



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Revised Utility Undergrounding Guidelines.

RECOMMENDED ACTION:

Adopt a motion approving Revised Utility Undergrounding Guidelines.

SUMMARY

Section 18.08 of the Sausalito Municipal Code includes regulations requiring the undergrounding of utilities for new construction and with other construction work that replace or relocate the utility panels. The Municipal Code allows for variances from the utility undergrounding due to hardship and creates a 5 member Utility Undergrounding Committee to consider variance requests.

The Undergrounding Committee created guidelines to guide when variances are to be granted. Efforts to implement the provisions of the Municipal Code and the Guidelines have created problems for property owners, tenants and Utility Undergrounding Committee members. The Legislative Committee recommended that guidelines be revised to address known problems. The Utility Undergrounding Committee has prepared revised guidelines.

The primary revisions are to define remodel as construction work of an amount equal to or greater than \$50,000 and to allow hardship if the cost to underground exceeds 10% of the assessor value of the property.

The Utility Undergrounding Committee recommends that the City Council adopt the revised guidelines.

BACKGROUND

Section 18.08 of the Sausalito Municipal Code creates regulation for Utility Undergrounding in the City. The regulations require the Utility Companies that extend services to underground the extended facilities. The policies require new homes to have utility services provided through underground facilities. The policies also require property owners or property tenants that alter their utility services to underground their service laterals.

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Guidelines were developed in the past to help determine when hardship exists. The City Council Adopted the Guidelines February 2, 1999. Adopted Guidelines are attached.

Problems arise because enforcement of the provision occurs well into the construction phase of the project. By that time that enforcement occurs the cost and time to comply with the requirement cannot be easily accommodated. Property owner are also severely challenged upon discovery of inadequate or improperly installed electrical equipment. Under current enforcement interpretations property owners are advised that utility service undergrounding must occur when the service panel is replaced or relocated, regardless of project costs or other factors.

Complaints arise despite notification efforts on the City Website, on the Building Permit Application form, on approved plan stamped conditions and notices and through inclusion of development conditions on projects requiring design review permits. Staff believes that when developers, business owners and property owners discover these requirements they often have not prepared for it. The costs of complying can be significant. By the time enforcement occurs many developers did not secure the resources to address the requirements. At the moment there is no remedy for such problems. Projects in the middle of construction are at risk of not being completed and potentially dangerous conditions cannot be corrected.

Interim revised Guidelines have been prepared to define remodel work as construction work totaling \$50,000 and to define hardship when undergrounding costs exceed 10% of the assessed value of the property. Electrical work associated with construction work of a lesser amount would be allowed to proceed without having to underground the electrical and communication service laterals. These interim guidelines are attached.

The minimum value threshold was included to allow smaller projects and small electrical projects to proceed. This \$50,000 threshold is similar to one established for sewer lateral inspection and repair.

The committee considered making a determination based upon market value of a property given that assessor values for properties held more than a few years may not reflect market values. The costs to get an appraisal to determine market value determination was determined to be problematic.

The Committee considered a proposal to allow deferrals by entering into a deferred improvement agreement in the event that the property owner did not adequately plan for undergrounding costs. Members of the Utility Undergrounding Committee and undergrounding advocates in the City believed enforcement of such a mechanism could be problematic given recent trend of staffing turnover and nonlocal utility management.

It is estimated that the cost to underground electrical and communication lateral services, outside of a formed Underground Utility District, would be at least \$5,000 and upwards of \$100,000 depending on site and utility distribution facilities conditions.

The revised Guidelines were approved by the three member Utility Underground Committee. The guidelines were revised with input of current, past, hopeful future members of the committee, and staff.

In addition to the proposed interim guidelines, Community Development and Engineering staff is preparing revised pre-application guidelines for Design Review Permit entitlements and Building Permits.

FISCAL IMPACT

Approval and adoption of the guidelines will have no impact on the General Fund.

STAFF RECOMMENDATIONS

Adopt a motion approving and adopting Revised Utility Undergrounding Committee Guidelines.

Alternatively, provide staff direction on revisions to the Undergrounding Committee Guidelines.

Alternatively, take no action resulting in the existing Utility Undergrounding Guidelines to remain in place.

