

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	11/09/09	Open	Action	10/23/09

Subject: Approving Fee Schedule for Use of RT Property

ISSUE

Whether to approve a fee schedule for use of RT owned/controlled property.

RECOMMENDED ACTION

Adopt Resolution No. 09-11-_____, Approving a Fee Schedule for Use of RT Owned/Controlled Property.

FISCAL IMPACT

None as a result of this action. Existing licenses and leases that allow early termination (e.g., 30 days notice) by the District will be re-negotiated to obtain Fair Market Value (FMV) after the fee schedule is in place. It is expected that the renegotiated licenses and leases will result in increased revenue to the District in future years.

DISCUSSION

RT routinely receives requests for license and easement interest in real property either owned or controlled by RT, from both public and private entities. These requests have been dealt with in different ways. Depending upon the requesting party, easements, leases, licenses or permits would be granted with a fee attached to the type and duration of use. Fees have ranged from a one time cost of \$1,500 to \$2,500 for licenses and permits, while easement and lease fee structures are based on a 8% to 10% rate of return on the FMV of the subject property. Additionally, a one time Permit Application fee of \$500 for admistration and supervisory activities has been charged per transaction. In the future all parties that seek encroachments will be required to pay the applicable rate(s), plus any applicable one-time fees. Waiver of fee(s) may be granted, on a case-by-case basis to sister public agencies and non-profit organizations.

Generally requesting entities require access to RT's real property for overhead, underground transverse crossings of the right of way for water, sewer, electric, fiber optic, longitudinal uses for both permanent and temporary fixtures, improvements and vehicular crossing of the right of way at-grade on RT owned property. Longitudinal encroachments present a significant concern and by nature are restricted.

RT retained the services of consultant Kingston Cole & Associates (Consultant) to conduct a market analysis and survey of various government agencies permit fee structures. The scope of work for the consultant included analysis of legal and regulatory factors affecting the FMV of ROW, on a national and state basis. It also included a review of all types of land appraisal techniques—including the pros and cons for each.

Approved:


General Manager/CEO

Presented:


Director of Real Estate

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The consultant also contacted nine public agencies (seven major transit agencies and two California municipal electrics) with successful, revenue-generating programs. The consultant gathered information regarding those agencies' rates, one-time fees, contract terms and conditions and actual revenues received for the different types of encroachments.

The consultant then analyzed all the data received and developed a comprehensive set of recommended rates that are specific to the conditions of RT's dedicated Right of Way (ROW). It is these rates that staff requests permission to implement, on a prospective basis. (All existing, long-term encroachments that cannot be re-negotiated will continue to be honored.)

The Consultant provided a comprehensive fee structure for transverse crossings, longitudinal encroachments, pipelines, telecommunication and fiber optic cable connections in line with industry standards. The proposed fee structure will bring increased revenue to RT.

Staff recommends adoption of the attached resolution approving a recommended Fee Schedule for use of RT property. Approval of the proposed "Fee Schedule" does not change RT's current encroachment application review process and/or safety regulations, such as those imposed on RT by the CPUC, FRA, UPRR, etc..

RESOLUTION NO. 09-11-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 9, 2009

**APPROVING A FEE SCHEDULE FOR USE OF RT
OWNED/CONTROLLED PROPERTY**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the fee schedule for all permits, licenses and easements to use RT owned/controlled property set forth in attached Exhibit A is hereby established and approved.

THAT, the General Manager/CEO or his/her designee is hereby directed to implement the fee schedule, which may be modified from time to time by Board action.

THAT the General Manager/CEO may, but is not obligated to, waive the applicable fee for public agencies requesting a permit, license or easement interest in RT owned/controlled property if the property will be used for a non-revenue generating purpose.

