



TERMINATION AGREEMENT WITH STRONG CAPITAL I LP FOR LICENSE NUMBER 0251979

Community & Economic Development Department

CITY COUNCIL
July 16, 2024

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BACKGROUND

1. August 16, 1954, SCE entered into an Indenture Agreement with Strong Capital I, LP granting SCE the rights to construct and maintain a 14" water pipeline easement.
2. In 1978, the Public Utilities Department (RPU) entered into an Assignment Agreement with SCE for a 14" water pipeline (Facilities).
3. RPU abandoned the use of the Facilities in 1985.



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DISCUSSION

1. The Facilities encroach upon approximately 3,150 square feet of Southern Pacific Railroad right-of-way.
2. Prior to abandonment, the Facilities supplied water from the La Sierra Well in Grand Terrace to the Riverside Water Company Canal.
3. Railroad Management, LLC, the authorized agent for Strong Capital LP, contacted staff regarding a lapse in payment of the fees.
4. Staff successfully negotiated a Termination Agreement granting PU the ability to abandon the Facilities in place and absolve RPU from any outstanding fees.



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THE FACILITIES

Subject Site:

1. Approximately 3,150 sf, outlined in yellow
2. Southern Pacific Railroad right-of-way
3. City of Grand Terrace, San Bernardino County



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STRATEGIC PLAN ALIGNMENT

Strategic Plan Priority No. 5 – High Performing Government

Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the City Council:

1. Approve the Termination Agreement with Strong Capital I LP, a Delaware limited partnership, for License Number 0251979; and
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor and non-substantive changes.



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