



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

FROM: Matt Rodriguez, Interim City Administrator

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING THE TRANSFER TO TORRANCE PIPELINE COMPANY, LLC, OF A PIPELINE FRANCHISE GRANTED TO EXXONMOBIL OIL CORPORATION BY ORDINANCE NO. 582 – SECOND READING/ADOPTION

MEETING DATE: April 4, 2017

RECOMMENDATION:

- Move to read the Ordinance by title only
- Approve for second reading.

ANALYSIS:

On September 7, 2004, pursuant to Ordinance No. 582, the City of Commerce granted a pipeline franchise to ExxonMobil Oil Corporation to install, operate, maintain, replace, repair, change the size of, abandon in place and/or remove pipelines for the transportation storage, distribution or delivery of oil, oil products and other substances incidental to the oil industry (i.e. industrial gas, wet gas, gasoline petroleum oil and other industry hydrocarbon substances, water, wastewater, mud, steam and other liquid and gaseous substances) under, along, across or upon the public streets, highways, alleys, including waterways, and other public places in the City of Commerce for a term of 25 years.

The City was advised that on September 29, 2015, ExxonMobil Oil Corporation entered into a Sale and Purchase Agreement with PBF Holding Company LLC to purchase the assets covered by Ordinance No. 582. On July 1, 2016, the assets covered by Ordinance No. 582 were then transferred Torrance Pipeline Company LLC, an affiliate of PBF Holding Company LLC. Torrance Pipeline Company, LLC, has agreed to assume all obligations of Ordinance No. 582. Torrance Logistics Company LLC will operate and maintain the facilities pursuant to the terms and conditions of the pipeline franchise.

The City Attorney's Office has reviewed the Purchase Agreement and relevant background documents for the transaction.

First reading of the Ordinance was on March 7, 2017.

ALTERNATIVES:

1. Approve the subject Ordinance, thereby approving the transfer of the franchise provided by Ordinance No. 582.
2. Provide staff with alternative direction.

FISCAL IMPACT:

None.

Approved as to form: Eduardo Olivo, City Attorney
Respectfully submitted: Matt Rodriguez, Interim City Administrator

ATTACHMENTS: Proposed Ordinance