

## ORDINANCE NO. 97

AN ORDINANCE asking bids to be submitted for the purchase of the Gas Generating and Storage Plant and the Gas Distribution System, now owned and operated by the City Council of Alexandria, Virginia, and for a franchise proposed to be granted by the City Council of Alexandria, in the event any bid for the purchase of said Gas Plant and Distribution System and Franchise is accepted, to a person or persons, firm or corporation, and/or its successors and/or assigns, authorizing the acquisition, construction, maintenance and operation within the City of Alexandria, Virginia, of a plant for the manufacture, storage and utilization of gas, together with the right to acquire, construct, maintain and operate in, under, across and along the streets, alleys, bridges and other public places of the City as the same now exist or may hereafter be laid out, pipes, mains, conduits and all necessary and desirable or convenient appurtenances for the distribution of either manufactured or natural gas, for the purpose of supplying gas to the City Council of Alexandria and the inhabitants thereof and business interests therein for light, heat, power, or any other purpose for which gas is now used or may hereafter be used; and fixing the time for the reception by Council of said bids.

BE IT ORDAINED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA:

Section 1. That bids in writing be received by the presiding officer of the Council at a meeting thereof, in open session, to be held on the 11th day of September, 1930, at 3 o'clock P. M., for the purchase of the Gas Generating and Storage Plant and the real estate upon which said plant is constructed (less and except that parcel upon which the unloading trestle of the Southern

Railway is erected) and personal property used in connection with said Plant, and the Gas Distribution System, now owned and operated by the City Council of Alexandria, and for a franchise to acquire, construct, maintain and operate within the City of Alexandria, Virginia, a plant for the manufacture, storage and utilization of gas, together with the right to acquire, construct, maintain and operate in, under, across and along the streets, alleys, bridges and other public places of the City as the same now exist or may hereafter be laid out, pipes, mains, conduits and all necessary, desirable and convenient appurtenances for the distribution of either manufactured or natural gas, for the purpose of supplying gas to the City Council of Alexandria, to the inhabitants of said City and the manufacturing and business interests therein, and elsewhere, for light, heat, power or any other purpose for which gas is now or may hereafter be used.

Bids shall be joint for the Gas Plant and Distribution System and the Franchise. The Council reserves the right to reject any and all bids, and also reserves the right, should it subsequently determine to do so, to submit any bid or proposal received, to the vote of the qualified voters of the City, as provided by Chapter 200, Acts of the Assembly, 1930. The person or corporation to whom the grant is finally made, if any, shall reimburse the City for the cost of advertising

this ordinance as required by law.

The form of the franchise for which bids are hereby requested, shall be substantially as follows:

#### FRANCHISE

BE IT ORDAINED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA:

1. That a franchise be, and the same is hereby granted to

its successors and/or assigns (hereinafter generally referred to as GRANTEE) to acquire, construct, maintain and operate within the City of Alexandria, Virginia, a plant for the manufacture, storage, and utilization of coke and gas, and the by-products thereof, together with the right to acquire, construct, maintain and operate in, under, across and along the streets, alleys, bridges and other public places of the City as the same now exist or may hereafter be laid out, pipes, mains, conduits and all necessary, desirable and convenient appurtenances for the distribution of either manufactured or natural gas, for the purpose of supplying gas to the City Council of Alexandria, to the inhabitants of said City and the manufacturing and business interests located therein, for light, heat, power or any other purpose for which gas is now or may hereafter be used.

2. That the said pipes, mains, conduits

and appurtenances shall be subject as to location to the approval of such City Officials as Council may designate from time to time and shall be so constructed as to interfere as little as possible with the property, streets, alleys and public places of said City. The location of all gas pipes and conduits shall be under the supervision of the City Engineer. Whenever the said GRANTEE, its successors and/or assigns, shall begin the erection of any pipes, mains, conduits or appurtenances, they shall diligently and promptly execute such work and leave the streets, sidewalks and alleys where the work was done in as good condition of repair and construction as before the work was commenced, and shall repair any damage to streets or sidewalks settling over fills made necessary by such work.

The City Council shall have the right, for reasons of public interest or convenience, or private interests or convenience, to change the location of any pipes, conduits or appurtenances of the GRANTEE, and if such change be made for public interests or convenience, such change shall be made at the cost of the GRANTEE; if such change shall be made for private interests or convenience, such change shall be made at the cost of the GRANTEE or private person requiring such

change, or both, as the Council shall determine.

