

ORDINANCE No. 185766

Extend term of Kinder Morgan Cochin LLC franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 164747)

The City of Portland ordains:

Section 1. The Council finds:

1. In October, 1991, the Council granted a franchise to Chevron Pipe Line Company. Ordinance No. 164747.
2. In July 2009, the Council consented to a transfer of the pipeline franchise from Chevron Pipe Line Company to Kinder Morgan Cochin LLC. Ordinance No. 183046.
3. In December, 2011, the Council extended the term of the Kinder Morgan Cochin pipeline franchise through December 31, 2012. Ordinance No. 185048.
4. Over the last 20 years the Council has granted several petroleum pipeline franchises. City staff has reviewed the terms and conditions of these franchises. Staff is working with the petroleum pipeline industry to standardize and modernize the terms and conditions of the City's franchises for petroleum pipelines.
5. On October 26, 2011, the City Council adopted non-emergency Ordinance No. 184957, amending Title 17 of the Portland City Code. Among other matters, the ordinance updated, clarified and reorganized various code sections. The City is implementing various aspects of the revised code provisions, and City staff has begun negotiating a renewal agreement, including revised standardized franchise language to address the code amendments. Although franchise negotiations for a renewal agreement are in progress, parties have not agreed on all terms. City staff recommends that the City Council extend the existing franchise to allow time for parties to complete negotiations for a new agreement and to formally complete the formal Portland City Charter procedure for proposed franchises, which can take up to four months or more from the date of the required initial publication.

NOW, THEREFORE, the Council directs:

- a. Ordinance No. 164747 is hereby amended to extend the term of the franchise to run, continuously and without interruption, through January 21, 2015.
- b. All other terms and conditions of the franchise shall remain the same and unchanged.

- c. On or before the thirtieth (30th) day after this ordinance becomes effective, Chevron Pipe Line Company shall file in the Office of the Auditor of the City of Portland a written acceptance of this ordinance, executed by Kinder Morgan Cochin LLC, meeting the approval of the City Attorney. Any failure on the part of Kinder Morgan Cochin LLC to file such written acceptance within such time shall be deemed an abandonment and rejection of this ordinance, and this ordinance shall thereupon be null and void. Such acceptance shall be unqualified and shall be construed to be an acceptance of all the terms contained in this ordinance.

Passed by the Council:

DEC 05 2012

LaVonne Griffin-Valade
Auditor of the City of Portland

By:



Deputy

Mayor Sam Adams

Prepared by: MRiddick/BEWalters

October 26, 2012

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Agenda No.
ORDINANCE NO. 185766
Title

Extend term of Kinder Morgan Cochin LLC franchise to transport petroleum products by pipeline (Ordinance; amend Ordinance No. 164747).

INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>NOV 20 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams	LaVonne Griffin-Valade Auditor of the City of Portland
Position 1/Utilities - Fritz	By: <u>[Signature]</u> Deputy
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
BUREAU APPROVAL CAO: Jack D. Graham Bureau: Revenue Bureau Head: Thomas W. Lannom	ACTION TAKEN: NOV 28 2012 PASSED TO SECOND READING DEC 05 2012 9:30 A.M.
Prepared by: Melvin Riddick Date Prepared: November 9, 2012	
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date November 28, 2012	
City Attorney Approval <u>Benjamin Walters</u>	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	