

AGENDA



Thursday, November 6, 2008

**Austin Energy
RECOMMENDATION FOR COUNCIL ACTION****Item No. 9**

Subject: Approve negotiation and execution of a contract with SR Development Inc., a Texas corporation, for a 2.85 acre property owned by SR Development, Inc. and located on Old Heine Farm Road in exchange for property owned by Austin Energy consisting of a 28.89 acre tract that is a portion of the Linda Vista Subdivision and the adjacent 3.03 acres located on FM 973 (collectively referred to as the Linda Vista Properties).

Amount and Source of Funding: Austin Energy will receive the net difference between the respective property values at closing after subtracting all closing costs.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Judy Fowler, Public Involvement and Real Estate, 322-6107.

Boards and Commission Action: Recommended by the Electric Utility Commission.

In several transactions conducted during the mid-1990s, Austin Energy (AE) purchased the Linda Vista Properties for the purpose of locating a substation and other associated uses. As a result of the subsequent construction of SH 130, construction of electric service lines out of this location is impracticable. Accordingly, AE identified a more strategic location for a substation on property owned by SR Development, Inc. in the Stoney Ridge development adjacent to AE's transmission lines east of SH 130. Representatives of SR Development Inc. proposed to exchange a 2.85 acre tract in Stoney Ridge for the Linda Vista Property.

This property exchange facilitates SR Development Inc.'s construction of a feeder road parallel to SH 130 that will enhance area traffic circulation. SR Development intends to use the Linda Vista Property for commercial and industrial uses as the property is within the ABIA Noise Mitigation zone and residential uses are prohibited. A portion of the Linda Vista Property is located in the flood plain (flood plain shown cross-hatched in attached Map A). The Linda Vista Property is traversed by four AE transmission lines and by four gas pipelines (utility easements shown cross-hatched in attached Map B), and it is being transferred subject to these uses.

The appraised value of the SR Development property is \$237,209 and the appraised value of the AE property is \$463,000. After payment of closing costs, AE will receive the net difference between the respective property values at closing.