

**Right-of-Way Obstruction Permit Fee Structure
Minneapolis Department of Public Works
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Right-of-Way Obstruction Permit Report: Fee Structure and Permit Process

Background

The Lane Use Oversight Taskforce sought ways to improve traffic congestion caused by utility work, street repair, building construction and other users of the rights-of-ways in Minneapolis. One of the Task Force's recommended "ten quick wins" was the enforcement of the Obstruction Permit. The importance of the Obstruction Permit is to strengthen City's ability to limit lane use and obstructions to the public thoroughfares.

The Taskforce noted the difficulty enforcing restrictions on the right-of-way users with existing procedures and resources. Currently, the person in Transportation and Parking Services performs the administrative task of placing restrictions on the right of way users as to the number of lanes, hours of operations, and days that work can be performed. This person is also responsible for on-street monitoring. Assistance is also provided by Traffic Control, who are assigned other tasks, but has been stretching their resources to provide monitoring and penalties in the form of citations.

By changing the fee for the Obstruction Permit from \$0 to the recommendation in this Report, a revenue source would be created to offset the cost of needed enforcement and administration while creating an incentive for the permit applicant to complete their work in a timely manner.

In November 1996, the City established Ordinances 429 and 430 pertaining to Right-of-Way Administration and Permits. As part of the implementation of these ordinances the City Engineer recommended Excavation Permit fees and Obstruction Permit fees as described in the Right-of-Way Permit Report submitted to the City Council on March 31, 1997. The fee structure and permit process was submitted to Transportation and Public Works Committee April 11th, 1997 and adopted by the full council by resolution on April 17th, 1997.

While the City Council gave the Public Works Department authorization to create and charge fees for excavation and obstruction permits, at the time, Public Works staff recommended that no fees be charged for the obstruction permit. The decision was made in order to place the importance on primarily informing the City of where a user was occupying the public right-of-way. However, given the current level of street activity, the problems of non-compliance and the strain on city staff a reconsideration of the obstruction fee has become necessary.

The City Engineer, as part of the 2000 Lane Use Oversight Taskforce, now recommends the establishment of Obstruction Permit fees similar to the fees adopted for the Excavation Permit in 1997.

Proposed Fee Components and Structure of Obstruction Permit

Per the Fee Structure and Permit Process report, submitted March 31, 1997, the City Engineer recommends the creation of a fee structure for the Obstruction Permit as defined in Ordinance 430.60. The Obstruction Permit fee would be based on the current ordinance language and definitions:

The Obstruction Permit fee shall be in an amount sufficient to recover the following costs, if applicable:

The City Management Cost – means the actual costs incurred by the city for public rights-of-way management; including but not limited to costs associated with registering applicants; issuing, processing, and verifying right-of-way permit applications; creating information and maintaining information on a Geographical Information System ("GIS") mapping system; inspecting job sites and restoration projects; maintaining, supporting, protecting, or moving user equipment or facilities during public right-of-way work; determining the adequacy of right-of-way restoration; restoring work inadequately performed after providing notice and the opportunity to correct the work; and revoking right-of-way permits and performing all of the other tasks required by Chapters 429 and 430, including other costs the city may incur in managing the provisions of these chapters.

The Disruptive Cost - is the cost imposed as the result of the adverse impact on city citizens and others who are required to alter travel routes and times resulting from right-of-way obstructions. When applied to utility users, the disruptive cost is the delay penalty.

Proposed Fee Basis of Obstruction Permit

Parking Lane with Meter:

- Lost meter revenue plus hooding charge per Ordinance 93.100
- The hooding charge is a labor charge for hooding and unhooding meters.
- No grace period applies.
- Cost for Parking Lane.
- \$0.15 per curb foot per day on Trunk Highways, County State Aid, and Municipal State Aid roadways outside of downtown.
- \$0.25 per curb foot per day in the Downtown Area.*

Parking Lane without Meter:

- \$0.15 per curb foot per day on Trunk Highways, County State Aid, and Municipal State Aid roadways outside of downtown.
- \$0.25 per curb foot per day in the Downtown Area.

Driving Lane:

- \$0.50 per lane foot per day on Trunk Highways, County State Aid, and Municipal State Aid roadways outside of downtown.
- \$1.00 per lane foot per day in the Downtown Area.

Sidewalk/Boulevard Area:

- \$0.15 per curb foot per day on Trunk Highways, County State Aid, and Municipal State Aid roadways out of downtown.
- \$0.25 per curb foot per day in the Downtown Area.
- Fee waived if covered walkway is provided.
- When closure of a sidewalk is such that travel routes are altered, the fee associated with the closure is from crosswalk to crosswalk on the block obstructed unless an ADA accessible temporary walkway (4 foot wide or more) can be established or a covered walkway is provided. If this is possible there would be no fee associated with the sidewalk closure, however, the appropriate parking, travel, or bicycle lane fee would be charged.

