

and a fairly current rate. Based on these assumptions and projections, in general it is estimated that every \$1 million of a general obligation bond would increase the tax rate per \$100,000 of assessed value by approximately \$4. For the Council’s reference, staff has previously estimated the additional cost of future street projects under consideration over the next two years to be \$13 million. Staff is seeking the Council’s input and questions on the estimated tax rates based on the potential bonding amount and requesting direction to proceed in drafting related resolutions to proceed with the bond issuance. Pending such direction, the anticipated schedule of related actions would be:

1. Adoption of Debt Management Policy – October 2, 2017
2. Adoption of Resolution of Intent to Issue Bonds – October 16, 2017
3. Adoption of Resolution to Issue Bonds – November 6, 2017

The Financing Team for this bond issue is already in place. In June 2014, the Council authorized the City to enter into agreement with Mr. Albert Peché of A.M. Peché & Associates, LLC to act as Financial Advisor and Nossaman LLP to serve as Bond Counsel. The Financial Advisor and the Bond Counsel will be paid along with other costs of issuance from the proceeds of the Bond Issue once the transaction closes. As was the case with the first two bonds, the full par amount of the next bond will be deposited into the Project Fund to be used solely for Measure K-14 street repair work.

Update on Current 2016 Street Project

The first three Measure K-14 funded projects are complete and have provided comprehensive maintenance and repair of 84 city blocks or approximately seven (7) miles of roadway which represents about 20% of all local city streets. In addition, Measure K funds have been expended on localized repairs in severely damaged sections of streets throughout the city. On May 15, 2017 the City Council awarded a contract to V. Lopez Jr. & Sons General Engineering Contractors, Inc. in the amount of \$6.3 million for repairs on 53 additional blocks which amounts to the largest single street improvement project in the City’s history. Table 2 below identifies street segments included in this current street repair project.

Table 2. Streets Included in CIP 2295-4

Street Name	Section
3 rd Street	Long Branch Avenue to Northern City Limit
Long Branch Avenue	South 13 th Street to Oak Park Boulevard
Mentone Avenue	South 4 th Street to Eastern City Limit
Newport Avenue	Front Street to North 4 th Street and Oak Park Boulevard to Eastern City Limit
North 16 th Street	West Grand Avenue to Atlantic City Avenue
South 8 th Street	West Grand Avenue to Farroll Road
South 13 th Street	West Grand Avenue to Farroll Road
Stinson Court	In its entirety

The project is being completed in phases beginning with water, sewer, and dry utility upgrades followed by concrete improvements involving sidewalks and curbs and gutters before progressing to street paving. These phases allow other infrastructure improvements to be done before paving occurs to minimize the need to dig up newly paved streets. The contractor mobilized for construction in June and has completed water and sewer system upgrades in North 3rd Street, Mentone Avenue, North 16th Street, and South 8th Street over the past three months as well as

curb ramp upgrades, cross gutters, and water service upgrades in most of the streets identified in Table 2. The City is posting weekly construction updates on the City website at <http://grover.org/index.aspx?NID=321> and the City's Facebook page which includes information about construction on specific streets. Staff is working with the contractor to finalize these initial infrastructure improvements before shifting into street paving work on these streets later this fall. In addition to these improvements funded by Measure K-14 funds, repaving of South 4th Street between Seabright Avenue and Farroll Road began on September 25 and will be completed in October. Repaving work on major streets such as 4th Street is funded by Local Transportation Funds and Gas Tax proceeds.

Attachment 2 to this staff report is a map showing street rehabilitation work that has been completed with the first Measure K-14 bond proceeds, the 2016 project that is currently in construction, and preliminary streets Council identified for repair in 2017 with the next bond issuance. Council provided further policy direction at the March 20, 2017 Council meeting to make initial improvements on streets located north of West Grand Avenue and west of 3rd Street before making improvements to other streets on the 2017 list. Staff advertised for design proposals for utility upgrades and street rehabilitation on a subset of these streets to meet the Council's interest of smaller street projects that allow for more continuous street improvements. Attachment 3 shows the streets included in the project scope. Staff received design proposals on September 22nd and will be presenting a contract for Council approval on October 16.

