

DATE ISSUED: September 28, 2001

REPORT NO. 01-207

ATTENTION: Committee on Land Use and Housing  
Agenda of October 3, 2001

SUBJECT: Council Policy 600-25, Private Development Responsibilities for  
Undergrounding of Overhead Utility Lines

### SUMMARY

Issues - Should the Committee on Land Use and Housing (LU&H) recommend that City Staff prepare revisions to the Land Development Code and Council Policy 600-25 to require that more private development underground existing overhead utilities as part of new development and to further limit when underground waivers are granted?

#### Manager's Recommendations -

- 1) Direct staff to prepare revisions to the Land Development Code (LDC) to apply the requirement for undergrounding of existing overhead utilities to additional types of new development and to incorporate the process and findings for when waivers may be granted into the LDC
- 2) Direct staff to bring forward proposed amendments to Council Policy 600-25 removing the waiver process and findings from the Policy and identifying Council Policy for undergrounding of overhead lines in circumstances other than new development.

Environmental Impact - Environmental analysis of the proposed revisions to the Land Development Code and Council Policy will be identified when the revisions are prepared and brought forward for approval.

Fiscal Impact - Project review for compliance with modified utility undergrounding regulations would be fully cost recoverable through deposit accounts provided by private project applicants.

Housing Affordability Impact - The change in regulations if applied to multi-family housing projects will increase costs for processing and review of residential development projects and also increase overall costs for the construction of the proposed projects.

Code Enforcement Impact - Changes to the Land Development Code and Council Policy are not anticipated to have any impact on Code Enforcement.

### BACKGROUND

On December 12, 2000, the City Council heard a proposal to grant a new utility easement for installation of a new overhead electric utility line across public property. As part of City Council's action on this item, the City Manager was directed to bring proposed changes to the Council Policy regarding private developer conversion of overhead utility lines to the Committee on Land Use and Housing (LU&H)

Currently, LDC Section 144.0240 (Attachment No. 1) requires the undergrounding of all existing or proposed utilities within the boundaries of any new development that proposes subdivision of land. The only exemptions to these requirements are: 1) if the utility is a 60,000 volt transmission line or higher; 2) if the subdivision is residential and consists of less than four lots and does not extend an existing underground system; or 3) if a waiver, consistent with Council Policy 600-25 (Attachment No. 2) has been granted. Under current regulations, all other development projects that do not involve subdivision of land, are not subject to the requirement for undergrounding.

Per Council Policy 600-25, waivers to the requirement for undergrounding existing utilities in a new subdivision may be granted by the appropriate decision maker if the findings in the Policy can be made. Generally waivers can be granted for short sections of existing utilities, for situations where the conversion would add more overhead poles and facilities than it would remove, for isolated sections of lines, for sections where a significant portion of the conversion work is off-site, for conversions that are cost prohibitive, and for lines on projects proposing subdivision for condominium conversion of existing structures.

## DISCUSSION

Based on City Council discussion and direction, staff is suggesting several changes to both the LDC and Council Policy in order to clarify and strengthen the requirement for undergrounding of existing and new utility lines as part of new development.

### Code Amendments

Staff proposes the following changes to the LDC to apply the requirement to underground utilities to new development:

**Change the applicability regulations of the underground requirement to include any new development that requires a development permit except for a single family unit on a single lot.** Doing this would require underground conversion on any residential, commercial, or industrial development that applies for a neighborhood use, conditional use, neighborhood development, site development, planned development, or coastal development permit or for a variance. This would be in addition to the current undergrounding requirement for new subdivisions.

**Eliminate the exemption for undergrounding transmission lines of 60,000 volts or higher.** The City's current undergrounding program undergrounds all lines within an Underground Utility District, independent of the size. Changing the LDC to eliminate

this exemption for private development would, therefore, be consistent with the City's current undergrounding program.

**Include the undergrounding waiver process and findings from Council Policy 600-25 in the code.** This would keep all regulations related to undergrounding in one location of the code making it easier for staff and project customers to know when regulations apply to new development.

**Modify the undergrounding waiver findings to allow only the following three reasons for waiving the underground conversion requirements: 1) the conversion would require the installation of more overhead facilities than it removes; 2) the conversion would result in an inordinate cost to the development; or 3) the conversion would be unwarranted because it represents an isolated undergrounding with little to no possibility of extension in the future or because it is already scheduled as a future underground project.** This would narrow the reasons for waiving undergrounding to only those that are physically infeasible, cost prohibitive to a project, or practically unwarranted. Project applicants would have to clearly demonstrate one or more of these findings to the decision maker in order to receive a waiver.

These changes would increase the number of underground conversions for existing lines. As the City continues to move towards more infill development, these changes would slowly begin to improve the aesthetic and pedestrian qualities of older parts of the City. It also has the potential to increase property values because of the improved aesthetics. In addition, public and worker safety is significantly improved when overhead utilities are placed below ground by eliminating above ground poles, by reducing conflicts with trees and adverse weather, and by offering more convenient access to facilities for repair and maintenance.

On the negative side, these changes would add costs to new development that would in all likelihood, be passed on to the consumer. Using a rough average cost of \$250 to \$450 per lineal foot for undergrounding, a four-unit multi-family project on a 50 foot-wide lot could cost an additional \$5,600 per unit if undergrounding was involved. On a one acre commercial project with a 50,000 square foot structure, the requirement could add an additional 2\$ per square foot to the cost of development. As part of the development of the final regulations, staff will perform more cost analysis of these proposal and may suggest additional modifications to the proposed regulations when they are brought forward for final consideration.

#### Council Policy 600-25

Staff proposes that the waiver process be eliminated from the Council Policy as noted above. In addition, staff recommends that the policy be revised to require undergrounding of overhead utilities for private or public utility projects across public property. The policy could also be amended to outline City Council's expectation that any new private utility across private property also be undergrounded so that utility companies understand the City direction to eliminate all overhead utilities.

#### CONCLUSION

Staff recommends that the Committee on Land Use and Housing direct staff to make the suggested changes to the Land Development Code and Council Policy 600-25 and bring the proposed changes along with more detailed impacts of those changes forward for Council Action.

ALTERNATIVE(S)

1. Direct staff to forwarding the code and policy amendments with revisions as identified by LU&H.
2. Recommend that no changes to the LDC or Council Policy be made.

Respectfully submitted,

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Approved: George I. Loveland  
Senior Deputy City Manager

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ATTACHMENTS:

1. Municipal Code Section 144.0240
2. Council Policy 600-25