



# Memorandum

**To:** HONORABLE MAYOR  
AND CITY COUNCIL

**From:** Katy Allen

**SUBJECT:** SEE BELOW

**DATE:** 04-19-10

Approved

Date

4/27/10

**COUNCIL DISTRICT:** Citywide

**SUBJECT: REPORT ON THE RULE 20A AND RULE 20B (IN-LIEU FEE)  
UNDERGROUND UTILITY PROGRAM AND 2009/10- 2014/15 WORKPLAN**

## RECOMMENDATION

Approval of the proposed Fiscal Year 2009/10- 2014/15 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program.

## OUTCOME

Approval of the proposed Fiscal Year 2009/10- 2014/15 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program will guide Public Works staff and utility companies to program funds, assign project priorities, establish, design and construct the proposed overhead-to-underground utility conversion projects.

## EXECUTIVE SUMMARY

The Rule 20A and 20B (In-Lieu Fee) Underground Utility Program report provides information on the utility undergrounding program and projects. In addition, the proposed workplan will guide Public Works staff and utility companies to program funds, assign project priorities, establish, design and construct overhead-to-underground utility conversion projects. The proposed workplan represents a schedule that focuses on timely delivery of projects and allows for more aggressive draw-down of City of San José's current \$47M Rule 20A allocation balance. Staff continues to meet monthly with all utilities to monitor schedules and address issues and concerns as they arise.

## **BACKGROUND**

Three methods are used to fulfill the General Plan goal of converting overhead utilities to underground systems. They are summarized below and are described in greater detail in this report.

- Rule 20A Program – The Rule 20A Program is the City's use of PG&E rate-payer money for underground conversion projects. Although the funds for this program are never actually transferred to the City, City staff programs the money toward conversions on arterial and major collector streets. The 2009 calendar year allocation of PG&E funds for the City of San José is approximately \$4.3 million. These allocations accumulate until they are expended for undergrounding projects.
- Rule 20B (In-Lieu Fee) Program – Undergrounding may be accomplished through the City's In-Lieu Fee Program which allows the City to accumulate funds from developers to underground large aggregated projects rather than requiring developers to perform the undergrounding on a piecemeal basis. This results in more efficient use of engineering staff, construction crews, and utility company resources, resulting in lower unit costs for design and construction.
- Rule 20C – In some instances, developers or other agencies may pursue completing underground conversions themselves. These conversions do not meet the criteria for Rule 20A or 20B, are typically less than 600 feet long, and are coordinated directly with the utility companies.

Rule 20B funds are leveraged against 20A allocations as opportunities arise, to construct one larger project.

The Rule 20A Underground Utility Program is currently administered in accordance with the Rule 20A 2008/09 – 2013/14 Workplan accepted by Council on June 2, 2009.

Accompanying this report are the following attachments related to the Rules 20A and 20B Programs:

- 2008/09 - 2013/14 Workplan Status (Attachment A)
- 2009/10- 2014/15 Workplan (Attachment B-1)
- 2009/10- 2014/15 Workplan by Council District (Attachment B-2)
- Summary of Changes since the Last Report (Attachment C)
- Proposed Future Rule 20A Underground Utility Projects (Attachment D)
- Criteria for Evaluating Rule 20A & 20B (In-Lieu Fee) Underground Utility Projects (Attachment E).

The Workplan guides Public Works staff to establish, design, and construct the proposed overhead-to-underground utility conversion projects.

RULE 20A PROGRAM – In 1968, the California Public Utilities Commission (CPUC) and utility companies established a program to underground utilities across the State. Under Rule 20A, Pacific Gas and Electric Company (“PG&E”) allocates funds, on a calendar year basis, to convert existing overhead electrical facilities to underground electrical facilities within the communities it serves. PG&E considers Rule 20A allocations as a tool to allow cities and counties to evaluate and prioritize undergrounding projects within their respective jurisdictions. These allocations accumulate until they are expended for undergrounding projects. PG&E uses its own funds to design and construct Rule 20A projects, and once the projects are completed, the cost is recovered through incremental utility rate increases.

The 2010 calendar year allocation of PG&E funds for the City of San José is \$4.3 million. Other CPUC rules, tariffs and legislation require AT&T to convert its facilities in a similar manner to the Rule 20A Program. Pursuant to federal law and its franchise agreement with the City, Comcast is required to budget its own funds for the conversion of its facilities within the districts legislated for Rule 20A funding.

RULE 20B (IN-LIEU FEE) PROGRAM – Undergrounding may be accomplished through the City's establishment of an In-Lieu Fee Program which allows the City to accumulate funds from developers to underground large aggregated projects rather than requiring developers to perform the undergrounding on a project-by-project basis. This results in the more efficient use of engineering staff, construction crews, and utility company resources, thus lowering unit costs for design and construction.

The San José Municipal Code requires that developers either: 1) pay a fee, per foot of frontage, in-lieu of performing the overhead-to-underground conversions along the street frontage where their development is occurring; or as a condition of development, underground the overhead utility facilities on the street or streets adjacent to the project. Only those projects that develop adjacent to designated streets as defined in the Municipal Code are subject to the undergrounding in-lieu fee conditions.

Last June, the City Council approved an amendment to the Undergrounding Utility Fee Ordinance that allows: 1) automatic adjustment of the Undergrounding Utility Fee based on Engineering News Record (ENR) 20-City Average Construction Cost Index or its equivalent and 2) reimbursement to developers for completion of underground utility projects; and 3) other technical changes. Based on latest ENR data, effective February 1, 2010, the Underground Utility Fee was adjusted from \$395 to \$393 per linear foot frontage. Fees are collected from developments on both sides of the street regardless of the side which has the actual overhead facility. This fee was based on an average City cost of \$786 per linear foot to complete larger undergrounding conversion projects.

In-Lieu fees are programmed to be expended in areas per the In-Lieu Fee Undergrounding Master Plan. As long as these fees are committed to projects in the approved Master Plan, they are considered programmed and not subject to refund. The In-Lieu Fee Master Plan was approved by Council on December 1, 2009.

