

**RESOLUTION 16-123**

**A RESOLUTION OF THE CITY OF PANAMA CITY BEACH, FLORIDA, AMENDING THE CITY'S FRANCHISE AGREEMENT WITH PEOPLES GAS SYSTEM (TECO) TO INCREASE THE FRANCHISE RATE FROM 3% TO 6%, AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED** that the appropriate officers of the City are authorized but not required to accept and deliver on behalf of the City that certain First Amendment to the Franchise Agreement between the City and Peoples Gas System, a division of Tampa Electric Company, increasing the Franchise Fee from 3% to 6%, in substantially the form attached and presented to the Council today, with such changes, insertions or omissions as may be approved by the City Manager and whose execution shall be conclusive evidence of such approval.

**THIS RESOLUTION** shall be effective immediately upon passage.

**PASSED** in regular session this 22<sup>nd</sup> day of September, 2016.

**CITY OF PANAMA CITY BEACH**

By: 

Mike Thomas, Mayor

**ATTEST:**

  
Diane Fowler, City Clerk



# CITY OF PANAMA CITY BEACH AGENDA ITEM SUMMARY

1. DEPARTMENT MAKING REQUEST/NAME:  
ADMINISTRATION/MARIO GISBERT

2. MEETING DATE:  
SEPTEMBER 22, 2016

3. REQUESTED MOTION/ACTION:  
APPROVE AMENDMENT TO TECO FRANCHISE AGREEMENT, INCREASING FRANCHISE FEE FROM 3% TO 6%

4. AGENDA  
PRESENTATION   
PUBLIC HEARING   
CONSENT   
REGULAR

5. IS THIS ITEM BUDGETED (IF APPLICABLE)? YES  NO  N/A   
BUDGET AMENDMENT OR N/A

DETAILED BUDGET AMENDMENT ATTACHED YES  NO  N/A

6. BACKGROUND: (WHY IS THE ACTION NECESSARY, WHAT GOAL WILL BE ACHIEVED)

On August 9, 2012, the City entered a ten-year Franchise Agreement with Peoples Gas System, a division of Tampa Electric Company (TECO) related to the distribution, transportation and delivery of natural gas within the City. At its meeting on August 11, 2016, the City directed staff to amend this Franchise Agreement to raise the Franchise Fee from 3% to 6%, to be in line with other Bay County jurisdictions.

To effect the intent of the Council an amendment to the Franchise Agreement is necessary, which the Agreement expressly permits.

Staff has forwarded the proposed Amendment to TECO for their review and as of this writing is unaware of any objections.

FIRST AMENDMENT TO FRANCHISE AGREEMENT  
BETWEEN THE CITY OF PANAMA CITY BEACH AND  
PEOPLES GAS SYSTEM, A DIVISION OF TAMPA ELECTRIC COMPANY

This First Amendment to the Franchise Agreement dated \_\_\_\_\_, 2016, (the "First Amendment"), made and entered into by and between the CITY OF PANAMA CITY BEACH, FLORIDA, a municipal corporation (the "City") AND PEOPLES GAS SYSTEM, a division of Tampa Electric Company, a Florida corporation.

WHEREAS, on August 9, 2012, the City entered a ten-year Franchise Agreement with Peoples Gas System related to the distribution, transportation and delivery of natural gas within the City (the "Agreement"); and

WHEREAS, on August 11, 2016, the City directed staff to amend the Franchise Agreement to raise the Franchise Rate from 3% to 6%, to be in line with other Bay County jurisdictions, and

WHEREAS, the Agreement permits changes to be made by written Agreement of the parties.

NOW THEREFORE, IN CONSIDERATION of the mutual terms and conditions, promises, covenants and payments set forth, the parties agree to amend the Agreement as follows:

1. The City and Company wish to amend Section 10 of the Agreement to read as follows:

SECTION 10: FRANCHISE FEE

Subject to Section 11 below, within thirty (30) days after the close of the first full billing month following the effective date of this Franchise Agreement, and each month thereafter during the term of this Franchise Agreement, the Company, its successors or assigns, shall pay to the City, or its successors, a sum of money which, when added to the amount of all taxes, licenses, permits, or other impositions levied or assessed by the City and actually paid by Company, is equal to six percent (6%) ~~three percent (3%)~~ of the Company's Gross Revenue, less any adjustments for uncollectable accounts. The franchise fee payment shall be deemed paid on time if post-marked within thirty (30) days of the close of the preceding billing month.

2. Except as expressly modified by this First Amendment, the Agreement remains unchanged and in full force and effect.

PASSED, APPROVED AND ADOPTED at the regular meeting of the City Council of the City of Panama City Beach, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2016.

CITY OF PANAMA CITY BEACH  
a municipal corporation

\_\_\_\_\_  
By Mario Gisbert, City Manager

ATTEST:

\_\_\_\_\_  
Diane Fowler, City Clerk

Accepted this \_\_\_\_ day of \_\_\_\_\_, 2016.

PEOPLES GAS SYSTEM, A DIVISION OF TAMPA  
ELECTRIC COMPANY

\_\_\_\_\_  
By: \_\_\_\_\_

Its \_\_\_\_\_