

## LEGISLATIVE FACT SHEET

DATE: 06/23/17

BT or RC No: \_\_\_\_\_  
(Administration & City Council Bills)

SPONSOR: Office of General Counsel  
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: Jason Teal

Provide Name: Jason Teal

Contact Number: 630-1087

Email Address: Jteal@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words - Maximum of 1 page.)

This legislation is seeking authorization to execute and administer a 20-year franchise agreement to authorize Buckeye Terminals, LLC to locate a 1.6-mile liquid energy ethanol and other petroleum transmission pipeline and associated equipment in the City's right-of-way between 1509 Eastport Road and Buckeye's Jacksonville Terminal. The purpose of the pipeline is to allow Buckeye to pipe its liquid gas product between two of its separate receiving and processing facilities as part of its industrial production operations.

The proposed pipeline would not function as a distribution system to service individual customers, but would be limited to transmission of the product for processing and storage. Ultimately, the blended product will be transported via tanker truck to wholesale distributors and retailers.

In exchange for the use of 1.6 miles of the City's right-of-way, Buckeye is proposing payment of a franchise fee based on a price-per-linear-foot basis. The initial 2017 fee calculation would be \$4.37 per linear foot (\$35,832) with a 3% annual increase over the 20-year life of the agreement (final payment in 2037 of \$64,716). This fee amount determination is consistent with the typical franchise fee payments that Buckeye has negotiated with numerous other jurisdictions around the country. The price-per-linear-foot amount is equal to the highest fee that Buckeye is currently paying (New York).

The franchise agreement and adoption legislation would need to waive the provisions of Chapter 711, Jacksonville Ordinance Code as it pertains to right-of-way franchise agreements and the calculation of the franchise fee. Buckeye has demonstrated a public need for use of the City's right-of-way by documenting its efforts to secure private property ownership or easements for locating the pipeline; however such efforts were demonstrated to be either prohibitively expensive or completely unavailable due to refusal to negotiate with the company.

APPROPRIATION: Total Amount Appropriated \_\_\_\_\_ as follows:  
 List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s)	From: _____	Amount: _____
	To: _____	Amount: _____
Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of City of Jacksonville Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name of In-Kind Contribution(s):	From: _____	Amount: _____
	To: _____	Amount: _____
Name & Number of Bond Account(s):	From: _____	Amount: _____
	To: _____	Amount: _____

**PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:**

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

**ACTION ITEMS: Purpose / Check List.** If "Yes" please provide detail by attaching justification, and code provisions for each.

**ACTION ITEMS:**

Emergency?  Yes  No

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate?  Yes  No

Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.

Fiscal Year Carryover?

Note: If yes, note must include explanation of all-year subfund carryover language.

CIP Amendment?

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract / Agreement Approval?

Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?

Franchise Agreement is attached to the legislation; see above for explaton. \*\*Oversight will be provided by the Planning and Development Department; Development Services Division.

Related RC/BT?

Attachment: If yes, attach appropriate RC/BT form(s).

Waiver of Code?

Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.

Waiver of Part 3 of Ch. 711 relating to franchise agreements for gas utilities; see above for explanation

Code Exception?

Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances?

Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.

**ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.**

**ACTION ITEMS:**      **Yes**      **No**  
Continuation of Grant?

Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?

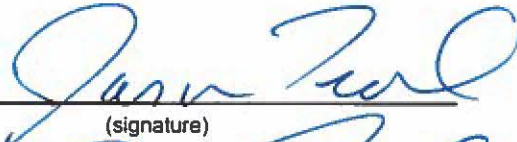
Surplus Property Certification?

Attachment: If yes, attach appropriate form(s).

Reporting Requirements?

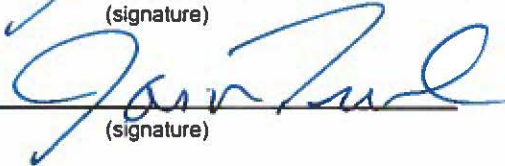
Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating

Division Chief: Jason Teal

  
(signature)

Date: 6/23/2017

Prepared By: Jason Teal

  
(signature)

Date: 6/23/2017

**ADMINISTRATIVE TRANSMITTAL**

To: MBRC, c/o Roselyn Chall, Budget Office, St. James Suite 325

Thru: Jason Teal, Office of General Counsel

(Name, Job Title, Department)

Phone: 904-630-1087

E-mail: Jteal@coj.net

From: Bill Killingsworth - Planning and Development Department/Development Services Division

Initiating Department Representative (Name, Job Title, Department)

Phone: 255-7811

E-mail: BillK@coj.net

Primary Contact: Bill Killingsworth

(Name, Job Title, Department)

Phone: 255-7811

E-mail: BillK@coj.net

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor  
904-630-1825 E-mail: akshelton@coj.net

**COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL**

To: Peggy Sidman, Office of General Counsel, St. James Suite 480

Phone: 904-630-4647

E-mail: psidman@coj.net

From:

Initiating Council Member / Independent Agency / Constitutional Officer

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Primary

Contact: \_\_\_\_\_  
(Name, Job Title, Department)

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

CC: Allison Korman Shelton, Director of Intergovernmental Affairs, Office of the Mayor  
904-630-1825 E-mail: akshelton@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item:    Yes    No

Boards Action / Resolution?

Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

**FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED**