

# STAFF REPORT REGULAR MEETING

**AGENDA DATE:** January 17, 2023

**DEPARTMENT:** Electric Utility

**TITLE:**

Update of 6<sup>th</sup> Avenue South Substation Property Exchange

**SUMMARY:**

City's Electric Utility proposes to exchange the property it's currently inhabiting at 610 S H Street for two properties located at 706 and 710 S H Street for the purpose of constructing a new electric distribution substation.

**BACKGROUND AND JUSTIFICATION:**

As a part of the City's Electric Utility's System Hardening and Reliability Improvement Program ("SHRIP") staff is proposing exchanging the property (2 lots) at 610 S H Street for two properties located at 706 and 710 S H Street respectively, both currently owned by Dixie Capital. The property exchange will allow the City's Electric Utility to construct a new substation to replace the existing 6<sup>th</sup> Avenue South substation which has been in service for over 50 years while maintaining continuity of service to residents served from the current location.

Upon execution of the required agreements City's Electric Utility will proceed with site preparations for construction at the new site while simultaneously initiating efforts to cease operations at the existing substation. Constructing a new substation on the 706 and 710 S H Street properties will expedite the overall project schedule and allow for construction to proceed without construction crews being required to work in close proximity to an energized transformer as well as overhead and underground conductors. Target completion date for construction of the new substation at 706 and 710 S H Street is year-end 2024.

On December 7, 2021, the City Commission unanimously approved Ordinances 2021-18 and 2021-19 which amended the City's Future Land Use Map and Zoning Map respectively to allow for the proposed project to proceed. Dixie Capital is the current owner of the subject properties City will acquire and will become the owner of the 610 S H Street property once the City's Electric Utility vacates the property.

City counsel and staff are finalizing negotiations on the Property Exchange Agreement and settlement of outstanding code violations on the subject properties.

**MOTION:**

Consensus to have the City Attorney and Staff finalize negotiations with Dixie Capital and to issue public notice of City Commission's intention to vote on the matter at a future meeting.