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SOAH DOCKET NO. 473-13-5207
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PUBLIC UTILITY COMMISSION
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JOINT APPLICATION OF § BEFORE THE STATE OFFICE
ELECTRIC TRANSMISSION TEXAS, §
LLC AND SHARYLAND UTILITIES §
TO AMEND ITS CERTIFICATE OF §
CONVENIENCE AND NECESSITY § OF
FOR THE NORTH EDINBURG TO §
LOMA ALTA DOUBLE-CIRCUIT §
345-KV TRANSMISSION LINE IN §
HIDALGO AND CAMERON §
COUNTIES, TEXAS § ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY OF DENNIS SANCHEZ
AND JORGE IBARRA

ON BEHALF OF MADEIRA PROPERTIES, LTD.

NOVEMBER 8, 2013

1132

**SOAH DOCKET NO. 473-13-5207
PUC DOCKET NO. 41606**

**DIRECT TESTIMONY OF DENNIS SANCHEZ AND JORGE IBARRA
ON BEHALF OF MADEIRA PROPERTIES, LTD.**

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**DIRECT TESTIMONY OF DENNIS SANCHEZ AND JORGE IBARRA
ON BEHALF OF MADEIRA PROPERTIES, LTD.**

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. Our names are Dennis Sanchez and Jorge Ibarra. Our business address is 3505 Boca Chica Blvd., Suite 100, Brownsville, Texas 78521.

Q. Please briefly describe your occupation and educational background.

A. Jorge Ibarra graduated from Trinity University in 1979. He has been actively involved in real estate, concentrating on office buildings and land development since 1992. Dennis Sanchez graduated from UT-Austin in 1974 with a degree in finance, and then was awarded his law degree from UT-Austin in 1978. He has practiced law in the Brownsville area continuously since. Dennis Sanchez and Jorge Ibarra serve as co-Managers for Madeira Management, LLC, which is the general partner of Madeira Properties, Ltd.

Q. Are you familiar with the application filed by Electric Transmission Texas, LLC (ETT) and Sharyland Utilities (Sharyland) (together, Joint Applicants)?

A. Yes, generally, we are.

Q. On whose behalf are you testifying?

A. We are testifying on behalf of Madeira Properties, Ltd.

Q. Have you ever testified before the Public Utility Commission (PUC or Commission) before?

A. No, we have not.

1 **II. PURPOSE AND SCOPE**

2 **Q. What is the purpose and scope of your testimony?**

3 A. Our testimony provides a description of the approximately 1,350 acres of land owned by
4 Madeira Properties, Ltd. which would be impacted by the proposed North Edinburg to
5 Loma Alta transmission line. Our testimony will describe how the routing of a 345-kV
6 transmission line on these properties would negatively impact them and interfere with their
7 current purpose as farmland and for very near-future residential, retail and commercial
8 mixed use development. The property owned by Madeira Properties, Ltd. includes resaca
9 property that is the most valuable property for residential development in Cameron County.
10 This is due to its unique character of providing a water feature that can be utilized as the
11 centerpiece for a subdivision and provides exceptional value to homes built on the portions
12 of the property directly adjacent to the Resaca. The property owned by Madeira Properties,
13 Ltd. is also in the United States Highway 77/83 expressway corridor that is the prime
14 growth corridor in the Brownsville area for both commercial and residential development.
15

16 **Q. How is your property identified in this case?**

17 A. The Madeira Properties, Ltd. properties are listed as Property Nos. 160218, 160228, 160229,
18 160258, 160261, 160262, 160263, 160264 and 160270, which would potentially be
19 impacted by proposed Link Nos. 282, 283, 284, 295, 296, 305, 306, 307 and 312 of the
20 North Edinburg to Loma Alta transmission line project.
21

22 **Q. Are the depictions of your properties on the Joint Applicants' maps accurate?**

23 A. They are generally accurate, except for the southern end of the properties, where a
24 correction is needed. The southern 43-acre portion of tracts 160258 and 160261 was sold to
25 the South Texas ISD, which has announced construction of a new \$29 million medical
26 professions magnet high school on the site. According to the Landowner Tables included in
27 the Joint Application in this case, South Texas ISD was not provided notice in association
28 with these tracts.

29 Excerpts of the maps from Attachment 9b – Cameron County Sheets 37, 40 and
30 41 showing the properties are attached to this testimony as Attachment A. A corrected

1 aerial map is also attached as Attachment B showing the current southern boundary of the
2 property. An article from the Valley Morning Star in April 2013 announcing the new high
3 school is attached to this testimony as Attachment C.
4

5 **Q. How long have you owned the properties?**

6 **A.** Madeira Properties, Ltd. purchased the properties in November 2002.
7

8 **Q. Do you have a position regarding the routing of the proposed transmission line in this**
9 **case?**

10 **A.** Yes. Generally, we support routing of the line on property that has already been developed
11 in a manner consistent with transmission infrastructure to the extent possible, specifically in
12 parallel to other existing transmission infrastructure. We support routing the line where its
13 aesthetic impacts are more compatible with existing land use and development and we
14 oppose routing the line in areas where the existing land uses will be severely negatively
15 impacted by the presence of the line or where the line will take away the use of land with
16 strong economic development potential. In particular, we oppose routing the transmission
17 lines through areas that are best suited for residential development due to their unique
18 aesthetic and ecological characteristics, like properties on or near resacas. We also support
19 limiting as much as possible routing of the transmission lines through the I-77/I-83 growth
20 corridor north of Brownsville. Further, we strongly support routes that are formed by the
21 collaboration and settlement among the parties participating in this proceeding whose
22 interests may be directly impacted. By approving a transmission line route that is the result
23 of a settlement among landowners, the Commission can dramatically lessen the negative
24 impacts of the proposed line and truly give a voice to the interests of the community that
25 have come together to find a solution in this difficult process.
26

27 **Q. Do you have a position regarding specific routing alternatives proposed by the Joint**
28 **Applicants?**

29 **A.** The Administrative Law Judge (ALJ) in this case correctly ruled in Order No. 6 that there is
30 not sufficient evidence to support the Joint Applicants' contention that all routes must pass

1 through their unilaterally designated "routing circle." All of the routes initially proposed in
2 the Application passed through the routing circle and should be rejected, including the
3 Route 32, which the Joint Applicants identified as the route they favored. Instead, one of
4 the Supplemental Routes filed by the Joint Applicants in the Supplement to the Application
5 filed on October 28 or a similar route using noticed links in a forward progressing manner
6 should be approved. We specifically support Supplemental Route 2S, which we believe
7 best complies with the routing considerations described below.

8 In general, we oppose proposed routes that would severely impact the use and
9 value of the land traversed and that would severely limit the economic development that
10 could occur on the land traversed as the Lower Rio Grande Valley continues to develop as
11 one of the fastest-growing communities in the nation. The route that the Joint Applicants
12 have recommended, Route 32, is one such route that we oppose. There are many competing
13 interests represented by the intervenors in this case and obviously, every individual
14 landowner that will be impacted by the line will have their own concerns regarding the
15 presence of the line and we are not dismissing or discounting those concerns. We do
16 believe, however, that given the intrinsic value of property on the resacas of Cameron
17 County and in the growth corridor north of the City of Brownsville on the I-77/I-83
18 expressway, there are more compatible routes available than those that will directly impact
19 such properties. The eastern Cameron County part of the Supplemental Route S2 parallels
20 existing transmission lines for a majority of its distance and largely avoids the corridor of
21 the I-77/83 expressway that is the gateway to the Brownsville area and the Rancho Viejo
22 area where there is extensive residential development both complete and in various stages of
23 development. We believe that this route, or one very similar to it with some modifications
24 to accommodate specific landowner interests, could minimize the negative impacts of the
25 proposed transmission line.
26

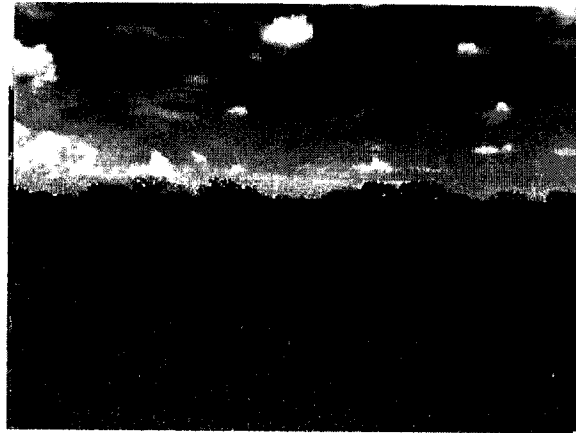
27 **III. DESCRIPTION OF THE PROPERTY**

28 **Q. What are the general geographical features of your property?**

29 A. Madeira Properties, Ltd.'s properties are located in Cameron County in a location that is
30 ideal for residential, retail, and commercial development as the City of Brownsville and its

1 surrounding communities continue to grow in the only available corridor - northward. A
2 large portion of the property is within the Brownsville city limits as depicted on the map
3 attached to this testimony as Attachment D. Additionally, Madeira Properties, Ltd. is within
4 the Brownsville Transportation and Thoroughfare plan, also attached to this testimony as
5 Attachment D.

6 Currently the properties have irrigated cropland that is used for agricultural
7 production, but Madeira Properties, Ltd. and South Texas ISD have already contracted with
8 East Rio Hondo WSC to build a sewage treatment plant on the northeast corner of our
9 property and provide water infrastructure for both the new high school and the Madeira
10 tracts. Our properties include several resacas and the land is the most valuable land for
11 master-planned development in the county. The pictures below were taken on the property
12 in August, 2013, and are representative of the terrain and characteristics of the properties:
13
14

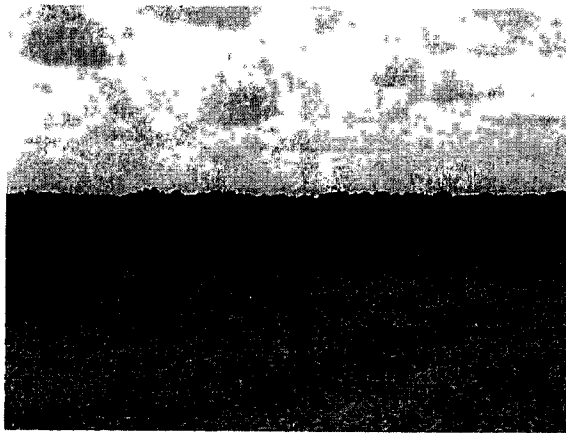


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5

6 **Q. What is the primary use of your property?**

7 A. Historically, the land has been used for agricultural production as we prepared for
8 development. This property was under consideration by the University of Texas System as
9 a potential location for a new UT Brownsville campus. With the contracts in place for water
10 service and the construction of the new high school, the property is now ready for full
11 development. It is located in convenient proximity to both Brownsville and Harlingen, and
12 is across the highway from the town of Rancho Viejo. With its location and large amount of

1 Resaca front property, the property is ideal for mixed use residential, retail and commercial
2 development.
3

4 **Q. Describe the planning that has occurred for the development of the property.**

5 A. The land owned by Madeira Properties, Ltd. is a master-planned mixed-use development
6 consisting of residential, multi-family and retail/commercial use. A copy of the master plan
7 for the property as along with a map of the planned development for Madeira Acres are
8 attached to this testimony as Attachment E. Significant resources have been expended in
9 planning the development of Madeira Properties and these plans are at an advanced stage.
10 The possibility that a portion of the property could be lost to the routing of a transmission
11 line is a significant impairment to those plans and would result in the expenditure of
12 considerable additional resources to adjust the planning to date, if continued development
13 were even possible given that many of the proposed links that would impact the properties
14 would make development of highway frontage land all but impossible. In addition, since
15 the master planning for this property centers on its primary feature – the resacas – any
16 interference with the resacas by crossing them or placing transmission lines in their
17 immediate viewshed would ruin all of our planning for this development.
18

