

**Council Meeting: June 2, 2009****SUBJECT: Fair Oaks Avenue Underground Utility District, Phase II –
Setting Date for Public Hearing on June 23, 2009****REPORT IN BRIEF**

Staff is recommending that the City Council establish a date for a Public Hearing to create an Underground Utility District (UUD) along Fair Oaks Avenue between El Camino Real and approximately Evelyn Avenue. The purpose of the UUD is to underground overhead utilities in accordance with Pacific Gas and Electric's (PG&E) Rule 20A program. If the City Council wishes to proceed with the district, a public hearing should be set for June 23, 2009 to allow public comment on the proposed action. An underground utility district identifies a specific area and must be formed if overhead utilities are to be placed underground using Rule 20A funds.

Staff recommends that the City Council initiate the formation of the proposed underground utility district by passing the required Resolution of Intent (Attachment A) and set a public hearing date for June 23, 2009.

BACKGROUND

In 1986, the City Council approved a plan to underground overhead utilities on a priority list of City streets under the Rule 20A program. To date, seven projects have been completed and the next project in line is Fair Oaks Avenue from El Camino Real to approximately Evelyn Avenue. A list of projects beyond FY 08/09 are included in Attachment B. Rule 20A program funding is set aside each year by PG&E to share with cities for the undergrounding of PG&E facilities. Other overhead utilities will be asked to participate as part of their franchise agreements for use of the public right-of-way. Relocating wires below ground reduces potential hazards associated with downed lines during or after severe weather or earthquake. Removing utility poles along travel routes also reduces potential conflicts.

The Department of Public Works 2009 study issues, ranked by Council, includes DPW 08 *Reprioritization of Underground Utility Projects*. The study will re-evaluate the Rule 20A project and is scheduled to go before Council in October 2009.

Undergrounding distribution lines also requires service laterals and meters to be converted on private properties. These costs will be covered under the Rule 20A program for the first 100 feet of service line on private property and up to \$1,500 per parcel to modify the meter for the underground feed. The property owners in the district will not have to pay any costs.

Some modifications to street lighting will be made when overhead service lines and wooden utility light poles with street lights are removed. Removed street lights will be replaced with standard lighting poles served with underground conduit and conductors.

EXISTING POLICY

Community Design Sub-Element:

Policy 2.5B.3 Minimize elements which clutter the roadway and look unattractive;

Action Statement 2.5B3a Maintain the requirements for undergrounding overhead utility wires.

Policy 2.5D3 Work with outside government agencies to achieve attractive public and quasi-public facilities consistent with the quality of development in Sunnyvale.

Action Statement 2.5D3d Encourage PG&E and Southern Pacific Railroad to improve the appearance of transmission line easements and railroad lines.

DISCUSSION

PG&E will schedule the design and construction of the Fair Oaks Avenue, Phase II project in their undergrounding program. A joint trench will be designed and constructed that will also be used by other participants, Comcast Cable and AT&T. PG&E has advised that actual utility undergrounding could take a few years for completion due to PG&E's backlog of work, including undergrounding projects.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve the Resolution of Intent to create an Underground Utility District that sets a date of June 23, 2009 for public hearing.
2. Do not approve the Resolution of Intent and do not go forward with the creation of the UUD and the undergrounding of overhead utilities on Fair Oaks Avenue.

RECOMMENDATION

Staff recommends Alternative No. 1: Approve the Resolution of Intent to create an Underground Utility District that sets a date of June 23, 2009 for public hearing.

Reviewed by:

Marvin Rose, Director of Public Works

Prepared by: Mark Rogge, Assistant Director of Public Works

Approved by:

Gary M. Luebbbers
City Manager

Attachments

A. Resolution – Notice of Intent

B. Project Information Sheet – 826730 Underground Overhead Utilities

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE
OF PRELIMINARY DETERMINATION AND INTENTION TO ESTABLISH
THE FAIR OAKS UNDERGROUND UTILITY DISTRICT - PHASE II AND TO
PROVIDE FOR A PUBLIC HEARING**

WHEREAS, the City Council of the City of Sunnyvale hereby preliminarily determines that the public necessity, convenience, health, safety and welfare require, and it is the intention of the Council pursuant to Chapter 15.04 of Title 15 of the Sunnyvale Municipal Code to order the establishment of an underground utility district; and

WHEREAS, the name of the proposed district is "Fair Oaks Underground Utility District - Phase II" of the City of Sunnyvale; and

WHEREAS, the district includes all overhead utilities located in the area comprising the proposed district located on Fair Oaks Avenue between El Camino Real and Evelyn Avenue, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. NOTICE IS HEREBY GIVEN that on Tuesday, June 23, 2009, at the hour of 7:00 P.M., in the regular meeting place of City Council, Council Chambers, City Hall, 456 West Olive Avenue, Sunnyvale, California, is hereby fixed as the time and place when and where the Council shall hear all protests and receive evidence for and against the action herein proposed, and when and where the Council shall consider finally determining whether the public necessity, convenience, health, safety and welfare require the establishment of the district, and the underground installation of electric and communication facilities.

