

ORDINANCE No. 189255

Consent to franchise transfer from LCP Oregon Holdings, LLC to Zenith Energy Terminals Holdings to transport petroleum and petroleum products within a limited portion of City streets (Ordinance; transfer Ordinance No. 188554)

The City of Portland ordains:

Section 1. The Council finds:

1. On August 16, 2017, Council approved an ordinance granting a franchise to LCP Oregon Holdings, LLC (LCPOH) for its pipeline system to transport petroleum and/or petroleum products within a limited portion of City streets. Ordinance No. 188554.
2. On September 5, 2018, Council approved an ordinance amending that franchise to clarify that LCPOH's pipeline system can be used to transport renewable fuels and to allow the transportation of liquid intermediates. Ordinance No. 189149.
3. Zenith Energy Terminals Holdings LLC (Zenith) has operated LCPOH's pipeline system on its behalf since 2014.
4. LCPOH and Zenith have informed the City that Zenith could close on an acquisition of LCPOH's assets, including, but not limited to, LCPOH's pipeline system under the City streets, as early as December 10, 2018.
5. LCPOH and Zenith have asked Council to consent to the transfer of the franchise to Zenith, so that such an acquisition can so close.
6. Staff has reviewed available information and determined that Zenith has the technical, legal, and financial qualifications to meet the obligations of the franchise.
7. Staff recommends that Council consent to the transfer of Ordinance No. 188554, as amended by Ordinance No. 189149, to Zenith.

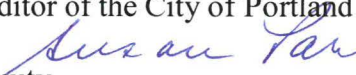
NOW, THEREFORE, the Council directs:

- a. Pursuant to Portland City Charter Section 10-216 and Section 8 of Ordinance No. 188554, consent is hereby given to the transfer of the franchise and pipeline system under the City streets to Zenith Energy Terminals Holdings LLC.
- b. Effective upon the closing of such an acquisition, Zenith Energy Terminals Holdings LLC will be responsible for performing, complying with and assuming all of the covenants, duties, obligations and liabilities under Ordinance No. 188554, as amended by Ordinance No. 189149, including the provision of insurance and bonds required under the franchise. Within 30 days after the closing of such an acquisition, Zenith Energy Terminals Holdings LLC shall provide certificates of insurance and

bonds, naming Zenith Energy Terminals Holdings LLC and the City as required under Ordinance No. 188554, as amended by Ordinance No. 189149.

- c. Within 30 days after the closing of such an acquisition, Zenith Energy Terminals Holdings LLC shall file in the Office of the Auditor of the City of Portland a written acceptance of this ordinance meeting the approval of the City Attorney. Such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms, conditions and restrictions contained in this ordinance and Ordinance No. 188554, as amended by Ordinance No. 189149. A failure on the part of Zenith Energy Terminals Holdings LLC to file such written acceptance within such time shall be deemed a rejection and abandonment, and this ordinance shall thereupon be null and void.

Passed by the Council: NOV 21 2018
Mayor Ted Wheeler
Prepared by: JL/MKH
Date Prepared:

Mary Hull Caballero
Auditor of the City of Portland
By 
Deputy

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Agenda No.
ORDINANCE NO. 189255

Title

Consent to franchise transfer from LCP Oregon Holdings, LLC to Zenith Energy Terminals Holding
(Ordinance; Transfer Ordinance No. 188554) *to transport petroleum and petroleum products within a limited portion of City Streets*

<p>INTRODUCED BY Commissioner/Auditor: <i>Wheeler</i></p>	<p>CLERK USE: DATE FILED <u>NOV 06 2018</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler <i>MA</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Office for Community Technology <i>EP</i> Director: Elisabeth Perez</p> <p>Prepared by: Jennifer Li Date Prepared: 10</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: <i>MKH</i> required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date November 14, 2018</p>	<p>ACTION TAKEN:</p> <p>NOV 14 2018 PASSED TO SECOND READING NOV 21 2018 9:30 A.M.</p>

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:																			
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input checked="" type="checkbox"/></p> <p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> <tr> <td>Wheeler</td> <td style="text-align: center;">✓</td> <td></td> </tr> </table>		YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Saltzman	✓		4. Eudaly	_____	_____	Wheeler	✓			
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