



DATE: June 5, 2013

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

SUBJECT: **RESOLUTION TO AMEND THE OCEANSIDE BOULEVARD UNDERGROUND UTILITY DISTRICT AND APPROPRIATE FUNDS**

SYNOPSIS

Staff recommends that the City Council adopt a resolution to amend the Oceanside Boulevard Underground Utility District to include Crouch Street and appropriate \$100,000 in available Undergrounding In-Lieu Funds for the project.

BACKGROUND

On January 21, 2003, the City of Oceanside created the Oceanside Boulevard Underground Utility District to facilitate the removal of overhead utility wires along Oceanside Boulevard between Greenbrier Drive and El Camino Real. As a result, the overhead lines between Crouch Street and Barnwell/Camelot Streets have been placed underground.

Overhead utility lines at the two following locations within the boundary of the Underground District are in the queue for undergrounding as funds become available:

- Greenbrier Street to Crouch Street
- Camelot Street to El Camino Real

The concentration of overhead utility lines at the intersection of Crouch Street and Oceanside Boulevard is particularly heavy and unsightly. A commercial office project, Loma Alta Village, appealed a requirement to underground the utilities along Crouch Street between Oceanside Boulevard and Apple Street, and the City Council unanimously upheld the appeal on January 23, 2008. As a result, a substitute condition was attached to the project. That condition required the developer to provide an in-lieu payment to assist in the completion of the undergrounding work. At that time, the City initiated the effort for a "20B" project, which is developer or City-funded rather than utility-funded. In that framework, City staff, Sempra Utilities, and the developer had a mutually agreeable solution to complete the undergrounding. However, later in 2008, Sempra's plans to upgrade a nearby substation were postponed, and their decision to permit the pre-placement of underground conduits changed.

At the same time, the economy went into a recession, and anticipated in-lieu payments from various projects did not materialize because the projects were not constructed. Despite these obstacles, City staff is seeking for a way to complete this undergrounding effort to beautify the corridor, which will fulfill the commitment given to the community.

On May 15, 2013, the City Council adopted a resolution affirming the City's intent to hold a public hearing to consider formally adding six properties along Crouch Street to the Oceanside Boulevard Utility Undergrounding District. The City Clerk has mailed notifications of this public hearing to the property owners of record in accordance with Chapter 36B of the Municipal Code.

Staff has visited each business tenant to explain the utility undergrounding process and received positive feedback.

ANALYSIS

Utility Undergrounding Basics

The Oceanside Boulevard Underground Utility District is an example of a district formed in conformance with Public Utilities Commission Rule 20A. This allows existing overhead utility lines to be placed underground using ratepayer funds held in trust by utility companies for this purpose. The public agency's governing body (Oceanside City Council in this case) is responsible for deciding which locations should be undergrounded first. Public Utilities Commission policy encourages locations of high traffic, high visibility, or aesthetic value to be selected.

The partnering public agency is also responsible to pay for administrative costs for such tasks as public communications, coordination with property owners and business tenants, and inspection and oversight of utility company contractors working in the street right-of-way.

Sempra Utilities directly pays and contracts for all of the construction work necessary to complete the undergrounding. This includes digging trenches in the streets, placing conduits, backfilling trenches, repaving, pulling conductors or cables, bringing the services onto private property, and removing the left-over poles.

Establishing Undergrounding Priorities

Before the Oceanside Boulevard Underground Utility District was created, the City held a workshop on September 13, 2001, to hear recommendations for undergrounding priorities. At that time, the Economic Development Commission (EDC) and a standing sub-committee of the Utilities Commission recommended the Oceanside Boulevard corridor as the next priority.

Underground Contamination

For Crouch Street, Sempra Utilities is unwilling to directly contract the trench work because the adjacent Arco gas station is following a work plan to remediate ground water contamination at an adjacent property.

Sempra's concern is not safety-related "per se", but the utility believes the City is better equipped to hire the environmental expertise and coordinate with regulatory agencies so that the necessary trench excavation work is done safely.

City Responsibility

As with any 20A utility district, the City will pay for its own administrative costs to notify property owners, coordinate the conversion of service feeds to individual businesses; provide inspection and oversight of street construction and traffic control, and code upgrades for building service panels that are too obsolete for Sempra Utilities' use. (This applies to the old buildings across from Loma Alta Village.)

Sempra Responsibility

Sempra will provide a biddable design and cost estimate, and 100% funding except for the minor costs noted above. Sempra will contract for, or bring in its own crews to pull wires for the new underground service and to remove the overhead wires and wood poles. Sempra will also coordinate with cable and telephone utilities to get their overhead wires removed and converted to underground service.

FISCAL IMPACT

Sempra collects funds from its ratepayers for 20A conversion projects. The City's annual share is approximately \$465,000. The current balance of uncommitted utility allocation is approximately \$618,000 (2012 balance) plus \$465,000 (2013 allocation) for a total of \$1,083,000.

