



STAFF REPORT

Meeting Date: June 21, 2016
To: Honorable Mayor & City Council
From: Mark Cuneo, City Engineer
Subject: Request by Vice-Mayor Krasne for Consideration of a Citywide
Utility Undergrounding Program
Attachments: 1. Overhead Utilities Location Map

INTRODUCTION

Staff has initiated preliminary research in consideration of a citywide program to underground all overhead utilities that are located in the public right-of-way. Currently electrical, cable and telephone utility lines are placed overhead on poles located primarily in alleys. A program to remove the overhead utilities throughout the City would mainly provide an aesthetic benefit but may also improve utility reliability. Based on initial research staff has determined that programs to underground utilities are available and are typically managed by the electrical service provider in conjunction with other utility providers and the City. Costs associated with undergrounding utilities can be significant and are often the responsibility of the rate payers and/or community members requesting the removal of the overhead wires.

A citywide undergrounding program is a significant and costly project that may take many years to implement. Staff is seeking direction from City Council to determine if a citywide program to underground existing overhead utilities should be developed; and if so, staff recommends the commissioning of a feasibility study. Should the City Council direct moving forward with this project, staff will return with an outline of a development plan for implementation, including any necessary added resources in order to proceed given other existing capital project priorities.

DISCUSSION

Throughout the majority of the City of Beverly Hills, utilities are placed overhead on wooden poles that are located primarily in the alleys. The location of existing overhead utilities is shown on the attached Overhead Utilities Location Map (Attachment 1). The existing overhead utilities include electrical (Southern California Edison), cable (Time Warner) and telecommunications facilities (AT&T).

A program to underground certain overhead utilities has been on-going in the City. This program is guided by a policy and procedure of the California Public Utilities Commission (CPUC) called Rule 20A. Rule 20A projects are funded by rate payers and

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are intended to provide a public benefit by undergrounding utilities located in heavily travelled arterial roadways with a substantial concentration of overhead utilities.

In Beverly Hills, the latest Rule 20A Utility Undergrounding District was approved by City Council on March 2, 2010. The limit of this undergrounding district was the west side of San Vicente Boulevard from Wilshire Boulevard to Clifton Way. Two additional Rule 20A eligible districts have been identified as follows:

- 1) Gregory Way (Tower Drive to La Cienega Boulevard)
- 2) Phyllis Street (Sunset Boulevard to Doheny Drive)

Undergrounding in the eligible districts is anticipated to commence upon the accumulation of sufficient funding in the Rule 20A program. Rule 20A funding allocated to the City of Beverly Hills is approximately \$150,000 per year. Based on the current available balance and the estimated cost to underground utilities, the next Rule 20A project is anticipated to begin in 2019/2020.

CPUC Rule 20 also includes policies and procedures to underground utilities funded by special assessment. A citywide program may fall under this policy. Undergrounding would be accomplished by the formation of individual assessment districts for specific geographical areas. In this scenario, a large portion of the funding for the design and construction necessary to place utilities underground would likely be the responsibility of the properties owners.

Another possible option for a citywide program is the development of agreement between the City and electric utility company (Southern California Edison) to collect a surcharge from rate payers for undergrounding. This type of program is currently underway in the City of San Diego. Southern California Edison has indicated that a few local municipalities have expressed interest in this type of a program; however, they currently do not have policies and procedures in place.

The cost to underground Southern California Edison's overhead electrical utilities is currently estimated to be \$500 - \$700 per linear foot. The cost for all the other utilities to underground their facilities has not been estimated at this time. Staff estimates that 35 miles or more of alleys contain overhead facilities. The existing alleys are typically 20 feet wide and contain several underground utilities including water, sewer and gas which will present a significant challenge to place additional utilities in already congested alleys. Also, work on private property, including trenching and equipment replacement, will be required to change overhead services to services that are fed from underground.

Staff recommends that if a citywide undergrounding program is to be developed, a feasibility study be prepared by a consultant with specialized experience in undergrounding programs. The feasibility study scope of work may include, but not be limited to, the following areas:

- Financial impacts and financial analysis
- Identification and analysis of existing overhead utility facilities
- Impacts of the program on utility reliability
- Impacts of the program on long-term public safety
- Levels of coordination required between City and various utilities (i.e. agreements)
- Impacts of project construction on traffic and circulation
- Impacts of project construction on local residents ("quality/way of life")

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- Impact of project construction on local business operations
- Impact of construction on City operations (i.e. Public Works Services, Police, Fire)
- Coordination of construction with ongoing capital improvement projects
- Identifying and measuring social benefits of program such as aesthetics
- Ancillary financial impact analysis, including estimated impacts to City revenues and property values
- Analysis of similarly-scaled projects completed or under construction.

FISCAL IMPACT

The fiscal impacts of the project would include the commissioning of a feasibility study, the cost of which staff would bring back to the City Council for consideration at a later date.

Furthermore, fiscal impacts will include the actual costs to underground the overhead utilities as well as the costs associated with staffing resources allocated for the administration and oversight of the utility undergrounding program. Both of these costs would be identified and estimated in a feasibility study. Previously, the Infrastructure Committee was provided with a rough estimate that showed the costs to underground overhead utilities could be as much as \$265 million.

