

ORDINANCE No. 186387

Consent to franchise transfer from Paramount of Oregon, LLC to LCP Oregon Holdings, LLC for pipeline facilities (Ordinance; transfer Ordinance No. 180378)

The City of Portland ordains:

Section 1. The Council finds:

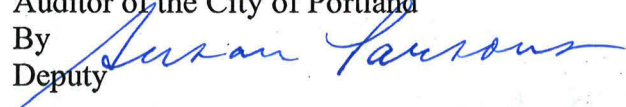
1. By Ordinance No. 180378, effective October 15, 2006, the City of Portland granted Paramount of Oregon, Inc. a franchise to construct, operate and maintain pipeline facilities for a period of ten years.
2. Portland City Charter Section 10-216 provides that no franchise shall be sublet or assigned, nor shall any of the franchise rights or privileges be leased, assigned, sold or transferred, without the consent of the City expressed by non-emergency ordinance. Section 14.1(A) of the franchise states that the franchise shall not be assigned or transferred, except to an affiliate of the franchisee, without the prior written consent of the City as expressed by ordinance, which consent shall not be unreasonably delayed or withheld.
3. In 2006, Paramount of Oregon, Inc. merged with and into its affiliate Paramount of Oregon, LLC.
4. LCP Oregon Holdings, LLC, a Delaware limited liability company, has entered into an agreement under which it will acquire the assets of Paramount of Oregon, LLC, including, but not limited to, all the pipeline system of Paramount of Oregon, LLC underlying the City streets. The parties have informed the City that the transaction is scheduled to close on November 20, 2013.
5. The two companies have asked that the Council provide consent to the transfer of the existing franchise and pipeline system under the City streets to LCP Oregon Holdings, LLC.
6. Staff has reviewed available information and determined that LCP Oregon Holdings, LLC appears to have the technical, legal and financial ability to meet the obligations of the franchise.
7. Staff recommends that the Council provide its consent to the proposed transfer of Ordinance No. 180378 to LCP Oregon Holdings, LLC.

NOW, THEREFORE, the Council directs:

- a. Pursuant to Portland City Charter Section 10-216 and Section 14 of Ordinance No. 180378, consent is hereby given to the transfer of the franchise and pipeline system under the City streets to LCP Oregon Holdings, LLC.

- b. Effective upon the closing of the acquisition, LCP Oregon Holdings, LLC will be responsible for performing, complying with and assuming all of the covenants, duties, obligations and liabilities under Ordinance No. 180378, including the provision of insurance and bonds required under the existing franchise. In response to the written notice of proposed transfer received by the City, the City may request additional documentation for clarification of any questions regarding assumption of the franchise obligations and responsibilities for future performance of such obligations. Within 30 days after the closing of the acquisition, LCP Oregon Holdings, LLC shall provide certificates of insurance and bonds, naming LCP Oregon Holdings, LLC and the City as required under Ordinance No. 180378.
- c. Within 30 days after the closing of the acquisition, LCP Oregon 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. 180378. A failure on the part of LCP Oregon 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 Council, DEC 18 2013
Mayor Charlie Hales
Prepared by Li/Walters
November 14, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland
By 
Deputy

588881

1171-1200-

J140

Agenda No.
ORDINANCE NO. 186387
 Title

Consent to franchise transfer from Paramount of Oregon, LLC to LCP Oregon Holdings, LLC for pipeline facilities (Ordinance; Transfer Ordinance No. 180378)

INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>DEC 06 2013</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL Bureau: Revenue Bureau OMF CAO: Jack D. Graham Bureau Head: Thomas W. Lannon Prepared by: Jennifer Li Date Prepared: 11/21/13 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter Council Meeting Date December 4, 2013	ACTION TAKEN: DEC 11 2013 PASSED TO SECOND READING DEC 18 2013 9:30 AM

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. Novick	4. Novick	✓	
Hales	Hales	✓	