



Legislation Details (With Text)

File #: ID 16-1229 **Version:** 1 **Name:**

Type: Ordinance

File created: 9/14/2016 **In control:** City Council

On agenda: 9/20/2016 **Final action:**

Title: Consider adoption of an ordinance authorizing the City Manager, or his designee, to execute a real estate sales contract, between the City of Denton, Texas, a Texas Home-Rule Municipal Corporation, as purchaser, and Eagle Farms, Inc., a Texas Corporation, and John Porter Auto Sales, Inc., a Texas Corporation, (Collectively "Owner"), as seller, to acquire fee title to a 340.469 acre tract situated in the Gibson Myers Survey, Abstract No. 843, The Johnson, Green, Myers, and Brummell Survey, Abstract No. 1699, the Moses H. Davis Survey, Abstract No. 377, and the William Wilburn Survey, Abstract No. 1419, located in the City of Denton, Denton County, Texas, generally south of Jim Christal Road, east of Hickory Court, and north of Tom Cole Road, and more particularly described in Exhibit "A" ("Property Interest") for the purchase price of eleven million five hundred thousand dollars and no cents (\$11,500,000.00), and other consideration, as prescribed in the Contract of Sale (the "Contract"); authorizing the expenditure of funds; and providing an effective date.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance_Porter (DEC property).pdf, 2. Porter Contract - City of Denton - Revised for 11092016 closing - FINAL 09142016

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric

CM/ ACM: Howard Martin

Date: September 20, 2016

SUBJECT

Consider adoption of an ordinance authorizing the City Manager, or his designee, to execute a real estate sales contract, between the City of Denton, Texas, a Texas Home-Rule Municipal Corporation, as purchaser, and Eagle Farms, Inc., a Texas Corporation, and John Porter Auto Sales, Inc., a Texas Corporation, (Collectively "Owner"), as seller, to acquire fee title to a 340.469 acre tract situated in the Gibson Myers Survey, Abstract No. 843, The Johnson, Green, Myers, and Brummell Survey, Abstract No. 1699, the Moses H. Davis Survey, Abstract No. 377, and the William Wilburn Survey, Abstract No. 1419, located in the City of Denton, Denton County, Texas, generally south of Jim Christal Road, east of Hickory Court, and north of Tom Cole Road, and more particularly described in Exhibit "A" ("Property Interest") for the purchase price of eleven million five hundred thousand dollars and no cents (\$11,500,000.00), and other consideration, as prescribed in the Contract of Sale (the "Contract"); authorizing the expenditure of funds; and providing an effective date.

BACKGROUND

In an effort to add more renewable generation to its portfolio, Denton Municipal Electric's (DME) has proposed the Renewable Denton Plan, which sets a goal of 70% green energy by 2019. A key component of the plan is a proposed quick-start generation facility which will allow DME to meet the goals of the RDP and will provide a measure of reliability and flexibility around the 70% renewable portion without ng to increase rates to customers. This facility will allow DME to dispatch generation at times when the renewable energy is not available and when market priced energy is high. This proposed site will house the quick-start generation facility and the corresponding substation.

This property is situated adjacent to the Denton Municipal Airport and a portion of it is needed for the airport's parallel runway project; additionally, another portion will be used as part of the future Loop 288 expansion.

1. Approve adoption of the ordinance authorizing the purchase contract.
2. Do not approve adoption of the ordinance and provide staff with further direction.

RECOMMENDATION

DME staff recommends approving adoption of the ordinance.

ESTIMATED SCHEDULE OF PROJECT

Depending on other variables, such as permitting and weather, DME staff estimates work on the site to begin in late 2016, with anticipated completion of the quick-start generation facility by summer 2018.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

- 12/14/2015 - Public Utilities Board approved RDP Resolution
- 06/21/2016 - Council approved RDP Resolution
- 06/21/2016 - Council approved financing
- 08/08/2016 - Public Utilities Board Closed Session discussion

FISCAL INFORMATION

Portions of this property are planned for multiple uses, including a generation facility, a transmission/distribution facility, an airport parallel runway, and an expansion of Loop 288. Therefore, funding will ultimately be from a combination of sources: the proceeds of the Utility System Revenue Bonds, Series 2016 anticipated to close in October; Transmission Cost of Service (TCOS); airport grant funds; and City of Denton Certificates of Obligation sold for electric utility.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure
Related Goal: 2.3 Promote superior utility services and facilities

EXHIBITS

1. Ordinance
2. Contract

Respectfully submitted:
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DME General Manager

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