



May 17, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute any and all documents necessary to amend the original "Condock I Conveyance" to relocate surface and use rights associated with oil production and injection located in the City of Los Angeles to facilitate the construction of a Port of Los Angeles rail yard project, and grant reciprocal rights-of-entry during construction between the City of Long Beach, City of Los Angeles acting by and through its Board of Harbor Commissioners and the California State Lands Commission.
(Citywide)

DISCUSSION

In 1980, a title action was resolved between Union Pacific Land Resources Corporation (UPRC), Champlin Petroleum Company, the City of Los Angeles, and the State of California, which settlement is also referred to as the "Condock I Conveyance," and which was recorded on March 31, 1980. The settlement provided UPRC surface rights to conduct oil operations while allowing the City of Los Angeles to develop the area for port operations. On March 22, 1994, the City of Long Beach purchased the land and mineral rights from UPRC.

The City of Los Angeles has requested the City of Long Beach amend the original settlement to provide adequate surface land to develop the Berth 200 rail yard project. The City of Los Angeles has agreed to reimburse the City of Long Beach for all incurred costs associated with relocation of oil gathering, water injection and electrical lines, and the re-abandonment of wells as necessary.

This matter was reviewed by Deputy City Attorney Richard Anthony on April 27, 2011 and Budget Management Officer Victoria Bell on April 25, 2011.

TIMING CONSIDERATIONS

City Council action is requested on May 17, 2011, so that the agreements can be executed prior to June 1, 2011.

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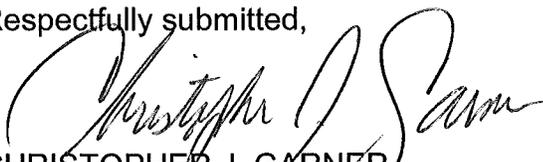
FISCAL IMPACT

The requested action will not have a fiscal impact or an impact on jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTOPHER J. GARNER
DIRECTOR OF LONG BEACH GAS AND OIL

CJG:CPH:lld
LEG 636.009

APPROVED:



PATRICK H. WEST
CITY MANAGER