19 **Q. Is there an electric transmission line on the property?**

20 A. No. There no transmission lines on our properties, and for the most part there are no
21 transmission lines or electric infrastructure visible from anywhere on our properties other
22 than relatively small distribution lines in some areas, primarily on the highway frontage.
23

24 **Q. Do any other types of easements affect the property?**

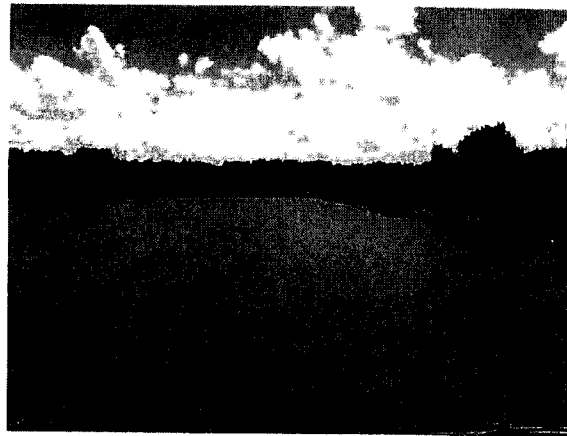
25 A. As mentioned above, in the next few months East Rio Hondo WSC will begin construction
26 on a sewage treatment plant in the northeast corner of the Property No. 160263 – exactly
27 where proposed Link Nos. 283 and 305 intersect as depicted on Attachment 9b. East Rio
28 Hondo WSC has a water line on the south end of the property, and plans to extend a 16-inch
29 water line from the north along Highway 100 to serve the north side of the property. There
30 are some gas pipeline easements located on the north side of the property, along Highway

100. There are no easements of any kind along the Highway 77/83 frontage. For the most part these easements have minimal effect or interference on the use of the property.

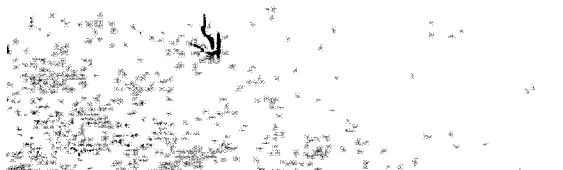
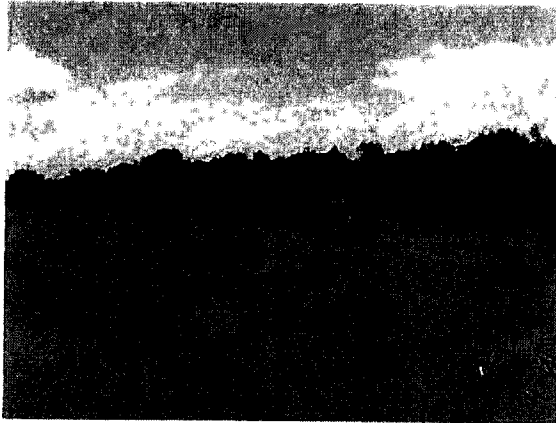
IV. IMPACTS OF THE PROPOSED TRANSMISSION LINE ON PROPERTY

Q. In what manner would your land be impacted by the proposed transmission line?

A. Proposed Links 284 and 296 parallel the entire western boundary of Property Nos. 160229, 160262, 160264 and 160261. All of the 150-ft wide right-of-way traverses the Madeira properties, and would make unusable the entire 2.7 miles of I-77/83 expressway frontage owned by Madeira Properties, Ltd. Proposed Link No. 284 also crosses two resacas – one on Property No. 160229 and one Property No. 160264. As shown in the pictures below, resacas are a source of great natural beauty, are attractive to wildlife, and should be preserved for carefully planned development whenever possible. Resacas are a limited and valued natural resource in Cameron County, and Resaca-front property is highly sought-after for residential development.



1



2

3 **Q. What other link would impact your property?**

4 **A.** The entirety of the property owned by Madeira Properties, Ltd. is surrounded by proposed
5 links. Not only would Proposed Links 284 and 296 prevent development along the entire
6 Highway 77/83 frontage of the property, Proposed Link 283 traverses the northern boundary
7 of the property and after crossing Property No. 160218 and paralleling the resaca, would
8 parallel and prevent development upon Madeira Properties Ltd.'s entire 2.9 miles of
9 Highway 100 frontage and cross another large, winding Resaca at three locations. Proposed
10 Link Nos. 305 and 306 as depicted in Attachment 9b have the entirety of their 150-ft wide
11 rights-of-way on our property and running the length of the eastern boundaries of Property
12 Nos. 160265, 160270, and 160258. Because Madeira Properties, Ltd. owns a roughly
13 triangular property, if any of these proposed links is used at best a full side of the property,
14 and possibly two of the three sides will be impacted, severely restricting the development of
15 the property. This is an enormous burden to place on a single landowner.

16

17 **V. CONCLUSION**

18 **Q. Are all of the pictures included in this testimony true and correct reproductions of**
19 **photographs of you property taken in August 2013?**

- 1 A. Yes. Full sized copies of each photograph are attached to this testimony as Attachment F.
2 Additional photographs of the Madeira Properties taken in 2012 are attached to this
3 testimony as Attachment G.
4
5 **Q. Does this conclude your testimony?**
6 A. Yes it does.

ATTACHMENT A

EXCERPT OF ATTACHMENT 9A TO THE APPLICATION



ATTACHMENT B

AERIAL MAP DEPICTING CURRENT BOUNDARIES OF MADEIRA PROPERTIES



EXHIBIT
2.2.1 (B)

ATTACHMENT C

VALLEY MORNING STAR NEWSPAPER ARTICLE

STISD announces plans for new campus, school move

By GARY LONG The Brownsville Herald | Posted: Friday, April 5, 2013 9:20 pm

The South Texas Independent School District announced plans Thursday for a more than \$28.7 million Medical Academy campus in Brownsville on land across Expressway 77/83 from Rancho Viejo.

The school will accommodate an estimated 750 to 800 students and will replace the South Texas Academy for Medical Professions in San Benito, as Medical Academy is formally known. The school has operated at STISD's original San Benito campus since 2003.

When the new Brownsville campus opens, the district will move its middle school campus, the South Texas Preparatory Academy, from Edinburg to the San Benito campus. School officials did not announce a date, but said construction would start soon.

School officials announced construction plans at an event for prospective students and their parents at the Holiday Inn in Brownsville. They said about 200 enrollment slots are available for the 2013-2014 school year at the current Medical Academy campus and encouraged interested students to apply for admission at the district's website, www.stisd.net.

"Our goal is for our students to go to college, graduate and have a career in medicine," Medical Academy Principal Harry Goette said. "It's a school of choice and we want our students to go to college and get through college successfully." He said 95 percent of Medical Academy students, and STISD students generally, attend college or technical schools after graduation.

STISD Superintendent Marla Guerra said the district's board of directors decided to build the new campus in Brownsville based on population growth patterns and to better serve Cameron County. She noted that the district has three high schools and the middle school in Hidalgo County and only the Medical Academy in Brownsville.

School officials said STISD has 3,400 students overall, about 450 of which districtwide come from Brownsville. The current Medical Academy has about 500 students, Goette said.

Alejandra Cardenas, a Medical Academy senior from Brownsville, described the school as being "the best experience I've ever had. Being surrounded by a community like this has been a great opportunity for me to see what the medical field is like."

Cardenas plans to enroll as a biology major St. Mary's University in San Antonio in the fall, and eventually go to medical school. She plans to become a pathologist and later a lab director, she said.

But for right now, she is getting certifications while still in high school in phlebotomy and as a medical lab technician so she can work in the medical field while going to college.

Classmate Favianna Moreno, also a senior and also from Brownsville, praised the school's rigorous curriculum.

"It really is so much different than any other high school," she said. "The courses are really intellectually stimulating."

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Moreno plans to go into psychology. She will attend St. Edwards University in San Antonio in the fall.

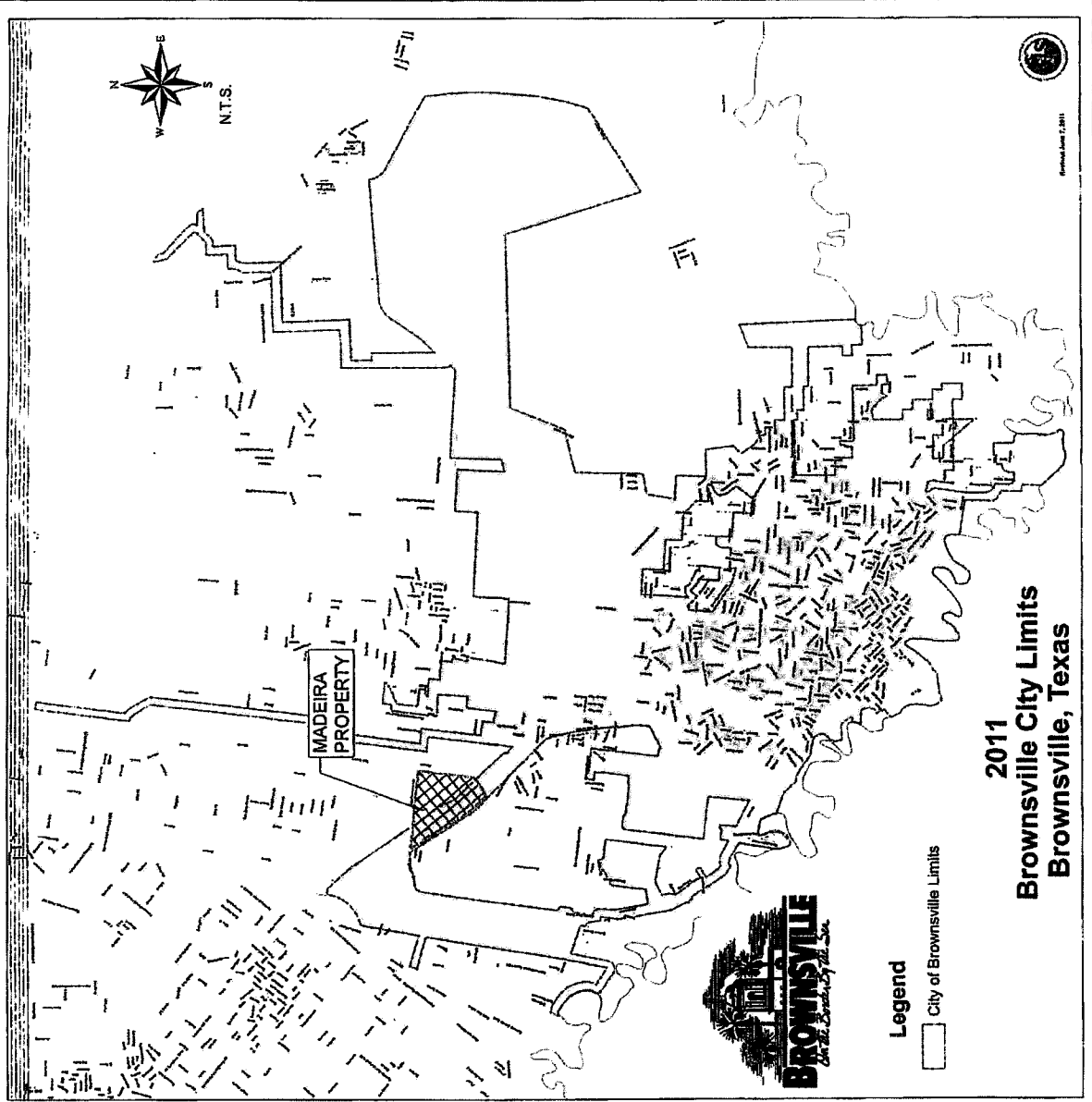
STISD is the only all-magnet public school district in Texas. In addition to Medical Academy and the middle school in Edinburg the district operates two magnet schools in Mercedes, the South Texas High School for Health Professions (Med High) and the Science Academy of South Texas (Sci Tech). The South Texas Business, Education and Technology Academy is in Edinburg.

