



Legislation Details (With Text)

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Title: SECOND READING OF ORDINANCE NO. 23-2310, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO ZENITH ENERGY WEST COAST TERMINALS, LLC (CITY COUNCIL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 - Ordinance No. 23-2310

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, December 05, 2023

Ordinance Second Reading

SECOND READING OF ORDINANCE NO. 23-2310, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO ZENITH ENERGY WEST COAST TERMINALS, LLC (CITY COUNCIL)

I. SUMMARY

On November 21, 2023, under Item No. 28 of the City Council Agenda, the City Council voted 5-0 to introduce Ordinance No. 23-2310. This item transmits a request for City Council to conduct a Second Reading and adopt Ordinance No. 23-2310.

II. RECOMMENDATION

CONDUCT a Second Reading by title only and with full reading waived, and **ADOPT**, Ordinance No. 23-2310, entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, GRANTING A PUBLIC UTILITY PIPELINE FRANCHISE TO ZENITH ENERGY WEST COAST TERMINALS LLC"

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate that is consistent with the requirements of the law.

IV. BACKGROUND

At the November 21, 2023, Council Meeting, the City of Carson introduced Ordinance No. 23-2310, granting a public utility pipeline franchise to Zenith Energy West Coast Terminals, LLC. The City Council opened the public hearing, heard public testimony, closed the public hearing and voted 5-0 to introduce Ordinance No. 23-2310 for first reading.

V. FISCAL IMPACT

Based on Public Utilities Code Section 6231.5 and Zenith's existing pipeline length of approximately 25,442 feet within City's right of way, Zenith will be paying the City a minimum of \$30,553.46 per year with \$30,553.46 representing the amount for the year 2023, resulting in a total of at least \$611,069.20 (this does not include CPI adjustments) in continued revenues over the course of the 20 year term of the franchise (10 years plus two 5 year options to extend), plus the retroactive base annual fees covering the period from expiration of the existing franchise as of August 14, 2023 up to the time the renewed franchise goes into effect. This amount does not include the annual CPI adjustment, so the actual revenue received by the City over the renewed term will be greater than this estimate. Finally, publication costs incurred in connection with the granting of the proposed franchise as provided under CMC Section 6817 will be paid by Zenith.

VI. EXHIBITS

1. Ordinance No. 23-2310 (proposed for Second Reading) (pgs.)

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