

May 6, 2025

Honorable Mayor and City Council  
City of Long Beach  
California

**RECOMMENDATION:**

Recommendation to authorize the City Manager, or designee, to execute all documents necessary for a Third Amendment to License Agreement No. 32651 with Signal Hill Petroleum Inc., to extend the term through June 30, 2030, with an option to extend for an additional five years, at the discretion of the City Manager, in connection with allowing continued access over and through City-owned property located at 2<sup>nd</sup> Street and Shopkeeper Road (Subject Property). (District 3)

**DISCUSSION**

On March 1, 2011, the City Council approved License Agreement No. 32651 (License Agreement) with Signal Hill Petroleum, Inc. (SHPI), granting the use of a portion of City of Long Beach (City)-owned property as an access road within a 33.77-acre area located at Second Street and Shopkeeper Road, commonly known as Marketplace Marsh (Subject Property). SHPI holds the mineral rights to an approximately 40-acre property located east of the Subject Property but lacks direct access from any public right-of-way. As a result, the designated access area is essential for SHPI and its licensees. In exchange for its use of the access area, SHPI pays the City a monthly license fee (License Fee), which contributes to the maintenance costs of the Subject Property.

On June 23, 2015, the City Council approved a first amendment to the License Agreement, extending its term through June 30, 2020. Subsequently, on September 8, 2020, the City Council approved a second amendment to the License Agreement, further extending its term through June 30, 2025. With the current term set to expire, SHPI has formally requested another extension to ensure continued use of the access area. In response, City staff has negotiated a five-year extension of the License Agreement through June 30, 2030, with an optional additional five-year extension, at the discretion of the City Manager, through June 30, 2035. Accordingly, approval of a third amendment to the License Agreement is necessary.

The proposed Third Amendment to the License Agreement will contain the following significant terms and provisions:

<b><u>Licensor:</u></b>	City of Long Beach, a municipal corporation.
<b><u>Licensee:</u></b>	Signal Hill Petroleum Inc., a California corporation.
<b><u>Amended Term:</u></b>	Five (5) years, from July 1, 2025, through June 30, 2030.

**Renewal Option:**

The Term of the License Agreement may be extended for an additional five-year period, through June 30, 2035, at the discretion of the City Manager.

**Amended License Fee:**

\$1,331 per month, representing an increase of the License Fee of \$121 per month, or approximately 10 percent. Additionally, if the Licensee exercises the five-year Renewal Option, the License Fee will be increased by an additional 10 percent on July 1, 2030.

This matter was reviewed by Deputy City Attorney Adam Jacobs on April 14, 2025, and by Budget Management Officer Nader Kaamoush on April 18, 2025.

**TIMING CONSIDERATIONS**

City Council action is requested on May 6, 2025, to facilitate execution of the Third Amendment to the License Agreement to avoid any disruptions in allowing SHPI to continue its use of the Subject Property to access its mineral rights.

**LEVINE ACT**

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$500 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$500 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$500 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$500 from a party, participant, or their representatives, during a proceeding and for 12 months following the date a final decision is rendered.

**FISCAL IMPACT**

The monthly Licenses Fee of \$1,331 will continue to be deposited to the General Fund Group in the Economic Development Department through the five-year term. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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Page 3

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Johnny Vallejo  
Deputy Director  
Economic Development

ATTACHMENT: Subject Property

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER