

City of South Daytona

Office of the City Manager

1672 S. Ridgewood Avenue • South Daytona, FL 32119 • 386/322-3014



MEMORANDUM

To: James L. Gillis Jr., City Manager
From: Becky Witte, Deputy City Clerk
Re: Consideration of approving Resolution No. 2022-27 which authorizes the City Manager to execute a 5-year extension to the Franchise Agreement with Peoples Gas Systems.
Date: September 28, 2022

In 1996, the City granted a non-exclusive franchise agreement to Peoples Gas Systems, Inc, which contained a 10-year term, with four (4) successive 5-year renewal options. Peoples Gas Systems, Inc has requested to exercise the final 5-year renewal option which if approved will expire September 10, 2026. Staff has confirmed that the terms and conditions of the existing franchise agreement is at least as favorable as those recently negotiated with surrounding communities.

Since there is an existing franchise agreement which provides for this renewal option, this is not a negotiation of a new franchise agreement, but the extension of the existing franchise agreement. Staff recommends the City Council authorize the City Manager to execute a 5-year extension to the Franchise Agreement with Peoples Gas Systems.

RESOLUTION NO. 2022-27

**A RESOLUTION OF THE CITY OF SOUTH DAYTONA, FLORIDA,
AUTHORIZING THE CITY MANAGER TO EXECUTE A 5 YEAR EXTENSION TO
THE FRANCHISE AGREEMENT WITH PEOPLES GAS SYSTEMS; PROVIDING
FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.**

WHEREAS, pursuant to Ordinance 96-07, the City granted a non-exclusive franchise agreement to Peoples Gas Systems, Inc, which contained a 10 year term, with 4 successive 5 year renewal options, and;

WHEREAS, Peoples Gas Systems, Inc has requested to exercise the final 5 year renewal option which will expire September 10, 2026; and

WHEREAS, the City has confirmed that the terms and conditions of the existing franchise agreement is at least as favorable as those recently negotiated with surrounding communities, and;

WHEREAS, since there is an existing franchise agreement which provides for this renewal option, this is not a negotiation of a new franchise agreement, but the extension of the existing franchise agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, FLORIDA:

SECTION 1. The City Council of the City of South Daytona hereby:

- (1) Authorizes final renewal for the franchise agreement with Peoples Gas Systems, Inc which will expire September 11, 2026.
- (2) The City Council of the City of South Daytona hereby authorizes the City Manager to execute the necessary documents related to this extension.

SECTION 2. If any section, subsection, sentence, clause, phrase, or portion of this Resolution, or application hereof, is for any reason held invalid or unconstitutional by any Court, such portion or application shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions or application hereof.

SECTION 3. That all resolutions made in conflict with this Resolution are hereby repealed.

SECTION 4. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

THIS RESOLUTION APPROVED ON FIRST AND ONLY READING this 8th day of November 2022 by the City Council of the City of South Daytona, Florida.

CITY OF SOUTH DAYTONA, FLORIDA

William C. Hall, Mayor

ATTEST: _____
James L. Gillis Jr, City Manager

APPROVED AS TO FORM AND LEGALITY:

Wade C. Vose, City Attorney