

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

**SUBJECT: McKEE ROAD RULE 20B
UNDERGROUND UTILITY
DISTRICT**

DATE: January 3, 2018

Approved

D. D. SyL

Date

1/10/18

COUNCIL DISTRICT: 5

RECOMMENDATION

Conduct a Public Hearing and adopt an ordinance to establish a Rule 20B Underground Utility District along McKee Road, between Jose Figueres Avenue to North Jackson Avenue.

OUTCOME

Approval of this ordinance will establish the McKee Road Underground Utility District in accordance with the San José Municipal Code. In addition, it will enable City staff to direct utility companies to begin design of the project. Establishment of this district will improve the appearance, pedestrian mobility and ease of utility equipment maintenance within the area described above.

BACKGROUND

San José Municipal Code (Underground Utility Fee Ordinance) Chapter 15.26, provides that developers either pay a fee (currently the fee is \$469 per foot of frontage, in-lieu of performing the overhead-to underground conversions along the street frontage where the development is occurring), or as a condition of development, underground the overhead utility facilities on the street or streets adjacent to the project. Only projects that develop adjacent to designated streets as defined in the Undergrounding Utility Fee Ordinance are subject to the undergrounding in-lieu fee conditions. The in-lieu fee is adjusted annually, effective January 31 of every year, according to the Construction Cost Index for the San Francisco area from the Engineering News-Record magazine.

The City uses the in-lieu fees to legislate, design, bid, manage and construct undergrounding projects on designated streets. McKee Road between Jose Figueres and North Jackson Avenues (see Attachment A map) is a designated street and sufficient funds have been collected to proceed with the project.

The proposed McKee Road Rule 20B Underground Utility District (District) is included in the Fiscal Year 2016/17 – 2021/22 Workplan for the Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program, approved by Council on May 23, 2017. It meets criteria approved by the California Public Utilities Commission (CPUC) and the criteria established by the City in 1989 to complete projects that front city facilities such as parks, libraries and fire stations.

On December 19, 2017, Council approved the adoption of a resolution to consider the establishment of a Rule 20B Underground Utility District along McKee Road between Jose Figueres and North Jackson Avenues and in doing so, set a Public Hearing for January 23, 2018.

ANALYSIS

On December 20, 2017, notices of a public hearing were mailed to all utility companies, owners of property, and owners adjacent to the proposed District.

A schedule for establishment and implementation of the proposed Underground Utility District is presented in Attachment B.

The project will complete undergrounding along McKee Road from Jose Figueres Avenue to the west and North Jackson Avenue to the east of the proposed project site. Typically these type of projects require the involvement of property owners to convert their existing overhead electrical services to accept the new underground service. This project site has no existing overhead services to private properties and will not require property owners to hire contractors to perform the overhead electrical service work which will avoid any coordination issues.

Tentatively, construction is scheduled to start in June 2020, and to be completed in November 2020. The long duration is intended to allow for utility design and the expiration of the City's pavement moratorium for this portion of McKee Road. A more detailed schedule for the establishment and implementation of the proposed District is presented in Attachment B.

EVALUATION AND FOLLOW-UP

Upon City Council's approval of the ordinance at the public hearing, City staff and utility companies will begin design of the project. Once the design is near completion, Public Works will mail schedule updates to all property owners within the legislated district. No electrical conversion work is necessary from the property owners. In addition, continuous coordination

will occur during the design and construction phases of the project with the adjacent property owners and other stakeholders.

PUBLIC OUTREACH

The following outreach has been and will be conducted as part of Section 15.24 of the Municipal Code for the purposes of establishing underground districts.

A letter was mailed out to all the property owners and tenants within the proposed District on August 25, 2017, to inform the public of this undergrounding project. Property owners and tenants were assured that the utility companies would minimize impacts of service interruptions and provide approximately 7-10 days notification of service interruptions. It was explained that power interruptions typically last 3 to 4 hours and other utility interruptions are shorter in duration. In addition, property owners were assured that the City's contractor, PG&E, Comcast, AT&T and Zayo construction crews would provide access to their properties at all times during construction. Property owners and tenants were requested to contact staff either by e-mail or phone to answer questions, receive comments or set up a one on one meeting. No comments or questions have been received to date. They were also informed that a date would be set for a public hearing to allow them to provide comment in front of the City Council.

There are no private electrical service conversions required within this District. This eliminated many of the questions City staff usually receives from property owners on these type of projects.

On December 19, 2017, Council approved the adoption of a resolution to consider the establishment of a Rule 20B Underground Utility District along McKee Road between Jose Figueres and North Jackson Avenues, and in doing so, set a Public Hearing for January 23, 2018. Furthermore, on December 20, 2017, notices of a public hearing were mailed to all utility companies, owners of property, and owners adjacent to the proposed District.

Upon Council's approval of the ordinance at the public hearing, Public Works will mail a notice of adoption of ordinance to all utility companies and property owners of property adjoining the proposed District.

Prior to the start of construction activities, property owners and tenants will receive an update to the schedule of the project and the City's contractor will place "Door Hanger" construction notices on properties adjoining the proposed District and those affected by construction.

Staff will transmit a supplemental memo should any comments or protest be received for consideration at the public hearing.

This memorandum will be posted on the City's website for the January 23, 2018, City Council meeting.

COORDINATION

The establishment of the proposed District and project schedule have been coordinated with the Department of Transportation, City Manager’s Budget Office, and Planning, Building and Code Enforcement Department. In addition, the project has been coordinated with PG&E, AT&T, Comcast, and Zayo Group. This memo and the required ordinance to establish the District have been reviewed by the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: None
2. COST OF PROJECT:

Construction	\$509,400
Project Delivery	255,700
PG&E Rule 20B Agreement (Estimate)	110,000
AT&T Rule 32A.2 Agreement (Estimate)	4,000
Comcast Agreement (Estimate)	8,000
Contingency (10%)	50,900
TOTAL PROJECT COSTS (ESTIMATED):	\$938,000
3. SOURCE OF FUNDING: Fund 416 - Underground Utility Fund
4. OPERATING COSTS: This project has no significant impact on the General Fund operating budget.

