



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Katy Allen

**SUBJECT: LINCOLN AVENUE RULE 20A
UNDERGROUND UTILITY
DISTRICT**

DATE: 04-05-10

Approved 

Date 4/15/10

COUNCIL DISTRICT: 6

RECOMMENDATION

Adoption of a resolution to consider the establishment of a Rule 20A Underground Utility District along Lincoln Avenue from West San Carlos Street to approximately 160 feet northwest of Coe Avenue, Auzerais Avenue approximately 190 feet west of Lincoln Avenue, Northrup Street from Lincoln Avenue to Highway 280, Parkmoor Avenue from Lincoln Avenue to approximately 280 feet west of Northrup Street, and Paula Street approximately 210 feet west of Lincoln Avenue, and setting a Public Hearing on June 8, 2010, at 1:30 p.m.

OUTCOME

Approval of this resolution will enable the Council to hold a public hearing resulting in the establishment of the Lincoln Avenue Underground Utility District. Establishment of this District will improve the appearance, improve pedestrian mobility and ease utility equipment maintenance within the area described above.

EXECUTIVE SUMMARY

The proposed underground utility district, as described above and depicted in Attachment A, will require utility companies to remove utility poles and aerial cables from the public right-of-way and install a new improved underground system. The proposed underground utility district is located along a portion of Lincoln Avenue, Auzerais Avenue, Northrup Street, Parkmoor Avenue, and Paula Street as shown in Attachment A. The project will be funded by utility company funds pursuant to Rules 20A and 32 of the California Public Utilities Commission (CPUC), and the City's franchise agreement with Comcast.

BACKGROUND

Through Rule 20A, the CPUC 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 also required to set aside funds for these projects.

The proposed Lincoln Avenue Rule 20A Underground Utility District (District) is included in the 2008/2009 – 2013/14 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program, approved by Council in June 2009. It meets criteria approved by the CPUC and the criteria established by the City in 1978 to complete projects that front City facilities such as parks, libraries and fire stations.

ANALYSIS

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. The proposed District also meets the following California Public Utilities Commission and Municipal Code criteria for establishing underground utility districts namely that:

- Such removal and replacement will eliminate, and such prohibition will avoid, an unusually heavy concentration of poles and overhead wires within said area.
- The public streets or right-of-way within said area are extensively used by the general public and carry a heavy volume of pedestrian or vehicular traffic.
- The public streets or right-of-way within said area adjoin or pass through a civic area or public recreation area, or an area of unusual scenic interest to the general public.

Within the limits of this project, the majority of the facilities will be placed in underground vaults. Utility companies may need to install aboveground structures (cabinets) for equipment that cannot be placed in underground vaults. These cabinets may be placed in public right-of-way or on private properties. The size, quantity and actual location of the cabinets will be determined during the design phase of the project. Establishment of the proposed District, as shown on Attachment A, will require the conversion of approximately 3,400 linear feet of aerial facilities to underground facilities. At PG&E's request the proposed project boundary includes entire parcels, as well as the public right-of-way. Certain properties, utility poles, wires, and backyard facilities will be exempted from the District to minimize impacts to properties outside the District and are also indicated on Attachment A.

Overall, the removal of aerial wires and utility poles will provide a significant visual benefit to the public.

There are approximately sixty-nine properties included in the proposed District. Forty-eight of the sixty-nine properties currently receiving overhead service will require electrical service conversion work in order to receive electrical power from the underground system. This will require either private property owners to perform electrical service panel conversion work on their properties or PG&E to perform the work.

The cost of conversion for a single-family residential dwelling is typically \$800 to \$2,500. The cost for commercial buildings and multi-family residences service conversion is typically \$2,000 to \$5,000 or possibly higher. The estimate is based on current projects and may change due to the economy at the time of construction. The Public Utilities Commission provides that Rule 20A funds may be utilized to reimburse private property owners' 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. Any properties inside the proposed District which receive utility service from outside the proposed District boundaries or are already receiving service from another underground system will not be affected by this project.

Construction is scheduled to start in August 2012, and is to be completed in August 2013. A more detailed schedule for the establishment and implementation of the proposed District is presented in Attachment B.

EVALUATION AND FOLLOW-UP

Council will conduct a public hearing at the June 8, 2010 City Council meeting and staff will recommend the adoption of an ordinance establishing the underground utility district. Any comments received by staff from the residents, property owners and other stakeholders will be conveyed to Council at the hearing.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The action requested by Council does not meet any of the three criteria listed above, but the following outreach will be conducted as part of Section 15.24 of the Municipal Code for the purposes of establishing underground districts.

