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November 12, 2013

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

RECOMMENDATION:

Approve the Assignment Consent Agreement for Facility/Pipeline Permit Nos P-80-57, P-137-84, P-138-84, P-164-88, P-212-01, P-213-01, MW-24-91, MW-47-93, MW-50-93, MW-51-94, MW-57-95, MW-78-99, MW-95-00, MW-96-00, MW-101-01, MW-134-02, MW140-03, MW-159-04, MW-181-05, MW-184-05, and MW-242-11 from BP West Coast Products LLC to Tesoro SoCal Pipeline Company LLC, in accordance with Section 15.44.220 of the Long Beach Municipal Code. (Districts 1, 3, 4, 5, 6, 7, 8, & 9)

DISCUSSION

BP West Coast Products LLC (BP) is requesting consent to assign its interest in Facility/Pipeline Permit Nos. P-80-57, P-137-84, P-138-84, P-164-88, P-212-01, P-213-01, MW-24-91, MW-47-93, MW-50-93, MW-51-94, MW-57-95, MW-78-99, MW-95-00, MW-96-00, MW-101-01, MW-134-02, MW-140-03, MW-159-04, MW-181-05, MW-184-05, and MW-242-11 to Tesoro SoCal Pipeline Company LLC (Tesoro). The 21 permits involve as many as 44 groundwater monitoring wells and 58 miles of various pipelines throughout the City.

The assignment is due to BP having sold its refinery in the City of Carson, its berths in the Long Beach Harbor, its terminal and pump station in north Long Beach and its terminal in the City of Signal Hill, along with all of the pipeline systems that transport products among these facilities to Tesoro.

Since this is only a transfer of ownership with no use modifications, there will be no street excavations required for this action. Long Beach Municipal Code Section 15.44.220, Permit-Transfer, requires the assignee, Tesoro, to provide the City an insurance policy and performance bonds for each permit. Their insurance and bonding will be processed following City Council's approval of the consent for assignment.

This matter was reviewed by Deputy City Attorney Linda Vu on October 15, 2013, and by Budget Management Officer Victoria Bell on October 18, 2013.

TIMING CONSIDERATIONS

City Council action on this matter is not time critical.

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FISCAL IMPACT

If the assignment consent agreement is approved, annual pipeline fees of approximately \$419,790 will continue to be deposited to the General Fund (GP) in the Department of Public Works (PW). There will be no impact to local jobs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

ARA MALOYAN, PE

ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST CITY MANAGER

P\CL\BP assignment to Tesoro CL.doc AM:GM:RC:db