



AGENDA MEMORANDUM

First Reading for the City Council Meeting of April 23, 2019
Second Reading for the City Council Meeting of April 30, 2019

DATE: April 10, 2019

TO: Keith Selman, Interim City Manager

THRU: Mark Van Vleck, P.E., Assistant City Manager
MarkVV@cctexas.com
(361) 826-3082

FROM: Valerie H. Gray, P.E., Executive Director of Public Works
ValerieG@cctexas.com
(361) 826-3729

J.H. Edmonds, P.E., Director of Engineering Services
JeffreyE@cctexas.com
(361) 826-3851

Granting a Revocable Pipeline Easement to Epic Crude Pipeline, LP
--

CAPTION:

Ordinance accepting and appropriating \$41,029 of revenue from Epic Crude Pipeline, LP; authorizing the City Manager or designee to execute a Revocable Easement to Epic Crude Pipeline, LP to permit one 30-inch pipeline for transportation of crude oil across City owned property known as Mobile Estates Park, operated by the City Park & Recreation Department; appropriating the compensation received into its Community Enrichment Fund No. 4720.

PURPOSE:

This ordinance conveys a Revocable Easement to Epic Crude Pipeline, LP to allow construction, operation, maintenance, repair and removal of one 30-inch pipeline for transportation of crude oil across City property known as Mobile Estates Park and appropriates the revenue to Park & Recreation Community Enrichment Fund.

BACKGROUND AND FINDINGS:

Epic Crude Pipeline, LP (Epic) is currently constructing a 650-mile long pipeline from the Permian and Eagle Ford Basins to the Gulf Coast. They have requested a 25-foot wide easement across a tract of land owned by the City known as Mobile Estates Park which

is located between IH37 and Skyline Drive. As shown on the attached Council Exhibit, the Epic easement will be placed west of and adjacent to an existing twelve foot wide revocable easement conveyed to Eagle Ford Pipeline LP in 2015. The 25-foot wide, 462-foot long easement is limited to one 30-inch pipeline which will carry crude oil to their shipping terminal on the Corpus Christi ship channel. Epic will use horizontal directional boring to construct their pipeline across IH 37 and the City's park. The pipeline will be installed at a depth of approximately 40 feet below the park's surface. The City's Department of Engineering and Park & Recreation Department evaluated the easement request and have no objection to its placement across park property.

The City has agreed to grant a Revocable Easement instrument for the amount of \$41,029. The amount of compensation is based on an apportionment method consistent with previous pipeline easement conveyances. It is calculated based on pipe diameter, pipe length, and easement area. The method takes into consideration the variables involved and accommodates requests from pipeline companies for easements of various widths and with multiple sized pipe.

The easement language contains terms and conditions which pertain to construction standards and compliance with law. The easement is revocable by the City if Epic violates and fails to correct any of the laws, rules, or regulations of the Department of Transportation, Railroad Commission, and certain City ordinances. Epic will also fully indemnify the City against any and all liability, damage, loss claims and actions of any nature. Authorization to convey easement and land rights is required by City Council. There is no title company participation required in conveyance of this easement. Revenue will be appropriated to the Park & Recreation Community Enrichment fund.

ALTERNATIVES:

1. Covert the easement to Epic Crude Pipeline, LP> (Recommended)
2. Do not convey the easement to Epic Crude Pipeline, LP. (Not Recommended)
This could lead to legal action of eminent domain proceedings by Epic as they are registered as a common carrier pipeline company with eminent domain rights in the State of Texas.

OTHER CONSIDERATIONS:

Epic needs this Revocable Easement to be able to construct this section of the subject pipeline.

CONFORMITY TO CITY POLICY:

The City is authorized under its home-rule authority, as well as under the grant of powers under Section 1, Article X of the Charter, to convey this easement. This ordinance also conforms to Section 1, Article IX of the Charter.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Engineering Department
Parks & Recreation Department

FINANCIAL IMPACT:

☐ Operating ☒ **Revenue** ☐ Capital ☐ Not applicable

Fiscal Year: 18-19	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item		41,029		41,029
BALANCE				

Fund(s): Park & Recreation Community Enrichment fund, 4720-21300

Comments: No expenditures are requested.

RECOMMENDATION:

Approval of the Ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Council Exhibit
Revocable Easement
Ordinance
Presentation