

CITY COUNCIL STUDY SESSION

TO: Mayor and City Council

FROM: Mari E. Macomber, City Manager

SESSION DATE: June 1, 2015

TIME: 4:30 pm

PLACE: City Council Chambers

AGENDA:

- **REVIEW STATE LEGISLATIVE SESSION**
- **KHPC FUNDING PROGRAM**
- **PARKING ORDINANCE REVIEW**
- **UNDERGROUND UTILITY REQUIREMENTS AND REVIEW**
- **REVIEW CITY COUNCIL AGENDA**
- **REVIEW NEWSLETTERS**

REVIEW STATE LEGISLATIVE SESSION

During the last two weeks of the 98th General Assembly, much emphasis was given to a proposed "Right to Work" bill that was very, very controversial. Hundreds of Union supporters rallied at the capital and made their presence known to the legislators considering this bill. The bill passed the Senate even though it was heartily opposed by the Democrats, the minority party. For the balance of the session, the democrats filibustered killing any chance of any other legislation to be brought forward. It was estimated by one group that well over 20 pieces of legislation were kept from the Senate floor due to this general filibuster.

One bill in particular that we as a community were interested in seeing pass was HB 714 (Rep. Lauer). This law would have provided our community an opportunity to seek funding specifically for emergency 911 services. The bill sponsor, Representative Lauer was very pleased with the final language and the fact that the bill passed the House with a resounding 123 yes votes. Representative Lauer plans to pre-file the bill for next session and seek a strong partner in the Senate who will also pre-file on that side. It was noted that this legislation also picked up support from AARP. There is language in the bill that would formalize a "Silver Alert" system which allows notifications similar to Amber Alerts for seniors who are at risk.

City staff spent time this session responding to requests for information, urging support for our community with various legislative committees and also communicating directly with Senator Munzlinger and Representatives Walker and Redmon.

Following is the list from the Missouri Municipal League of the bills that passed. Included is a brief summary of how the bill will impact on our City.

"Mack's Creek" Bill - CCS/HCS/SS/SCS/SB - The Governor will likely sign the bill into law. This bill further limits municipal revenue from traffic fines, mandates new municipal court procedures and strict financial reporting requirements. Municipalities are prohibited from receiving more than 20 percent of

their general operating funds from minor traffic violations. For municipalities in St. Louis County, the threshold is 12.5 percent of their general revenue. "Excess" revenue must be sent to the Missouri Department of Revenue. Municipalities in St. Louis County are subject to a state-mandated disincorporation referendum if they do not meet twelve operating standards within three years. **The City of Kirksville revenues derived from court fines is .61 less than 1%. Those in support of the law spent time making general negative comments about cities, city officials and employees. Though it is disappointing that people can be so negative, our record here in Kirksville shows that we certainly do not use our court as a revenue source. In fact, the revenues brought in do not cover our court's operation, let alone fund any other City effort.**

Urban Agricultural Zones (UAZ) - HCS/SS/SCS/SB 12 - adds a definition for "mobile unit" and modifies the definition of "processing UAZ" to include produce. Under this act, any local sales tax revenue received from the sale of agricultural products sold by a mobile unit associated with a vending UAZ shall be deposited into the Urban Agricultural Zone Fund. Fund moneys shall be split evenly between school districts providing certain curriculum and municipalities for UAZ improvements. Municipalities allocation of fund moneys shall be based upon the municipality's percentage of local sales tax revenues deposited into the fund. (Section 262.900 RSMo). **This will have little effect on Kirksville.**

Sales Tax Exemption for Commercial Laundries - SB 20 - creates a state and local sales and use tax exemption for material, machinery, and energy used by commercial laundries in treating or cleaning textiles. The facility must process at least 500 pounds per hour and 60,000 pounds per week to qualify for the exemption. **We do have a commercial laundry, Sunbrite. Sunbrite was unaware of the legislation and requested a copy of the bill. It has been sent to them to evaluate. Based on our information, this would reduce just the sales tax by \$2,550 a year. This amount of money is equivalent to purchasing a ventilation fan for the fire truck bay; or 42 Trauma Kits for the Police Department; or uniform for a new police officer; the cost of our household hazardous waste disposal fees; etc.**

Petition Audits - SB 87 - requires persons submitting petitions for an audit of a political subdivision to be a resident or real property owner within the political subdivision and return the signed petition within one year of requesting the petition from the State Auditor. Persons may rescind their signature on such a petition by delivering a sworn statement to that effect to the State Auditor within 10 days of the receipt of the signed petition by the State Auditor. **Since the City has an independent audit of all funds, it is not clear that this would have any effect on our operations.**

Sales Tax Exemptions For Data Storage Centers - SB 149 - provides state and local sales and use tax exemptions for all machinery, equipment, computers, electrical energy, gas, water and other utilities, including telecommunication and internet services, used in new data storage center facilities. The act also provides a state and local sales and use tax exemption for purchases of tangible personal property for the construction of a new data storage center facility. In order to receive the sales tax exemption provided for new data storage center facilities, an application must be made to the Department of Economic Development for certification. Such application must show that the project will result in at least \$25 million of new facility investment and create at least 10 new jobs with wages of at least 150 percent of the county average wage over a three-year period. **No local impact.**

