

**RESOLUTION NO. 20230323-084**

**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 Section 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 Section 2.2.2.B.3 and Section 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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

- A proposal for a prioritization methodology by which the City could proactively develop underground utility infrastructure, including, but not limited to, the following elements:
  - Critical infrastructure such as water and wastewater facilities;
  - Health and safety infrastructure, such as hospitals and nursing homes;
  - Emergency response infrastructure, such as Police, Fire, and Emergency Medical Service stations;
  - Emergency shelter locations and resilience hubs;
  - Areas with a history of frequent electric service disruption or high maintenance cost;
  - Consideration of community equity and historically underserved communities;
  - Areas with high risk of wildfire;
  - Consideration of conflicts with tree canopy and critical root zones;

- Opportunities to coordinate with the planting of new street trees, especially along corridors of high pedestrian use;
- 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;

- Include consideration of underground electric utility infrastructure in any City-sponsored facility construction as a part of Austin's Strategic Facilities Plan;
- Consider opportunities for increased compliance with street tree requirements and goals;
- 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:

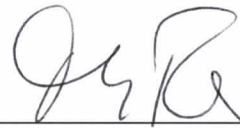
- Modify Planned Unit Development Standards to promote the installation of underground power utility infrastructure for distribution electric lines, consistent with the goals of this resolution, and investment in adjacent off-premise underground electric utility infrastructure, with engineering feasibility 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.

**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:** March 23, 2023

**ATTEST:**



Myrna Rios  
City Clerk