

PROPOSED FEE CHANGES / ADDITIONS - FY 2016-2017

Department Name / Fund Name: Transportation

Fee Name: Right of Way Rental for Small Cell Cabling (Downtown subsurface)

Description

The Austin Transportation Department (ATD) is considering licensing the use of City infrastructure (traffic signal poles) and public right of way (ROW) for use by Commercial Mobile Radio Service providers (CMRS) in the Downtown Area for wireless networks utilizing small cell antenna, related equipment, and fiber optic cabling. New cabling for small cell networks placed in the ROW will be required to be placed in conduit. The City must obtain compensation (rent) for the licensed use of the ROW surface (antennae and equipment) and subsurface (cabling in conduit and pull boxes) used for small cell networks.

Fee Name	Current Fee	Proposed Change
Right of Way Rental for Small Cell Cabling (Downtown subsurface)	5% of appraised value	<p>\$5 per linear foot per year for cabling installed by trenching (fee may be equally prorated by the Director among participants who joint trench).</p> <p>\$2.50 per linear foot per year for new cabling installed by trenchless or micro trench technology (fee may be equally prorated by the Director among participants who jointly share in conduit placed by bore).</p> <p>\$1.25 per linear foot per year for new cabling installed in pre-existing conduit.</p>

Methodology

Based on City Code Chapter 14-11 (USE OF RIGHT OF WAY), the annual license fee established for subsurface use of City ROW is five percent of the appraised value of the property. Through a sample of 20 properties within the first phase small cell deployment area (Downtown), ATD determined that a fair estimated market value of downtown property is roughly \$100 per sq. ft. Assuming a width of one foot for small cell cabling use of ROW, the base annual rental value should be \$5.00 per linear foot.

While recognizing the value of the ROW, ATD also acknowledges the benefit of encouraging new cabling installation methods that are the least disruptive (joint trench/bore or using pre-existing conduit) to pedestrians, motorists and downtown businesses of Austin. ATD recommends a fee structure that incentivizes the use of existing conduits, or if construction is required, the joint installation of conduit by boring or trench by reducing fees accordingly. San Antonio and Dallas have developed per linear foot fees for small cell cabling as well.

Potential Fiscal Impact

FY 16 Actual	FY 16 Approved	FY 17 Estimate	FY 17 Proposed	2017 Proposed over 2016 Approved
\$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.