



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** December 12, 2017

From: Orlando Acevedo, Assistant Director **Item No:** 14
Economic Development, Housing and Transit
Economic Development Department

Subject: REQUEST BY BELCO DEVELOPMENT TO ALLOW OVERHEAD POWER LINES

Town Manager Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

Direct staff to allow for the installation of overhead power lines to the future Apple Valley Gateway commercial center on Dale Evans Parkway, from Morro Road north to Willow Springs Road.

SUMMARY:

Pursuant to the Town's Municipal Code, Section 14.28.020, "underground installation is required for all electrical lines energized at 34,500 volts or less, telephone, cable, antenna television and similar service wires or cables which: (a) Provide direct service to the property being developed; or (b) Are existing and located within the boundaries being developed; or (c) Are existing between the property line and the centerline of the peripheral streets of the property being developed..."

However, Code Section 14.38.060 also indicates the following: "...The Council may grant special permission, on such terms as the Council may deem appropriate, in cases of unusual circumstances, without discrimination as to any person or utility, to erect, construct, install, maintain, use or operate poles, overhead wires and associated overhead structures."

BACKGROUND:

Approved by the Planning Commission in April 2016, Apple Valley Gateway is a planned 10-acre, 80,480-square-foot commercial center at the northeast corner of Interstate 15 and Dale Evans Parkway and will include retail and restaurant spaces, drive-through restaurants, fuel stations, and a proposed 84-room, three-story hotel. Apple Valley Gateway is Apple Valley's first freeway-frontage commercial center.

In October 2017, the Town received a request from Steve Farmer, Belco Development and Investments, to allow the installation of approximately one-mile of overhead power lines along Dale Evans Parkway from Morro Road (the nearest power line) to Willow Springs Road (the project's frontage). Mr. Farmer and his engineering consultant are working through utility and infrastructure design and cost analysis prior to submittal of development plans to the Town.

According to Edison, the estimated cost difference between undergrounding and installing overhead power poles is \$800,000 for the length of the required one-mile extension. (The project will still be required to underground power lines along its frontage.)

As a result, Belco is requesting that the Council find that the undergrounding of the new power line is an "unusual circumstance" because the requirement to underground the power line will so severely inflate the project costs as to cause significant delays and may potentially kill the project altogether. The cost savings will help the project get off the ground by allowing the developer to offer competitive lease rates to future retail and restaurant tenants. Moreover, the project will help extend critically needed infrastructure north along Dale Evans Parkway, from Morro Road to Interstate-15. Vacant properties that connect to this new overhead power line along Dale Evans Parkway will then be required to underground this extension line along their respective frontage when a project is developed, effectively distributing the cost of the extension to each development rather than placing the burden of the undergrounding solely on Mr. Farmer and company.

Staff is confident that the recommended action is consistent with many of the goals and objectives adopted by the Town Council in *Vision 2020*; including:

- **Adequate and Well-Maintained Infrastructure:** Provide the infrastructure necessary for Apple Valley's residents and businesses to live and grow.
- **A Thriving Economy:** Enhance and expand the Town's economic base.
- **Promote Partnerships:** Develop meaningful partnerships in both the public and private sectors, increasing opportunities for funding projects and supporting economic development.
- **Revenue Generation:** Explore options for departments to provide revenue generating services. Identify potential revenue streams in both public and private sectors.

FISCAL IMPACT:

There is no direct financial cost to the Town; however, the economic benefit of the retail center will help the Town "import" consumer spending and sales tax revenues from Interstate-15 commuters and travelers and will spearhead future development opportunities by extending critically needed infrastructure along Dale Evans Parkway and into north Apple Valley.

Rendering Apple Valley Gateway



BUILDING DATA	
PAD A - HOTEL	43,000 S.F.
PAD B - DRIVE THRU	5,750 S.F.
PAD C - GAS STATION	5,000 S.F.
PAD D - GAS STATION	3,350 S.F.
PAD E - DRIVE THRU	4,000 S.F.
PAD F - DRIVE THRU	4,200 S.F.
PAD G - RESTAURANT	4,500 S.F.
PAD H - SHOPS	10,261 S.F.
PAD I - DRIVE THRU	2,800 S.F.