



DEPARTMENT

CHRISTOPHER J. GARNER
DIRECTOR

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December 10, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECEIVED
CITY OF LONG BEACH
DEPARTMENT OF GAS & OIL
DEC 10 2013 10:54 AM

RECOMMENDATION:

Authorize the City Manager to execute all documents pertaining to the Seventh 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. (Districts 1 and 2)

DISCUSSION

Occidental Petroleum Long Beach, Inc., is the field contractor to the City of Long Beach (City) for oil operations concerning the Long Beach Unit. Thums Long Beach Company is the agent for the field and operates on behalf of the field contractor and under the direction of the City for 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 Seventh Amendment adds approximately 10,000 square feet of land to the Lease Agreement to accommodate an electrical substation needed to power the oil operations. The rent payable to City under the Lease Agreement will be increased accordingly. The additional land will come from an underutilized area currently being rented to the City's Fault Block Unit contractor, Tidelands Oil Production Company.

This matter was reviewed by Deputy City Attorney Richard Anthony on November 12, 2013 and by Budget Management Officer Victoria Bell on November 14, 2013.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

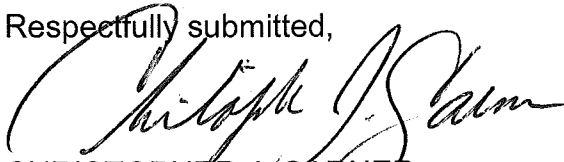
FISCAL IMPACT

Rental revenue under the Lease Agreement to the Tidelands Oil Revenue Fund (NX 420) in the Department of Long Beach Gas and Oil (GO) will see an increase of approximately \$20,000 per year. There is no impact to local jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:KT:ra

APPROVED:



PATRICK H. WEST
CITY MANAGER