UNDERGROUND UTILITY PROGRAM ACTIVITY - Since 1968, the City has legislated 128 Underground Utility Districts, of which:

- 123 projects have been completed
- 3 projects are in construction
- 5 projects are in design

The current status of the Rule 20A and Rule 20B programs and the implementation of the current Workplan are presented in Attachment A.

## ANALYSIS

### 2009/10 - 2014/15 RULE 20A AND 20B (IN-LIEU FEE) WORKPLAN

The report on the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Programs was submitted to the City Council in June 2009.

In the previous decade, there was a backlog of Rule 20A projects due to utility company funding and resource issues. In the last three years, staff have held several workshops with PG&E and developed guidelines to implement the program in a more timely fashion. As a result, PG&E and the utility companies have agreed to implement a more aggressive work plan; spending approximately \$16 to \$18 million per year in San José for utility undergrounding work. Although some projects in the work plan have experienced slight delays due to PG&E design and coordination challenges, there has been a dramatic increase in the amount of design and construction activities in 2008-2009 and 2009-2010 compared to previous years. Current Rule 20A program activity suggests the City will be drawing down approximately \$16 to \$18 million per year of PG&E's Rule 20A funds.

The following highlights some of the actions that have been taken by PG&E to support San José's overall utility undergrounding program and improve the Rule 20A processes:

- Dramatic increase in the amount of construction activity taking place in 2009 and 2010 (approximately \$16-\$18 million).
- Allowing 20A allocations to be applied to easement work and subsurface equipment.
- Targeting approximately 25% of PG&E's total 20A budget in the San Francisco-Bay Area region to City of San José project work in 2009 and 2010.
- Improved communications and joint approach to problem-solving.

- Change in program process to convert private electrical services first utilizing PG&E resources, instead of property owner responsibility. This change should shorten construction duration, improve efficiency, and reduce City of San José allocations spent on 20A project.
- Working with City of San José to explore city as lead agency for engineering and construction.

The future workplan (Attachment B-1 and Attachment B-2 by Council District) has been revised to reflect the changes discussed above. The future workplan is presented on a fiscal year basis, summarizes program expenditures, preliminary project cost estimates, Rule 20A allocations, and In-Lieu Fee Fund balances. The proposed projects are listed in sequence of the target start dates for proposed construction, and legislation of the underground utility districts. Projects in the Rule 20B (In-Lieu Fee) program have been reprioritized and/or rescheduled since the last report mainly due to lower revenue projections in future years. Overall, the projects in this program are reprioritized in accordance with the council approved criteria, available resources and focus on completing the workplan. A summary of the changes that have occurred since the last report is presented in Attachment C.

A listing of potential Rule 20A project areas is identified in Attachment D, and a summary of the Criteria for Evaluating Underground Utility Projects is presented in Attachment E. These criteria provide a rational process for the selection of projects presented in the proposed workplan.

There is a current beginning balance of nearly \$47 million in accumulated Rule 20A allocations for the City. Approximately \$16 million is allocated to be spent in 2009-2010 and \$18 million in 2010-2011. Historically, the City had experienced challenges in implementing the approved workplan, due to a shortfall in utility company staff resources and funding. Compounding these difficulties, the California Public Utilities Commission (CPUC) mandates that PG&E's top priority shall be the maintenance of its system reliability without compromising safety. The CPUC has essentially taken the position that Rule 20A utility undergrounding services for existing customers are secondary to storm and heat related repairs, general system maintenance, electrical hookups for new customers and system upgrades to improve capacity. Also, unforeseen circumstances such as weather-related emergencies may divert utility company resources and delay Rule 20A projects.

City staff is working with PG&E to do a pilot Rule 20A project as a lead agency for engineering and construction that will help reduce the backlog. Historically, Rule 20A projects have been done by utility companies. In the coming months, City and PG&E staff will closely work on business terms, funding and schedule.

To monitor schedule and ensure timely delivery of projects, staff will continue to meet with utility companies regularly to address issues and concerns as they arise. To date, utility companies are collaborating with the City and with each other to maintain the agreed upon schedule and have given the best efforts with available resources. One of the challenges has been coordinating all three major utility companies' internal approval process and timelines.

Each utility company has various stages of internal review and approval process for design, construction and funding. To streamline and simplify the process, as a guide, staff worked closely with utility companies and developed a Best Practices guideline

Finally, aside from the challenges presented above, the proposed workplan is designed to draw down the accumulated and future Rule 20A allocations in an effort to maximize the number of undergrounding projects that can be delivered.

### **EVALUATION AND FOLLOW-UP**

No additional follow up action with the Council is expected at this time.

### **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)**

While this action does not meet the \$1 million threshold under Criteria 1, this memorandum will be posted on the City's website for the May 11, 2010 Council agenda.

### **COORDINATION**

This report has been coordinated with the San José Redevelopment Agency, the Departments of Transportation and Planning, Building and Code Enforcement, the City Attorney's Office, and the City Manager's Budget Office. The Workplan has been coordinated with PG&E, AT&T and Comcast.

### **COST SUMMARY/IMPLICATIONS**

**RULE 20A PROGRAM** - The cost of the overhead-to-underground conversion of PG&E facilities in the public right-of-way within underground utility districts is funded through the PG&E Rule 20A allocation to the City. It includes up to \$1,500 per service entrance for private service panel conversions. The total cost for conversion work varies project by project. Other utility companies underground their facilities at their own cost.

The administration of the Rule 20A program has historically been funded through the Operating Budget with General Funds. However, due to budget constraints in recent years, staff has been using In-Lieu fee funds for administrative costs since Fiscal Year 2003-2004 and recommends the continued use of In-Lieu Fee Funds, approximately \$380,000 per year, to support the administration of the Rule 20A program this fiscal year. Use of the fees for administration costs is consistent with the scope of uses permitted in Section 15.26.120 of the Underground Utility Fee Ordinance. Last June, the City Council approved an amendment of the Undergrounding Utility Fee Ordinance allowing the use of in lieu fees for 20A administrative costs. Over the life of the undergrounding program, Rule 20A projects will reduce the overall costs of the Rule 20(B) (in lieu) fee program.

