

**Agenda Questions/Responses**  
**June 17, 2004**

- 3. About how many brochures/booklets does the Cultural Arts Program expect to produce?  
(Council Member Daryl Slusher)**

The marketing project involves a number of community partnerships that are still evolving. Through this process we will identify possible printing projects. The plans are not finalized and the grant was written broadly to give us this flexibility in collaboration.

- 4a./5a. Do the funds the County provides cover the amount the City spends to process the payroll?  
(Council Member Daryl Slusher)**

This cost is being absorbed by the City.

- 4b./5b. Other than the decrease in private sector jobs, does the amount of people served remain the same? (Council Member Daryl Slusher)**

There was reduction in the number of youth served from 656 (FY04 approved measure) to 600. The original projections included \$27,720 in expected grant funds that were not received in FY04. An estimated additional 40-50 youth would have been able to participate in the Summer Youth Employment program (SYEP). Additionally, the County also reduced their overall SYEP budget by \$8,589, which may have allowed an additional 10-16 youth to participate.

The reduction of private sector placements from 50 to 35 was primarily due to economic conditions. Many employers were reluctant to hire youth in private sector positions while reducing their current workforce, thus making the goal of 50 private sector placements difficult to attain.

- 6a. If these areas are added to the DACC's jurisdiction, by how much is the expected caseload to increase? (Council Member Daryl Slusher)**

The expected caseload increase is 500 - 600 per year.

- 6b. There have been requests to include the Chestnut area and other parts of East Austin between E. 7th and the Chestnut neighborhood.  
Are there plans to include this area?  
Is there a schedule for that? (Council Member Daryl Slusher)**

Currently the expansion does not include the Chestnut area. The expansion includes the area between 7th St. to Town Lake (to include Town Lake Metropolitan Park), and the area between I-35 and Chicon. Contingent upon City Council and citizen support, DACC may consider expanding to other areas of East Austin in the future; however, there are no additional expansions scheduled at this time.

The caseload projections, caseload management calculations, differentiated caseload management assessments; categories of offenses and predictions concerning the need for social services were for the targeted expansion area. Staff would need time to do an assessment of this area. DACC staff met with only one group from this area. There has not been the same manifested desire to date from the residents of this area that staff has had from the targeted expansion area. The plan is to harvest enough data in the targeted expansion area and juxtapose this data to projections. Thereafter staff will be in a position to more accurately assess the DACC's ability for further expansion with the same resource baseline.

**7./8b.- What other projects have been funded by CDBG Public Facilities money in the past five years? How much was each project granted?**

A Memo to Mayor and Council from May 11, 2004 that explains the CDBG Public Facilities money was forwarded to Council Offices via email attachment.

**- After items 7 and 8 are approved, how much money is left in the Public Facilities account?**

After the approval of these two items there will be no additional dollars available under Public Facilities. However, staff will continue to monitor for savings from other Public Facilities previously funded that may become available consistent with the recommendations of the Community Development Commission.

**- Are more funds anticipated to go into the Public Facilities account in the upcoming fiscal year?**

No, staff has recommended that the City not fund any new public facilities over the next five years.

**- Please list other funding sources Southwest Key is securing for this project. (Council Member Daryl Slusher)**

\$1,500,000*	Federal Grant - EDA
\$500,000*	JP Morgan Chase
\$500,000	Southwest Key Operating Account
\$200,000	Southwest Key Employee Donations
\$50,000	Board Designated Unrestricted
\$500,000*	Meadows Foundation
\$300,000*	Other Foundations
\$2,000,000	Revolving line of credit - JP Morgan Chase

\* Although SW Key has applied, or is going to apply, for these funds they have not been secured for this project at this time.

- 8a. **How much funding is available under the Public Facilities Program currently? My understanding was that this project would be funded through a mid-year re-allocation of CDBG funds. Does this action require that council re-allocate CDBG funds or has this already been done? Is an amendment of the Action Plan required when CDBG funds are re-allocated? There were two other projects that NHCD was recommending for funding through the re-allocation of CDBG funds? Regarding this particular loan to Foundation Communities, under what conditions will the loan be forgivable? (Council Member Raul Alvarez)**

As discussed in the March 12 memo to City Council, \$300,000 was made available to fund three unsolicited proposals requesting public facilities dollars. In summary, of the \$300,000, \$36,000 was awarded to Community Action Development Assistance and staff recommends the balance of \$264,000 be awarded as follows:

Foundations Communities for \$150,000  
Southwest Key, Inc. for \$114,000

In addition, as a result of liquidated encumbrances from completed projects there is \$97,862 available and recommended to be awarded to Southwest Key on the June 17, 2004 Council agenda.

Council does not need to re-allocate CDBG dollars. The funds being awarded to these entities is a result of balances made available from a public facilities proposal that did not materialize. The proposal that did not materialize was the amphitheater proposed by Heart at Home. Earlier this year Heart at Home decided to withdraw their request for CDBG funding. Their request was for \$300,000.

Based on the Council approved Citizen Participation Plan, the action plan can be amended when 10% or more of the funds in one category are recommended for reprogramming to another category. In this case there is not a change in use of funds from the public facilities category. However, staff has administratively moved 9.99% from NCMP program income to Public Facilities. The amount of \$155,246 is also recommended to be awarded to Southwest Key for a total deferred forgivable loan of \$367,108.