Solid Waste Management Districts - SB 445 – establishes conflict of interest criteria for solid waste management district board members allocated district moneys remaining at the fiscal year due to inadequate grant applications shall be reallocated for grant applications in subsequent years and projects other than district operations. District moneys remaining after five years shall return to the Solid Waste Management Fund. An extension of the moratorium on increasing the sanitary landfill tipping

fee, the demolition landfill tipping fee, and the transfer station tipping fee is set to expire in 2017. Current moratorium expires in 2017. **Additional language states that there cannot be a project funded through the program that competes with a qualified private enterprise. Another change states that there will be a specific timeline by which DNR and the local district will have to review grants. We will need to be mindful of this to make sure that we track when the grants from our district went to DNR and then make sure that any requested follow up happens in the time required.**

Tax Study Commission - SS HB 384 - establishes the Study Commission on State Tax Policy. The public hearings will be in different geographic regions of the state. The commission must study the tax structure, identify the strengths and weaknesses, investigate ways to improve the policy and provide recommendations on the tax policy to the General Assembly. Municipalities will have a representative on the Commission. **This commission will be in effect until December 31, 2017 at which time a final report of their work should be completed. Impact will depend on the results of the report and their recommendations.**

Sales Tax Holiday - SS SCS HCS HBs 517 & 754 - adds a graphing calculator with a taxable value of \$150 or less to the list of items that are exempt from sales tax during the annual sales tax holiday for school supplies and lowers the amount allowed for personal computers or computer peripheral devices from \$3,500 to \$1,500. **The City of Kirksville provides the Sales Tax Holiday. It is not possible to know how this tax free weekend has impacted our local community. The change in the law is an increase to our cost on one hand and a decrease on the other hand.**

Those bills that did not pass this session are included on page 8 for review and discussion.

KHPC FUNDING PROGRAM

In 2008, the City took a significant step toward emphasizing the importance of historic preservation by first assembling a group of individuals interested in preservation followed by the creation of the Historic Preservation Commission and Ordinance.

The Commission has been in place since 2009 and has as its purpose the responsibility of promoting the educational, cultural, economic, and general welfare of the community by: (1) Providing a mechanism to identify, evaluate, and preserve the distinctive historic and architectural characteristics of the City of Kirksville; (2) Fostering civic pride in the beauty and accomplishments of the past as represented in Kirksville's landmarks and historic areas; (3) Conserving and improving the value of property designated as landmarks or historic districts; (4) Protecting and enhancing the attractiveness of the City of Kirksville to home buyers, home owners, residents, tourists, visitors, and shoppers, thereby supporting and promoting business, commerce, industry, and providing economic benefit to the city; (5) Fostering and encouraging preservation, restoration, and rehabilitation of historic structures, areas, and neighborhoods; (6) Promoting the use of landmarks and historic areas for the education, pleasure and welfare of the people of the City of Kirksville; (7) Encouraging the identification, evaluation, protection, and interpretation of the prehistoric and historic archaeological resources within the incorporated limits of the City of Kirksville.

To date there are approximately 14 buildings, places, locations within the city limits that have been identified and nine (9) of those are on the National Register of Historic Places. Most recently the State of Missouri added the Sojourners Building, 211 S. Elson and the Laughlin House, 706 Halliburton.

The Commission has been working on its mission but is in need of additional support from the City Council. In order to do some of the things required of them, resources are needed.

This proposal is looking for a way to provide some money for the restoration of historic properties. It is difficult for us to get landlords to nominate their own properties for inclusion as a Historic Landmark because there are so few funds available to assist in renovating a historic property. Most grants are for education of the public, or for surveys of communities and cities, not to pay for bricks and mortar improvements. We would like to establish a grant program that would encourage property owners with historically significant properties to maintain or renovate their properties. The funds would be used to assist in the restoration of the exterior features of a Historic Landmark.

For the balance of this year, we would like to ask the Council to allocate \$2,500 for use by the KHPC to encourage historic preservation. We would then evaluate funding availability and either retain this amount or request an additional amount up to \$15,000.

PARKING ORDINANCE REVIEW

The City Council asked for the opportunity to discuss the City's current parking ordinance to evaluate the parking requirements. The Council discussed the parking ordinance, with specific focus on the downtown, agreeing that there should be similar parking requirements within the downtown.

Based on Council feedback thus far, the following section of Article IV Section 25-31 [a] should be deleted.

[a] Off-street parking is not required for uses permitted in that portion of the CBD district which is defined within the area as follows:

South right-of-way line of Illinois Street on the north; eastern right-of-way line of Norfolk and Western Railroad on the west; west right-of-way line of High Street on the east; and north right-of-way line of Jefferson Street, on the south. (SEE MAP) However, in the CBD district, where construction of non-required off street parking is developed by an owner or developer, the design standards set herein shall apply.

See Map on page 6.

By eliminating Section 25-31 [a], the Council may want to modify the next section of the code, 25-31 [b]. This section could/would require downtown property owners who wish to create upstairs living quarters to provide parking. There are two issues at hand (1) we want people downtown and one way to do that is to create living spaces; and (2) business owners and others are always concerned about the parking spaces that are taken over by our urban dwellers. Would the Council be agreeable to require parking for the downtown area, defined possibly as the square and one block off when the renovations are going to provide three (3) or more apartments?

[b] In all other districts not located within the above-described area, the requirements for off-street parking which are in effect as of the effective date of this section shall continue to apply; provided, however, that after the date of this section, no building or structure shall be erected, constructed or moved, changed in use, nor physically altered so as to increase the floor area of such building or structure, nor shall the interior of any such building or structure be remodeled or renovated where the cost of renovation or remodeling is in excess of fifty (50) percent of the fair market value of such building or structure, unless there already is in existence upon the property, or unless provision is made for the location on the property concurrently with such erection, construction, moving, alteration, change in use, remodeling or renovation, off-street parking space on the basis of the minimum requirements contained herein as applied to the following use categories:

Staff would like the Council to also consider a change in Article IV Section 25-31 [c]. Back in October the Planning and Zoning Commission and City Council both turned down a request for a parking variance to allow the property owners to consider using city right of way for parking to meet the parking requirements for an apartment building they planned to construct. As a result of that, the property owners then chose to construct duplexes on the same property, which does not take into account the number of bedrooms, simply states that two (2) spaces are required for each side. The duplexes have four (4) bedrooms with only two (2) spaces. We would like the ordinance to be changed to require a parking space for each bedroom in a duplex, as is the current requirement for multiple unit housing.

[c] Minimum off-street parking requirements are:

All parking and driveway areas are required to be hard-surfaced with concrete or asphalt paving.

Single-family residential: Two (2) parking spaces per residence.

Duplex (two-family) residential: Two (2) parking spaces per unit, totaling four (4) parking spaces per duplex.

Multi-family residential: One (1) parking space per bedroom.

A final item of discussion is on street parking. This was brought up briefly with the City Council to consider. For example on Illinois Street, in order to make it a gateway into the City and a complete street, meaning access for cars, bicycles, pedestrians, etc. parking will need to be removed. As it exists today, the City maintains the two driving lanes and then parking on either side. With the cost of asphalt and concrete and our limited funds it is suggested that we evaluate the need for parking on streets and consider eliminating parking on all arterial streets and evaluate the need for parking on collectors.

In general, roadways serve two purposes: providing mobility and access and all roadways requires some aspect of both access and mobility. Within the city limits of Kirksville, those roadways that serve as arterials should have limited access because they are intended to serve more as a means to move people from point a to point b, a collector street then has more access but again serves to connect residential streets to arterial streets.

City Ordinance defines streets as follows:

Street. A thoroughfare which affords the principal means of access to abutting property. A street may be designated as an avenue, boulevard, highway, parkway, road, thoroughfare, court, or other appropriate name. Streets are identified according to type of use as follows:

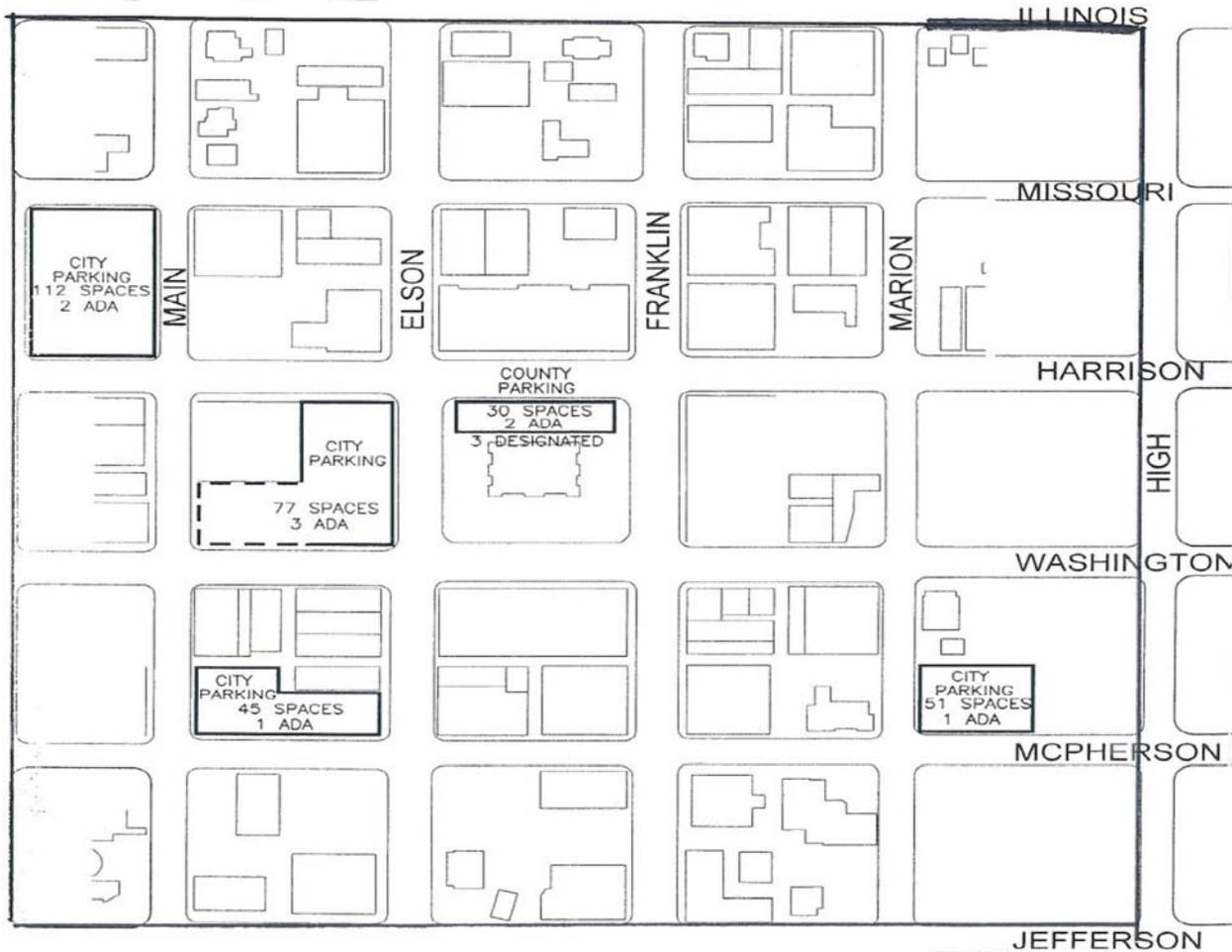
(a)Principal arterial: (1) The principal arterial system serves the major centers of activity in the city, the highest traffic volume corridors, the longest trips, which carries a high proportion of the total vehicle traffic on a minimum of street mileage. The principal arterial system is integrated with major rural to urban connections. Service to abutting land is subordinate to travel service, and should not normally include direct access to land. (2) Minor arterial. The minor arterial street system interconnects with and augments the principal arterial system. It includes all arterial streets, not classified as principal.

(b)Collector: (1) A collector connects local streets to arterial streets while providing service to local areas. Operating speeds are slower than those of arterial streets since collectors serve both traffic movement and access to abutting property about equally.

(c)Local: (1) Local streets are subcategorized as residential, commercial, or industrial, based on the predominant type of abutting property. (2) A local street's primary function is to provide access to the abutting properties and serve local traffic movement.

See map of Functional Street Classifications on page 10.

DOWNTOWN AREA – NO PARKING REQUIRED



UNDERGROUND UTILITY REQUIREMENTS AND REVIEW

As our City Code stands today, the only requirement for underground utilities is found in Chapter 22 concerning Subdivisions.

Sec. 22-34. - Utility service companies.

The subdivider shall make the necessary arrangements with the gas, electric, cable television, and phone companies for service. All utilities shall be underground. The city shall be granted free access to these projects to inspect: location, backfilling, surface restoration, depth of services, etc., as it pertains to and during construction within the public right-of-way or easements.

In researching this some cities will require when the utilities already exist in a development that the utilities be placed underground. Using language similar to this:

Whenever existing utility facilities are located above ground, except when existing on public roads, public rights-of-way, or if they will not be used for the proposed subdivision, they shall be removed and placed underground.

Another possibility to consider is when the City is working on a project, water or sewer that the other utilities be required to relocate the overhead lines underground. Using language something like this:

The City is authorized to supervise conversion of overhead utilities to underground utilities in accordance with the policy and procedure as set forth below:

- 1. Areas designated to be converted from overhead to underground.**
 - a. All utilities presently overhead shall be placed underground in the areas when the City places its facilities underground. The City shall notify the other utilities of this designated underground area and the construction schedule. The undergrounding of all utilities shall be done within a reasonable time frame not to exceed one (1) year after notification.**

If you were to require co-location we would need to make sure what is allowed. Without researching this, it is assumed that separate conduit would be needed for electric. Not sure anyone would want gas in the same trench. Water lines would need to be above sewer lines.

Other things to think about include: Aesthetics; Cost; Regulations; Safety. Please see article on page 11 that discusses whether not utilities should be buried.

Is the Council interested in requiring utilities on some level beyond new subdivision developments to place their utilities underground? Would you want to explore options such as when a utility relocates its facilities? Or when a utility expands its service?

REVIEW COUNCIL AGENDA

REVIEW COUNCIL NEWSLETTER

Attachments

- Note from Richard Sheets MML
- List of Bills that Did Not Pass
- Street Functional Classification Map
- Article Underground Utilities Pros and Cons

Comments from Richard Sheets, Deputy Director of Missouri Municipal League at the close of the 98th General Session.