Alley:

- \$0.15 per curb foot per day on any alley outside of downtown.
- \$0.25 per curb foot per day in the Downtown Area.
- The fee associated with any alley closure would be the full length of the block affected by the alley closure.

Turn Lane, Bus Stop:

- Treated as a loss of a through lane.

Intersection:

- Treat each street separately.

Downtown Area:

Defined by that portion of the City of Minneapolis lying within and bounded by the following: On the east by the Mississippi River and Interstate 35W; on the south and west by Interstate 94 and on the north by Plymouth Avenue.

Fee Summary:

- Outside of the Downtown Area on Trunk Highways, County State Aid, and Municipal State Aid roadways (most local streets not included)
 - Parking Lane:
\$0.15 per Curb Foot per Day
 - Driving Lane:
\$0.50 per Lane Foot per Day
 - Sidewalk/Boulevard Area:
\$0.15 per Curb Foot per Day
- **Downtown Area**
 - Parking Lane:
\$0.25 per Curb Foot per Day
 - Driving Lane:
\$1.00 per Lane Foot per Day
 - Sidewalk/Boulevard Area:
\$0.25 per Curb Foot per Day

1. The fees are charged per day.
2. The City Engineer will continue to place restrictions on each obstruction permit as to the number of lanes, hours of operations and days work can be performed.
3. The City Engineer may waive Parking Lane; Driving Lane or Sidewalk/Boulevard Area fee for a single day, weekend, nighttime and/or special events.
4. For all non-utility obstruction permits, there is no grace period, but the first day is free.
5. For dumpsters outside of downtown where an obstruction permit is not required, this fee is waived because a fee is already paid to the City of Minneapolis under Ordinance 91.20.
6. Utility users would be charged the above fees when they exceed the grace period on the Project Grace Period Matrix for Excavation (appendix A).
7. Utility users would be charged the Trunk Highways, County State Aid, and Municipal State Aid roadways' rates for Residential and Local roadway, if they exceed the matrix.
8. No obstruction permit fees for utility work in areas closed to traffic for paving projects.

9. For non-utility and utility users, if a person obstructs a lane without an Obstruction Permit or violates the restrictions on their Obstruction Permit and no corrective action is taken, the site may be charged a penalty of one day of lane use times the number of violations for that site.
10. Parking meter fees have no grace period.
11. Obstruction permit fees will apply when the closure of all or a portion of a roadway and or sidewalk is due to the re-alignment of the right of way caused by construction or improvements to property.”

Examples of Proposed Obstruction Permit Fees

The City Engineer recommends setting a fee on the Obstruction Permit as set forth in ordinance 429 and 430. The following are examples of the proposed fee model revenues:

1. Downtown Building Site on a 330’ block faces using a parking lane and sidewalk.
 Day \$0 Week \$ 990 Year \$ 60,060
2. Outside of Downtown Building Site on a 330’ block face using only the parking lane.
 Day \$0 Week \$ 297 Year \$ 18,018
3. Downtown Building Site using a 480’ center to center driving lane.
 Day \$0 Week \$2,880 Year \$174,720
4. Outside of Downtown Building Site using a 480’ center to center driving lane.
 Day \$0 Week \$1,440 Year \$ 87,360
5. Dumpster in Downtown using 40’ of parking lane.
 Day \$0 Week \$ 70 Year \$ 3,640
6. Dumpster Outside of Downtown using 40’ of parking lane.
 Day \$0 Week \$ 36 Year \$ 2,184

The first day is free, the first week is six days and the year is 364 days for the above example only.

The number of Obstructions Permits for 2000

<u>Various Location Permits</u>	58
<u>One day or less Permits</u>	426
<u>More than one day Permits</u>	424
<u>Hooded Meter Permits</u>	137
Permits where a lane was taken plus meters hooded 57(included in the above counts)	
<u>Major Construction Sites Downtown</u>	21

No Obstruction permit revenue was generated in 2000.

Annual Projected Revenue Based on 2000 Permit Levels

Permit Description	No. of Permits	X %Dt. or out	X Value	= Revenue*
<u>Various Location Permits</u>				\$0
<u>One day or less Permits</u>				\$0
<u>More than one day Permits (for 1 week)</u>				
Downtown 20 feet of Parking Ln.	424 permits	X 0.80	X \$20	= \$6,784
Outside 20 feet of Parking Ln.	424 permits	X 0.20	X \$12	= \$1,020
<u>Hooded Meter Permits (for 1 week)</u>				
Downtown, 100 feet of Parking Ln.	80 permits	X 0.80	X \$100	= \$6,400
Downtown, Parking Ln.	57 permits	X 0.80	X \$330	= \$15,048
Outside, 100 feet Parking Ln.	80 permits	X 0.20	X \$60	= \$960
Outside, Parking Ln.	57 permits	X 0.20	X \$198	= \$2178
<u>Construction Sites (for 1 year)</u>				
Downtown, Parking Ln. with sidewalk	10 permits	X	\$60,060	= \$600,600
Downtown, 1/2 Block of Park Ln. Only	4 permits	X	\$15,015	= \$60,060
Outside, Parking Ln. Only	1 permit	X	\$18,018	= \$18,018
Outside, 1/2 Block of Park Ln. Only	6 permits	X	\$9,009	= <u>\$54,054</u>