Because it is a public school district, their students attend at no cost and bus transportation is provided free of charge. STISD schools maintain an open enrollment policy, meaning any student with the desire to learn and work hard can attend so long as he or she resides in Cameron, Hidalgo or Willacy counties, according to the district's website.

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ATTACHMENT D

BROWNSVILLE CITY LIMITS AND BROWNSVILLE TRANSPORTATION AND THOROUGHFARE PLAN WITH MADEIRA



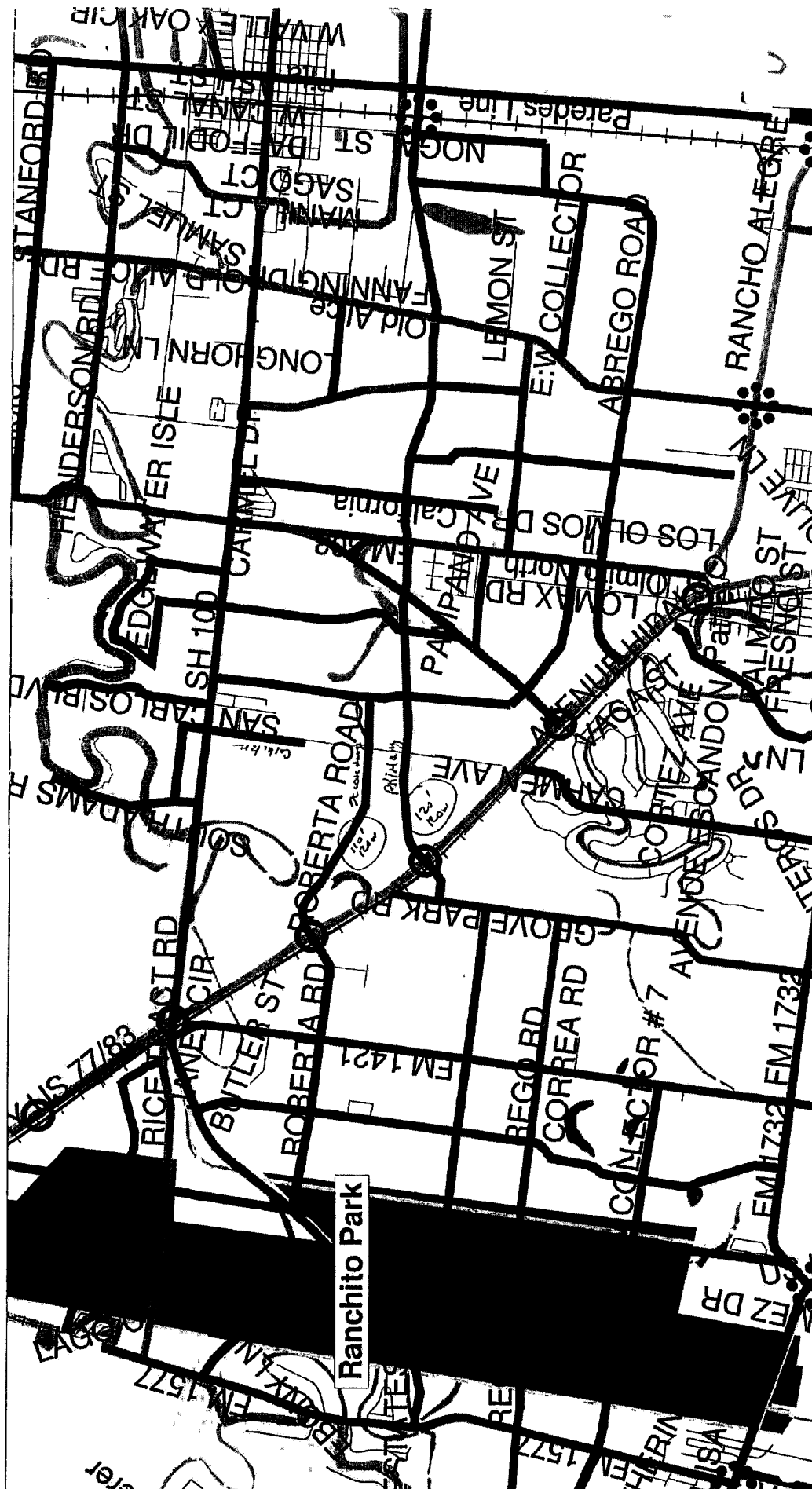
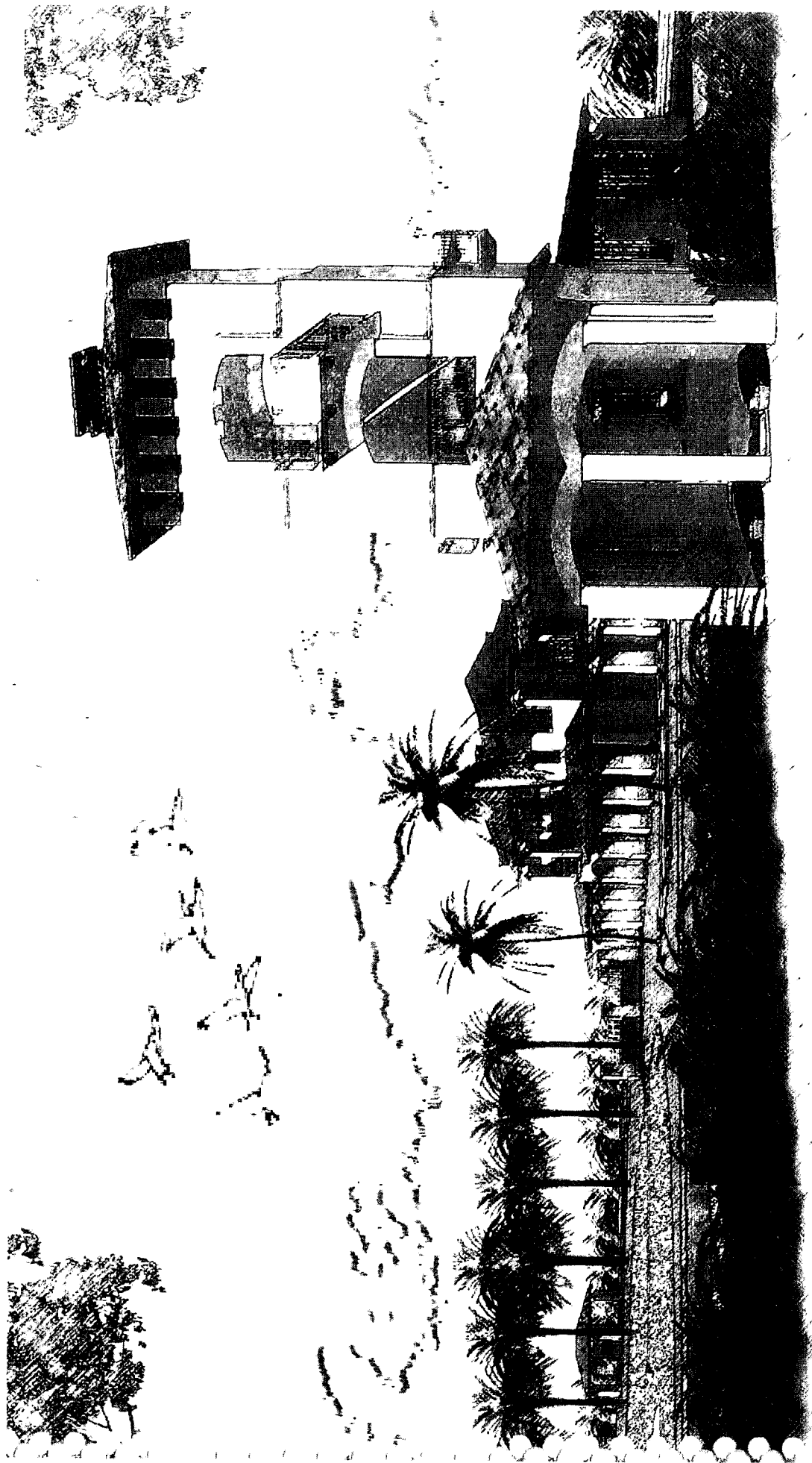


EXHIBIT
2.2.2 (D)

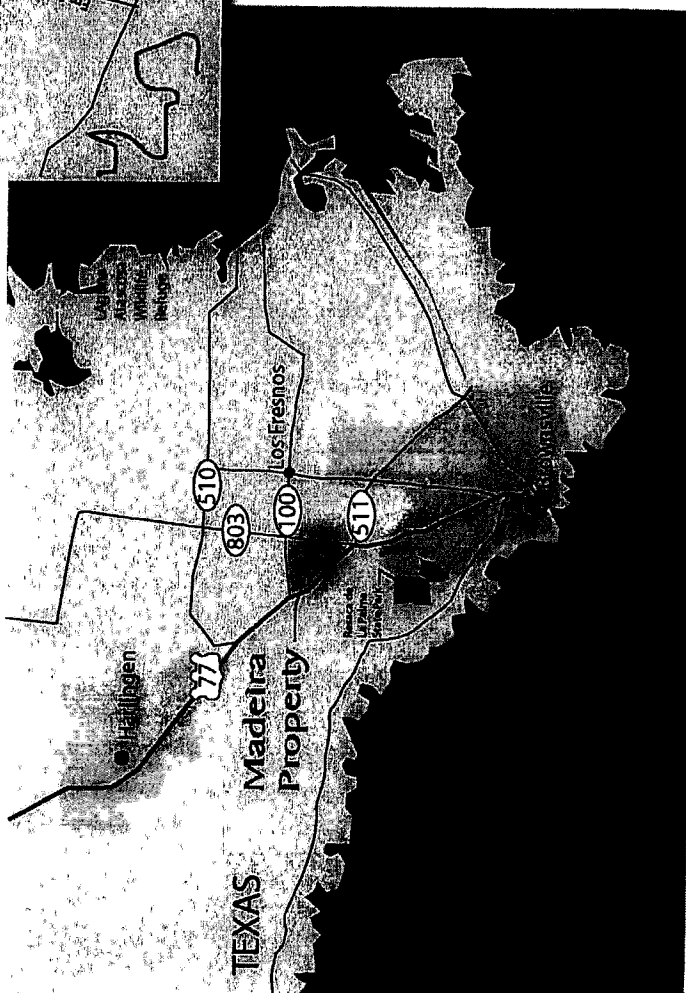
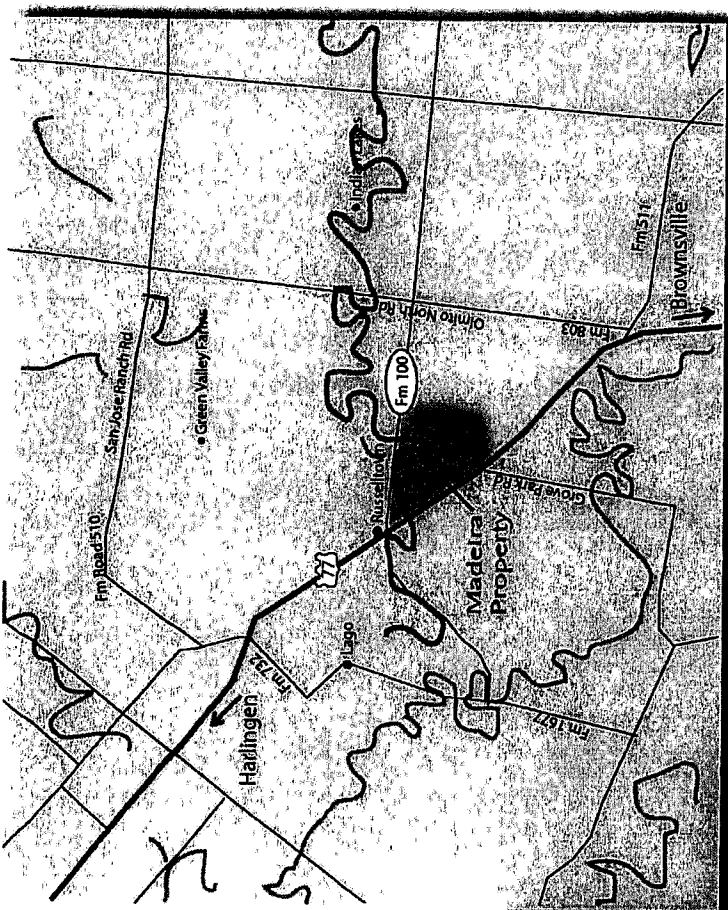
ATTACHMENT E

