

REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

Consent
October 12, 2010

Honorable Mayor and
Members of the City Council

Title: Sacramento Municipal Utility District (SMUD) System Enhancement
Program: Richards Boulevard Utility Underground Project

Location/Council District: Council District 1

Recommendation: Adopt a **Resolution:** 1) establishing the Richards Boulevard Utility Underground Project (B18219100); 2) establishing revenue and expenditure budgets for the project in an amount not to exceed \$800,000 in the Capital Grants Fund (Fund 3702); 3) approving and authorizing the City Manager or his designee to execute an SD-14 Agreement with SMUD in an amount not to exceed \$800,000; 4) approving and authorizing the City Manager or his designee to execute an Assignment Agreement with Capitol Station 65, LLC, allocating SD-14 funds to construct the Richards Boulevard Utility Underground Project.

Contact: Diana Sasser, Project Manager, (916) 808-5519; Jim Rinehart, Economic Development Director, (916) 808-5054

Presenters: N/A

Department: Economic Development Department

Division: Citywide

Organization No: 18001021

Description/Analysis

Issue: On March 9, 2010, City Council approved criteria to score and rank proposed undergrounding projects and approved a list of projects eligible for the SMUD System Enhancement Program. As part of the program, projects must be approved by SMUD to encumber funds, and the underground utility trenching must be constructed before funding is released. SMUD will incur its own costs to relocate its facilities if the trenching is constructed by others.

The Richards Boulevard Utility Underground Project (the project) was analyzed

through the approved SMUD and City criteria and is the highest ranked project. The project consists of undergrounding utilities adjacent to the Township 9 development project in the River District. Township 9 is being developed by Capitol Station 65, LLC (the developer). The City, in an effort to support the adjacent Township 9 development, requested funding from SMUD under its System Enhancement Program in the amount of \$800,000 in order to reimburse the developer for costs related to constructing the underground trench for the SMUD electrical lines.

Policy Considerations: The actions recommended in this report are consistent with previously approved policies to assist commercial projects and promote infill development. The relocation or undergrounding of primary voltage overhead power lines is very desirable to the City as it can help improve aesthetics, economic vitality, safety and disabled access along corridors.


Environmental Considerations: The proposed action to fund the project for relocation or undergrounding of existing utility poles is exempt from environmental review under the California Environmental Quality Act (CEQA) Guidelines Section 15302 (c), replacement or reconstruction of existing utility facilities.

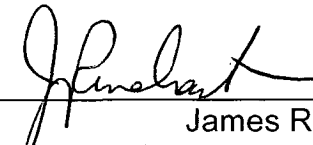
Sustainability Considerations: This report does not address any sustainability issues.

Rationale for Recommendation: Township 9 is a major infill and transit-oriented development project, with 15% of the housing to be built for low and very low income households (179 affordable units plus one manager unit), per requirements of the Proposition 1C HCD grants awarded. It is expected to promote increased transit ridership in Sacramento. The SMUD System Enhancement Program will fund the SMUD portion of the excavation and trenching needed to underground the electrical lines near the future light rail station on Richards Boulevard. In accordance with SMUD System Enhancement Program requirements, the Township 9 developer has prepared plans for this work, will undertake construction of the trench, and will grant SMUD an easement for this facility.

Financial Considerations: The work required to construct the trench for the new underground lines is estimated to cost approximately \$1,000,000. The SMUD System Enhancement Program funds will help fund an amount not to exceed \$800,000 of these costs. The remaining \$200,000 estimated project cost will be paid by the Township 9 developer.

Emerging Small Business Development (ESBD): Not applicable.

Respectfully Submitted by: 
Melissa Anguiano
Economic Development Division Manager

Approved by: 
James R. Rinehart
Economic Development Director

Recommendation Approved:


Gus Vina
Interim City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVE AGREEMENTS FOR IMPLEMENTATION OF RICHARDS BOULEVARD UTILITY UNDERGROUND PROJECT

BACKGROUND

- A. The relocation or undergrounding of primary voltage overhead power lines is very desirable to the City as it can help improve aesthetics, economic vitality, safety and disabled access along corridors.
- B. The Sacramento Municipal Utility District (SMUD) recognized these benefits and established the System Enhancement Program in order to fund selected distribution system enhancements by relocating or undergrounding existing power lines below 69 kV.
- C. SMUD will fund the cost to relocate or underground its facilities and will fund the costs to construct the utility trench provided that: (i) the City has established the project and determined that it is in the public interest, (ii) the relocation of all telecommunication company facilities with leases and rights to the existing joint pole facilities have been funded and approved by those companies, (iii) the plans and specifications for the relocation of SMUD's facilities has been completed by others, (iv) the underground improvements have been constructed to SMUD's satisfaction, (v) all required building permits have been approved, (vi) all private property right of way requirements and easements and service relocation agreements with all affected property owners have been executed, and (viii) any easements that may be required by SMUD for its above-ground utility boxes have been granted.
- D. On March 9, 2010 the City Council approved the SMUD System Enhancement Program priority selection criteria and approved a list of priority ranked projects for the SMUD System Enhancement Program. The Richards Boulevard Utility Undergrounding Project was the highest ranked project.
- E. The Richards Boulevard Utility Underground Project consists of undergrounding utilities adjacent to the Township 9 development project in the River District.
- F. Township 9 is being developed by Capitol Station 65, LLC.
- G. Capitol Station 65, LLC has prepared plans for this work, will undertake construction of the trench and will grant SMUD an easement for this facility.

RESOLVES AS FOLLOWS:

- Section 1. The Richards Boulevard Utility Underground Project is hereby established (B18219100).
- Section 2. The SD-14 Agreement is approved and the City Manager or his designee is authorized to execute the Agreement with SMUD to accept SD-14 funds for the Richards Boulevard Utility Underground Project in an amount not to exceed \$800,000.
- Section 3. Establish revenue and expenditure budgets for the project in an amount not to exceed \$800,000 in the Capital Grants Fund (Fund 3702).
- Section 4. The Assignment Agreement with Capitol Station 65, LCC is approved and the City Manager or his designee is authorized to execute the Agreement, allowing Capitol Station 65, LLC to design and undertake construction of the Richards Boulevard Utility Underground Project and the City to allocate SMUD SD-14 funds to Capitol Station 65, LLC for reimbursement of Richards Boulevard Utility Underground Project construction costs incurred in an amount not to exceed \$800,000.