



COUNCIL AGENDA: 05-16-06

ITEM: 2.10

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: MARKET/ALMADEN
UNDERGROUND UTILITY
DISTRICT

DATE: 04-26-06

Approved

Deanne Satna

Date

4/28/06

COUNCIL DISTRICT: 3

RECOMMENDATION

Adoption of a resolution to consider the establishment of a Rule 20A Underground Utility District along Balbach Street from Almaden Boulevard to South Market Street, West William Street from the westerly end of the street to S. Market Street, Pierce Avenue and West Reed Street from Almaden Avenue to South Market Street and Almaden Avenue from Viola Street to West Reed Street, and setting a public hearing on June 13, 2006, at 1:30 p.m.
CEQA: Exempt, PP06-050.

OUTCOME

Approval of this resolution will enable Council and City staff to hold a public hearing in accordance with the Municipal Code and result in the establishment of the Market/Almaden Underground Utility District. Establishment of this District will improve the appearance, pedestrian mobility and ease of utility equipment maintenance.

EXECUTIVE SUMMARY

City staff recommends setting a public hearing for the proposed Market/Almaden Underground Utility District in order to meet the requirements of Section 15.24 of the Municipal Code for the purposes of establishing an underground utility district. The underground utility district will require utility companies to remove utility poles and aerial cables from the City right-of-way. The proposed underground utility district is located along Balbach Street from Almaden Boulevard to South Market Street, West William Street from the westerly end of the street to South Market Street, Pierce Avenue and West Reed Street from Almaden Avenue to South Market Street and Almaden Avenue from Viola Street to West Reed Street. The project will be funded by utility company funds designated by Rules 20A and 32 of the California Public

Utilities Commission and the City's settlement agreement with Comcast.

BACKGROUND

The Department of Public Works manages the Rule 20A Underground Utility Program for the City of San José. Through Rule 20A, the California Public Utilities Commission requires Pacific Gas and Electric Company (PG&E) to annually set aside funds for financing the undergrounding of overhead distribution facilities located on public streets within the City of San José. AT&T and Comcast are required to set aside funds for undergrounding their facilities where PG&E has been required to underground.

The proposed Market/Almaden Underground Utility District (District) is included in the 2004/05 – 2009/10 Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program Five Year Workplan reported to Council on March 23, 2005. It meets criteria approved by the CPUC and the criteria established by the City in 1978 and 1987 to complete projects in the Downtown Core Area and in Redevelopment or Neighborhood Business District areas.

ANALYSIS

The five-year workplan shows the proposed District to be legislated in year 2006, with funding from Rule 20A funds.

The provisions and procedures to establish underground utility districts are defined in Chapter 15.24 of the San José Municipal Code. The Code requires the Council to conduct a public hearing and adopt an ordinance prior to the establishment of an underground utility district.

Establishment of the proposed District, as shown on Attachment A, will require the conversion of approximately 5,200 linear feet of aerial facilities to underground facilities along Balbach Street from Almaden Boulevard to South Market Street, West William Street from the westerly end of the street to South Market Street, Pierce Avenue and West Reed Street from Almaden Avenue to South Market Street and Almaden Avenue from Viola Street to West Reed Street.

Within the limits of this project, PG&E is proposing to install approximately 10 aboveground structures (cabinets). These cabinets will be placed on private properties, subject to property owners granting easements to PG&E. Should the requests for easements be denied, PG&E may be able to use 20A monies to pay to install these structures underground. Alternatively, the City may be required to pay Special Facilities fees to PG&E to install these structures underground. The estimated cost per structure is \$2,500 to \$5,000 each with a total cost of approximately \$25,000 to \$50,000 for the undergrounding of 10 cabinets within the project area. Overall, the removal of aerial wires and utility poles will provide a significant visual benefit to the public.

There are approximately 148 properties adjacent to the proposed District. Ninety-two of the 148 properties receive overhead service from facilities that the proposed project will underground. This will require private property owners to perform electrical service panel conversion work on their properties. The cost of conversion for a single-family residential dwelling is typically \$800 to \$2,500. The cost can be significantly higher for multi-family and commercial/business buildings. The Public Utilities Commission provides that Rule 20A monies may be utilized to reimburse private property owner's expenses for conversion work up to \$1,500 per service entrance. Additionally, PG&E, Comcast and AT&T will provide up to 100 feet of trenching and conduit installation for properties requiring conversion within the District, from the front property line to the building structure. The remaining 56 properties receive utility service from outside the proposed District boundaries and will not be affected by this project.

The utility companies will obtain all environmental clearances prior to construction of the project.

A schedule for the establishment and implementation of the proposed District is presented in Attachment B.

