

Agenda Report

January 14, 2013

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (01/08/2013)

FROM: Department of Public Works

SUBJECT: AN ORDINANCE AMENDING CHAPTER 13.14, SECTION 13.14.100 AND SECTION 13.14.110 OF THE PASADENA MUNICIPAL CODE, UNDERGROUND UTILITY DISTRICTS

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the amending of the Pasadena Municipal Code, Chapter 13.14, Underground Utility Districts is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15302(a); and
2. Direct the City Attorney to draft an ordinance within 30 days to amend Chapter 13.14 of the Pasadena Municipal Code (PMC) entitled Underground Utility Districts, Section 13.14.100 and Section 13.14.110 authorizing the City to pay the cost to install the necessary conduits, wiring and other materials required to convert and connect private properties to the underground system.

BACKGROUND:

Since inception of the Underground Utility Program in 1968, property owners within an established underground district have been required to convert from overhead service to the underground electrical system, which involves the installation of conduit for power, telephone and/or cable television services from their property line to their existing meter or designated service point. After all affected properties are converted and connected to the underground system, power poles and overhead wires can be removed.

Currently in accordance with PMC, Chapter 13.14, after the installation of conduits, cables, transformers and other infrastructure facilities, the affected property owners must install conduits from their property line at the sidewalk to their existing meter or designated service point. The cost of the work ranges from \$3,800 to \$5,000, in which

the City will reimburse each property owner up to a maximum of \$3,000 or the lesser actual cost of the work to offset their out-of-pocket construction cost for the installation of power facilities. On September 27, 2010, the City Council approved Ordinance No. 7198 which increased the utility reimbursement from \$2,000 to \$3,000.

Even with the \$3,000 reimbursement, there continues to be a significant increase in the number of property owners faced with a financial hardship related to undergrounding their properties due to the lack of available finances to cover the upfront construction cost. These financial hardships have resulted in timely delays to the conversion of individual properties and thus the overall completion of the district by months and/or years.

In accordance with PMC, Chapter 13.14, Section 13.14.110 (D), the City may at its own expense provide for the installation of the necessary conduits, wiring and other materials for those affected property owners who are faced with financial hardship. These property owners are required to provide written authorization through Right-of-Entry for the City's contractor to construct the work on their property.

As part of the current, Los Robles Avenue, Washington Boulevard to North City Limits underground project, the Department of Public Works implemented a Pilot Program wherein the City funded the full cost to convert the overhead electrical portion of affected properties to underground. Of the 134 affected properties within the district boundary, 107 property owners were eligible to participate in this Pilot Program. The remaining 27 properties were not able to participate due to bids exceeding the \$3,000 reimbursement restriction. These property owners were required to install the necessary conduits at their expense per the current PMC process and received the \$3,000 reimbursement.

The Pilot Program was effective. Positive outcomes include:

1. Elimination of property owner financial involvement;
2. Expedited overall connection schedule to underground system;
3. Expedited removal of overhead wires and poles; and
4. Increased employment opportunities through the Pasadena local hire program.

Based on the effectiveness of the Pilot Program, the Department of Public Works recommends the amendment of PMC, Chapter 13.14.100 to authorize the City at its own expense to install the necessary conduits and other required material to convert all affected properties to underground. The proposed amendment would mutually benefit the property owner by eliminating financial hardship while enabling the City to accelerate the completion of underground projects.

If the City Council approves the proposed amendment, the new approach would be implemented with the upcoming undergrounding project on Hill Avenue between Villa Street to North City Limits and all future Category I underground projects.

COUNCIL POLICY CONSIDERATION:

The project is consistent with the City Council's Goal to improve, maintain and enhance public facilities and infrastructure. In addition, this project is consistent with the Mobility Element/Power Facilities to enhance the aesthetic quality of the streetscape by removing unsightly utility poles and overhead wires. The work included to convert existing overhead facilities to underground was adopted in the FY 2013-2017 Capital Improvement Program, Street Lighting and Electric System Undergrounding.

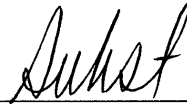
ENVIRONMENTAL ANALYSIS:

The City's Environmental Administrator has determined this project to be categorically exempt under the California Environmental Quality Act in accordance with Article 19, Section 15302(a) of the CEQA Guidelines (conversion of overhead electric utility systems to underground).

FISCAL IMPACT:

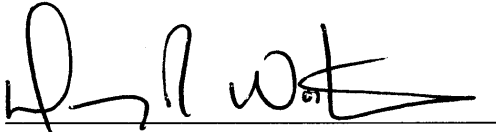
The additional cost to implement this ordinance change will be approximately \$1,500 per property. Sufficient funds in the amount of \$2,372,897 are available in the unencumbered balance of the Underground Utilities Surtax Fund. An increase in appropriations based on the projected number of affected property owners per utility district would be allocated during the FY 2014-2018 Capital Improvement Budget.

Respectfully submitted,



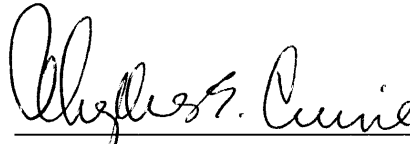
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