Total projected revenue based on 2000 permits = \$765,122**

1. As the permit would bring about compliance and changes in the way people do business, one would expect a reduction in revenues collected. An example is in appendix B
2. This revenue would be designated into the Parking Fund and used to offset the City Costs components such as tracking, monitoring and enforcing lane use in the City of Minneapolis rights-of-way. Currently personnel in both Traffic Control and Transportation are budgeted in the Parking Fund.

* The permit cost is calculated by the number of permits times the percent downtown or outside of downtown times the value of the permit.

**Projected revenue contains no fees from driving lane obstruction permits.

Personnel Enhancement and Expenditures

For the Obstruction Permit to have any impact on the lane use in the City of Minneapolis, increased enforcement and monitoring needs to take place. The recommendation from the Lane Use Oversight Taskforce is as follows:

	Personnel	Equipment	FTE	Total
Regulatory Services:				
Traffic Control Agent II	\$ 60,644	\$ 9,640	1	\$ 70,284
Traffic Control Agent I	\$ 51,988	\$ 9,640	2	\$123,256
Clerk Typist II	\$ 45,890	\$ 2,000	1	\$ 47,890
Public Works:				
Account Clerk II	\$ 51,833	\$ 2,000	1	\$ 53,833
Engineer Aid II	\$ 57,091	\$ 9,000	1	\$ 66,091
Engineer Aid I	\$ 48,889	\$ 7,000	1	\$ 55,899
Total	\$ 316,3335	\$39,280	7	\$417,283

In addition, monies would be needed to fund the implementation of the items in the City Management Cost of the above report on page 2, including communication technology and ongoing annual cost to maintain those systems. The estimate for these costs is \$100,000 annual.

The appropriation for these Full Time Equivalent positions and technology enhancements would be from the Parking Fund using the revenue from the Obstruction Permit Fee.

Recommendations

1. Establish the Obstruction Permit Fee Schedule as recommended.
2. Authorize an increase of 7 FTEs in Fund 7500, Agency 835, Organization 8370 and Agency 685, Organization 6888.
3. Authorize an increase the 2001 appropriation in the following cost centers for personnel costs, operating expenses and equipment:

Fund 7500, Agency 835, Organization 8370	\$241,430
Fund 7500, Agency 685, Organization 6888	\$275,813

Appendix A

Project Grace Period Matrix for Excavation

Evacuation Type	Restoration by	Street Type	Depth	Residential	Collector/Arterial	Downtown
				Working Days	Working Days	Working Days
Hole	Utility	Concrete	≤5 ft	6	6	7
			>5 ft	8	8	9
		Asphalt	≤5 ft	4	5	6
			>5 ft	6	7	8
	City	Concrete	≤5 ft	3	3	4
			>5 ft	5	5	6
		Asphalt	≤5 ft	3	3	4
			>5 ft	5	5	6
Trench* includes all appurtenances	Utility	Concrete	≤5 ft	6+1day per 150'	6+1day per 100'	7+1day per 80'
			>5 ft	8+1 day per 50'	8+1 day per 35'	9+1 day per 25'
		Asphalt	≤5 ft	4+1 day per 150'	5+1 day per 100'	6+1 day per 80'
			>5 ft	6+1 day per 50'	7+1 day per 50'	8+1 day per 50'
	City	Concrete	≤5 ft	3+1day per 150'	4+1day per 100'	5+1day per 80'
			>5 ft	8+1 day per 50'	8+1 day per 35'	9+1 day per 25'
		Asphalt	≤5 ft	3+1 day per 150'	4+1 day per 100'	5+1 day per 80'
			>5 ft	5+1 day per 50'	7+1 day per 50'	8+1 day per 50'
Manhole Vaults	Utility	Concrete	N/A	14	14	14
		Asphalt	N/A	13	13	13
	City	Concrete	N/A	11	11	11
		Asphalt	N/A	11	11	11

