

To: Dana Point City Council and City Manager

From: Toni Nelson, Capo Cares

Re: Agenda Item #15 - Citywide Assessment Report Of Overhead Utilities

I am unable to attend the Council meeting this evening but would like to weigh in on Agenda Item 15.

First, thank you for funding this very comprehensive study on Overhead Utilities. It provides a very useful overview of the issue in the entire city and will be a great tool for determining how to proceed. Like most, I am very supportive of efforts by the PAL Coalition to pursue undergrounding of utilities which will improve safety, improve property values and significantly beautify our City. And also like most, I was shocked at the enormous investment that will be required to achieve this goal (in fact, about double the figure I was expecting). I'd like to suggest a couple of ways to move forward:

1. The City can and should pursue any and all 20A projects, particularly those which can be accomplished with available 20A balances set aside by the SDG&E.
2. For 20 B projects, ask the consultant to recommend particular areas of the city that would be easiest to underground due to topography and/or access .
3. Assist neighborhoods in identifying possible grant funding and/or economies of scale that might be feasible. Obviously the larger a contiguous area can be, the greater opportunity for economies of scale.
4. Assist neighborhoods in facilitating the process outlined in the updated step by step guide to create assessment districts for those areas. Such assistance should particularly include hosting public neighborhood information sessions and workshops and providing assistance in surveying property owners and accessing bond financing.

I think it's obvious that it is not the City's role to fund utilities undergrounding on neighborhood streets. Not only is the cost prohibitive but it would be very unusual (and in my opinion, inappropriate) for a city to confer such a significant benefit on particular city homeowners and not others. Utilities access is normally baked into the cost of individual homes, either through past investment or current Mello Roos or other financing options. However, it *is* appropriate for the City to encourage and facilitate this process, as it will result in safety and aesthetic improvements for all citizens of Dana Point. In my opinion, the immediate improvement in aesthetics and safety should yield very rapid returns in the form of increases in property values.

Citizens will need help in understanding the process and quantifying projected increases in their property taxes. It will be very helpful if the City helps identify key areas that might be suitable pilot programs and assists willing neighborhoods through the entire process.

While it will be disappointing to some to realize that it will not be feasible for the City to fund this project, this study sheds considerable light on the topic and will allow people to move forward. Thank you for responding to the public interest and continuing to support this process.

Best regards, Toni Nelson

Agenda Item No. 15
11/15/22