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**PLANNING COMMISSION WORKSHOP AGENDA
HUMAN RESOURCES TRAINING ROOM
CITY HALL, 250 N 5TH STREET
THURSDAY, JUNE 20, 2024 - 12:00 PM
Attend virtually: bit.ly/GJ-PCW-2024**

Call to Order - 12:00 PM

Other Business

1. Undergrounding Existing Overhead Utility Lines - Draft Code Changes
2. Multifamily Definition & Standards

Adjournment



Grand Junction Planning Commission

Workshop Session

Item #1.

<u>Meeting Date:</u>	June 20, 2024
<u>Presented By:</u>	Tamra Allen, Community Development Director
<u>Department:</u>	Community Development
<u>Submitted By:</u>	Tamra Allen, Community Development Director

Information

SUBJECT:

Undergrounding Existing Overhead Utility Lines - Draft Code Changes

RECOMMENDATION:

EXECUTIVE SUMMARY:

The Zoning and Development Code requires that all new utility lines be undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the director can accept cash payment in lieu. The burden of undergrounding an overhead utility line is borne fully by the property owner on which the power poles have been installed, and it is generally perceived by the development industry that the requirement to underground along frontages less than 700 feet puts an unfair burden on development that happens to have overhead utilities along the property frontage. For development with frontage less than 700 feet, with the option to pay the in-lieu fee, the rate was established in 2005 and is set at \$25.65 per linear foot. The actual estimated average cost for undergrounding utilities is approximately \$300 per linear foot.

In 2018, participants in the City's ad hoc Development Roundtable identified the issue of existing overhead utility undergrounding requirements as a development challenge to staff. Subsequently, in 2018, staff discussed several options for addressing the issue

with the City Council and received direction to continue working with industry representatives. Over the course of the past five years, staff have worked intermittently with the roundtable to identify an approach that would address the community's needs. Discussion continued on this topic until as recently as June 2022, when the Code Committee took up this issue as a part of the Zoning and Development Code update. As expected, the Code Committee recommended the requirement be removed from the Code. This recommendation was supported during the review and recommendation process by the Planning Commission. At that time, Community Development staff also supported the removal of the code requirement while the consultant team (Clarion Associates) recommended "maintaining the current undergrounding requirement while pursuing a policy discussion at the City Council level to determine whether City participation in the undergrounding costs for some projects would provide an overall benefit to the community." Ultimately, the City Council's adopted code update maintained the requirement to underground existing overhead utility lines. Staff was directed to bring the topic of utility undergrounding to a City Council workshop for additional policy discussion and direction in early 2024. A workshop was held on February 5, 2024, to discuss the topic, and the Council asked that staff reach back out to industry representatives through the Development Roundtable to seek additional input.

Staff met with the Roundtable group in March and again in April to discuss options, and the Roundtable group reiterated its lack of support for the continuation of this code requirement. City Council held a workshop on April 15 and provided direction to staff to draft revised code sections that provide an option for developers to underground or to pay an in-lieu fee as well as to increase to in-lieu fee to \$150 per lineal foot for any development that opted to pay the fee instead of underground existing overhead utilities. In addition, the draft revisions allow for a developer to request a distribution from the Undergrounding Fund of up to 50 percent of the actual cost (without markup for Overhead and Profit) to the developer of materials and labor to underground those utilities.

BACKGROUND OR DETAILED INFORMATION:

EXISTING OVERHEAD UTILITY UNDERGROUND REQUIREMENT.

The Zoning and Development Code requires that all new utility lines be undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the Director can accept cash payment in lieu. The requirement to underground, as currently written, applies only to streets and does not include alleys. More specifically, the code provides,

Section 21.06.010(f) Utilities. Utilities, including, but not limited to, telephone, cable, television, electric, and natural gas, shall be provided and paid for by the developer and shall be installed underground. All existing overhead utilities along streets contiguous with the development shall be installed underground prior to street construction. When the development has less than 700 feet of frontage along a street, the Director has the discretion to accept a payment of cash-in-lieu of requiring the developer to underground the existing overhead utilities. The payment amount shall be determined as set forth in

the adopted fee schedule.