STEVE COHN, Chair

ATTEST:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

EXHIBIT "A"

Zones

Zones are based on density of population, volume of business activity (measured by size of buildings, numbers of business parks, hospitals, etc.) that is likely to demand higher bandwidth for communications. Zones are generally sorted into three types: urban, suburban and exurban. The recommended Sacramento Regional Transit District (RT) zones area:

Zone 1 (Urban):

AMTRAK to Folsom Line: 7th Street Depot to Power Inn Station

South Line: 7th Street Depot to City College Station

Northeast Corridor Line: 7th Street Depot to Arden/Del Paso Station

Zone 2 (Suburban):

AMTRAK to Folsom Line: Mather Field Station to Historic Folsom Station

South Line: Not applicable/Insufficient business development

Northeast Corridor Line: Arden/Del Paso Station to End Station

Zone 3 (Exurban)

AMTRAK to Folsom Line: Power Inn Station to Mather Field Station

South Line: City College Station to End Station

Northeast Corridor Line: Not applicable/Insufficient business development

Blended Rates/Multiple Zones: If RT receives a proposal to install either a fiber optic or electrical cable along the entire length of one of the lines, the calculation of a blended rate should be performed on a per-mile basis between Zones. For example, a longitudinal fiber optic cabling encroachment along the AMTRAK to Folsom Line would be calculated on a prorated mileage basis for each of the three zones.

Types of Encroachments

There are four major categories of encroachments. Each has its sub categories. They are:

- Longitudinal (Telecommunications, Electrical)
 - Aerial
 - Underground (Existing)
 - Underground (Built by Encroaching Party)
 - Dark Fiber
- Transverse Crossings (Telecommunications, Electrical)
 - Aerial: Electrical and Telecommunications
 - Underground (Fiber Optic Cable/Installed by Carrier)
 - Underground (Electrical)
- Pipelines (Longitudinal)
 - Pressurized and Hazardous
 - Pressurized and Non-Hazardous
 - Non-Pressurized/Non-Hazardous
- Pipelines (Transverse Crossings)
 - Pressurized and Hazardous
 - Pressurized and Non-Hazardous
 - Non-Pressurized/Non-Hazardous

RECOMMENDED RATES

I. Longitudinal: Telecommunications and Electrical

A. Aerial Electrical & Telecommunications: Per-Foot-Per-Year

(These rates will apply for any future installations by a telecommunications, cable television or electrical firm of their cabling on the RT catenary systems.)

	ZONE 1 (URBAN)	ZONE 2 (SUBURBAN)	ZONE 3 (EXURBAN)
1 circuit/fiber cable	\$ 3.50	\$1.80	\$ 1.00
2 circuits/fiber cables	\$ 4.50	\$2.50	\$ 1.50
3 circuits/fiber cables	\$ 5.25	\$3.10	\$ 1.90
4/circuits/fiber cables	\$ 5.75	\$3.60	\$ 2.20
Premium (%)			
-Fiber Cable over 216 strands	50%	50%	50%
- Circuits over 33 kv	300%	300%	300%
-Cables over 1800 pair (copper)	160%	160%	160%
-Coaxial cables	160%	160%	160%

Longitudinal: Telecommunications and Electrical (Continued)

B. Underground Fiber Optic Rates/Existing Conduit

These rates will only apply if a carrier, or public/private partner selected by RT, builds a multi-duct system. That entity would presumably offer spare ducts, fiber for the exclusive use of RT and revenues as part of the joint development. RT could then lease its spare innerducts at the rates noted below. BART is the most successful version of this approach.

Alternatively, RT may elect, at some time in the future, to build its own underground, multi-duct fiber optic system, independent of its existing catenary infrastructure. RT would then license space to various parties at the rates noted below. MBTA is the most successful version of this approach.

ZONE	RATE PER-FOOT PER-YEAR	MULTIPLIER*
1 (Urban)	\$4.00	1.75 per-strand
2 (Suburban)	\$2.50	1.50 per-strand
3 (Exurban)	\$1.50	1.1 per-strand

* Multiplier is per-strand charge for each additional fiber above 216 (industry standard) strands and 432 strand cable (next industry standard cable size). Above 432, Tri-Met conducts separate negotiations. (216-strand cable is minimum price/rate for any installation.)

