AGENDA REPORT

Meeting Date: March 2, 2010

Item Number: D-3

To: Honorable Mayor & City Council

From: Ara Maloyan, Deputy City Engineer
Tristan Malabanan, Civil Engineer

Subject: A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FORMING UNDERGROUND UTILITY DISTRICT NO. 7 ALONG THE WEST SIDE OF SAN VICENTE BOULEVARD FROM WILSHIRE BOULEVARD TO CLIFTON WAY AND CLIFTON WAY FROM SAN VICENTE BOULEVARD TO LA CIENEGA BOULEVARD

Attachments:
1. Resolution
2. Categorical Exemption
3. SCE letter dated 3/13/2009

RECOMMENDATION

Staff recommends that the City Council approve the attached resolution establishing Underground Utility District No. 7 along the west side of San Vicente Boulevard from Wilshire Boulevard to Clifton Way and Clifton Way from San Vicente Boulevard to La Cienega Boulevard.

INTRODUCTION

This report is a request for City Council to hold a public hearing to ascertain whether the public necessity, health, safety, or welfare requires the removal of poles, overhead wires and associated overhead structures, and the underground installation of wires and facilities for supplying electric, communication, or similar or associated service within the area designated as "Underground Utility District No. 7", pursuant to Chapter 3 of Title 6 of the Beverly Hills Municipal Code.

In order to move forward with this project, the City must hold a public hearing with affected property owners and utility companies to consider approval of the attached resolution establishing Underground Utility District No. 7.

BACKGROUND

The California Public Utility Commission (CPUC) Rule 20 sets policies and procedures for the conversion of overhead power lines and equipment to underground facilities. This process is called "Undergrounding". Under CPUC Rule 20, undergrounding projects are financed by utility rate money, local tax money, special assessment proceeds, and private funds depending on whether Rule 20A, Rule 20B, or Rule 20C provisions apply.

Rule 20A projects are funded by all Southern California Edison (SCE) rate payers and are usually located in heavily travelled arterial roadways or major collector roads with heavy concentrations of overhead facilities. SCE uses the CPUC's formula to allocate funds for communities for undergrounding projects. Because funds are limited, local governments sometimes wait to accumulate sufficient allocations before starting an undergrounding project. Once sufficient funds are accumulated and an undergrounding project is established, SCE will use the funds to pay for design and construction.

Rule 20B projects are funded by proceeds from special assessment and these projects are typically located in areas not eligible for Rule 20A or if the local government chooses not to rely on the Rule 20A allocation process. SCE will require payment for engineering design fees, but they will provide a subsidy amount equivalent to the cost of an overhead electrical system. This is typically about 20% of the total undergrounding project cost. In addition, the individual property owners are responsible for the cost of installing the feeder line to their electrical panel.

Rule 20C projects are funded by property owners to underground electrical lines if neither Rule 20A nor Rule 20B apply and engineering fees must be paid to SCE.

On November 8, 2006, staff recommended and the Public Works Commission approved the following prioritization of the potential undergrounding locations in this order:

1) San Vicente Boulevard (west side) from Wilshire Boulevard to Clifton Way
2) Gregory Way (north side) from Tower Drive to La Cienega Boulevard
3) Phyllis Street (southwest side) from Sunset Boulevard to Doheny Drive

All these projects are eligible for Rule 20A funding.

DISCUSSION

For San Vicente Boulevard, SCE gave a rough-order-of-magnitude (ROM) cost estimate of $1,450,000 expressed in 2012 dollars. See Attachment No. 3. In the last few years, the City's annual allocation has ranged between $171K to $241K. The current available Rule 20 funds allocated for the City is $1,184,057. Once the design is complete and SCE is ready to bid out the project, there will be sufficient funding to cover the ROM cost estimate.

Staff has had several field meetings with all affected utility companies, SCE, AT&T, Time Warner, and Sunesys, to establish the general scope of the project. In addition to performing work in the public right-of-way, SCE and AT&T intend to extend their work on private property up to 100 feet to the service meter. Time Warner has indicated that the property owners will have to bear the cost of construction on private property to continue service. Sunesys, a communications provider, has no facilities in the proposed project

area, but have pole rental rights with SCE. Sunesys has indicated that they will not be participating in this undergrounding project.

Other potential costs that affected property owners may incur are any building permit fees required for the inspection of incidental work such as driveway paving, concrete walkway replacement, and wall penetrations. Staff estimates the costs can range from zero to $5,000.

