



Legislation Details (With Text)

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On agenda: 9/17/2018 **Final action:** 9/17/2018

Title: Approve and authorize execution of a License Agreement between the City of Huntington Beach and DCOR, LLC for a booster pump facility located at Pacific Coast Highway and Warner Avenue

Attachments: 1. Att#1 - License Agmnt with DCOR.pdf, 2. Att#2 - Booster Pump Station Map.pdf, 3. Att#3 - Cert of Ins.-2018-19-Endorsment.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|---|----------|--------|
| 9/17/2018 | 1 | City Council/Public Financing Authority | approved | Pass |

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: Kellee Fritzal, Deputy Director of Economic Development

Subject:

Approve and authorize execution of a License Agreement between the City of Huntington Beach and DCOR, LLC for a booster pump facility located at Pacific Coast Highway and Warner Avenue

Statement of Issue:

The City Council is requested to approve a License Agreement between the City of Huntington Beach and DCOR, LLC. The Agreement authorizes the on-going use of existing City property to operate a booster pump facility, located at PCH and Warner Avenue, that provides freshwater to an offshore oil platform.

Financial Impact:

The rent will be increased from \$7,800 per year to \$8,100 upon execution with annual increases based on the Consumer Price Index (CPI) thereafter. Revenue will be deposited into the General Fund.

Recommended Action:

A) Approve the "License Agreement Between the City of Huntington Beach and DCOR, LLC for Booster Pump Facility at PCH/Warner"; and,

B) Authorize the Mayor, City Manager, and City Clerk to execute the License Agreement and other related documents.

Alternative Action(s):

Do not approve the License Agreement and direct staff accordingly.

Analysis:

In 1964, Union Oil Company ("Union") entered into an agreement with the Sunset Sanitary District ("District") to install and operate a booster pump station on property owned by the District, which is located in the parking lot directly across from the Warner Fire Station. In subsequent years, the City acquired the District and Union assigned their interests to Nuevo Energy Company ("Nuevo"). In March 2003, the City Council approved a License Agreement with Nuevo to continue to operate the pump station. In August 2008, DCOR, LLC., acquired all of Nuevo's offshore oil and gas producing assets (including the booster pump facility). Since then, DCOR has operated the pump station, paid the City license fee, and maintained the required insurance.

Staff has negotiated a new License Agreement with DCOR, LLC., to maintain and operate the pump station. The term of the License Agreement will be for five years with one five-year renewal option. The initial rent will be \$8,100.00 per year and increases will occur annually based on the Consumer Price Index (CPI).

Environmental Status:

Not applicable

Strategic Plan Goal:

Strengthen economic and financial sustainability

Attachment(s):

1. License Agreement between the City of Huntington Beach and DCOR, LLC.
2. Site Map