The current balance of account 101.3020.0001 (Underground In-Lieu Funds) is \$488,000. The estimated City cost for expenses not directly paid or reimbursable by Sempra is \$100,000; therefore, sufficient funds are available. Staff requests an appropriation of \$100,000 in Underground In-Lieu funds to project account 912132300501.5325.10600 for the City-share project costs.

A separate grant account for the Sempra reimbursements will be set up when the construction-related costs are set up by the bid process.

COMMISSION OR COMMITTEE REPORT

An adhoc committee of the EDC reviewed the Crouch Street Underground Utility project on April 8, 2013, and recommends Council approval.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution to amend the Oceanside Boulevard Underground Utility District to include Crouch Street and appropriate \$100,000 in available Undergrounding In-Lieu Funds for the project.

PREPARED BY:

SUBMITTED BY:

for 

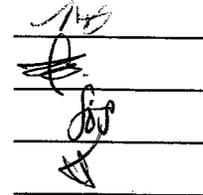
Gary Kellison
Senior Civil Engineer



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
George Buell, Development Services Director
Scott O. Smith, City Engineer
Teri Ferro, Financial Services Director



Attachment:

1. Resolution to Amend the Oceanside Boulevard Underground Utility District
2. Exhibit Map of Properties Added to the District
3. Property List

RESOLUTION NO.

**RESOLUTION OF THE CITY OF OCEANSIDE AMENDING THE
OCEANSIDE BOULEVARD UNDERGROUND UTILITY DISTRICT**

WHEREAS, Chapter 36B of the Oceanside City Code establishes a procedure for the creation of an underground utility district and requires the holding of a public hearing to determine whether the public health, safety or welfare requires removal of poles, overhead wires, and associated overhead structures; and the underground installation of wires and facilities for supplying electrical, telephone, cable and similar utility services; and

WHEREAS, following public hearings on December 17, 2003, and January 21, 2004, the City Council of the City of Oceanside formed the Oceanside Boulevard Underground Utility District (the "Oceanside Boulevard UUD"); and

WHEREAS, on June 5, 2013, the City Council of the City of Oceanside held a duly-noticed public hearing for the purpose of amending the Oceanside Boulevard UUD;

WHEREAS, the City Council did hear all persons desiring to speak either in favor or in opposition;

WHEREAS, removal of overhead utilities on Oceanside Boulevard and along Crouch Street would be facilitated by amending the boundary of the Oceanside Boulevard Underground Utility District by adding the referenced parcels along Crouch Street; and

WHEREAS, removal of additional overhead utilities along Crouch Street between Oceanside Boulevard and Apple Street also benefits public health, safety or welfare; and

WHEREAS, as requested by the City Council, the City Clerk has notified all affected property owners as shown on the last equalized assessment roll and the utilities concerned by mail of the time and place of this public hearing.

NOW, THEREFORE, the City Council of the City of Oceanside DOES RESOLVE as follows:

1. That the expansion of the Oceanside Boulevard Utility District along Crouch Street is in the public interest for the following reasons:

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1 a. The undergrounding will eliminate an unusually heavy concentration of overhead
2 lines.

3 b. The included streets are extensively used by the general public and carry a heavy
4 volume of vehicular and pedestrian traffic.

5 2. That the area to be added to the Oceanside Boulevard Utility District shall include the
6 following properties identified by the assessor parcel numbers and included by reference in the
7 attached exhibit map: 149-330-06, 11, 16, 17, 18, and 22.

8 3. That the cost of service trenches and meter panel conversions on private property shall
9 be included with the overhead utility conversion work paid by 20A funds.

10 4. That when the underground services in the street are ready for private customer service
11 connections, the City of Oceanside will notify businesses and property owners of the date that
12 they must be ready to receive underground service.

13 5. That the City of Oceanside will allow a reasonable time, but not less than 30 days, for
14 businesses and property owners to provide access for City personnel, utility companies and their
15 contractors to convert private service connections.

16 6. That the amendment to the Oceanside Boulevard Utility Underground District becomes
17 effective on the date of adoption and that the City Clerk shall provide written notice to owners
18 and tenants of the properties hereby added to the District within 10 days.

