

RESOLUTION NO.

WHEREAS, Austin Energy’s mission is to deliver clean, affordable, reliable energy and excellent customer service; and

WHEREAS, the City has established a vision of Austin as a resilient, innovative, sustainable, and above all, equitable city that is ready to withstand and bounce back stronger in the face of increasing future challenges; and

WHEREAS, recent extreme weather experiences have highlighted the need for resilient infrastructure and the opportunities for improving the City’s electric distribution lines; and

WHEREAS, underground electric distribution lines often cost more than similar overhead lines to develop, but may have higher reliability and lower total cost of ownership over the useful life of the infrastructure; and

WHEREAS, underground utility infrastructure is currently included as a requirement in certain geographic areas such as those in City Code § 25-2-721 (F) (*Waterfront Overlay*); and

WHEREAS, the City has included in its Land Development Code (LDC) a preference for underground utilities along Core Transit Corridors and Urban Roadways in Chapter 25-2, Subchapter E § 2.2.2.B.3 and § 2.2.3.3 (*Site Development Standards*), requiring that “All utility lines shall be underground from the building to the property line. Utility lines within the right-of-way shall be placed underground or relocated to the rear of the site to the maximum extent practicable;” and

WHEREAS, the interpretation of feasibility when determining “to the maximum extent practicable” for this code provision has been inconsistent and has

26 sometimes relied on cost comparisons relative to overhead power lines without
27 accounting for the total lifetime cost of ownership or total community value of
28 underground utility infrastructure; and

29 **WHEREAS**, the cost of placing utility infrastructure underground is
30 generally least expensive when done as a part of new construction and
31 development; and

32 **WHEREAS**, per Resolution 20140612-057, Austin Energy requires full cost
33 recovery for service extension requests and provides up to a full exemption for
34 affordable housing; and

35 **WHEREAS**, Texas Local Government Code, Chapter 395 allows
36 municipalities to impose a street impact fee to pay the costs of constructing certain
37 capital improvements or facility expansions; and

38 **WHEREAS**, Texas Local Government Code Sec. 395.001 defines capital
39 improvements to include “roadway facilities,” including “arterial or collector
40 streets or roads that have been designated on an officially adopted roadway plan of
41 the political subdivision, together with all necessary appurtenances” and also “the
42 political subdivision's share of costs for roadways and associated improvements
43 designated on the federal or Texas highway system, including local matching funds
44 and costs related to utility line relocation and the establishment of curbs, gutters,
45 sidewalks, drainage appurtenances, and rights-of-way”; and

46 **WHEREAS**, the City adopted City Code Chapter 25-6, Article 9 (*Street*
47 *Impact Fees*) in December 2020; and

48 **WHEREAS**, the City’s street impact fee regime includes offsets in City
49 Code § 25-6-669 (*Offsets Against Street Impact Fees*) that allow a development

50 applicant to offset the amount of required street impact fees to reflect the value of
51 any construction of or contributions to a system facility, or dedications of an offsite
52 system facility, which are identified on or eligible for inclusion in the roadway
53 capacity plan; and

54 **WHEREAS**, the City is currently experiencing a significant amount of
55 construction and development activity, including publicly funded efforts on major
56 corridors as well as redevelopment on City-owned land; and

57 **WHEREAS**, Project Connect redevelopment work is subject to the Utility
58 Rules of Practice, and all City departments and the tri-party partners have agreed to
59 include a preference for advancing the development of underground utility
60 infrastructure in Project Connect; and

61 **WHEREAS**, Austin Energy has made great progress in developing
62 underground utilities as it has grown, progressing from 3,189 miles or 37% of
63 underground distribution lines in 1997, to 7,023 miles or 58% of distribution lines
64 in 2021; and

65 **WHEREAS**, to make further progress on converting electric distribution
66 lines to underground placement, the City seeks to maximize such placement as a
67 part of new construction when the relative cost is least, and to study the feasibility
68 and plan for the conversion of lines to support high priority uses or in areas where
69 new construction is unlikely; **NOW, THEREFORE,**

70 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

71 The City Manager is directed to conduct a feasibility study and subsequently
72 develop a long-term capital improvement plan for converting overhead electric
73 utility distribution lines to underground electric utility distribution lines for high-

