



Legislation Text

File #: Ord. 2019-05(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2019-05, on the second of two readings, amending the City's 2018-2019 Fiscal Year Budget to allocate up to \$8,250,000 to be applied toward the costs for construction of the Rattler Electric Substation off of Clovis Barker Road near Leah Avenue; and providing an effective date.

Meeting date: January 29, 2019

Department: Public Services

Amount & Source of Funding

Funds Required not to exceed **\$8.25M**

Account Number: [Click or tap here to enter text.](#)

Funds Available: [Click or tap here to enter text.](#)

Account Name: Electric Fund

Fiscal Note:

Prior Council Action: Council approved a Chapter 380 economic development incentive agreement with Urban Mining on April 18, 2017 and amended through 2018-595R. Council is also considering 2019-22R, a Contribution in Aid of Construction agreement with Urban Mining, which requires the construction of this new substation.

City Council Strategic Initiative: [Please select from the dropdown menu below]

N/A

[Choose an item.](#)

[Choose an item.](#)

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - [Choose an item.](#)

☐ Environment & Resource Protection - [Choose an item.](#)

☐ Land Use - [Choose an item.](#)

☐ Neighborhoods & Housing - [Choose an item.](#)

☐ Parks, Public Spaces & Facilities - [Choose an item.](#)

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

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Background Information:

In late spring 2018, City staff studied the he impact of the proposed initial Urban Mining (UMC) load, the planned UMC expansion, and the impact of future development of the approximately 100 acres in the industrial area off Clovis Barker owned by UMC Development. The impact of anticipated growth in the area relative to the existing infrastructure indicated that a new substation would be quickly needed in this area to supply power to the immediate vicinity while also ensuring that the local system had full redundancy, i.e. no single equipment failure that would result in extended outages or unavailability of sufficient power for all customers in the area.

The UMC Development site is centrally located in the industrial district on Clovis Barker and is also bisected by an LCRA transmission line, making the site a very attractive location for the new substation. Acquiring the land in such an ideal location can often be difficult, expensive, and time-consuming. In this case, though, City Staff developed the option of UMC Development conveying a property that provides the easiest possible LCRA transmission line access; provides the opportunity for Public Services - Electric Utility to construct a City owned substation immediately adjacent to large industrial loads, which saves the City on both transformation charges paid to LCRA and distribution line losses; and provides a site that could be fast-tracked through the LCRA and ERCOT approval system since no property acquisition would be necessary and the load justifies the LCRA investment. The conveyance is a part of a Contribution in Aid of Construction, Resolution 2019-xxxR, being considered by Council.

The conveyance of property for a new substation that will long serve customers outside the UMC Development property lines made this an extremely attractive financial option for the City; and, it provides an infrastructure expansion that will make further development in the area much more attractive to future developers, with excess capacity and high reliability immediately available.

This budget amendment will add the construction of the substation to the adopted Fiscal Year 2019 CIP plan. This project will be funded in part by debt issued in FY19, the cash balance in Capital Improvement Reserves, and debt remaining from the construction of other projects.

Direction was given by Council to bring back a budget amendment at the December 4, 2018 City Council Executive Session.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Further expansions of the other substations in the area, McCarty Lane and Redwood, are considerations for the short term. But both have limited capacity and limited expansion capabilities. A new substation will be required and the opportunity to acquire the land in such a central location through this CIAC is considered the best financial and technical option for the City.

Construction of a new substation in an integral part of the CIAC with UMC being considered concurrently by Council.

Recommendation:

Staff recommends this budget increase and execution authorization for the construction of the new Rattler Substation.