



Meeting Date: September 26, 2024 **Agenda Type:** Consent Items for Action

From: Adam Willard, P.E. **Reviewed by:** Michael Short, P.E.
Chief Engineer of Water Director of Water Services and
Systems Compliance

Submitted by: Mark Steelman **Approved by:** Ryan Kelso
Chief Operations Officer Chief Executive Officer

RECOMMENDED ACTION: Approve Resolution #2024-189 Authorizing and Approving (i) the Purchase of 4.87 Acres of Unimproved Real Property Commonly Known As 778 Barbarosa Road, New Braunfels, Texas (the “Property”) in Connection with the FM 1101 Pump Station and Ground Storage Tank Project in an Amount Not to Exceed \$2,230,000.00 Plus Closing Costs; (ii) the CEO or His Designee to Execute Any and All Documents Necessary to Purchase the Property or, if the CEO Deems Necessary, Terminate the Subject Transaction; and (iii) Other Matters in Connection Therewith

BACKGROUND

On August 29, 2024, the New Braunfels Utilities (“NBU”) Board of Trustees (the “Board”) approved a Professional Services Agreement with Quiddity Engineering, LLC for the design of the FM 1101 Pump Station and Ground Storage Tank Project (the “Project”). This Project will facilitate additional distribution pumping capacity in the Kohlenberg Pressure Zone to serve projected growth and further an NBU contractual obligation under the Mayfair Cost Sharing Agreement, as amended. NBU has entered into negotiations with Triple J Family Holdings LLC and Play Strong LLC to acquire approximately 4.78 acres of unimproved property described as Lot 2, Block 1 Health Commons Subdivision, New Braunfels, Comal County, Texas (“Property”), commonly known as 778 Barbarosa Road, New Braunfels, Comal County, Texas, for the construction of the pump station and ground storage tank associated with the Project.

NBU and Triple J Family Holdings LLC, and Play Strong LLC have agreed to the terms and conditions set out in the Real Estate Sales Contract (“Contract”), which is subject to the approval of the NBU Board. NBU proposes to pay \$2,230,000 for the Property, plus the customary closing costs set out in the Contract. NBU obtained an appraisal from Valbridge Property Advisors dated August 7, 2024, which states the value of the property is \$2,230,000.

This item is being presented to the Board because the total amount of the purchase price of the Property exceeds \$250,000.00.

NBU staff requests that the Board authorize and approve (i) the purchase of the Property from Triple J Family Holdings LLC and Play Strong LLC upon terms and conditions in the Contract and (ii) the CEO or his designee to execute any and all documents necessary to purchase the property or, if the CEO deems necessary, terminate the subject transaction.

Upon completion of the purchase of the Property and final design, NBU staff will solicit a construction contract for the Project and anticipates bringing the construction contract to the Board for approval in June 2026.

FINANCIAL IMPACT

The total financial impact of the purchase of the Property from Triple J Family Holdings LLC and Play Strong LLC is \$2,230,000.00 plus estimated closing costs of \$14,273.58 provided in the Contract. The Project is budgeted within the fiscal year 2025 through fiscal year 2028 NBU Board approved Capital Improvements Projects Budget.

LINK TO STRATEGIC PLAN

Customer and Community

Infrastructure and Technology

EXHIBITS

1. Resolution #2024-189
2. Real Estate Sales Contract
3. Appraisal from Valbridge Property Advisors