



Date: January 22, 2018
To: City Council
Through: Kari Kent, Assistant City Manager
From: Elizabeth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Small Wireless Facilities Application Fees and Annual Right of Way
Use Rates (A.R.S. 9-591 – 599 relating to small wireless facilities)

Purpose and Recommendation

The purpose of this report is to request Council approval of fees for SWF rights-of-way use fees to occupy the City's rights-of-way.

Engineering requests Council approval to change the Engineering Schedule of Fees and Charges, as outlined in this report and detailed in the attached Exhibit "A". The Fees and Charges, once approved, will be effective February 9, 2018.

Background

In March 2017, the Arizona State Legislature approved and the governor signed into law House Bill 2365, which amended Title 9, Section 5 of the Arizona Revised Statutes relating to wireless services. As a result of this bill, state law now allows wireless providers to install, operate, and maintain SWF and related equipment in city, town, and county rights-of-way and public easements as a matter of right. Mesa Electric, Salt River Project, Arizona Public Service, and the City of Yuma are exempt from the new legislation.

The state law limits the fees cities can charge for the use of the rights-of-way, plan review, and inspections services related to SWF. Cities are required to establish and make available rates, fees, and terms for deployment of SWF sites consistent with HB 2365 no later than February 9, 2018.

Discussion

In May of 2015, the City Council approved Resolution No. 10627, establishing a fee to use the rights-of-way for SWF. The fee to use the rights-of-way varied from \$3,469 to \$21,073 annually, based on the volume (cubic feet) of equipment placed in the right-of-way. The new annual fee for SWF is limited to a total of \$100 per site per year to collocate on City-owned poles and \$50 per site per year to collocate on non-City owned poles. The annual fee for new monopoles is equal to the direct and actual cost of managing the right-of-way per site per year. In addition, the amount the City may

charge for application, plan review, and inspection services range from \$50 for batched applications to \$750 per pole per site and limited to \$1000 per new monopole.

Alternatives

An alternative to updating the fees is to take no action. This is not recommended because the existing fees would remain effective until February, at which time the City would be in violation of state law.

Fiscal Impact

The proposed application and rights-of-way use fees for SWF are intended to recoup direct and actual costs associated with the processing, permitting and inspection of SWF. While the total costs associated with the processing and permitting are greater than the proposed fees, the new legislation sets a limitation on the amount the City may charge for the installation of SWF in the rights-of-way.

There is an anticipated annual revenue of \$33,010 for these fees.

Coordinated With

The recommended fees and charges were coordinated with the Office of the City Attorney and the Office of Management and Budget.

Fee Recommendation Schedule
Exhibit A
Department: Engineering Department

Document of Change: Resolution

Description of Services	FY 17/18 Fee/Charge	FY 17/18 Fee/Charge (effective 2/9/18)	Unit	Revenue Code	Estimated Total Annual Fiscal Impact	Notes
Wireless Communication Facilities Fee (WCF) in the ROW (Excludes Cellular Facilities) will be negotiated on a per site license agreement basis.	Varies	Varies		1101-3113		
SMALL WIRELESS FACILITIES (SWF) APPLICATION FEES						
COLLOCATION OF A SMALL WIRELESS FACILITY ON AN EXISTING CITY-OWNED POLE (STREETLIGHT OR TRAFFIC SIGNAL), SINGLE OR BATCHED APPLICATION		\$100	PER SITE; SITES 1-5		\$500	
COLLOCATION OF A SMALL WIRELESS FACILITY ON AN EXISTING CITY-OWNED POLE (STREETLIGHT OR TRAFFIC SIGNAL), BATCHED APPLICATION		\$50	PER SITE; SITES 6-25		\$250	
COLLOCATION ON A MODIFIED OR REPLACEMENT CITY-OWNED POLE		\$750	PER SITE		\$22,500	

(STREETLIGHT OR TRAFFIC SIGNAL)						
COLLOCATION OF A SMALL WIRELESS FACILITY ON AN EXISTING NON-CITY OWNED POLE, SINGLE OR BATCHED APPLICATION		\$100	PER SITE; SITES 1-5		\$0	
COLLOCATION OF A SMALL WIRELESS FACILITY ON AN EXISTING NON-CITY OWNED POLE, BATCHED APPLICATION		\$50	PER SITE; SITES 6-25		\$0	
COLLOCATION ON A MODIFIED OR REPLACEMENT NON-CITY OWNED POLE		\$750	PER SITE		\$0	
NEW CITY-OWNED POLE (STREETLIGHT OR TRAFFIC SIGNAL)		\$750	PER SITE		\$0	
NEW NON-CITY-OWNED POLE OR WIRELESS SUPPORT STRUCTURE; NO MONOPOLES		\$750	PER SITE		\$0	
NEW MONOPOLE, OR NEW, MODIFIED OR REPLACEMENT CITY-OWNED OR NON-CITY-OWNED POLE THAT DOES NOT EXCEED 50 FEET IN HEIGHT		\$1,000	PER SITE		\$0	
NEW MONOPOLE, OR NEW, MODIFIED OR REPLACEMENT CITY-OWNED OR NON-CITY-		EQUAL TO DEVELOPMENT SERVICES DEPARTMENT'S	PER SITE		\$0	

OWNED POLE THAT EXCEEDS 50 FEET IN HEIGHT		FEE(S) FOR NEW CELL TOWERS				
COLLOCATION OF WIRELESS FACILITIES THAT DO NOT FIT THE STATUTORY DEFINITION OF SMALL WIRELESS FACILITIES IN ARS 9-591.19		\$1,000	PER SITE		\$0	
ANNUAL SWF RIGHT-OF-WAY USE FEES		\$100	PER SITE, PER YEAR		\$4,000	
COLLOCATION AND POLE ATTACHMENT OF A SMALL WIRELESS FACILITY ON AN EXISTING, MODIFIED, REPLACEMENT OR NEW CITY-OWNED POLE (STREETLIGHT OR TRAFFIC SIGNAL)						
COLLOCATION AND POLE ATTACHMENT OF A SMALL WIRELESS FACILITY ON AN EXISTING, MODIFIED, REPLACEMENT OR NEW NON-CITY-OWNED POLE		\$50	PER SITE, PER YEAR		\$0	
NEW, MODIFIED OR REPLACEMENT CITY-OWNED OR NON-CITY-OWNED POLE THAT EXCEEDS 50 FEET IN HEIGHT		VARIES: AN ANNUAL AMOUNT EQUAL TO THE DIRECT AND ACTUAL COST OF MANAGING THE RIGHT OF WAY (1)	PER SITE		\$0	

NEW OR MODIFIED MONOPOLE		VARIABLE: AN ANNUAL AMOUNT EQUAL TO THE DIRECT AND ACTUAL COST OF MANAGING THE RIGHT OF WAY(1)	PER SITE		\$0	
COLLOCATION OF WIRELESS FACILITIES THAT DO NOT FIT THE STATUTORY DEFINITION OF SMALL WIRELESS FACILITIES IN ARS 9- 591.19		VARIABLE: AN ANNUAL AMOUNT EQUAL TO THE DIRECT AND ACTUAL COST OF MANAGING THE RIGHT OF WAY(1)	PER SITE		\$0	
LATE PAYMENT FEE		3% OF ROW USE FEE	PER SITE		\$0	
BLANKET PERMIT FOR EMERGENCY WORK IN THE RIGHT-OF-WAY		\$1,440	PER YEAR, CITYWIDE		\$5,760	
SITE LICENSE RENEWAL, OTHER THAN MONOPOLE		\$750	PER SITE		\$0	
SITE LICENSE, MONOPOLE		\$1,000	PER SITE		\$0	
SITE LICENSE, COLLOCATION OF WIRELESS FACILITIES THAT DO NOT FIT THE STATUTORY DEFINITION		\$1,000	PER SITE		\$0	

<p>OF SMALL WIRELESS FACILITIES IN ARS 9-591.19</p>						<p>1. THE FEE IS THAT AMOUNT THAT IS THE DIRECT AND ACTUAL COST OF MANAGING THE RIGHT OF WAY ON A PER SITE, PER YEAR BASIS IN AN AMOUNT NOT TO EXCEED \$2,500</p> <p>NOTE: UNLESS OTHERWISE NOTED, THESE FEES APPLY ONLY TO SMALL WIRELESS FACILITIES AS DEFINED IN ARS. § 9-591. THIS LIST OF FEES IS DESIGNED TO COMPLY WITH ARS § 9-591 – 9-599, AND THE CITY WILL CHARGE USERS WITH ADDITIONAL GENERALLY APPLICABLE FEES FOR WORK IN THE CITY’S RIGHTS-OF-WAY, INCLUDING, BUT NOT LIMITED TO FEES FOR BUILDING AND TRAFFIC CONTROL PERMITS.</p>
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Total Estimated Annual Impact \$33,010