

February 9, 2023

AGENDA ITEM NO. 11

SUBJECT: Resolution No. 2023-2-2, authorizing the sale of a 3.329-acre surplus mine tract; describing the conditions and circumstances for the sale, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

DISCUSSION: This Resolution authorizes the sale of a 3.329-acre mine tract (the “Surplus Mine Tract”) that was purchased in anticipation of expanding the Mine east of FM 244 (the “East Move”). Because of the Agency’s fuel switch to Powder River Basin coal in 1996, the East Move never occurred, and the Surplus Mine Tract was never utilized for any purpose.

The Surplus Mine Tract was appraised by Tierra Advisors, LLC, effective August 11, 2022. Tierra Advisors concluded that the fair market value is \$17,000. The tract is an irregularly shaped strip of land which abuts Highway 30. In regard to the highest and best use, the appraisal concluded as follows:

“It is the opinion of the appraiser that the Highest and Best Use of the subject is limited. The shape limits potential development, the small size limits agricultural or recreational use which in- turn impacts investment use. The most likely buyer for the property is an adjoining landowner. That may want to acquire additional road frontage along SH-30. However, the location of a nearby bridge also may limit the advantage of additional frontage and thus the price at which the additional frontage is worth.

In the final analysis, it is our opinion that the Highest and Best Use of the subject site is for assemblage with an adjoining property.”

The Board previously authorized a contract with Republic Ranches, LLC (“Republic”) for real estate brokerage services relating to the sale of the SP 50 property and this Surplus Mine Tract. Jeff Boswell with Republic Ranches has been in negotiations with the adjacent landowners, Richard and Jennifer Carroll. The Carroll’s have agreed to purchase the Surplus Mine Tract for \$17,000.

The attached Resolution describes the conditions and circumstances for the sale, and the public purposes that will be achieved, as required by law.

BACKUP MATERIAL: Survey Plat

ACTION REQUESTED: Consideration and action on Resolution No. 2023-2-2.

RESOLUTION NO. 2023-2-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY (“AGENCY”) AUTHORIZING THE SALE OF A 3.329-ACRE SURPLUS MINE TRACT; DESCRIBING THE CONDITIONS AND CIRCUMSTANCES FOR THE SALE, AND THE PUBLIC PURPOSES THAT WILL BE ACHIEVED; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, as authorized by Section 163.073, Utilities Code, the Member Cities have, by the adoption of concurrent ordinances, elected for the Agency to be governed by Subchapter C-1, Utilities Code, effective April 30, 2016;

WHEREAS, Section 163.080 of Subchapter C-1 authorizes the Agency to “sell, lease, convey, or otherwise dispose of any right, interest, or property of the agency, including its electric facilities”, and including property that “was purchased by the agency for mining purposes”;

WHEREAS, the Board desires to authorize the sale of a surplus 3.329-acre mine tract (the “Surplus Mine Tract”), and;

WHEREAS, pursuant to Section 3.2.4 of the Joint Operating Agreement, as amended, the Board hereby determines that the sale of the Surplus Mine Tract, as authorized by this Resolution, is for not less than the fair market value of the Surplus Mine Tract;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;
2. That the Board authorizes the General Manager, or a person acting at his direction, to sell the Surplus Mine Tract;
3. That the sales price for the Surplus Mine Tract shall be \$17,000.00;
4. That, for purposes of Section 272.001(k), Local Government Code: (i) the conditions and circumstances for the sale are as set forth in Exhibit “A” and (ii) the public purposes that will be achieved include the production of revenue from the sale of surplus property that is not needed for Agency operations, and the avoided costs of land maintenance;
5. That the General Manager, or a person acting at his direction, may take such actions and execute such documents as are necessary, desirable, or required to consummate and complete the transaction contemplated by this Resolution; and
6. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 9TH DAY OF FEBRUARY, 2023.

RESOLUTION NO. 2023-2-2

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Tom Jefferies, Vice President
Board of Directors
Texas Municipal Power Agency

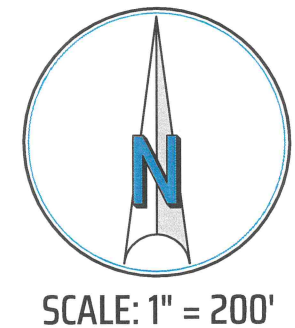
ATTEST:

Summer Spurlock, Secretary
Board of Directors
Texas Municipal Power Agency

EXHIBIT "A"

CONDITIONS AND CIRCUMSTANCES OF THE SALE

The Surplus Mine Tract was acquired by the Agency in anticipation of the expansion of the Mine east of FM 244 (the "East Move"). Because of the fuel switch to Powder River Basin coal in 1996, the Surplus Mine Tract was never utilized for mining or for any other Agency purpose. The appraisal, performed in 2022, concluded that the highest and best use of the Surplus Mine Tract is for assemblage with an adjoining property. The adjoining property owners, Richard and Jennifer Carroll, have agreed to pay \$17,000.00 for the Surplus Mine Tract, which is the fair market value of the Surplus Mine Tract as determined by the appraisal.



LINE	BEARING	DISTANCE
L1	S 86°01'46" W	300.00'
L2	N 79°56'04" W	103.08'
L3	S 86°01'46" W	1,300.00'
L4	S 71°59'36" W	103.08'
L5	S 86°01'46" W	300.00'
L6	N 67°35'40" E	316.23'
L7	N 86°01'46" E	1,500.00'
L8	S 75°32'08" E	316.23'
L9	S 03°58'14" E	100.00'
L10	N 86°01'46" E	193.80'

THIS TRACT LIES WITHIN FLOOD ZONE 'X' UNSHADED AND DOES NOT LIE WITHIN A SPECIAL FLOOD HAZARD AREA SUBJECT TO THE 1% ANNUAL CHANCE FLOOD (100 YEAR FLOOD PLAIN) ACCORDING TO THE GRIMES COUNTY FLOOD INSURANCE RATE MAP (FIRM) PANEL NO. 48185C0250C, EFFECTIVE DATE: 04-03-2012.

THIS PLAT WAS PREPARED IN CONJUNCTION WITH A FIELD NOTES DESCRIPTION (METES AND BOUNDS). THE PLAT AND FIELD NOTES ARE INTENDED TO BE ONE INSTRUMENT TOGETHER.

AERIAL ELECTRIC LINES
— AE —
BARBED WIRE FENCE
— X — X —
GUARD RAIL

GROUND UNDER MY SUPERVISION.

8/9/2022

[Handwritten Signature]

NATHAN PAUL KERR
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 6834

STATE OF TEXAS
REGISTERED
★
NATHAN PAUL KERR
6834
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"When one person stands to gain over another, the facts must be uncovered"