



COMMONWEALTH TRANSPORTATION BOARD UNDERGROUNDING OF UTILITIES

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Undergrounding of Utilities

- **Past Policy**

- Prior to repeal of the Urban funding formula (§ 33.2-348) on July 1, 2016, the VDOT policy for placing aerial utilities underground was created at the request of several municipalities.
- § 33.2-348 which created the Urban funding formula was also the law that FHWA relied upon to allow federal participation in the undergrounding of utilities.
- This policy only applied to urban formula projects in cities and towns and Arlington County. These projects utilized the urban allocation to cover the project cost portion of undergrounding utilities.

Undergrounding of Utilities

- **Past Policy**

- **Originally there was a cap on undergrounding costs of \$4 million**
 - 50%-50% cost split between project funds and municipality supplied funds reimbursed to VDOT based on the actual cost incurred less the theoretical aerial replacement cost
- **The cap was subsequently raised to \$10 million**
 - 50%-50 split with a maximum of \$5 million project funding in 2000.
- **The code section was amended to allow five cities to have the project pay 100% of these costs up to a maximum of \$5 million.**
 - Chesapeake, Hampton, Newport News, Richmond, and Norfolk
- **This policy did not generally allow Counties to utilize this policy. Counties have been required to pay 100% of the additional costs of undergrounding utilities.**

Undergrounding of Utilities

- **Current Approach**
 - **Municipality or local governing body must have enacted an ordinance or regulation establishing an underground utility district, corridor or area**
 - **Local government must agree to pay all costs to underground the utilities**

Undergrounding of Utilities

- **Pending Legislation**

- **SB 622 – Passed both House and Senate and awaiting action by Governor by April 9, 2018**
- **Would allow undergrounding on corridors planned to be served by mass transit**
- **Would allow funding from three different funding sources to cover 50% of undergrounding costs**

- **Next Step for VDOT**

- **VDOT is establishing a work group to study utility undergrounding policies and costs and will include: utility companies, electric coop, NVTA, VACO, VML, VTCA, and a CTB member.**

