



**March 21, 2024**

Questions and Answers Report



Mayor Kirk Watson

- Council Member Natasha Harper-Madison, District 1
- Council Member Vanessa Fuentes, District 2
- Council Member José Velásquez, District 3
- Council Member José “Chito” Vela, District 4
- Council Member Ryan Alter, District 5
- Council Member Mackenzie Kelly, District 6
- Mayor Pro Tem Leslie Pool, District 7
- Council Member Paige Ellis, District 8
- Council Member Zohaib “Zo” Qadri, District 9
- Council Member Alison Alter, District 10

*The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.*

## QUESTIONS FROM COUNCIL

### Item 2

Approve issuance of a capacity-based incentive to the City of Sunset Valley for installation of solar electric systems on their facilities located at 3203 and 3207 Jones Road, Sunset Valley, Texas 78745, in an amount not to exceed \$119,899.

COUNCIL MEMBER RYAN ALTER'S OFFICE

*1) How much of the 375 MW of local solar has been achieved?*

Austin Energy has achieved 304MW toward the local solar goal of 375MW by 2030, and 130MW toward the customer sited goal of 200MW by 2030 . We are on track to meet both solar goals.

### Item 8

Authorize negotiation and execution of a contract for demand response program support and consulting services with CLEAResult Consulting, Inc., for up to three years for a total contract amount not to exceed \$2,300,000.

COUNCIL MEMBER RYAN ALTER'S OFFICE

*1) What is the expected amount (in MW) of additional energy savings through demand response that will be achieved through this contract?*

- Under our current status quo, we add about 5 Megawatt (MW) of capacity per year to the program. We see about a 20-25% dispatch ratio compared with capacity (meaning for every 5 MW enrolled capacity, we only see about 1-1.25 MW of dispatched DR capacity). Please note, we only pay for measured performance in this program so there is no financial incentive for customers to not participate.
- Current portfolio
  - Current Enrolled Capacity =~ 60 MW
  - Average Dispatched =~ 15 MW
  - *The scaling factor is about 25% of enrolled capacity translates into actual Dispatched Capacity*
- Annual expected additional from new contract
  - Additional Enrolled Capacity =~ 5-15 MW/year
  - Estimated Dispatch Capacity =~ 1.25-3.75 MW/year
- The contract is for 3 years, so we would anticipate portfolio growth:
  - Total Enrolled Capacity =~ 15-45 MW
  - Total Dispatch Capacity =~ 3.75-11.25 MW

2) In 2023, how many of called events occurred, and of those how many were for 4CP savings and how many were called for price response?

22 events were called – all of them essentially for 4CP savings, although there are often price responsive benefits in events called in pursuit of 4CP.

3) Does AE plan to do a solicitation for a demand response aggregator for residential customers?

Yes, we’ve already done one. This solicitation just closed, and the respondents are being evaluated currently.

**Item 13**

Authorize execution of two contracts for grounds maintenance services with Abescape Group LLC and Corza Construction LLC, each for a term of five years in amounts not to exceed \$2,875,000, divided between the contractors.

COUNCIL MEMBER RYAN ALTER’S OFFICE

1) The backup documents state that emissions reductions were part of the consideration for this solicitation. However, there is no separate point scale for vendors who will reduce emissions. Please elaborate how emissions reductions were considered in the final scoring, and how the selected vendors compared to the non-selected vendors in terms of emissions reductions.

Emissions reductions were considered when developing the specifications that went into the solicitation’s requirements. For example, the solicitation’s scope of work prohibits the use of gasoline or diesel mowers. Due to the general nature of the services and specificity of the City’s requirements, the solicitation did not include an evaluation process as it was conducted using the Competitive Sealed Bidding process, where the competition is based primarily on the prices bid by the Offerors.

COUNCIL MEMBER PAIGE ELLIS’ OFFICE

1) Please provide a breakdown of how much funding each department will contribute for this item.