COPY OF MASTER PLAN FOR MADEIRA PROPERTIES AND MAP OF MADEIRA ACRES



Madeira Property

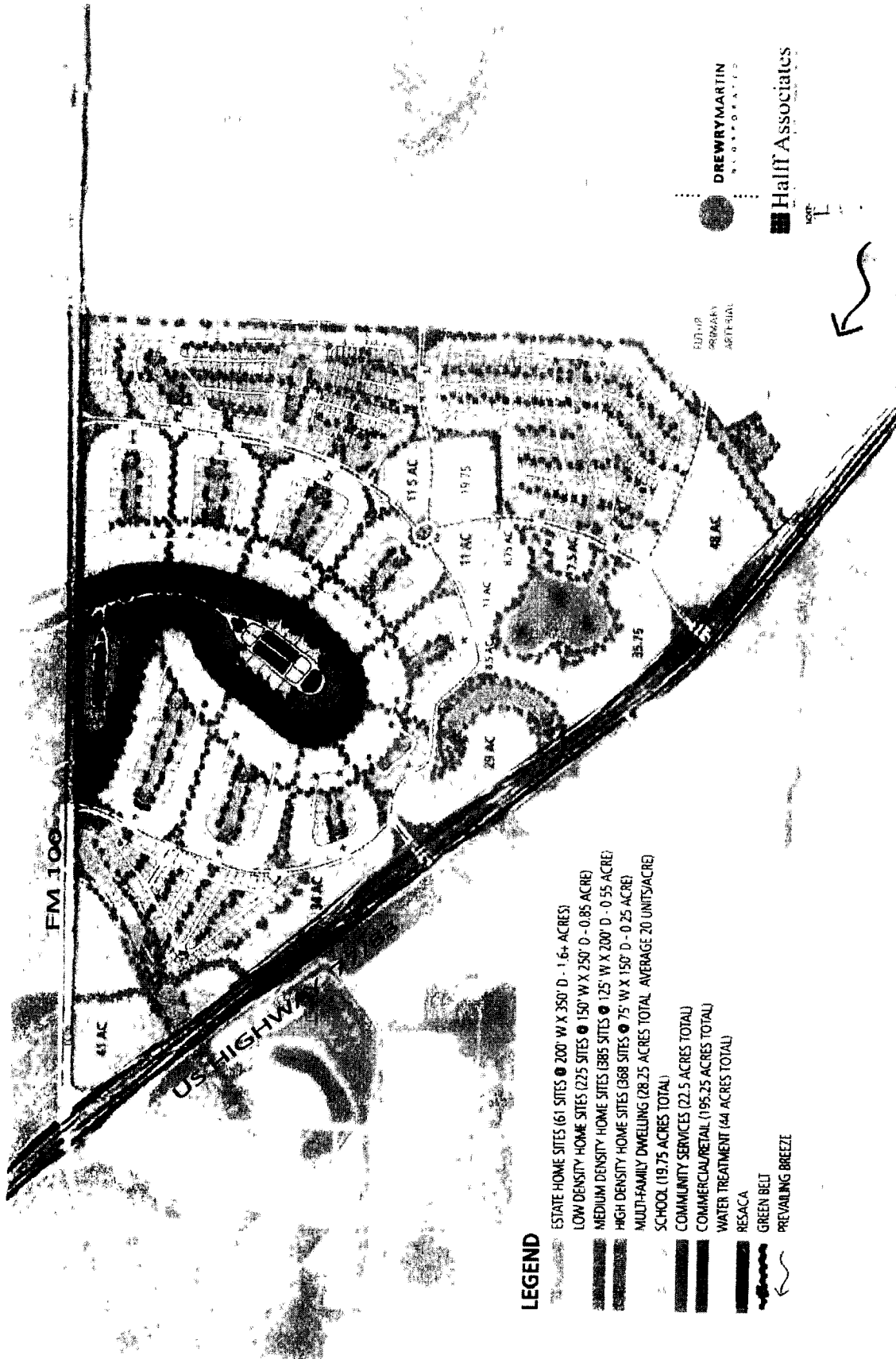
Brownsville, Texas



Location Map

Madelra
Property

DREWRYMARTIN
INCORPORATED



LEGEND

- ESTATE HOME SITES (61 SITES @ 200' W X 350' D - 1.6+ ACRES)
- LOW DENSITY HOME SITES (225 SITES @ 150' W X 250' D - 0.85 ACRE)
- MEDIUM DENSITY HOME SITES (385 SITES @ 125' W X 200' D - 0.55 ACRE)
- HIGH DENSITY HOME SITES (368 SITES @ 75' W X 150' D - 0.25 ACRE)
- MULTI-FAMILY DWELLING (28.25 ACRES TOTAL AVERAGE 20 UNITS/ACRE)
- SCHOOL (19.75 ACRES TOTAL)
- COMMUNITY SERVICES (22.5 ACRES TOTAL)
- COMMERCIAL/RETAIL (195.25 ACRES TOTAL)
- WATER TREATMENT (44 ACRES TOTAL)
- RESACA
- GREEN BELT
- PREVAILING BREEZE

