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APPROVED  
BY THE CITY COUNCIL

FEB 24 1987

OFFICE OF THE  
CITY CLERK

OFFICE OF THE  
CITY MANAGER

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 109  
915 I STREET  
SACRAMENTO, CA  
95814-2684

916-449-5704

February 18, 1987

City Council  
Sacramento, California

Honorable Members In Session:

Subject: Adoption of Resolution of Intention to Grant a Franchise to Southern Pacific Pipelines, Inc.

**SUMMARY:**

This report recommends that the City Council approve a Resolution of Intention to grant a pipeline route franchise to Southern Pacific Pipelines, Inc.

**BACKGROUND:**

In May of 1986, representatives of the Southern Pacific Pipelines, Inc. contacted the City Manager's Office with a proposal to establish a new pipeline route through portions of the City via City streets and the Southern Pacific Railroad right-of-way. During those discussions, it was determined that the City previously had granted revocable permits to Southern Pacific Pipelines Inc. on June 9th and July 7th of 1966 for the purpose of placement of pipelines in a number of City streets extending from the foot of Broadway near Miller Park through City streets and Southern Pacific Railroad Company right-of-way to the United States Army Depot.

Representatives of the City and the firm agreed that it was more appropriate for the City to consider the issuance of a franchise similar to other utilities. After a number of meetings, both parties agreed on appropriate language for an ordinance granting a franchise which covers the previously approved routes occupied by the pipeline and the proposed route. The new route will enter the northern portion of the old City near the Southern Pacific Railroad Yards and follow a northerly route of the Southern Pacific Railroad Company right-of-way towards the City of Roseville.

PROPOSED ACTION SCHEDULE BY THE CITY COUNCIL:

<u>Date</u>	<u>Action</u>
2/24/87	City Council to decide on approval of a Resolution of Intention to grant a franchise (the subject of this letter).
2/26/87	City Clerk, subject to Council approval, to publish a Notice of Intention to grant franchise.
3/3/87	City Council approves the publication of the proposed ordinance which will grant the pipeline franchise to Southern Pacific Pipelines, Inc.
3/10/87	City Council conducts a hearing on the proposed ordinance and adopts <u>or</u> rejects the ordinance granting the franchise.
4/10/87	The ordinance granting the franchise becomes effective (assuming City Council approval on 3/10/87 and subject to the completion of the environmental process).

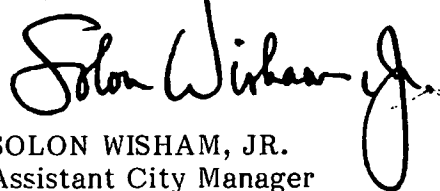
FINANCIAL DATA:

Provisions of the franchise will provide that the Southern Pacific Pipelines, Inc. pay the City an annual franchise fee computed on the basis of two percent (2%) of the gross annual receipts of the grantee arising from the use, operation and possession of the franchise. Computations for the franchise fee are made in the same manner as computations under Section 6001 et seq. of the California Public Utilities Code commonly known as the "Broughton Act" and in particular, Section 6006 or Section 6201 et seq. of said code commonly known as the "Franchise Act of 1937".

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution declaring the intention of the City to grant a pipeline route franchise to Southern Pacific Pipelines, Inc.

Respectfully submitted,



SOLON WISHAM, JR.  
Assistant City Manager

Attachment

All Districts  
February 24, 1987

# RESOLUTION NO. 87-133

Adopted by The Sacramento City Council on date of

APPROVED  
BY THE CITY COUNCIL

February 24, 1987

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OFFICE OF THE  
CITY CLERK

RESOLUTION DECLARING THE INTENTION OF THE  
CITY COUNCIL TO GRANT A PIPELINE ROUTE  
FRANCHISE TO SOUTHERN PACIFIC PIPELINES, INC.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1. RESOLUTION OF INTENTION

The City Council of the City of Sacramento hereby declares its intention, in accordance with Public Utilities Code §6232, to proceed under Division 3, Chapter 2 of that code, and to grant to Southern Pacific Pipelines, Inc. a franchise for the construction, installation and maintenance of pipelines within the public roads, streets and ways of the City of Sacramento. The proposed form of the ordinance granting of the franchise is on file with the City Clerk.

SECTION 2. HEARING ON OBJECTIONS

On March 10, 1987, at the hour of 7:30 p.m., in the chambers of the City Council, a hearing will be conducted by the City Council, at which all persons having any objection to the granting of the franchise may appear before the City Council and be heard.

SECTION 3. PUBLICATION OF NOTICE

Within fifteen days after the adoption of this resolution, the City Clerk shall publish notice of the date, time and place of the hearing specified in Section 2 of this resolution. The publication shall be made one time in a newspaper of general circulation. The notice shall additionally provide as follows:

"Southern Pacific Pipelines, the intended grantee of the franchise, and its successors and assigns will, during the life of the franchise and commencing annually from the date of granting the franchise, pay to the City an annual fee equal to two percent (2%) of its gross receipts from operations of the franchise during the preceding calendar year or fractional calendar year. In the event

payment is not made the franchise will be forfeited. The term of the franchise is for 30 years from the effective date of the ordinance granting the franchise. A copy of the proposed ordinance granting the franchise is on file in the Office of the City Clerk. At the time and place specified above, the City Council will hear any objections to the granting of the franchise.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK