



Administrative Report

H.10., File # 23-7251

Meeting Date: 12/5/2023

To: MAYOR AND CITY COUNCIL

From: CAMERON HARDING, COMMUNITY SERVICES DIRECTOR

TITLE

APPROVE THE THIRD AMENDMENT TO THE EASEMENT WITH SOUTHERN CALIFORNIA GAS COMPANY FOR USE OF A PORTION OF DOMINGUEZ PARK TO PROVIDE FOR FEDERALLY MANDATED PIPELINE INTEGRITY TESTING THROUGH THE COMPANY'S EXISTING PIPELINE MAINTENANCE FACILITY FOR AN INITIAL FEE PAID TO THE CITY OF \$156,324 FOR THE TERM JANUARY 2, 2024 TO JULY 31, 2024 AND AN OPTION TO EXTEND THE EASEMENT MONTHLY FOR A MAXIMUM OF FOUR MONTHS FOR AN ADDITIONAL FEE OF \$44,664 PER MONTH FOR THE FIRST TWO EXTENSIONS AND \$66,996 PER MONTH FOR THE FINAL TWO EXTENSIONS

APPROVE THE ACKNOWLEDGEMENT LETTER TO SCE CONFIRMING THE CITY'S SUPPORT OF SCG'S USE OF A PORTION OF THE DOG PARK AT DOMINGUEZ PARK, OWNED BY SOUTHERN CALIFORNIA EDISON (SCE) AND LICENSED TO THE CITY THROUGH AGREEMENT, FOR SCG'S FEDERALLY MANDATED PIPELINE INTEGRITY TESTING

EXECUTIVE SUMMARY

Southern California Gas Company (SCG) holds a 99-year easement that allows SCG to construct and operate a gas pipeline maintenance facility (Facility) at the Dominguez Park Dog Park. The Facility provides an ideal space for SCG to conduct its federally mandated pipeline inspections without impacting the flow of traffic along 190th Street, which was the previous practice. The City Council approved the most recent amendment to the easement on August 15, 2023, which provided SCG exclusive, temporary use of a large section of Dominguez Park Dog Park to conduct inspections of its underground pipelines while utilizing the Facility. SCG's maintenance efforts were expected to begin shortly after amendment approval in August, however, SCG experienced internal scheduling and project implementation issues which resulted in project delay.

The terms of the proposed third amendment mirror those approved in August regarding the per month and per square foot fee charged by the City for temporary utilization of park property. The purpose of the amendment is to adjust the project commencement and termination dates to January 2, 2024 and July 31, 2024 respectively. The new project schedule reflects a two-month reduction in term, compared to the previously approved amendment, resulting in a smaller one-time payment which, as stated, is calculated on a monthly and total square footage of use basis. If necessary, the amendment allows the term to be extended, at an increasing cost, for a maximum of four months, through December 1, 2024. Per the Agreement, a one-time payment of \$156,324 would be made to the City for the initial easement period. If the month-to-month extension is exercised, SCG would pay the City a monthly fee of \$44,664 from August 1, 2024 to October 1, 2024, and a monthly fee of

\$66,996 from October 2, 2024 to December 1, 2024.

Additionally, Southern California Edison (SCE) has requested the City's acknowledgement and support of SCG's temporary use of the SCE-owned property that is currently licensed to the City for park and recreation purposes.

BACKGROUND

On August 14, 2018, the City Council approved a 99-year easement to SCG allowing SCG to construct and operate a Facility at the Dominguez Park Dog Park. A first amendment was approved on June 9, 2020, which extended the term of SCG's temporary easement related to the construction of the Facility to December 31, 2020. A second amendment was approved on December 14, 2020, further extending the temporary easement to May 31, 2021, at which time construction of the Facility was completed.