2. At the hearing, all persons interested shall be given an opportunity to be heard. The hearing may be continued from time to time as may be determined by the Council.

3. At the hearing, the Council will take evidence and consider the question of whether such undergrounding is in the general public interest for one or more of the following reasons:

a. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead distribution facilities; and

b. The streets or roads or rights-of-way are extensively used by the general public and carry a heavy volume of pedestrian and vehicular traffic.

c. The streets or roads or rights-of-way adjoin or pass through a civic area.

BE IT FURTHER RESOLVED THAT:

1. The City Clerk shall cause a copy of this Resolution to be published twice in The Sun, the official newspaper for publication of legal notices of the City of Sunnyvale and shall cause copies of this Resolution to be posted on each side of the street in each block or portion of block within the area affected; the posting and first publication to be had and completed at least ten (10) days before the date of hearing.

2. The City Clerk shall also cause copies of this Resolution to be mailed to the owners of the property affected at their addresses as it appears on the last equalized County tax roll, or, in the case of transfers, as appears from the records of the County Assessor, or as known to the City Clerk, and deposited in the United States mail, postage prepaid; and shall also cause copies of this Resolution to be mailed to each public utility affected at its office in the City and deposited in the United States mail, postage prepaid, at least ten (10) days before the date of hearing.

3. The City Clerk shall also cause copies of this Resolution to be served on the occupants of the property affected by leaving a copy thereof with the occupant, if there is one, and if not, by leaving a copy of this Resolution at the premises or mailing a copy to the owner at the address of record, at least ten (10) days before the date of hearing.

Adopted by the City Council at a regular meeting held on _____, 2009, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

