

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Barry Ng

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

DATE: November 27, 2017

Approved



Date

12-7-17

COUNCIL DISTRICT: 5

RECOMMENDATION

Adopt a resolution to consider the establishment of a Rule 20B Underground Utility District along McKee Road between Jose Figueres and North Jackson Avenues and setting a Public Hearing on January 23, 2018, at 1:30 p.m.

OUTCOME

Adoption of this resolution will enable the Council to hold a public hearing which results in an ordinance establishing the McKee Road Rule 20B Underground Utility District. Establishment of this District will improve the appearance, pedestrian mobility and reduce utility equipment maintenance within the area described above.

EXECUTIVE SUMMARY

The proposed Underground Utility District, as described above and depicted in Attachment A, will require utility companies to remove utility poles and aerial cables from the public right-of-way and install a new improved underground system. The proposed underground utility district is located along McKee Road between Jose Figueres and North Jackson Avenues. The project will be funded by fees collected from developers pursuant to San José Municipal Code Chapter 15.26, the City's undergrounding in-lieu fee program.

BACKGROUND

San José Municipal Code (Underground Utility Fee Ordinance) Chapter 15.26, provides that

developers either pay a fee, 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 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 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 in May 23, 2017. It meets criteria approved by the California Public Utilities Commission (CPUC) and criteria established by the City in 1989 to complete projects that front city facilities such as parks, libraries and fire stations.

ANALYSIS

The provisions and procedures to establish underground utility districts are defined in Chapter 15.24 of the San José Municipal Code. The Code requires the Council to conduct a public hearing and adopt an ordinance prior to the establishment of an underground utility district. The proposed District also meets the following CPUC and Municipal Code criteria for establishing underground utility districts:

Such removal and replacement will eliminate, and such prohibition will avoid, an unusually heavy concentration of poles and overhead wires within said area.

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

The public streets or rights of way within said area adjoin or pass through a civic area or public recreation area or an area of unusual scenic interest to the general public.

Establishment of the proposed District, as shown on Attachment A, will require the conversion of approximately 1,000 linear feet of aerial facilities to underground facilities. Within the limits of this project, the majority of the facilities will be placed in underground vaults, and utility companies will need to install some aboveground structures (cabinets) for equipment that cannot be placed in underground vaults. These cabinets may be placed in public right-of-way or on private properties. The size, quantity and actual location of the cabinets will be determined during the design phase of the project. Overall, the removal of aerial wires and utility poles will provide a significant visual benefit to the public.

There are approximately 8 properties adjacent to the proposed District. No properties are currently receiving overhead service and will not require electrical service conversion work in order to receive electrical power from the underground system.

As required by Mitigated Negative Declaration PP08-257, the City's contractor will provide monitoring in archaeologically sensitive areas when applicable.

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

Council will conduct a public hearing at the January 23, 2018, City Council meeting and staff will recommend the adoption of an ordinance establishing the underground utility district. Any comments received by staff from the residents, property owners and other stakeholders will be conveyed to Council at the hearing.

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.

Upon Council's adoption of a resolution setting a public hearing, staff will send notices of the public hearing to all utility companies and owners and occupants of properties adjoining the proposed District. A Notice of Public Hearing will be posted at City Hall and on the City Council Agenda website.

Should the District be legislated, a Notice of Establishment will be mailed within 20 days of the effective date of the ordinance. Additional correspondence will occur with property owners to provide schedule updates throughout the proposed project. Prior to the start of construction activities, the City's contractor will place "Door Hanger" construction notices on adjacent properties.

This memorandum will be posted on the City's website for the December 12, 2017, City Council meeting.

COORDINATION

The establishments of the proposed District and project schedule have been coordinated with the City Manager's Budget Office, and Department of Transportation. In addition, the project has been coordinated with PG&E, AT&T, Comcast and Zayo Group. This memo and the proposed resolution to set the public hearing 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

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3. SOURCE OF FUNDING: Fund 416 - Underground Utility Fund
4. OPERATING COST: This project has no significant impact on the General Fund operating budget.

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), PP08-257.