Staff sent letters announcing the public hearing to the twenty affected property owners and utility companies pursuant to Chapter 3 of Title 6 of the Beverly Hills Municipal Code. Once the resolution is approved, staff will meet with utility companies and affected property owners to review the preliminary scope of the project.

Upon approval of the resolution to establish Underground Utility District No. 7, SCE will immediately initiate the design of the project which will take approximately one year. Upon completion of the initial design, copies will be sent to the city, AT&T, and Time Warner for their input.

FISCAL IMPACT

None

DG

David Gustavson
Approved By

RESOLUTION 10-R-

A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS FORMING UNDERGROUND UTILITY DISTRICT NO. 7 ALONG THE WEST SIDE OF SAN VICENTE BOULEVARD FROM WILSHIRE BOULEVARD TO CLIFTON WAY AND CLIFTON WAY FROM SAN VICENTE BOULEVARD TO LA CIENEGA BOULEVARD

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY RESOLVES AS FOLLOWS:

Section 1. At its meeting on March 2, 2010 at the City Hall Council Chamber, 455 North Rexford Drive, Beverly Hills, California, the City Council duly and regularly held a public hearing to ascertain whether the public necessity, health, safety, or welfare requires the removal of poles, overhead wires and associated overhead structures, and the underground installation of wires and facilities for supplying electric, communication, or similar or associated service, within an area designated as "Underground Utility District No. 7" (the "District"), pursuant to Chapter 3 of Title 6 of the Beverly Hills Municipal Code.

Section 2. Notice of the March 2, 2010 hearing was given to all affected property owners as shown on the last equalized assessment roll and to all utilities concerned in the manner and for the time required by law.

Section 3. At the public hearing all interested persons were given an opportunity to be heard.

Section 4. At the public hearing the Director of Public Works and Transportation presented to the City Council for consideration a report containing information on the proposed undergrounding, including, but not limited to, the extent of the utilities' participation, estimates of the total costs to the City and affected property owners, and an estimate of the time required to complete the removal and underground installation.

Section 5. After considering the report of the Director of Public Works and Transportation, the testimony and evidence of any interested parties and other information presented to the City Council, the City Council hereby finds and determines that the public necessity, health, safety and welfare require the removal of overhead facilities and the installation of underground facilities within the District for the following reasons:

a) The undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;

b) The streets, roads or rights-of-way in the District are extensively used by the general public and carry a heavy volume of pedestrian or vehicular traffic; and

c) The streets, roads or rights-of-way in the District adjoin or pass through a civic area or an area of unusual scenic interest to the general public.

Section 6. Pursuant to Title 6, Chapter 3 of the Beverly Hills Municipal Code, the City Council hereby declares the District an Underground Utility District, designated as "Underground Utility District No. 7."

Section 7. The area comprising the District is described as those portions of the street rights-of-way listed below:

a) along the west side of San Vicente Boulevard from Wilshire Boulevard to Clifton Way; and

b) Clifton Way from San Vicente Boulevard to La Cienega Boulevard.

A map entitled "Underground Utility District No. 7" that graphically delineates the boundaries of the District is attached hereto as Exhibit A. The map is on file in the office of the City Clerk.

Section 8. The City Council hereby orders the removal of all poles, overhead wires and associated overhead structures, and the underground installation of wires and facilities for supplying electric, communication, or similar or associated service, within the District. Such removal and underground installation shall be accomplished, and affected property owners shall have underground service available, no later than December 31, 2013.

Section 9. In accordance with the rules and regulations of the California Public Utilities Commission, the public utilities allocate funds each year for undergrounding facilities within the City. If it becomes apparent that the accumulated amount of funds will be insufficient to complete the removal of overhead facilities and installation of underground facilities along any of the portions of the street rights-of-way listed in Section 7 of this Resolution by the date set forth in Section 8 of this Resolution, the City reserves the right to exclude such street rights-of-way from the District. Such exclusion shall not affect the City's right to include such street rights-of-way in a subsequent underground utility district.

Section 10. Pursuant to Section 6-3-11 of the Beverly Hills Municipal Code, it shall be unlawful for any person or utility to erect, construct, place, keep, maintain, continue, employ, or operate poles, overhead wires, and associated overhead structures in the District after the date when such overhead facilities are required to be removed by this Resolution, except as such overhead facilities may be required to furnish service to an owner or occupant of property prior to the performance by such owner or occupant of the underground work necessary for such owner or occupant to continue to receive utility service, and for such reasonable time required to remove such facilities after such work has been performed.

