



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 16, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE A RESOLUTION OF INTENTION AND APPROVE THE
INTRODUCTION OF AN ORDINANCE TO GRANT A TEN-YEAR PROPRIETARY
INDUSTRIAL GAS PIPELINE FRANCHISE TO PRAXAIR, INC.
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

Approval of these recommendations will renew an existing proprietary industrial gas pipeline franchise granted to Praxair, Inc., for pipelines located in the West Carson unincorporated area of the County.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a Resolution of Intention to grant a ten-year proprietary industrial gas pipeline franchise to Praxair, Inc., a Delaware corporation, to renew the existing franchise rights granted to Praxair, Inc.
2. Introduce, waive reading, and place on your Board's agenda an ordinance to grant Praxair, Inc. a ten-year proprietary industrial gas pipeline franchise, setting the matter for public hearing on September 27, 2011, and instructing the Executive Officer of your Board to publish a notice of the public hearing pursuant to California Public Utilities Code Section 6232.
3. Find that this franchise renewal project is categorically exempt under the California Environmental Quality Act (CEQA), pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

16 August 16, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the ordinance to grant Praxair, Inc. a proprietary industrial gas pipeline franchise, becoming operative November 10, 2011, the day after the existing franchise will expire.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommendations is for your Board to approve a Resolution of Intention, introduce an ordinance, schedule a public hearing, and publish a notice of the public hearing to adopt an ordinance to renew existing franchise rights to Praxair, Inc. (Praxair), a Delaware corporation.

Implementation of Strategic Plan Goals

The County Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize and support timely delivery of efficient public services. Your Board's approval of these recommendations to grant Praxair a proprietary industrial gas pipeline franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

Praxair has paid the County a one-time fee of \$5,000 to process an ordinance to renew the franchise, and will pay a fee based on a rate of \$1.50 per cubic foot of pipeline capacity occupied applied to Praxair's pipeline footage (5,934 feet). The Praxair franchise requires a \$2,500 minimum annual payment until year three when upward adjustments by the Producer Price Index will result in the fee exceeding the minimum payment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 10, 1996, your Board adopted Ordinance No. 96-0057F, granting a 15-year proprietary industrial gas pipeline franchise to Praxair, which became effective on November 10, 1996, and will expire on November 9, 2011.

Praxair is the largest industrial gas supplier in North America with sales of \$10.1 billion in 2010. Praxair's primary products are atmospheric gases (oxygen, nitrogen, argon), and process gases (carbon dioxide, helium, hydrogen), used in industries as diverse as healthcare, petroleum refining, beverage carbonation, aerospace, and water treatment.

Praxair's Wilmington production facility processes these products by compressing and cooling air and allowing oxygen, nitrogen, and argon to separate in a distillation column. The gases are stored in large storage tanks, then warmed and compressed for delivery via pipeline, except for cryogenic liquids that are delivered by tanker trucks. Praxair's pipeline system (37,684 feet of six- and eight-inch pipelines) delivers gaseous nitrogen to the ExxonMobil refinery in Torrance along a route beneath highways in the cities of Los Angeles and Carson, and the unincorporated West Carson area.

The Department of Public Works and County Fire Department have reviewed these recommendations and have no objections to the renewal of the Praxair franchise.

County Counsel has reviewed the Resolution of Intention and accompanying ordinance to grant Praxair a franchise and approved them as to form.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board of Supervisors shall arrange for publishing of a notice of the public hearing in a newspaper of general circulation in the County at least once within 15 days after your Board's adoption of the Resolution of Intention.

ENVIRONMENTAL DOCUMENTATION

This franchise renewal project is categorically exempt under CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

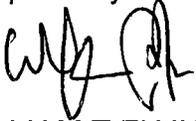
The recommended actions will not impact any current services or future projects.

The Honorable Board of Supervisors
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CONCLUSION

Instruct the Executive Officer of the Board of Supervisors to send conformed copies of the adopted Board recommendation, Resolution of Intention, and franchise ordinance Attention: Mr. Michael W. Carlo, Manager of Real Estate Administration, Praxair Inc., 39 Old Ridgebury Road, Danbury, CT 06810-5113, and the offices of County Counsel, Department of Public Works, Fire Department, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
CMM:RB:kb

