Audit, Finance & Enterprise Committee

Date: April 14, 2016

To: Audit, Finance & Enterprise Committee

Through: Kari Kent, Assistant City Manager

From: Lenny Hulme, Transportation Department Director
Elisa Gin, Senior Fiscal Analyst

Subject: Update to Temporary Traffic Control Fee Schedule Citywide

Strategic Initiatives







Purpose and Recommendation

To increase staff's efficiency and productivity, enhance customer service as well as facilitate the deployment of Accela Automation ('Accela'), Council is requested to approve staff's recommendation to update to the Temporary Traffic Control ('TTC') fee schedule as shown on Exhibit B.

Background

The assessment of the existing TTC fee schedule (see Exhibit A) was prompted by the replacement of Tidemark, the City's current permitting and code compliance system, with Accela Automation ('Accela'). The goal was to establish a fee schedule that is consistent with other departments so that no additional programming efforts are necessary to implement the Transportation Department's TTC fees in Accela. The following items were considered as part of this assessment:

Permits
All persons, contractors, utilities, and other agencies including City departments (hereinafter referred to as 'entities') must obtain a TTC permit if they are to restrict access on public streets, sidewalks, bike lanes, alleys or other public facility in the right-of-way (see Section 10-10-2 (C), Mesa City Code).

Plans
In most cases, Traffic Control Plans ('TCP') are required to be submitted for review when an entity applies for a TTC permit (see page 40 Section D, Mesa Supplement to the City of Phoenix 2007 Traffic Barricade Manual).

Traffic Control Review Fee
The current Traffic Control Review Fee is an hourly fee that was implemented to be used for special events that require more than the normally expected staff time, often outside of regular business hours, while the setup of TTC devices is inspected.

Permit Extension Fee
This fee is applied to extensions of existing TTC permits.

Discussion

Permits
Based on the current fee schedule, permits can be obtained for 1 to 3 days for $100, 4 to 15 days for $300, or 16 to 30 days for $600. Many times, presumably due to the low cost, entities opt to purchase a permit for 30 days while the actual work may require less than a week of restrictions. This allows them to not only exercise less diligence when planning projects, but also take more time to complete the associated work. The problem is that no other entity can obtain a TTC permit at the same location for the time that another permit is active. Thus, their planned construction activities may get delayed even though there is no active restriction within the timeframe they want to complete the work. Upon inquiry of the TTC staff, entities are often unable to provide an exact schedule of their work activities due to lack of planning, which proves difficult to coordinate construction projects between various entities including other City staff. Also, TTC staff verifies the setup and take down of the TTC devices that were approved as part of the permitting process. If a 30-day permit is being obtained and there is no activity during a large portion of that timeframe, several field visits may be necessary to ensure that all TTC devices have been set up per plans and are removed completely after construction is concluded.

In an effort to encourage entities to manage construction projects more effectively and apply for TTC permits that reflect the actual duration of restrictions, it is recommended to implement a daily permit fee as shown in Exhibit B. This will reduce the potential for delays for other entities as well as staff time for coordination purposes and field inspections. This may also decrease the duration of some construction projects and thus, impacts on residents, businesses, and visitors of Mesa. In addition, the City will be able to provide a better service to the public since the data that is available as part of our mTrac – Mesa Traffic Restriction Alerts and Closures map (http://gis.mesaaz.gov/mTrac/) will be more accurate.

It should be noted that not all entities that apply for TTC permits are required to pay fees. Examples are City Departments, contractors as part of Capital Improvement Projects, and agencies that have an agreement with the City. The implementation of a daily fee schedule is not meant to have any impact on entities that are currently not charged for permit fees.

As part of this change, it is also proposed to distinguish between several types of restrictions based on their severity. For instance, the closure of an arterial roadway has a much greater impact on the traffic flow than a restriction of a traffic lane or a

left turn prohibition. Thus, permit fees for arterial roadway closures are recommended to be higher than other restrictions.

The line item for 'Blanket Permits - to cover short-term restrictions in various locations (such as landscapers working throughout the City)' should be removed from the fee schedule because it does not apply. In most cases and without a permit needed, a landscape maintenance operation can be accommodated using the "Short Term" or "Slow Moving/Stop and Go" service vehicle operation as noted in Chapter 4 of the City of Phoenix 2007 Traffic Barricade Manual. For all other scenarios, the standard permit fees apply.

Plans

Currently, no review fees are being charged regardless of the number of reviews that are necessary until TCP can be approved. There have been several instances where entities submitted sub-standard TCP and repeatedly failed to address comments made by staff. This resulted in multiple reviews and decreased overall productivity of staff since they were unable to process other permit applications during that time.

It is recommended to add a Traffic Control Plan Review Fee for reviews that are more time consuming than what can reasonably be expected. First and second reviews are to be free, while third and any additional reviews are to be charged on a per sheet basis. The purpose of this fee is to encourage submittals to comply with City standards and requirements while not punishing those that provide well designed plans with their first or second submittal. This change will improve staff's productivity and enhance customer service by reducing time needed for extensive plan reviews, but is not expected to create a significant fiscal impact since entities have the opportunity to avoid fees by submitting quality plans.

Traffic Control Review Fee

It is recommended to rename this fee to Traffic Control Inspection Fee to correctly reflect its intent and to avoid confusion with proposed Traffic Control Plan Review Fee. This change would have no fiscal impact since it is not associated with a modification of the fee amount, or the way it is being charged.

Permit Extension Fees

With the implementation of a daily fee for TTC permits, this fee becomes redundant. Entities that want to extend an existing permit will be charged for the daily fee based on their planned restrictions and duration. Thus, it is recommended to remove the permit extension fee from the fee schedule. This change would have no fiscal impact.

Exhibit B shows the proposed TTC fee schedule.

Alternatives

ALTERNATIVE 1 – Do nothing. Not making the recommended changes would mean that TTC permits continue to incorrectly reflect the times that entities are actively

working in the public right-of-way, complicating coordination of construction projects and reducing staff's efficiency and productivity. Also, Accela, which is currently under development and expected to be deployed in mid-2016, would require additional programming efforts to incorporate the existing fee schedule.

ALTERNATIVE 2 – Approve fees that differ from what is currently proposed. Making the fees cheaper than what is recommended is not desired because that would reduce the effect it would have on entities.

Fiscal Impact

The TTC fees directly fund full-time equivalent ('FTE') employees, and the TTC group currently consists of three FTEs, plus one staff that splits their time between the TTC group and the Transportation Engineering group. The current TTC revenue, which is noted in the following paragraph, does not fully fund these positions. Also, it is planned to add one FTE in fiscal year ('FY') 16/17 to allow for greater coverage of active work zones within the City for inspection as well as coordination purposes. This will enhance public safety and customer service.

Although the permit fee collection varies from year to year because it is linked to the number of construction projects within the City, TTC revenues have been relatively consistent within the last two FYs. In FY 13/14, a total of $247,778 was collected and in FY 14/15 the amount was $243,900, which funded approximately two FTE salaries each FY. In FY 14/15, the City approved about 5,700 days of construction activity requiring TTC permits that are subject to a fee. This is not the duration associated with the permits, but the actual time of the restriction within the public right-of-way. It is very cumbersome to determine what type of restrictions those were (i.e., roadway, left turn prohibition, sidewalk, etc.), but assuming that the construction activity will be similar in FY 16/17, and that all restrictions will be on a roadway or alley at a cost of $75 per day, the TTC revenue based on the proposed fee schedule would be $427,500. However, it can be expected that the duration of the restrictions decreases with the implementation of a daily fee since entities will put more effort towards planning their construction activities.

With the implementation of the fees as proposed, revenue may increase by as much as 75% from $243,900 in FY 14/15 to $427,500 in FY 16/17, plus an estimated $500 in plan review fees. In total, the revenue is expected to be $428,000 for FY 16/17. This would not only the fund the existing FTE positions of the TTC group, but also the FTE position that is planned to be added in FY 16/17.

Coordinated With

Business Services, Engineering, and Information Technology.

Exhibit A
Current 15/16 Schedule of Fees and Charges
Department: Transportation

Document of Change: Resolution

Description of Services:	Current Fee/Charge	Unit	Revenue Code	Date Last Revised
Temporary Traffic Control Fee			1205-3156	
Traffic Permit Fee				
Minimum-No Restrictions Planned	$50.00			
1-3 Days	$100.00			
4-15 Days	$300.00			
16-30 Days	$600.00			
Blanket Permit - to cover short-term restrictions in various locations (such as landscapers working throughout the city)	$50.00 for 6 to 12 month permit	month		
Permit Extension Fee				
1-3 Days	$100.00			
4-15 Days	$300.00			
16-30 Days	$600.00			
Traffic Control Review Fee	$90.00	Per Hour		

Plus Transaction Privilege (Sales) Tax, where applicable.

Exhibit B

Proposed 16/17 Schedule of Fees and Charges
Department: Transportation

Document of Change: Resolution

Description of Services:	FY 15/16 Fee/Charge	Unit	FY 16/17 Fee/Charge (Effective 7/1/16)	Date Last Revised	16/17 Fiscal Impact	Notes
Temporary Traffic Control Fee						
Traffic Permit Fee						
Minimum-No Restrictions Planned	$50.00		No Change			
~~1-3 Days~~	~~$100.00~~				See below	
~~4-15 Days~~	~~$300.00~~					
~~16-30 Days~~	~~$600.00~~					
ROADWAY OR ALLEY RESTRICTION	**N/A**	**PER DAY**	**$75.00**			Estimate based on 5,700 days
LEFT TURN PROHIBITION - SIGNALIZED INTERSECTION	**N/A**	**PER DAY & DIRECTION**	**$50.00**		$183,600	of active construction in FY
SIDEWALK CLOSURE	**N/A**	**PER DAY**	**$20.00**			14/15 at a daily fee of $75 less
ARTERIAL ROAD CLOSURE	**N/A**	**PER DAY**	**$2,500.00**			amount received in FY 14/15.
~~Blanket Permit - to cover short-term restrictions in various locations (such as landscapers working throughout the city)~~	~~$50.00 for 6 to 12 month permit~~	~~month~~			None	
~~Permit Extension Fee~~						
~~1-3 Days~~	~~$100.00~~				None	
~~4-15 Days~~	~~$300.00~~				None	
~~16-30 Days~~	~~$600.00~~				None	
Traffic Control INSPECTION Fee	$90.00	Per Hour	$90.00		None	
TRAFFIC CONTROL PLAN REVIEW FEE (3RD AND SUBSEQUENT REVIEWS)	N/A	**PER SHEET & REVIEW**	**$50.00**		$500	1st and 2nd review at no cost
TOTAL ESTIMATED FISCAL IMPACT					**$184,100**	

Plus Transaction Privilege (Sales) Tax, where applicable.