

Lompoc City Council Agenda Item



City Council Meeting Date: May 16, 2006

TO: Gary P. Keefe, City Administrator

FROM: Rodney Ray, Electric Utility Manager
r_ray@ci.lompoc.ca.us

SUBJECT: A Resolution Establishing Underground Utility District Number (LUD-5)

RECOMMENDATION:

It is recommended that the City Council adopt Resolution No. 5333(06) establishing an Underground Utility District LUD-5 in the area shown on Exhibit "A," in accordance with City Code Chapter 33, Article 5.

BACKGROUND AND DISCUSSION:

The City Council held a public hearing in April 4, 2006, to consider the formation of the proposed underground utility district. After public comment, Staff was directed to develop options for the Council to consider which would ease the burden on any property owners in the proposed district who would need to convert their overhead electric service to an underground electric service.

The City of Lompoc General Plan states goals related to undergrounding existing overhead utility lines. The Electric Division requested and received funds in the current budget to underground the power lines crossing Ocean Avenue at Seventh Street. In the interim, one of the properties in this area has been selected as the new hospital site, which will also trigger undergrounding of additional power lines along the 100 block of North Seventh Street. However, this will still leave telephone lines and CATV lines on poles on the west side of Seventh Street, as well as, overhead power and communication lines on the 100 block of South Seventh Street, which connect to existing underground lines now at Cypress Avenue and along Ocean Avenue toward Fifth Street. Electric staff is proposing the creation of an underground district as provided for in City Code Chapter 33, Article 5, in order to completely eliminate overhead power and communications poles in this area. In addition to aesthetic improvement of this area, undergrounding will eliminate power and communication poles as obstructions in the sidewalk, and result in more flexible and reliable operation of the electric system.

Most of the private properties in the proposed district are either vacant or already have underground services. However, there are five (5) commercial properties in the proposed district that would need to underground their existing overhead electric, telephone, and CATV services to comply with the underground district. To ease the burden for these properties, staff proposes the Council authorize the Electric Division to make available low interest loans to cover the cost of undergrounding the affected overhead electric services. Details of the loan program will be covered in a separate resolution, along with a resolution to create the underground district, should Council decide to create the underground district.

Staff identified the following options:

1. CDBG loans can be used. However, such loans are normally used for overall improvement of a property and place additional long-term maintenance conditions on the owner.
2. Create a secured loan program that can be used to let the property owner finance the expense of undergrounding their electric service over a 20-year term, similar to the “Economic Development” loan program.
3. Adjust the boundaries of the proposed district to exclude the five (5) customers that still have overhead electric services. The proposed district could be limited to just the intersection of Ocean Avenue and Seventh Street and the 100 block of North Seventh Street. This would cut the overall project to about one-third of the proposed project and would eliminate the need for the five existing overhead services to be placed underground.

SUMMARY:

Staff is recommending City Council approve the proposed Underground Utility District LUD-5 Exhibit “A,” and direct staff to prepare a loan program for Council approval.

Respectfully submitted,

Rodney Ray, Electric Utility Manager

APPROVED FOR SUBMISSION TO THE CITY ADMINISTRATOR:

James W. Beck, Utilities Director

APPROVED FOR SUBMISSION TO CITY COUNCIL:

Gary P. Keefe, City Administrator

ATTACHMENTS:

1. [Resolution No. 5333\(06\)](#)
2. [Exhibit “A,” map](#) of the proposed Underground Utility District LUD-5.