

**NOTICE OF PROPOSED NEW OR INCREASED FEES
FOR WIRELESS FACILITIES/POLES IN PUBLIC RIGHT-OF-WAY**

The City of Flagstaff hereby gives notice pursuant to A.R.S. § 9-499.15 that it proposes to adopt new or increased fees related to wireless facilities/poles in the public right-of-way. A schedule of the proposed new or increased fees, along with a written report or data to support the changes, is attached (scroll down).

The City Council will consider whether to adopt the new or increased fees at the following date and time:

**Tuesday, March 6, 2018 at 6:00 p.m.
City Council Chambers
211 W. Aspen Avenue
Flagstaff, Arizona 86001**

The fees may be approved by resolution. The City Council may approve, disapprove, or modify the proposed new or increased fees.

In 2017 the Arizona State Legislature adopted a new law, A.R.S. Section 9-591 et seq. which requires the City to allow new poles in the public rights-of-way for wireless communications. The new law authorizes the City to establish nominal fees related to development review of applications for the new poles and to charge nominal rent.

Please contact Gary Miller, Development Engineer (928) 213-2704 if you have any questions.

This notice is posted on the homepage of the City website on Thursday, January 4, 2018 and has been distributed to other social media accounts and electronic communication tools of the City.

Posted and distributed by: Jessica Drum, Communications Manager (928) 213-2061.

**City of Flagstaff
PROPOSED FEE SCHEDULE**

FOR WIRELESS FACILITIES/POLES IN PUBLIC RIGHTS-OF-WAY

Authority: A.R.S. § 9-591 et seq.

Definitions: See A.R.S. § 9-591 for complete definitions and note the following:

- (13) "Monopole" — pole diameter is limited to 40 inches, height not defined
- (19) "Small Wireless Facility" -- equipment is defined, height not defined
- (21) "Utility Pole" — must be used "for communications services, electric distribution, lighting or traffic signals," and "does not include a monopole"
- (27) "Wireless Support Structure" – includes a structure or monopole, but "does not include a utility pole"

Proposed effective date: February 9, 2018

**Application Fee – Small Wireless Facility
Collocation on New/Modified/Replacement Utility Pole: \$750**

Application fee for the installation of "new, replacement or modified utility poles" associated with the collocation of "small wireless facilities" in the right-of-way and utility easements. (A.R.S. § 9-592.H, K, L)

Example: Collocation on a modified or replacement City-owned streetlight or traffic signal pole.

**Application Fee – Small Wireless Facilities
Collocation of Same Type Facilities on Same Type Structures, up to 25 Sites: Max. \$750**
Sites 1-5: \$100/each
Sites 6-25: \$50/each

Application fee for permission to collocate small wireless facilities in the right-of-way and utility easements, "if the collocations each involve substantially the same type of small wireless facilities and substantially the same type of structure." (A.R.S. § 9-593.D, F.1, J).

Annual Use Fees - Small Wireless Facility

\$50 per collocation on a City-owned pole (A.R.S. § 9-595.C, D.4)
And/or
\$50 per site (A.R.S. § 9-592.C, D.4)

Example 1: Use fees if collocated on a City-owned pole will be \$100/year.
Example 2: The use fee if collocated on a third party-owned pole will be \$50/yr.

**Application Fee – Not Small Wireless Facility: \$1,000
Collocation on New/Modified Monopole or Utility Pole**

Application fee for the "modification of existing or the installation of new monopoles or utility poles or for the collocation of wireless facilities" in the right-of-way and utility easements. (A.R.S. § 9-594.E.3, C.1)

Annual Use Fee – New Monopole: to be determined after receipt of an application

The City will charge a "rate or fee for the use of the right-of-way for the installation of a monopole and associated wireless facility that is not more than the "direct and actual costs of managing the right-of-way and that is not in the form of a franchise or other fee based on revenue or customer counts." (A.R.S. § 9-594.E.4)

Other Review Fees – If the wireless facilities are not exempt from zoning review, they are subject to zoning review and any applicable fees. (A.R.S. § 9-594.B)