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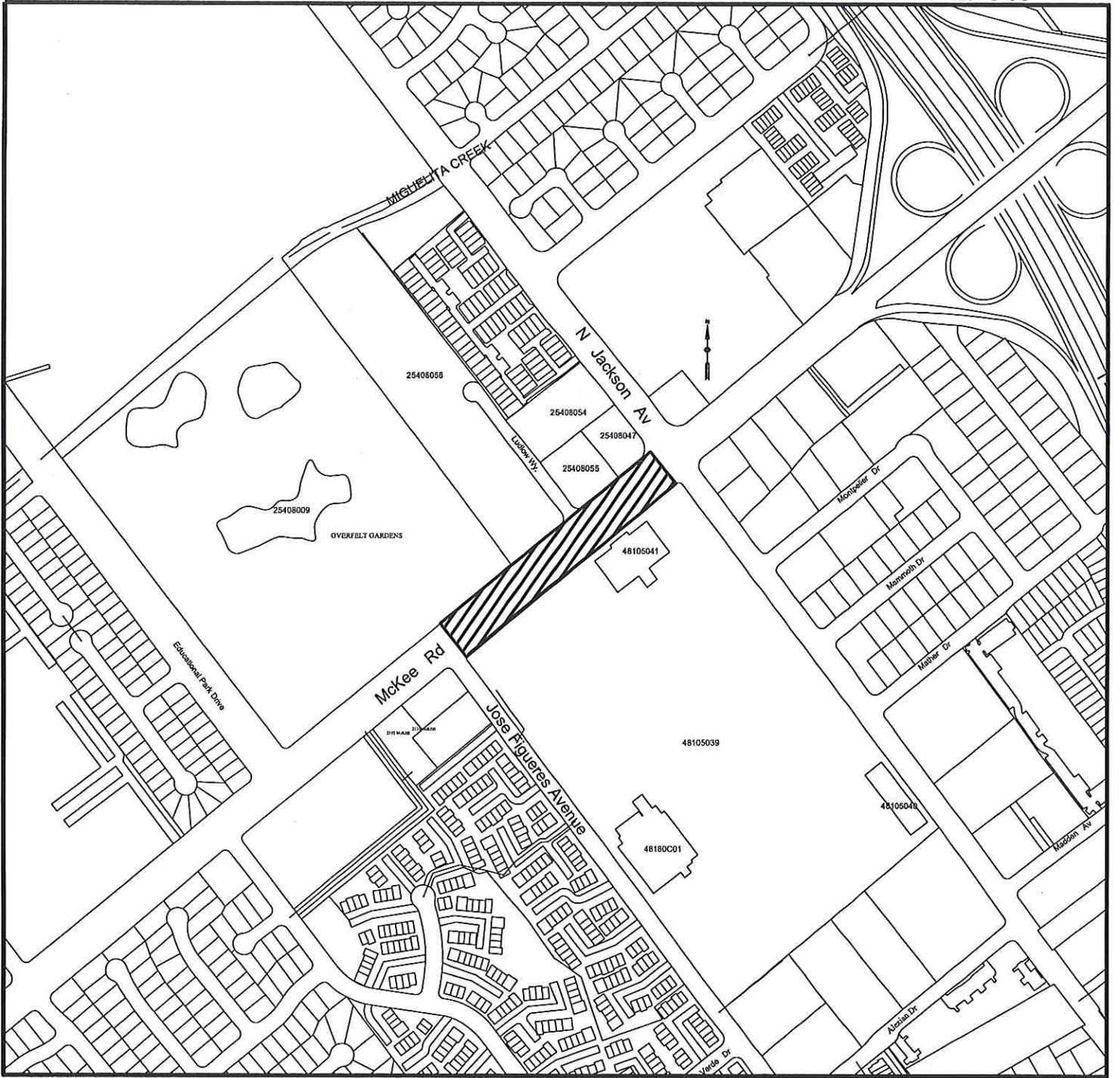
CEQA

Determination of Consistency to the Mitigated Negative Declaration for the Citywide Utility Undergrounding Program and City-Issued Excavation/Encroachment Permits Project (approved in January 22, 2009), File No. PP08-257.

/s/
BARRY NG
Director of Public Works

For questions, please contact Michael O'Connell, Deputy Director, at (408) 975-7333.

Attachment A: Proposed McKee Road Utility Underground District Rule 20B Map
Attachment B: Underground Utility District Establishment Schedule



CITY OF SAN JOSE
PROPOSED MCKEE ROAD
UTILITY UNDERGROUND DISTRICT
RULE 20B

LEGEND

DISTRICT BOUNDARY - 

ATTACHMENT B

UNDERGROUND UTILITY DISTRICT along McKee Road between Jose Figueres Avenue and North Jackson Avenue.

Establishment Schedule

- | | |
|-------------------|---|
| December 19, 2017 | City Council adopts a resolution setting a time and place for a Public Hearing. |
| December 20, 2017 | Director of Public Works mails a Notice of Public Hearing to all adjacent property owners. |
| January 9, 2018 | Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing. |
| January 23, 2018 | City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing McKee Road Rule 20B Underground Utility District. |

Project Implementation Schedule

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|---------------|--|
| June 2018 | City and utility companies begin design of substructure, conduit, vaults, electric and cable facilities. |
| December 2019 | City obtains environmental clearances. |
| June 2020 | Construction starts. |
| November 2020 | Utility companies complete connections and remove overhead wires and poles. |