

CITY OF OAKLAND
AGENDA REPORT

2010 MAR 11 PM 3: 59

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: March 23, 2010

RE: **An Informational Report From The Public Works Agency Electrical Services Division Presenting The Prioritization And Funding Of Underground Utility Projects In Sampled Localities**

SUMMARY

On September 29, 2009, at the Public Works Committee, Electrical Services staff presented the "First Come, First Served" process of prioritization for underground utility projects in Oakland. Staff described the current neighborhood petition process and the option to coordinate undergrounding work with scheduled streetscape projects. Upon completion of the presentation, the Committee requested that the Electrical Services Division provide further information on the prioritization of underground utility projects in other localities.

This report provides research data on the prioritization and funding of underground utility projects in various California municipalities including Alameda, Berkeley, Pasadena, San Diego, San Mateo, San Francisco, Thousand Oaks, Oakland, and Santa Barbara and Centennial, Colorado. In general, the cities sampled use their local utility company's criteria for undergrounding as a first step for prioritizing their projects. It was noted that many cities use additional criteria such as school proximity, business districts, public use areas, city gateways, high maintenance areas, public projects coordination, safety, aesthetics, and resource availability when determining the location of a project.

Funding for underground utility projects is a major issue for all the sampled municipalities. Staff found that a variety of mechanisms exist to finance projects including utility funds, surtax, assessment districts, capital improvement funds, franchise fee and electric bill surcharges. This tends to underscore the fact that underground utility projects are characteristically expensive and involve detailed coordination with local utility companies to minimize cost overruns. Santa Barbara requires that both city and utility company cost for residential projects be funded solely by home owners who benefit from the improvement.

PRIORITIZATION OF UNDERGROUND UTILITY PROJECTS IN SAMPLED LOCALITIES

Staff searched the web sites of nine California cities, and one out of state city for information on their prioritization criteria for underground utility projects. The findings are summarized in *Attachment A* and discussed below.

Local Utility Criteria

Of the ten municipalities studied, the common criterion for executing underground utility projects is the use and adherence to the local utility company rules to initially prioritize the task. Some cities require that all the CPUC's criteria for undergrounding be met, while other cities stipulate a minimum of one rule be used. Oakland uses the CPUC rules similar to the nine other municipalities studied, but Oakland is unique in using the "First Come, First Served" method as a specific criterion for prioritizing Rule 20A underground utility projects.

Additional Criteria for Underground Utility Projects

Coordination of Projects Criterion

Three cities have similar criteria to Oakland's (coordination with street-scapes), when prioritizing underground utility projects.

Alameda - coordination with other public projects

Pasadena - major street construction is planned

San Diego - projects adjacent to a major roadway reconstruction, not including normal roadway maintenance, or other public improvement projects where appropriate

Health, Safety and Public Welfare Criterion

Four cities sampled listed reasons in the category of Health Safety in their prioritization of underground utility projects.

Berkeley - health, safety and welfare

San Mateo - safety, heavy concentration of overhead wires

San Jose - public safety

Pasadena - there is a higher risk of fire hazards

Pasadena - power lines are in conflict with tree and structural clearance

Pasadena - overhead lines are deteriorated and need replacement

Pasadena - new or expanded power facilities are needed

Proximity to Public Spaces Criterion

Six of the sampled cities listed proximity to public facilities such as gateways, public project developments, schools, parks, recreation centers, and business districts as a criterion for prioritization.

San Mateo - gateway to the City, overhead facilities cause aesthetics problem to the area, business districts

San Francisco – visibility, likelihood of future development in the area

Alameda - school areas, business districts and residential area public use, scenic area and entryways into the City

San Diego - street adjacent to public facilities, schools, trolley stations, recreation centers

Thousand Oaks – proximity to new development

Centennial – proximity to a commercial corridor, adjacent to a commercial development, considered an economic development project

Funding Availability Criterion

Five of the sampled cities list funding, cost or financial issues as one of the criteria for prioritization of underground utility project.