ATTACHMENTS:


Current Underground Committee Guidelines
Interim Utility Undergrounding Guidelines

PREPARED BY:



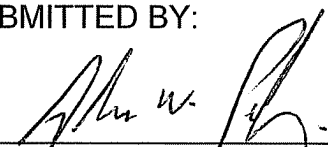
Todd Teachout, City Engineer

REVIEWED BY (Department Head):



Jonathon Goldman, Director of Public Works

SUBMITTED BY:



Adam W. Politzer, City Manager

REVIEWED BY (City Attorney):



Mary Wagner, City Attorney

UNDERGROUND COMMITTEE GUIDELINES
(Adopted by Sausalito City Council on February 2, 1999)

Undergrounding Requirements

1. In the case where only an amperage upgrade (i.e. 60 to 100 Amp), or fuse to circuit breaker is requested, upgrade may be done without further undergrounding provided that provision is made to facilitate future undergrounding at the service termination by installing a meter socket and enclosure designed for overhead and underground service entry. This will apply to owner occupied residences as well as single family and multi-family rental properties.

2. The obligation to underground all overhead wires extends to:

- a) remodeling within three years of the completion of relocation or upgrade of service; or
- b) relocating or upgrading service within a three year period of completion of a remodeling project; or
- c) performing a series of small remodeling projects without undergrounding within a three (3) year period of a hardship exception being granted. If subsequent remodeling is undertaken within three (3) years of the original remodeling, the total cost of remodeling during the preceding three (3) year period shall be considered in determining whether the cost of undergrounding exceeds the 10% hardship exception threshold.

NOTE: Section 2 (above) is suspended pending UG Ordinance adoption.

Hardship Exception

- 1. A hardship exception will be considered if the cost to underground exceed, 10% of the cost of the proposed construction in owner-occupied single family dwellings.
- 2. A hardship exception will be considered in a duplex residential property if one unit is owner occupied.
- 3. No hardship exception will be considered in rental property with three or more units or in commercial property.

Special Conditions

1. In all cases where an exception is approved, applicants shall agree to participate in a future underground utility district in conformance with the General Plan for utility undergrounding in the City of Sausalito.
2. Recipients of hardship variances shall install a service termination meter socket and enclosure designed for overhead and underground service entry.

Note: For the purpose of SMC Chapter 18.08 and these Guidelines certain terms, phrases, words and their derivatives shall be construed as specified in the most recent SMC adopted-construction codes where specific definitions are provided. Where terms are not defined, they shall have their ordinarily accepted meanings within the context with which they are used. *Webster's Third New International Dictionary of the English Language, Unabridged*, copyright 1986, -shall be considered as providing ordinary accepted meanings.

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REVISED UNDERGROUNDING COMMITTEE GUIDELINES –Recommended for approval -
July 2009

RECITALS

Section 18.08.020 of the Sausalito Municipal Code requires that electric and communication service laterals for new residential and commercial buildings, be undergrounded.

Section 18.08.020 of the Sausalito Municipal Code requires that electric and communication service laterals be undergrounded when the main electrical service is relocated or replaced in the course of a remodel of a residential or commercial building.

Section 18.08.040 of the Sausalito Municipal Code allows for exception to the undergrounding requirements of 18.08.020 if the requirement would result in undue hardship.

Section 18.08.060 of the Sausalito Municipal Code creates an Undergrounding Committee to administer the provisions of Section 18 of the Sausalito Municipal Code.

These guidelines have been prepared to assist in the determination of undue hardship.

Section 18.08 requires property owners to install code-compliant undergrounded utility service laterals for all new and remodel construction projects.

The City Council adopted these guidelines as formal policy on _____, 2009.

DETERMINATIONS

Grant of hardship will be considered for owner occupied Single Family Residential property only if undergrounding costs exceed 10% of Assessed Value of the property. Utility undergrounding ordinance variance for rental residential, institutional, industrial or commercial property will not be considered or granted.

When a hardship variance is made, the property owner shall install a new main electrical panel designed to accept service connection from the bottom of the panel for future undergrounding connection. The variance from utility undergrounding requirements will remain in effect until an undergrounding district incorporating the property is implemented.

DEFINITIONS

Assessed Value: Value contained within Marin County Assessor Roll for existing improved property. Value contained within the Marin County Assessor Roll for land and the valuation of proposed improvements (site and structure), subject to the review and approval of City Staff and concurred by the Undergrounding Committee.

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Hardship: A situation in which the cost of undergrounding places unnecessary or unusual financial demand on the property owner.

Main Service: An Electrical Service "Panel" and Communications Service box or panel that contains the service disconnect equipment.

Project: All new or remodel construction work with a value of \$50,000 or more completed or planned within a five-year period.

Remodel: Provisions of 18.08 shall apply when the home is undergoing any construction of significant architectural, structural and/or site improvements with costs in excess of \$50,000 (as of 2009 and subject to periodic adjustment using the SF Bay Area Construction Cost Index) for a single project.

Variance: A grant of exception to the requirements of Utility Undergrounding Ordinance Section 18.08.

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