

Agenda Questions/Responses
March 11, 2004

2a. a.) Is the attachment fee of \$15 an annual fee? (Mayor Will Wynn)

Yes, this is an annual fee.

b.) Please explain the factors involved in the calculation of the SBC attachment fee. (Mayor Will Wynn)

Please see answer to question 2b below.

c.) Please describe the process that Austin Energy employs to assure the integrity of poles with regard to attachments. (Mayor Will Wynn)

SBC will be required to submit with their attachment application the pole loading analysis performed for any new, or modified, attachments they intend to make on AE poles. To accomplish the loading analysis they will have to complete a field inspection to identify existing attachments, gather pole data and assess general pole condition. Loading analysis will need to be stamped by their registered professional engineer.

2b. Please compare to the current deal and discuss due diligence done in coming to the price. (Council Member Daryl Slusher)

The terms of the new contract are mostly the same as those contained in the existing contract. Some modifications were made to address operational field issues but otherwise the existing arrangement between AE and SBC remains the same. With respect to the question regarding due diligence, please note that the annual attachment fee is not market-based but is capped by state law. Texas Utility Code §54.204 prohibits municipal utilities from charging more for pole attachments than the maximum rate that would be permitted if the municipality fell under FCC jurisdiction. Therefore, AE uses the rate formula established by the FCC pursuant to the federal Telecommunications Act of 1996 (see 47 CFR §§1.1401-1.1418) to determine the maximum lawful rate it may charge. This formula uses a large number of variables, including the number of poles in the system, average pole height, the average number of attaching entities per pole, various account values, rates of depreciation and return, etc. Generally, AE uses this formula to calculate the attachment rate on an annual basis. However, SBC requested a fixed long-term rate for budgeting purposes. AE also sees advantages to having a fixed rate, both for budgeting purposes and for avoiding annual disputes over the rate. A five-year period was determined to be a reasonable time period, since anything shorter would lessen the benefit of the fixed rate and anything longer would be too speculative. To arrive at the \$15 annual rate, AE took the FCC formula and, using projections for the formula variables over the five year period, calculated the future annual rates and averaged them over a five-year period.

14. Please detail the other clarifying amendments and provide legislative format copy of all changes. (Council Member Daryl Slusher)

A legislative format version of the Agreement has been sent to Council Office via e-mail attachment.

22. Please provide a copy of the existing rotation list. (Council Member Raul Alvarez)

The nine (9) Firms on the existing 2001-2003 Architectural Rotation List are:

Aguirre Corporation
Architecture + Plus
Elliott & Hamill Arch., Inc.
Graeber Simmons & Cowan, Inc.
Smith + Morton & Mackey JV
Lawrence Group Architects
Limbacher & Godfrey Architects
Team Haas Architects
White Dolce & Barr Arch. & Planners

23. Please provide a copy of the existing rotation list. (Council Member Raul Alvarez)

The current Watershed Protection & Development Review Department continuing engineering services agreement list consists of the following firms:

R. Chan and Associates, Inc.
Crespo Consulting Inc.
Espey Consulting Inc.
Freese & Nichols Inc.
HDR Engineering Inc.
URS

36. Please provide a history of the items approved by Council regarding the First Tee project. (Council Member Daryl Slusher)

The original ordinance waving various fees for the First Tee project was passed in November of 2002. The fees waived by that ordinance expired at the end of November 2003.

Are any new fees being waived as part of this item? If so, please discuss. (Council Member Daryl Slusher)

This item includes the fees that were waived in the original ordinance, but not used before expiration, and also includes the option to waive some additional fees not in the original ordinance.

The original First Tee ordinance and the current fee matrix for this item have been sent to Council Offices via e-mail attachment.

48. Would it be possible to place a 22-foot front setback on the lot facing Bouldin Ave?

Yes, a conditional overlay could be added to the base SF-4A district that would provide for a minimum front yard setback (Bouldin Ave.) of 22 feet, instead of 15 feet. (However, according to the applicant's survey, the Bouldin Ave. house has as an existing front setback of approximately 25 feet, measured from the southwest corner of the house and the front property line.)

Would it be possible to place a 25-foot setback on the lot facing South 3rd Street?

Yes, a conditional overlay could be added to the base SF-4A district that would provide for a minimum front yard setback (S. 3rd St.) of 25 feet, instead of 15 feet. (However, according to the applicant's survey, the 3rd St. house has as an existing front setback of approximately 22 feet, measured from the northeast corner of the house and the front property line.)

What are the existing side setbacks for each lot? (Council Member Raul Alvarez)

According to the property survey, the Bouldin Ave. building has a side yard setback of 18.4 ft. from the south and a setback of approximately of 2.2 ft from the north. According to the property survey, the South 3rd St. building has a side yard setback of 4.9 ft. from the south and a setback of approximately of 6.5 ft. from the north.

49. Please provide a list and/or map with the location of all existing billboards. (Council Member Raul Alvarez)

A map was sent to Council Offices via e-mail attachment.

50. How much money is accumulated annually? (Council Member Danny Thomas)

CDBG allocation, not including program income, for the past three years:

01/02: \$8,508,000
02/03: \$8,500,000
03/04: \$9,176,000

In the last (3) three years, how money went to non-profits? (Council Member Danny Thomas)

The following includes NHCD and AHFC contracts to non-profit entities using CDBG funding only. Not included are funds awarded to non-profits with HOME and Section 108 Funds.

01/02 \$3,193,312 Awarded
02/03 \$3,372,283 Awarded
03/04 \$2,396,729 Awarded through 3/10/04