/s/

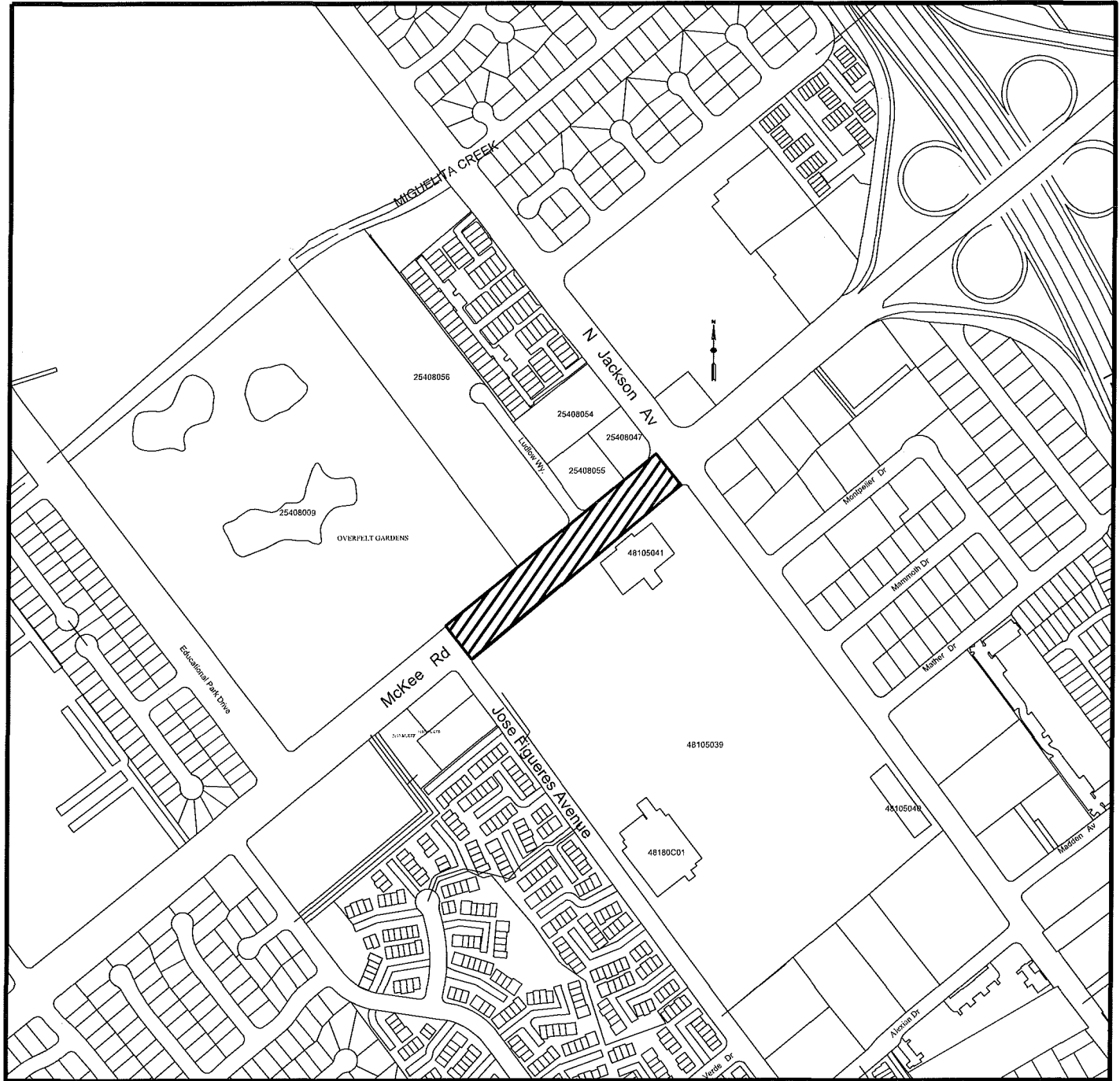
BARRY NG

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

ELECTRICAL CONVERSION - C

DISTRICT BOUNDARY -



ATTACHMENT B

UNDERGROUND UTILITY DISTRICT along McKee Road between Jose Figueres 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

- | | |
|---------------|--|
| 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. |