessment area to support the funding costs for the improvement benefits received.

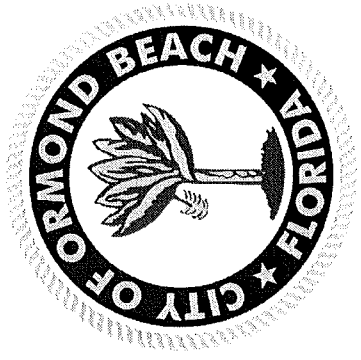
INTEREST SURVEY FOR THE UNDERGROUNDING OF EXISTING UTILITIES WITH THE JOHN ANDERSON DRIVE ROADWAY IMPROVEMENT PROJECT

1. **Are you in favor of having a Special Assessment District established in which each property owner along John Anderson Drive will be assessed to fund the cost to underground the existing utilities (Estimated cost \$18,800 per lot, or \$2,550 per year for 10 years?)**

YES NO

Please use the space below to offer any comments you may have:

Return this section in the
self-addressed
stamped envelope



THIS SURVEY IS TO
DETERMINE INTEREST FROM
RESIDENTS ALONG JOHN
ANDERSON DRIVE REGARDING
FUNDING OF COSTS THROUGH
A SPECIAL ASSESSMENT FOR
THE CITY TO INCLUDE THE
UNDERGROUNDING OF
EXISTING UTILITIES WITH
THE PLANNED ROADWAY
IMPROVEMENT PROJECT

PREPARED BY THE
CITY OF ORMOND BEACH