C. Underground Longitudinal Electrical (Per Conduit or Encased Pipe): Per-Foot-Per-Year

These rates will apply to public or private utilities, such as SMUD; with a caveat that comity and reciprocity generally apply between sister public agencies in a given geographical area, i.e., being too tough in one negotiation invites reprisal in the next.

	ZONE 1	ZONE 2	ZONE 3
Outer diameter to 3"	\$8.00	\$4.00	\$2.25
Outer diameter to 5"	\$10.00	\$ 5.00	\$2.75
Outer diameter to 8"	\$12.25	\$6.12	\$3.35
Outer diameter to 12"	\$15.00	\$7.50	\$4.00
Outer diameter to 18"	\$18.00	\$9.00	\$5.00
Outer diameter to 24"	\$21.00	\$10.50	\$5.75
Outer diameter to 30"	\$23.50	\$11.75	\$6.50
Outer diameter to 36"	\$26.00	\$13.00	\$7.00
Outer diameter > 36"	Price per inch over	36" base	
Premium (%) over 33kv	100% (all zones)		

Longitudinal: Telecommunications and Electrical (Continued)

D. Dark fiber Rates

These rates apply to single strands of fiber that are leased/licensed by a private company to interconnect two facilities. The leasing/licensing company uses its own electronic switches to “light up” their designated fiber(s). RT will never receive an offer from telecommunications companies, cable television firms and other industry carriers to lease/license individual dark fibers. They always want to own and operate their own physical infrastructure, particularly the fiber cabling.

Financial, information technology and educational institutions, particularly those with multi-campus companies along RT’s Right of Way are the ideal customers for dark fiber. Per the discussion in our report, these entities can save large amounts of money on their telecommunications bills, if they buy their own switches and lease two to four strands of fiber from RT between their various buildings. Burbank Water & Power, as well as Los Angeles Department of Water and Power, are the two most successful examples of this approach. We have used an amalgamation of their pricing to develop our recommended rates.

Dark fiber rates are calculated in a slightly different manner than innerduct or aerial prices: They are simply based a per-fiber-per-mile-per-month (FMM) basis. Most dark fiber customers will lease a minimum of two strands (to have a backup, in case one breaks); most often they lease in bundles of twelve strands.

We are recommending the following rates for dark fiber licenses.

- Zone 1 (Urban): \$125 per FMM (\$1500 per-year)
- Zone 2 (Suburban): \$75 per FMM ((\$900 per-year)
- Zone 3 (Exurban): \$60 per FMM (\$500 per-year)

II. Transverse Crossings: Telecommunications and Electrical (Up to 100')

A. Aerial: Electric and Telecommunications, Fixed, Per-Year

	ZONE 1	ZONE 2	ZONE 3
1 circuit/cable	\$265.00	\$132.00	\$ 66.00
2 circuits/cables	\$340.00	\$170.00	\$ 85.00
3 circuits/cables	\$400.00	\$200.00	\$100.00
4circuits/cables	\$420.00	\$210.00	\$105.00
Premium (%)			
-Fiber cable w/ more than 216 strands	\$1.50 per-strand		
-Circuits over 33 kv	300%		
-Cables over 1800 pair (copper)	160%		
-Coaxial cables	160%		

Transverse Crossings: Telecommunications and Electrical (Up to 100')

B. Underground Fiber Optic Cable Rates, Per-Year-Per-Cable (Raw Land/Installed by Carrier)

	ZONE 1 (URBAN)	ZONE 2 (SUBURBAN)	ZONE 3 (EXURBAN)
108 strand (or less) cable (minimum size)*	\$ 900.00	\$600.00	\$300.00
216 strand cable	\$1400.00	\$920.00	\$470.00
432 strand cable	\$2400.00	\$1600.00	\$800.00
More than 432 strand cable	Separate negotiation	Separate negotiation	Separate negotiation
Extra (odd number) of strands:			
-Above 108 strands (to 215)	Add 10 cents per strand	Add 10 cents per strand	Add 10 cents per strand
-Above 216 strands (to 431)	Add 7.5 cents per strand	Add 7.5 cents per strand	Add 7.5 cents per strand

* Also applicable to undivided flexible conduit or other medium of comparable size, e.g., coaxial cabling.