DREWRY MARTIN
INCORPORATED
Halff Associates

DREWRY MARTIN
INCORPORATED

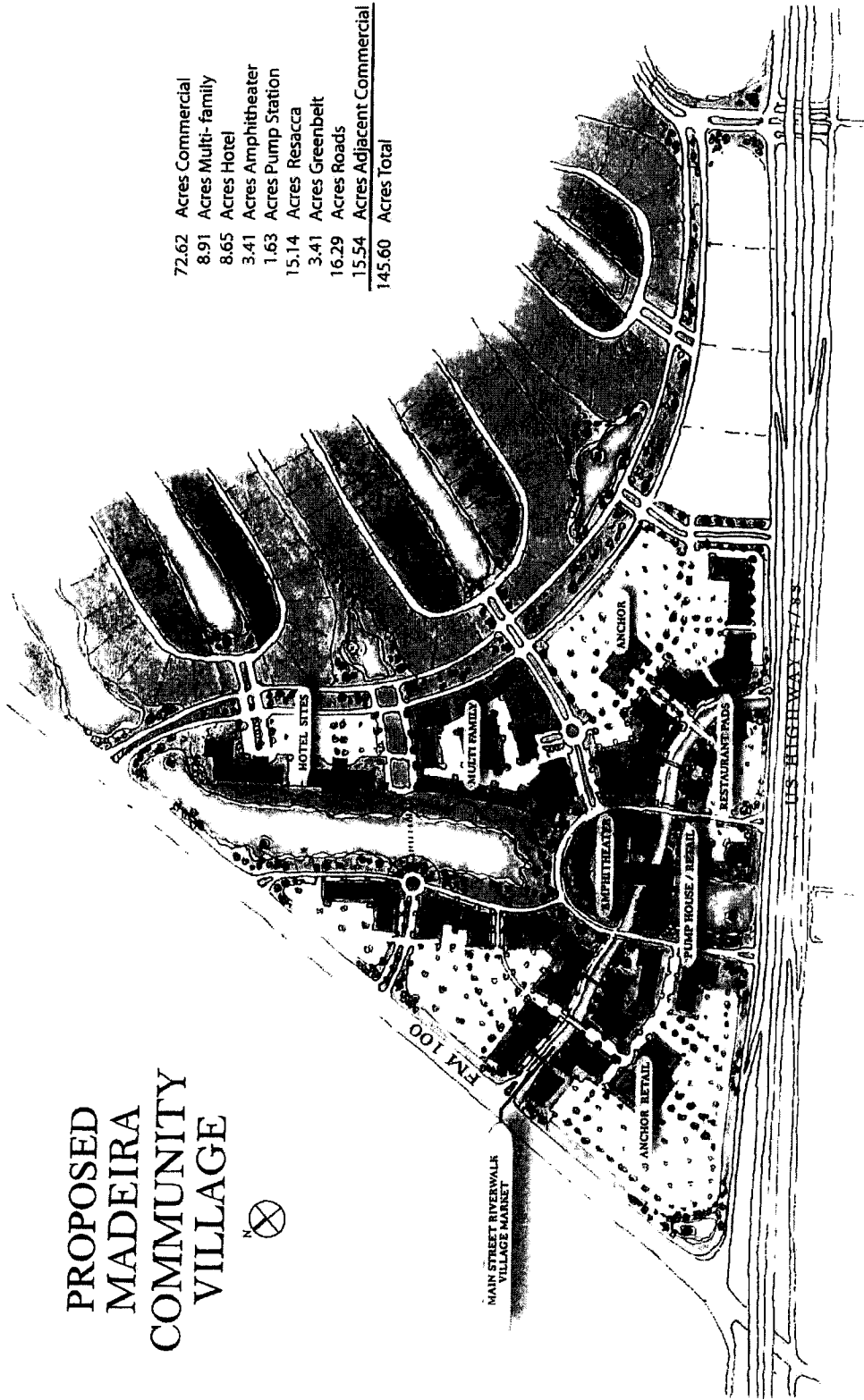
Master Plan

Madeira
Property

PROPOSED MADEIRA COMMUNITY VILLAGE



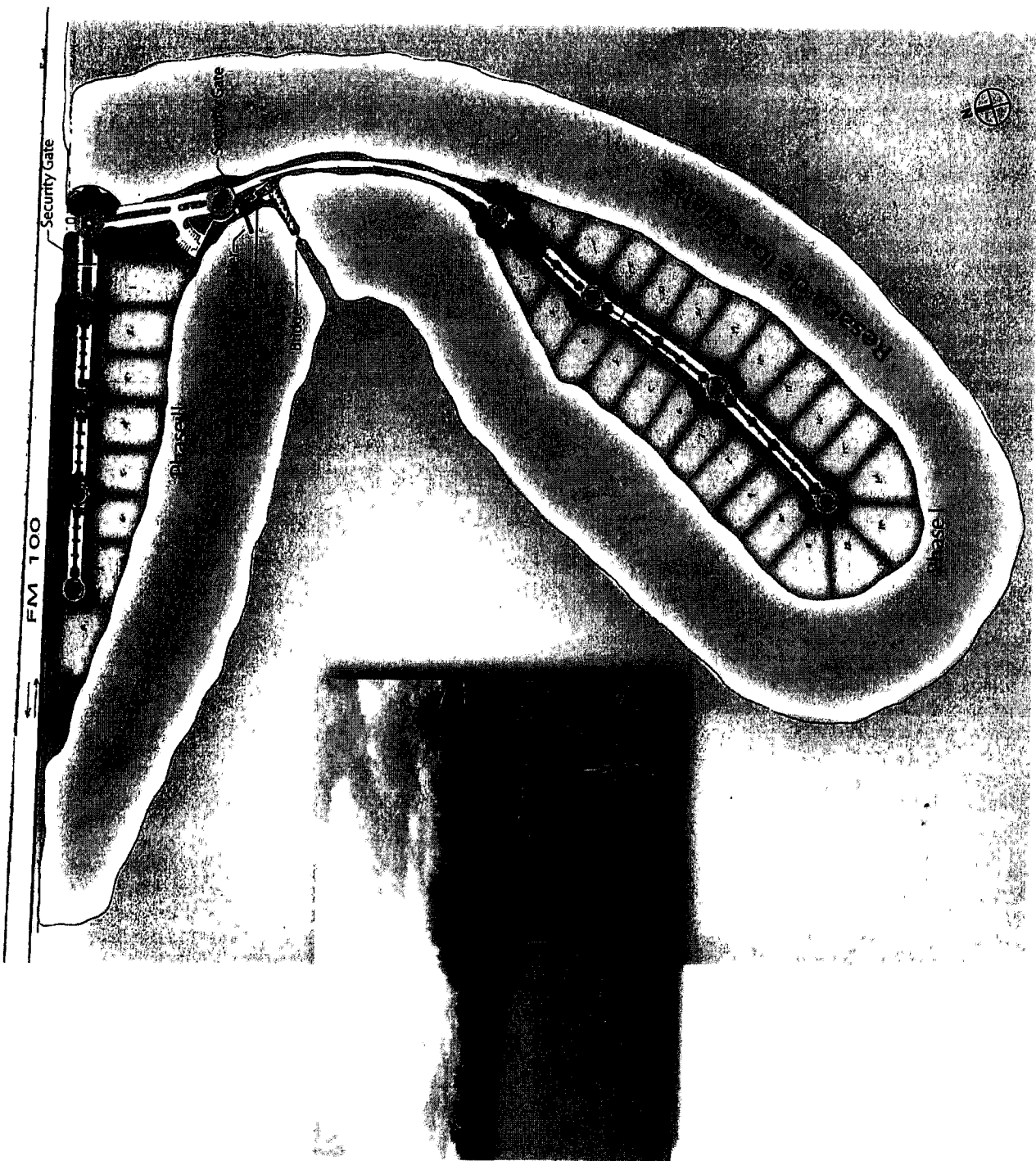
72.62	Acres Commercial
8.91	Acres Multi-family
8.65	Acres Hotel
3.41	Acres Amphitheater
1.63	Acres Pump Station
15.14	Acres Resacca
3.41	Acres Greenbelt
16.29	Acres Roads
15.54	Acres Adjacent Commercial
145.60	Acres Total



