

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 27, 2014
	Agenda Item No. 11 Roll Call No. <u>14-0118</u> Communication No. <u>14-020</u> Submitted by: Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approval of Fiscal Year (FY) 2013-2014 Annual Right-of-Way (ROW) Management Fee.

SYNOPSIS:

Recommend approval of the FY2013-2014 annual management fee in the amount of 0.85 cents per equivalent lineal foot (with a minimum fee of \$100) for the ROW Management Program, which is documented in the Supplemental ROW Budget information attached to the roll call.

FISCAL IMPACT:

Amount: \$173,800 revenue from ROW of non-City utility users, and \$26,500 revenue from City of Des Moines Sewer Enterprise funds.

Funding Source: \$200,300 Revenue to: 2013-2014 Operating Budget, Page 71, Engineering Department Traffic and Transportation—ROW Management, EG062083.

ADDITIONAL INFORMATION:

In accordance with the City of Des Moines ROW Management Ordinance, Chapter 102, Article IX of the City Code, the City has established a program to manage and regulate the use of its street and alley ROW by public and private users. The City has established provisions to charge ROW management fees to recover the costs of the program from all persons, companies, and governmental entities present and performing activities in the ROW.

The City Engineer has calculated and hereby submits for City Council consideration the FY2013-2014 annual management fee in the amount of 0.85 cents per equivalent lineal foot of ROW usage (or \$0.85 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. ROW users have utilities or other facilities in the public ROW, either underground or overhead.

Program costs that can be attributed to specific users (allocable costs) are recovered through permit fees (exclusive of license 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. Last February, City Council approved a study to review the current fees collected from ROW users and identify any deficit between City costs to manage the ROW and fees collected from ROW users. The

study will recommend a revised fee schedule to address any deficit in recoverable costs associated with ROW management. The results of the study will be presented to the City Council later this year. Implementation of any of the study recommendations is anticipated to occur in FY2014-2015.

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 2013-2014 total footage of all ROW users is 23,675,721 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 0.85 cent rate per foot.

PREVIOUS COUNCIL ACTION(S):

Date: April 8, 2013

Roll Call Number: [13-0562](#)

Action: [FY2012-2013 Annual Right-of-Way Management Fee.](#) ([Council Communication No. 13-176](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 11, 2013

Roll Call Number: [13-0186](#)

Action: [Approving](#) professional services agreement with Springsted, Inc. to update Right-Of-Way Management Fee Study, not to exceed \$55,530. ([Council Communication No. 13-056](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 7, 2012

Roll Call Number: [12-0710](#)

Action: [FY2011-2012 Annual Right-Of-Way Management Fee.](#) ([Council Communication No. 12-212](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 28, 2011

Roll Call Number: [11-0318](#)

Action: [FY 2010-2011 Annual Right-of-Way Management Fee.](#) ([Council Communication No. 11-108](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Annual approval of the management fee.

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