

Report on	Gas to the West– Option Agreement and Easement request re Lands at Railway Park, Dungannon
Date of Meeting	5 th July 2018
Reporting Officer	Claire McNally, Council Solicitor
Contact Officer	Claire McNally

Is this report restricted for confidential business?	Yes	
If 'Yes', confirm below the exempt information category relied upon	No	x

1.0	Purpose of Report
1.1	To seek Members' approval in principle for the Council to enter into an Option Agreement for an Easement in relation to the laying of a natural gas pipeline at lands at Railway Park, Dungannon ("the Site").
2.0	Background
2.1	The Northern Ireland Utility Regulator has awarded a licence to Scotia Gas Networks Northern Ireland to convey gas within the West distribution licensed area.
2.2	SGN has identified the Site as being as a preferred route and require rights to lay the pipeline through the Site which is in the Council's ownership. The pipeline is for the transmission, storage and distribution of gas along the route and shall form an integral part of the gas main.
2.3	A request was received by the Council from SGN for the Council to enter into an Option Agreement for an easement in relation to a natural gas pipeline project in respect of a portion of land on the Site.
2.4	Members may recall that a similar request was made by SGN in relation to an element of this gas pipeline to be installed between Moneymore RC and HWRC, Moneyhaw Road and Council approved this in April 2018.
3.0	Main Report
3.1	In very broad terms, the Option Agreement permits SGN to enter onto Council land, carry out site investigations and install the pipeline within the Site. After the pipeline has been installed the Council will then grant SGN an easement which will indicate the route of the pipeline.
3.2	A draft Option Plan is attached at Appendix A identifying the approximate area of land within which the pipeline is proposed to be installed ("Option Area"). This proposed Option area will be subject to agreement.
3.3	SGN has forwarded a draft Option Agreement and Deed of Grant (attached at Appendix B and Appendix C respectively) in relation to lands at Railway Park.

3.4	<p>In consideration of the above, SGN will pay the following sums:-</p> <ul style="list-style-type: none"> (i) Incentive Payment (the Option Sum) of £8,100 (based on 675m of Works/pipeline x £12pm). This payment is time sensitive and if the Option Agreement is not completed within twelve weeks of receipt of Letter of Offer, this part of the Payment reduces to £1; (ii) Easement Payment of £15,526 (based on 675m of Works/pipeline x £23 pm), payable in two instalments.
3.5	LPS has confirmed that the premiums proposed are reasonable and could be recommended for acceptance.
3.6	The Council will seek to amend/negotiate some of the terms of the draft agreements provided. Therefore, the drafts provided at Appendix B and C will be subject to minor amendments, when being presented to Council for execution and sealing.
4.0	Other Considerations
4.1	Financial, Human Resources & Risk Implications
	<p>Financial: SGN will contribute towards the Council's professional and agent's fees.</p>
	<p>Human: Officer time in progressing the matter.</p>
	<p>Risk Management: N/A</p>
4.2	Screening & Impact Assessments
	<p>Equality & Good Relations Implications: N/A</p>
	<p>Rural Needs Implications: N/A</p>
5.0	Recommendation(s)
5.1	That Members approve that the Council enter into an Option Agreement and subsequent Easement with SGN in relation to lands at Railway Park, Dungannon, the final terms of which are to be negotiated.
6.0	Documents Attached & References
6.1	<p>Appendix A – Draft Option Plan confirming the proposed approximate Option area;</p> <p>Appendix B – Draft Evaluation and Option Agreement between Mid Ulster District Council and SGN Commercial Services Limited;</p> <p>Appendix C – Draft Deed of Grant between Mid Ulster District Council and SGN Commercial Services Limited.</p>