DREWRYMARTIN
P R E P A R E D

Community Village

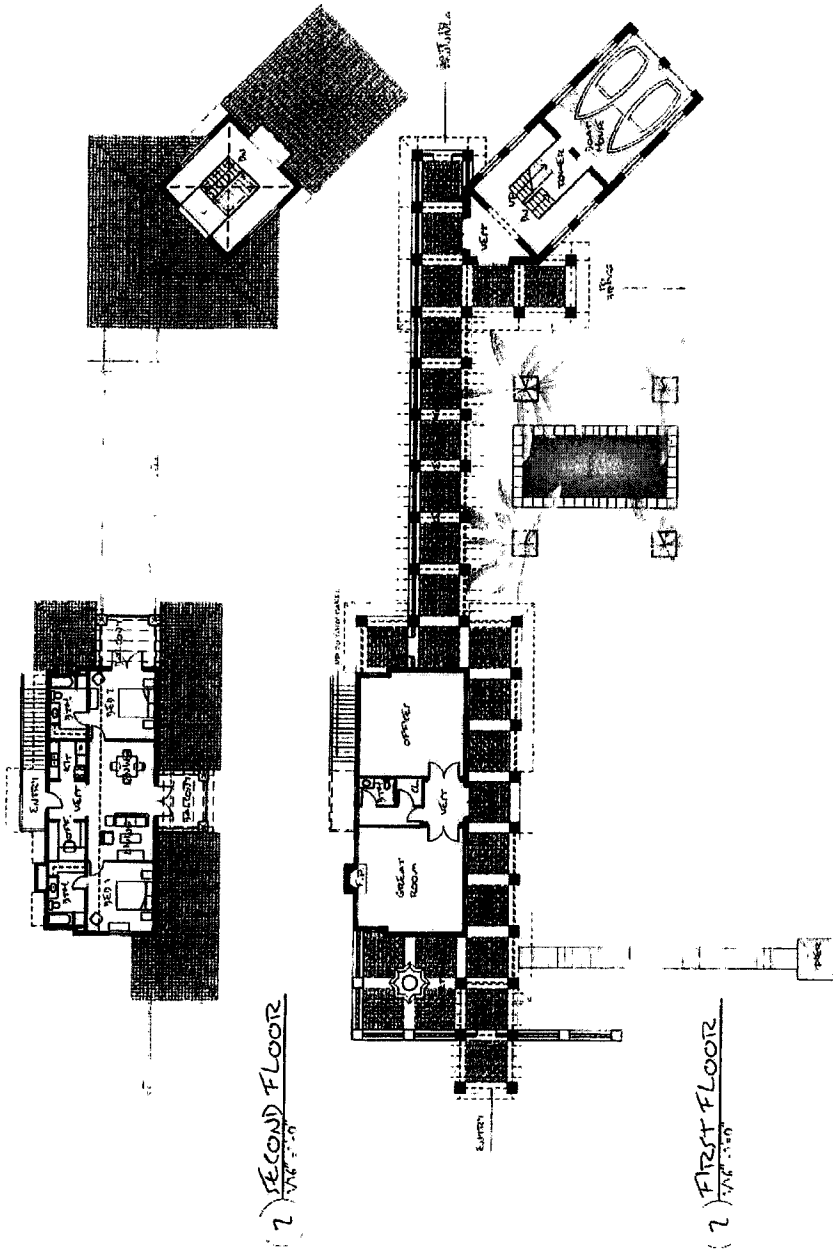
Madeira
Property



Phase I & II Site Plan

Madeira
Property

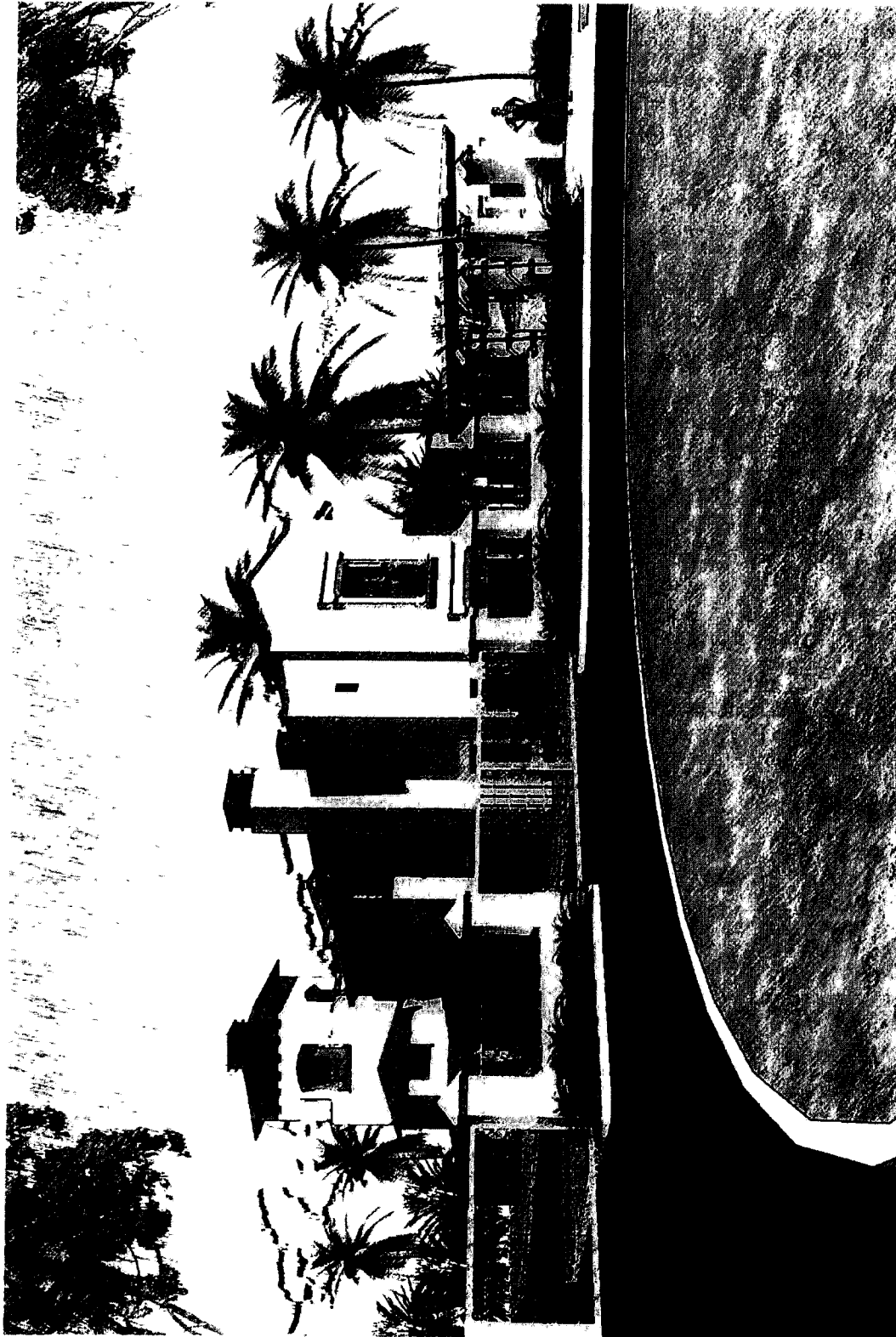
DREWRYMARTIN
WASHINGTON



Club House

Madeira
Property

DREWBYMARTIN
ARCHITECTS



Club House - Entry

Madeira
Property

DREWRYMARTIN
CORPORATION

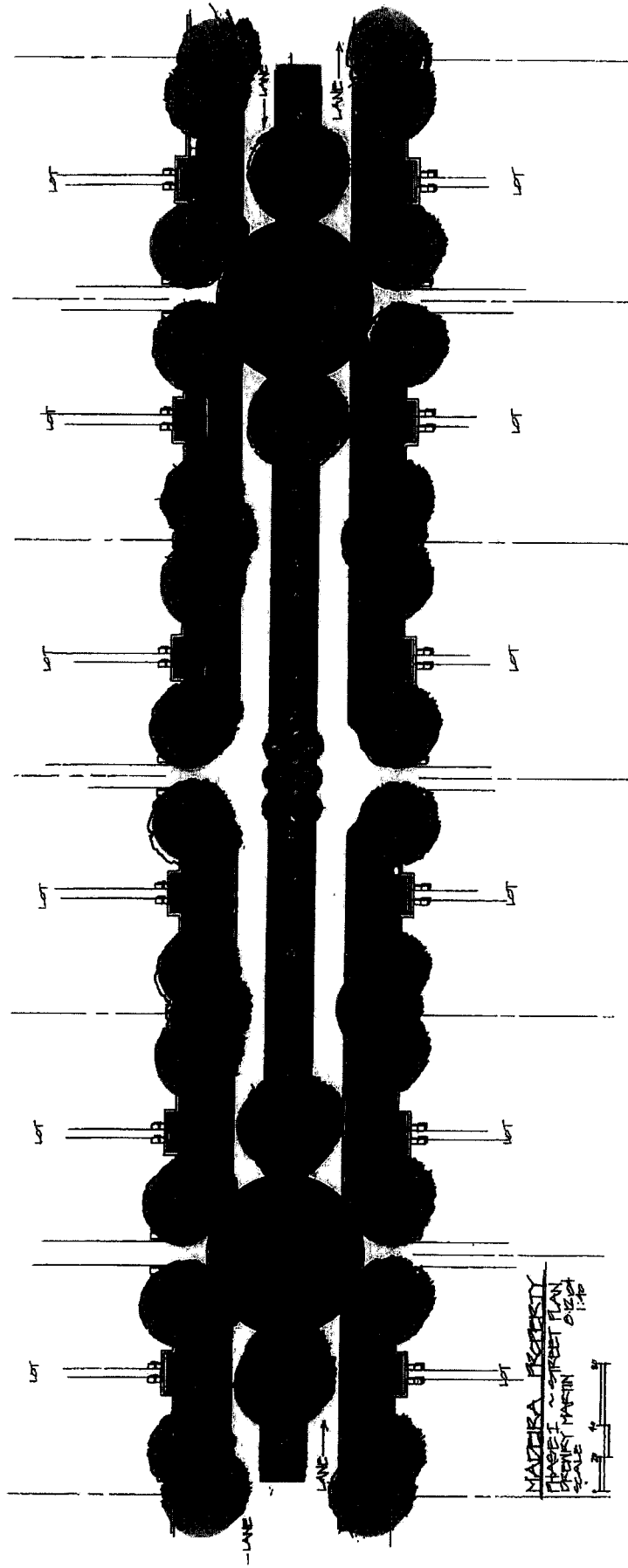




Club House - Entry

Madeira
Property

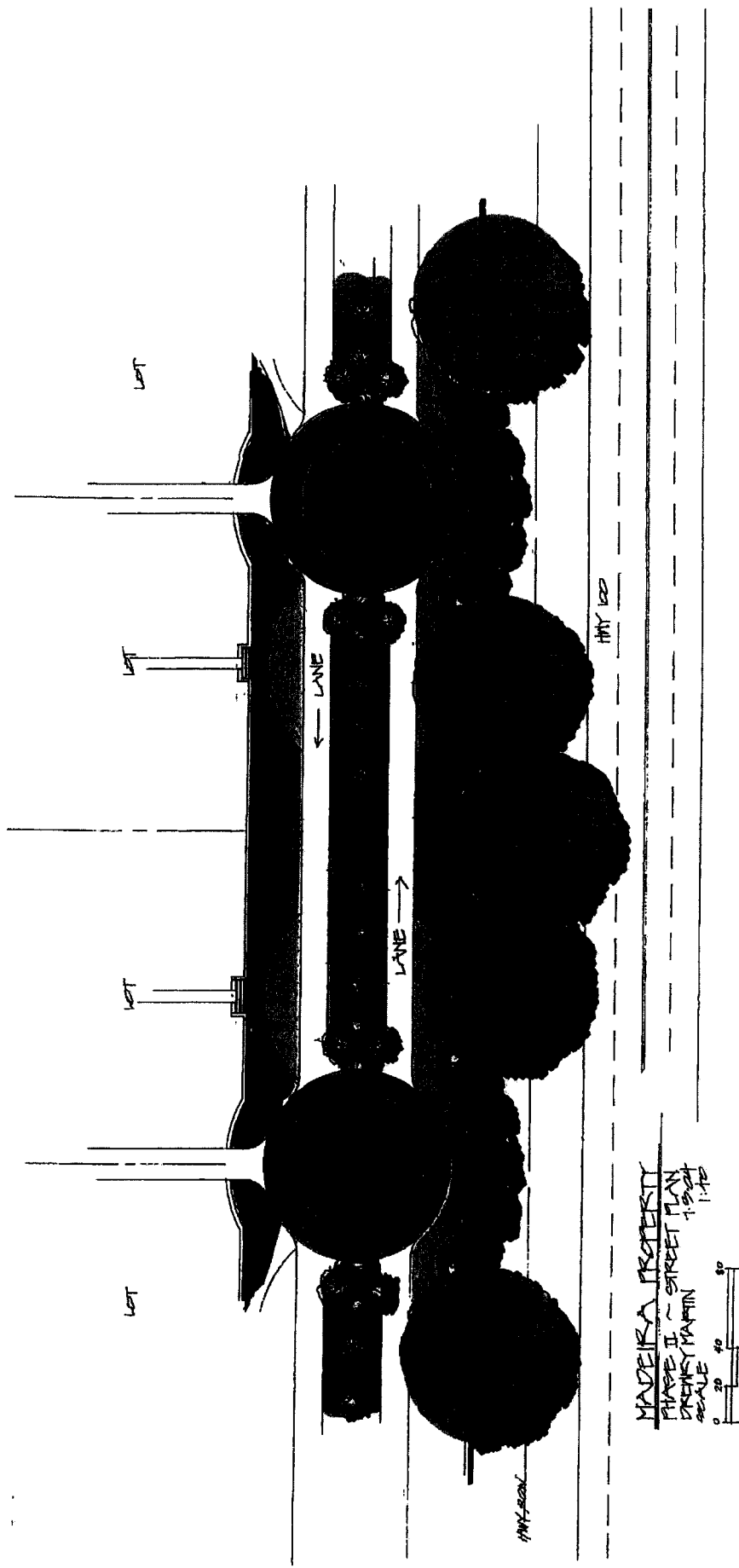
DREWRYMARTIN
ARCHITECTS



Street Plan - Phase I

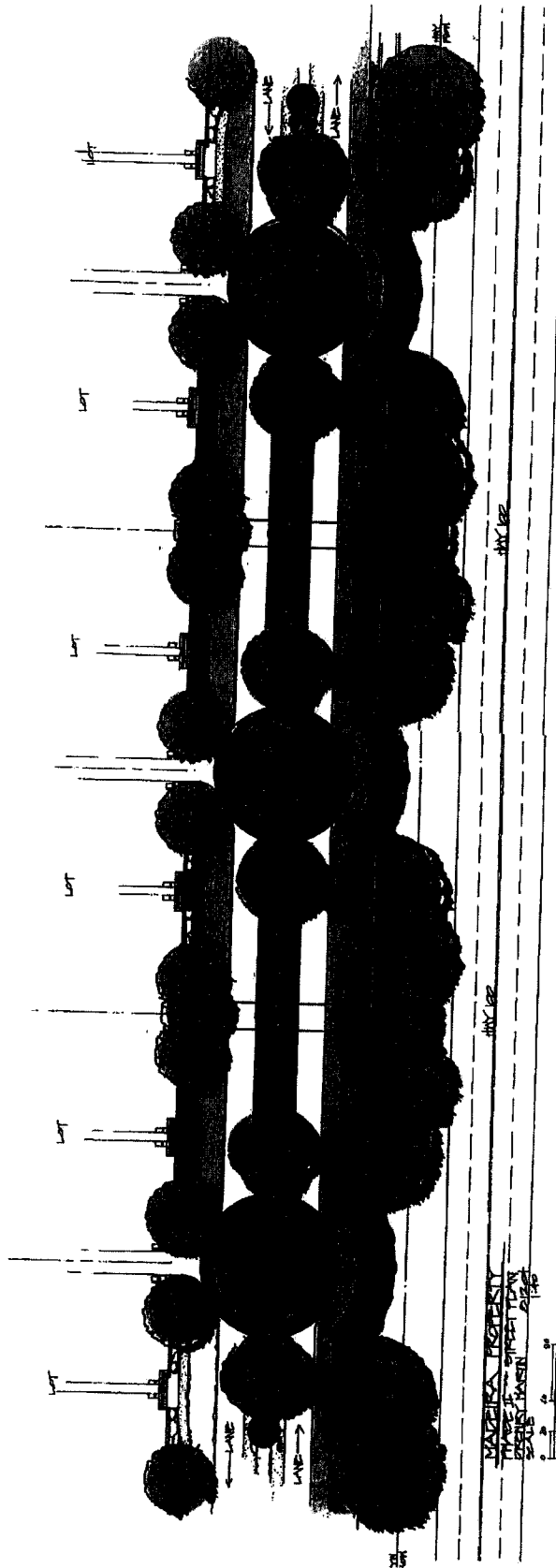
Madeira
 Property

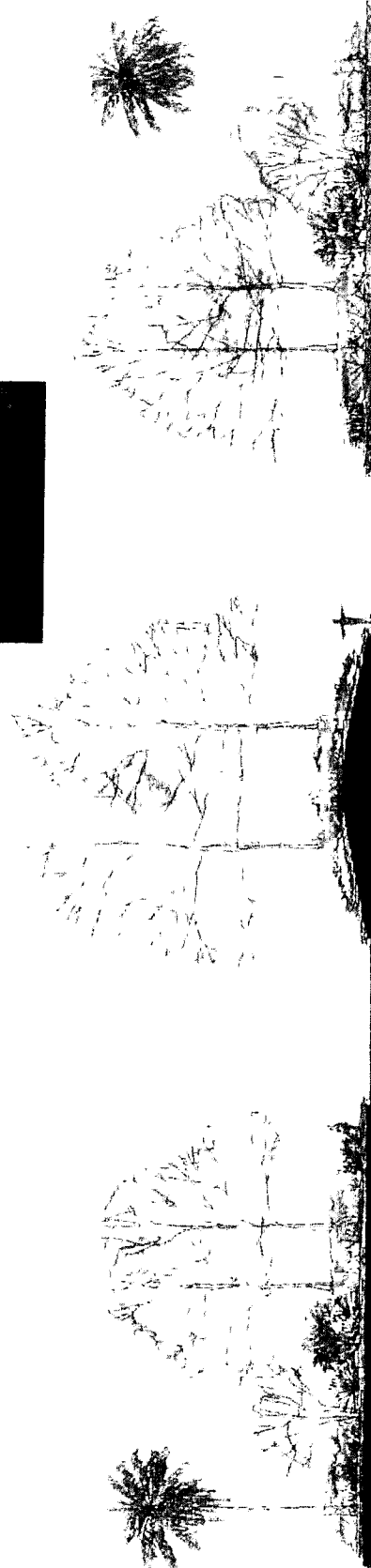
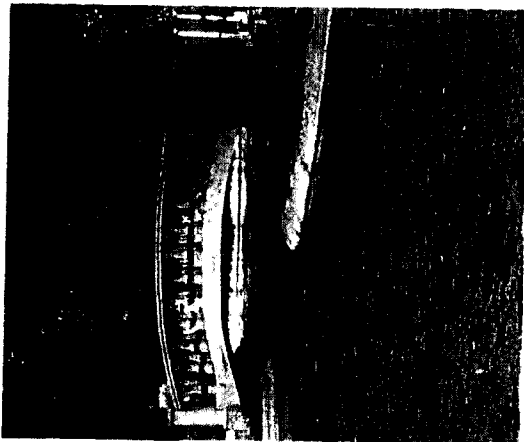
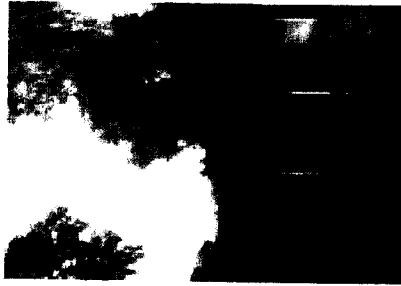
DREWRY MARTIN
 ARCHITECTS