As noted in the items additional backup information, the requested authorization amount was determined using departmental estimates based on historical spend and anticipated future usage. The following department estimates determined the not to exceed amount for this contract:

	<b>ARR</b>	<b>BSD</b>	<b>DSD</b>	<b>EDD</b>	<b>OTHER</b>	<b>Total</b>
<b>Year 1</b>	\$30,000	\$80,000	\$250,000	\$100,000	\$115,000	<b>\$575,000</b>
<b>Year 2</b>	\$30,000	\$80,000	\$250,000	\$100,000	\$115,000	<b>\$575,000</b>
<b>Year 3</b>	\$30,000	\$80,000	\$250,000	\$100,000	\$115,000	<b>\$575,000</b>
<b>Year 4</b>	\$30,000	\$80,000	\$250,000	\$100,000	\$115,000	<b>\$575,000</b>
<b>Year 5</b>	\$30,000	\$80,000	\$250,000	\$100,000	\$115,000	<b>\$575,000</b>
<b>Total</b>	<b>\$150,000</b>	<b>\$400,000</b>	<b>\$1,250,000</b>	<b>\$500,000</b>	<b>\$575,000</b>	<b>\$2,875,000</b>

2) *The services described in the RCA could potentially benefit a number of departments, including TPW and WPD. Will each department that is contributing funding for this item receive services proportional to their contribution?*

Departments use these contracts separately and only pay for the services they need via separate orders/assignments

## **Item 19**

Authorize negotiation and execution of amendments to the professional services agreements for engineering services for the 2020 Large Scale General Civil Engineering Services Rotation List, with the following 12 firms: Jacobs Engineering Group, Inc.; Parsons Transportation Group, Inc.; CAS Consulting & Services, Inc.; AECOM Technical Services, Inc.; HDR Engineering, Inc.; Atkins North America, Inc.; Freese & Nichols, Inc.; Dannenbaum Engineering Company-Austin LLC; MWM DesignGroup, Inc.; Walker partners, LLC; BGE, Inc. and Klotz Associates, Inc. d/b/a RPS Klotz Associates in the amount of \$10,400,000, for a total contract amount not to exceed \$31,600,000.

### **COUNCIL MEMBER PAIGE ELLIS' OFFICE**

1) *Please provide a breakdown of how much funding each department will contribute for this item.*

This item requests additional expenditure authorization for 2020 Large Scale General Civil Engineering Services Rotation List allowing departments to continue to utilize the services of this Rotation List. The amount of the additional authorization was estimated based on the prior usage of this contract.

2) *The services described in the RCA could potentially benefit a number of departments, including CDS, TPW, WPD, PARD, and AWU. Will each department that is contributing funding for this item receive services proportional to their contribution?*

Departments utilize these types of contracts based on their individual needs and are only obligated to pay for the services they order.

## **Item 22**

Authorize the execution of an interlocal agreement with Travis County to provide reimbursement funding to the City for updating the existing Austin-Travis County Community Wildfire Protection Plan (CWPP) and to cooperate on implementation of the updated CWPP, in an amount not to exceed \$100,000.

### **COUNCIL MEMBER ALISON ALTER'S OFFICE**

1) *Can staff please provide a timeline for choosing the contractor for the CWPP update and the estimated completion date for the plan?*

1) RFP Development with the Coalition: We are planning to start working with the Coalition to finalize the language for the RFP around mid-April. This process is estimated to take approximately two months. Once we submit a complete request for proposal, central

purchasing typically takes about four months to complete their part. Following this, it will take another 6 weeks to get on a Council agenda to proceed with the selection of a contractor. Therefore, we anticipate the project won't commence until at least November.

2) Project Manager Position: We are currently in discussions with the Office of Innovation regarding the Project Manager position. This part of the process is expected to move more quickly and should help expedite the RFP development.

In summary, the contractor selection is anticipated for November 2024, with the completion of the plan draft expected in November 2025.

## Item 29

Authorize negotiation and execution of an amendment to the interlocal agreement with the Austin Independent School District to increase available funds in an amount not to exceed \$5,000,000, for cost sharing on infrastructure improvements such as the construction and improvement of sidewalks, shared-use paths, and pedestrian crossings within the City's right-of-way.

COUNCIL MEMBER PAIGE ELLIS' OFFICE

*1) The RCA states, "AISD has funding available to reconstruct these sidewalks as five-foot wide sidewalks that comply with applicable codes." Which codes establish the minimum sidewalk width that AISD must construct?*

The Transportation Criteria Manual (TCM 4.1.1.A) establishes minimum sidewalk widths. The minimum sidewalk width is five (5) feet; however, for Level 2 and higher streets, the minimum width is six (6) feet and greater.

## Item 30

Approve a resolution authorizing submittal of an application for the 2024 Climate Pollution Reduction Grant administered by the U.S. Environmental Protection Agency, in support of Transportation Demand Management programs related to commute alternatives during multiple extended infrastructure construction projects in Austin and Travis County.

COUNCIL MEMBER PAIGE ELLIS' OFFICE

*1) Please provide a copy of the draft grant application for CPRG implementation funding.*

The draft grant application is still under development. Please find a high-level brief below (end of questions to Item 30).

