NUMBER_____

PROPOSED COUNCIL STUDY ISSUE
For Calendar Year: 1999

Continuing_____
Mandatory_____
New X
Previous Year (below line/defer)_____
(check one)

Item: To Develop an In-Lieu Fee for Undergrounding of Utilities

Department Responsible: Department of Community Development

General Plan Element or Sub-Element: Community Design

1. **What are the key elements of the issue?**

The City requires overhead utilities to be undergrounded when above ground lines exists on the site of new development. Due to the nature of in-fill development, there are locations in the City where undergrounding short spans of utilities is not practical or feasible. This study would evaluate the effectiveness of establishing in-lieu fees for such undergrounding projects as well as delineating districts where the fees would be used.

2. **Is study of the issue called for by City policy (General Plan, Program Outcome, etc.)?**

The study is not specifically called for in the General Plan. The Community Design Sub-Element of the General Plan contains policies and action statements that promote undergrounding overhead utilities.

Policy B.3 Minimize elements which clutter the roadway and look unattractive.

Action Statement B.3.a

Maintain the requirements for undergrounding overhead utility wires.

3. **Due Date (for continuing and mandatory issues if known): _____**

4. **Why should the issue be considered by Council? What precipitated it?**

Opportunities for undergrounding utilities have been missed in areas where predominantly in-fill development is taking place, such as the older residential neighborhoods near the downtown area. For some projects the cost to the City

for its share of the undergrounding project is too high. In some cases the undergrounding of short spans of utilities would result in more obtrusive aboveground support facilities. This result is contrary to one of the main purposes of the undergrounding ordinance, which is to improve visual clutter. Under these circumstances, undergrounding requirements are sometimes waived. The purpose of the study would be to evaluate the potential effectiveness of charging an in-lieu fee for undergrounding for development in some areas, so that the funds can be applied collectively for larger and more visually successful utility undergrounding projects.

5. **Origin of issue:**

Council:_____	**General Plan _____**
Councilmember _____	**Outside Request _____**
Board or Commission:	
Arts _____	**Library Board _____**
Bldg. Code of Appeals _____	**Parks & Recreation _____**
CCAB _____	**Personnel _____**
Heritage Preservation _____	**Planning _____**
Housing & Human Svs. _____	**Staff __X___**

Board and Commission Ranking/Comment: The Planning Commission ranked this item #6 of 8 for 1999.

6. **Multiple Year Project? Yes _X__ No ___ Expected Completion Date: 2000**

7. **Estimated work hours of lead dept.**

(a) **Is a work plan required for this issue? ___X___YES _____NO**
(b) **Does this issue require a Council Study Session? __X__YES _____NO**
(c) **What is the public participation process?** Standard notification and public hearing process. Property owner specific notification may be necessary if special project areas are identified.

Please include total number of hours after response to a, b & c.

_____	Less than 50	_____	200-300
_____	50-100	_____	300-400
_____	100-150	_____	400-500
_____	150-200	___X___	Over 500

8. **Estimated work hours from City Attorneys Office: _____**

List any other departments and total number of hours that will be involved in the Study Issue:

Public Works (50-100 hours), Finance (50-100 hours)

9. Estimated Cost and impact on current service levels:

Fee and revenue studies are typically involved due to the complexity of some revenue mechanisms. Funding sources such as fees and assessments require detailed study of revenue generation potential and legal issues with the scope, amount and justification of fees. Cost estimates for improvements that would be eligible for fee revenue is also necessary. Consultant assistance may be necessary for this study.

Estimated Fiscal Impact -

Cost of Study	$35,000
Capital Budget Costs	
Annual Operating Costs	
Revenues	
10 Year RAP	

Relative Importance/Impact on existing services –

The estimated cost of this study reflects in-house staff hours and hours for consultants. Tasks associated with this study would need to be balanced with other projects assigned during the same period.

10. <u>Staff Recommendations:</u>

__X__ Priority for Study _____ Against Study _____ No Recommendation

The General Plan states that the requirements for undergrounding utilities be maintained. The City is missing opportunities to eliminate overhead utility lines in some areas of the City due to lack of a coordinated effort to underground larger areas of utilities collectively. An in-lieu fee could potentially eliminate the piece meal attempts at undergrounding and create a more successful program for achieving City goals.

_____ _____
City Manager **Date**

12/03/04