



# council agenda report

Meeting Date	4-17-07
Item Number	CA

CITY OF SAN LUIS OBISPO

**FROM:** Jonathan P. Lowell, City Attorney *JL*

**SUBJECT:** ADOPTION OF ORDINANCE NO. 1504 APPROVING THE TRANSFER OF RIGHTS AND OBLIGATIONS UNDER FRANCHISE ORDINANCE 1391 FROM UNION PIPELINE COMPANY ("UNOCAP"), A CALIFORNIA CORPORATION AND WHOLLY OWNED SUBSIDIARY OF CONOCOPHILLIPS COMPANY TO CONOCOPHILLIPS PIPELINE COMPANY AND AMENDING ORDINANCE NO. 1391 TO REFLECT THE TRANSFER

## CAO RECOMMENDATION

Adopt Ordinance No. 1504.

## DISCUSSION

On April 3, 2007, the Council voted 5-0 to introduce Ordinance No.1504 which transfers the rights and obligations under Franchise Ordinance 1391 from Union Pipeline Company ("Unocap") to ConocoPhillips Pipeline Company and amends the existing franchise ordinance to reflect accurately the corporate ownership and responsibility for the franchise. The amendment makes no other substantive change to the terms or conditions of the existing franchise agreement. Ordinance No. 1504 is now ready for adoption and will become effective thirty days after the date of its final passage.

## ATTACHMENT

Ordinance No. 1504

**ORDINANCE NO. 1504 (2007 Series)**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO  
APPROVING THE TRANSFER FROM UNION PIPELINE COMPANY,  
A CALIFORNIA CORPORATION, TO CONCOCOPHILLIPS PIPELINE COMPANY,  
A DELAWARE CORPORATION, OF A FRANCHISE TO CONSTRUCT, OPERATE,  
AND MAINTAIN PIPELINES FOR THE TRANSPORTATION OF OIL, AND  
OTHER SPECIFIED MATERIALS IN THE CITY OF SAN LUIS OBISPO,  
STATE OF CALIFORNIA AND AMENDING ORDINANCE NO. 1391  
TO REFLECT THE TRANSFER**

**WHEREAS**, the City of San Luis Obispo adopted Ordinance No. 1391 on July 10, 2001, granting a franchise to Union Pipeline Company ("Unocap"), a California Corporation for a term of 10 years for the transportation and distribution of oil and other specified materials in the City of San Luis Obispo; and

**WHEREAS**, effective February 1, 2005, Unocap merged into ConocoPhillips Pipe Line Company ("CPPLC"), a wholly owned subsidiary of ConocoPhillips Company, and is no longer a legal entity; and

**WHEREAS**, CPPLC is currently operating pipelines for the transportation of oil and other specified materials within the City of San Luis Obispo and expressly agrees to assume the rights and obligations of Unocap under Franchise Ordinance 1391; and

**WHEREAS**, ConocoPhillips Pipeline Company has requested that Council approve the transfer of the subject franchise from Unocap to ConcocoPhillips; and

**WHEREAS**, on March 6, 2007, pursuant to Section 1002 of the Charter of the City of San Luis Obispo and Article 17 of Franchise Ordinance 1391, the City Council adopted Resolution No. 9881 (2007 Series), declaring its intention to consent to the transfer of Franchise Ordinance number 1391 from Unocap to ConocoPhillips Pipe Line Company; and

**WHEREAS**, the City Clerk published said Resolution in the Tribune on March 17, 2007; and

**WHEREAS**, a public hearing was held on April 3, 2007; and

**WHEREAS**, the City Council finds that the requested transfer is in the best interest of the City.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of San Luis Obispo that the transfer from Union Pipeline Company, a California corporation, to ConcocoPhillips Pipeline Company, a Delaware corporation, of the franchise granted by Ordinance No. 1391, to construct, operate, and maintain pipelines for the transportation of oil,

and other specified materials in the City of San Luis Obispo is approved and Ordinance No. 1391 is amended to reflect the transfer, as follows:

**SECTION 1:** Subsection A of Article I and Article 21 of the franchise set forth in Ordinance No. 1391 (2001 Series) are amended to read as follows:

**ARTICLE I**

**NATURE OF FRANCHISE**

**A. Grant of Franchise.**

1. The City of San Luis Obispo (hereinafter referred to as "City"), hereby grants to ConocoPhillips Pipeline Company, a Delaware Corporation, (hereinafter referred to as "Grantee"), pursuant to the provisions of Article X of the San Luis Obispo City Charter, Article XI, Section 9(b) of the California Constitution, and Section 39732(b) of the California Government Code, the non-exclusive right, privilege and franchise, subject, however, to all the limitations and restrictions herein contained, to construct, erect, maintain, operate, repair, renew, abandon, and change the size of and remove pipelines, not to exceed twelve (12) inches nominal internal diameter, for the transportation of oil, products thereof, hydrocarbon gases and other gas necessary for the operation and maintenance of the pipelines, water and mixtures thereof, movable by pipeline, in, under, along, and across the public streets, ways, alleys and places within the City of San Luis Obispo (hereinafter collectively referred to as "streets"), as described in Exhibit No. 1, attached hereto and made a part hereof.

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**ARTICLE 21**

**NOTICE**

Any notice required to be given under the terms of this franchise, the manner of service of which is not specifically provided for, may be served as follows:

Upon the City, by serving the City Clerk, personally or by addressing a written notice to the City Clerk of the City of San Luis Obispo, 990 Palm Street, San Luis Obispo, CA 93401, and depositing such notice in the United States mail, postage prepaid.

Upon the Grantee, by addressing a written notice to Grantee addressed to ConocoPhillips Company, 3900 Kilroy Airport Way, Suite 210, Long Beach, CA 90806, Attn: Supervisor, R/W Administration, or such other address as may from time to time be furnished in writing by one party to the other and depositing said notice in the United States mail, postage prepaid. When service of any such notice is made by mail, the time of such notice shall begin with and run from the date of the deposit of same in the United States mail.

**SECTION 2:** The rights and obligations of the parties pursuant to Franchise Ordinance No. 1391 shall continue and remain otherwise unchanged and ConocoPhillips Pipeline Company expressly assumes all rights and obligations conferred upon it by Ordinance No. 1391, as amended.

**SECTION 3:** This ordinance shall take effect and be in full force and effect thirty (30) days after its passage, and before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once with the names of the members of the City Council voting for and against the ordinance in a newspaper of general circulation published in the City of San Luis Obispo, State of California.

**SECTION 4:** A synopsis of this ordinance, approved by the City Attorney, together with the ayes and noes shall be published once in full at least five (5) days prior to its final passage, in a newspaper published and circulated in said City, and at the same time shall go into effect at the expiration of thirty (30) days after its said final passage. A copy of the full final text of this ordinance and Ordinance 1391, as amended, shall be on file in the Office of the City Clerk on and after the date following the introduction and passage to print and shall be available to any interested member of the public.

**INTRODUCED** on the 3rd day of April 2007, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the 17<sup>th</sup> day of April 2007, on the following roll call vote:

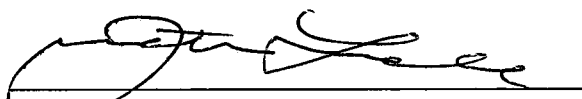
AYES: Council Members Brown, Carter and Settle, Vice Mayor Mulholland and Mayor Romero  
NOES: None  
ABSENT: None

  
Mayor David F. Romero

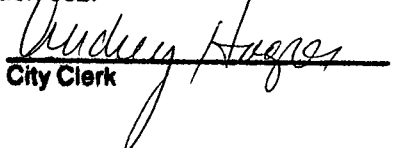
ATTEST:

  
Audrey Hooper  
City Clerk

APPROVED AS TO FORM:

  
Jonathan P. Lowell  
City Attorney

I hereby certify that this document is a true and accurate original of Ordinance No. 1504, and that the ordinance was published pursuant to Charter Section 602.

8/20/09   
Date City Clerk