



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Katy Allen

**SUBJECT:** MARKET/ALMADEN  
UNDERGROUND UTILITY  
DISTRICT

**DATE:** 05-22-06

Approved

Date

5/30/06

**COUNCIL DISTRICT:** 3

**SNI AREA:** Market/Almaden

## **RECOMMENDATION**

Conduct a Public Hearing and upon its conclusion approve an ordinance establishing 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 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.

CEQA: Exempt, PP06-050.

## **OUTCOME**

Approval of this ordinance will establish the Market/Almaden Underground Utility District in accordance with the San José Municipal Code. In addition, it will enable City staff to direct utility companies to begin design of the project. Establishment of this district will improve the appearance, pedestrian mobility and ease of utility equipment maintenance.

## **EXECUTIVE SUMMARY**

City staff recommends conducting a public hearing and establishing an ordinance for the proposed Market/Almaden Underground Utility District. Establishing an ordinance for an 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 per 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.

The proposed Market/Almaden Underground Utility District (District) is included in the 2005/06 – 2009/10 Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program Five Year Workplan reported to Council on May 2, 2006. 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**

On May 17, 2006, notices of the public hearing were mailed to all utility companies and owners of properties adjacent to the proposed District.

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

## **ALTERNATIVES**

Not applicable.

## **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 private 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 completes 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 of 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.

On June 12, 2006, staff will transmit a supplemental memo should any comments or protest be received for consideration at the public hearing.

Upon Council's approval of the ordinance at the public hearing, staff will send notices of adoption of the ordinance to all utility companies, owners, and occupants of the properties adjoining the proposed District.

Prior to the start of construction activities, PG&E will deliver construction notices to all properties adjoining the proposed district and any adjacent properties impacted by construction activities.

### **COORDINATION**

The establishment of the proposed District and project schedule has been coordinated with PG&E, AT&T, Comcast, Market Almaden Neighborhood Association, and the San José Redevelopment Agency. The City Attorney's Office has reviewed the required ordinance to establish the District. This memo was coordinated with the Planning, Building and Code Enforcement Department and the City Manager's Budget 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
Construction: City Facilities Conversion (20A) (Fund 429)	170,000
Total Cost to City	\$ 385,000

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

3. SOURCE OF FUNDING: Fund 416 - Underground Utility Fund  
Fund 429 - Building and Structure  
Construction Tax Fund

4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy for Economic Recovery section in that it will spur construction in our local economy and have no significant impact on the General Fund.

**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2005-2006 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs*</b>				<b>\$385,000</b>			
<b>Current Funding Available</b>							
429	5063	Underground Utilities-City Conversions	TBD	\$150,000	0	V-1054	
416	4786	Underground Utility Administration (20A)	128089	\$221,000	0	V-130	
<b>Total Current Funding Available</b>				<b>\$371,000</b>	<b>0</b>		

\*Project Development costs of \$3,000 are anticipated in 2005-2006. In addition, remaining City project costs of \$382,000 are anticipated in FY2006-2007, FY2007-2008 and FY2008-2009. Funding for these remaining project costs has been programmed in the 2006-2010 Adopted Traffic and Developer Assisted Projects CIP's.

**CEQA**

CEQA: Exempt, PP06-050.