Street Plan - Phase II
 Madeira
 Property

DREWRY MARTIN
 ARCHITECTS

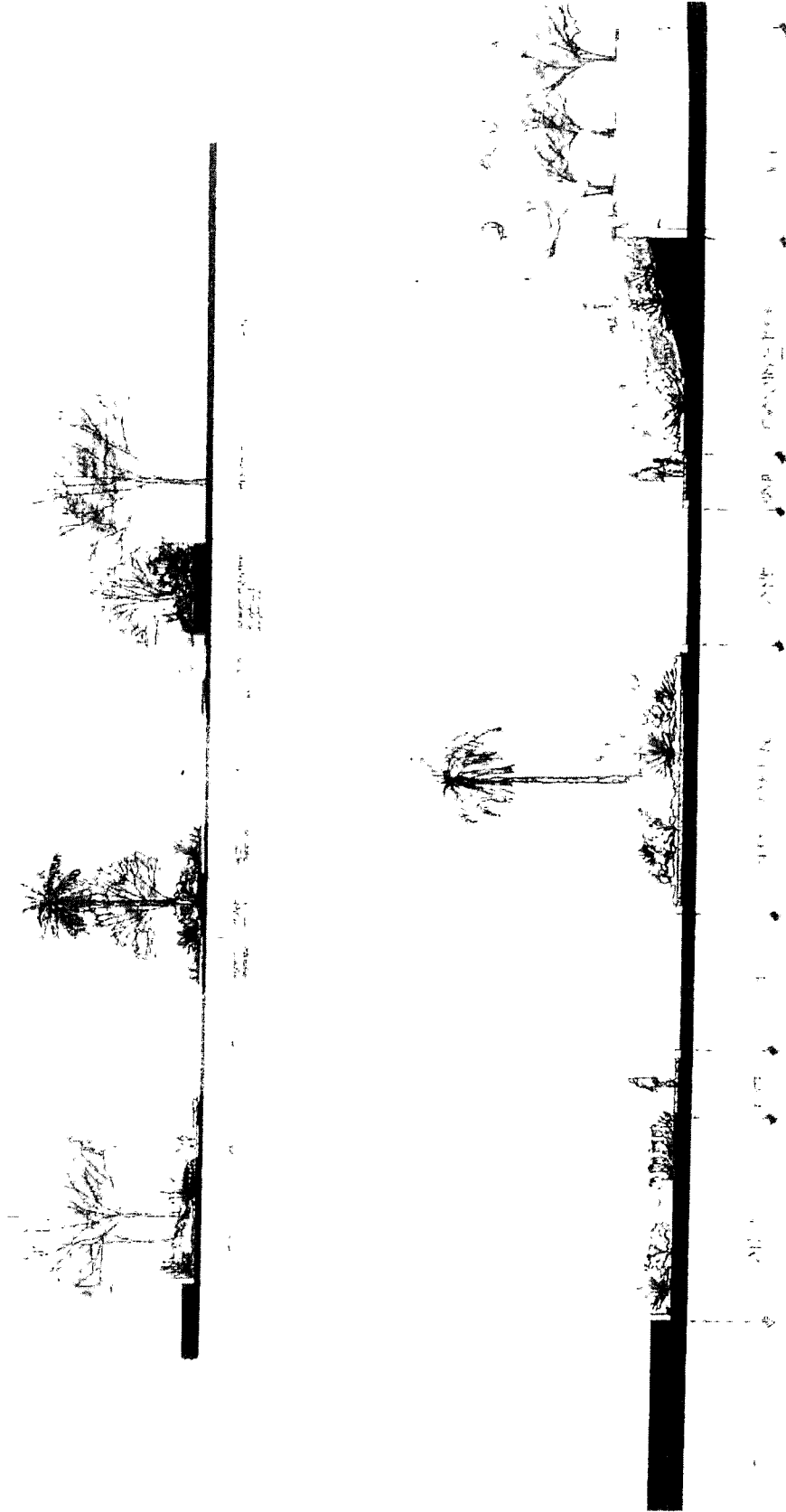




Street Sections

Madeira
Property

DREWRYMARTIN
ARCHITECTS



DREWRY MARTIN
ARCHITECTS

Street Sections

Madeira
Property

TEL: (956) 725-1297
CELL: (956) 337-8492

FAX: (956) 725-1299

Siller Property Investments
SAN ANTONIO • LAREDO • McALLEN

5219 McPHERSON, STE. 300

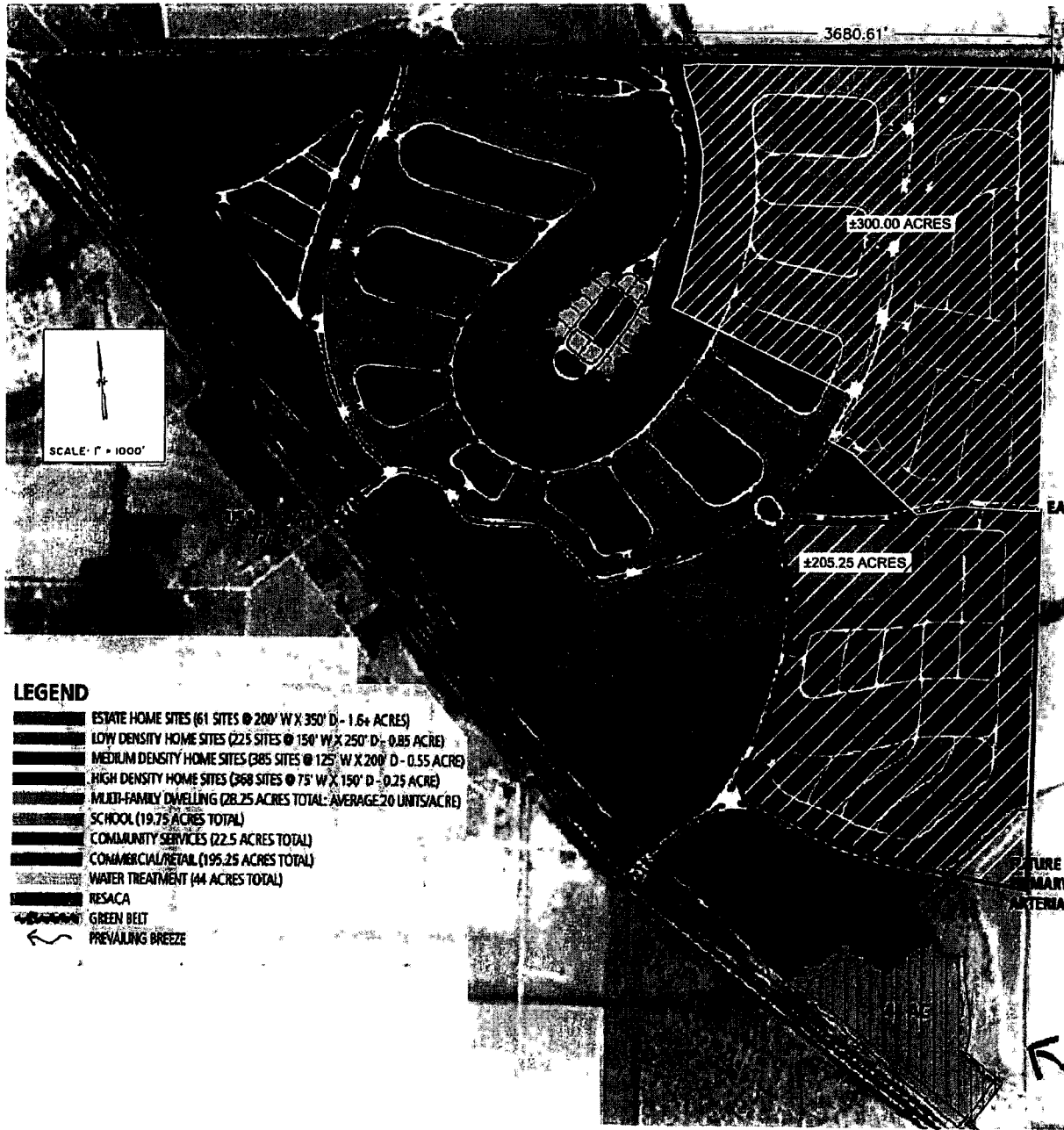
LAREDO, TEXAS 78041

.....
DREWRYMARTIN
INCORPORATED
.....

ARCHITECTURE ■ PLANNING ■ INTERIORS

3707 North Saint Mary's, Suite 200 San Antonio, Texas 210.7318.3200 www.drewrymartin.com

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MADEIRA
±300 ACRES
AUGUST 10, 2012

F:\025-006 Madeira\Draw\025-006.dwg

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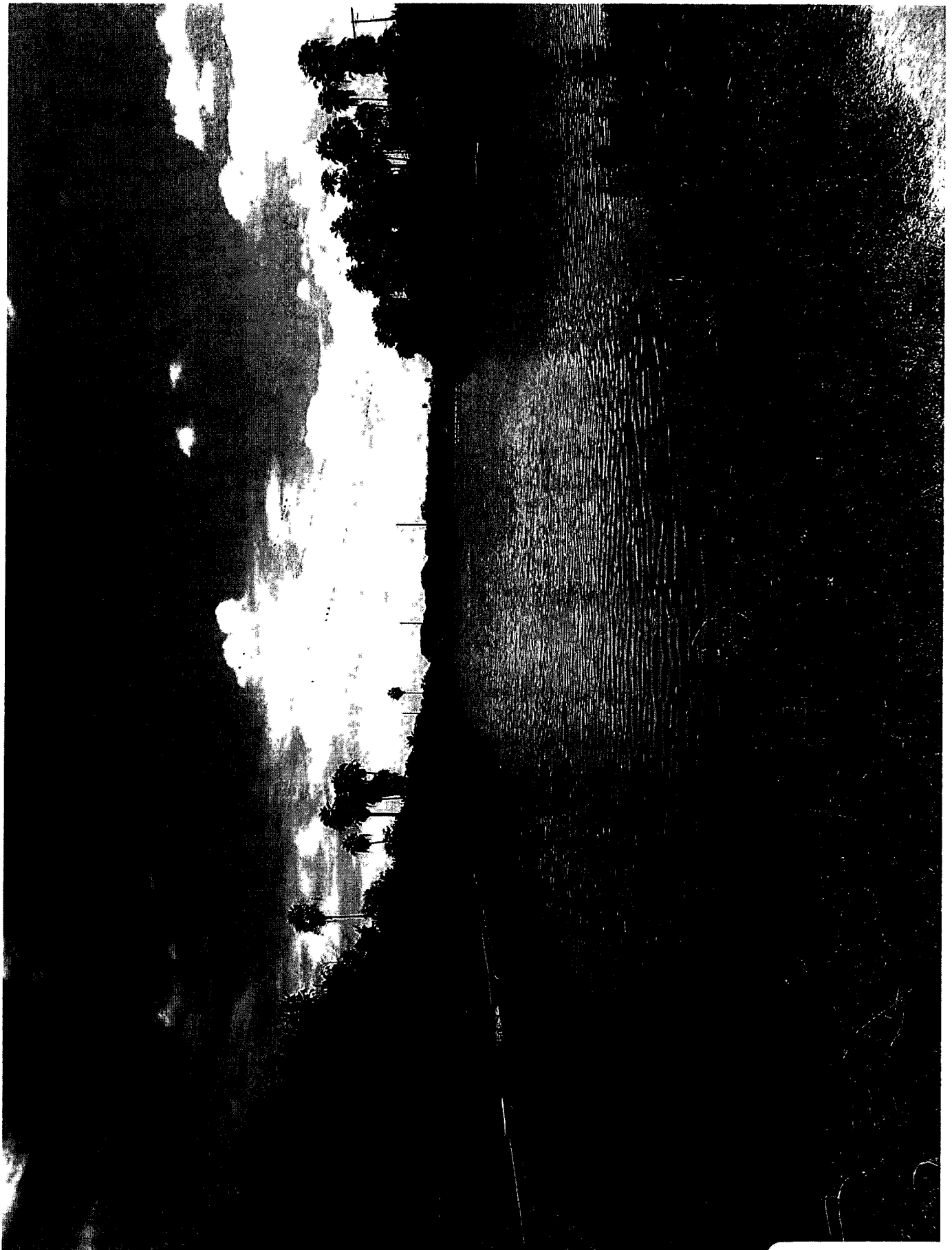


