



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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March 11, 2014

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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

9 March 11, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND
THE INDUSTRIAL GAS PIPELINE FRANCHISE GRANTED TO
AIR PRODUCTS AND CHEMICALS, INC. BY ORDINANCE NO. 99-0019F
(SECOND AND FOURTH DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of these recommendations will amend the existing industrial gas pipeline franchise granted to Air Products and Chemicals, Inc. by Ordinance No. 99-0019F, to extend the term of the franchise through December 31, 2015.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that this project is categorically exempt under the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 (Existing Facilities) of the State of California Guidelines for implementation of the California Environmental Quality Act.
2. Approve the introduction of an ordinance to amend the industrial gas pipeline franchise granted to Air Products and Chemicals, Inc. by Ordinance No. 99-0019F, to extend the term of the franchise through December 31, 2015.
3. Introduce, waive reading, and place on the Board's agenda for adoption on March 18, 2014, the accompanying ordinance that implements the above recommendation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Adopting an ordinance to extend the term of the industrial gas pipeline franchise granted to Air Products and Chemicals, Inc. (Air Products) by Ordinance No. 99-0019F, will avoid the expiration of the Air Products franchise on April 22, 2014, and allow additional time for the Chief Executive Office (CEO) and County Counsel to obtain Board approval of proposed updates to the County's franchise regulations contained in the County of Los Angeles (County) Highway Code (Title 16), prior to granting Air Products a longer-term franchise.

Implementation of Strategic Plan Goals

The County's Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize and support timely delivery of efficient public services. Adoption of an ordinance to extend the term of the Air Products franchise is consistent with this goal.

FISCAL IMPACT/FINANCING

Air Products has paid a granting fee of \$5,000 for the Board to adopt an ordinance to extend the term of the franchise, and will continue to pay an annual franchise fee based upon the linear footage formula contained in Ordinance No. 99-0019F. Air Products paid the County an annual franchise fee of \$3,273 for the 2012 calendar year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 23, 1999, the Board adopted Ordinance No. 99-0019F granting a 15-year industrial gas pipeline franchise to Air Products, which became effective April 23, 1999 and will expire April 22, 2014.

Air Products transports hydrogen from its plant in Wilmington to oil refineries in the South Bay (Carson and El Segundo) through the pipelines it maintains and operates in County highways located in the West Carson unincorporated area.

ENVIRONMENTAL DOCUMENTATION

This 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 the Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This project will not impact or negatively affect any County projects or current services. The Department of Public Works has reviewed this recommendation and expressed no objection to the extension of the Air Products franchise. County Counsel has reviewed the ordinance to amend the Air Products franchise and approved it as to form.

CONCLUSION

It is requested that the Executive Office of the Board of Supervisors send conformed copies of the adopted Board recommendation and adopted ordinance Attention: Gary Kinsey, Global Real Estate Manager, Air Products & Chemicals, Inc., 12600 Northborough Drive, Suite 196, Houston, TX 77067-3293, and the offices of County Counsel, Public Works, and CEO, Real Estate Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. T. Fujioka" with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
CMM:RB:ls

Enclosures

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