UNDERGROUNDING OR PAYMENT IN LIEU FEE.

The burden of undergrounding an overhead utility line is borne fully by the property owner, who has installed the power poles in an easement or right of way adjacent to a property. It is generally perceived that the requirement to underground overhead utility lines along frontages of 700 feet or more puts a disproportionate burden on development that happens to have overhead utilities along their property frontage. For example, if a property has a large frontage with a significant voltage line overhead, they are required to cover the full cost of the undergrounding. Meanwhile, the property across the street or down the road is not required to participate in this oftentimes significant expense of which the adjacent properties are beneficiaries due to the improved aesthetic.

Meanwhile, if a property has overhead utility lines but has a frontage of less than 700 feet, the property owner may pay a fee in lieu of the actual undergrounding. The current fee in lieu of undergrounding is set at \$25.65. This fee was established at least 20 years ago (~1997) and was intended to pay for the cost for the City to underground utility lines in conjunction with major street projects. The current fee is inadequate to cover the cost of undergrounding. Xcel Energy estimates the cost for undergrounding lines at an approximate average of \$250 to \$300 per lineal foot for Secondary lines, \$350 to \$500 per lineal foot for Primary lines and \$600 to \$800 per foot for Feeder lines. The cost can be variable, dependent upon the size of the line and the related voltage the lines carry.

Engineering revisited the 700-foot threshold with both Xcel and Grand Valley Power (GVP) in 2022. The input received from both entities advised that 700 feet, or roughly one city block, is an appropriate threshold as the intent is to avoid unsightly piecemeal segments of underground and overhead lines that increase costs for converting short segments of overhead to underground later. Termination points from the overhead to the new underground (called terminal poles) are costly and unsightly due to all the termination equipment, switching, and guy wiring. The companies noted that it can be very difficult to find suitable locations for these poles that allow enough room for guy wiring while providing accessibility for crews and do not adversely impact the property owner due to pole placement. In general, longer distances also allow for increased cost savings on a per lineal foot basis.

RELATIONSHIP TO FRANCHISE AGREEMENTS.

Franchises for service providers are voter-approved. Voters passed the current franchise agreements for both Xcel and GVP in April 2011 as People’s Ordinance 37, and they are in effect until May 31, 2031. It is possible, with an affirmative vote by the People, that the agreements could be amended in the next municipal election. The current franchise requires that all newly constructed electrical distribution lines in newly developed areas of the city underground their utilities. The agreement does not speak to existing overhead utility lines.

Article 11 of the franchise agreements (GVP and Xcel) includes a provision for an underground fund ("Fund") in which Xcel and GVP are required to budget and allocate an annual amount equal to one percent of the preceding year's electric gross revenues for the purpose of burying overhead utility lines as requested by the City. The Fund can only be used for facilities that are located in the public right-of-way and are public projects. The franchise agreements also allow for the City to require Xcel or Grand Valley Power to underground above-ground facilities at the City's expense. The one percent Fund has historically been used in conjunction with the City's capital projects. The one percent allocation is customary across Colorado.

GVP, whose service area covers about 10 percent of the City area, collects approximately \$90,000 per year, while Xcel, whose service area covers the remainder of the City, collects approximately \$560,000 per year. Both Xcel and GVP draw on these funds for eligible projects upon request from the City.

If the City is interested in completing underground for a significant project, the City, through the Franchise agreements, can draw on future revenues up to three years in advance to complete a project. Recent projects that the City has drawn on these funds include Orchard Avenue between Cannell and 12th Street, 1st Street from North Ave to Ouray, 7th Street from Center Ave to Tope Elementary, and 24 Road from Mojo south to F ½ Rd. Older projects that utilized these funds include I-70B from 24 Road to Rimrock and the Riverside Parkway.

RELATIONSHIP TO TRANSPORTATION CAPACITY PAYMENT PROGRAM.