Notification of Property Owners

Lastly, Council has requested information on the notification process staff uses to inform property owners of upcoming street work adjacent to their property. This issue arose with regards to current work on South 8th Street where a property constructed improvements in the public right of way without a permit after the completion of survey work for the street improvement design and is now impacted by the street improvements. Staff's current practice is that properties that require extensive changes due to proposed construction are notified in advance of the work during construction. If staff believes the extent of private improvements to be removed or changes to the frontage warrant additional advance notice, staff notifies such property owners during design.

Based on comments received from residents on South 8th Street, staff is initiating a new policy regarding notification of pending street work for all future street projects. Staff will provide a letter to all residents on streets planned for rehabilitation to alert residents to the possibility that frontage improvements completed by the City may require removal of private improvements located in the public right-of-way. These letters will be sent during the preliminary design phase to provide further notice to impacted property owners.

FISCAL IMPACT

There is no direct fiscal impact resulting from the Council taking the action to initiate the process of issuing and selling bonds. Once the general obligation bonds issue is completed, the additional funds would be made available for street repair beginning in January 2018.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. Provide direction to staff and adopt the Resolution to proceed with the issuance and sale of General Obligation Bonds in the amount to be directed by the Council; or
2. Provide alternate direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Resolution providing direction to proceed with planning for the issuance of General Obligation Bonds
2. Measure K-14 Street Bond Projects Map
3. Preliminary K-14 2017 Street Bond Project List

RESOLUTION NO. 17-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, PROVIDING DIRECTION FOR STAFF TO PROCEED WITH PLANNING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS

WHEREAS, the City of Grover Beach (the "City") is empowered under Article 1 of Chapter 4 of Division 4 of Title 4 of the Government Code of the State of California commencing with Section 43600 thereof, and Section 53506 *et. seq.*, of the Government Code of the State of California (the "Bond Law") to its issue general obligation bonds which are authorized by two-thirds of the electors voting on the proposition; and

WHEREAS, more than two-thirds of the electors voting at a municipal election held on November 4, 2014, voted in favor of Measure K-14 (the "Bond Authorization") authorizing the issuance by the City of General Obligation bonds in the aggregate principal amount of up to \$48,000,000 for the purpose of providing funds to repair and resurface deteriorating residential and major streets (the "Improvements"); and

WHEREAS, the City has expressed interest in the issuance and sale of general obligation bonds under the Bond Authorization in the aggregate principal amount of not to exceed \$ _____ (the "Bonds") and in conformity with the Bond Law.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY OF GROVER BEACH AS FOLLOWS:

SECTION 1. Direction to Staff. The City Manager and any other officer of the City are hereby authorized and directed to take such actions as are necessary or appropriate to provide for the issuance of the Bonds in the aggregate principal amount of not to exceed \$ _____, and, at such time as determined appropriate, to present to this City Council all resolutions and documents necessary in connection therewith. Nothing in this Resolution shall in any way commit the City to issue any Bonds, and the City is under no obligation to go forward with issuance of the Bonds, unless satisfactory terms are presented to the City.

SECTION 2. Other Acts. The officers and staff of the City are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with the City Attorney and Nossaman LLP, bond Counsel, they may deem necessary or advisable in order to effectuate the purpose of this Resolution, and any and all such actions previously taken by such officers or staff members are hereby ratified and confirmed.

SECTION 3. Effective Date. This Resolution shall take effect upon adoption.

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

- AYES: Council Member –
- NOES: Council Member –
- ABSENT: Council Member –
- ABSTAIN: Council Member –
- RECUSED: Council Member –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 2nd day of October 2017.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

