

**CITY OF HUNTINGTON BEACH
LEGAL NOTICE**

**ORDINANCE NO. 4081
Adopted by the City Council on FEBRUARY 16, 2016**

"AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH GRANTING TO TEXACO DOWNSTREAM PROPERTIES, INC. A DELAWARE CORPORATION, A FRANCHISE TO LAY, CONSTRUCT, MAINTAIN, OPERATE, RENEW, REPAIR, ALTER, REMOVE OR ABANDON IN PLACE ONE OR MORE EXISTING PIPES AND PIPELINES FOR THE COLLECTION, TRANSPORTATION OR DISTRIBUTION OF HYDROCARBON SUBSTANCES IN THE CITY OF HUNTINGTON BEACH"

SYNOPSIS:

City Council approved a Franchise Agreement between the City and Texaco Downstream Properties, Inc. (Texaco) for the operation and maintenance of an existing pipeline system used for the transportation of oil, gas, and other hydrocarbon substances. The pipeline system consists of approximately 31,755 linear feet of 6-inch diameter pipe.

Texaco Trading and Transportation, Inc., the former pipeline owner, held the last valid franchise agreement, which expired on October 16, 2013. Texaco Downstream Properties, Inc acquired the pipeline from Texaco Trading and Transfer Company in accordance with the City's HBMC Section 3.44.

The Agreement incorporates the changes made to Chapter 3.44 - Pipeline Franchises of the Huntington Beach Municipal Code in 2010. Terms of the Franchise Agreement include:

- Term: 20 years with two (2) additional ten (10) year extensions upon mutual agreement by both parties
- Base Grant Fee: \$5,000
- Base Annual Fee: 2014 fee estimated at \$28,420
- Base Annual Fee increase (each year) based on CPI
- Faithful performance Bond, \$100,000
- Liability, Environmental and Workers Compensation Insurance (self insured)

The agreement provides substantial General Fund revenue, and ensures continued maintenance and responsibility for a pipeline network currently present within the City right-of-way.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting held February 16, 2016 by the following roll call vote:

AYES: Posey, O'Connell, Sullivan, Katapodis, Hardy Delgleize, Peterson

NOES: None

ABSTAIN: None

ABSENT: None

THE FULL TEXT OF THE ORDINANCE IS AVAILABLE IN THE CITY CLERK'S OFFICE.

This ordinance is effective 30 days after adoption.

**CITY OF HUNTINGTON BEACH
2000 MAIN STREET
HUNTINGTON BEACH, CA 92648
714-536-5227
JOAN L. FLYNN, CITY CLERK**