



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-4953

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**Agenda Item Number:** 10.

**Agenda Date:** 11/2/2017

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Mike Frisbie, P.E.

**COUNCIL DISTRICTS IMPACTED:** Council District 3

### **SUBJECT:**

Real Estate Acquisition: On behalf of City Public Service (CPS) Energy for the Southton Substation and Transmission Project.

### **SUMMARY:**

An ordinance, on behalf of CPS Energy, authorizing the acquisition through negotiation or condemnation, of interests in land sufficient for project purposes, of privately-owned real property and easements and declaring the project to be a public use project and a public necessity for the acquisitions, for the Southton Substation and Transmission Project, located in Council District 3.

The public use project is necessary for the expansion and operation of the CPS Energy electric system. Pursuant to enacted Texas Senate Bill 18 (SB 18), these items require City Council to initiate a motion authorizing the use of power of eminent domain, should it be needed.

### **BACKGROUND INFORMATION:**

The CPS Energy Southton Substation and Transmission Project includes a substation site along with related electric distribution lines at IH 37 South and Blue Wing Road and a transmission line beginning at the Braunig Lake Power Plant property located just southwest of Streich Road and Old Corpus Christi Highway extending in a northerly and westerly direction to Loop 410 just west of IH 37 in southern Bexar County, Texas as shown on the Project Site Maps.

This Project is planned to avert electric reliability issues and provide service to the increasing number of

customers requiring electric service in southern Bexar County. The substation site will be located on 7.059 acres. The Project's easement widths are variable depending on the location of the transmission line and distribution lines in relation to road rights of way and other existing easements.

Acquisition includes one (1) substation parcel, 25 permanent easement parcels and 10 temporary construction easement parcels, involving 19 property owners, located in New City Blocks 10915, 10917, 10919, 16622 and 16623 and County Blocks 4069B and 4007 to construct approximately 46,900 feet of transmission line starting at the Braunig Power Plant located just southwest of Streich Road and Old Corpus Christi Highway and extending in a northerly and westerly direction to Loop 410 just west of IH 37 in southern Bexar County, Texas. Construction of the substation will be just north of the intersection of IH 37 S. and Blue Wing Road. Construction of the substation is anticipated to begin in December 2017 and estimated for completion in May 2019. Construction of the transmission lines is anticipated to begin in September 2018 and estimated for completion in May 2019. The estimated construction cost is \$33,025,900.00.

CPS Energy intends to use every effort available to obtain the required permanent land rights for the substation and transmission and distribution lines through good faith negotiations, but may require eminent domain if the fee and easement negotiations are not successful. The City of San Antonio has the authority and power to exercise eminent domain (condemning property) under Article I, Section 17 of the Texas Constitution and Texas Local Government Code.

In order for CPS Energy to exercise its power of eminent domain, the City of San Antonio City Council must declare the project a public project.

#### **ISSUE:**

This ordinance, on behalf of CPS Energy, authorizes the acquisition through negotiation or condemnation of interests in land sufficient for project purposes, of privately-owned real property and declares the project to be a public use project and a public necessity, for the Southton Substation and Transmission Project, located in Council District 3.

This public use project is necessary for adding infrastructure to the electric system to avoid electric reliability issues. The property acquisition will be completed by CPS Energy. Approval of this ordinance is a continuation of City Council policy to determine and declare certain projects necessary for public purpose and public use, and authorize the acquisition of private property by and through the CPS Energy Board of Trustees for the public project by negotiation or condemnation.

Acquisition includes one (1) substation parcel, 25 permanent easement parcels and 10 temporary construction easement parcels, involving 19 property owners. The total acreage for the permanent easements is 51.871 acres and 4.548 acres for the temporary construction easements.

#### **ALTERNATIVES:**

City Council could choose not to approve this request and require CPS Energy to redesign the Project, increasing costs and resulting in the delay of the project.

#### **FISCAL IMPACT:**

All acquisition costs and any condemnation costs including awards will be paid by CPS Energy. Costs are funded by the CPS Energy Capital Budget.

**RECOMMENDATION:**

This item was reviewed and approved by the CPS Energy Board of Trustees on March 29, 2017.

Staff and CPS Energy recommend approval of the ordinance authorizing acquisition by negotiation or condemnation for the needed land interests for this project.