Administration of both programs includes the legislation of utility underground districts, hosting community meetings, reviewing and coordinating responsibilities during the design and construction phases of the project, and construction inspection. Additionally, the City is responsible for the conversion of its facilities within the Rule 20A underground utility districts, including streetlights, traffic signals, fire stations, libraries, and other City facilities. Funding in the amount of \$1 million for the conversion of City facilities is budgeted in the 5-year Traffic CIP Program.

RULE 20B (IN-LIEU FEE) PROGRAM – The cost for the undergrounding of utilities is funded through the In-Lieu Underground Utility Fund. In addition, staff estimates a yearly funding need of approximately \$15,000 for private service conversions, or \$1,500 per service entrance. This funding has been approved in the FY 2009-2010 Operating Budget.

In addition, funding in the amount of \$125,000 is currently budgeted for PG&E's Rule 20A private service panel conversion reimbursement program as part of the City's annual budget process. Under PG&E's Rule 20A Tariffs and Regulations, PG&E reimburses property owners up to \$1,500 per service entrance for electrical service panel conversion to receive service from the underground system. Payments, however, are made via the City. The allocation is used to accept funds from PG&E and reimburse property owners for conversion work on their properties. Beginning in FY 2011-2012, the funding may not be needed as PG&E may be taking responsibility on performing the electrical service panel conversion work themselves on all future projects. With city oversight to ensure proper outreach efforts, PG&E will directly coordinate conversion work with property owners.

HONORABLE MAYOR AND CITY COUNCIL

04-19-10

Subject: Report on the Rule 20A and 20B Underground Utility Program and 2009/10-2014/15 Workplan

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2009-2010 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
<b>Remaining Project Costs</b>			N/A			
<b>Current Funding Available</b>						
416	4654	Underground Utility Program	\$1,300,000	N/A	Capital, V-15	2/9/10 Ord. No. 28698
416	5147	Underground Utility Admin. (20B)	\$110,000	N/A	Capital, V-23	N/A
416	4786	Underground Utility Admin. (20A)	\$355,000	N/A	Capital, V-22	N/A
429	5063	Underground Utilities – City Conversions	\$1,376,000	N/A	Capital, V-1004	10/20/09 Ord. No. 28653
<b>Total Current Funding Available</b>			<b>\$3,141,000</b>			

**CEQA**

CEQA: Mitigated Negative Declaration, File No. PP08-257.

/s/

KATY ALLEN  
Director, Public Works Department

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

JTC:SK:OG  
Attachments A-E

# ATTACHMENTS

## RULE 20A & 20B (In-Lieu Fee) PROGRAM

- A** - Status of the 2008/09 - 2013/14 Rule 20A & B (In-Lieu Fee) Workplan
- B-1** - 2009/10 - 2014/15 Rule 20A & 20B (In-Lieu Fee) Workplan
- B-2** - 2009/10 - 2014/15 Rule 20A & 20B (In-Lieu Fee) Workplan By Council District
- C** - Summary of Changes since the Last Report
- D** - Areas Identified for Consideration as Future Rule 20A Underground Utility Projects
- E** - Criteria for Evaluating Rule 20A & 20B (In-Lieu Fee) Underground Utility Projects

## STATUS OF THE 2008/09 - 20013/14 RULE 20A & RULE 20B (IN-LIEU FEE) WORKPLAN

### **1. RULE 20A UNDERGROUND UTILITY PROGRAM**

**Guadalupe Gardens Rule 20A Underground Utility District (UUD), Hedding/Taylor/Coleman:** This project complements the Guadalupe Gardens Master Plan, and the Taylor Street Roadway Widening and Coleman/I-880 Interchange Projects. Substructure installation has been completed. Utility poles and wires are expected to be removed by Summer 2010.

**Market/Almaden Rule 20A UUD, (Reed, Pierce, Williams, Balbach and Viola Streets):** This project was legislated in June 2006. The construction start of this project was slightly delayed because of utility company resources issues and coordination challenges with the Market/Almaden Neighborhood Association (MANA). Construction started in December 2008 and substructure installation was completed in December 2009. Currently, utility companies are pulling wires and installing facilities in the substructure. Utility poles and wires are expected to be removed by Fall 2010.

**Jackson/ Taylor Rule 20A and Rule 20B UUD:** This project was legislated in November 2005, and construction started in March 2009. Construction is expected to be completed by Spring 2011. Initially, this project was delayed because of design issues and coordination amongst utilities. This project is funded through a combination of Rule 20A and Rule 20B (In-Lieu-Fee) funds and is being constructed as one large project. This project is being coordinated with San Jose Redevelopment Agency's plans for the Japantown neighborhood.

**Park/Naglee Rule 20A UUD:** This project was legislated in May 2006 to complement the Rose Garden neighborhood and the new Rose Garden Library. PG&E is finalizing design and the project is scheduled to start construction in September 2010. During design, PG&E discovered the need for poles at two locations to maintain service to back lot properties. Currently, PG&E and city staff are working with property owners to obtain easements. The project is slightly behind schedule because of ongoing negotiations with the property owners. If the easement cannot be obtained, staff will recommend an exception to allow two utility poles to remain within the public right-of-way.

Prior to start of design, several property owners were contacted by the City on behalf of PG&E to obtain easements for above ground cabinets. All but two property owners denied the request. However, because of successful negotiations with PG&E on the aboveground cabinet and easement issues, this is a non-issue as PG&E has agreed to place the majority of the facilities subsurface in the public right-of-way.

**Stevens Creek Rule 20A UUD:** This project was legislated in February 2004 as a complement to the City of Cupertino's utility undergrounding project on Stevens Creek Boulevard. This project is scheduled to start construction in July 2010. The project was delayed for the following reasons: (1) Pending issues regarding aboveground cabinets and easements within the City of Cupertino, and (2) the City of San Jose has included in its schedule a number of higher-priority projects.

**Evergreen Park Rule 20A UUD:** This project was legislated in June 1988 and is scheduled to start construction in February 2011. This project was originally delayed because PG&E was unable to obtain an easement from the School District on the north side of Yerba Buena Road (east of San Felipe Road) for the placement of facilities. PG&E is redesigning the project to develop an alternate solution to the easement issue.