Section 11. The City Clerk is hereby directed to mail a copy of this resolution together with a copy of Chapter 3 of Title 6 of the Beverly Hills Municipal Code to all affected property owners as shown on the last equalized assessment roll and to all affected utilities with ten days after adoption of this resolution. The City Clerk shall further notify such affected property owners of the necessity that, if they or any person occupying such property desire to continue to receive electric, communication, or similar or associated service, they or such occupant shall provide all necessary facility changes on their premises to receive such service from the lines of

the supplying utility or utilities at a new location, subject to the applicable rules, regulations, and tariffs of the respective utility or utilities on file with the Public Utilities Commission.

Section 12. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and his certification to be entered into the book of Resolutions of this City.

Adopted:

NANCY KRASNE
Mayor of the City of
Beverly Hills, California

ATTEST:

_____ (SEAL)
BYRON POPE
City Clerk

APPROVED AS TO FORM:

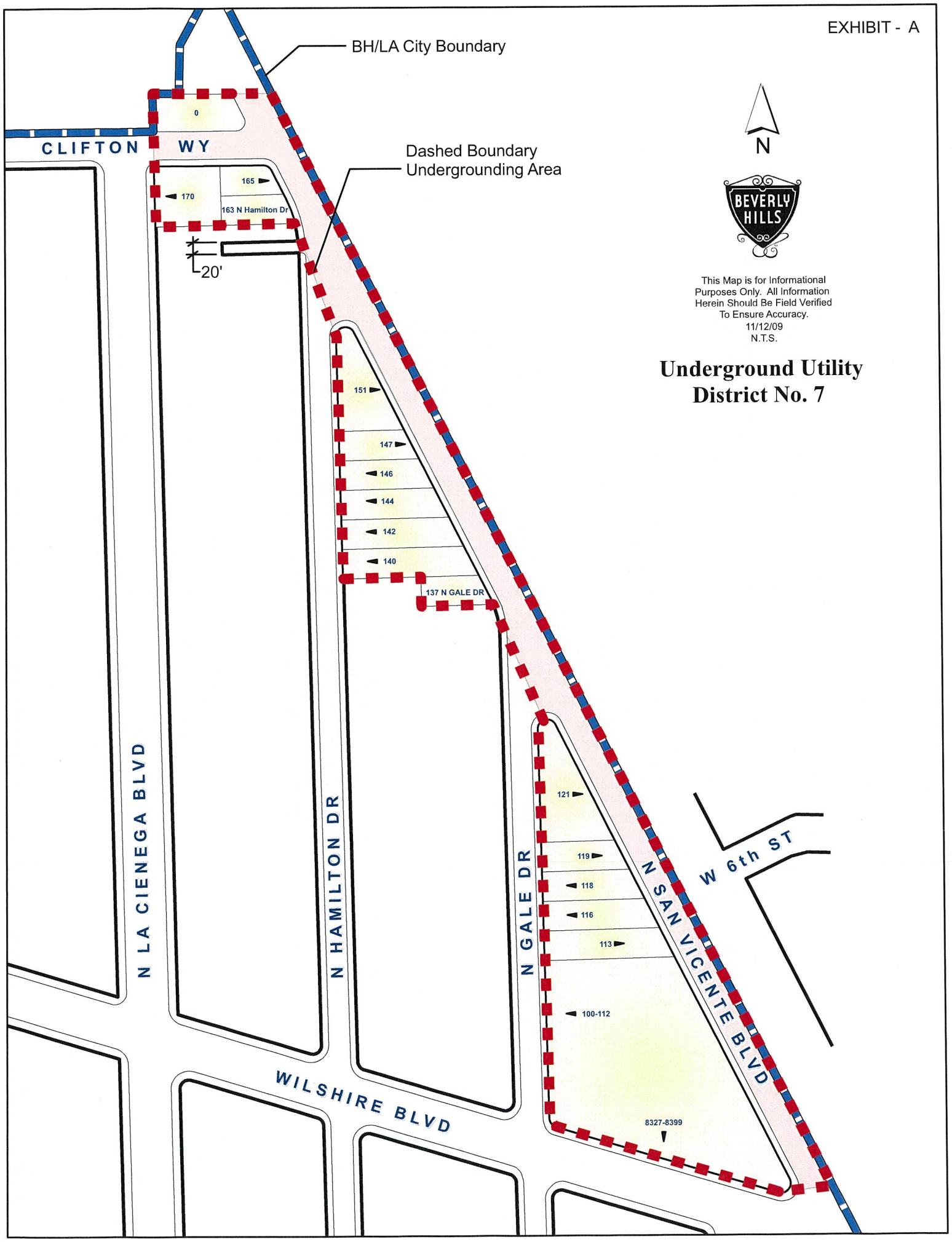
LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

DAVID D. GUSTAVSON
Director of Public Works & Transportation

EXHIBIT A

EXHIBIT - A


BH/LA City Boundary
Dashed Boundary
Undergrounding Area
N
BEVERLY HILLS
This Map is for Informational Purposes Only. All Information Herein Should Be Field Verified To Ensure Accuracy.
11/12/09
N.T.S.
Underground Utility District No. 7
CLIFTON WY
0
165
170
163 N Hamilton Dr
20'
151
147
146
144
142
140
137 N GALE DR
121
119
118
116
113
100-112
8327-8399
N LA CIENEGA BLVD
N HAMILTON DR
N GALE DR
N SAN VICENTE BLVD
W 6th ST
WILSHIRE BLVD

CITY OF BEVERLY HILLS
COMMUNITY DEVELOPMENT DEPARTMENT- PLANNING DIVISION
455 North Rexford Drive
Beverly Hills, CA 90210-4817
(310) 285-1123
FAX: (310) 858-5966

BeverlyHills.org

Categorical Exemption

Name of Project Utility Undergrounding District No. 7 San Vicente Boulevard

Location West side of San Vicente Blvd. from Wilshire Blvd. to Clifton Way; Clifton Way from San Vicente Blvd. to La Cienega Blvd.

Type of Business (if commercial) _____

Project Description Underground all overhead utilities (power, communications, cable, etc.) – work includes the installation conduits, wire, cables, substructures, services, etc.

Applicant's Name City of Beverly Hills Phone (310) 285-1000

Applicant's Address 455 North Rexford Drive

City Beverly Hills Zip 90210

If different, provide:

Agent's Name _____ Phone _____

Agent's Address _____

City _____ Zip _____

The undersigned, having received this project for processing, has reviewed it for environmental impact and concluded that the project qualifies for a categorical exemption under the procedures adopted by the City of Beverly Hills and no further environmental assessment is necessary.

Applicable Exemption Class: Class 1- Existing Facilities & Class 2 Replacement or Reconstruction

Comments: Class 1 (b) for minor alterations of existing facilities of both investor and publicly-owned utilities used to provide electric power, natural gas, sewerage and other public utility services. Class 2 (d) for conversion of overhead electric utility distribution system facilities to underground including connection to existing overhead electric utility distribution lines were the surface is restored to the condition existing prior to the undergrounding.

Reviewed by Shena Rojemann Date 2/3/2010

I:\Planning\Shena Rojemann\Public Works\Cat Ex 02-16-10 - Undergrounding overhead utilities.docx

ATTACHMENT 2

SOUTHERN CALIFORNIA
EDISON
An EDISON INTERNATIONAL® Company

3/13/2009

Mark Olsen
LPA Region Manager
Santa Monica

Subject: Rough Order of Magnitude Cost Estimate
Rule 20 / City of Beverly Hills- San Vicente From Clifton to Wilshire

SCE has reviewed the proposed district and finds the boundary to be operationally acceptable for undergrounding existing overhead distribution facilities.

SCE has also prepared a rough-order-of-magnitude (ROM) cost estimate for the undergrounding of existing overhead facilities within the proposed district boundary. The estimate was prepared without the benefit of any engineering. Therefore, it has an expected accuracy of plus or minus 40%. The estimated cost of **$1,450,000** expressed in 2012 dollars may be provided to the city and the UUAD's petitioners for purposes of determining project feasibility.

If you have any questions, feel free to contact me at PAX 52674 or (714) 973- 5741.

Sincerely,

Ernie D Oviedo
Rule 20 Project Management Organization
Transmission & Distribution Business Unit

cc: Gloria Hocutt
Tony Mathis

1444 E. McFadden Ave.
Santa Ana, CA 92705

ATTACHMENT 3