



MEMORANDUM

DATE: February 13, 2018

TO: Robin L. Raine, P.E.
Interim Director
Department of Transportation

FROM: Roi Lusk, Assistant City Attorney
City of Tucson Attorney's Office

SUBJECT: *Approval of 2018 Rate and Fee Schedule for Wireless Facilities in the ROW*

Action Requested:

Approve and post on the City Clerk's website the 2018 Rate and Fee Schedule for Wireless Facilities in the ROW ("Rate and Fee Schedule") (attached) to comply with ARS Sections 9-592(E), 9-499.15(B) and Ordinance No. 11522 requiring and authorizing the Director of the Department of Transportation (or their designee) to establish and publish rates and fees for Wireless Facilities in the Public Right-of-Way (ROW). Pursuant to ARS 9-499.15(B), a Notice of Intent to establish new or increased rates and fees must be published for 60 days prior to formal implementation.

Background Information:

On March 31, 2017, the Governor signed House Bill 2365 (HB 2365) into law, implementing a fast-track system for approval of Small Wireless Facilities (SWF) in the ROW. In response, municipalities and counties throughout Arizona have drafted ordinances to comply with the new law. Some of the provisions include: instituting maximum time frames, or "shot clocks" for review and approval of SWF applications, approving maximum application and use fees for SWF in the ROW, requiring the development and availability of Standard Terms and Conditions and Design Standards for SWF, and removing SWF from zoning approval.

In Tucson, the Department of Transportation (TDOT), Information Technologies (IT), the City Attorney's Office (CAO) and Planning & Development Services (PDSD), working with other City departments, helped draft Wireless Facilities Standard Terms and Conditions ("Standard Terms"), City of Tucson Wireless in the ROW Standard Designs and Concepts ("Design Standards"), Site License Agreements (SLAs) and the aforementioned Rate and Fee Schedule. Mayor and Council approved all the preceding documents, excepting the Rate and Fee Schedule, on February 6, 2018. Additionally, Mayor and Council authorized the Director of TDOT to set rates and fees for SWF and publish said rates and fees pursuant to state law.

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Justification for New Fees:

Beginning in July and August of 2017, TDOT and the City Attorney's Office began reviewing current application and use fees for SWF in the ROW. At the time, Wireless Providers generally did not pay application fees beyond nominal permit fees to work in the ROW. Plan review and survey time likewise were not specifically denominated as fees but were implicitly incorporated in annual ROW use fees, averaging approximately \$3200 per year per SWF site as of November of 2017.

HB 2365 limits annual use fees to \$50 per SWF collocation and \$50 per Authority Utility Pole (essentially City light and traffic poles). Application fees are limited to \$100 for SWF collocations 1-5, and \$50 for applications 6-25 in a single application. For pole replacements, HB 2365 limits application fees to \$750. New monopoles (for SWF use only) application fees are limited to \$1000. Thus, appropriate accounting of tax payer-funded City employee time utilized in reviewing applications, sites and plans is necessary. Each site may take up to 27 hours of City of Tucson employee time to review, including:

- Real Estate site review (5 hours @ \$100/hour)
- Streets site review (5 hours @ \$50/hour)
- PSDS site and plan review (5 hours @ \$50/hour)
- TDOT Information Technology review (for compliance with current TDOT initiatives) (1 hour @ \$50/hour)
- Water site plan review – 8 hours @ \$50/hour
- Historical Preservation Office review (if necessary) – 1 hour @ \$52.50/hour
- Information Technology review (2 hours @\$135/hour), including:
 - o Work order/ticket management – 30 min
 - o Records archiving – 30 min
 - o Technical Review – 30 min
 - o Updating GIS – 30 min

Thus, a full review of a City of Tucson light pole replacement and SWF collocation may cost the City as much as **\$1772.50 per site**. That number may increase substantially where new verticality is contemplated or where a Wireless Provider wants to collocate on a traffic pole, as an example. Proper management of the ROW additionally requires periodic review of SWF equipment and poles to ensure safe and proper use of such equipment in the ROW, as well as to prevent conflicts with other users of the ROW, including the City. Finally, the above figure does not account for acquisition of the ROW at fair market value.

Financial Implications:

The difference between the available application and use fees under HB 2365 and the actual cost to

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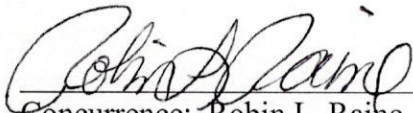
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acquire and maintain the ROW and appropriately review an SWF application represents costs to the City. The attached Rate and Fee Schedule represents the City's best efforts in recapturing those costs while complying with HB 2365.

Attachment: Rate and Fee Schedule

cc: Michael Ortega, City Manager
Mike Rankin, City Attorney
Roger Randolph, City Clerk



Concurrence: Robin L. Raines, Interim Director
City of Tucson Department of Transportation

2/13/18
Date

2018 Rate and Fee Schedule for Wireless Facilities in the ROW

Annual Base Use Fees

- **Collocation fee - \$50 per SWF (ARS 9-592(C))**
- **Pole attachment fee - \$50 per Authority Utility Pole used (ARS 9-592(C))**

Ordinary Permit Use Fees

- **Collocation application fee - \$100 per SWF 1-5 (per application), \$50 per SWF 6-25 (per application) (ARS 9-593(K))**
- **New, replacement or modified Authority Utility Pole application fee - \$750 per site (ARS 9-592(L))**
- **New monopoles, utility poles (not exempt under ARS 9-592(I,J) or 9-593(C)), or wireless facilities - \$1000 per site (ARS 9-594(E)(3))**

Optional Fees

- **Pole Reservation Fee - \$500**
 - o Allows reservation of specific pole or site (given appropriate information) for 90 days
 - o If no application within 90 days, pole is available to any Wireless Provider
 - o Only one reservation per pole per Wireless Provider
 - o Pole Reservation does not guarantee approval of application or site

Other Required Permit Fees:

Excavation permit: \$45 (200 ft or less)

Barricading and traffic control plan review:

- **Major Arterial: \$125**
- **Non-Arterial: \$45**