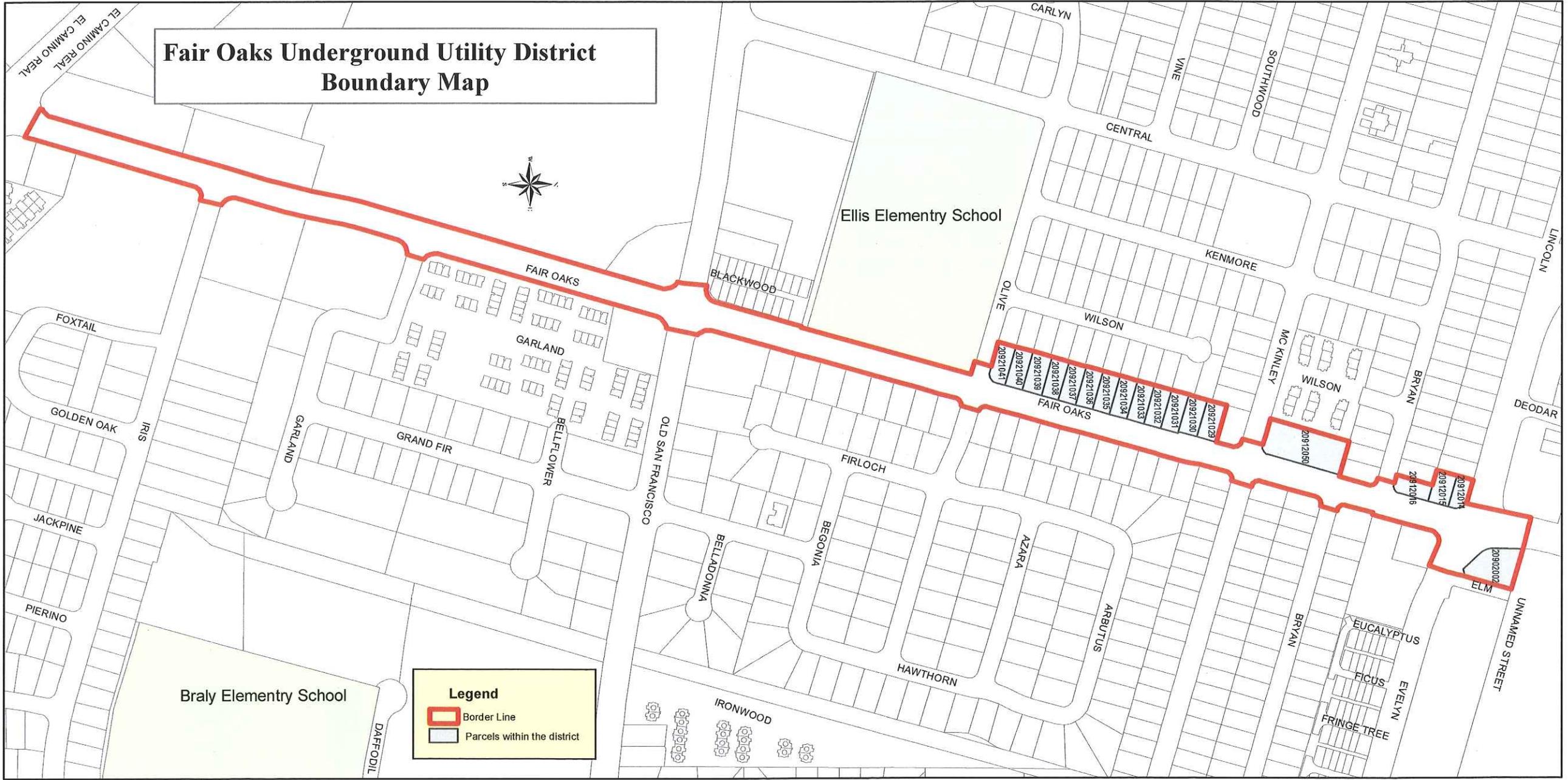
Mayor

APPROVED AS TO FORM AND LEGALITY:

David Kahn, City Attorney

EXHIBIT "A"

Fair Oaks Underground Utility District Boundary Map



Project Information Sheet

ATTACHMENT B

Project: 826730 Underground Overhead Utilities

Origination Year:	2005-06	Type:	Traffic & Transportation	Fund:	385 Capital Projects
Planned Completion Year:	Ongoing	Category:	Capital	Sub-Fund:	100 General Fund Assets
Department:	Public Works	Project Manager:	Mark Rogge	Project Coordinator:	Hira Raina

Project Description / Scope / Purpose

This project is to place overhead utilities, currently stuck on poles, underground on various arterials per the City's master plan. Funding shown is the City's share of support in order to qualify for PG&E's Rule 20A funds. As a result of change in the Rule 20A program, the City will have to pay only \$1500 to PG&E for each meter conversion. The rest of the cost of service laterals and the private connections will be taken out of Rule 20A funds by PG&E. The City will also have to pay for the connections and installation of new street lights on concrete poles. The proposed funds include these costs in addition to the engineering cost related to the district formation. Phase I of Fair Oaks, a portion from Maude to Birch, was completed in FY 1998/1999. Phase II of Fair Oaks from Evelyn to El Camino Real is proposed for FY 2008/09. Projects beyond FY 2008/09 include Wolfe between Homestead and El Camino (FY 2011/2012), Wolfe between El Camino and Old SF (FY 2014/2015), Pastoria between El Camino and Evelyn (FY 2017/2018), and Maude from Fair Oaks to Mathilda (FY 2020/2021). Other services that utilize the PG&E poles will also be located underground, and all of this cost will be paid by the providers who own these services. These providers include telephone and cable services. Planning work for Phase II has started.

← Projects beyond FY 08/09

Project Evaluation and Analysis

PG&E puts funds aside every year to share with cities in undergrounding of their facilities. These funds are designated for individual cities, so Sunnyvale does not lose PG&E funds to other cities. However, they can only be used by doing a project that involves the City sharing in the costs. The need for this type of project is primarily aesthetic, though there are also safety benefits in situations of extreme weather conditions. One of the costly items involves the installation of new street lights, and connecting the lights to the new underground power with buried connections. An alternative could be to install solar power panels for the street lights and not connect them to the power at all. At this time that could involve a large solar panel on the top of the light pole, which would have other aesthetic issues.

Fiscal Impact

Undergrounding utility distribution lines requires service laterals and meters to be converted on private properties. The cost of these conversions will be borne by the City, in addition to the cost of installing and connecting new street lights, and connections to the traffic signals. There will be no impact to the operating budget.

Project Financial Summary

Financial Data	Prior Actual	Current 2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Y11-Y20 Total	Project Life Total
Project Costs	0	100,000	100,000	0	102,000	104,040	0	108,243	110,408	0	114,869	117,166	252,331	1,109,057
Revenues														
Utility Users Tax PG&E - Electric			0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
General Fund - General			100,000	0	102,000	104,040	0	108,243	110,408	0	114,869	117,166	252,331	
Total	0	100,000	100,000	0	102,000	104,040	0	108,243	110,408	0	114,869	117,166	252,331	1,109,057
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0