Broward County

Legislation Details (With Text)

File #:	20-807 **Version:** 1		
		Status:	Agenda Ready
		In control:	PORT EVERGLADES DEPARTMENT
On agenda:	10/6/2020	**Final action:**	10/6/2020
Title:	MOTION TO APPROVE ten-year License Agreement between Broward County and MPLX Terminals LLC for Bulk Petroleum Product Pipelines at Port Everglades, with a term beginning retroactively on May 4, 2020, and ending at 11:59 pm on May 3, 2030; and authorize the Mayor and Clerk to execute same.		
Sponsors:			
Indexes:	Established Commission Goals		
Code sections:			
Attachments:	1. Exhibit 1 - Agreement Summary, 2. Exhibit 2 - MPLX License Agreement		

Date	Ver.	Action By	Action	Result

Broward County Commission Regular Meeting
Director's Name: Jonathan Daniels
Department: Port Everglades **Division:** Director's Office

Information

Requested Action
MOTION TO APPROVE ten-year License Agreement between Broward County and MPLX Terminals LLC for Bulk Petroleum Product Pipelines at Port Everglades, with a term beginning retroactively on May 4, 2020, and ending at 11:59 pm on May 3, 2030; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary
License Agreements with a term that exceeds one year require approval by the Broward County Board of County Commissioners.

What Action Accomplishes
Approves a new License Agreement that replaces the existing ten-year Bulk Petroleum license agreement between MPLX Terminals LLC and Broward County that expired on May 3, 2020.

Is this Action Goal Related
Yes

Previous Action Taken
None.

Summary Explanation/Background
THE PORT EVERGLADES DEPARTMENT RECOMMENDS APPROVAL.

This action supports the Broward County Board of County Commissioners' ("Board") Value of "Ensuring economic opportunities for Broward's diverse population and businesses" and the Goal to "Increase the economic strength and impact of revenue-generating County enterprises balancing economic, environmental, and community needs."

MPLX Terminals LLC ("MPLX") owns and operates three petroleum storage and distribution terminals within the Port Everglades Jurisdictional Area. This License Agreement pertains to the underground pipelines from the MPLX terminal located on private property within the controlled access area of Port Everglades on Spangler Boulevard, commonly referred to as Marathon Spangler. MPLX's other terminal, located in Port Everglades on S.E. 20th Street and commonly referred to as Marathon Eisenhower, is the subject of a separate license agreement that expires in 2029. The MPLX terminal has operated at Port Everglades since the 1940s subject to a series of agreements that provide a licensed area for the installation, maintenance, and operation of bulk petroleum pipelines. The Port generates revenues from dockage and other fees applicable to tank ships and oceangoing barges using Port berths, as well as from wharfage fees paid by MPLX on all petroleum products moving through the pipelines as outlined in the Port Everglades Tariff. Similar arrangements are in place with the other petroleum terminal operators located within the Port.

On May 4, 2010 (Item No. 7), the Board approved a ten-year license agreement between Broward County and Marathon Petroleum Company, predecessor to MPLX, providing a licensed area for the operation and maintenance of the MPLX-owned petroleum pipelines extending from their terminal across County-owned property to the petroleum berths at Port Everglades. Approval of the new, non-exclusive License Agreement would replace the License Agreement that expired on May 3, 2020, and would extend the relationship for another ten years, consistent with license agreements with other petroleum terminal operators to provide rights-of-way for pipelines between the berths and the petroleum distribution terminals.

Retroactive approval is required since, although County staff began working on the new License Agreement in March 2020, completion was delayed due to long turnaround times by MPLX staff required to provide input on the revised survey and sketch of the licensed area required for the preparation of Exhibit A to the License Agreement.

The License Agreement has been reviewed by the Port Everglades Risk Manager and approved as to form by the Office of the County Attorney. The Agreement is pending final execution by MPLX, and receipt of signature pages will be noted in the Monday Night Memo prior to the Board meeting.

Source of Additional Information

Neil J. Kutchera, Assistant Port Director, Energy, Port Everglades Department, (954) 468-3520

Fiscal Impact

Fiscal Impact/Cost Summary

Petroleum movements to the MPLX Spangler terminal is anticipated to generate approximately $20.6 million in revenue over the ten-year term of the License Agreement.

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