



**City of Coral Gables**  
**SPECIAL CITY COMMISSION MEETING**  
**August 4, 2014**

**ITEM TITLE:**

Discussion and/or possible action regarding FPL undergrounding

**BRIEF HISTORY:**

On June 10, 2014, the City Commission requested staff to prepare a "straw ballot" on the issue of placing the existing and new overhead FPL transmission line(s) underground. Attached are two potential draft resolutions to that effect supplied by the City Attorney, one for the straw ballot (Attachment 1), and one for the binding referendum (Attachment 2). Another potential option, for which a ballot question has not been drafted, would be to fund a portion of the work via an assessment to the benefitting properties. We asked our outside special assessment counsel on this matter (Heather Encinosa of Nabors Giblin & Nickerson) to advise if this would be possible. She advised that such assessment would be possible but the amount that can be assessed to the benefitting properties and the methodology used would have to be further studied (See Attachment 3). To proceed with a straw ballot, we must notify Miami-Dade County by August 5<sup>th</sup> for it to be on the fall general elections for Coral Gables voters. The cost to the City for the straw ballot would be \$26,000 to Miami-Dade County plus \$18,000 for advertising, or \$44,000 total.

City staff has spent considerable effort on this assignment, including:

1. Meeting with FPL to obtain an accurate cost estimate for the underground installation. On July 11, 2014 we received FPL's Undergrounding Study, and on July 18, 2014, we received FPL's cost estimates (Collectively Attachment 4) for placing both transmission lines underground, after credits, at \$51.2 million and placing the new overhead line only underground at \$34.2 million, which we had reviewed by Stantec (Attachment 5).
2. Reviewing FPL's 2011/12 request to Metrorail about attaching the transmission line to the Metro Rail structure and the County Engineer's response (Attachment 6).
3. Met with Mayor Gimenez who requested engineering reports from the Metrorail Engineer.
4. Met with UM officials and their structural engineers who suggested a possible methodology for attaching the transmission line to the Metrorail structure. That report (Attachment 7) has been forwarded to County Mayor Gimenez and is currently under review by Metrorail engineers.
5. Considered establishing a special taxing district along the transmission line corridor comprised of benefitted properties (a methodology for which would need to be developed) to support a revenue bond issue to place the transmission line(s) underground.
6. Considered requesting FPL to levy a surcharge on power bills to support the underground installation. See Tariff letter request to FPL Management dated July 30, 2014, obtained by the City Attorney from Berger Singerman to that effect.(Attachment 8)

**AGENDA ITEM NO.**

7. Discussed with the City Manager of South Miami that the sister cities of the City of Miami, South Miami, Pinecrest, Palmetto Bay and Cutler Bay will be proposing legislation to levy a statewide surcharge on electric power bills, the proceeds of which would be put into a trust fund so that cities and counties could file grant applications to supplement the cost of undergrounding transmission lines.
8. Analyzed our Tallahassee Agreement and Franchise Settlement Agreement with FPL which has two deadlines:
  1. Within six months from the date of the Franchise Settlement Agreement (May 23, 2014) we have to process FPL's permit for the overhead system, but Coral Gables reserves the right to establish conditions.
  2. We have to inform FPL by June 2015 whether to install transmission line(s) underground or overhead.

Given that the cost for undergrounding was found to be so high and that there still may be further options to explore, City staff would not recommend that we pursue a straw ballot question at this point. Nevertheless, if we decide to move forward with the ballot question, City staff would recommend the more general question proposed in Attachment 1.

**APPROVED BY:**

City Attorney	City Manager
	

**ATTACHMENT(S):**

1. Draft Straw Poll Resolution.
2. Draft Binding Referendum Resolution for \$52 Million.
3. Email from Nabors Giblin & Nickerson regarding the ability to assess benefitting properties
4. FPL undergrounding study dated 7.11.14 and Cost Estimate dated 7.18.14
5. Stantec's review dated 7.29.14 of FPL's estimate
6. FPL'S Response to Placing a line on the Metrorail 7.29.11
7. University of Miami's Engineer's Report
8. Letter from Berger Singerman to FPL dated 7.30.14