File #: ID 16-799, **Version:** 1

Agenda Information Sheet

DEPARTMENT: **Denton Municipal Electric**

CM/ ACM: **Howard Martin, 349-8232**

Date: **June 28, 2016**

SUBJECT

Consider adoption of an ordinance of the City of Denton determining the public use and necessity for the acquisition of fee simple title to the surface estate and related real property interests as further defined herein, including a waiver of surface use to the mineral estate, of a 117.145 acres, which consists of two separate tracts, more particularly described in the attached Exhibit "A" ("property interests"), with tract one (113.417 acres) being generally located south of Jim Christal Road, between the 9000 and 9300 blocks, and situated in the Gibson Myers Survey, Abstract 843, and the Moses H. Davis Survey, Abstract No. 377, and tract two (3.728 acres) being generally located south of the 9300 block of Jim Christal Road, situated in the Johnson, Green, Myers and Brummett Survey, Abstract No. 1699, and the Moses H. Davis Survey, Abstract No. 377, both tracts being in the city of Denton, Denton County, Texas; authorizing the City Manager, or his respective designee, to acquire the property interests by agreement including making initial and final offers to owner(s) of the property interests; authorizing the use of the power of eminent domain to condemn the property interests if an agreement cannot be reached with the owner(s); authorizing the City Attorney, or her designee, to file eminent domain proceedings if necessary; authorizing the expenditure of funding; makings findings; providing a savings clause; 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. Although the facility would be only about 13% of the overall proposed energy portfolio, it will provide a measure of reliability and flexibility around the 70% renewable portion without having 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.

An appraisal of the property was performed by Integra Realty Resources DFW, LLP for the amount of $2,928,625.00. The appraisal includes compensation to the landowner for the entire 117.145 acres in fee simple interest for the purpose of constructing a quick-start generation facility and corresponding substation.

OPTIONS

1. Approve adoption of an ordinance to acquire the above subject property.

2. Do not approve adoption of the ordinance and provide staff with further direction.
3. Table the matter for future action.

RECOMMENDATION

DME staff recommends approving adoption of the ordinance to acquire the subject property for the City of Denton.

ESTIMATED SCHEDULE OF PROJECT

Depending on other variables, such as permitting and weather, DME staff estimates work on the site to begin in early 2017, with anticipated completion of the quick-start generation facility in 2018.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Reviewed extensively by the Public Utilities Board in the years 2013, 2014 and 2015. RDP approved by the PUB on December 14, 2015. Reviewed extensively by the City Council in the years 2013, 2014, 2015 and 2016.

FISCAL INFORMATION

Integra Realty Resources DFW, LLP, performed an appraisal of the property and calculated the value of the property to be $2,928,625.00.

EXHIBITS

1. Ordinance
2. Map
3. Motion

Respectfully submitted:
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