

TRANSPORTATION

MOTION

The Los Angeles Department of Transportation (LADOT) is charged with collecting Railroad Franchise Fees from private companies, such as Union Pacific Railroad (UP) and the Burlington Northern Santa Fe Railway Company (BNSF). The franchise fees apply to select railroad crossings that were implemented after the roadway was constructed. The current method for calculating the City of Los Angeles' Railroad Franchise Fee has not been updated since the 1990's. Furthermore, the Los Angeles Municipal Code and Los Angeles Administrative Code do not directly address the permit fee structure nor the methodology behind the base and franchise fees.

The base fee collected for each crossing is approximately \$60 for crossings up to 100 feet. When the railroad crossing extends longer than 100 feet, the Producers Price Index (PPI) applies, which is a number set and adjusted annually by the U.S. Bureau of Labor Statistics. The fee is collected each year for the prior fiscal year. Just over \$100,000 is collected in railroad franchise fees from railroad companies each year, despite hundreds of UP and BNSF railroad crossings in the City. It is very likely that the Railroad Franchise Fee is outdated and should be inspected further.

I THEREFORE MOVE that the Chief Legislative Analyst, with the assistance of the Los Angeles Department of Transportation, the City Attorney's Office, City Administrative Officer, and any other offices, as needed, be DIRECTED to report on the City's Railroad Franchise Fee, including an up-to-date inventory of all public crossings, and the process to update the existing methodology for establishing the base fee, as well as a regular fee increase schedule.



PRESENTED BY: _____

JOE BUSCAINO

Councilmember, 15th District



SECONDED BY: _____

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