The Facility is located in the northeast corner of the Dominguez Park Dog Park. The Facility and enclosures encompass approximately 5,279 square feet, have been properly maintained, and has functioned within the park without any concern. The Facility's location is critical, as it allows SCG to conduct federally mandated inspection of its underground pipelines from within the park. The inspection is required on, at least, a seven-year cycle and was previously carried-out from 190th Street, which resulted in significant impacts to the community on a major arterial road. The transition to utilize the Facility located in the park eliminated the need for road closures.

On August 15, 2023, the City Council approved the initial third amendment to the easement, which provided SCG exclusive, temporary use of a portion of the Dominguez Park Dog Park to conduct its pipeline inspections. The term of the inspections was from August 16, 2023 to May 15, 2024, with an opportunity to be extended monthly for a maximum of six additional months. The amendment included a one-time payment to the City as well as a designated monthly fee for the month-to-month extensions, which escalated following the initial three-month extension. Following approval of the amendment by the City Council, staff was notified by SCG that it was unable to implement the project within the terms outlined in the amendment and requested new term dates to be considered by the City in an updated third amendment, which includes the following terms:

- Commencement on January 2, 2024 and expiration on July 31, 2024. If necessary, the term could be extended monthly for a maximum of four months, through December 1, 2024
- A one-time payment to the City of \$156,324. If month-to-month extensions are exercised, SCG will pay the City a monthly fee of \$44,664 from August 1, 2024 to October 1, 2024; and a monthly fee of \$66,996 from October 2, 2024 to December 1, 2024
- Site preparation, provided by SCG, would remain the same as previously approved and would include:
 - Installation of secured construction fencing to block unauthorized access to project areas, as noted in Attachment 7
 - Installation of two (2) informational signs on the temporary construction fencing to include detailed project information, SCG's contact information, and a webpage containing comprehensive information regarding the project
 - Installation of two (2) 20' swing gates on the existing dog park fence to allow SCG's access into the restricted area
 - Installation of a dual-entry gate into the Dog Training Area

- Provide public notification to all affected properties within a 500-foot radius of the project location at least 14-days prior to commencement of the project
- Provide project information to area emergency personnel including the Redondo Beach Police and Fire Departments

The terms reflected in the updated third amendment are consistent with the direction provided by the City Council in August 2023. However, the one-time fee amount is reduced as a result of the truncated project schedule now expected by SCG. Initially, the project was estimated to last nine months without any month-to-month extensions. The proposed amendment includes a seven-month project timeline with up to four individual month extensions possible. SCG has agreed to return the site to its current condition, with slight modifications, upon completion of the project. The dual-entry gate into the Dog Training Area and the two swing gates on the existing dog park fence will remain in place following completion of the project. These site amendments will provide benefit to the City for regular maintenance activities.

SCE has requested the City's acknowledgement and support of SCG's temporary use of the area adjacent to SCG's maintenance facility, which falls within the area subject to the City's license agreement with SCE. Staff requests the City Council approve and submit the acknowledgement letter so that the project may commence as proposed in the updated third amendment.

COORDINATION

Community Services personnel coordinated this report with the Public Works Department. The City Attorney's Office prepared the easement amendment. Stakeholders of the dog park have been informed of the project and have not expressed concern with the temporary impacts to the area.

FISCAL IMPACT

The City will incur no expenses as a result of the SCG project. SCG will pay the City a guaranteed one-time fee of \$156,324 for the easement amendment. In addition, if month-to-month extensions are exercised, SCG will pay the City a monthly fee of \$44,664 for the period August 1, 2024 to October 1, 2024, and a monthly fee of \$66,996 for the period of October 2, 2024 to December 1, 2024.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Proposed Third Amendment of SCG Easement
- Agmt - Initial Third Amendment of SCG Easement, August 15, 2023 (never executed)
- Agmt - Second Amendment of SCG Easement, December 14, 2020
- Agmt - First Amendment of SCG Easement, June 9, 2020
- Agmt - SCG Easement, August 14, 2018
- Insurance - SCG
- Project Site Plan
- SCE Acknowledgement Letter