

Legislation Text

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Authorizing the Chief Executive Officer of Philadelphia International Airport, the Director of Commerce, the Commissioner of Public Property, the Streets Commissioner and the Water Commissioner, or any or all of them, on behalf of the City of Philadelphia, to enter into a nonexclusive license agreement with the owner of 6900 Essington Avenue, 6902 Essington Avenue and 6904 Essington Avenue, to allow for the continued use of a utility corridor and related improvements through property owned by the City of Philadelphia bounded approximately by the southern boundary of 6900 Essington Avenue and continuing to the northern boundary of the Fort Mifflin Terminal Complex on Hog Island Road in Philadelphia and Delaware counties, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Chief Executive Officer of Philadelphia International Airport, the Director of Commerce, the Commissioner of Public Property, the Streets Commissioner and the Water Commissioner, or any or all of them, on behalf of the City of Philadelphia, are hereby authorized to enter into a nonexclusive license agreement with Philadelphia Energy Solutions Refining and Marketing, LLC, a Delaware limited liability company, as the fee owner of 6900 Essington Avenue, 6902 Essington Avenue and 6904 Essington Avenue, with respect to a twenty-four inch (24") pipeline (together with related improvements, the "Pipeline") installed and initially operated and maintained, among others, pursuant to that certain Agreement, dated May 23, 1957, by and between the City and Gulf Oil Corporation ("Gulf"), recorded at Deed Book CAB 615, Page 58, and that certain Right of Way Easement Agreement, dated December 15, 1969, by and between the City and Gulf, recorded at Deed Book JRS 599, Page 518, and later pursuant to that certain License Agreement by and between the City, Sun Pipe Line Company, and Sun Company, Inc. dated January 30, 1997, located through property owned by the City of Philadelphia bounded approximately by the southern boundary of 6900 Essington Avenue and continuing to the northern boundary of the Fort Mifflin Terminal Complex on Hog Island Road in Philadelphia and Delaware counties.

SECTION 2. The license agreement authorized by this Ordinance must comply substantially with the term sheet attached hereto as Exhibit "A".

SECTION 3. The City Solicitor is hereby authorized to review and approve the license agreement and other documents and instruments necessary to effectuate this Ordinance, which license agreement and documents shall contain such terms and conditions as the City Solicitor shall deem necessary or appropriate to protect the interests of the City of Philadelphia, and to carry out the purpose of this Ordinance.

EXHIBIT "A"

Proposed Terms for License Agreement

1. Licensor: The City of Philadelphia

2. **Licensee:** Philadelphia Energy Solutions Refining and Marketing, LLC, a Delaware limited liability company
3. **Initial Term:** Up to fifty (50) years
4. **Renewal Term:** Provided there is no ongoing event of default, the Initial Term shall renew automatically for two (2) ten (10) year renewal terms.
5. **License Area:** The current location of the Pipeline and related improvements along with areas necessary for the installation, maintenance, modification and/or replacement of the Permitted License Area Improvements (as hereinafter defined), as the same shall be confirmed by metes and bounds legal description and approved by the City Solicitor prior to the execution and delivery of the license agreement.
6. **License Fee:** Licensor will receive a license fee in an amount to be determined by an appraisal (reasonably acceptable to both Licensor and Licensee) taking into account all of the relevant terms of the license agreement.
7. **Relocation of License Area:** Upon reasonable prior written notice, the City may cause the relocation of the License Area and Permitted License Area Improvements to other City-owned property provided that such relocation does not materially adversely affect the intended purpose of the license.
8. **Permitted License Area Improvements:** The Pipeline, an additional pipeline (but only to the extent approved by Licensor in (or pursuant to) the license agreement), and such related improvements necessary for the installation, maintenance, modification and/or replacement of the same.
9. **No City Financial Obligation:** Nothing in the License Agreement obligates the City to appropriate or spend money.