

# STAFF REPORT REGULAR MEETING

**AGENDA DATE:** September 19, 2023

**DEPARTMENT:** Electric Utility

**TITLE:**

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 agreement, 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.

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. On January 17, 2023, the City Commission gave unanimous consensus to have the City Attorney and staff finalize negotiations for this property exchange and to issue the required public notice of the City Commission's intention to vote on this matter.

Dixie Capital Partners, LLC 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.

The proposed exchange of property is in compliance with Sec. 2-1 of the Code of Ordinances, City of Lake Worth Beach, regarding exchange of property. Based on concurrent appraisals for purposes of this exchange there is no difference in value between the City-owned property at 610 S H Street and the Dixie Capital-owned property at 706 and 710 S H Street. Pursuant to the terms of the Property Exchange Agreement, Dixie Capital will transfer ownership of its property to the City by November 17, 2023, decommissioning of the existing City substation will occur by September 30, 2024 or the City will pay a monthly fee for any extensions to complete this work; the City will have temporary use of a portion of another property owned by Dixie Capital Partners, LLC. to expedite the City's substation relocation project and will pay a monthly fee of \$1,500 or \$18,000 per year for the use of that property; and the exchange will be completed no later than November 30, 2024.

**MOTION:**

Move to approve/disapprove Property Exchange Agreement with Dixie Capital Partners, LLC.

**ATTACHMENT(S):**

Property Exchange Agreement  
Fiscal Impact Analysis

**FISCAL IMPACT ANALYSIS**

Five Year Summary of Fiscal Impact:

<b>Fiscal Years</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Inflows					
Current appropriation	0	0	0	0	0
Program Income	0	0	0	0	0
Grants	0	0	0	0	0
In Kind	0	0	0	0	0
Outflows					
Current appropriation	\$18,000	0	0	0	0
Operating	0	0	0	0	0
Capital	0	0	0	0	0
Net Fiscal Impact	0	0	0	0	0
No. of Addn'l Full-Time Employee Positions	0	0	0	0	0

Contract Award - Existing Appropriation	
	Expenditure
Department	Electric Fund
Division	Transmission Engineering
GL Description	Operating Leasing
GL Account Number	401-6020-531.44-20
Project Number	n/a
Requested Funds	\$18,000