



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Lance Meyer, P.E., City Engineer

DATE: April 5, 2021

SUBJECT: RIGHT OF WAY PERMIT FEE RESOLUTION ADOPTION

I. RECOMMENDED ACTION

1. Approve the attached resolution setting right of way permit fees.

II. DEPARTMENT CONTACT PERSONS

Lance Meyer, City Engineer	701-857-4100
Emily Huettl, Assistant City Engineer	701-857-4100

III. DESCRIPTION

A. Background

The engineering department issues right of way permits to contractors to enable them to perform work within the public right of way. The permit covers different categories of work such as excavation, concrete, and sewer & water construction. All work in the right of way needs a permit before the work can begin.

The department charges a fee to cover the cost of reviewing the permit information, entering the permit data in the system, performing the inspection, and closing the permit in the system.

The department cannot find the last time the permit fees were updated. It has likely been two decades or more. The current charges are based on the number of linear feet of disturbance up to a maximum \$50 for concrete work or \$80 for excavation. Some fees end up being as little as \$15 which costs the City more to enter into the system.

B. Proposed Project

Staff reviewed the minimum time it takes to enter, review, inspect, and close a typical permit. Using staff salaries and a modest assumption for driving mileage, the fee calculated to \$80.

Staff wants the permit fees to be cumulative for the different types of work required on a permit. This is due to the different types of work requiring multiple inspection trips.

As an example, if a sewer contractor is replacing a sanitary sewer service, the new permit fee would be \$80 for the sewer service, plus \$80 for concrete sidewalk/curb repair. The total fee would be \$160. City staff would need to make at least two site visits to inspect this work. In this scenario the City's costs of service are covered.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

The City needs to continue to provide inspection services for infrastructure within the public right of way. The inspections help keep the right of way in good condition.

B. Service/Delivery Impact:

The fees will now align with cost of service, which hasn't been reviewed in decades. From this point on, fees will be reviewed every two years.

C. Fiscal Impact:

The increased fee collections will be sent to the general fund to fund City operations.

V. ALTERNATIVES

The council could choose to keep the fees the same, or set another fee value as they see fit.

VI. TIME CONSTRAINTS

Since construction is starting soon, staff requests council make a final decision within the next month.

VII. LIST OF ATTACHMENTS

- A. Fee Resolution
- B. Fee Cost Calculation
- C. Right of Way Permit