



City of San Antonio

Agenda Memorandum

File Number:18-5538

Agenda Item Number: 10.

Agenda Date: 11/1/2018

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Outside City Limits (OCL) in Extra Territorial Jurisdiction (ETJ)

SUBJECT:

Real Estate Acquisition: On behalf of City Public Service (CPS) Energy for the Shepherd Road 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 acquisition of easements, for the Shepherd Road Substation and Transmission Project, located outside city limits (OCL), within the Extra Territorial Jurisdiction (ETJ), and nearest to Council District 4.

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 the power of eminent domain, should it be needed.

BACKGROUND INFORMATION:

The CPS Energy Shepherd Road Substation and Transmission Project includes a substation site along with related electric transmission and distribution lines west of Loop 1604 between IH-35S and U.S. Hwy. 90, running mostly along Shepherd Road to the south and Cagnon Road to the north in southwestern Bexar County, Texas as shown on Exhibit A-1. This Project is planned to avert electric reliability issues and provide service to the increasing number of customers requiring electric service in southwestern Bexar County.

Acquisition includes approximately 26 permanent easement parcels, two permanent access easement parcels and seven temporary construction easement parcels, involving 22 individual property owners located in County Blocks 4250, 4251, 4252, 4317, 4318, 4319, 4320, 5197, and 5737 to construct approximately 29,200 feet of transmission line. The transmission line will start at the Shepherd Road Substation near the intersection of Shepherd Road and Jarratt Road, and extend north along Shepherd Road across Macdona Lacoste Road and heading in a northerly and easterly direction to Cagnon Road. The Project's easement widths are variable depending on the location of the transmission and distribution lines in relation to road rights of way and other existing easements.

Construction of the substation will be located on 12.76 acres of land, just north of the intersection of Jarratt Road and Shepherd, which has already been purchased by CPS Energy and approved by the CPS Board. Construction of the substation is anticipated to begin in November 2018 and estimated for completion in May 2020. Construction of the transmission lines is anticipated to begin in October 2019 and estimated for completion in May 2020. The estimated construction cost is \$22,000,000.00.

CPS Energy intends to use every effort available to obtain the required permanent and temporary land rights for the substation and transmission and distribution lines through good faith negotiations, but may require eminent domain if the 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 Shepherd Road Substation and Transmission Project, located outside city limits, in the ETJ, nearest to Council District 4.

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, 26 permanent easement parcels, two permanent access easement parcels, and seven temporary construction easement parcels, involving 22 individual property owners. The total acreage for the permanent easements is 70.224 acres, 14.487 acres for permanent access easements, and 3.746 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 October 30, 2017.

Staff recommends approval of the ordinance authorizing acquisition by negotiation or condemnation for the needed land interests for this project.