

**RESOLUTION NO.**

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

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

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

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

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

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

24       **WHEREAS**, the interpretation of feasibility when determining “to the  
25 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**, street trees play a critical role in mitigating urban heat island  
58 effect, improving the safety and walkability of our city streets as well as general  
59 quality of life, and enhancing the cleanliness of our air and water, and overhead  
60 electric distribution lines frequently create conflicts for the growth and health of  
61 these vital pieces of green infrastructure; and

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

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

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

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

76 The City Manager is directed to conduct a feasibility study and subsequently  
77 develop a long-term capital improvement plan for converting overhead electric  
78 utility distribution lines to underground electric utility distribution lines for high-  
79 priority uses and areas without new construction opportunities. Consistent with the  
80 goals of this resolution, and to the greatest extent possible, the City Manager is  
81 directed to include in this study and planning:

- 82 • A proposal for a prioritization methodology by which the City could  
83 proactively develop underground utility infrastructure, including, but not  
84 limited to, the following elements:
  - 85 ○ Critical infrastructure such as water and wastewater facilities;
  - 86 ○ Health and safety infrastructure, such as hospitals and nursing homes;
  - 87 ○ Emergency response infrastructure, such as Police, Fire, and  
88 Emergency Medical Service stations;
  - 89 ○ Emergency shelter locations and resilience hubs;
  - 90 ○ Areas with a history of frequent electric service disruption or high  
91 maintenance cost;
  - 92 ○ Consideration of community equity and historically underserved  
93 communities;
  - 94 ○ Opportunities to coordinate with the planting of new street trees,  
95 especially along corridors of high pedestrian use;
  - 96 ○ Areas with high risk of wildfire;

- Consideration of conflicts with tree canopy and critical root zones;
- Areas with impact on public assets such as parkland; and
- Costs relative to other underground utility infrastructure opportunities;
- Clear definition of what areas or conditions are not feasible for 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;

- 119 • Include consideration of underground electric utility infrastructure in any  
120 City-sponsored facility construction as a part of Austin’s Strategic  
121 Facilities Plan;
- 122 • Consider opportunities for increased compliance with street tree  
123 requirements and goals;
- 124 • Consider and implement strategies for improving coordination between  
125 all City departments involved in the utility review portion of the  
126 development and site plan process to improve efficiencies and processing  
127 time as well as consistent and predictable approaches to related  
128 easements, license agreements, and required clearances;
- 129 • Propose changes to land use review processes (including zoning,  
130 development review, and similar processes) to specifically identify  
131 whether an applicant has requested to locate utility infrastructure  
132 underground, including both electric distribution lines and supporting  
133 equipment where appropriate. To the greatest extent possible, staff  
134 comments, reviews, and reports should identify opportunities for  
135 underground utility infrastructure either onsite or on adjacent property,  
136 with the goal of aiding council, commissions, and the community in  
137 understanding options and associated costs of underground utilities. If  
138 City Staff has a professional disagreement with a proposal for  
139 underground utilities, the explanation should be documented for  
140 consideration;
- 141 • Review current permit and right of way fees related to underground  
142 electric utility infrastructure and provide recommendations if changes are  
143 needed to achieve the goals of this resolution; and

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- 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.

148 **BE IT FURTHER RESOLVED:**

149 The Council initiates amendments to the Land Development Code, codified  
150 at City Code Title 25, with the goal of prioritizing the development of underground  
151 electric utility infrastructure in conjunction with new construction by public and  
152 private entities. The amendments should achieve the following objectives:

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- Modify Planned Unit Development Standards to promote the installation of underground power utility infrastructure for distribution electric lines, consistent with the goals of this resolution, 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.
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