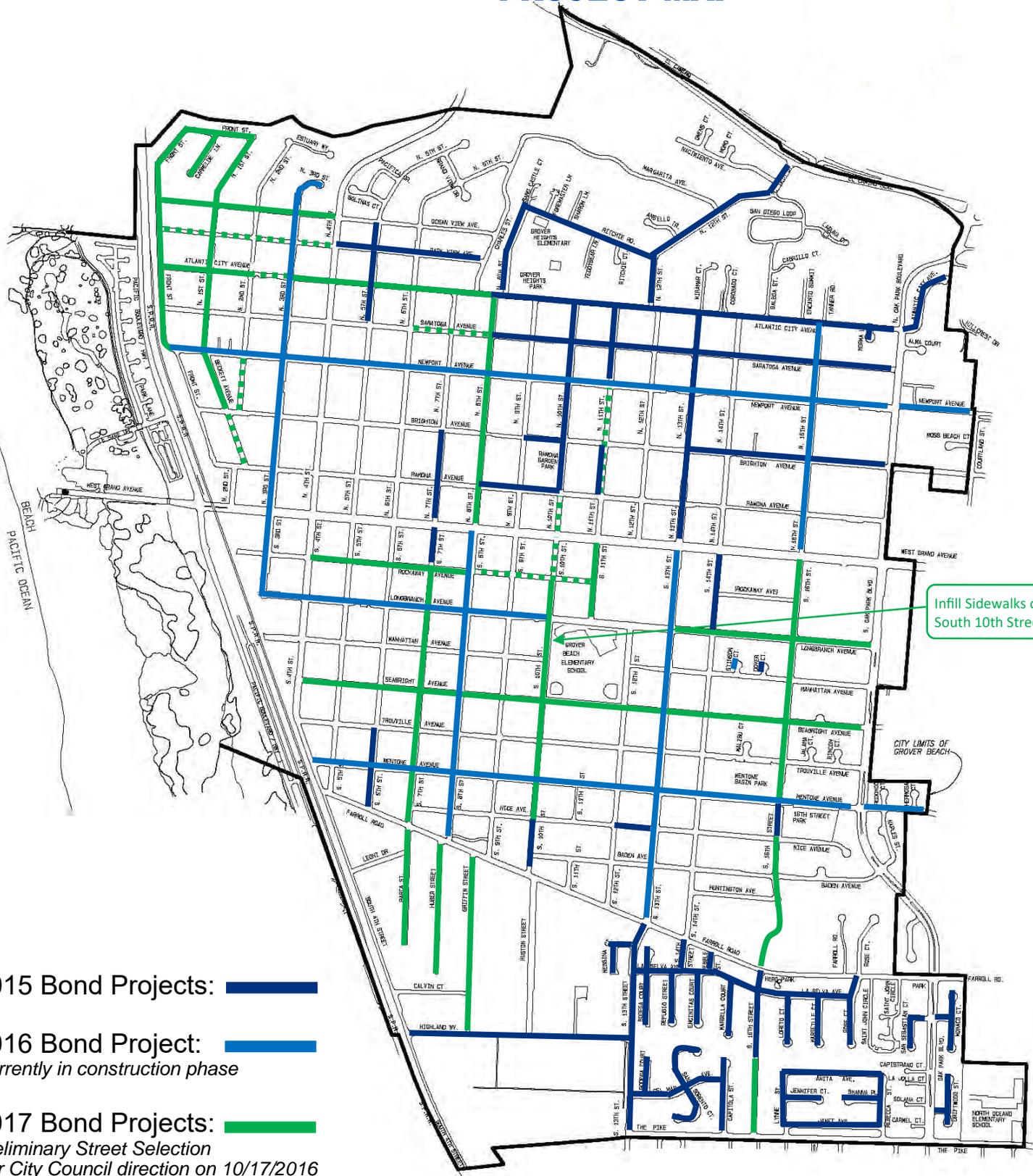
DONNA L. McMAHON, CITY CLERK



City of Grover Beach

Measure K-14 Street Rehabilitation & Repair Program

PROJECT MAP



2015 Bond Projects: 

2016 Bond Project: 
Currently in construction phase

2017 Bond Projects: 
Preliminary Street Selection
Per City Council direction on 10/17/2016

*Broken green line indicates location of completed 2016 CDBG Waterline Project

PLEASE NOTE: This preliminary project map does not indicate which street sections are currently in acceptable condition and does not include utility or other project conflicts.



City of Grover Beach

Measure K-14 Street Rehabilitation & Repair Program

Preliminary 2017 Street Bond Project

