



Legislation Text

File #: 2022-991, Version: 1

Report to Mayor and City Council

Tuesday, December 06, 2022

Consent

SUBJECT:

CONSIDERATION OF RESOLUTION NO. 22-249 CONSENTING TO THE ASSIGNMENT OF THE CHEMOIL TERMINALS CORPORATION NONPUBLIC UTILITY PIPELINE FRANCHISE TO OLYMPUS TERMINALS LLC

I. SUMMARY

On December 21, 2004, the City Council adopted Ordinance No. 04-1323 granting to Chemoil Refining Corporation a 25-year nonpublic utility pipeline franchise, and on April 5, 2005 the City Council approved Resolution 05-037 consenting to assignment of the franchise from Signal Hill Holding Corporation, formerly Chemoil Refining Corporation, to Chemoil Terminals Corporation. Chemoil Terminals LLC, a limited liability company, was formed February 28, 2019 and is managed by Chemoil Terminals Corporation as the sole member. On December 17, 2021, Chemoil Terminals LLC changed its name to Olympus Terminals LLC, a Delaware limited liability company authorized to conduct business in California.

Now, Chemoil Terminals Corporation seeks City Council's consent to assignment of its franchise granted under Ordinance No. 04-1323 to Olympus Terminals LLC, pursuant to Section 6818 of the Carson Municipal Code.

II. RECOMMENDATION

TAKE the following actions:

1. WAIVE further reading and ADOPT RESOLUTION NO. 22-249, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, CONSENTING TO THE ASSIGNMENT OF THE CHEMOIL TERMINALS CORPORATION NONPUBLIC UTILITY PIPELINE FRANCHISE TO OLYMPUS TERMINALS LLC"; and
2. AUTHORIZE the City Manager to execute the Assignment and Assumption Agreement approved as to form by the City Attorney.

III. ALTERNATIVES

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

IV. BACKGROUND

On December 21, 2004, the City Council adopted Ordinance No. 04-1323 granting to Chemoil Refining Corporation, a 25 year franchise ("Franchise") to construct, lay, operate, maintain and use pipelines and appurtenances for the purpose of conducting, transporting, conveying and carrying gas, oil, petroleum, water and other substances on, along, in, under and across designated public streets within the City of Carson. On April 5, 2005, the City Council approved Resolution 05-037 consenting to assignment of the Franchise from Signal Hill Holding Corporation, formerly Chemoil Refining Corporation, to Chemoil Terminals Corporation ("Current Franchisee"). Chemoil Terminals LLC, a limited liability company, was formed February 28, 2019 and is managed by Current Franchisee as its sole member, and on December 17, 2021, underwent a name change to Olympus Terminals LLC, a Delaware limited liability company authorized to conduct business in California.

Current Franchisee has filed with the City an application requesting approval of the assignment of the Franchise from Chemoil Terminals Corporation to Olympus Terminals LLC (Exhibit 2), along with an Assignment and Assumption Agreement, which is a duly executed instrument of assignment purporting to assign the Franchise from Current Franchisee to Olympus Terminals LLC (Exhibit 3), pursuant to Section 6818 of the Carson Municipal Code. City Council is authorized under Section 6818 to consent to such request for assignment, and would do so by adoption of the attached Resolution No. 22-249 (Exhibit 1). City Council is also being requested to authorize the City Manager to execute the Assignment and Assumption Agreement approved as to form by the City Attorney. All other terms and conditions under the original Franchise would remain unchanged.

V. FISCAL IMPACT

Because the assignment would result in Olympus Terminals LLC simply taking over and assuming the currently existing payment obligations under Ordinance No. 04-1323, there would be no impact to City's finances resulting from adoption of Resolution No. 22-249.

VI. EXHIBITS

Exhibit 1 - Resolution No. 22-249 (pgs. 3-6)

Exhibit 2 - Application (pg. 7)

Exhibit 3 - Assignment and Assumption Agreement (pgs. 8-12)

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