



March 1, 2011

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

Authorize the City Manager to execute all documents pertaining to the Sixth Amendment to the Lease Agreement between the City of Long Beach and Thums Long Beach Company for leased land within the City of Long Beach to correct Exhibit "C" to the Fifth Amendment and to adjust the rent and insurance provisions. (Districts 1, 2, and 3)

**DISCUSSION**

Occidental Petroleum Long Beach, Inc. (OLBI) is the field contractor to the City of Long Beach (City) for the oil operations concerning the Long Beach Unit (LBU). Thums Long Beach Company (Thums) is the agent for the field contractor and operates on behalf of the field contractor and under the direction of the City for the day-to-day oil operations.

The Lease Agreement is for oil operations on various locations including Pier J, Harbor Scenic Way, and Pier G. The Sixth Amendment corrects Exhibit "C" to the Fifth Amendment which describes ANC-3 1280 Pier G Avenue (Marine Terminal) Parcel 3 as "Land" rather than as "Water." The Sixth Amendment also provides for an annual Consumer Price Index adjustment to the lease payment and aligns the insurance requirements to what the City approves for Thums on a yearly basis.

This matter was reviewed by Deputy City Attorney Richard Anthony on February 14, 2011, and by Budget Management Officer Victoria Bell on February 11, 2011.

**TIMING CONSIDERATIONS**

City Council action is requested on March 1, 2011, so that the Amendment to the Agreement can be executed prior to April 1, 2011.

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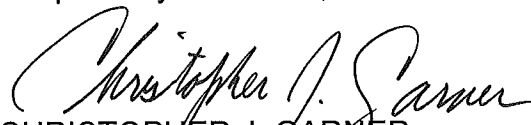
FISCAL IMPACT

The existing monthly lease payments of \$200,000 will increase by approximately \$2,000 and all lease revenue will be placed into the Tidelands Operating Fund (TF 401). There is no impact to jobs associated with this request.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER  
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:CPH:lld

APPROVED:



PATRICK H. WEST  
CITY MANAGER