



Memorandum

Date: 5/19/2026
Meeting of: City Council

File No. AM No. 26-079
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Public Works	Aaron Bert	425-556-2786
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DEPARTMENT STAFF:

Public Works	Brandon Buehler	Acting Deputy Director
Public Works	Paul Cho	TOSE Manager and Traffic Eng.
Public Works	Patty S. Criddle	Transp. Engineering Supervisor

TITLE:

Adoption of an Ordinance Executing the Olympic Pipeline Franchise Agreement

- a. Ordinance No. 3260: An Ordinance of the City of Redmond, Washington, Granting Olympic Pipe Line Company LLC, a Delaware Limited Liability Company, its Successors and Assigns a Nonexclusive Franchise to Construct, Operate, Maintain, Remove, Replace, and Repair Pipeline Facilities, Together with Equipment and Appurtenances Thereto, for the Transportation of Petroleum Products within and Through the Franchise Area of the City of Redmond, Providing for Severability and Establishing an Effective Date

OVERVIEW STATEMENT:

Public Works recommends Council approve the subject Ordinance to execute a new 10-year franchise with Olympic Pipe Line Company (OPL). The City of Redmond has an existing franchise with OPL that authorizes operation of petroleum pipeline facilities within the City’s rights-of-way. The franchise was originally adopted under Ordinance No. 2289 (2006) and has continued on a year-to-year basis since its expiration in 2016.

The proposed ordinance establishes a new ten-year franchise, effective January 1, 2026, with provisions for renewal for an additional ten-years. Continuing under the expired agreement exposes to the City to outdated insurance, environmental, and cost recovery provisions.

Differences between the 2006 agreement and the new agreement include that the updated franchise:

- Increases the fee the franchisee pays to the City. The fee originally started out at \$12,000 plus annual CPI increases since 2006 and increases to a \$23,000 annual fee in 2026 plus annual CIP increases starting in 2027.
- Strengthens environmental indemnification and increases insurance amounts incurred by franchisee.
 - Franchisee is required to have \$100M commercial general liability, \$50M in pollution liability and a \$5M umbrella insurance.

Attachment B highlights differences between the 2006 and 2026 Franchise Agreements.

Council is being asked to approve updated terms governing an existing pipeline in City right of way-not to approve new

infrastructure.

Similar to the updated Puget Sound Energy franchise agreement, the ordinance itself serves as both the granting instrument and the agreement - no separate contract document will be executed.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

- Receive Information** **Provide Direction** **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
Council approval is required for passage of an ordinance.
- **Council Request:**
N/A
- **Other Key Facts:**
N/A

OUTCOMES:

Adoption of the updated franchise ordinance will:

- Replace the expired 2006 ordinance with a current, legally robust franchise framework;
- Ensure clear operational, indemnity, and environmental protections for the City;
- Clarify renewal and termination provisions to prevent future lapses.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A - The franchise governs continued use of existing underground facilities. No new pipeline; no expansion of capacity or footprint; no construction or community impacts anticipated.
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:
N/A

Approved in current biennial budget: Yes No N/A

Budget Offer Number:
N/A

Budget Priority:
N/A

Other budget impacts or additional costs: Yes No N/A

If yes, explain:
N/A

Funding source(s):
N/A

Budget/Funding Constraints:
N/A

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
4/7/2026	Committee of the Whole - Planning and Public Works	Provide Direction
5/5/2026	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
NA	None proposed at this time	N/A

Time Constraints:

The current franchise agreement is expired and continues on a year-to-year basis. Continuing under the expired agreement, the City to outdated insurance, environmental, and cost recovery provisions.

ANTICIPATED RESULT IF NOT APPROVED:

If the City does not adopt a new franchise ordinance, OPL will continue operating under the expired 2006 ordinance, which lacks current legal, insurance, and environmental safeguards.

ATTACHMENTS:

Attachment A: Ordinance - Olympic Pipeline Franchise Agreement
Attachment B: 2006 vs 2026 Franchise Comparison