May 21, 2105

Turmoil reigned during the final week of the first session of the 98th General Assembly. In the Senate the controversial passage of right to work legislation brought that body to a standstill. A somber mood hung over the House as revelations of misconduct by Speaker of the House John Diehl emerged, forcing him to resign from the Missouri House of Representatives on the last day of the session.

It has become a common practice during the final days and hours of the legislative session to load bills up with amendments. These amendments are typically measures that were not properly

scrutinized during the session or could not pass on their own merits. The unprecedented end to the legislative session resulted in the failure of these last-minute harmful amendments without the normal “mad dash” to get them removed.

Our successes this session could not have occurred without the active participation by municipal officials. Responses to action alerts turned the tide on a number of bills. The testimony before standing committees by municipal officials not only affected the outcome of legislation, it demonstrated to legislators the high degree of professionalism and knowledge possessed by municipal officials.

Thank you!

Richard Sheets
Deputy Director, MML

Bills of Interest to Municipal Officials that Failed to Pass

SB 222 (Sen. Schatz) required municipalities to pay for the cost of moving all telecommunication facilities in the right of way. (Opposed)

SB 266 (Sen. Schaefer) prohibited municipalities from providing services that are being provided by the private sector. (Opposed)

SB 430 (Sen. Curls) provided that when a municipality seeks to annex an area that contains a portion of a state highway, the proposed annexation must include the area that extends one mile directly perpendicular to the outer edge of each of the two outermost lanes on both sides of the highway. (Opposed)

HB 756 (Rep. Hicks) would have allowed the prepaid phone card company Tracfone to evade millions of dollars in local gross receipts taxes. (Opposed)

HB 275 (Rep. Hinson) would have removed the inflationary assessment growth factor that is currently allowed when municipalities calculate their annual property tax rate. (Opposed)

SB 150 (Sen. Parson) exempted motor vehicles older than ten years from the local and state sales tax. (Opposed)

HB 662 (Rep. Ross) required municipalities to pay for the cost of moving all utilities in the right of way (Opposed)

HB 641 (Koenig) placed a sunset on local sales taxes. (Opposed)

HB 714 (Rep. Lauer) changed the laws regarding funding for emergency 911 services, administration of 911 funding, and the cooperation and contracting between emergency services providers. (Support)

SB 323 (Sen. Munzlinger) allowed non-residents to run for city office in 3rd and 4th class cities. (opposed)

SB 223 (Sen. Schatz) eliminated the inflationary growth factor for municipal property tax rates. This bill gives taxpayers standing to sue without first paying taxes under protest and allows for class action lawsuits. (Oppose)

HB 690 (Rep. Korman) required anyone charged with a nonmoving traffic violation, excluding parking tickets, to receive notification, in person, within 24 hours of the violation from a law enforcement officer. (Oppose)