The undergrounding policy was developed prior to the most recent revisions of the City's Development Standards, at a time when developers were responsible for the construction of all half-street improvements adjacent to the property being developed. The development standards now only require the developer to pay for the improvements necessary for access and the safe ingress and/or egress of traffic to the development and do not require the developer to construct all the adjacent half of the street improvements (including curb, gutter, and sidewalk). Staff has reached out to several communities in Colorado and found a handful of communities have a similar program that requires undergrounding of existing overhead utility lines, including Pueblo and Fort Collins. Both Pueblo and Fort Collins exempt higher voltage lines (30 kV and 40 kV, and Fort Collins exempts short runs of less than 400 feet). All communities contacted require the undergrounding of new utilities. Most cities require new development to improve/construct the street and, at the same time, underground all overhead utilities. Below are a couple of key concepts from other undergrounding programs to consider:

WHY UNDERGROUND UTILITIES?

There are many drawbacks to having overhead distribution lines. Most importantly, they are susceptible to outages from falling trees and limbs, especially during storms. The poles are a roadway safety concern as they are a non-forgiving obstacle for drivers to avoid. The aesthetics of overhead lines are also often a concern to the public.

Underground distribution lines offer some notable benefits. While underground outages do occur, they are rare. In addition, lines provide better public safety since there are no exposed lines or falling poles. Underground systems are also hidden from view, and according to an American Planning Association publication, property values tend to be higher in neighborhoods with underground lines than in comparable neighborhoods with overhead lines. There are, however, inherent issues with lines that are undergrounded, mainly because they may be less visible and more susceptible to being hit while digging/boring and, in some cases, are more difficult to maintain.

Xcel staff concur with the issues identified above.

RELATIONSHIP TO COMPREHENSIVE PLAN.

The 2020 Comprehensive Plan provides the following:

Plan Principle 3: Responsible and Managed Growth (pg. 20). Strategy 3.e. ELECTRICAL SERVICE. Evaluate current policy for undergrounding overhead utility lines and in lieu of payments. Continue to require new and existing electrical lines to be buried.

Principle 5: Strong Neighborhoods and Housing Choice, Goal 4(d)(pg. 29) INFRASTRUCTURE IMPROVEMENTS. Prioritize infrastructure improvements, such as traffic calming enhancements, sidewalk repairs, bikeways, street tree plantings, and undergrounding of overhead utilities to improve safety and quality of life for neighborhood residents based on documented deficiencies.

Chapter 4, Area Specific Policies, Commercial Areas/Employment Centers/Streetscape (pg. 68): Streetscape elements should include pedestrian signage, benches, and street trees. A high priority should be placed on the undergrounding of utilities, wayfinding signage, sidewalk connectivity, and other improvements that enhance the streetscape functionality and safety.

POLICY OPTIONS EXPLORED.

Over the past several years, staff along with various members of the development community have explored numerous options for policy changes of which several are outlined below.

For Frontages Less than 700 Feet that are allowed to pay a “fee in lieu” of undergrounding.

Option 1: Maintain current in-lieu fee.

Option 2: In-lieu fee increase. Maintain the option for a fee in lieu of payment for frontages less than 700 feet; however, increase the in-lieu fee to cover the average estimated cost per linear foot. Review the fee annually and adjust it to be consistent with the actual cost of undergrounding the utility lines. The current fee was established in 1997 and has not been adjusted since; it is set at a rate of \$25.65 per linear foot; the

approximate average range of cost is \$250 to \$300 per lineal foot for Secondary lines, \$350 to \$500 per lineal foot for Primary lines and \$600 to \$8000 per foot for Feeder lines.

For Frontages Greater than 700 Feet that are required, currently without exception, to underground existing overhead utility lines. For the following options, staff has defined a Primary Line as “Electric Utility Lines either (GVP) of Overhead D4 Line Size, or (Xcel) a three-phase mainline (“feeder”) 600-amp or greater construction and with conductors greater than #4/0 ACSR.” Secondary lines are defined as “Electric Utility Lines that are not Primary Lines.”

