



Council Communication

Office of the City Manager

Date

March 22, 2010

Agenda Item No. 25
Roll Call No. 10-
Communication No. 10-156
Submitted by: **Jeb E. Brewer, P.E.**
City Engineer

AGENDA HEADING:

Approval of FY 2009-10 Annual Right-of-Way Management Fee.

SYNOPSIS:

Recommend approval of the Fiscal Year (FY) 2009-10 annual management fee in the amount of 0.84 cents per equivalent lineal foot (with a minimum fee of \$100) for the Right-of-Way (ROW) Management Program, which is documented in the Supplemental Right-of-Way Budget information attached to the Roll Call.

FISCAL IMPACT:

Amount: \$207,710 Revenue to Traffic and Transportation Operating Budget, ENG100421, T&T – Right-of-way Management, p. 99 of FY 2010 Operating Budget.

Funding Source: \$181,231 from right-of-way non-city utility users and \$26,479 from City of Des Moines sewer enterprise funds.

ADDITIONAL INFORMATION:

The City Engineer has calculated and hereby submits for City Council consideration, the FY 2009-10 annual management fee in the amount of 0.84 cents per equivalent lineal foot of ROW usage (or \$0.84 per 100 equivalent linear feet). This fee is charged to all ROW users on the basis of their reported or estimated usage of City ROW as required by Section 102-711 of the City Code. Right-of-way users have utilities or other facilities in the public rights-of-way, either underground or overhead.

Program costs that can be attributed to specific users (allocable costs) are recovered through permit fees, which are specified in a separate fee schedule and are charged to those users when they obtain a permit for construction or maintenance activities. Program costs that cannot be attributed to specific users (non-allocable) are recovered through an annual management fee, which is charged to all users, including the City, based on their pro-rata occupancy of City ROW.

Over the past five years, the ROW Management fee (per equivalent lineal foot of ROW usage) has ranged from 0.40 cents to 0.96 cents, with an average of 0.58 cents being charged. The increase in the amount charged this year is due to a reduction in the number of permit fees issued (allocable costs), along with more accurate cost accounting measures for expenses incurred in this program. The fee for FY2008-09 was 0.41 cents.

All users are required to report to the City Engineer the amount of equipment or facilities they own and operate in the City ROW and update it on an annual basis. The 2009-2010 total footage of all ROW users is 24,646,018 equivalent lineal feet. The amount of the annual management fee charged to each user is then calculated based on their reported, estimated usage and the 0.84-cent rate per foot.

PREVIOUS COUNCIL ACTION(S):

Date: February 23, 2009

Roll Call Number: 09-346

Action: Approval of FY 2008-2009 Annual Right-of-Way Management Fee. (Council Communication No. 09-103)

) Moved by Meyer to adopt. Motion Carried 7-0.

Date: May 5, 2008

Roll Call Number: 08-773

Action: Approval of FY 2007-2008 Annual Right-of-Way Management Fee. (Council Communication No. 08-277) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: February 26, 2007

Roll Call Number: 07-402

Action: Fiscal Year 2006-07 Annual Management Fee and Right-of-Way Management Program budget. (Council Communication No. 07-120) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: May 23, 2005

Roll Call Number: 05-1283

Action: Fiscal Year 2005-06 Annual Management Fee and Right-of-Way Management Program budget. (Council Communication No. 05-270) Moved by Vlassis to adopt. Motion Carried 5-2. Nays: Kiernan and Hensley.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Annual approval of the management fee.

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