



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 9

Agenda Date: May 8, 2025

In Control: City Council A Session

DEPARTMENT: Public Works Department

DEPARTMENT HEAD: Razi Hosseini

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Real Estate Acquisition on Behalf of CPS Energy: Declaration of public necessity for acquisition of real property for the Howard to Leon Creek Phase 2 Transmission Project.

SUMMARY:

An ordinance authorizing the acquisition on behalf of CPS Energy (CPS), through negotiation or condemnation of interests in land sufficient for project purposes, involving the acquisition of eighteen (18) permanent electric transmission easements and four (4) temporary construction easements on privately-owned real property located on the south side of Bexar County in Council District 4, declaring the project to be for public use and a public necessity.

Under the Texas Government Code Ann., Section 2206. et seq, (Vernon 2020), this item requires City Council to pull the item from the Consent Agenda and initiate a motion authorizing the use of the power of Eminent Domain, should it be needed.

BACKGROUND INFORMATION:

The Howard to Leon Creek Phase 2 Transmission Project is located within Council District 4. The project will replace approximately 1.77 miles of existing transmission line and structures beginning at the Leon Creek Substation along New Laredo Highway and following an existing

electric transmission corridor south across IH-35 to transmission structure 17 at Leon Creek. To the extent practicable, the project is utilizing the existing transmission easement, however approximately 50' of additional easement is needed to safely operate and maintain the rebuilt transmission lines. The design phase is scheduled to be completed in May 2025, and construction is expected to begin in October 2025 with completion in May 2026. The estimated construction cost for this project is approximately \$18,200,000.

CPS intends to use every effort available to obtain the required land rights for the project through good faith negotiations but may require Eminent Domain if the negotiations are not successful or if the owner lacks legal capacity to grant the necessary land rights. In order for CPS to exercise its power of Eminent Domain, the City of San Antonio City Council must declare the project as a necessary public project for public use. 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.

This public use project is necessary for the installation of a new CPS electric transmission line from the Leon Creek Substation south to Leon Creek. 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. The project was reviewed and approved by the CPS Energy Board of Trustees on November 18, 2024.

ISSUE:

This ordinance will authorize the acquisition, on behalf of CPS Energy (CPS), through negotiation or condemnation of interests in land sufficient for project purposes involving eighteen (18) permanent transmission easements and four (4) temporary construction easements located in Council District 4 and declaring the project to be for public use and a public necessity for the acquisition.

ALTERNATIVES:

City Council could choose not to approve this request and require CPS Energy to redesign the project in a new corridor, increasing the amount of new transmission easement required, increasing project costs and resulting in the delay of the project and potentially subjecting the Texas grid to reliability issues such as rolling blackouts.

FISCAL IMPACT:

There is no fiscal impact to the City of San Antonio. All acquisition costs and any condemnation costs including awards will be paid by CPS Energy. Costs will be funded by the CPS Energy Capital Budget.

RECOMMENDATION:

On behalf of CPS, staff recommends approval.