San Francisco - available fund, costs versus benefits

Thousand Oaks – low cost to benefit ratio, funds availability

Alameda - low cost to benefit ratio

San Diego - previously funded underground utility district which was subsequently removed from funded list and placed on deferment.

Centennial – part of a CIP project, utilizes multi-source funding

Collector or Arterial Street Criterion

Four of the sampled cities listed street size as a criterion for prioritizing for underground utility projects. The cities associated these major roadways with further qualification such as proximity to scenic locales or connection to previous undergrounding.

Alameda - high volume street

San Diego - major or collector streets with scenic views and/or contiguous to previous undergrounding

Santa Barbara – major arterial streets

Centennial - located near arterial streets or highways with significant traffic volumes

Miscellaneous Criteria

Two of the sampled cities listed criterion such as construction impacts, high maintenance areas and public necessity as reasons for prioritizing of their underground utility projects.

Berkeley - construction impacts, public necessity

Alameda - high maintenance areas

FISCAL IMPACT

This is an informational report and has no fiscal impact.

SUSTAINABLE OPPORTUNITIES

Economic: An Underground Utility Project provides the opportunity to use local contractors and employs Oakland residents, thus strengthening the local economy. It is generally perceived that undergrounding utilities can revitalize commercial business districts and increases property values.

Environmental: Implementation of the underground utility project will eliminate unsightly overhead utility lines in or affecting the public-right-of-way and innumerable drops to individual properties. It will improve the livability, aesthetics, and safety of the neighborhood and reduce the potential for fire, electric danger, or utility outage resulting from tree limbs touching overhead wires. Lastly, the undergrounding of overhead cables and equipment and removal of wood poles will enhance emergency evacuation in the event of a catastrophe.

Social Equity: The infusion of a sizable utility upgrade project in an area in Oakland will result in new equipment system and cable plant which will benefit the immediate users as well as the community at large. The disappearance of overhead wires and wood poles will distinguish itself in the commercial or residential community as aesthetically pleasing.

DISABILITY AND SENIOR CITIZEN ACCESS

The replacement of overhead lines and wood poles with a new underground system and underground street lighting will allow the disabled and senior citizens to move safely along unobstructed walkways.

RECOMMENDATIONS AND RATIONALE

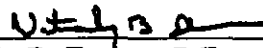
Staff recommends the Public Works Committee accept this report on the Prioritization and Funding of Underground Utility Projects in Sampled Localities.

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Public Works Committee
March 23, 2010

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accepts this report.

Respectfully submitted,



Vitaly B. Troyan, P.E.
Interim Public Works Agency Director

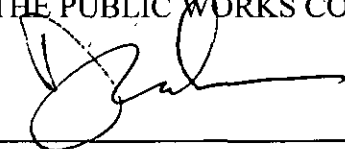
Reviewed by:
Bruce Saunders, Interim Assistant Director
Daniel Clanton, Manager, Electrical Service Division

Prepared by:
Paul Chan, Project Manager, Electrical Service Division

Attachments:

Attachment A: Sampled Localities for Prioritization Criteria on Underground Utility Projects and Funding Source

APPROVED AND FORWARDED TO
THE PUBLIC WORKS COMMITTEE:



Office of the City Administrator

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Public Works Committee
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<i>City</i>	<i>Utility Supplier</i>	<i>Funding Source</i>	<i>City's Prioritization Criteria in addition to Rule 20A</i>
Alameda, CA 950 W Mall Square Alameda, CA 94501 (510) 749-5840 http://www.ci.alameda.ca.us/publicworks/	Alameda Power Utility	20A Funds	1. School Areas, high volume street, business districts and residential area public use 2. Scenic Area and Entryways into the City 3. Low cost to benefit ratio 4. Construction impacts 5. High maintenance areas 6. Coordination with other public projects
Berkeley, CA 1947 Center Street, 4th Floor Berkeley, CA 94704 (510) 981-6400	PG&E	Utility Underground Assessment District	1. Public necessity, health, safety and welfare - reduces number of roadway obstacles and potential collisions for traveling public; reduces potential falling hazard and potential ingress/egress restrictions caused by overhead utility facilities during natural disasters; diminishes possible damage to utility facilities by external forces such as wind, fire, and vehicular collisions, thereby improving utilities reliability
Thousand Oaks, CA 2100 E. Thousand Oaks Blvd Thousand Oaks, CA 91362 (805) 449-2400	Southern California Edison	Utility Underground Assessment District Underground Utility Waiver Program (General fund) 20A Funds	1. Fund availability 2. Costs vs. benefits 3. Visibility 4. Future development in the area
Oakland, CA 7101 Edgewater Drive, Bldg. 2 Oakland, CA 94621 510-615-5427 http://www.oaklandpw.com/Page4.aspx/	PG&E	Utility Assessment District Capital Improvement Program 20A Funds	1. "First come, First Serve" 2. Streetscape project areas (precedents)
San Mateo, CA 330 West 20th Avenue San Mateo, CA 94403 (650) 522-7300	PG&E	20A Funds	1. Heavy concentration of overhead wires, business district 2. Gateway to the City 3. Overhead facilities cause aesthetic problem to the area 4. Safety

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San Francisco, CA 1 Dr. Carlton B. Goodlett Place City Hall, Room 348 San Francisco, CA 94102 (415) 554-6920 http://www.sfgov.org/site/sfdpw_index.asp	PG&E	20A Funds Property owner paid share for 20B project with City's available funds from utility surcharge	1. Fund availability 2. Costs vs. benefits 3. Visibility 4. Likelihood of future development in the area
Pasadena, CA 100 N. Garfield Ave. N306 Pasadena, CA 91101 (626) 744-4191 http://cityofpasadena.net/PublicWorks/	Pasadena Water and Power	Capital Improvement Projects Fund Underground Surtax	1. Overhead lines deteriorated and need replacement 2. Power lines in conflict with tree and structural clearance 3. Higher risk of fire hazards 4. Major street construction planned 5. New or expanded power facilities needed
Santa Barbara, CA 630 Garden St. Santa Barbara, CA 93101 (805) 729-4629 http://www.santabarbaraca.gov/Resident/Utilities/Utility_Undergrounding/	Southern CA Edison	Utility Underground Assessment District	1. First come first serve on residential area - residents pay full costs of utility company and City UG
		Utility Underground District	1. City council prioritized on Commercial Area - Rule 20A funds used for project
San Diego, CA 202 C Street San Diego, CA 92101 (619) 533-3841 http://www.sandiego.gov/undergrounding/	San Diego Gas and Electric	Underground Surcharge fee	1. Previously funded underground utility district which was subsequently removed from funded list and placed on deferment 2. Projects adjacent to a major roadway reconstruction, not including normal roadway maintenance, or other public improvement projects where appropriate 3. Major or collector streets contiguous to previous undergrounding 4. Street adjacent to public facilities, schools, trolley stations parks, and recreation centers 5. Major or collector streets with scenic views 6. All other major or collector streets 7. All other qualified rule 20A projects

<i>City</i>	<i>Utility Supplier</i>	<i>Funding Source</i>	<i>City's Prioritization Criteria in addition to Rule 20A</i>
Centennial, CO 13133 East Arapahoe Road Centennial, CO 80112 Ph: (303) 325-8000 http://www.centennialcolorado.com/DocumentView.aspx?DID=1453	Xcel Energy	franchisee fee agreement, Capital Improvement Program	1. Adjacent to highway, arterial or other street segment carrying high traffic volumes 2. Proximity or adjacent to a commercial corridor 3. Adjacent or part of a commercial development or redevelopment 4. Economic development project 5. Utilizes multiple funding sources including private sector and/ or inter-agency 6. Part of a CIP project 7. Enhances aesthetics/ community beautification