



City of Pflugerville

Legislation Text

File #: ORD-0550, **Version:** 3

Approving an ordinance on third reading with the caption reading: An ordinance granting to Atmos Energy Corporation, a Texas and Virginia Corporation, its successors and assigns, a franchise to construct, maintain, and operate pipelines and equipment in the City of Pflugerville, Travis County, Texas for the transportation, delivery, sale, and distribution of gas in, out of, and through said city for all purposes; providing for the payment of a fee or charge for the use of the public rights-of-ways; and providing that such fee shall be in lieu of other fees and charges, excepting ad valorem taxes; and repealing all previous gas franchise ordinances.

This item considers a franchise agreement with Atmos Gas. As consideration for the use of the rights-of-way owned by the City of Pflugerville, Atmos shall provide a franchise fee of 5% (previously 4%) of the revenue received by the company. The proposed term is 15 years, terminating December 31, 2035.

Prior City Council Action

The expiring Franchise Agreement was passed and approved third reading on August 22, 2006, with an expiration date of December 31, 2020.

The City Council approved this ordinance on first reading on November 10, 2020 and on second reading on November 24, 2020.

Deadline for City Council Action

This ordinance requires three affirmative readings per the City Charter, and the deadline for action is December 8, 2020 for third reading in order to have all three readings prior to the stated effective date of January 1, 2021.

Funding Expected: Revenue ☒ Expenditure ☐ N/A ☐

Budgeted Item: Yes ☒ No ☐ N/A ☐

Amount: At 5%, projected revenue of \$421,000 per year. Calendar year 2020 has netted the City \$377,177.49 as revenue to the General Fund.

1295 Form Required? Yes ☐ No ☒

Legal Review Required: N/A ☐ Required ☒ Date Completed: October 19, 2020

Supporting documents attached:

Ordinance

Recommended Action

Approve the ordinance as presented.