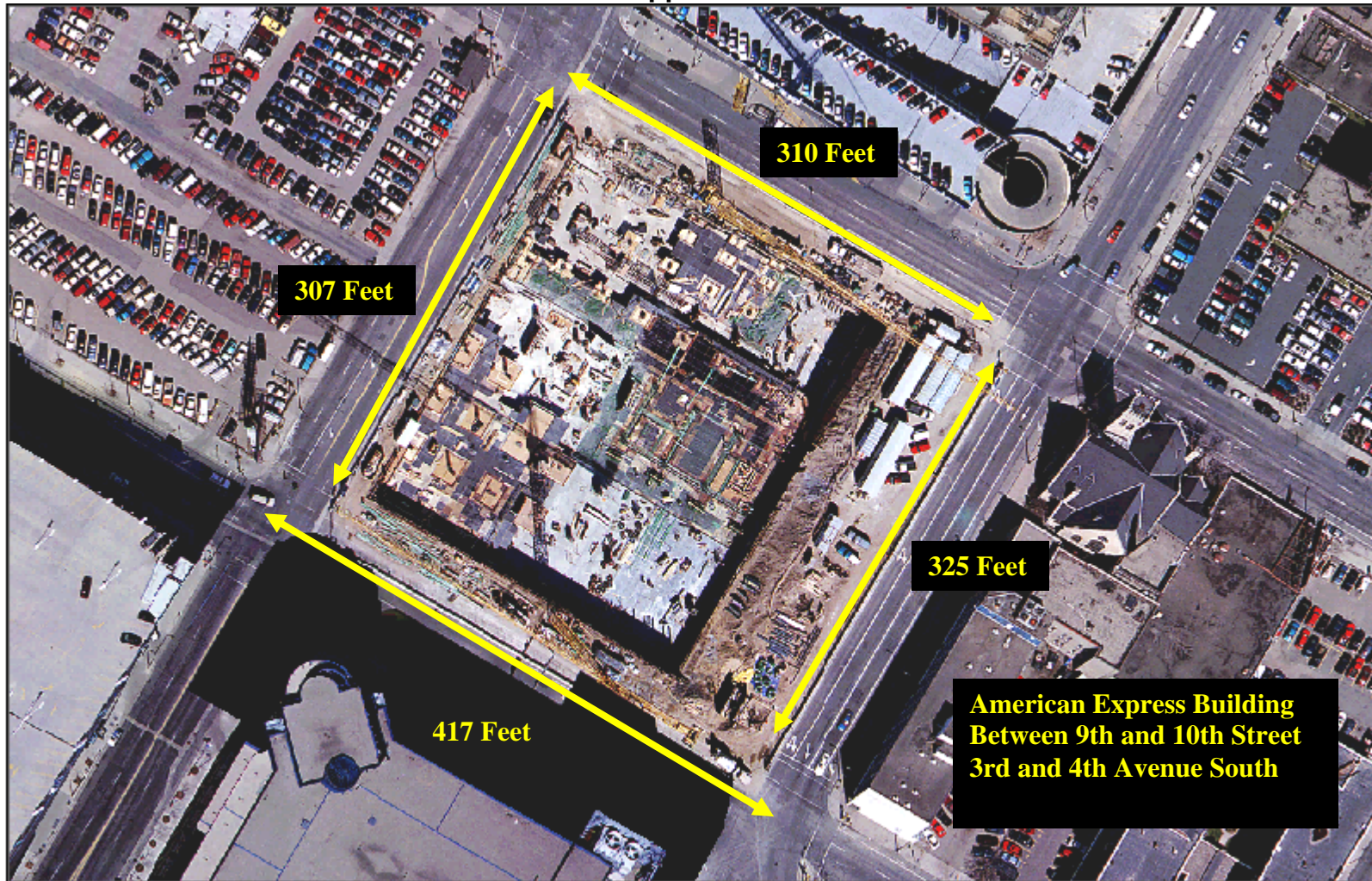
*No More than three (3) blocks may be disrupted at any one time.

Grace period is based on Working Days as defined below. Obstruction fees will begin immediately after grace period and be based on Calendar Days.

Working Days: A calendar day, exclusive of Saturdays, Sundays, State recognized legal holidays and days which the City orders that no work be performed, on which weather will permit construction operations to proceed for at least four (4) hours.

Depth: The measurement from the street surface to the bottom of the excavation.

Appendix B



As an example, the American Express construction site between 9th and 10th Street and 3rd and 4th Avenue South has been under construction for over a year. The fees this site might pay for the year 2001 the following:

Location	Distance	Fee	Days	Value
Sidewalks – 4 sides -	(310+325+310+307) feet	X \$0.25	X 364 days	= \$113,932
Parking Lanes – 3 sides –	(325+310+307) feet	X \$0.25	X 364 days	= \$ 85,722
Driving Lane – 1 side –	417 feet	x \$1.00	X 364 days	= <u>\$151,788</u>

Obstruction Permit Fees for one year = \$351,442

Parking Meters = 20 Parking Meters at 52 week at \$104.50 = \$108,680
 = 20 Parking Meters X \$33 for removal = \$ 660

Cost for Obstruction Permits and Parking Meters = \$460,782