



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 16

**Agenda Date:** January 26, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Public Works Department

**DEPARTMENT HEAD:** Razi Hosseini

**COUNCIL DISTRICTS IMPACTED:** District 8

**SUBJECT:**

Real Estate Acquisition on behalf of CPS Energy for the Scenic Loop Substation and Transmission Project

**SUMMARY:**

An ordinance approving the acquisition through negotiation or condemnation on behalf of CPS Energy of one 7.249 acre parcel and forty-eight (48) permanent easements of fee simple interests in privately-owned real property in northern Bexar County sufficient for project purposes of constructing a substation and transmission line starting at the existing Ranchtown to Menger Creek 138-kV transmission line and extending in an easterly direction terminating at 25047 Toutant Beauregard Road in northern Bexar County, Texas for the Scenic Loop Substation and Transmission Project; declaring it to be a public use project and a public necessity.

Pursuant to Texas Government Code § 2206.053, these items require City Council to initiate a motion authorizing the power of eminent domain, should it be needed.

**BACKGROUND INFORMATION:**

The Scenic Loop Substation and Transmission Project includes a substation site and a transmission line beginning at the existing Ranchtown to Menger Creek 138-kV transmission line and extending

in an easterly direction terminating at 25047 Toutant Beauregard Road.

The project is necessary for expanding the CPS Energy electric system and is planned to avert electric reliability issues and provide electrical service to the increasing number of customers in northern Bexar County. The substation site will be acquired for a fee, and all other acquisitions will be through permanent easements. The project's easement widths are variable depending on the location of the transmission line in relation to road rights of way and other existing easements.

The following meets the criteria for the construction and upgrade of the electric system:

Acquisition of one (1) 7.249-acre substation parcel in fee and forty-eight (48) permanent easements located in northern Bexar County to construct a transmission line starting at the existing Ranchtown to Menger Creek 138-kV transmission line and extending in an easterly direction terminating at 25047 Toutant Beauregard Road in northern Bexar County, Texas. Construction of the substation will be just west of the intersection of Toutant Beauregard Road and Scenic Loop Road. The estimated construction cost is \$31,285,000.00. Construction is expected to begin in April 2023 and end in June 2025.

CPS Energy intends to use every effort available to obtain the required parcel in fee, permanent easements and land rights for the substation and transmission line through good faith negotiations; however, CPS Energy, its agents, employees, contractors, or attorneys may use the power of eminent domain if any fee or easement negotiations are not successful. The City of San Antonio has the authority and power to exercise eminent domain under Article I, Section 17 of the Texas Constitution and by Texas Government Code § 2206.

For CPS Energy to exercise its power of eminent domain, the City of San Antonio City Council must declare the project to be a public use project, a public necessity, and approve the use of eminent domain should it be needed.

## **ISSUE:**

This ordinance approves the acquisition through negotiation or condemnation on behalf of CPS Energy of one 7.249 acre parcel and forty-eight (48) permanent easements of fee simple interests in privately-owned real property in northern Bexar County sufficient for project purposes of constructing a substation and transmission line starting at the existing Ranchtown to Menger Creek 138-kV transmission line and extending in an easterly direction terminating at 25047 Toutant Beauregard Road in northern Bexar County, Texas for the Scenic Loop Substation and Transmission Project; declaring it to be a public use project and a public necessity.

The public use project is necessary for adding infrastructure to the electric system to avoid electric reliability issues. CPS Energy will complete the property acquisition through its agents, employees, contractors, or attorneys. Approval of this ordinance is a continuation of City Council policy to determine and declare certain projects necessary for a 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.

This acquisition was reviewed and approved by the CPS Energy Board of Trustees on January 31, 2022. Additionally, the project has been approved by the Texas Public Utilities Commission, Docket No. 51023, by Order issued on January 12, 2022.

**ALTERNATIVES:**

City Council could choose not to approve this request and require CPS Energy to redesign the project; however, this would significantly increase project costs and delay the project.

**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.

**RECOMMENDATION:**

Staff recommends approval of the acquisition through negotiation or condemnation on behalf of CPS Energy of one 7.249 acre parcel and forty-eight (48) permanent easements of fee simple interests in privately-owned real property in northern Bexar County sufficient for project purposes of constructing a substation and transmission line starting at the existing Ranchtown to Menger Creek 138-kV transmission line and extending in an easterly direction terminating at 25047 Toutant Beauregard Road in northern Bexar County, Texas for the Scenic Loop Substation and Transmission Project; declaring it to be a public use project and a public necessity.