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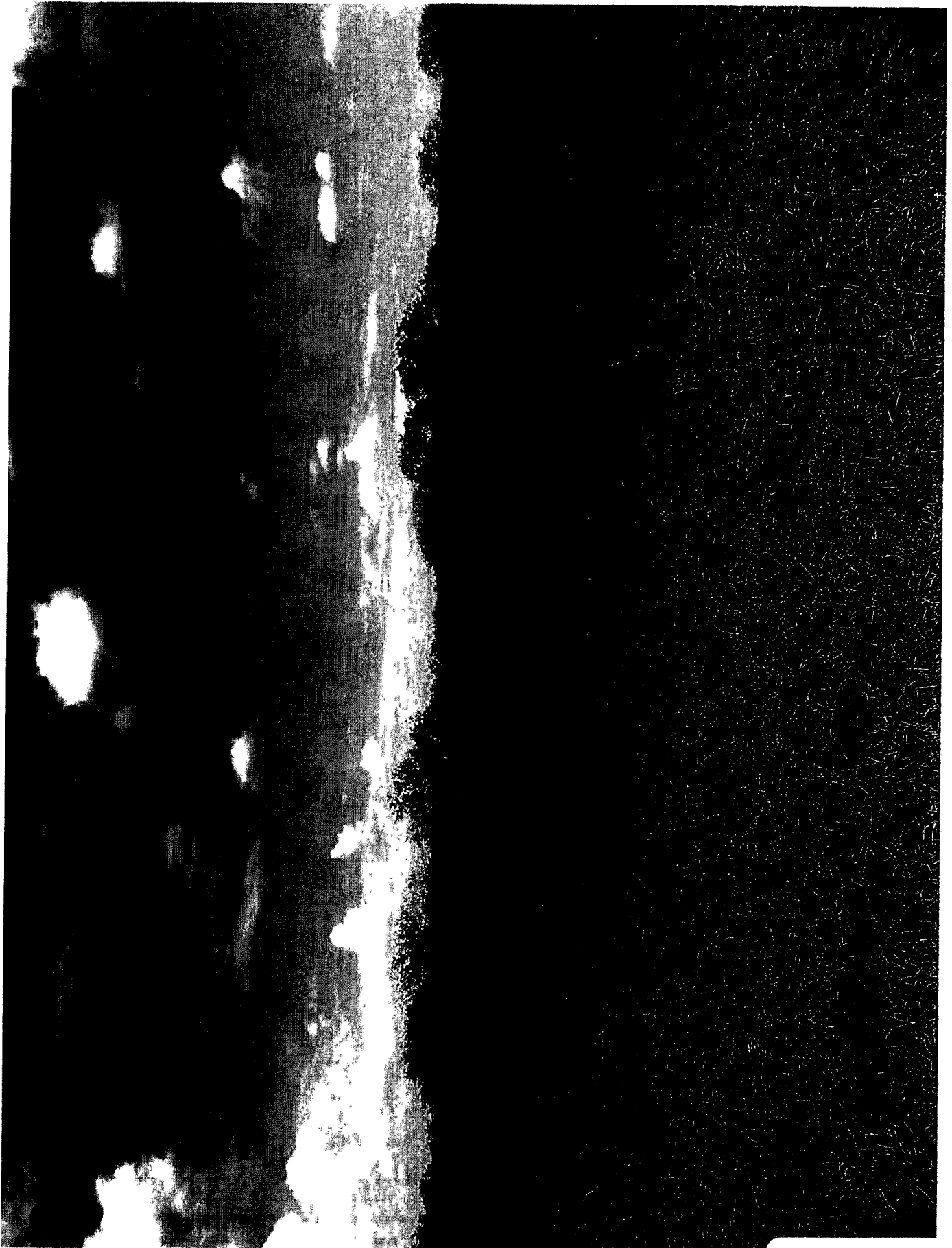
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- RESACA
- GREEN BELT
- PREVAILING BREEZE

ATTACHMENT F

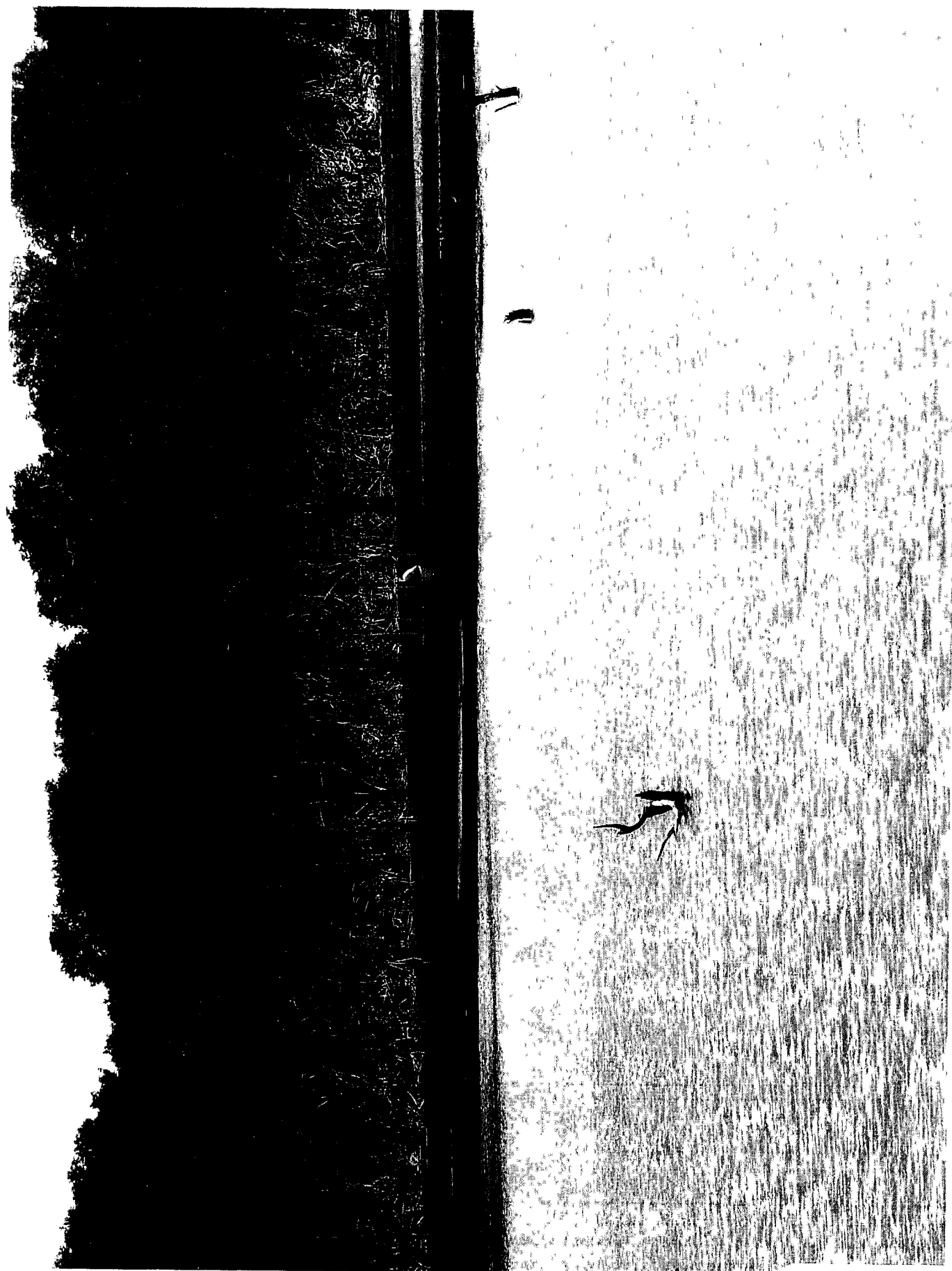
FULL SIZE COPIES OF TESTIMONY PHOTOGRAPHS



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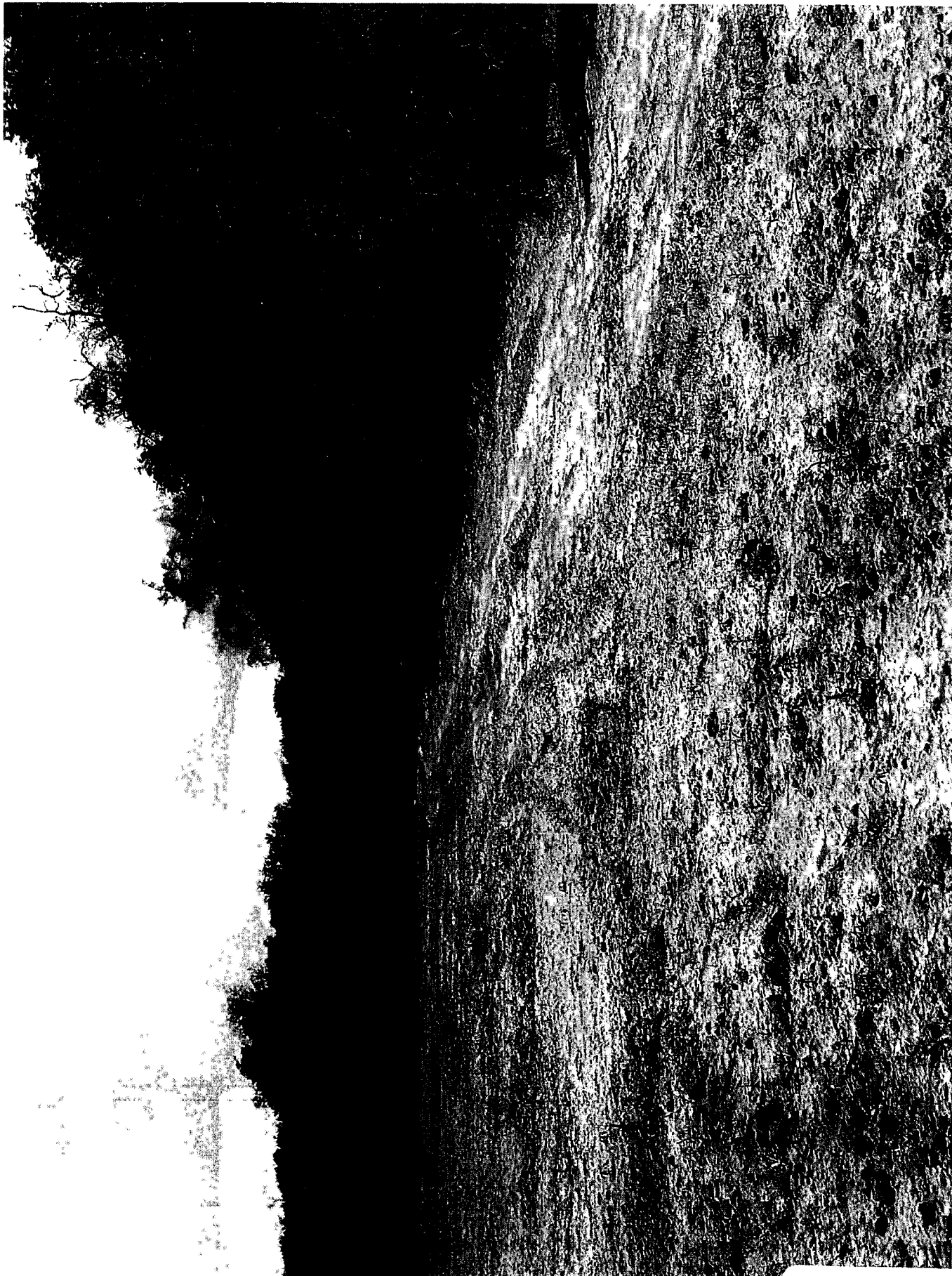


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