**Transverse Crossings: Telecommunications and Electrical
(Up to 100') (Continued)**

C. Underground Electrical (Per Conduit or Encased Pipe): Per-Year

	ZONE 1 (URBAN)	ZONE 2 (SUBURBAN)	ZONE 3 (EXURBAN)
Outer diameter to 3"	\$1400.00	\$700.00	\$500.00
Outer diameter to 5"	\$1700.00	\$850.00	\$600.00
Outer diameter to 8"	\$2100.00	\$1050.00	\$700.00
Outer diameter to 12"	\$2600.00	\$1300.00	\$800.00
Outer diameter to 18"	\$3200.00	\$1600.00	\$900.00
Outer diameter to 24"	\$3700.00	\$1850.00	\$1000.00
Outer diameter to 30"	\$4100.00	\$2050.00	\$1100.00
Outer diameter to 36"	\$4600.00	\$2300.00	\$1200.00
Outer diameter > 36"	Price per inch over	36" base	
Premium (%) over 33kv	100% (all zones)		

III. PIPELINES

A. Longitudinal Pipelines

1. Pressurized and Hazardous Longitudinal, Per-Foot*

	ZONE 1 (URBAN)	ZONE 2 (SUBURBAN)	ZONE 3 (EXURBAN)
Inside diameter up to 2"	\$3.50	\$1.75	\$1.25
Inside diameter up to 4"	\$5.00	\$2.50	\$1.50
Inside diameter up to 8"	\$7.00	\$3.50	\$2.00
Inside diameter up to 12"	\$8.50	\$4.75	\$2.50
Inside diameter up to 18"	\$11.00	\$5.50	\$3.00
Inside diameter up to 24"	\$13.00	\$6.50	\$3.50
Inside diameter up to 30"	\$14.00	\$7.00	\$4.00
Inside diameter up to 36"	\$15.00	\$7.50	\$4.50
Inside diameter > 36"	To be negotiated		

* **Annual Fixed Fees:** Because state and federal regulations require that pressurized and hazardous pipelines be monitored on a very regular basis—not just by the owner of the pipeline, but also by the owner of the Right of Way—we also recommend fixed annual charges to cover RT monitoring costs. We recommend a minimum of \$2000 as a fixed annual charge for such inspections for a pipe with an inside diameter up to 2 inches. Add \$500 per-year for each incremental increase noted above (inside 4 inches, inside 8 inches, etc.), because of the greater danger of larger pipelines.

LONGITUDINAL PIPELINES (Continued)

2. Pressurized/Non-Hazardous Longitudinal, Per-Foot*

	ZONE 1	ZONE 2	ZONE 3
Inside diameter up to 2"	\$3.00	\$1.50	\$1.00
Inside diameter up to 4"	\$4.25	\$2.10	\$1.40
Inside diameter up to 8"	\$6.00	\$3.00	\$2.00
Inside diameter up to 12"	\$7.50	\$3.75	\$2.50
Inside diameter up to 18"	\$9.00	\$4.50	\$3.00
Inside diameter up to 24"	\$10.50	\$5.25	\$3.50
Inside diameter up to 30"	\$12.00	\$6.00	\$4.00
Inside diameter up to 36"	\$12.50	\$6.75	\$5.00
Inside diameter > 36"	To be negotiated		

* **Annual Fixed Fees:** Because state and federal regulations require that pressurized and non hazardous pipelines be monitored on a regular (albeit not as often as pressurized and hazardous) basis—not just by the owner of the pipeline, but also by the owner of the Right of Way—we also recommend fixed annual charges to cover RT monitoring costs. We recommend a minimum of \$1500 as a fixed annual charge for such inspections for a pipe with an inside diameter up to 2 inches. Add \$400 per-year for each incremental increase noted above (inside 4 inches, inside 8 inches, etc.), because of the greater danger of larger pipelines.