Due to the estimated expenses to underground Primary "Feeder" Lines, all options consider allowing Primary Lines to remain overhead and the option provides ways to approach to the Secondary Lines. However, the same approach could be used for Primary Lines should these lines be considered necessary to continue undergrounding.

Option 1: Secondary Line Underground. Developers continue to be required to underground secondary lines at full expense.

Option 2: In-Lieu Fund Participation. Developers continue to underground secondary lines, however, the developer may request a contribution of available Utility Undergrounding in-lieu funds (if available) from the City to offset the cost of relocating the existing Secondary Lines underground. The in-lieu fund contribution would result in the developer paying less than or equal to the amount that would be otherwise required by payment of the in-lieu fee.

Option 3: Reimbursement Agreement. For Secondary Lines, execute a reimbursement agreement to help the developer recoup some of their cost from the adjacent properties that will benefit from the undergrounding. A reimbursement model would only work if adjacent properties developed within an established timeframe (e.g. 10 years).

Option 4: City and Developer Cost Share. The developer is required to underground Secondary Lines while the City pays for half of the cost.

Option 5: Eliminated Requirement. The code requirement is eliminated, and the developer is relieved of the requirement to underground Secondary Lines.

Option 6: Underground Conversion Local Improvement District. Colorado law provides a process by which the cost of undergrounding may be assessed to benefiting properties.

WORKSHOP APRIL 15

At the City Council workshop on April 15, staff provided two options for consideration, including: **Option 1:** Exempt from underground Primary and Feeder lines, developers continue to be required to underground secondary lines at full expense. Continue to

allow for frontages of less than 700 feet to pay an in lieu of undergrounding fee for secondary lines that is adjusted annually by the Construction Cost Index. Increase the in-lieu fee to ____% of the cost to cover the average estimated annual cost per linear foot. The fee should be periodically reviewed to align with the actual cost of undergrounding, and **Option 2:** The code requirement is eliminated, and the developer is relieved of the requirement to underground existing overhead lines.

At this workshop, City Council discussed exploring 1) providing all development (no matter the frontage length) the option to either underground existing overhead utilities or to pay an in lieu fee of \$150 per lineal feet 2) allow for a developer to request a distribution from the Undergrounding Fund of up to 50 percent of the actual cost (without markup for Overhead and Profit), to the developer of materials and labor to underground those utilities.

Staff continues to be supportive of changes to this policy, while representatives from the development industry continue to be supportive of removing the requirement altogether. If the requirement continues the legal department will need to offer an opinion on how to develop a legislative history that advances legitimate governmental interests and addresses the nexus requirements for legal defensibility.

WORKSHOP JUNE 17

Staff workshopped this item with City Council on June 17, 2024 and will provide an update on this discussion with Planning Commission at the upcoming workshop.

SUGGESTED MOTION:

This item is for discussion purposes only.

Attachments

None



Grand Junction Planning Commission

Workshop Session

Item #2.

<u>Meeting Date:</u>	June 20, 2024
<u>Presented By:</u>	Niki Galehouse, Planning Supervisor
<u>Department:</u>	Community Development
<u>Submitted By:</u>	Niki Galehouse, Planning Manager

Information

SUBJECT:

Multifamily Definition & Standards

RECOMMENDATION:

EXECUTIVE SUMMARY:

Discussion Regarding 2024 Revisions to the Zoning & Development Code - Multifamily Definition & Standards

BACKGROUND OR DETAILED INFORMATION:

As implementation of the Zoning & Development Code has continued, staff has identified additional items that were amended which inadvertently conflict with standard practice or could use additional clarification. This workshop will be dedicated to discussion on the definition of 'Dwelling, Multifamily' and several provisions in Section 21.05.050 - Residential Attached and Multifamily Design Standards.

SUGGESTED MOTION:

This item is for discussion purposes only.

Attachments

None