

## PROPOSED FEE CHANGES / ADDITIONS - FY 2016-2017

**Department Name / Fund Name:** Transportation

**Fee Name:** New Trench Fiber Right of Way Rent

### **Description**

The Austin Transportation Department (ATD) is considering licensing the use of City infrastructure (traffic signal poles) and public right of way (ROW) by Commercial Mobile Radios Service providers (CMRS) in the Downtown Austin Project Coordination Zone for wireless networks utilizing small cell antenna and related equipment and fiber. The City must charge rental fees for the use of ROW, including rental fees for the placement and use of new, or use of existing conduit or fiber in the ROW for use by carriers.

| <b>Fee Name</b>                    | <b>Current Fee</b> | <b>Proposed Change</b>  |
|------------------------------------|--------------------|---|
| New Trench Fiber Right of Way Rent | \$0                | *\$5 per linear foot per year (assuming single trench)<br><br>*To encourage joint trenching, the Director may prorate this fee among carriers participating in the joint trench.* |

### **Methodology**

Based on City Code Chapter 14-11 (USE OF RIGHT OF WAY), the annual rental fee for licensed use of area underneath public property is five percent of the appraised value of the property. Through a sample of 20 properties within the downtown area, ATD determined that a fair estimate of market value of property is valued at roughly \$100 per sq. ft. Assuming a width of one foot for conduit use, the rental fee for underground is \$5.00 per linear foot. To incentivize the use of infrastructure that already exists under the ROW, ATD recommends a fee structure that includes discounts for joint trenching or utilizing existing, previously installed fiber or conduit. The discounts are intended to encourage licensees to engage in projects that reduce the need to trench ROW. San Antonio and Dallas have developed similar per linear foot fees.

### **Potential Fiscal Impact**

| <b>FY 16 Actual</b> | <b>FY 16 Approved</b> | <b>FY 17 Estimate</b> | <b>FY 17 Proposed</b> | <b>2017 Proposed over 2016 Approved</b> |
|---------------------|-----------------------|-----------------------|-----------------------|---|
| \$0                 | \$0                   | No Estimate           | No Estimate           | \$0                                     |

### **Fund / Department / Unit / Rev Source Code**

5125-2400-9100-4874

### **Issues that May Affect Implementation**

There are no known issues impacting implementation of this fee. This fee has been assessed by other cities in the State of Texas.