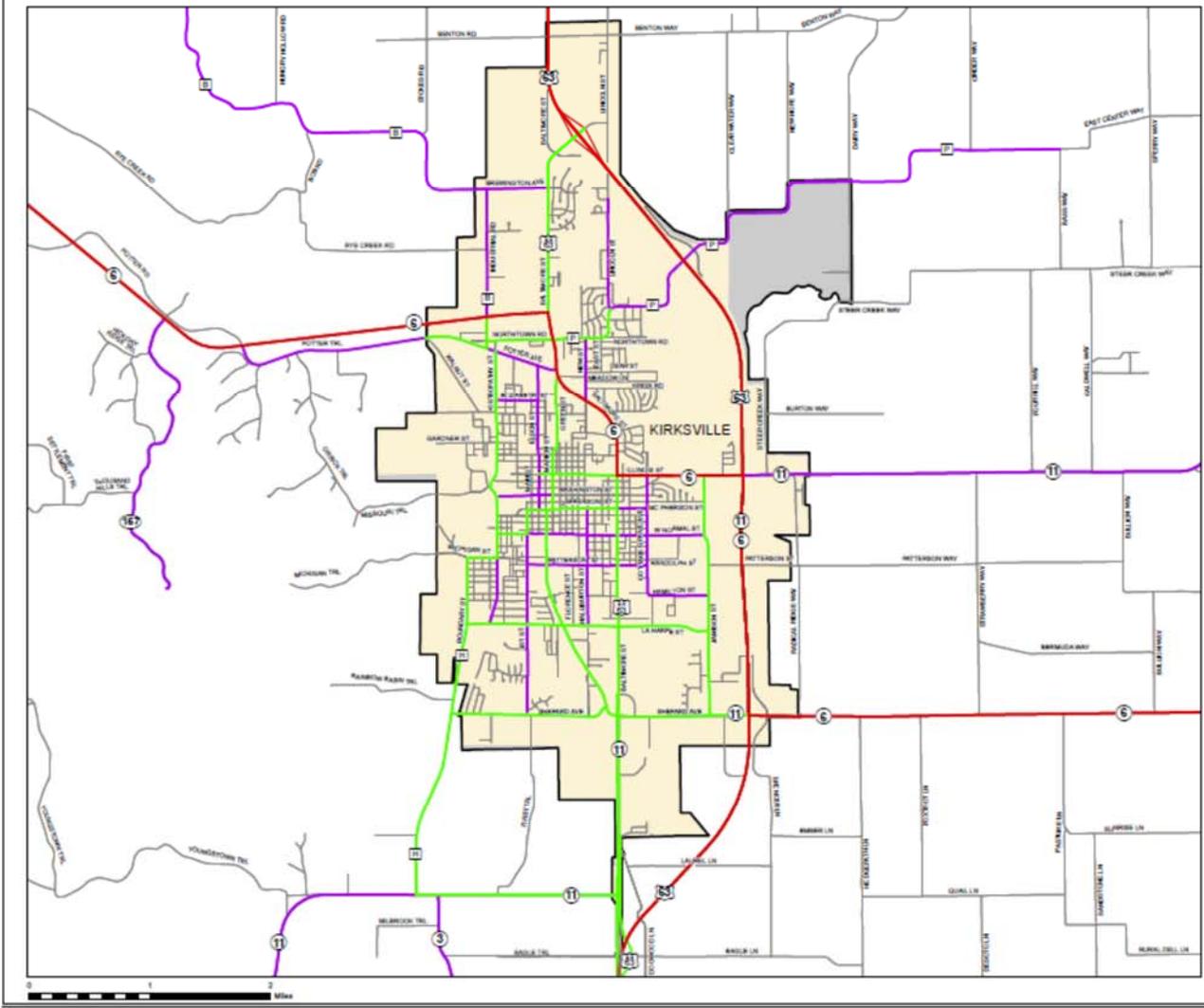
HB 308 (Rep. Gardner) changed from 30 percent to 15 percent the maximum amount of its total annual revenue a city, town, or village may receive from fines and court costs for traffic violations. (Oppose) HB 332 (Rep. Barnes) changed from 30% to 10% the maximum amount of its total annual revenue a city, town, or village may receive from fines and court costs for traffic violations. (Oppose)

HB 389 (Rep. Hoskins) required the Missouri Department of Revenue to create a system that allows a business to remit one payment per month to the department for a tax, fee, charge, or assessment if the total amount is more than \$50,000 and is owed to at least 25 governmental entities. (Opposed)

SB 540 (Sen. Libla) would have raised the motor fuel tax by six cents per gallon in two-cent increments beginning this year. The tax would be adjusted annually for inflation beginning three years after enactment. Municipalities would have received an additional \$35,000,000 in gas tax revenue. (Support)

SB 305 (Sen. Onder) allowed telephone companies to elect to have their tangible personal property assessed in accordance with a depreciation schedule. Local government, particularly schools, would lose millions of dollars if SB 305 is enacted into law. (Oppose)

SB 351, HB 781 and HB 792 pre-empted municipal taxicab regulation by exempting transportation network companies ("TNC") from local licensing and regulations. (Opposed)



Functional Classification System

KIRKSVILLE

Adair County

Missouri



FUNCTIONAL CLASS	
Interstate	
Other Freeway/Expressway	
Other Principal Arterial	
Minor Arterial	
Major Collector	
Minor Collector	
Local	
CITY	
URBAN AREA	

Federal-Aid highways exclude local roads and rural minor collectors.



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Approved March 21, 2013

Should Utilities Be Required to Bury Power Lines to Protect Them?

April 14, 2013 4:16 p.m. ET

Millions of homes and businesses in Connecticut, New Jersey and New York were left in the dark for weeks after superstorm Sandy ravaged the area in October, prompting renewed questions about whether utilities should be forced to relocate power lines underground to keep them safer.

Logical? Yes. But also very costly.

Those who favor power-line burial say it's worth the expense. They believe climate change is going to bring bigger and more violent storms to the U.S., and they say our cities can't afford to be without power for weeks on end. If we don't demand underground power, they say, we'll never get it.

Opponents argue that there are easier and more cost-effective ways to prevent blackouts from storms.

They believe decisions about burying power lines should be made on a case-by-case basis by utilities and regulators. Otherwise, they say, consumers could end up paying more without getting a commensurate increase in reliability.

Roger Anderson argues in favor of requiring utilities to put power lines underground. He is senior research scientist at the Center for Computational Learning Systems of the Fu Foundation School of Engineering and Applied Science, and at the Lamont-Doherty Earth Observatory of the Earth Institute, both at Columbia University in New York. Making the opposing case is Theodore J. Kury, director of energy studies at the University of Florida's Public Utility Research Center.

