

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	17413	Agenda Number	2.
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Meeting Date:	8/16/2012	Department:	Austin Energy
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## Subject

Authorize the negotiation and execution of all documents and instruments necessary or desirable for the fee simple acquisition of a 5.545-acre tract of land out of the 114.545 acres of land in the Santiago Del Valle Grant in Travis County, Texas, located on Bradshaw Road in Southeast Austin, from Legend's Way Development Company, a Texas General Partnership, for the purpose of constructing a new substation to serve a growing service area, in an amount not to exceed \$1,000,000.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2011-2012 Capital Budget of Austin Energy.

## Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	
For More Information:	David Wood, Vice President, Electric Service Delivery, 322-6940; Sonny Poole, Manager Public Involvement and Real Estate, 322-6442.
Boards and Commission Action:	Recommended by the Electric Utility Commission.
MBE / WBE:	
Related Items:	

## Additional Backup Information

Austin Energy is seeking authorization to purchase a 5.545 acre site, as detailed in Exhibit A, on Bradshaw Road in Southeast Austin for construction of the proposed Rinard Creek Substation to serve a growing area. The property is owned by Legend's Way Development Company, a Texas General Partnership.

The project calls for a new substation to serve the growing load in the South IH 35 corridor. Large retail developments along South IH 35 and increasing residential subdivision developments to the east of IH 35 will place a strain on the current electric system.

This site is extremely desirable due to the following characteristics:

- It is a corner acreage tract with Bradshaw Lane frontage on two sides providing flexibility for access during construction and during the life of the substation for operation and maintenance purposes;

- Austin Energy has an existing 138 kV transmission line crossing the property lengthwise on the eastern boundary which will eliminate the need for constructing expensive transmission lines to serve the substation;
- The size of the tract provides sufficient area to allow for the design of a substation enclosure and surrounding area, including landscaping, to meet guidelines for pedestrian and neighborhood compatibility;

The appraised value of the property is \$700,000 and was the basis for the original offer. The owner responded with a counteroffer of \$1,000,000 based on their value analysis. The offer was considered acceptable by Austin Energy staff and the Law Department based on location, characteristics of access, existing transmission facilities, willing seller, and avoided condemnation costs.