



Legislation Details (With Text)

File #: 32302 **Version:** 1 **Name:** Privilege in streets fees increase
Type: Ordinance **Status:** Passed
File created: 11/22/2013 **In control:** COMMON COUNCIL
On agenda: 12/3/2013 **Final action:** 12/3/2013
Enactment date: 12/11/2013 **Enactment #:** ORD-13-00212
Title: Amending Sections 10.31(2)(a), (3)(d) and creating Section 10.31(3)(f)4. of the Madison General Ordinances to increase the fees associated with a privilege in streets.
Sponsors: Michael E. Verveer, Ledell Zellers

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/3/2013	1	COMMON COUNCIL	Adopt Under Suspension of Rules 2.04, 2.05, 2.24, and 2.25	Pass
12/3/2013	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
11/22/2013	1	Attorney's Office/Approval Group	RECOMMEND TO COUNCIL TO ADOPT UNDER SUSPENSION OF RULES 2.04, 2.05, 2.24, & 2.25 - REPORT OF OFFICER	

Fiscal Note

The City's Office of Real Estate Services estimates that, when fully implemented, General Fund revenues may increase an estimated \$78,000 annually, as follows: the increase in the annual minimum fee from \$250 to \$500 is anticipated to yield an estimated \$60,000 annually; the application fee increase from \$500 to \$750 may yield an additional \$9,000 annually; the increase in monitoring wells and multiple site locations from \$50 to \$100 may yield an additional \$1,000 annually; and, the change from 3% to 5% of the square foot value for stories above or below the surface may yield \$8,000 annually. In 2014, the actual revenue collection may be less than the estimated annual revenues as Real Estate will need to undertake a review of numerous existing agreements to determine the new fees. a process that may take some time, such that a full program implementation may not cycle in until 2015. The 2014 adopted operating budget anticipates up to \$22,000 in additional General Fund revenues associated with the proposed fee increases.

Title

Amending Sections 10.31(2)(a), (3)(d) and creating Section 10.31(3)(f)4. of the Madison General Ordinances to increase the fees associated with a privilege in streets.

Body

DRAFTER'S ANALYSIS: The 2014 adopted operating budget contemplates additional revenue from an increase in the privilege in streets fees, which have not been updated since 1997. This amendment increases the application fee, the minimum annual fee, and changes the calculation for fees based on square feet above the surface to eliminate a 10% cap and increase the per-story value from 3% to 5%. In addition, it requires that the fees are re-calculated every five years to address changes in property value.

The Common Council of the City of Madison do hereby ordain as follows:

1. Subdivision (a) of Subsection (2) of Section 10.31 entitled "Privileges in Streets" of the Madison General Ordinances is amended to read as follows:

“(2) (a) Applications for privileges in streets shall be made to the Economic Development Division of the Planning and Community and Economic Development Department. A nonrefundable application and initial processing fee of ~~five hundred~~ seven hundred fifty dollars (\$~~500~~750) shall accompany said application. There shall be no proration of the application and initial processing fee.

A Report of Ownership and ~~three (3) copies~~ of a drawing or survey at a scale of not less than 1” = 10’ on an 8 ½ x 14 size paper or in an equivalent digital file, showing the privilege in streets in relation to the owner’s property shall also accompany said application. The drawing or survey shall include sufficient data to permit City staff to draft a legal description and determine the square footage of the street area occupied by the privilege in streets.

The Director of the Economic Development Division or her/his designee (Director) shall not recommend that the privilege be granted unless the applicant shows that the requirements of this section will be satisfied, and that applicable ordinances, resolutions and Board of Public Works and Plan Commission policies will be complied with. If the Director recommends approval of an application for a privilege in streets, the Director shall inform the applicant in writing of its recommendation and the conditions of approval. Following concurrence of the applicant with the conditions of approval, the Director, in cooperation with the City Attorney, shall prepare an agreement, setting forth the requirements and conditions under which the privilege in streets is permitted. Following execution of all the documents by the applicant, the required documents are to be executed by the Director, who shall monitor the payment of the annual fees in the event they are not collected as a special charge.

Following receipt of the insurance certificate and the first year’s fee, the agreement is to be recorded with the Dane County Register of Deeds. A copy of the recorded agreement shall be furnished to the Applicant and the City Clerk. The Risk Manager shall monitor the insurance requirements.”

2. Subdivision (d) entitled “Fee Schedule” of Subsection (3) of Section 10.31 entitled “Privileges in Streets” of the Madison General Ordinances is amended to read as follows:

“(d) Fee Schedule.

1. An annual minimum fee of ~~two hundred fifty~~ five hundred dollars (\$~~250~~500) or an amount established hereinafter, shall be charged for the privilege of encroaching into street right of way. The annual fee may be levied as a special charge for current services rendered against the applicant’s property as provided by law. The agreement may provide for alternative means of payment of annual fees in excess of ten thousand dollars (\$~~10,000.00~~). An annual fee for less than twelve (12) months shall be prorated according to the number of months or fraction thereof for which the privilege in streets is issued. There shall be no proration upon termination of any privilege in streets.
2. For every use of public space permitted as a privilege under the terms of this chapter, the following annual rental fee shall apply:
 - a. For each story above or below the surface, the fee shall be fixed at ~~three~~ five percent (5%) of the square foot value per story, ~~but not to exceed a total of ten percent (10%) of the square foot value~~, as last fixed by the City Assessor, of the lot directly abutting such use, multiplied by the square footage of the use of space, or if more than one lot abuts such use, ~~three~~ five percent (5%) of the average of the square foot value of the lots directly abutting such use, as last fixed by the City Assessor, multiplied by the square footage of the use of space or ~~two hundred fifty~~ five hundred dollars (\$~~250~~500), whichever is greater.
 - b. If such use of space involves utilization of the surface by the applicant, the fee for such surface use shall be fixed at ten percent (10%) of the square foot value, as last fixed by the City Assessor, of the lot directly abutting such use, multiplied by the square footage of the use of space, or, if more than one lot abuts such use, ten percent (10%) of the average of the square foot value of the lots directly abutting such use, as last fixed by the City Assessor, multiplied by the square footage of the use of space or ~~two hundred fifty~~ five hundred dollars (\$~~250~~500), whichever is greater.
 - c. ~~The maximum fee for use of space under 2.a and 2.b. above shall not exceed a total of ten percent (10%)~~ Every five (5) years the Director shall re-calculate the fee using

- current property values as fixed by the City Assessor.
- d. Monitoring wells and other multiple location privileges: annual fee of ~~two hundred fifty five hundred~~ dollars (\$~~250~~500) for the first encroachment plus ~~fifty~~ one hundred dollars (\$~~50~~100) for each additional location.
 - e. If such use is for fiber optic for a non-public utility use, the fee shall be two dollars (\$2.00) per lineal foot for two inch (2") diameter duct and four dollars (\$4.00) per lineal foot for four inch (4") diameter duct."
3. Paragraph 4. of Subdivision (f) of Subsection (3) of Section 10.31 entitled "Privileges in Streets" of the Madison General Ordinances is created to read as follows:
- "4. Little Free Libraries."