Yes: It May Be Costly, but Not As Costly as Business as Usual

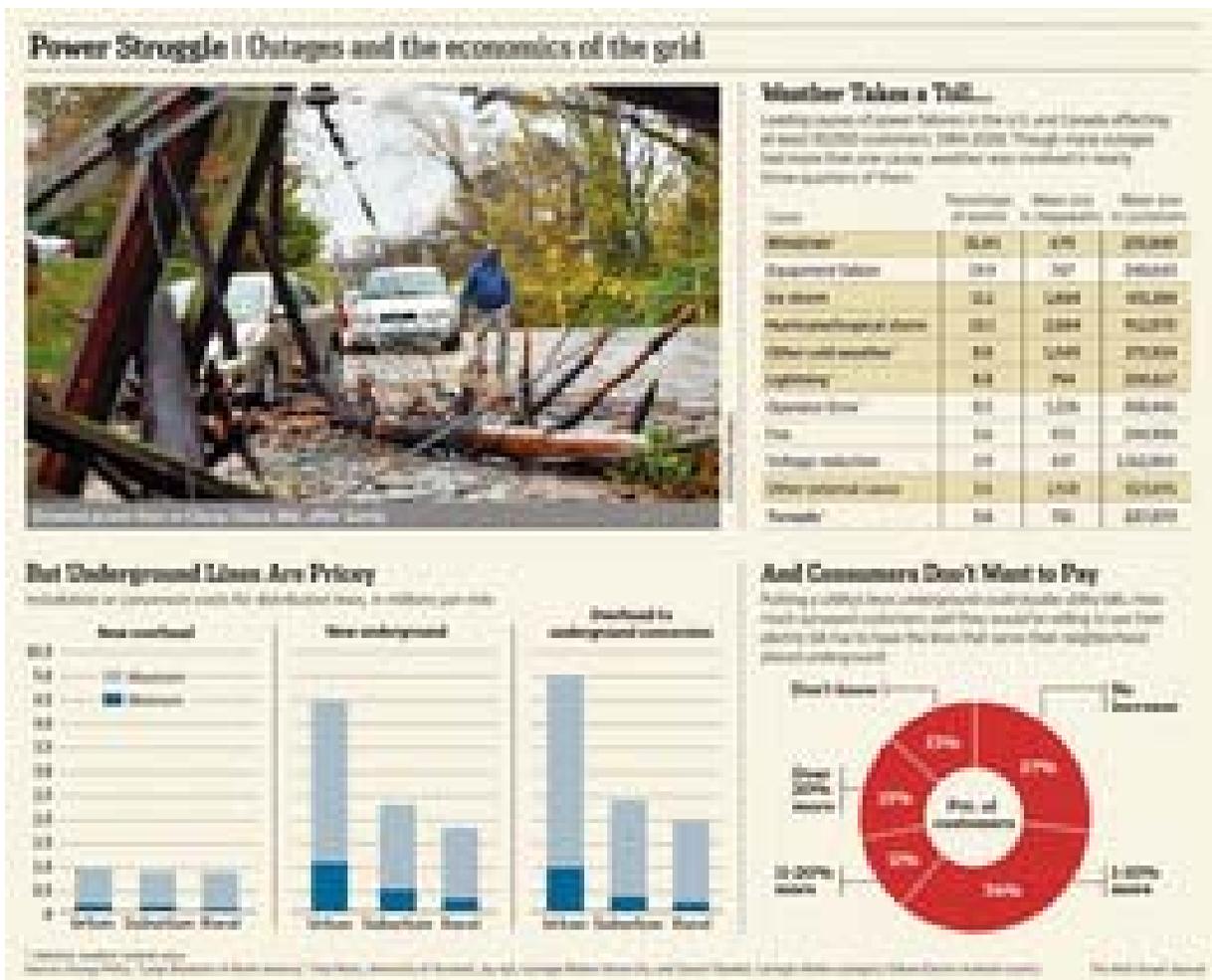
By Roger Anderson

Millions of homes and businesses in New York, New Jersey and Connecticut were left in the dark last year—some for weeks on end—after superstorm Sandy pounded the U.S. Northeast with 80-mile-per-hour winds and a ferocious storm surge.

Although some utilities said it was the most damaging storm ever to test them, it isn't the first time and it won't be the last that a major weather event wreaks havoc on our power

grid. Why? Because every time a storm takes out overhead power, utilities almost always replace the destroyed poles, transformers and power lines in *exactly* the same places, with *exactly* the same technologies that were just destroyed by high winds and falling trees.

The reason is always the same: cost. Utilities quote the same economic analyses year after year, in state after state, that say relocating power lines underground to make them less vulnerable to damage would be far too expensive for their customers—who ultimately pay the entire cost of restoration of electric service. Yet, most of these economic models don't take into account the cost to those same customers of lost business, lost property, lost lives from prolonged blackouts after bad storms. Sandy left more than 8.5 million customers without power in 16 states.



The truth is, most of the outages—and a lot of misery—that occurred after Sandy could have been avoided if more power lines had been underground.

An Integrated Solution

After the great blizzard of 1888 destroyed the maze of wires above Manhattan, the lines were relocated underground—and at great cost at the time of that decision. Just like that, blackouts plummeted. Today, the reliability of the utility that serves that area, Consolidated Edison Co. of New York, is estimated to be 10 times the national average.