*2) How much of the proposed \$47.85M in CPRG funding would go to each of the four strategies: Mobility Hubs Infrastructure, TDM Programming, Transit Service Support, and Data Collection? Could funding be reallocated among these strategies at a future date if appropriate?*

The four strategies have since been condensed to three with data being consolidated into Mobility Hubs Infrastructure. Since each strategy is tied to an estimated GHG reduction and that

is one of the criteria used to evaluate proposals, funding cannot be reallocated among these strategies.

Current budget breakdown (subject to change as application development proceeds):

No.	Strategy	Total Cost	% of Total
1	Project Management (over 6 years)	\$588,395	1%
2	Mobility Hubs Infrastructure	\$7,140,668	15%
3	TDM Programming	\$22,625,000	47%
4	Transit Service Improvement	\$17,500,000	37%
<b>Total</b>		<b>\$47,854,062</b>	<b>100%</b>

3) How would the CPRG funding for TDM Programming avoid redundancy with the TDM programming funded by Movability and the TDM programming funded by CAMPO?

CPRG funding will help scale the work Movability and CAMPO, and not lead to redundant programming. Staff is coordinating with Movability and CAMPO to develop the proposal. Both are key partners and implementors if this grant is awarded.

4) Please provide a copy of the Priority Climate Action Plan submitted to the EPA.

Please see [attachment](#).

5) The RCA says the Office of Sustainability will pursue two of the ~100 proposals identified for CPRG funding in the PCAP development. If this TDM application is one, what is the other?

The other proposal will be submitted by Travis County for building rehabilitation and efficiency improvements.

### Item 31

Approve a resolution authorizing the City Manager to submit an application for financial assistance from the State Infrastructure Bank for the I-35 Cap and Stitch program in an amount not to exceed \$193,000,000.

COUNCIL MEMBER RYAN ALTER'S OFFICE

1) How is the debt financing through the State Infrastructure Bank different than a CO or GO bond in terms of the effect on the debt portion of the tax rate?

As it relates to the debt portion of the City's tax rate, there is no difference between the State Infrastructure Bank loan and a City GO bond. Upon SIB loan approval, a principal and interest payment schedule will be set and annual amounts due will be included in City's debt service tax rate calculation until the loan is paid in full.

## Item 42

Set a public hearing to be conducted in accordance with Texas Parks and Wildlife Code Chapter 26 to consider a resolution authorizing a permanent change in use of dedicated parkland, located north of Walter E. Long Metropolitan Park and northwest of Lindell Lane and Blue Bluff Road, to allow the Transportation and Public Works Department to use approximately 7,818 square feet of parkland for right-of-way, drainage, and utility purposes in connection with the East Braker Lane extension project. (Suggested date and location: May 2, 2024, Austin City Hall, 301 W. 2nd Street, Austin, Texas).

### COUNCIL MEMBER ALISON ALTER'S OFFICE

*1) For this permanent change of use of dedicated parkland, does PARD receive any financial compensation? If so, what is the amount of compensation?*

PARD typically receives financial mitigation with Chapter 26 projects, but in this case, Transportation Public Works will restore connectivity and will provide as mitigation a safe crossing point on E. Braker Lane. The bicycle and pedestrian crossing will be located as close to the easement intersection as feasible and will connect the adjacent neighborhoods to Walter E. Long Metropolitan Park.

## Item 67

Approve a resolution authorizing the City Manager to submit an application for financial assistance from the State Infrastructure Bank for the I-35 Cap and Stitch Program in an amount not to exceed \$191,000,000.

### COUNCIL MEMBER PAIGE ELLIS' OFFICE

*1) The annual Operations & Maintenance costs for the caps and stitch are estimated to be \$50M per year. The Hypothetical Funding Stack presented at the 3/19 work session suggests this \$50M/yr could be generated by Philanthropic Trust (\$5M/yr), Ground Lease (\$10M/yr), Fees (\$20M/yr), and Tax Revenue (\$15M/yr). Please provide more detail on each of these four potential sources.*

The O&M funding sources and amounts are purely hypothetical. Until the exact amenities for the caps are determined, an accurate and final cost estimate and combination of funding sources is infeasible. Potential examples for each of the hypothetical sources include:

- A Philanthropic Trust would require private donations to support the ongoing operations of the caps. A public-private partnership model similar to the Waterloo Greenway Conservancy is one possibility.
- Ground lease revenue could be generated through agreements with prospective private developments on the caps.
- Fees could come from existing City fees, such as the Transportation User Fee, and new fees related to events held on the caps.
- Tax revenue would be an allocation of general fund tax revenue to maintaining and operating the caps.

