



DEPARTMENT

CHRISTOPHER J. GARNER
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www.lbgo.org

November 20, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California**RECOMMENDATION:**

Authorize the City Manager to execute a Surface Use Agreement and Amendment to Easement and Right of Way between the City of Long Beach, as Unit Operator of the West Wilmington oil operations, and Baker Cold Storage, Inc. (District 1)

DISCUSSION

Baker Cold Storage, Inc. (Baker), is a prospective buyer of certain privately-owned property located within the City of Long Beach (City) commonly known as 1710 Pier B Street (Property). The Property is currently owned by Cembra Long Beach, LLC (Cembra). The City currently conducts oil operations on the Property pursuant to and in accordance with (i) an Agreement Regarding Surface Use dated September 4, 1973 (Existing Surface Use Agreement) and recorded as Instrument No. 3534 in the Official Records of Los Angeles County (Official Records); (ii) an Easement recorded on August 1, 1966 (Easement) as Instrument No. 4066 of the Official Records; and (iii) a Right of Way recorded on July 24, 1964 as Instrument No. 6017 in the Official Records (Right of Way). Before closing escrow and completing the purchase of the Property from Cembra, Baker is requesting that the City execute a new Surface Use Agreement and Amendment to Easement and Right of Way (Agreement) which would amend and restate all of the current oil operation rights that the City has pursuant to the Existing Surface Use Agreement, the Easement, and the Right of Way. The Agreement will accommodate Baker's plans for developing the Property without impacting the City's ability to continue oil operations. The Agreement will only be effective if and when Baker purchases the Property from Cembra.

The City currently has one injection well on the Property and the rights to drill three additional wells. Other than for the oil operations, the Property is currently vacant.

This matter was reviewed by Deputy City Attorney Richard Anthony on October 15, 2012 and by Budget Management Officer Victoria Bell on October 24, 2012.

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TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

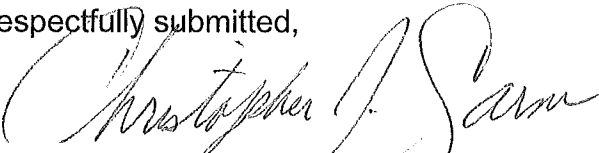
FISCAL IMPACT

There is no impact to the General Fund and no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:KT:ls

APPROVED:



PATRICK H. WEST
CITY MANAGER