Granted, moving power lines underground won't protect them from all threats. That's why power-line burial needs to be part of an integrated solution that includes the construction, wherever possible, of sea walls and subway flood gates. Keeping trees trimmed and using electrical poles made of stronger material are good steps to take in the interim, but they aren't a long-term solution to preventing storm-related blackouts.

My challenge to all of those arguing that it is too costly to bury power lines and that underground infrastructure is too difficult to repair: How long did it take to return underground power after Sandy (about three days or so in most cases) versus overhead power (two to 12 weeks and more in some places)? Clearly, the reduced accessibility of underground lines hasn't stopped crews from completing repairs quickly in past storms in New York City.

Stakes Are High

Many scientists are predicting that climate change will bring more frequent and ferocious storms to our shores.

Yet with the exception of Con Ed—which is proposing to bury more power lines—most electric utilities aren't considering upgrading their above-ground technologies much beyond smarter meters. Historically, utilities have been late to new technologies, even those that their suppliers champion. [General Electric Co. GE 0.00 %](#) and [Siemens AG SIEGY 1.17 %](#) (the old Westinghouse) were leaders in adopting lean management, smart systems, integrated solutions and machine learning, technologies that have only just arrived in the utility world. So it is natural that if we leave power-line burial decisions to local utilities, same-old, same-old will dominate.

We must demand underground power and other climate-proof infrastructure nationwide. The price to our national economic well-being of business as usual is too high.

Dr. Anderson is senior research scientist at the Center for Computational Learning Systems of the Fu Foundation School of Engineering and Applied Science, and at the

Lamont-Doherty Earth Observatory of the Earth Institute, both at Columbia University in New York City. He can be reached at reports@wsj.com.

No: Too Often, It Would Be a Waste of Consumers' Dollars

By Theodore J. Kury PUBLIC UTILITY RESEARCH CENTER

Government mandates requiring utilities to bury power lines to make them less vulnerable to storms would likely lead to wasteful spending of consumers' money.

While power-line burial may be a cost-effective way to prevent blackouts in some areas, it isn't in others, which is why such decisions should be left to those who know and understand the challenges best: local utilities and their regulators.

There are two major reasons why moving electrical wires underground isn't the panacea many people think it is.

Costs vs. Benefits

First, it is a significant capital expense. A rule of thumb is roughly \$1 million per mile, but the particular geography or population density of an area can halve this cost or triple it. Since this is an investment that must be repaid by electricity consumers, it is crucial that they receive an increase in the quality of service commensurate with the cost. The utility and its regulator are staffed with professionals trained to make that kind of assessment.

In 2003, the state regulator and electric utilities in North Carolina looked into relocating the state's power lines underground and concluded that it would take 25 years and increase electricity prices by 125%. All parties agreed that the consumer wouldn't receive fair value for that price increase, and the project was scrapped.

A 2010 study of a portion of the District of Columbia's electricity system for the Public Service Commission reviewed 16 reports from eight states that studied "undergrounding" from 2000 to 2009. None of those reports identified a quantifiable net benefit from relocating existing power lines systemwide. The study also found that the marginal costs of moving parts of D.C.'s system underground varied widely. It concluded that a strategic \$1.1 billion investment (in 2006 dollars) could improve the reliability for 65% of the customers in the project area, but an additional \$4.7 billion would be needed for the remaining 35% to see any benefit.

If the marginal value that a customer receives for increased reliability is less than the marginal cost required to increase reliability for that customer, then a systemwide relocation of lines would likely lead to wasted resources.

A good cost-benefit analysis should factor in the customer cost of outages, and the ones I cite do. They also must take into account that moving electrical lines underground makes routine maintenance of the system more difficult, and thus more expensive. Further, the reduced accessibility can make it more difficult to fix outages when they do occur, often prolonging their duration. This may not have been the case after superstorm Sandy, since other factors play into repair times, but it is the case on average, all else being equal.

Shifting the Risk

Second, moving power lines underground doesn't necessarily make them less vulnerable to storms. Those who support power-line burial because they believe bigger, more frequent storms are inevitable due to climate change need to keep this in mind.

Relocating power lines may mitigate some damage from wind events, principally flying debris and falling trees, but there are other things utilities can do to accomplish that. Tree trimming and replacing traditional wood poles with steel, concrete or composite ones, or reinforcing existing poles with guy wires, may be nearly as effective as moving infrastructure underground, but at a fraction of the cost. Further, burying power lines increases the risk of damage from corrosive storm surge and flooding, so in areas where that is a concern, customers may actually experience more outages if electrical infrastructure is underground.

Let local-distribution utilities and their regulators make power-line burial decisions on a case-by-case basis. Otherwise, electricity consumers could end up paying more and getting less.

Mr. Kury is director of energy studies at the University of Florida's Public Utility Research Center. He can be reached at reports@wsj.com.