

1 2005, Shell and CRIMSON received approval of Shell's sale to CRIMSON of the Shell
2 10" Line from the California Public Utilities Commission ("CPUC"); and,

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4 WHEREAS, although the Shell Franchise has expired, CRIMSON has continued
5 to operate the Shell 10" Line in compliance with all of the terms and conditions of the
6 Shell Franchise; and;

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8 WHEREAS, the City, pursuant to a License ("License No. 57658") dated October
9 20, 1989 (the "Union Oil License"), granted Union Oil Company of California ("Union Oil")
10 a nonexclusive license to install, operate and maintain 1,588 lineal feet of twelve inch
11 (12") pipeline (the "Union Oil 12" Line") to transport petroleum; and,

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13 WHEREAS, subsequent to the issuance of the Union Oil License, through mesne
14 conveyances, the Union Oil License was acquired as of February 1, 2005 by
15 ConocoPhillips Pipeline Company ("CPPLC"); and,

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17 WHEREAS, effective July 1, 2008, CPPLC sold and assigned its common-carrier
18 crude oil pipeline system located in Southern California to CRIMSON and CRIMSON
19 agreed to assume all of CPPLC's obligations relating to the Union Oil 12" Line; and,

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21 WHEREAS, on December 20, 2007, CPPLC and CRIMSON received approval of
22 CPPLC's sale to CRIMSON from the CPUC; and,

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24 WHEREAS, since July 1, 2008, CRIMSON has operated the Union Oil 12" Line in
25 compliance with all of the terms and conditions of the Union Oil License; and,

1 WHEREAS, the Shell 10" Line and the Union Oil 12" Line are operated by
2 CRIMSON as a public utility common carrier to transport oil or products thereof for the
3 public under tariffs governed by the CPUC; and,

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5 WHEREAS, CRIMSON has requested the Culver City City Council to approve the
6 assignment of the Shell Franchise (as it relates to the Shell 10" Line) from Shell to
7 CRIMSON and the assignment of the Union Oil License from CPPLC to CRIMSON; and,

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9 WHEREAS, CRIMSON has further requested that the Union Oil 12" Line be
10 consolidated into and made a part of a renewed and extended CRIMSON FRANCHISE;
11 and,

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13 WHEREAS, CRIMSON has requested the City Council to renew and extend the
14 Shell Franchise (as it relates to the Shell 10" Line) and the Union Oil License into a single
15 CRIMSON FRANCHISE; and,

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17 WHEREAS, the Shell 10" Line and the Union Oil 12" Line have been in continuous
18 operation for over 25 years, with such operation being without incident; and,

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20 WHEREAS, the City Council, to ensure the continued protection of the public
21 health, safety, and welfare, has provided direction to CITY MANAGER to enter into
22 negotiations with CRIMSON for the purposes of updating the decades-old Shell
23 Franchise and Union Oil License, especially in the areas of safety precautions, including
24 obtaining adequate levels and appropriate types of insurance to protect the interests of
25 CITY and its residents.
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1 NOW, THEREFORE, the City Council of the City of Culver City, DOES
2 HEREBY RESOLVE as follows:

3 1. The Council declares its intention to approve the CRIMSON
4 FRANCHISE.

5 2. The terms and conditions proposed at this time for the franchise are
6 set forth in a proposed Draft Ordinance of the City Council approving the CRIMSON
7 FRANCHISE, which is on file in the Office of the City Clerk and incorporated herein by
8 this reference.

9 3. A hearing on the proposed final Ordinance will be conducted before
10 the City Council to hear any protests or any other comments from interested citizens
11 before action is taken on the CRIMSON FRANCHISE at 7:00 p.m., or as soon thereafter
12 as the matter may be heard, on July 27, 2015, in the City Council Chambers of the Culver
13 City City Hall, located at 9770 Culver Boulevard, Culver City, California.

14 4. The City Clerk shall cause a copy of this Resolution to be published
15 once within fifteen (15) days after its adoption.

16
17 APPROVED and ADOPTED this ____ day of _____, 2015
18
19

20 _____
MICHEÁL O'LEARY, MAYOR
21 City of Culver City
22

23 ATTEST:

APPROVED AS TO FORM:

24
25 _____
26 MARTIN R. COLE
City Clerk
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CAROL A. SCHWAB
City Attorney