PUBLIC OUTREACH

A community meeting was held on March 21, 2006, to inform the public of this undergrounding project. All present at the meeting were in support of the proposed project and were particularly interested in the details of conversions, reimbursements and the schedule.

Most questions from the community meeting were regarding further details on the conversion of electrical services, costs and private property owner responsibility. City staff used displays of previous projects and schematic drawings to explain the modifications required to accept the new underground service and identify property owner responsibility. Typical costs for the conversion of electrical services on previous projects were discussed. Also, City staff offered to meet with any property owners that were interested in reviewing their buildings needs. Attendees were made aware that more detailed information on conversions will be provided once PG&E completed the design.

City staff also presented PG&E's desire to obtain no-cost easements to install 10 aboveground cabinets in easements on private properties. The consensus from the attendees was disapproval due to a lack of available space as well as the visual impact on private property. The attendees were assured the no-cost easements were only requests and the community had control of their individual properties. If property owners refuse to grant easements, then PG&E would have to find alternate solutions for the installation of their equipment. Also, the community was informed that Comcast would also need to install aboveground cabinets within the proposed project boundaries. The size of the Comcast-cabinet is approximately three feet tall and thirty-four cubic feet in volume.

The construction schedule provided in attachment B was discussed. As the proposed project proceeds the community and San José Grand Prix would be updated on the schedule. The proposed project will be closely coordinated with all projects within the District boundary.

Upon Council’s adoption of a resolution setting a public hearing, staff will send notices of the public hearing to all utility companies and owners and occupants of properties adjoining the proposed District.

Prior to the start of construction activities, PG&E will place “Door Hanger” construction notices on adjacent properties.

COORDINATION

The establishment of the proposed District and project schedule has been coordinated with PG&E, AT&T, Comcast, San José Grand Prix, the Market Almaden Neighborhood Association, City Manager’s Budget Office, the Planning, Building and Code Enforcement Department and the San José Redevelopment Agency. The required resolution to set the public hearing has been reviewed by the City Attorney's Office.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: None

2. COST OF PROJECT (ESTIMATED):

COST TO UTILITIES:

PG&E Rule 20A Allocation	\$1,019,000
AT&T Rule 32	842,000
Comcast	354,000
Total Cost to Utility Companies	\$2,215,000

COST TO CITY:

Project Development, Administration and Construction Inspection (Fund 416)	\$ 215,000
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Construction:

City Facilities Conversion (20A) (Fund 429)	170,000
Total Cost to City	\$ 385,000

TOTAL PROJECT COSTS (ESTIMATED): \$2,600,000



EXHIBIT A-1



PROJECT
BOUNDARY

C DENOTES PROPERTY REQUIRING ELECTRICAL
SERVICE CONVERSION

CITY OF SAN JOSE
PROPOSED
MARKET/ALMADEN
UNDERGROUND UTILITY DISTRICT

NOT TO SCALE

EXHIBIT A-2

DESCRIPTION OF PROPOSED BOUNDARY OF AN UNDERGROUND UTILITY DISTRICT ALONG BALBACH STREET FROM ALMADEN BOULEVARD TO SOUTH MARKET STREET, WEST WILLIAM STREET FROM THE WESTERLY END OF THE STREET TO SOUTH MARKET STREET, PIERCE AVENUE AND WEST REED STREET FROM ALMADEN AVENUE TO SOUTH MARKET STREET AND ALMADEN AVENUE FROM VIOLA STREET TO WEST REED STREET

All that certain real property situate in the City of San Jose, County of Santa Clara, State of California, described as follows:

BEGINNING at a true point at the intersection of the northerly right-of-way line of Balbach Street and the centerline of Almaden Boulevard;

THENCE proceeding in a northeasterly direction 300±' along the northerly right-of-way line of Balbach Street to a point of intersection with the westerly right-of-way line of Almaden Avenue;

THENCE proceeding in a northwesterly direction 270±' along the westerly right-of-way line of Almaden Avenue to a point of intersection with the southerly right-of-way extension line of Viola Street;

THENCE proceeding in a northeasterly direction 70±' perpendicular to the centerline of Almaden Avenue to a point of intersection with the easterly right-of-way line of Almaden Avenue;

THENCE proceeding in a southeasterly direction 260±' along the easterly right-of-way line of Almaden Avenue to a point of intersection with the northerly right-of-way line of Balbach Street;

THENCE proceeding in a northeasterly direction 850±' along the northerly right-of-way line of Balbach Street to a point of intersection with the westerly right-of-way line of Market Street;

THENCE proceeding in a southeasterly direction 50±' parallel to the centerline of Market Street to a point of intersection with the southerly right-of-way line of Balbach Street;

THENCE proceeding in a southwesterly direction 860±' along the southerly right-of-way line of Balbach Street to a point of intersection with the easterly right-of-way line of Almaden Avenue;