Southwest Key Inc. is recommended to receive \$114,000 of the \$300,000 and Community Action Development Assistance received \$36,000.

The loan will be forgiven over a ten-year period provided the organization continues to provide eligible services to the community through the learning center. Similar terms will apply to the Southwest Key program funded with CDBG funds with the public facilities item under consideration on June 17.

9. **Is the salvage value of any improvements retained by the owners of the tracts being purchased under this program always 10% or is that just the case with this purchase? (Council Member Daryl Slusher)**

Yes, the 10% salvation value was adopted at the initiation of the Noise Mitigation Program and was approved by the FAA in 2000.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1977 defines the term salvage value as "the probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer's expense, allowing a reasonable period of time to find a person buying with knowledge of the uses and purposes for which it is adaptable and capable of being used, including separate use of serviceable components and scrap when there is no reasonable prospect of sale except on that basis".

The FAA states that except in areas where the relocation of the building would not be feasible or consistent with planned development, the owner of improvements or appurtenances on lands being acquired will be allowed the option of retaining (buying back from the airport owner) such improvements or appurtenances at a retention (salvage) value predetermined by the airport owner. This predetermination should normally be made prior to the start of negotiations. Prior to negotiations, Real Estate Services Division predetermined the retention or salvage value of all buy-back properties at 10% of the appraised value. The salvage value was based on the process used by Texas Department of Transportation, Lower Colorado River Authority, Travis County as well as many other Texas municipalities where data was compiled by comparing the agency purchase with the resale price of improvements. The 10% salvage value has been used in the past on other city projects both federal and non-federally funded.

**12. This contract had only one bidder. How does this bid compare to what the City expected to pay? (Council Member Daryl Slusher)**

The Contractor's bid is 9.6% less (approx. \$186,000) than the Engineer's estimate.

**13. - In which section of the airport will the improvements be made? (Council Member Daryl Slusher)**

The project consists of 15 separate tasks. The work is not confined to any one section but will generally be as follows:

- Escalators and elevator repairs will be in the center of the Terminal on the Ticket level and on the Baggage Claim level.
- Glass door replacement with overhead grille doors will be done on four concession islands in the center of the Terminal adjacent to the two checkpoint entries.
- Repair of floor expansion joints will be in the passenger walkway next to the passenger waiting areas in two or three locations. One half of the walkway will be affected at time, with most of the actual work done at night and partial blockage for concrete curing during the day.
- Work on HVAC equipment will be at night in service areas. A minor amount of work in passenger areas will be done at night and be completed before 6 AM.
- Work on paging systems will be in service areas.
- Work on flight display systems will be done on two display locations adjacent to entry security checkpoints. This work will be done only at night.

**- How will this affect travelers while the construction is in progress? (Council Member Daryl Slusher)**

Most of the work that might affect passengers will be done at night, starting not earlier than 10 PM and terminating by 6 AM. One up escalator and one down escalator will be out of service at any one time. The out of service time will be about 2 weeks. This will happen twice but no work will be done during the day while passengers are in the Terminal. Other work items that have the potential to affect passengers will be done at night. Some work that will be done in service areas will be allowed to be done during the day as long as passengers are not affected.

**19. Are we purchasing 8250 gallons per year or 8250 gallons over the entire term of the three-year agreement? (Council Member Daryl Slusher)**

This agreement is for an estimated 8,250 gallons to be purchased per year. It includes four colors of paint (white-2500 gallons, yellow-2500 gallons and black-2500 gallons, and red-750 gallons). This amount is based on previous contract usage.

**21. What would be the cost of buying this equipment?  
Why was rental chosen over purchase?  
(Council Member Daryl Slusher)**

To purchase a motor grader similar to the one being proposed for rental (John Deere 670CH) would cost approximately \$154,000. It was Solid Waste Services' (SWS) original intent to purchase a motor grader in Fiscal Year 2003-04 as funds were available in the CIP budget. However, at the time the equipment acquisition process began, City management initiated steps for the development of an RFP to privatize the FM 812 Landfill. With privatization being a real possibility, City management directed SWS to discontinue pursuing heavy equipment purchases for the FM 812 Landfill. Therefore, it has been necessary to rent this type of heavy equipment.

Proposals have been submitted by private firms and are currently being reviewed by City staff. Nevertheless, SWS has chosen to set up a 1-year rental agreement with two 1-year extension options to make sure the FM 812 Landfill has uninterrupted availability of a motor grader in the event privatization is delayed or indefinitely postponed. If privatization of the Landfill is realized prior to the expiration date of the rental agreement, the agreement may be terminated upon 30 days notice to the vendor by the City.

**26. Are fees of this percentage typical in such cases? (Council Member Daryl Slusher)**

Yes. Historically, Brackenridge has paid 26%-28% for more simple matters involving Medicare Cost Report issues prepared for review by the fiscal intermediaries of Medicare. Based on the complexity of this issue and the level of expertise obtained, in addition to the risk-taking component for the consultants, the percentage rate is reasonable.