



MAYOR & COUNCIL COMMUNICATION

DATE: August 5, 2014
CONSENT
ITEM #: 10

AGENDA ITEM: Fee Schedule Amendment – Joint Trench Permit

SUBMITTED BY: Adam Bell, City Clerk

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
Ryan Stempski, Assistant City Engineer
Cathy Bendel, Finance Director

SUGGESTED ORDER OF BUSINESS (if pulled from Consent):

- Introduction of Item Staff
- Report/Presentation..... Staff
- Questions from Council to Staff Mayor Facilitates
- Call for Motion Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Engineering

FISCAL IMPACT: None.

Right-of-way permit fees are charged and collected to cover the costs incurred by the City to manage the City’s public right-of-ways. Right of way fees are adjusted from time to time (usually reviewed on an annual basis) to ensure that the fees charged are based on the costs incurred. No Joint Trench Right of Way permits have been issued recently (at least during current staff’s tenure). As explained later in the memo the actual fiscal impact would depend on the type of proposed development.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving Ordinance 08-114, adopting a revision to the City of Lake Elmo Right of Way fees. *As part of the Consent Agenda*, no specific

motion is required. If the Council chooses to pull the item for discussion, the recommended motion for this action is as follows:

“Move to approve Ordinance 08-114, an Ordinance amending municipal fees.”

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

The City of Lake Elmo has a right-of-way management ordinance to ensure the effective and careful management of the public right of way. Public right of ways have long been used to locate public streets and utilities; including sanitary sewer, watermain, and storm sewer. In addition, private utilities such as gas, electric, phone, cable, and fiber optics are located in these public areas. To protect public safety and the public interest, local governments are charged with managing the increasingly complex issues involving right of way use. The City charges a permit fee to cover the costs related to right of way management.

Right of way management costs means the actual costs the city incurs in managing its rights-of-way, including the costs associated with registering right-of-way users; processing excavation and obstruction permits; inspecting project work and restoration projects; maintaining, supporting, protecting, or moving user facilities during right-of-way work; determining the adequacy of right-of-way restoration; enforcing and correcting non-complying project work; mapping of facilities located in the right-of-way; and revoking right-of-way permits.

Joint Trench Excavation Permits are typically applied for when a new subdivision is developed within the City. Multiple private utilities (gas, electric, cable, phone, internet, etc) are encouraged to apply for and construct one “joint trench” to install all the necessary private utilities to the subdivision in a more managed way.

The current Joint Trench Fee is \$100 per lot per utility.

- This fee can vary significantly depending on the development area and number of lots.
- This fee may not accurately support the actual time spent on processing the right-of-way permit.
- For sewer development with higher density, this fee appears excessive.
- For open space development with lower density (require long distances of private utilities to serve a small number of lots), the fee appears low.

A Joint Trench Fee that is more reflective of the time spent on processing the right-of-way permit is being proposed. The new Joint Trench Fee being proposed is to change it to the Excavation Permit Fee of \$275 plus \$0.60 per foot, which would more accurately capture the amount of work necessary to review any given permit. For example, for Savona, the current Joint Trench Fee would be 44 lots X \$100 per Lot per Utility = \$4,400. If an Excavation Permit fee were used, all private utilities that chose to do a joint trench would share in one cost of approximately \$1,800.

A Joint Trench Excavation Permit would require one private utility to take the lead to submit one permit for review, one permit fee, and coordinate the work in one joint trench. It is the lead private utility’s responsibility to collect/coordinate fees and plans from the other private utilities in the joint trench.

The current Excavation Permit Fee was reviewed to confirm the amount was adequately covering the cost of a permit review in Lake Elmo. The fee was also reviewed against other cities in the metro area. The City of Lake Elmo's fees appear higher than most municipalities that were reviewed, but not the highest. The amount currently charged for an Excavation Permit did appear to cover the costs of review, process, and follow up with field inspection and close out for each permit.

RECOMMENDATION:

Staff recommends that the City Council adopt Ordinance 08-114, an ordinance amending the Municipal Fee Schedule. *As part of the Consent Agenda*, no specific motion is required. If the Council chooses to pull the item for discussion, the recommended motion for this action is as follows:

“Move to approve Ordinance 08-114, an Ordinance amending municipal fees.”

ATTACHMENT(S):

1. Ordinance 08-114