**Delmas/Park Rule 20A/B UUD:** This project was legislated in February 2008 and is being funded by Rule 20A and Rule 20B (In-Lieu Fee) funds. PG&E is lead on the Rule 20A portion of the project and is scheduled to start construction in August 2010. The City is the lead on the Rule 20B portion of the project and is scheduled to start construction in June 2011.

## **2. RULE 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM**

**Saratoga Avenue Rule 20B UUD:** This project was designed and construction managed by city staff. Construction of utility company substructure installation began in January 2007 and was completed in May 2007. PG&E completed its portion of work and removed poles and wires in 2008. AT&T completed its portion of work in April 2009 and was slightly delayed because of coordination issues with one property owner on Saratoga Avenue coupled with their own resources issues. The remaining poles and wires were removed in Summer of 2009.

**Fruitdale Avenue UUD –** This UUD was legislated in 1996. Design and construction of this project has been postponed because of uncertainty with the adjacent development project.

**RULE 20A and RULE 20B (IN-LIEU FEE)  
UNDERGROUND UTILITY PROGRAM  
2009/10 - 2014/2015 WORKPLAN**

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	ADOPTED OR PROPOSED LEGISLATION DATE	CONSTRUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
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**FY 2009/2010**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$1,991,956	\$46,785,197
2009/2010 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$550,000	\$4,249,962
2009/2010 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
2009/2010 ANTICIPATED REVENUE - PG&E/PRIVATE SERVICE CONVERSION					\$125,000	
2009/2010 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION RIEMBURSEMENT					(\$125,000)	
<b>PROJECTS:</b>						
GUADALUPE GARDENS (Phase I) - Hedding/Coleman	20A	3	1/14/03	Complete		(\$1,250,000)
GUADALUPE GARDENS (Phase II) - Hedding/Taylor/Coleman (In Construction)	20A	3	1/14/03	Jan-08		(\$5,700,000)
MARKET/ALMADEN AVE. - Reed, Pierce, William, Balbach, Viola (In Construction)	20A	3	6/13/06	Nov-08		(\$4,000,000)
JACKSON/TAYLOR - 4th to 9th (In Construction)	20A & B	3	11/18/05	Mar-09	(\$1,650,000)	(\$5,150,000)
Funds expended for the Jackson/Taylor 20B in FY 2008/2009					\$1,614,000	
Anticipated In-Lieu Fee Undergrouding Utility Riembursement and design cost for the Delmas/Park 20B UUD Project	20B	CW			(170,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$135,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$355,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$24,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$18,000)	
SUBTOTAL (EXPENDITURES)					(\$863,000)	(\$16,100,000)
ENDING FUND BALANCE					\$1,843,956	\$34,935,159

**FY 2010/2011**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$1,843,956	\$34,935,159
2010/2011 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$650,000	\$4,600,000
2010/2011 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
2010/2011 ANTICIPATED REVENUE - PG&E/PRIVATE SERVICE CONVERSION					\$60,000	
2010/2011 ANTICIPATED EXPENDITURE-PG&E/PRIVATE SERVICE CONVERSION RIEMBURSEMENT					(\$60,000)	
<b>PROJECTS:</b>						
PARK/NAGLEE - Park, Naglee to Shasta & Naglee, Park to Bascom	20A	6	5/12/06	Jun-10		(\$6,000,000)
STEVENS CREEK BLVD - Stearns to Calvert	20A	1	3/26/04	Jul-10		(\$650,000)
DELMAS/PARK 20A: Delmas, San Fernando, Cahill, Auzerais & Park Ave	20A	3	2/29/08	Aug-10		(\$5,500,000)
DELMAS/PARK 20B: Delmas, San Fernando, & Park Ave	20B	3	2/29/08	Jun-11	(\$1,400,000)	
EVERGREEN PARK - Yerba Buena Rd. & San Felipe Rd.	20A	8	7/29/88	Feb-11		(\$3,000,000)
MONTEREY RD. - Willow to Curtner, inc. Cadwaller Plaza	20A	3,7	7/28/89	Jun-11		(\$3,000,000)
Anticipated In-Lieu Fee Undergrouding Utility Riembursement	20B	CW			(50,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$70,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$380,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$56,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$28,000)	
SUBTOTAL (EXPENDITURES)					(\$2,044,000)	(\$18,150,000)
ENDING FUND BALANCE					\$549,956	\$21,385,159

**FY 2011/2012**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$549,956	\$21,385,159
2011/2012 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$750,000	\$4,900,000
2011/2012 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
<b>PROJECTS:</b>						
CAMDEN AVENUE, Bascom to Leigh	20A	9	9/17/93	Jul-11		(\$3,000,000)
WHITE ROAD at Alum Rock Avenue (Alum Rock Library)	20A	5	09/05/08	Jul-11		(\$2,000,000)
ABORN ROAD - Renfield Wy to Thompson Creek (Evergreen Library)	20A	8	10/31/08	Aug-11		(\$2,500,000)
TULLY ROAD, Kenoga Dr to Senter Rd	20A	7	05/29/09	Jan-12		(\$2,500,000)
COLEMAN AVENUE - Hedding St to Basset	20A	3	07/24/09	Feb-12		(\$2,200,000)
LINCOLN AVENUE - San Carlos to Coe	20A	6	Jun-10	Aug-12		(\$2,100,000)
McKEE ROAD - Jackson to Jose Figueres	20B	5	Feb-11	Mar-12	(\$700,000)	
Anticipated In-Lieu Fee Undergrouding Utility Riembursement	20B	CW			(50,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$72,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$365,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$56,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$31,000)	
SUBTOTAL (EXPENDITURES)					(\$1,274,000)	(\$14,300,000)
ENDING FUND BALANCE					\$65,956	\$11,985,159