Exempt:

- Small Wireless Facility on a New/Modified/Replacement Utility Pole that does not exceed 40/50 feet in height above ground level (See A.R.S. § 9-592.I, J)
- Small Wireless Facility collocated in a right-of-way in any zone, that does not exceed 10 feet above utility pole or wireless support structure, and does not exceed 50 feet above ground level (A.R.S. § 9-593.C, A.R.S. § 9-592.J)

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City of Flagstaff
INFORMATION IN SUPPORT OF PROPOSED FEES
FOR WIRELESS FACILITIES/POLES IN PUBLIC RIGHTS-OF-WAY

Application Fee – Small Wireless Facility

Collocation on New/Modified/Replacement Utility Pole: \$750

Application – Small Wireless Facilities

Collocation on Same Type Facilities on Same Type Structures, up to 25 Sites: Maximum \$750

City staff is proposing adoption of these maximum fees allowed by law, because the City's actual costs for review and approval of an application will exceed those amounts.

The City has already adopted fees for steps typical of what will be involved for approval of a small wireless facility ("SWF") in the public right-of-way.* The data to support those fees was duly published per A.R.S. § 9-499.15 prior to adoption, and are a matter of public record. See City website, City Council Agenda packets for June 6 and June 20, 2017. Those fees are set forth in Ordinance No. 2017-16 adopted by the City Council on June 20, 2017, and include the following:

- Conceptual Site Plan Review - \$420
- Site Plan Less than One Acre - \$2,550
- ROW Permit - \$547
- Building Permit - \$355.50 for first \$25,000 in value, then \$9 for each additional \$1,000 in value**
- Plan Review – 65% of value of building permit**

At the time of adoption, planning and development fees were set at 53% of cost recovery, while engineering is set at 100% cost recovery. Accordingly, the City actual review and approval costs for a SWF will exceed \$750.

*See attached Example A process.

** See attached Example B fee calculation.

Annual Use Fees – Small Wireless Facility

\$50 per collocation on a City-owned pole

And/or

\$50 per site

City staff is proposing that the City adopt the maximum fees allowed by law, as the wireless providers using the public rights-of-way are for-profit businesses using a public resource for gain. The annual use fee is nominal. Typical rent for wireless communications sites in Flagstaff Fair market value for wireless communications sites in Flagstaff ranges from \$500 to \$2,000 *per month*, depending on the site size, term of lease, etc. Current licensees and franchisees of the City pay an *annual* license fee for using public rights-of-way based on a percentage of gross revenues (Suddenlink – 5%; APS – 3%; El Paso Natural Gas – 3%; CenturyLink – 2% telephone service license tax)

**Application Fee – Not Small Wireless Facility: \$1,000
Collocation on a New/Modified Monopole or Utility Pole**

City staff is proposing \$1,000 application fee, the maximum permitted by law. The City has already adopted steps typical of what will be involved for approval of a new/modified monopole or utility pole in the public right-of-way that is not a small wireless facility (“SWF”). The process is the same as described for a SWF (see above) except that a Conditional Use Permit is required. The adopted fee for a Conditional Use Permit is \$3,000. Accordingly, the City anticipates its actual review and approval costs for a monopole facility in the public ROW will exceed \$1,000.

Annual Use Fee – New Monopole: to be determined after receipt of an application.

City staff is proposing that if and when an application for a new monopole is received, that the City determine the applicable fee based upon the statutory requirements (A.R.S. § 9-594.E.4), and that it be duly adopted following notice and posting. This is the approach being taken by other Valley cities.

Other Review Fees – If the wireless facilities are not exempt from zoning review, they are subject to zoning review and any applicable fees.

City staff is proposing that City follow statutory mandate and charge applicable zoning review fees.

