

CITY OF COSTA MESA
STEPS FOR FORMATION OF AN ASSESSMENT DISTRICT USING
THE MUNICIPAL IMPROVEMENT ACT OF 1913

Attachment 4

1) STEP 1: PRELIMINARY TASKS.

- a) Prepare petitions for circulation among property owners
- b) Prepare a boundary map of the area proposed to be the district per the results of the circulated petition.
- c) Make a preliminary estimate of the total cost to be assessed.
- d) Prepare a preliminary formula for the assessment spread.
- e) Circulate petitions within the proposed district for signature by property owners seeking the formation of a special assessment district.
- f) Upon completion of petition circulation, check signatures to determine percentage of area requesting formation of the district.
- g) Engineer prepares a certification of sufficiency indicating the percentage that have signed the petition and presents the certification to the Council.
- h) Council orders the preparation of the Engineer's Report.

2) STEP 2: ENGINEERING AND COST ANALYSIS.

- a) Assessment Engineer is retained to prepare the Engineer's Report; includes the following:
 - i) Description of the works of improvement proposed to be accomplished.
 - ii) Description of the method of assessing the costs among the benefited properties.
 - iii) Estimate of the costs, including all incidental costs.
 - iv) Detailed plans and specifications for the construction.
 - v) Boundary Map of the district
 - vi) Assessment diagram showing the dimensions of all properties to be assessed.
- b) Bond Counsel is retained to prepare a prospectus for the sale of bonds.
- c) Schedule for City Council for Notice of Intention to hold Public Hearing.
- d) City Attorney/Bond Counsel prepares the following for Notice of Intention:
 - i) Resolution approving the Preliminary Engineer's Report
 - ii) Resolution of Intention setting the date for a public hearing at which all interested persons may be heard regarding the formation of the district.
 - iii) Resolution calling for bids on the construction work.
 - iv) Resolution calling for bids on the bonds.
- e) Project design is completed with Engineer's estimate of costs.
- f) Receive and analyze construction and bond bids approximately two weeks prior to the date set for the public hearing in order that adjustments may be made to the assessment amounts.
- g) Mail notices and post notices throughout the district of the public hearing approximately four weeks prior to the hearing.
- h) Engineer and City staff hold an informal meeting approximately one week prior to the public hearing at which property owners are invited to attend and obtain information about the work to be accomplished, the time schedule, the assessment amount, etc.

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3) STEP 3: PUBLIC HEARING.

- a) On the night of the public hearing, the Council receives a report on the bond and construction bids, any adjustments in the assessment amounts, and then conducts the public hearing. Upon completion of the hearing, the Engineer reports on the percentage of areas represented by mailed ballot procedure. If the percentage is less than 50, the Council may overrule all protests and order the work done. If more than 50 percent protest, the proceedings must be abandoned and no further proceedings may be initiated for a one-year period.
- b) Council confirms the assessments and orders the utility undergrounding and assessment districts formed and the diagram recorded.

4) STEP 4: CONSTRUCTION.

- a) Property owners have a 30-day period in which to pay cash for their assessment or any portion thereof. At the end of the 30-day period, the exact amount of bonds to be delivered by the bond buyer is determined and bonds are printed and delivered in exchange for a check from the buyer.
- b) The construction contract is awarded and work commences. Progress payments are made to the Contractor as with any cash contract.
- c) Upon completion of construction, the City sets a deadline for connection to the underground system.
- d) After all connections are completed; SCE, SBC, and Comcast will remove the overhead system.