



STAFF REPORT

8/26/2025

AGENDA ITEM

**TO: HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

**FROM: CARLO TOMAINO
CITY MANAGER**

**BY: THOMAS BEKELE
PUBLIC WORKS DIRECTOR/CITY ENGINEER**

**SUBJECT: FINAL ACCEPTANCE OF THE PANORAMA PROMENADE SLOPE LANDSCAPE
PROJECT AND APPROVAL OF A COST SHARING AGREEMENT WITH SIGNAL
HILL PETROLEUM**

Summary:

In February 2024, a series of severe winter storms caused significant slope damage along the Panorama Promenade Trail and adjacent hillside areas near Molino Avenue and 20th Street. In response, the City Council declared a local emergency and allocated funds to implement slope stabilization measures (Phase I) and to develop a long-term solution (Phase II) aimed at preventing future erosion and instability.

On October 8, 2024, the City Council adopted a Resolution declaring final acceptance of the emergency repairs at Molino Avenue and 20th Street, as well as Phase I of the emergency repairs at Panorama Trail. Phase I improvements included backfilling and compacting soil at the slope failure locations, site stabilization, and installation of a post-and-batter soil retaining system.

On December 10, 2024, the City Council awarded a construction contract to Estate Design and Construction, Incorporated (EDC) for implementation of Phase II of the project, referred to as the Panorama Promenade Slope Landscape Project. Phase II improvements consisted of fine grading, slope seeding, planting drought-tolerant and FEMA-approved vegetation and trees, and installation of a water-efficient irrigation system designed to stabilize approximately 103,264 square feet of slope area and mitigate the risk of future landslides. EDC completed work for the Panorama Promenade Slope Landscape Project in compliance with the project specifications and to the satisfaction of the Public Works Department.

Although the slope failure at Panorama Promenade primarily occurred within the City's Right-of-Way, a substantial portion of the remaining slope area lies on property owned by Signal Hill Petroleum (SHP). During the construction of Phase II of the project, following discussions with the Public Works Department, SHP agreed to a Cost Sharing Agreement, under which seventy percent (70%) of the

Phase II costs would be reimbursed by SHP, based on its proportional ownership of the sloped area.

Staff is requesting the City Council declare final acceptance of the project as completed through a Public Works Contract with EDC, for a final contract amount of \$274,704.00, and direct staff to record a Notice of Completion with the Los Angeles County Recorder's office and thereafter process the retention release on the contract. Staff also recommends the City Council authorize the City Manager to execute the Cost Sharing Agreement with SHP to secure reimbursement of up to \$208,378 and memorialize shared maintenance responsibilities.

Strategic Plan Goal(s):

- Goal No. 4 Infrastructure: Maintain and improve the City's physical infrastructure, water system, and recreational spaces.
- Goal No. 5 High-Functioning Government: Strengthen internal communication, recruitment, retention, systems and processes to increase the effectiveness and efficiency of City services.

Recommendation:

1. Accept the work in conformance with the plans and specifications for the Panorama Promenade Slope Landscape Project in accordance with the contract entered into between Estate Design and Construction, Incorporated and the City of Signal Hill, and authorize the City Manager to execute the Notice of Completion; and
2. Direct staff to record the Notice of Completion with the Los Angeles County Registrar-Recorder's office; and
3. Authorize the City Manager to execute a Cost Sharing Agreement with Signal Hill Petroleum to formalize its contribution of seventy percent (70%) of the total costs associated with Phase II of the Panorama Slope Landscape Project, in a form approved by the City Attorney.

Fiscal Impact:

On December 10, 2024, the City Council allocated additional funding of \$297,683.20 for the Panorama Promenade Slope Landscape Project, Project No. 80.24002 (Line Account No. 400-40-5895) through award of a construction contract to EDC). The final construction contract amount was \$274,704.00, which reflects expenditures of \$22,979.20 below the originally allocated budget.

Under the terms of the Cost Sharing Agreement with SHP, SHP will reimburse seventy percent (70%) of actual Phase II construction costs. Based on the final cost of \$274,704.00, the City would receive \$192,292.80 in reimbursement from SHP and will have a total fiscal impact of \$82,411.20 for Phase II.