THENCE proceeding in a southeasterly direction 370±' along the easterly right-of-way line of Almaden Avenue to a point of intersection with the northerly right-of-way line of Pierce Avenue;

THENCE proceeding in a northeasterly direction 390±' along the northerly right-of-way line of Pierce Avenue to a point of intersection with the westerly right-of-way line of Colton Place;

THENCE proceeding in a northwesterly direction 180±' along the westerly right-of-way line of Colton Place to a point of intersection with the southerly right-of-way line of West William Street;

THENCE proceeding in a southwesterly direction 130±' along the southerly right-of-way line of West William Street to a point of intersection with the westerly right-of-way line of West William Street;

THENCE proceeding in a northwesterly direction 30±' along the westerly right-of-way line of West William Street to a point of intersection with the northerly right-of-way line of West William Street;

THENCE proceeding in a northeasterly direction 125±' along the northerly right-of-way line of West William Street to a point of intersection with the westerly right-of-way extension line of Colton Place;

THENCE proceeding in a northwesterly direction 15±' parallel to the westerly right-of-way line of Colton Place to a point of intersection with the northerly right-of-way line of West William Street;

THENCE proceeding in a northeasterly direction 530±' along the northerly right-of-way line of West William Street to a point of intersection with the westerly right-of-way line of Market Street;

THENCE proceeding in a southeasterly direction 40±' parallel to the centerline of Market Street to a point of intersection with the southerly right-of-way line of West William Street;

THENCE proceeding in a southwesterly direction 500±' along the southerly right-of-way line of West William Street to a point of intersection with the easterly right-of-way line of Colton Place;

THENCE proceeding in a southeasterly direction 190±' along the easterly right-of-way line of Colton Place to a point of intersection with the northerly right-of-way line of Pierce Avenue;

THENCE proceeding in a northeasterly direction 560±' along the northerly right-of-way line of Pierce Avenue to a point of intersection with the westerly right-of-way line of South First Street;

THENCE proceeding in a southeasterly direction 60±' parallel with the centerline of South First Street to a point of intersection with the southerly right-of-way line of Pierce Avenue;

THENCE proceeding in a southwesterly direction 980±' along the southerly right-of-way line of Pierce Avenue to a point of intersection with the easterly right-of-way line of Almaden Avenue;

THENCE proceeding in a southeasterly direction 320±' along the easterly right-of-way line of Almaden Avenue to a point of intersection with the northerly right-of-way line of West Reed Street;

THENCE proceeding in a northeasterly direction 1,050±' along the northerly right-of-way line of West Reed Street to a point of intersection with the westerly right-of-way line of South First Street;

THENCE proceeding in a southeasterly direction 60±' perpendicular to the centerline of West Reed Street to a point of intersection with the southerly right-of-way line of West Reed Street;

THENCE proceeding in a southwesterly direction 1,120±' along the southerly right-of-way-line of West Reed Street to a point of intersection with the westerly right-of-way line of Almaden Avenue;

THENCE proceeding in northwesterly direction 790±' along the westerly right-of-way line of Almaden Avenue to a point of intersection with the southerly right-of-way line of Balbach Street;

THENCE proceeding in a southwesterly direction 300±' along the southerly right-of-way of Balbach Street to a point of intersection with the centerline of Almaden Boulevard;

THENCE proceeding in a northwesterly direction 50±' along the centerline of Almaden Boulevard to the true point of beginning.

UNDERGROUND UTILITY DISTRICT ALONG BALBACH STREET FROM ALMADEN BOULEVARD TO SOUTH MARKET STREET, WEST WILLIAM STREET FROM THE WESTERLY END OF THE STREET TO SOUTH MARKET STREET, PIERCE AVENUE AND WEST REED STREET FROM ALMADEN AVENUE TO SOUTH MARKET STREET AND ALMADEN AVENUE FROM VIOLA STREET TO WEST REED STREET

Establishment Schedule

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| May 16, 2006 | City Council adopts a resolution setting a time and place for a Public Hearing. |
| May 17, 2006 | Director of Public Works mails a notice of Public Hearing to all adjacent property owners. |
| June 12, 2006 | Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing. |
| June 13, 2006 | City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing an Underground Utility District along Balbach Street from Almaden Boulevard to S. Market Street, WEST William Street from the westerly end of the street to S. Market Street, Pierce Avenue and WEST Reed Street from Almaden Avenue to S. Market Street and Almaden Avenue from Viola Street to WEST Reed Street. |

Project Implementation Schedule

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| July 2006 | Utility companies begin design of substructure, conduit, vaults, electric and cable facilities. |
| October 2006 | Utilities obtain environmental clearances. |
| November 2007 | Construction starts |
| December 2008 | Utility companies complete connections and remove overhead wires and poles. |