**RULE 20A and RULE 20B (IN-LIEU FEE)  
UNDERGROUND UTILITY PROGRAM  
2009/10 - 2014/2015 WORKPLAN**

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	ADOPTED OR PROPOSED LEGISLATION DATE	CONSTRUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
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**FY 2012/2013**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$65,956	\$11,985,159
2012/2013 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$850,000	\$5,200,000
2012/2013 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
<b>PROJECTS:</b>						
De ANZA BLVD. - Rainbow to Prospect	20A	1	Jun-10	Aug-12		(\$2,000,000)
KIRK PARK, Foxworthy - Yucca to Briarwood	20A	9	Aug-10	Oct-12		(\$2,000,000)
GROSBECK PARK, Klien Rd. - Hill to Norwood	20A	8	Dec-10	Jan-13		(\$1,800,000)
HAMANN PARK, Westfield - Central to Daniel	20A	6	Jan-11	Mar-13		(\$1,800,000)
MONTGOMERY ST - Santa Clara Street to Park Avenue	20A	3	Jan-11	Apr-13		(\$1,500,000)
Anticipated In-Lieu Fee Undergrounding Utility R reimbursement & Design	20B	CW			(100,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$74,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$270,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$56,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$26,000)	
SUBTOTAL					(\$526,000)	(\$9,100,000)
ENDING FUND BALANCE					\$429,956	\$8,085,159

**FY 2013/2014**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$429,956	\$8,085,159
2013/2014 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$850,000	\$5,500,000
2013/2014 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
<b>PROJECTS:</b>						
McABEE ROAD - Peralta to Camden	20A	10	Apr-11	Jul-13		(\$1,700,000)
PROSPECT ROAD - Saratoga to De Anza	20A	1	Aug-11	Aug-13		(\$2,000,000)
BLOSSOM HILL, SNELL AVE - Judith to Snell, Giuffrida to Cheyenne	20A	2	Dec-11	Jan-14		(\$2,000,000)
MUNICIPAL GOLF COURSE - Lundy/Old Oakland Rd./Murphy	20A	4	Jan-12	Apr-14		(\$1,500,000)
MERIDIAN AVENUE - Park to Auzerais	20B	6	Jun-12	Jun-14		(\$600,000)
Anticipated In-Lieu Fee Undergrounding Utility R reimbursement	20B	CW			(50,000)	
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$76,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$275,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$56,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$26,000)	
SUBTOTAL (EXPENDITURES)					(\$1,083,000)	(\$7,200,000)
ENDING FUND BALANCE					\$236,956	\$6,385,159

**FY 2014/2015**

BEGINNING FUND BALANCE/RULE 20A ALLOCATION					\$236,956	\$6,385,159
2014/2015 REVENUE(ANTICIPATED)/RULE 20A ALLOCATION					\$950,000	\$5,800,000
2014/2015 ANTICIPATED REVENUE - INTEREST INCOME					\$40,000	
<b>PROJECTS:</b>						
MINNESOTA AVE. - Lincoln to Iris	20A	6	Oct-12	Jul-14		(\$1,500,000)
NORTH 4TH ST - St. John St to St. James St, and JULIAN ST, 4th St to 2nd St.	20A	3	Dec-12	Oct-14		(\$1,500,000)
NORTH 5TH ST, St. John Street to Japan Town	20A	3	Jan-13	Jan-15		(\$1,500,000)
LOS GATOS/ALMADEN ROAD - Union to Warwick	20B	9	Apr-10	May-15		(\$650,000)
Anticipated In-Lieu Fee Undergrounding Utility R reimbursement	20B	CW			(50,000)	
RESERVED FOR FUTURE SJRA PRIORITY PROJECTS	20A					(\$3,000,000)
RESERVED FOR FUTURE PARKS PROJECTS	20A					(\$3,000,000)
RESERVED FOR FUTURE RULE 20A PROJECTS	20A					(\$3,000,000)
PROGRAM ADMINISTRATION (In-Lieu Fee-Rule 20B)					(\$78,000)	
PROGRAM ADMINISTRATION (Rule 20A)					(\$280,000)	
PUBLIC WORKS CAPITAL MANAGEMENT COSTS					(\$56,000)	
TRANSFER TO CITY HALL DEBT SERVICE FUND					(\$27,000)	
SUBTOTAL (EXPENDITURES)					(\$1,141,000)	(\$13,500,000)
ENDING FUND BALANCE					\$85,956	(\$1,314,841)

**DEFERRED PROPOSED PROJECTS**

McABEE ROAD - Juli-Lynn to Peralta	20B	10			(\$700,000)	
PEARL/HILLSDALE - Capitol to Hillsdale to Summer Creek	20B	6			(\$750,000)	
CANOAS GARDEN, Almaden to Masonic	20B	6			(\$750,000)	
LUNDY AVE - Murphy to Old Hostetter	20B	4			(\$800,000)	
JULIAN STREET, The Alameda to Cinnabar	20B	6			(\$800,000)	
VASONA LRT: FRUITDALE AVENUE - Southwest to Meridian (Project on hold)	20B	6			(\$1,500,000)	

**Notes:**

1. Construction of Rule 20A Undergrounding projects are funded by utility companies.
2. Rule 20A Program administration cost is borne by the City.

**RULE 20A AND RULE 20B (IN-LIEU FEE)  
UNDERGROUND UTILITY PROGRAM  
2009/10 - 2014/2015 WORKPLAN - BY CITY COUNCIL DISTRICT**