RECOMMENDATION

Staff recommends that if the development of a citywide utility undergrounding program is desired by the City Council, a feasibility study is commissioned.


George Chavez
Approved By

Attachment 1

LEGEND

-  CITY OF BEVERLY HILLS BOUNDARY
-  OVERHEAD UTILITIES AREA

DATA DISCLAIMER

INFORMATION HEREIN IS BASED ON BEST AVAILABLE DATA, AND REFLECTS THE APPROXIMATE AREAS THAT THE OVERHEAD UTILITY POLES ARE AT FOR ACTUAL CONSTRUCTION WORK FIELD CONDITIONS SHOULD BE VERIFIED ANY FEASIBILITY STUDY SHOULD BE BASED ON THE LATEST INFORMATION FROM THE UTILITY COMPANIES THEMSELVES.

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POTENTIAL UNDERGROUNDING WITHIN

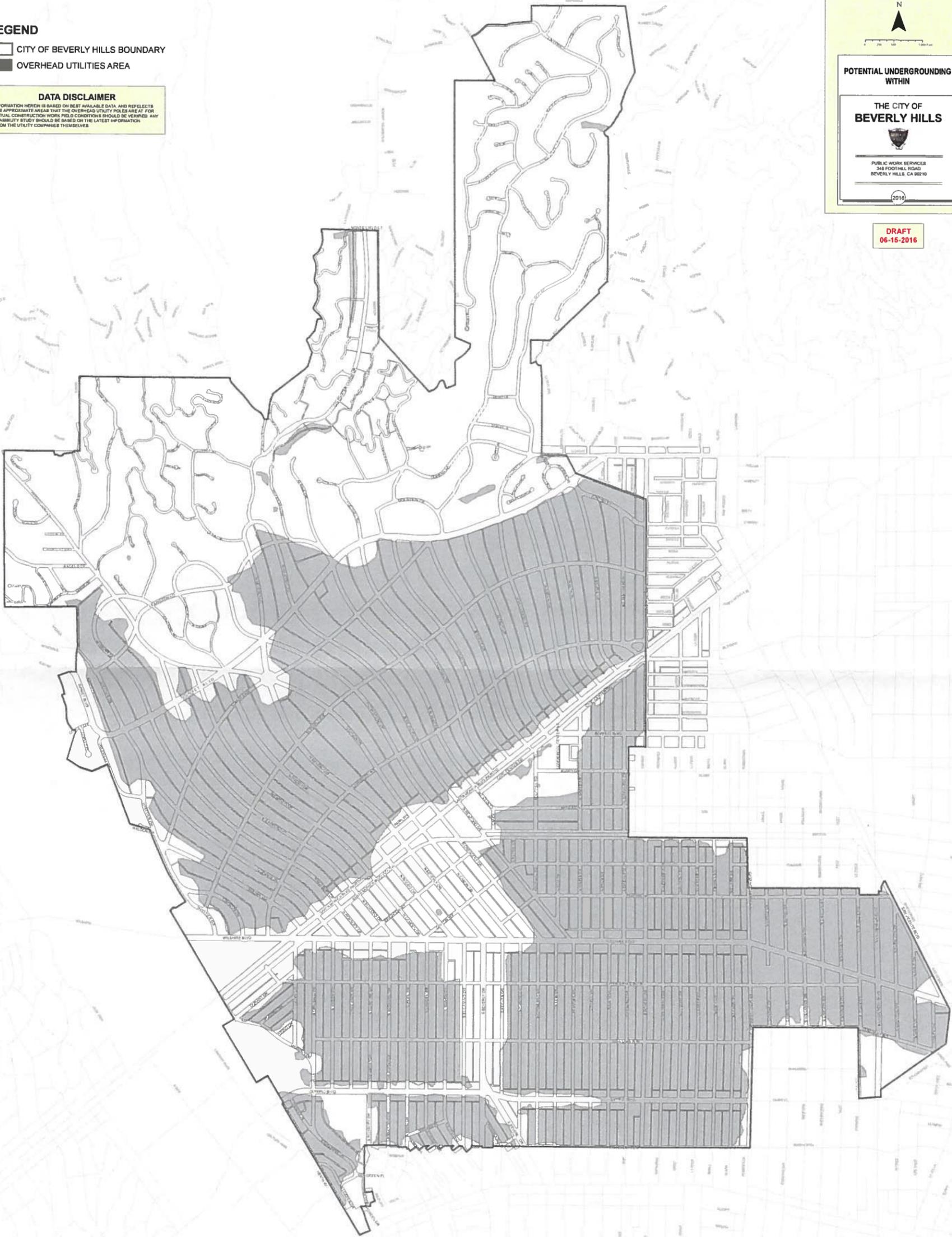
THE CITY OF BEVERLY HILLS



PUBLIC WORK SERVICES
348 FOOTHILL ROAD
BEVERLY HILLS, CA 90210

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CITY OF BEVERLY HILLS OVERHEAD UTILITIES LOCATION MAP