



Meeting: **Joint Reservoir Committee & Authority Board**  
**Agenda Item 2.1**

**June 17, 2022**

Subject: **Amendment 3 Budget Request for Increased Real Estate Actions**

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**Requested Action:**

Consider approval of the following actions: a) add new scope for increased real estate actions to the Amendment 3 work plan to include an initial budget of \$2 million from the Phase 2 - Amendment 3 undesignated funds and b) amend the approved Fiscal Year 2022 Annual Budget to include \$500,000 for planned real estate actions.

**Detailed Description/Background:**

The existing Sites Project Authority Real Estate & Land Management Policy provides the general policies for the Authority's overall Real Estate and Land Management program.

The policy addresses means and methods by which to procure real property. The Project is entering a period where more land access is needed to allow for critical engineering, geotechnical, biological, and cultural field studies to help advance the project design and permitting. Greater certainty of land availability for ownership would also be beneficial as the Project approaches the consideration of long-term financing and construction.

The Real Estate Team is seeking to add scope to the Amendment 3 work plan to allow land agreements that could provide greater flexibility and certainty for the Project than the current limited use of Right of Entry methods, as mutually agreeable conditions may present themselves with willing landowners. Initially, the focus will be on parcels where major project infrastructure is located and/or parcels where there is a large number of geotechnical, biological, or cultural surveys planned in the Amendment 3 Work Plan. However, as discussions with landowners occur, there may be other opportunities that arise of value to the Project. The requested work plan addition is based on initial estimates but the specific terms and conditions of the transactions need to remain flexible as landowner willingness is assessed. Reports on the progress of increased real estate actions will be made through the Land Management Committee.

**Prior Authority Board Action:**

None.

**Fiscal Impact/Funding Source:**

The FY2022 Budget is proposed to be increased by \$500,000 which would bring the total amended FY22 Budget total to \$43,350,981.

The FY22 cash flow for the scope is uncertain and conservative. Any unused funds from FY2022 would be reallocated to the following year's budget. All work would stay within the approved FY Budget amount and the total expended would not exceed the \$2M total request for the A3 work plan period.

A detailed review of source of funds to cover these new costs was conducted. While this may change, current projections do not show an underrun of Amendment 3 expenses sufficient to cover these new real estate action costs. Therefore, it is proposed that a portion of the \$9.3M undesignated carryover funds from A2 be assigned to cover these expenses. This assumption will be revisited at the end of FY22 and possibly be adjusted in the FY23 Budget proposed later this year if updated projections show underruns in other areas.

**Staff Contact:**

Joe Trapasso/Kevin Spesert

**Primary Service Provider:**

CDM West/Nossaman

**Attachments:**

None.