ATTACHMENT B-2

PROPOSED PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	LEGISLATION ADOPTION DATE	CONSTRUCTION START	IN-LIEU FEE PROGRAM EXPENDITURES (Estimated)	RULE 20A PROGRAM EXPENDITURES (Estimated)
<b>DISTRICT 1</b>						
De ANZA BLVD. - Rainbow to Prospect	20A	1	Jun-10	Aug-12		(\$2,000,000)
PROSPECT ROAD - Saratoga to De Anza	20A	1	8/1/11	Aug-13		(\$2,000,000)
STEVENS CREEK BLVD - Stearns to Calvert	20A	1	Mar-04	Jul-10		(\$650,000)
<b>DISTRICT 2</b>						
BLOSSOM HILL, SNELL AVE - Judith to Snell, Gluffrida to Cheyenne	20A	2	Dec-11	Jan-14		(\$2,000,000)
<b>DISTRICT 3</b>						
COLEMAN AVENUE - Hedding St to Basset	20A	3	Jul-09	Feb-12		(\$2,200,000)
DELMAS/PARK 20A: Delmas, San Fernando, Cahill, Auzerals & Park Ave	20A	3	2/29/08	8/1/2010		(\$5,500,000)
DELMAS/PARK 20B: Delmas, San Fernando, & Park Ave	20B	3	2/29/08	Jun-11	(\$1,400,000)	
GUADALUPE GARDENS (Phase I) - Hedding/Coleman	20A	3	1/14/03	Complete		(\$1,250,000)
GUADALUPE GARDENS (Phase II) - Hedding/Taylor/Coleman (In Construction)	20A	3	1/14/03	Jan-08		(\$5,700,000)
MARKET/ALMADEN AVE. - Raed, Pierce, William, Balbach, Viola (In Construction)	20A	3	8/13/06	Nov-08		(\$4,000,000)
MONTGOMERY ST - Santa Clara Street to Park Avenue	20A	3	Jan-11	Apr-13		(\$1,500,000)
NORTH 4TH ST - St. John St to St. James St, and JULIAN ST, 4th St to 2nd St.	20A	3	Dec-12	Oct-14		(\$1,500,000)
NORTH 6TH ST, St. John Street to Japan Town	20A	3	Jan-13	Jan-15		(\$1,500,000)
JACKSON/TAYLOR - 4th to 9th (In Construction)	20A & B	3	Nov-05	Mar-09	(\$1,850,000)	(\$5,150,000)
<b>DISTRICT 4</b>						
MUNICIPAL GOLF COURSE - Lundy/Old Oakland Rd./Murphy	20A	4	Jan-12	Apr-14		(\$1,500,000)
<b>DISTRICT 5</b>						
WHITE ROAD at Alum Rock Avenue (Alum Rock Library)	20A	5	09/05/08	Jul-11		(\$2,000,000)
McKEE ROAD - Jackson to Josea Figueras	20B	5	Feb-11	Mar-12	(\$700,000)	
<b>DISTRICT 6</b>						
HAMANN PARK, Westfield - Central to Daniel	20A	6	Jan-11	Mar-13		(\$1,800,000)
LINCOLN AVENUE - San Carlos to Coe	20A	6	Jun-10	Aug-12		(\$2,100,000)
MINNESOTA AVE. - Lincoln to Iris	20A	6	Oct-12	Jul-14		(\$1,500,000)
PARK/NAGLEE - Park, Naglee to Shasta & Naglee, Park to Bascom	20A	6	5/12/06	Sep-10		(\$8,000,000)
MERIDIAN AVENUE - Park to Auzerals	20B	6	Jun-12	Jun-14	(\$700,000)	
<b>DISTRICT 7</b>						
TULLY ROAD, Kanoga Dr to Senter Rd	20A	7	May-09	Jan-12		(\$2,500,000)
MONTEREY RD. - Willow to Curtner, Inc. Cadwallar Plaza	20A	3,7	7/28/89	Jun-11		(\$3,000,000)
<b>DISTRICT 8</b>						
ABDRN ROAD - Renfield Wy to Thompson Creek (Evergreen Library)	20A	8	10/31/08	Aug-11		(\$2,500,000)
EVERGREEN PARK - Yerba Buena Rd. & San Felipe Rd.	20A	8	7/29/88	Feb-11		(\$3,000,000)
GROSBECK PARK, Kilian Rd. - Hill to Norwood	20A	8	Dec-10	Jan-13		(\$1,800,000)
<b>DISTRICT 9</b>						
CAMDEN AVENUE, Bascom to Leigh	20A	9	9/17/93	Jul-11		(\$3,000,000)
KIRK PARK, Foxworthy - Yucca to Briarwood	20A	9	Aug-10	Oct-12		(\$2,000,000)
LOS GATOS/ALMADEN ROAD - Union to Warwick	20B	9	Apr-10	May-15	(\$700,000)	
<b>DISTRICT 10</b>						
McABEE ROAD - Peralta to Camden	20A	10	Apr-11	Jul-13		(\$1,700,000)

**RULE 20A AND 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM  
SUMMARY OF CHANGES SINCE LAST REPORT**

ATTACHMENT C

PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	2008/09-2013/14 WORKPLAN (submitted to Council in June 2009)		2009/10 - 2014/15 WORKPLAN (PROPOSED)		REASON FOR CHANGE (SEE NOTES)
			LEGISLATION ADOPTION DATE	CONSTRUCTION START	LEGISLATION ADOPTION DATE	CONSTRUCTION START	
ABORN ROAD - Pumpherston Wy to White Rd (Evergreen Library)	20A	8	Legislated	2010	Legislated	2011	C, D
BLOSSOM HILL, SNELL AVE - Judith to Snell, Giuffrida to Cheyenne	20A	2	2011	2013	2011	2014	D
CAMDEN AVENUE, Bascom to Leigh (In Design)	20A	9	Legislated	2010	Legislated	2011	C, D
CANOAS GARDEN, Almaden to Masonic	20B	6					G
COLEMAN AVENUE, Hedding St to Basset	20A	3	2009	2010	Legislated	2012	D
De ANZA BLVD. - Rainbow to Prospect	20A	1	2010	2011	2010	2011	D
DELMAS/PARK 20A: Delmas, San Fernando, Cahill, Auzerais & Park Ave	20A	20B	2008	2009	<b>Legislated</b>	2010	C, H
DELMAS/PARK 20B: Delmas, San Fernando, & Park Ave	20B	20B	2008	2009	<b>Legislated</b>	2011	C, H
EVERGREEN PARK - Yerba Buena Rd. & San Felipe Rd. (In Design)	20A	8	Legislated	2009	Legislated	2010	A, C
GROSBECK PARK, Klien Rd. - Hill to Norwood	20A	8	2010	2011	2010	2013	D
GUADALUPE GARDENS - Hedding/Taylor/Coleman (Phase I)	20A	3	Legislated	Completed	Legislated	Completed	
GUADALUPE GARDENS - Hedding/Taylor/Coleman (Phase II)	20A	3	Legislated	In Construction	Legislated	In Construction	
HAMANN PARK, Westfield - Central to Daniel	20A	6	2010	2012	2011	2013	D
JACKSON/TAYLOR - 4th to 9th	20A & B	3	Legislated	In Construction	Legislated	<b>In Construction</b>	
JULIAN STREET, The Alameda to Cinnabar	20B	6	2012	2013			G
KIRK PARK, Foxworthy - Yucca to Briarwood	20A	9	2010	2011	2010	2012	D
LINCOLN AVENUE - San Carlos to Coe	20A	6	2010	2011	2010	2012	D
LOS GATOS/ALMADEN ROAD - Union to Warwick	20B	9	2012	2014			G
LUNDY AVE - Murphy to Old Hostetter	20B	4					G
MARKET/ALMADEN AVE. - Reed, Pierce, William, Balbach, Viola	20A	3	Legislated	In Construction	Legislated	<b>In Construction</b>	
McABEE ROAD - Peralta to Camden	20A	10	2010	2012	2011	2013	D
McABEE ROAD - Juli-Lynn to Peralta	20B	10	2010	2012			I
McKEE ROAD - Jackson to Jose Figueres	20B	5	2010	2012	2011	2013	D
MERIDIAN AVENUE - Park to Auzerais	20B	6	2011	2013	2012	2014	D
MINNESOTA AVE. - Lincoln to Iris	20A	6	2012	2013	2012	2014	D
MONTEREY RD. - Willow to Curtner, inc. Cadwaller Plaza	20A	3, 7	Legislated	2010	Legislated	2011	C, D
Montgomery Street - Santa Clara Street to Park Avenue	20A	3	2012	2014	2011	2013	F
MUNICIPAL GOLF COURSE - Lundy/Old Oakland Rd./Murphy	20A	4	2012	2013	2012	2014	D
NORTH 4TH ST - St. John St to St. James St, and JULIAN ST, 4th St to 2nd St.	20A	3	2012	2014	2012	2014	F, D
North 5th Street, St. John Street to Japan Town	20A	3	2013	2014	2013	2015	F, D
PARK/NAGLEE - Park, Naglee to Shasta & Naglee, Park to Bascom	20A	6	Legislated	2009	Legislated	2010	C, D
PEARL/HILLSDALE - Capitol to Hillsdale to Summer Creek	20B	6					G
PROSPECT ROAD - Saratoga to De Anza	20A	1	2011	2012	2011	2013	D
STEVENS CREEK BLVD - Stearns to Calert	20A	1	Legislated	2009	Legislated	2010	C, D