Background:

In February 2024, a series of severe winter storms brought high winds, heavy rainfall, and significant snowfall to Southern California. In response, Governor Gavin Newsom proclaimed a State of

Emergency on February 4th for eight counties, including Los Angeles County. The February 2024 storms caused extensive slope damage along the Panorama Promenade Trail and nearby hillside areas near Molino Avenue and 20th Street. On February 7, 2024, the City Council issued a Proclamation of Local Emergency, and on February 27, 2024, the City Council approved a construction contract with Zimprich Engineering to perform slope stabilization and repair work at the affected areas.

The Panorama Promenade Slope Repair Project was divided into two phases to address both immediate and long-term stabilization efforts. Phase I addressed emergency stabilization needs to prevent further erosion or failure; improvements included backfilling and compacting soil, site grading, and installation of a post-and-batter retaining system. Phase II, which is discussed in detail in the following sections, focused on long-term landscape and irrigation improvements to ensure slope stability. On October 8, 2025, the City Council adopted a resolution formally accepting the completed work at both the Panorama Trail and the Molino Avenue and 20th Street locations. Staff has submitted all reimbursable costs to FEMA for expenses associated with Phase I and is currently awaiting reimbursement of up to \$583,000. The total cost for both phases of the project, covering both sites, is approximately \$800,000.

Upon the completion of Phase I, the Public Works Department engaged the City's on-call landscape consultant, Architerra Design Group (Architerra), to prepare landscape and irrigation design plans and technical specifications for Phase II of the Panorama Promenade Trail Project. Phase II plans and specifications meet the City's geotechnical requirements, adhere to FEMA planting standards, and follow best practices for slope stabilization and water conservation. Additionally, since the work area includes part of the slope owned by SHP, Public Works staff maintained ongoing communication with SHP to provide updates on the final design and explore the possibility of entering into a cost-sharing agreement for the work completed within SHP's property. Although the slope failure during the February 2024 storm primarily occurred within the City's Right-of-Way, a substantial portion of the remaining slope area at Panorama Promenade Trail lies on property owned by SHP.

Analysis:

On December 10, 2024, the City Council awarded a construction contract to EDC to implement Phase II, also known as the Panorama Promenade Slope Landscape Project, with a contract term of 90 working days and a not-to-exceed contract amount of \$297,683.20. The Panorama Promenade Slope Landscape Project supports long-term slope stabilization measures across approximately 103,264 square feet, thereby reducing the risk of future slope failure. The scope of work included earthwork grading, seeding, the installation of a water-efficient irrigation system, and the planting of approximately 1,140 one-gallon drought-tolerant plants and 132 five-gallon trees, all selected in compliance with FEMA standards and with a maximum mature height of 25 feet to preserve scenic views.

During Phase II construction, the Public Works Department regularly updated SHP and coordinated site access for portions of the project located on SHP property. Following these discussions, SHP agreed to a Cost Sharing Agreement under which they will reimburse the City for up to 70% of the total Phase II costs, reflecting their proportional ownership of the affected slope area. This Agreement ensures equitable cost distribution, aligns with the City's fiscal policies, and maximizes cost recovery.

The Public Works Department conducted inspections and confirmed that EDC completed the project

according to the approved specifications. The final construction contract amount is \$274,704.00, and the final inspection took place on August 4, 2025. EDC has fulfilled all contractual closeout requirements, which included a three-month maintenance period. Following project completion, the City will be responsible for maintaining the vegetation in the sloped areas for a period of twenty-one (21) months. This maintenance period will include care of the plantings located within SHP's right-of-way to ensure the successful establishment of vegetation and the long-term stability of the slope. Upon conclusion of the twenty-one (21) month maintenance period, SHP will assume responsibility for vegetation maintenance within its right-of-way, while the City will continue to maintain the areas under its jurisdiction.

Based on the contractor's satisfactory performance and compliance with project specifications, staff recommends the City Council declare the final acceptance of the project. Upon final acceptance, staff will record a Notice of Completion (Attachment A) with the Los Angeles County Recorder's office and process the retention release on the contract. In addition, staff also recommends the City Council authorize the City Manager to execute the Cost Sharing Agreement with SHP to secure reimbursement and memorialize shared maintenance responsibilities (Attachment B). The finalization of this Agreement is intended to ensure compliance with the City's fiscal policies and to maximize cost recovery.

Reviewed for Fiscal Impact:

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Attachments:

- A. Notice of Completion
- B. Cost Sharing Agreement with SHP