Attachments

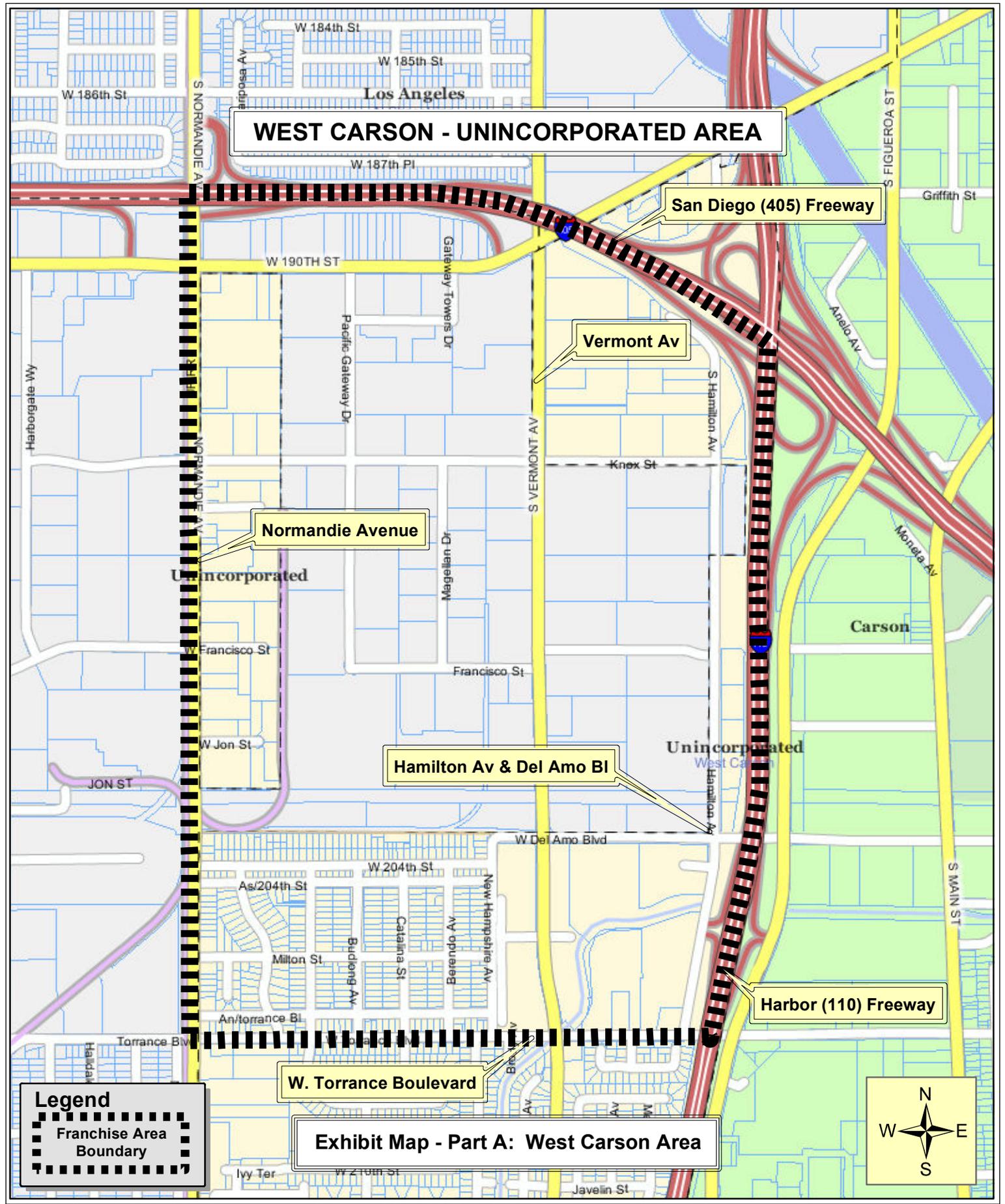
c: Executive Office, Board of Supervisors
County Counsel
Fire
Public Works

PRAX Brd Ltr

FRANCHISE AREA MAP

Praxair, Inc.

This map illustrates the unincorporated area affected by the franchise and is provided for the convenience of the reader.



Date
June 2011

Second (2nd)
Supervisory District

**COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE
PRAXAIR, INC. - INDUSTRIAL GAS PIPELINE FRANCHISE
WEST CARSON - UNINCORPORATED AREA**

Renew 96-0057F
Praxair, Inc.

Agent
R. Ball

RESOLUTION OF INTENTION

To Grant a

Proprietary Industrial Gas Pipeline Franchise

To

Praxair, Inc.

**RESOLUTION OF INTENTION TO GRANT A PROPRIETARY
INDUSTRIAL GAS PIPELINE FRANCHISE TO PRAXAIR, INC.**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, State of California:

A. Praxair, Inc., a Delaware corporation ("Franchisee"), has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a franchise for a period of ten (10) years, beginning on November 10, 2011, the operative date of the franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, remove, or abandon in place, pipes and pipelines for use in the transportation and transmission of industrial gas, gaseous nitrogen and other atmospheric gases, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. section 9601 et seq., and amendments thereto, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, and cables for adjunct communications lines, and other appurtenances and equipment for telegraph or telephone lines, or both, necessary or appropriate solely for the Franchisee's operations, in, under, along, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use in the unincorporated territory of the County of Los Angeles, State of California, within the franchise area described in the proposed ordinance attached hereto as Exhibit "A," and depicted on the exhibit map attached to said ordinance.

B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee, and its successors and assigns will, during the life of its franchise, pay to the County of Los Angeles the amount specified in the proposed ordinance annually from the date of the granting of the franchise, and in the event such payment is not made, the franchise will be forfeited.

C. The franchise is described in the Ordinance attached hereto as Exhibit "A" and is a franchise for proprietary industrial gas pipeline purposes.

D. That on the 27th day of September, 2011, at the hour of 9:30 a.m., a day not less than twenty (20) nor more than sixty (60) days after the date of the passage of this Resolution of Intention, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

E. The Executive Officer, Board of Supervisors, shall cause a notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles.

The foregoing resolution was on the 16th day of August, 2011, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.



SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the
County of Los Angeles

By

Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By

LAWRENCE M. GREEN
Deputy County Counsel
Contracts Division