

Public Safety and Regulatory Services
Staff Report
NEWSRACKS

March 11, 2009

On December 12, 2008 the City Council adopted Chapter 464 of the Minneapolis Code of Ordinances relating to Newsracks. The purpose of this Chapter is to promote public health and safety through the regulation of the placement, type, appearance and maintenance of Newsracks on the public right-of-way without compromising freedom of speech and freedom of the press. The City Council requested staff to provide a report at the March 11, 2009 PS & RS committee recommending program administration, enforcement strategies, and a proposed fee.

Administration

To successfully manage and enforce the newsrack ordinance, we estimate we will require one full time employee (FTE) at a grade 8 Inspector level. The primary responsibilities will be to review applications, inspect sites for compliance, investigate complaints, and coordinate the relocation, impound, and storage of non-conforming newsracks.

The administration of the newsrack program will be modeled after our Courtesy Bench program. All licensed courtesy benches are tracked in a database which provides immediate access to information such as licensee, location, complaint status, outstanding citations, and other relevant information. The existing enforcement system and tools currently used by Business Licensing Inspectors can be customized for enforcement of the newsrack program. It is our plan to utilize the components already existing in our KIVA operational system which minimizes the impact to the City of Minneapolis BIS department and fully integrates this program into our existing infrastructure.

Job duties required for this position are:

- Review and analyze all applications and newsrack location lists.
- Manage the annual renewal of all newsrack boxes.
- Maintain a master list of all authorized newsracks.
- Receive, investigate and research complaints regarding newsracks. Take appropriate action to ensure violations are corrected.
- Conduct adverse license action hearings: Prepare violation notices, citations, and placard newsracks found to be in violation; prepare hearing notices; Draft complaints; Assemble evidence; and testify if necessary.
- Coordinate newsrack placement concerns and other field issues with Public Works transportation officials.
- Coordinate and participate in communication meetings with the Periodical Distribution Companies.
- Prepare and distribute specification, instruction and educational materials on newsrack requirements.
- Analyze the effectiveness of the program and prepare status reports.

This position will initially require an equal division of field and office duties.

Fees

Business Licensing Staff has established that there are at least 2962 newsracks located in the City of Minneapolis. This number is based on information provided by the local print media industry and staff estimates.

Through our industry meetings and conversations with the City of St. Paul staff, we estimate that approximately 20% of the newsrack boxes in Minneapolis will withdraw once a fee is implemented.

ORGANIZATION	# BOXES		ORGANIZATION	# BOXES
City Pages	100		Lavender	56
USA Today	67		Finance and Commerce	17
Star Tribune	518		Minnesota Lawyer	5
Twin Cities Home Improvement Magazine	56		St. Paul Legal Ledger	3
Apartment Finder	120		Metro Distribution Service, TC Sport	6
Twin Cities Sports	7		Vitamin	45
The Real Estate Book	0		Metropolitan	50
Pioneer Press Home Seller and Yahoo Hot Jobs	210		Minnesota Parent / Minnesota Premier Publications	
Employment News MN / The Employment News / MN Health & Medical Careers	450		Downtown Journal	95
JobDig	188		Southwest Journal / Minnesota Premier Publications	31
FOR RENT	63		Business Journal	
Pioneer Press	142		Insight News	4
Wall Street Journal	67		Metro Lutheran	
New York Times	58		Southside Pride (formerly Pulse of the Twin Cities)	1
Financial Journal	15		Lyndale Neighborhood News	9
Investor's Business Daily	30		Pioneer Press	326
Finance and Commerce	7			
The Onion	106		Total 3/6/2009	2962
Computer User	0			
Rent 411	110			

Regulatory Services program costs

Administration and enforcement activity will be funded through a cost recovery model. The cost of one FTE is \$125,419.00. The calculation includes overhead expenses of office space, office equipment and supplies, vehicle cost, employee benefits and the mid range of License Inspector which is \$53,144.00 ($\$53,144.00 \times 2.36 = \$125,419.00$).

Spreading the costs equally over the estimated 2962 newsracks in the City of Minneapolis The calculation is: $\$125,419.00 / 2962 = \42.34 fee per newsrack.

Public Works estimated costs for Newsrack activity

Public Works will pick up, store, release and dispose of newsracks deemed to be in violation at a cost of \$117.10 per newsrack. In the event that the costs to retrieve damaged or abandoned newsracks is greater than the Public Works' estimate, a system to reimburse Public Works will be developed through the annual license renewal billing adjustments.

Site selection options

There are several sidewalk areas in Minneapolis that house existing banks of newsracks which are in violation of the newsrack ordinance. We identified three options for addressing these non-conforming areas.

1. Identify non-conforming newsracks and require the owner to move the newsrack to an alternative conforming location in the area. Those newsracks that are currently properly placed would not be required to do anything. This method is recommended by staff.
2. Identify banks of non-conforming newsracks and notify all newsrack owners that a lottery will be held for the maximum available locations on that particular section of public sidewalk. All newsracks which do not qualify for a location via such lottery would be required to move their newsrack to another conforming location in the area. The City Attorney has advised us that this option will require an amendment to the new ordinance.
3. Require the owners of newsracks to supply Business Licensing staff with a list of locations and verifiable dates when they placed their newsracks at the listed locations. Those newsracks that have been in a location prior to passage of the ordinance and are in compliance, as determined by staff based on the best available information, will be allowed to maintain their newsrack in that location. If they are not in compliance they will be required to relocate to an authorized location. Other newsracks would have to be moved to a new conforming location. Staff would need to consult with the City Attorney's office on the reliability of submitted business records in the event of a discrepancy.

CONCLUSION

The effective date of Chapter 464 regarding Newsracks is October 1, 2009. The first year of the program will be devoted to identifying and designing, the systems required for newsrack regulation. Additionally, one of the goals for this program will be to identify highly used locations that contain non-compliance newsracks. Within the first year we plan to bring 100 of these locations into compliance and another 150 of these locations into compliance in the subsequence year. At the end of two years Business Licensing staff will report back to City Council the effectiveness of this initiative for the

purpose of evaluating regulation requirements, cost recovery and the probability of long term compliance.

RECOMMENDATION

Staff submits three recommendations for this initiative: 1) Approval of one Grade 8 License Inspector to develop and begin implementation of this program 2) Authorize the fee of \$42.34 per newsrack box. 3) Direction to implement Site Selection Option One which requires owners of non-conforming newsracks to move the newsrack to an alternative conforming location.