A community meeting was held on July 8, 2009 to inform the public of this undergrounding project. A second follow-up community meeting was held on January 20, 2010 to provide additional information about commercial building electrical conversion. Staff provided information on options to minimize cost of conversions and explained the PG&E policy and procedure for the \$1,500 service conversion reimbursement. Property owners were informed that staff would provide contact information and deadlines to ensure upgrades would be appropriately incorporated into the undergrounding design. Upgrades to existing panels and electrical service, if desired by the property owner, would require additional non-reimbursable costs.

Property owners were assured that the utility companies would minimize impacts of service interruptions and provide an approximately one-month notification of service interruptions. It was explained that power interruptions typically last 3 to 4 hours and other utility interruptions are shorter duration. In addition, property owners were assured that PG&E construction crews would provide access to their properties at all times during construction.

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. A Notice of Public Hearing will be posted at City Hall and on the City Council Agenda website.

Should the District be legislated, a Notice of Establishment will be mailed within 20 days of the effective date of the ordinance. Additional correspondence will occur with property owners requiring electrical panel service conversions throughout the proposed project. Prior to the start of construction activities, PG&E will place "Door Hanger" construction notices on adjacent properties.

This memorandum will be posted on the City's website for the April 27, 2010 City Council meeting.

COORDINATION

The establishments of the proposed District and project schedule have been coordinated with the City Manager's Budget Office and Planning, Building and Code Enforcement Department. In addition, the project has been coordinated with PG&E, AT&T, and Comcast. This memo and the proposed resolution to set the public hearing have been reviewed by the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Council-approved Budget Strategy to continue with capital investments that spur construction spending in the local economy. Most importantly, this Underground Utility District is part of the approved 2008/09 – 2013/14 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: None

COST TO UTILITIES:

PG&E Rule 20A Allocation	\$2,100,000
AT&T Rule 32A.1	1,200,000
Comcast	700,000
Total Cost to Utility Companies	4,000,000

COST TO CITY:

Project Development, Administration and Construction Inspection (Fund 416)	100,000
City Facilities Conversion (20A) (Fund 429)	60,000
Total Cost to City	160,000

TOTAL PROJECT COSTS (ESTIMATED): \$4,160,000

2. COST ELEMENTS OF AGREEMENT/CONTRACT: 0

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

4. OPERATING COST: This project has no significant impact on the General Fund operating budget.

BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract	2009-2010 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
416	4786	Underground Utility Admin. (20A)	\$355,000	N/A	V-22	N/A
429	5063	Underground Utilities-City Conversions	\$1,376,000	N/A	V-1004	10/20/09 Ord. No. 28653
Total Current Funding Available			\$1,731,000			

CEQA

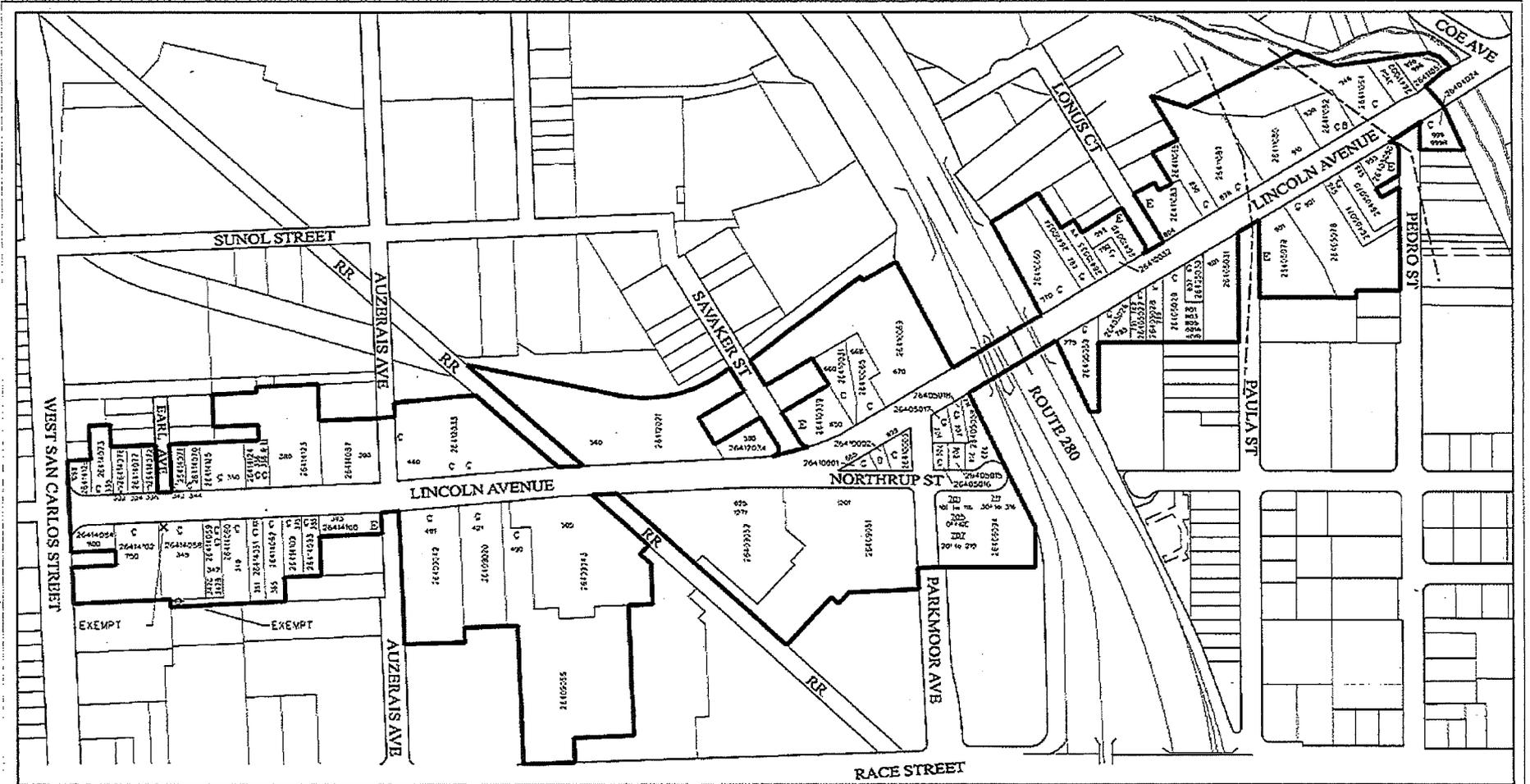
CEQA: Addendum to a Mitigated Negative Declaration, PP10-002.