*2) Could the boundaries of the Downtown PID or the Waller Creek TIRZ be expanded to help fund O&M of the downtown cap?*

The Downtown PID boundaries can only be expanded if the Downtown Austin Alliance petitions to do so. The Waller Creek TIRZ is not currently projected to generate any additional revenue

beyond that necessary to pay for its debt obligations. Any TIRZ expansion or new TIRZ would have to meet the statutory requirements for the creation of a TIRZ.

3) *What office or organization is taking the lead on building philanthropic support for cap & stitch construction and O&M?*

This is yet to be determined. Staff's focus to-date has been directed at identifying funding sources for the infrastructure to meet TxDOT's required deadlines. Philanthropic outreach to fund on-cap amenity construction and ongoing O&M is a future step. This could be staff/department-led, or could alternatively be pursued through a partnership agreement (such as a conservancy).

4) *What is the anticipated interest rate for the State Infrastructure Bank loan?*

In the current interest rate environment, an estimated interest rate for the SIB loan of 3.75% is a reasonable assumption. This interest rate is an estimate based on current market conditions and assumes a 20-year loan repayment period and the City's current bond ratings of AA+/AAA. This interest rate will change between now and the time the SIB loan is finalized. There are several factors that will determine the actual interest rate for the SIB loan, including City's credit rating, prevailing market conditions, and timing of the SIB loan.

5) *When would the City be required to start paying back the SIB loan?*

The SIB loan interest will start accruing when the loan is drawn. The draw date can adjust with TxDOT timing and documents for the project. A one-year deferral on payment is being requested on the SIB loan application to provide flexibility.

6) *How long would the City have to pay back the SIB loan?*

The SIB loan application is requesting a 20-year loan repayment term.

7) *Given these terms, how much interest would the City pay on a SIB loan of \$191M?*

Assuming a 20-year term with level debt service at a 3.75% interest rate, interest on \$191M principal would be approximately \$83.9M.

8) *Does staff have funding sources identified for paying back the SIB loan?*

Yes, the loan will be paid by the debt service portion of the City's property tax rate.

9) *When would the City ask voters to consider approving \$221M in bonds for cap decks construction? Would the City ask voters to approve \$41M in bonds for cap amenities in the same election or at a later election?*

The earliest we would go to the voters for a bond election is November 2026. The amount of that proposition and whether it would occur in a single or over multiple elections has not been determined.

10) *How much interest will the City have accrued on the SIB loan by the time Austinites vote on a cap & stitch bond election?*

This is dependent on the date of the bond election, the SIB loan payment schedule and when the SIB loan is drawn. Assuming a November 2026 election, the only SIB draw down prior to then would be \$19 million in December 2024 for design work. The interest accrued on that amount prior to a November 2026 bond election is estimated to be approximately \$1,000,000.



11) *If the City takes out a \$191M SIB loan for the roadway elements and the cap decks construction, but voters do not approve the cap & stitch bond election(s), what would the City do with the SIB loan?*  
Funding the roadway elements now via SIB loan “future proofs” the freeway construction so that horizontal decks may be added as funding is available to do so in the future. If voters do not approve a bond election in 2026, there are additional opportunities in 2032 and again in 2042 to fund and construct horizontal decks.

12) *How are conversations with TxDOT proceeding regarding an additional TxDOT-funded bike/ped crossing at the Mueller Southwest Greenway, similar to the TxDOT-funded bike/ped bridge they will build at Capital Plaza? Would the City have to identify additional funding for a stitch to enable a safe crossing at this location?*

Staff has been in discussion with TxDOT regarding crossing enhancements in this area. TxDOT is evaluating potential bike/ped enhancements that could be added to the existing bridge at 51st St., such as protected bike lanes and shade structures . Additionally, TxDOT is receptive to community feedback that the tunneled bike/ped crossings currently shown at Airport Blvd. are not desirable, and intend to ask their design team to explore straight line pathways and surface crossing options at this location during the 30% design process in lieu of tunnels. Staff has not requested an additional bike/ped crossing within the ¾ mile distance between Airport and 51st. Because there is not an existing or planned trail on the west side of the freeway, a potential bike/ped crossing to Mueller Southwest Greenway would connect to sidewalk on the west side. PARD and TPW staff are however working with TxDOT on six additional bike/ped crossings within the northern and southern CapEx segments, all in locations where crossing distances are substantially larger, where trails cross the freeway corridor, and /or where there are high crash intersections. If approved by TxDOT, the City will need to fund these six requested additional crossings.