

R-2023-__

A RESOLUTION BY THE BOARD OF TRUSTEES OF NEW BRAUNFELS UTILITIES APPROVING (I) THE TRANSFER OF THE REAL PROPERTY LOCATED AT 1488 SOUTH SEGUIN AVENUE, NEW BRAUNFELS, TEXAS (THE “CITY PROPERTY”), FROM THE CITY OF NEW BRAUNFELS TO NEW BRAUNFELS UTILITIES; (II) EXECUTION OF ANY AND ALL DOCUMENTS NECESSARY TO ACCOMPLISH THE TRANSFER; AND (III) OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, New Braunfels Utilities (“NBU”) is a Texas municipally owned utility that provides water, wastewater, and electricity to ratepayers in its service area;

WHEREAS, NBU continues to experience exponential growth to its service area;

WHEREAS, in order to properly serve its customers, NBU has added additional employees and has plans to hire 68 full-time employees in fiscal years 2024 and 2025;

WHEREAS, NBU plans to build a new headquarters office to serve as NBU’s main office building, which is projected to be completed in December of 2027;

WHEREAS, in the interim, NBU requires adequate office space for its employees;

WHEREAS, the City of New Braunfels (the “City”) owns the real property located at 1488 South Seguin Avenue (the “Property”);

WHEREAS, the City formerly used the Property as a police station but it is no longer being used by the City;

WHEREAS, NBU previously transferred the real property situated at 355 FM 306, commonly known as the Service Center, to the City on July 31, 2020, for \$10,180,000;

WHEREAS, the City paid a portion of the transfer price in the amount of \$5,180,000 on August 2, 2021, with the remaining balance of \$5,000,000 to be paid annually for ten years;

WHEREAS, the City has agreed to transfer the Property to NBU for \$2,900,000, with NBU paying \$400,000 as a down payment at closing of the transaction and the remaining balance of \$2,500,000 being credited against a portion of the \$5,000,000 balance that the City owes to NBU for the transfer of the Service Center; and

WHEREAS, the Board of Trustees has reviewed the Real Estate Transfer Agreement, the Special Warranty Deed, and other documents in connection with the transfer of the City Property, and is of the opinion that the same should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF NEW BRAUNFELS UTILITIES THAT:

SECTION 1. The Board of Trustees hereby approves the transfer of the Property for a transfer price of \$2,900,000 with NBU paying \$400,000 as a down payment at closing of the transaction and the remaining balance of \$2,500,000 being credited against a portion of the \$5,000,000 balance that the City owes to NBU for the transfer of the Service Center.

SECTION 2. The Chief Executive Officer of NBU is hereby authorized to negotiate and execute any and all documents necessary to accept the transfer of the City Property from the City, including without limitation, the Real Estate Transfer Agreement and the Special Warranty Deed. The Board of Trustees also authorizes the Chief Executive Officer or his designee to pay or arrange for payment of the costs necessary to complete the transfer of the City Property, including, but not limited to, the title report and NBU legal fees.

SECTION 3. The recitals contained in the preamble hereof are found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Trustees.

SECTION 4. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Trustees hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, AND ADOPTED, this the 27th day of April, 2023.

Dr. Judith Dykes-Hoffmann
President, Board of Trustees
New Braunfels Utilities

ATTEST:

Ian Taylor
Secretary, Board of Trustees
New Braunfels Utilities