Planning has issued an Addendum to a Mitigated Negative Declaration for this project. The Mitigated Negative Declaration identifies a number of mitigation measures that need to be implemented in order to address environmental impacts. These measures and their manner of implementation are identified in the Mitigated Negative Declaration, File No. PP08-257. These measures will be incorporated into the project design and the encroachment permit. As required by Mitigated Negative Declaration PP08-257, the utility companies will provide monitoring in archaeological sensitive areas when applicable.

/s/

KATY ALLEN
Director, Public Works Department

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



CITY OF SAN JOSE

LINCOLN AVE UNDERGROUND UTILITY DISTRICT

NOTES
 EXCLUDES POLES AND/OR OVERHEAD WIRES IDENTIFIED ON THIS MAP AS EXEMPT
 EXCLUDES FACILITIES SERVED OUTSIDE THE DISTRICT OR SERVING PARCELS
 OUTSIDE THE DISTRICT AND ALL PRIVATE (NON-UTILITY OWNED) POLES AND/OR
 OVERHEAD WIRES

LEGEND

- RULE 20A BOUNDARY
- TRANSMISSION LINE
- C - ELECTRICAL CONVERSION (46 on 42 properties)
- B - ELECTRICAL CONVERSION TO BE EXEMPTED (6)
- B - BILLBOARD CONVERSION (3)
- ⚡ - EX POWER POLE TO BE EXEMPTED (1)
- X - NEW POWER POLE TO BE EXEMPTED (1)
- APN
- Address

ATTACHMENT A

ATTACHMENT B

UNDERGROUND UTILITY DISTRICT along Lincoln Avenue from West San Carlos Street to approximately 160 feet northwest of Coe Avenue, Auzerais Avenue approximately 190 feet west of Lincoln Avenue, Northrup Street from Lincoln Avenue to Highway 280, Parkmoor Avenue from Lincoln Avenue to approximately 280 feet west of Northrup Street, and Paula Street approximately 210 feet west of Lincoln Avenue.

Establishment Schedule

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|----------------|---|
| April 27, 2010 | City Council adopts a resolution setting a time and place for a Public Hearing. |
| April 28, 2010 | Director of Public Works mails a Notice of Public Hearing to all adjacent property owners. |
| June 1, 2010 | Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing. |
| June 8, 2010 | City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing Lincoln Avenue Rule 20A Underground Utility District. |

Project Implementation Schedule

- | | |
|---------------|---|
| June 2011 | Utility companies begin design of substructure, conduit, vaults, electric and cable facilities. |
| December 2011 | Utilities obtain environmental clearances. |
| August 2012 | Construction starts. |
| August 2013 | Utility companies complete connections and remove overhead wires and poles. |