



Broward County

Legislation Text

File #: 21-1269, Version: 1

Broward County Commission Regular Meeting

Director's Name: Jonathan Daniels

Department: Port Everglades

Division: Director's Office

Information

Requested Action

MOTION TO APPROVE First Amendment to the Bulk Petroleum Product Pipelines License Agreement between Broward County and ExxonMobil Oil Corporation to revise the Licensed Area, allowing for the relocation and removal of petroleum pipelines; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Amendments to Bulk Petroleum Product Pipelines License Agreements require approval by the Broward County Board of County Commissioners.

What Action Accomplishes

Approves the First Amendment to the ExxonMobil Oil Corporation Bulk Petroleum Product Pipelines License Agreement to revise the licensed area, allowing for the relocation and removal of existing petroleum pipelines.

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."

On April 24, 2018 (Item No. 6), the Board approved a Bulk Petroleum Product Pipelines License Agreement between Broward County ("County") and ExxonMobil Oil Corporation ("Exxon"), for the nonexclusive right to install, maintain, operate, repair, replace, relocate, and remove petroleum pipelines at Port Everglades ("Agreement"). Pursuant to such Agreement, Exxon installed certain petroleum pipelines at Port Everglades.

In the Agreement, the County retained the right, at any time during the term of the Agreement, to

install, develop, or redevelop utilities, cables, roads, parking areas, pavements, piers, docks, deepwater slip areas, railroad tracks, or other Port-related infrastructure under, over, and within the licensed area. Additionally, pursuant to the Agreement, if removal or relocation of the pipelines became necessary, as determined by the County through the Contract Administrator, Exxon would be required to remove or relocate such pipelines and restore the surface to grade level within one year after receipt of written notice from the County, all at the sole cost and expense of Exxon. In the event of relocation, County would be required to provide Exxon with an adequate alternative licensed location to enable Exxon to install or relocate its pipelines in order to continue to transport at least the same amount of products (as defined in the Agreement) as before the required relocation of the pipelines. In such case, the licensed area would be redefined through an amendment to the Agreement.

Port Everglades is preparing for the construction of the Slip 1 Expansion Project and, by letter dated June 25, 2021, the Port Everglades Contract Administrator notified Exxon that it must relocate its pipelines in the dockside area affected by the Slip 1 project by June 24, 2022, at Exxon's sole cost and expense. This First Amendment to the Agreement modifies the affected portion of the licensed area (see Exhibit 2), which Exxon acknowledges is adequate to allow Exxon to continue to transport at least the same amount of petroleum products as before the required relocation of its pipelines, and authorizes the Port Director to execute any future amendments to the licensed area. Exxon has completed the relocation of the pipelines within the new licensed area, and will be removing the old pipelines prior to the required date.

The First Amendment to the License Agreement has been reviewed by the Port Everglades Risk Manager and approved as to form by the Office of the County Attorney.

Source of Additional Information

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

Fiscal Impact/Cost Summary

There is no fiscal impact to the County.