



**RCA  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 4  
AGENDA DATE: Thu 08/05/2004  
PAGE: 1 of 1**

**SUBJECT:** Approve negotiation and execution of a contract with Eugene E. Hoes, Jr., Austin, TX, for the purchase, including closing costs and relocation expenses, of the house and lot located at 3308 South Second, in an amount not to exceed \$155,000. The property is to be used for the reconstruction of Austin Energy's Cardinal Lane Substation located at Cardinal Lane and South 5th Streets.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2003-2004 Amended Capital Budget of the Electric Utility Department.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Austin Energy  
**DEPARTMENT:**

**DIRECTOR'S  
AUTHORIZATION:** Juan Garza

**FOR MORE INFORMATION CONTACT:** Judy Fowler, Public Involvement & Real Estate Services Manager/ 322-6107

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Recommended by the Electric Utility Commission.

**PURCHASING:** N/A

**MBE / WBE:** N/A

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Austin Energy desires to enter into negotiation and execution of a contract for the purchase the house and lot at 3310 South Second Street, Austin, Texas, owned by Eugene E. Hoes, Jr., for the reconstruction of its Cardinal Lane Substation in an amount not to exceed \$155,000 including closing costs and relocation expenses. The property is currently leased and the tenants are eligible for relocation expenses. The contract price of \$142,000 is supported by an appraisal by Atrium Real Estate Services. The balance is for closing costs and the tenants' relocation expenses.

AE must upgrade the Cardinal Lane Substation, which was built in 1951. It is one of Austin Energy's older substations, and has extremely old transformers. As the current substation property exists, there is not enough room to upgrade the transformers and maintain some level of service from the substation, nor is there room on the existing property for a mobile substation to provide back-up, in case of the loss of a transformer. If Austin Energy purchases the adjacent property, it will have enough room to add new equipment to the substation, replace aging equipment, and still maintain adequate capacity to service the growing demand in that area.

Additionally, Austin Energy recently agreed to eliminate the Zilker Substation and must ensure that adequate capacity from the Cardinal Substation is available, along with the Seaholm Substation, to serve the area previously served by the Zilker Substation.



**Electric Utility Commission**  
July 19, 2004  
Meeting

Approve negotiation and execution of a contract with Eugene E. Hoes, Jr., for the purchase, including closing costs and relocation expenses, of the house and lot located at 3308 South Second, in an amount not to exceed \$155,000. The property is to be used for the reconstruction of Austin Energy's Cardinal Lane Substation located at Cardinal Lane and South 5th Streets.

Motion by: Fath

Seconded by: LeGette

Ayes: Carr, Fath, Fernandez, LeGette, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: Owens

The motion passed on a 6 – 0 vote.

**CIP BUDGET**  
**Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

8/5/2004

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Electric Utility Department

**SUBJECT:** Approve negotiation and execution of a contract with Eugene E. Hoes, Jr., 3310 South Second Street, Austin, Texas, for the purchase, including closing costs and relocation expenses, of the house and lot located at 3308 South Second, in an amount not to exceed \$155,000. The property is to be used for the reconstruction of Austin Energy's Cardinal Lane Substation located at Cardinal Lane and South 5th Streets.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Distribution Substation**  
Project Authorization:      2003-2004 Amended Capital Budget

Current Appropriation	\$ 60,753,349.00	
Unencumbered Balance		\$ 12,210,949.62
Amount of This Action		<u>(37,200.00)</u>
Remaining Balance		<u>\$ 12,173,749.62</u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning and Budget

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

7/15/04

**CIP BUDGET  
Fiscal Note**

**DATE OF COUNCIL CONSIDERATION:**

8/5/2004

**WHERE ON AGENDA:**

Resolution

**DEPARTMENT:**

Electric Utility Department

**SUBJECT:** Approve negotiation and execution of a contract with Eugene E. Hoes, Jr., 3310 South Second Street, Austin, Texas, for the purchase, including closing costs and relocation expenses, of the house and lot located at 3308 South Second, in an amount not to exceed \$155,000. The property is to be used for the reconstruction of Austin Energy's Cardinal Lane Substation located at Cardinal Lane and South 5th Streets.

**FINANCIAL INFORMATION:**

Parent Project Name:       **Transmission**  
Project Authorization:      2003-2004 Amended Capital Budget

Current Appropriation	\$ 127,475,734.00	
Unencumbered Balance		\$ 10,515,009.53
Amount of This Action		<u>(117,800.00)</u>
Remaining Balance		<u><u>\$ 10,397,209.53</u></u>

Use of Remaining Balance:

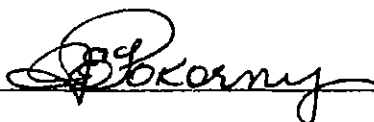
Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning and Budget

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

7/15/04