



Request for City Council Committee Action From the Department of Public Works

Date: January 5, 2010
To: Honorable Chair, Transportation & Public Works Committee
Referral: Honorable Chair, Ways/ Means and Budget Committee
Subject: Qwest Permit Fee Agreement

Recommendation:

1. The proper City Officers are authorized to accept \$226,776.79 from Qwest for outstanding permit fees from January 1, 2004 to December 4, 2009.
2. Rescind Resolution 2007R-597, entitled "Amending the permit fee and fee structure for excavation permits with permit applications submitted on or after January 1, 2008" and replace with a new resolution amending the permit fee and fee structure for excavation permits by deleting any reference to changes in rate structure relative to 1200 feet more or less.

Previous Directives:

November 6, 2007 Transportation and Public Works Committee: Passage of the accompanying resolution changing the City Management and GIS Cost Component of the Excavation Permit Fees and Fee Structure, Minneapolis Code of Ordinances Title 17, Chapter 430. A staff direction for Public Works to bring forward a separate letter regarding retroactive application of new fees and fee structure to Qwest billing, which may result in a reduction of budgeted revenue in 2007.

November 16, 2007: Resolution 2007R-597, City Council and Mayor: Amended the permit fee structure for excavation permits for permit applications submitted on or after January 1, 2008.

Prepared by: Paul Ogren, Transportation Planning and Engineering, 673-2456
Stephanie Malmberg, Transportation Planning and Engineering, 673-3365
Bradley Blackhawk, Transportation Planning and Engineering, 673-2451

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Paul Ogren, Superintendent of Environmental Engineering, Public Works, TP & E

Reviews

Permanent Review Committee (PRC): Approval NA Date _____
Civil Rights Approval Approval N/A Date ____
Policy Review Group (PRG): Approval NA Date _____

Financial Impact

Action is within current/past department budgets

Community Impact

Neighborhood Notification:

City Goals: A SAFE PLACE TO CALL HOME: the city's infrastructure will be well-maintained, people will feel safe in the city.

Comprehensive Plan:

Zoning Code:

Background/Supporting Information

On November 6, 2007, Public Works brought forward for approval "Excavation Permit Fee Revisions" to the Transportation and Public Works Committee and the Ways and Means/Budget Committee and subsequently adopted by City Council Resolution 2007R-597 on November 16, 2007.

As a part of the above recommendation - it was stated in 2007 that "It is noted that Public Works will bring forward a separate letter regarding retroactive application of new fees and fee structure to Qwest billing, which may result in reduction of budgeted revenue in 2007".

After recalculating all the fees for the aforesaid six years and subtracting all payments made, it was determined, negotiated, and subsequently agreed upon by Qwest and Public Works, that Qwest owes the City of Minneapolis, \$226,776.79. This amount shall be placed into fund 0100-600-6040 and shall be considered payment in full for all outstanding Qwest permit fees to December 4, 2009.

The November 16, 2007 resolution set permit fees of over 1200 feet at actual city costs. It was determined during this process that the rate per foot fee could also be used for permit lengths of 75 feet and greater, with no upper limit. Therefore Public Works is recommending to rescind Resolution 2007R-597, entitled "Amending the permit fee and fee structure for excavation permits with permit applications submitted on or after January 1, 2008" and replace with a new resolution amending the permit fee and fee structure for excavation permits by deleting any reference to changes in rate structure relative to 1200 feet more or less.

It was also decided in this process that during the 2010 construction season, Public Works will track actual time and resources spent on randomly selected permits. This information will be compared with the existing rate structure. If, after the completion of this comparison study there is a need for rate fees to be adjusted, Public Works will come forward with recommendations.

cc: Heidi Hamilton – Public Works
Don Elwood – Public Works
Robert Carlson – Public Works
Pat Byrnes – Public Works
Corey Conover, City Attorney's Office

By _____

Rescinding 2007R-597, entitled “Amending the permit fee and fee structure for excavation permits with permit applications submitted on or after January 1, 2008”, passed November 16, 2007.

Resolved by The City Council of the City of Minneapolis:

That the above-entitled resolution be and is hereby rescinded.

By _____

Amending the permit fee and fee structure for excavation permits by deleting any reference to changes in rate structure relative to 1200 feet more or less.

Whereas, Chapter 430.60(f) states “All permit fees, pursuant to Chapters 429 and 430, shall be proposed by the city engineer and established from time to time by city council resolution;

Now, Therefore, Be It Resolved by The City Council of The City Minneapolis:

That determination of City management and Mapping Data Cost Components of the Excavation fees shall be based upon the following:

Effective with permit applications following the adoption of this Resolution, the City Management and Mapping Data Cost Components of the Excavation fees for excavation permits are hereby fixed and shall be collected as follows:

City Management and Mapping Data Component

	Base Fee	Fee/Foot over 75'
Sewer Infrastructure	\$160	\$1.40
Water Infrastructure	\$160	\$1.40
Private Utilities, Insert within Existing Conduit	\$230	\$0.07
Private Utilities, Bored Under the Surface	\$230	\$1.05
Private Utilities, All Others	\$230	\$1.25