**RULE 20A AND 20B (IN-LIEU FEE) UNDERGROUND UTILITY PROGRAM  
SUMMARY OF CHANGES SINCE LAST REPORT**

ATTACHMENT C

			2008/09-2013/14 WORKPLAN (submitted to Council in June 2009)		2009/10 - 2014/15 WORKPLAN (PROPOSED)		
PROJECT	TYPE OF PROJECT	COUNCIL DISTRICT	LEGISLATION ADOPTION DATE	CONSTRUCTION START	LEGISLATION ADOPTION DATE	CONSTRUCTION START	REASON FOR CHANGE (SEE NOTES)
TULLY ROAD, Kenoga Dr to Senter Rd	20A	7	2009	2010	Legislated	<b>2012</b>	D
VASONA LRT: FRUITDALE AVENUE - Southwest to Meridian	20B	6	Legislated		Legislated		E
WHITE ROAD at Alum Rock Avenue	20A	5	2008	2010	2008	<b>2011</b>	C, D

**BOLD PRINT** indicates changes since last report.

**NOTE: REASON FOR CHANGES**

- A. Difficulty in obtaining easements needed for underground substructures. Project being re-engineered.
- B. Delay in project schedule because of PG&E resources issues and design challenges.
- C. Project in design
- D. Workplan reflects rescheduled target dates due to schedule changes in prior year projects.
- E. Project postponed from the workplan because of uncertainty with the adjacent development project.
- F. New project complements SJRA and DOT projects.
- G. Rule 20B projects re-prioritized because of lower revenue predictions. Funding will be evaluated on yearly basis and projects will be re-prioritized accordingly.
- H. Project was legislated as combination Rule 20A and 20B project. However, design and construction responsibilities are being split between PG&E and City. PG&E will be the lead for the Rule 20A portion of the project and City will be the lead for the Rule 20B portion of the project.
- I. Project will be combined with the proposed McAbee Road Rule 20A project.

**AREAS IDENTIFIED FOR CONSIDERATION AS  
FUTURE RULE 20A UNDERGROUND UTILITY PROJECTS**

**PROPOSED PROJECT AREA**

**1. COUNCIL MEMBER REQUESTS**

- White Road, McKee Road to Eastside Drive
- White Road, Park Lane to Ocala/Martin Avenue
- Areas north of the Reid/Hillview Airport
- Alviso/1<sup>st</sup> Street

**2. REDEVELOPEMENT - GREATER DOWNTOWN PRIORITY AREAS**

- Post St. - Almaden Blvd. to San Pedro - Almaden Ave. - Post St. to Santa Clara
- St. John - Almaden Blvd. To Terainne/Almaden Ave.; . Almaden Ave./ Terraine St.; - Carysle to St. James
- St. John - Montgomery. to 87; Almaden Blvd.- Julian St. to Carysle St.
- Autumn Ave. - Julian to St. John; Montgomery – Julian to Cinnebar
- Julian & St James - 4th to 7<sup>th</sup> St. ; Sixth and Seventh – Santa Clara to Julian
- Stockton Ave. - Santa Clara to Julian St.; Julian St. – Stockton to Montgomery St.
- St. Teresa – Coleman to Ryland; Ryland – St Teresa to North San Pedro
- San Salvador - 4<sup>th</sup> St. to 10<sup>th</sup> St.
- Stockton Ave. – Julian to Taylor; Taylor – Stockton to Coleman Ave.; Montgomery – Julian to Cinnebar
- Julian/St. James - Notre Dame to 1<sup>st</sup> St. (Rule 20C project funded by Agency and housing developers)
- St. James to Basset - 87 to San Pedro (Rule 20C project funded by Agency and housing developers)
- Grant St – Autumn Ave. to Locus St.

**REDEVELOPEMENT – NEIGHBORHOOD BUSINESS DISTRICT PRIORITY AREAS**

- Willow Street, South Almaden Ave. to Highway 87

**3. CITIZEN REQUESTS**

- Meridian Ave., Fruitdale to Hamilton
- Cropley/Morrill Ave. (A citizen on Morrill Ave. requested undergrounding of utility lines along Morrill Ave., between Junewood Ave. and Tobin Drive. This segment on Morrill Ave. is to be included with the future Cropley Ave. Rule 20A project.)