19 PASSED AND ADOPTED by the City Council of the City of Oceanside, California this
20 5th day of June, 2013, by the following vote:

21 AYES:

22 NAYS:

23 ABSENT:

24 ABSTAIN:

25 ATTEST:

26
27 _____
CITY CLERK

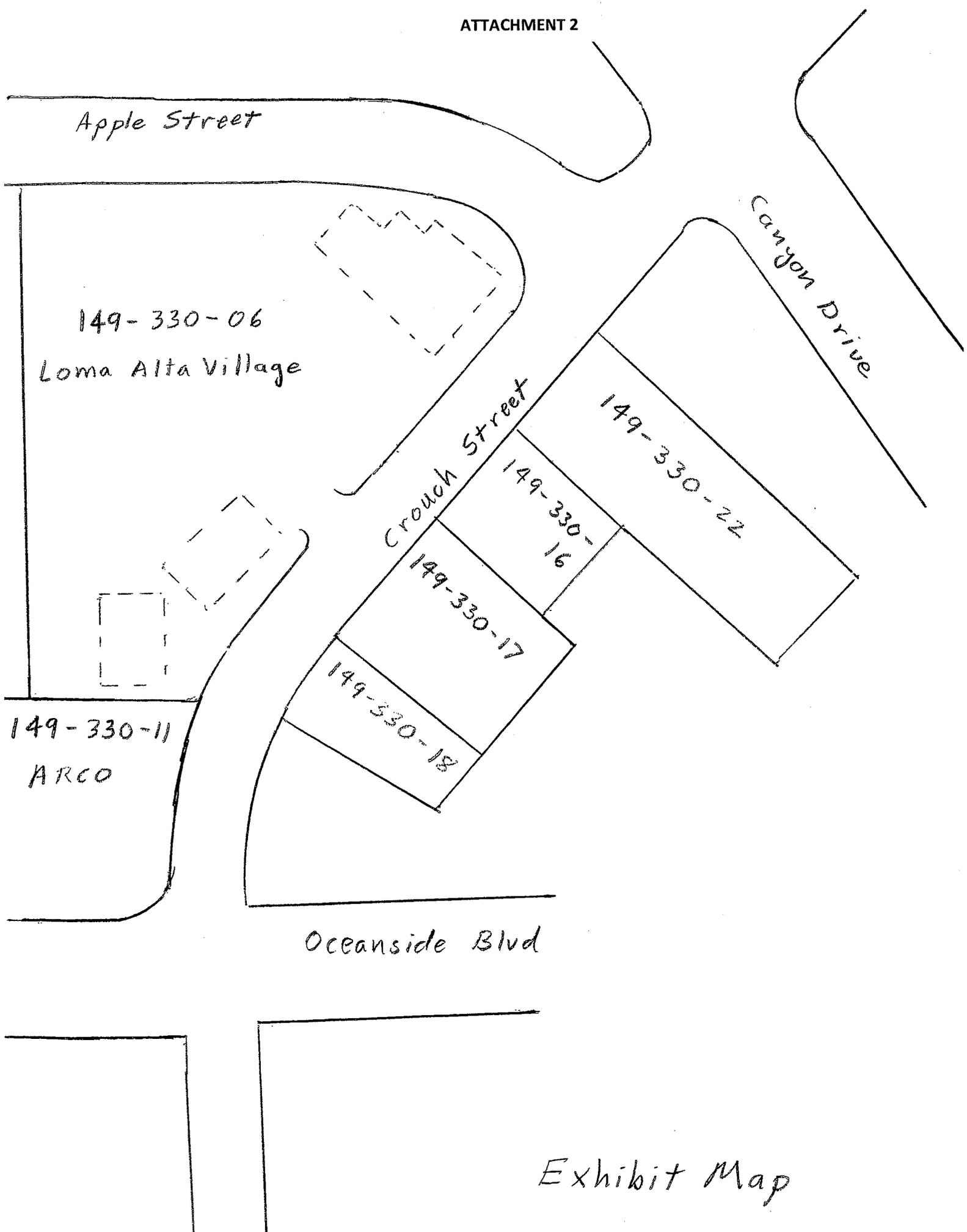
MAYOR OF THE CITY OF OCEANSIDE

APPROVED AS TO FORM:



CITY ATTORNEY

28 RESOLUTION OF THE CITY OF OCEANSIDE AMENDING THE OCEANSIDE BOULEVARD UTILITY
UNDERGROUNDING DISTRICT



Apple Street

149-330-06
Loma Alta Village

Canyon Drive

Crouch Street

149-330-22

149-330-16

149-330-17

149-330-18

149-330-11
ARCO

Oceanside Blvd

Exhibit Map

ATTACHMENT 3

149-330-06	DIVA INVESTMENT CORPORATION, 630 MAIN ST BRAWLEY CA 92227
149-330-11	KIM SONG U & KYUNG H 8770 BARNWOOD LN RIVERSIDE CA 92508
149-330-16	PREMIER PROPERTY MANAGEMENT L L C 1533 GLACIER RD OCEANSIDE CA 92056
149-330-17	PREMIER PROPERTY MANAGEMENT L L C 1533 GLACIER RD OCEANSIDE CA 92056
149-330-18	PREMIER PROPERTY MANAGEMENT L L C 1533 GLACIER RD OCEANSIDE CA 92056
149-330-22	ANGELINA ROSE LLC, 606 CROUCH ST OCEANSIDE CA 92054