74 priority uses and areas without new construction opportunities. Consistent with the
75 goals of this resolution, and to the greatest extent possible, the City Manager is
76 directed to include in this study and planning:

- 77 • A proposal for a prioritization methodology by which the City could
78 proactively develop underground utility infrastructure, including, but not
79 limited to, the following elements:
 - 80 ○ Critical infrastructure such as water and wastewater facilities;
 - 81 ○ Health and safety infrastructure, such as hospitals and nursing homes;
 - 82 ○ Emergency response infrastructure, such as Police, Fire, and
83 Emergency Medical Service stations;
 - 84 ○ Emergency shelter locations and resilience hubs;
 - 85 ○ Areas with a history of frequent electric service disruption or high
86 maintenance cost;
 - 87 ○ Consideration of community equity and historically underserved
88 communities;
 - 89 ○ Areas with high risk of wildfire;
 - 90 ○ Consideration of conflicts with tree canopy and critical root zones;
 - 91 ○ Areas with impact on public assets such as parkland; and
 - 92 ○ Costs relative to other underground utility infrastructure opportunities;
- 93 • Clear definition of what areas or conditions are not feasible for
94 underground utility infrastructure;

- A review of best practices among other cities and utilities, including recommendations for improved coordination with telecommunication providers;
- Cost estimates, phasing options, and possible funding or cost recovery sources, including state or federal assistance, for relocating existing distribution infrastructure underground; and
- An appropriate target and implementation schedule for consideration by the City Council prior to the next Austin Energy base rate case.

BE IT FURTHER RESOLVED:

The City Manager is directed to advance the development of underground electric utility infrastructure in conjunction with new construction by public and private entities. Consistent with the goals of this resolution, the City Manager is directed to:

- Include consideration of underground electric utility infrastructure in any corridor design and reconstruction, including any corridor design and reconstruction associated with the Austin Transit Partnership or projects of other regional transportation partners;
- Include consideration of underground electric utility infrastructure in any City-sponsored facility construction as a part of Austin's Strategic Facilities Plan;
- Consider and implement strategies for improving coordination between all City departments involved in the utility review portion of the development and site plan process to improve efficiencies and processing

time as well as consistent and predictable approaches to related easements, license agreements, and required clearances;

- Propose changes to land use review processes (including zoning, development review, and similar processes) to specifically identify whether an applicant has requested to locate utility infrastructure underground, including both electric distribution lines and supporting equipment where appropriate. To the greatest extent possible, staff comments, reviews, and reports should identify opportunities for underground utility infrastructure either onsite or on adjacent property, with the goal of aiding council, commissions, and the community in understanding options and associated costs of underground utilities. If City Staff has a professional disagreement with a proposal for underground utilities, the explanation should be documented for consideration;
- Review current permit and right of way fees related to underground electric utility infrastructure and provide recommendations if changes are needed to achieve the goals of this resolution; and
- Explore whether amending the roadway capacity plan or City Code Chapter 25-6 (*Transportation*) would incentivize additional undergrounding of electric utilities if those improvements would be eligible as an offset for street impact fees.

BE IT FURTHER RESOLVED:

The Council initiates amendments to the Land Development Code, codified at City Code Title 25, with the goal of prioritizing the development of underground

electric utility infrastructure in conjunction with new construction by public and private entities. The amendments should achieve the following objectives:

- Modify Planned Unit Development Standards to promote the installation of underground power utility infrastructure for distribution electric lines and investment in adjacent off-premise underground electric utility infrastructure, with engineering feasibility determined in collaboration with Austin Energy, as a community benefit for purposes of achieving project superiority; and
- Upon completion of the feasibility study, and as appropriate, amend any other existing code requirements related to underground utility infrastructure consistent with the goals of this resolution.

BE IT FURTHER RESOLVED:

The City Manager is directed to report back to the Electric Utility Commission and Austin Energy Utility Oversight Committee within 180 days of the adoption of this resolution with any recommendations or a status of on-going work.

ADOPTED: _____, 2023

ATTEST: _____

Myrna Rios
City Clerk