

0-6756: Determine the Cost for TxDOT to Process/Review/Approve Utility and Driveway Permits

Background

Reviewing and processing utility and driveway permits require Texas Department of Transportation (TxDOT) personnel to devote a considerable amount of involvement and coordination, both at the district and division levels. Although many utility and driveway permits are routine and straightforward, a substantial number of permits require more time and effort to review and process. TxDOT absorbs the entire cost to review, process, and archive all utility and driveway permits, regardless of the type of permit application, proposed project scale, or TxDOT resources involved. As opposed to most cities and a number of other state departments of transportation, TxDOT does not have the legal authority to charge a fee for utility or driveway permits.

This research evaluated the time and cost to process various types of utility and driveway permits, and examined potential fee alternatives to recover those costs. The research also included evaluating the feasibility of transferring permitting functions to municipalities and developing recommendations for access management compliance.

What the Researchers Did

The researchers followed a four-pronged approach for the collection of utility and driveway permit data, which involved using data from the Utility Installation Review system, conducting interviews with TxDOT officials and municipalities, collecting data from a custom web-based permit activity logger, and gathering data from financial data systems at TxDOT. After collecting and processing information

about practices and resources used to support the permitting function, the researchers prepared an assessment of utility and driveway permit costs. The researchers conducted regional stakeholder workshops that provided an additional opportunity to review and refine the cost estimates.

The researchers also evaluated potential fee alternatives for utility and driveway permits, and analyzed criteria and thresholds to identify cities that might qualify for a potential transfer of permitting responsibilities. Finally, the researchers developed recommendations to promote access management compliance practices.

What They Found

For utility permits, the average cost was \$376–\$382 per permit, for a total statewide cost of approximately \$6.3 million per year. For driveway permits, the researchers prepared separate cost estimates for residential and nonresidential permits. For nonresidential permits, the average cost was \$357–\$366 per permit, for a total statewide cost of approximately \$1.6 million per year. For residential permits, the average cost was \$180 per permit, for a total statewide cost of approximately \$800,000 per

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year. The total cost of driveway permits statewide is approximately \$2.4 million per year. In total, combining utility and driveway permits, the cost to TxDOT is approximately \$8.7 million per year.

The researchers analyzed six potential permit fee alternatives (three for utility permits and three for driveway permits), taking into account three approaches for managing permits: flat fee; fee based on the level of effort to review, process, and inspect permits; and fee based on the complexity of the proposed installation. Flat fees are simple to conceptualize and implement, but do not always capture the actual level of effort involved for individual permits. Time-based or installation-complexity-based fees are conceptually sound but would require tracking the level of effort or implementing metrics to classify permits according to installation complexity that the department does not currently support. Overall, districts preferred a flat permit fee approach.

There is little support from districts and local jurisdictions for transferring utility permitting functions to municipalities. There was more support for transferring driveway permitting functions under certain conditions. Up to 61 cities would potentially qualify, assuming a population threshold of 50,000 (which TxDOT uses for a variety of business processes that involve coordination with local jurisdictions). The result would be 14,716 centerline miles of state highways, including arterials (7,830 miles), collectors (6,736 miles), and roads classified as local (150 miles). This analysis could be refined in the future by collecting statistics on the number of driveway permits on different types of state highways within city limits.

What This Means

Based on the research results, the researchers recommend the following:

- Discuss the sustainability of the permitting process with other stakeholders (e.g., utility owners, land developers, engineers, and contractors) and identify potential joint strategies or partnerships moving forward.
- Examine the legal feasibility of establishing a permitting fee structure for utility and driveway permits to help recover the costs associated with the permitting function.
- Develop a web-based driveway permitting system. To ensure the long-term sustainability of the web-based driveway permitting system, the funding should include both the cost to develop the system and the cost to maintain and upgrade it throughout its life cycle.
- Use the research findings as input to the current plan to transfer control of certain state highway sections to local jurisdictions.
- Implement the 21 recommendations for access management compliance that were developed as part of the research, including six recommendations at the TxDOT division level, eight recommendations at the TxDOT district level, and seven recommendations at the local level.

For More Information

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