

IMPACT STATEMENT

Legislation title: Grant a franchise to LCP Oregon Holdings, LLC to construct, operate and maintain pipeline facilities under City streets for a period of 20 years (Ordinance)

Contact name: Jennifer Li

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Presenter name: Jennifer Li

Purpose of proposed legislation and background information:

In 1991, the Council granted a franchise to Chevron U.S.A. Inc. to build and operate pipeline facilities within the City's streets along a limited portion of NW Front near NW Doane Avenue. Ordinance No. 164748. Subsequently, the Council consented to Chevron's transfer of the franchise and its facilities to Paramount of Oregon, Inc., and the City granted a new franchise to Paramount in 2006. Ordinance Nos. 179588 and 180378. In 2013, the Council consented to a transfer of the facilities and franchise to LCP Oregon Holdings, LLC. Ordinance No. 186387. The franchise for LCP Oregon Holdings, LLC will expire on October 31, 2017.

LCPOH and the City have reached final agreement on terms and conditions of a 20-year franchise to replace the 2006 franchise agreement. The final agreement is consistent with other pipeline franchises granted by the City Council and with the City policy adopted in Resolution No. 37168 regarding fossil fuel infrastructure. The new franchise also includes increased insurance requirements as well as other updated terms. Under City Charter requirements, the franchise was published in full in the Daily Journal of Commerce and an additional notice was published in the Oregonian.

Timeline per City Charter Requirements:

May 24, 2017	Daily Journal of Commerce notice – at least 20 days prior to City Council 1 st reading
May 24, 2017	Oregonian notice – at least 20 days prior to City Council 1 st reading
July 12, 2017	1st Reading
August 16, 2017	2nd Reading – 30 days after 1 st Reading
October 15, 2017	Effective Date – 60 days after 2 nd Reading
November 14, 2017	Acceptance signed by franchisee within 30 days of Effective Date

Financial and budgetary impacts:

Under the terms of the franchise agreement, the City will receive a flat rate of \$35,000 per year for franchise fees, which will increase each year by CPI. If the franchisee desires facilities to be built beyond the current infrastructure as described in the Exhibit A to the franchise, then compensation for the extension outside the authorized area will be negotiated at that time and

such amendment to the franchise must be approved by City Council via ordinance prior to construction.

Community impacts and community involvement:

N/A

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
 NO: Skip this section