LONGITUDINAL PIPELINES (Continued)

3. Non-Pressurized/Non-Hazardous/Longitudinal, Per-Foot*

	ZONE 1	ZONE 2	ZONE 3
Inside diameter up to 2"	\$2.50	\$1.25	\$.75
Inside diameter up to 4"	\$3.50	\$1.75	\$1.25
Inside diameter up to 8"	\$5.00	\$2.50	\$1.75
Inside diameter up to 12"	\$6.00	\$3.00	\$2.25
Inside diameter up to 18"	\$7.50	\$3.75	\$2.75
Inside diameter up to 24"	\$8.50	\$4.25	\$3.25
Inside diameter up to 30"	\$10.00	\$5.00	\$3.75
Inside diameter up to 36"	\$11.00	\$6.50	\$4.25
Inside diameter > 36"	To be negotiated.		

* **Annual Fixed Fees:** Because state and federal regulations require that non pressurized and non hazardous pipelines be monitored on a regular (albeit not as often as pressurized and hazardous) basis—not just by the owner of the pipeline, but also by the owner of the Right of Way—we also recommend fixed annual charges to cover RT monitoring costs. We recommend a minimum of \$1000 as a fixed annual charge for such inspections for a pipe with an inside diameter up to 2 inches. Add \$250 per-year for each incremental increase noted above (inside 4 inches, inside 8 inches, etc.), because of the greater danger of larger pipelines

IV. PIPELINES (Transverse Occupancies)

The following tables are annual compensation schedules. Occupancies that are greater than 100 feet should be prorated on a per-foot basis.

1. Pressurized/Hazardous/Transverse, Fixed*

	ZONE 1	ZONE 2	ZONE 3
Inside diameter up to 2"	\$750.00	\$375.00	\$275.00
Inside diameter up to 4"	\$1000.00	\$500.00	\$400.00
Inside diameter up to 8"	\$1500.00	\$750.00	\$550.00
Inside diameter up to 12"	\$1850.00	\$925.00	\$700.00
Inside diameter up to 18"	\$2250.00	\$1175.00	\$850.00
Inside diameter up to 24"	\$2700.00	\$1350.00	\$975.00
Inside diameter up to 30"	\$3000.00	\$1500.00	\$1250.00
Inside diameter up to 36"	\$3250.00	\$1660.00	\$1350.00
Inside diameter > 36"	To be negotiated.		

2. Non-Pressurized/Non-Hazardous/Transverse, Fixed*

	ZONE 1	ZONE 2	ZONE 3
Inside diameter up to 2"	\$400.00	\$200.00	\$150.00
Inside diameter up to 4"	\$600.00	\$300.00	\$225.00
Inside diameter up to 8"	\$850.00	\$425.00	\$300.00
Inside diameter up to 12"	\$1100.00	\$550.00	\$375.00
Inside diameter up to 18"	\$1250.00	\$625.00	\$450.00
Inside diameter up to 24"	\$1500.00	\$750.00	\$525.00
Inside diameter up to 30"	\$1700.00	\$850.00	\$700.00
Inside diameter up to 36"	\$1800.00	\$900.00	\$775.00
Inside diameter > 36"	To be negotiated.		

3. Pressurized/Non-Hazardous/Transverse, Fixed*

	ZONE 1	ZONE 2	ZONE 3
Inside diameter up to 2"	\$600.00	\$400.00	\$220.00
Inside diameter up to 4"	\$800.00	\$600.00	\$320.00
Inside diameter up to 8"	\$1200.00	\$800.00	\$440.00
Inside diameter up to 12"	\$1500.00	\$1000.00	\$550.00
Inside diameter up to 18"	\$1750.00	\$875.00	\$660.00
Inside diameter up to 24"	\$2000.00	\$1000.00	\$770.00
Inside diameter up to 30"	\$2250.00	\$1125.00	\$880.00
Inside diameter up to 36"	\$2500.00	\$1250.00	\$990.00
Inside diameter > 36"	To be negotiated.		