

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 25, 2016
	Agenda Item No. 7 Roll Call No. <u>16-653</u> Communication No. <u>16-208</u> Submitted by: Pamela S. Cooksey, P.E., City Engineer

AGENDA HEADING:

Approval of Fiscal Year (FY) 2015-2016 Annual Right-of-Way (ROW) Management Fee.

SYNOPSIS:

Recommend approval of the FY2015-2016 annual management fee in the amount of 0.88 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: \$185,000 revenue from ROW of non-City utility users, and \$27,400 revenue from City of Des Moines Sewer Enterprise funds.

Funding Source: \$212,400 Revenue to: 2016-2017 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 FY2015-2016 annual management fee in the amount of 0.88 cents per equivalent lineal foot of ROW usage (or \$0.88 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. In 2014, a study was conducted that identified a deficit between City costs to manage the ROW, and fees collected from ROW users. In July 2015, City Council approved changes to the City Code

implementing a phased increase of the annual right-of-way management fee over a six (6) year period. This increase would begin in fiscal year 2017-2018.

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 2015-2016 total footage of all ROW users is 24,097,987 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 \$0.88 cent rate per foot.

PREVIOUS COUNCIL ACTION(S):

Date: July 27, 2015

Roll Call Number: [15-1270](#)

Action: [Amending](#) Chapter 102 of the Municipal Code regarding Right-of-way Management Fees. Moved by Hensley that this ordinance do now pass, subject to the following: that Engineering and Legal staff (1) retain degradation cost as a recoverable cost under the proposed ordinance, but remove the degradation cost amount from the right-of-way management fee calculation in order to further review the inclusion of said cost in the City's right-of-way permitting fees, rather than management fees, (2) prepare a proposed right-of-way management fee schedule for implementation of a \$0.12 per equivalent lineal foot fee over a six (6) year period beginning fiscal year 2017-2018, and (3) consult with affected parties regarding the declaratory judgment process, [#15,386](#). Motion Carried 6-1. Nays: Moore.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Annual approval of the management fee.

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