



Legislation Text

File #: 18-0715, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all necessary documents to enter into a Right-of-Entry and Maintenance Agreement with Signal Hill Petroleum, Inc., a California private energy company, for the installation and maintenance of landscape improvements at Willow Springs Park. (District 7)

Signal Hill Petroleum, Inc. (SHP), is a privately-owned, California-based energy company specializing in the responsible and sustainable exploration, development, and production of oil and natural gas in urban areas. Additionally, it also operates as a real estate developer and has purchased 2851 Orange Avenue, the former Amerigas property adjacent to Willow Springs Park (Park) (Attachment 1), where it plans to construct three large industrial buildings and associated parking. As a part of this development, SHP will need to build retaining walls that will impact the Park.

SHP has approached the Department of Parks, Recreation and Marine (PRM) proposing to grade the adjacent Park area and then install landscape (the Project) that improves this area to offer additional developed park area and to screen the retaining walls to deter graffiti and vandalism. PRM staff reviewed SHP's proposal and discussed acceptable terms. PRM and SHP have come to an agreement to allow SHP to construct the Project on park property.

The Project is proposed to consist of native, drought-tolerant plants and trees, water-efficient irrigation, mulch, decomposed granite and dirt trails, and park signage in approximately 98,000 square feet in the northeast corner of the Park (Attachment 2). PRM has agreed to allow SHP to use mulch from the City's free mulch program, and is recommending SHP evaluate whether to use a dirt stockpile from another part of the Park to supplement fill needed for this Project.

The Parks and Recreation Commission approved this recreational use within the Park on June 21, 2018, and recommended the City Council authorize the City Manager to grant permission for Right-of-Entry and any necessary documents to SHP for the installation and ongoing maintenance of the Project. If approved, the proposed agreement would include the following terms:

- Term: Two years, July 1, 2018 through June 30, 2020, with one, two-year renewal option, at the discretion of the City Manager or designee. Either party may terminate the agreement with 60 days written notice.
- Location: Approximately 98,000 square feet at the northeast corner of Willow Springs Park.
- No Claim to Fee Credits: SHP acknowledges and agrees that the Project

shall not be eligible for any free credits, waivers, or offsets from the City of any kind.

- Project Elements: Site grading and installation of native, drought-tolerant plants and trees and mulch; water-efficient irrigation, decomposed granite, and dirt trails; and, park signage consistent with City standards. The Project is valued at approximately \$175,000.
- SHP Maintenance: Given PRM's stretched resources, SHP has agreed to provide water and maintenance for this landscaped area for a period of five years, with PRM assuming maintenance and water operations back at the conclusion of this period.
- Security Bond: SHP shall provide a security bond equal to the projected cost of the Project.
- Insurance: SHP will maintain all applicable insurance and endorsements, as required and approved by the City's Risk Manager.

This matter was reviewed by Deputy City Attorney Linda T. Vu on August 3, 2018 and by Revenue Management Officer Geraldine Alejo on July 16, 2018.

City Council action is requested on August 21, 2018, to allow SHP to perform due diligence and initial site work on the Park property. The Project is being coordinated with the private development entitlements on SHP's private property through the Development Services Department.

There is no immediate fiscal impact from the recommended action, as SHP will be constructing the Project at no cost to the City. Agreement terms include a provision requiring SHP to provide maintenance and water for five years at their expense. Following this period, the Department of Parks, Recreation and Marine will be responsible for the cost of irrigation and maintenance for this developed section of the Park. Any additional appropriation for these expenses will be requested at that time during the regular budget approval process. There is no local job impact associated with this recommendation.

Approve recommendation.

GERARDO MOUET
DIRECTOR OF PARKS, RECREATION AND MARINE

APPROVED:

PATRICK H. WEST
CITY MANAGER