**4. SOUTH CAMPUS NEIGHBORHOOD:** – Streets requested for consideration by the Planning Department on behalf of the South Campus Neighborhood Revitalization Plan Advisory Group and the residents of the area. Streets requested are as follows:

- Reed Street, 2<sup>nd</sup> St. to 4<sup>th</sup> St.
- William Street, 2<sup>nd</sup> St. to William Street Park
- 7th Street, I-280 to SJSU Campus
- 10<sup>th</sup> & 11<sup>th</sup> Streets, I-280 to E. Santa Clara Street

**5. PROJECTS THAT WILL COMPLIMENT CIP PROJECTS** - Streets requested by the Department of Transportation that will complement CIP projects. Streets/area requested as follows:

- Almaden Expwy./Coleman Road Area - will remove conflicts from Almaden POC project. Almaden Expwy. is in Santa Clara County jurisdiction and the project was legislated in 2007.
- Taylor Street - Guadalupe Gardens to Japantown (coordinate with Taylor/First project and close gap between other undergrounding projects on Taylor)
- Julian/St. James Couplet Corridor - remove conflicts from signal conversions
- 5<sup>th</sup> Street Corridor - create attractive pedestrian corridor from SJSU/City Hall to Japantown (relates to HIP grant)
- 3<sup>rd</sup>/4<sup>th</sup> Street Couplet Corridor - enhance Hensley Historic District
- Hamilton Avenue between Meridian Ave. and Hamilton Way
- Empire/Hensley - 2<sup>nd</sup> St. to 4<sup>th</sup> St.; Second, Third and Fourth Streets – Railroad tracks to Empire

**SUMMARY OF CRITERIA FOR EVALUATING  
UNDERGROUND UTILITY PROJECTS**

**RULE 20A UNDERGROUNDING UTILITY PROJECTS**

Approved by CPUC, 1968, revised 2002.

The governing body of the City or County in which such electric facility are and will be located has determined, after consultation with the Utility and after holding public hearings on the subject, that such undergrounding is in the public interest for one or more of the following reasons:

- a. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electrical facilities.
- b. The street or road right-of-way is intensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.
- c. The street or road right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
- d. The street or road or right-of-way is considered an arterial or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

**ADDITIONAL CRITERIA ESTABLISHED BY THE CITY OF SAN JOSE:**

1. Projects that complement City capital improvement projects (1978).
2. Completion of undergrounding adjacent to undergrounding accomplished by other projects (1978).
3. Projects that front city facilities, such as: parks, libraries, and fire stations (1978).
4. Projects in the Core (Downtown) Area (1978).
5. Projects that minimize costs to single family residences (1978).
6. Projects that are done in conjunction with light rail transit projects (1985).
7. Projects that are on gateway streets to the downtown area (1985).
8. Twenty percent (20%) of Rule 20A funds will be designated for projects adjacent to city parks (1986).
9. Projects in Redevelopment or Neighborhood Business District areas (1987).

**RULE 20B (IN-LIEU FEE) UNDERGROUNDING UTILITY PROJECTS**

Approved March 16, 1993

The criteria and procedures to create underground utility districts are specified in the San José Municipal Code. Proposed districts must be determined be in the general public interest for one or more of the following reasons:

**ATTACHMENT E**  
**SUMMARY OF CRITERIA FOR EVALUATING UNDERGROND UTILITY PROJECTS**  
Page 2 of 3

- a. Such removal and replacement underground will eliminate an unusually heavy concentration of poles and overhead wires within said area;
- b. The public streets or rights-of-way within said area are extensively used by the general public and carry a heavy volume of pedestrian or vehicular traffic;
- c. The public streets or rights-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.

**GENERAL CRITERIA**

The purpose of the General Criteria is to ensure that all projects included in the Workplan provide opportunities for cost effectiveness due to lower unit costs resulting from large aggregated projects, and are in areas where in-lieu fees have been paid. To date, in-lieu fees have been paid for 509 private development projects throughout the City. The Undergrounding Master Plan, listing 268 proposed projects areas that meet the General Criteria, has been developed by staff and is presented in Attachment E. The listing is presented in sequence of the percentage of proposed project frontage for which in-lieu fees have been paid (highest to lowest). The Undergrounding Master Plan is developed through consideration of the following General Criteria:

1. A minimum 600 feet of overhead facilities to be replaced. Projects that meet this criterion are eligible for certain credits from utility companies resulting in a lower cost per foot to complete the project.
2. Percentage of proposed project frontage for which in-lieu fees have been paid. The percentage of frontage length paid to date, the higher the priority.
3. Development frontages where undergrounding in-lieu fees have been paid and held by the City for five or more years. Fees must be returned if a project area cannot be identified (as shown in the Master Plan) within five years.

**SPECIFIC CRITERIA**

The purpose of the Specific Criteria is to provide specific guidelines for staff in selecting project areas for the Workplan. The Specific Criteria ensure that actions required of the City by executed agreements are implemented and also provide the flexibility to coordinate with other scheduled projects and programs. The proposed workplan, presented in Attachment B, has been developed through an evaluation of the Specific Criteria applicable to the listing of proposed project areas identified in the Undergrounding Master Plan.

- a. Projects for which agreements with the Utility Companies have been executed or approved for execution.
- b. Projects for which Legislation (City Ordinance) establishing an underground utility district have been adopted.
- c. Projects proposed in the last approved workplan for which review, field investigation and coordination with the utility company representative have begun.

**ATTACHMENT E**

**SUMMARY OF CRITERIA FOR EVALUATING UNDERGROND UTILITY PROJECTS**

Page 3 of 3

- d. Projects requiring completion by specific dates to avoid return of fees paid per executed agreements (Improvement District Projects).
- e. Projects that can be constructed in conjunction with other planned improvements by the City (CIP Projects).
- f. Projects that can be implemented in conjunction with private development construction activities.
- g. Projects that were proposed in the last approved workplan for which coordination with utility companies has not begun.
- h. Distribution among Council Districts in as equitable manner as possible.