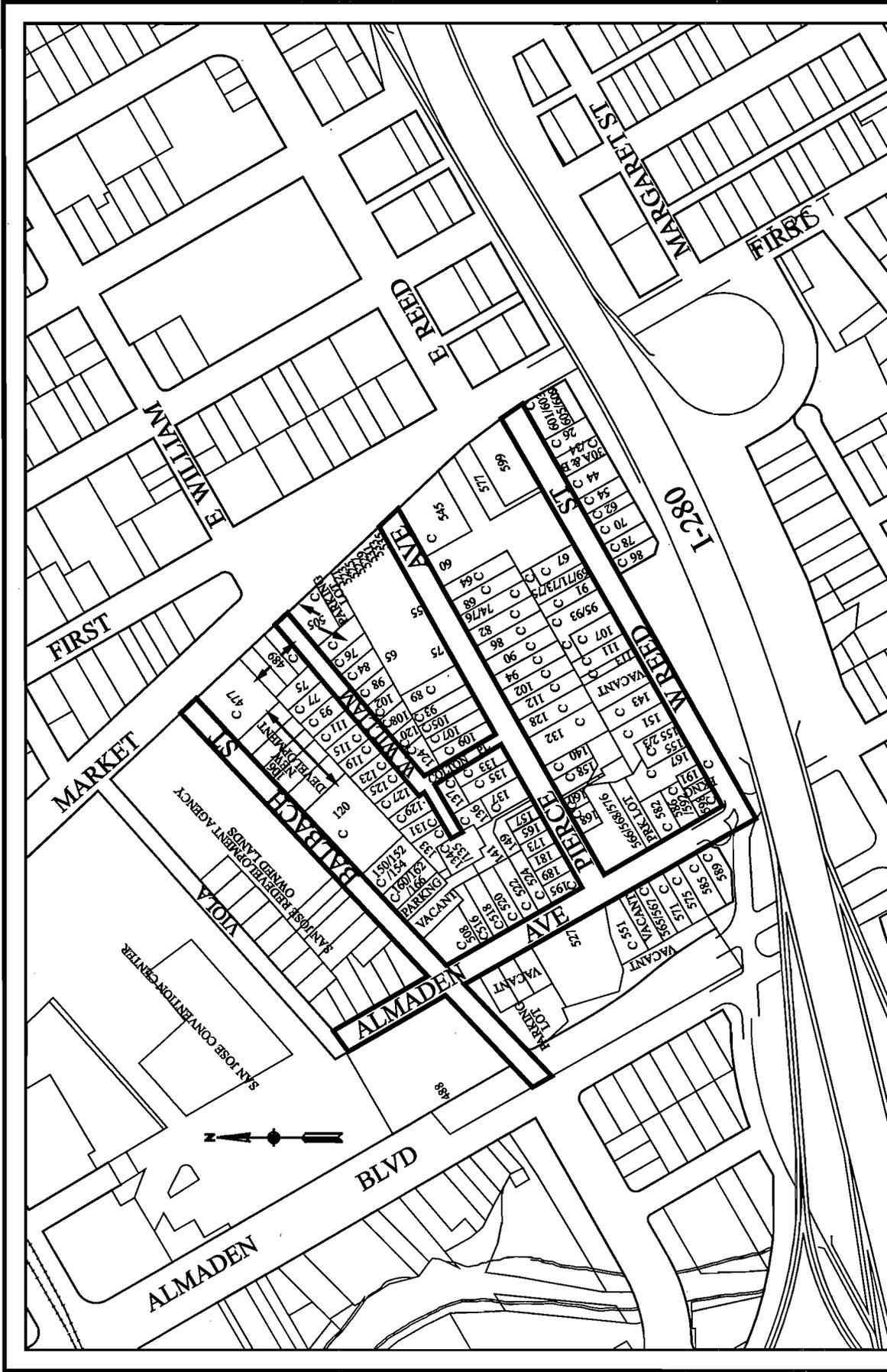
*Katy Allen*

KATY ALLEN  
 Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

CM:SK:LR:hla  
 Ir051106cm-MarketAlmadenOrdMemo

Attachments



CITY OF SAN JOSE  
 PROPOSED  
 MARKET/ALMADEN  
 UNDERGROUND UTILITY DISTRICT

NOT TO SCALE



PROJECT  
 BOUNDARY

C DENOTES PROPERTY REQUIRING ELECTRICAL  
 SERVICE CONVERSION

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

- |               |   |
|---------------|---|
| 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 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. |

Project Implementation Schedule

- |               |   |
|---------------|---|
| 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.                     |