



Legislation Text

File #: Ord. 2019-37(b), **Version:** 1

AGENDA CAPTION:

Consider approval of Ordinance 2019-37, on the second of three readings, granting to SiEnergy, LP, d/b/a SiEnergy, the right, privilege and franchise to construct, install, extend, remove, replace, abandon, operate and maintain its facilities within the public rights-of-way of the City of San Marcos, Texas for the transportation, delivery, sale and distribution of natural gas; containing other provisions relating to the foregoing subject; providing for severability; including procedural provisions; providing for approval on three readings of the ordinance; and providing an effective date.

Meeting date: November 6, 2019

Department: Public Services

Amount & Source of Funding

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

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

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

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

Fiscal Note:

Prior Council Action: [Click or tap here to enter text.](#)

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)]*

Vision San Marcos - A River Runs Through Us

Background Information:

For 20 years, SiEnergy has been a provider of natural gas services in Texas, working with real estate developers throughout the state in connection with new single-family developments. SiEnergy presently serves approximately 25,000 customers in the Houston, Dallas-Fort Worth, and Austin metropolitan areas and the corridors running between those areas. In addition to the customers it currently serves, the Company has over 70,000 additional lots under contract for future growth.

In September of 2019, Ridgewood Infrastructure LLC ("Ridgewood"), an infrastructure investor in the U.S. lower middle market, acquired the majority ownership of SiEnergy, LP and its affiliated entities.

Ridgewood Infrastructure LLC is part of the affiliated Ridgewood Companies, a real estate asset investment manager with more than \$6.5 billion in total capital and commitments focused on investments in infrastructure and energy.

As a Texas public utility, SiEnergy is regulated by the Railroad Commission of Texas and operates under the guidelines of the commission. Unlike electric utilities, which must obtain a Certificate of Convenience and Necessity (CCN), natural gas utilities in Texas can provide services anywhere in the state.

The company indicates that it has no immediate plans to provide service in the City, but it may serve proposed developments within the City's ETJ. The company indicates that its facilities needed to serve such projects could potentially cross through land within the city limits along SH-80 and 1984. The company also prefers to have a franchise agreement in place the event projects in the ETJ are annexed. The company's initial focus is on residential developments and major commercial projects.

Council Committee, Board/Commission Action:

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

Alternatives:

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

Recommendation:

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