***EXAMPLE A**

Anticipated Process for Review and Approval

The City anticipates its review and approval process will include the following:

- Conceptual Site Plan review
- Site Plan approval
- Plan Review
- Conditional Use Permit (new/modified monopole only)
- Building Permit
- ROW Permit
- Inspections

Site Plan

- The process for approving a site plan generally takes 12-14 hours (cumulative) of Staff time per site. The steps to approve a proposed wireless site includes:
 - Initial meeting with City Staff and Wireless Provider site team to review proposed site locations and utilizing City’s Geographic Information System (GIS) layers to determine right-of-way (ROW), easements, city utilities and other private utilities that may pose a conflict at the site.
 - After the initial meeting, if a site is deemed to be a viable candidate, then in most cases, a site walk will be conducted with City Staff and Wireless Provider to verify that each proposed location has minimum

clearance to install the pole, ground equipment, underground conduit, electrical meter pedestal and to also check on clearance from sight visibility triangles, existing signage and landscape areas.

- Upon verbal agreement that a site is viable to move to preliminary design, the Wireless Provider will have its engineering contractor develop a plan set and obtain documents that meet the requirements of the “Conceptual Site Plan Approval” checklist that will be reviewed by City Staff.
- City Staff reviews and comments on the request for Site Plan Approval. If the site plan meets the requirements of the review, then the site receives approval to proceed to construction drawings for plan review, building permit, ROW permit and inspections.
- City Staff who are engaged in the Site Plan Approval process include:
 - Real Estate Manager
 - Development Manager
 - Development Engineer
 - Transportation Engineer
 - Streets Operations (Streetlight) Supervisor
 - Water Services Plan Reviewer
 - Stormwater Manager

In addition, City Attorney’s Office staff will incur time and expense in reviewing and/or negotiating the terms and conditions of any license to use the public rights-of-way.

****EXAMPLE B**

Example of Building Plan Review and Building Permit Fee

Assumption: Small Wireless Facility has Total Value of \$30,000

- **Building Permit Fee** – the cost of a building permit is based upon a valuation-based fee schedule. The fee for a Building Permit to construct a SWF is calculated based on valuation of the following:
 - Site Acquisition Costs
 - Wireless Provider’s Staff Time
 - Site Acquisition Contractor (if used)
 - Cost for Other Contractors
 - Design & Engineering
 - Creation of Preliminary Site Plan
 - Title and Survey of ROW
 - Engineering of Foundation and Pole
 - Soil and Environmental Work
 - Development of Construction Drawings
 - All Wireless Equipment
 - Hardware Costs
 - Pole Foundation
 - Antennas
 - Electronic Equipment
 - Telecommunications Interface
 - Equipment Screening
 - Electrical Meter and Pedestal
 - Pole or Wireless Support Structure
 - Cables, Wires, Brackets, Mounting Equipment
 - Shrouds to Conceal Cable and Wires
 - Remote Radio Heads or Remote Radio Units
 - Foundation or Mount for Ground Equipment

- Costs for the Construction and Installation of Site
 - Pole Foundation
 - Antennas
 - Electronic Equipment
 - Telecommunications Interface
 - Equipment Screening
 - Electrical Meter and Pedestal
 - Pole or Wireless Support Structure
 - Cables, Wires, Brackets, Mounting Equipment
 - Shrouds to Conceal Cable and Wires
 - Remote Radio Heads or Remote Radio Units
 - Foundation or Mount for Ground Equipment
 - Painting of SWF and Associated Equipment

- **Building Plan Review Fee** – the plan review fee, as adopted by City Council is calculated at a rate of sixty-five (65) percent of the value of the project.

For building permits ranging in value from \$25,001 to \$50,000, the following formula applies: The fee is \$355.50 for the first \$25,000 plus \$9.00 for each additional \$1,000.00

Building Permit Fee:

Base Fee = \$355.50
 Added Fee = 45.00 (\$9.00 x 5)
 Total Building Permit Fee = \$400.50 ←

**Total Building Permit and
Plan Review Fee = \$660.83**

Building Plan Review Fee:

Total Building Permit Fee = \$400.50
 Plan Review Fee Percentage = X 65%
 Total Plan Review Fee = \$260.33 ←