3. All the powers of the City Council of Alexandria for the promotion and preservation of public safety and for the requirement of high class public service are hereby expressly reserved. GRANTEE agrees that in case of fire or other emergency, upon the request of the Chief of Police or the Chief of the Fire Department, or any duly authorized representative of said Council, to cooperate with the Council and its departments so as to reduce any dangers from gas to a minimum.

4. The GRANTEE, its successors and/or assigns shall, for the full term of this franchise, provide and furnish adequate and efficient public service of gas for light, heat and power purposes, or other purposes for which gas may be used, to the inhabitants of the City of Alexandria at just and reasonable rates.

The rates to be charged to all patrons within the City limits, taking gas for domestic or commercial uses, shall not exceed the following:

For the first 50,000  
cu. ft. used per  
month ..... \$1.20 per 1000 cu. ft.

For the second 50,000  
cu. ft. used per

month . . . . . \$1.05 per 1000 cu. ft.

For all over 100,000

cu. ft. used per

month . . . . . \$0.90 per 1000 cu. ft.

If not paid on or before ten days after rendition of the bill 10 per cent will be added. A minimum charge of \$1.00 per month for 1,000 cubic feet of gas or less will be made.

These rates are based on heat properties of 600 British Thermal Units when delivered to consumer, and upon the decrease of the heat properties of the gas furnished, the GRANTEE shall correspondingly decrease the rates to consumers, provided that in no event the heat properties of the gas furnished be less than 535 British Thermal Units. If the said GRANTEE shall either with or without the consent of the State Corporation Commission increase the maximum rates herein provided, then the City Council shall have the right to declare the contract at an end and to purchase the property of the GRANTEE used in the manufacture and distribution of gas in the manner provided in Paragraph 14 hereof. The GRANTEE will furnish free blowout service for all customers within the City limits. Stoves will be connected free of charge when no material is used. The GRANTEE will furnish free service connections from gas

mains not to exceed fifty feet from the curb-line for all domestic consumers, all in excess of fifty feet to be paid for by consumers.

5. The GRANTEE will furnish to the City of Alexandria for municipal purposes gas at the maximum rate of ninety cents (90c) per thousand cubic feet.

6. The money now in the hands of the City Council, deposited by gas consumers for meters, shall be turned over, together with a complete record of the same, to the GRANTEE, to be held on the same terms and conditions upon which the said money is now held by the City Council of Alexandria, the said GRANTEE to pay the consumers three per cent (3%) per annum from date of delivery of deposit to GRANTEE payable when the said deposit or any residue thereof is returned.

7. The GRANTEE shall have four months from the completion of the sale and the granting of the franchise and the acceptance of the same within which to supply the required gas of 600 b. t. u., during which period the present rates to the consumers of gas and the terms of payment shall remain in full force and effect.

8. By acceptance of the franchise hereby granted, the GRANTEE, for itself and for its successors and/or assigns, hereby ac-

knowledges and accepts the rates herein specified to be charged as just, reasonable and adequate, and under proper and competent management will make a satisfactory and fair return on the capital invested at the price offered therefor, and the amount paid shall be taken as a fair price for valuation purposes.

9. The materials to be used and the manner of construction and installation to be followed by the GRANTEE under this ordinance shall be such as are used and followed by similar GRANTEES doing a similar business in cities of approximately the same size as the City of Alexandria.

10. By acceptance of the franchise hereby granted, the GRANTEE, for itself and for its successors and/or assigns, hereby agrees to defend at its own cost, and indemnify and save harmless, the City of Alexandria from all claims for losses, costs or expenses, to which the said City may be subjected for any damage or destruction that may be done or suffered by any one in person or property by reason of negligence in the erection, construction, or maintenance of the works of the GRANTEE as herein provided.

11. The GRANTEE herein, its successors and assigns, shall use due diligence to meet the demands for gas for the City of Alexandria and the inhabitants thereof, and

shall keep itself in readiness to serve those connected with its lines and works.

12. The rights, privileges, and franchise hereby granted shall continue for a period of thirty years from the passage and approval of this Ordinance.

13. The GRANTEE shall, within sixty days from the granting and acceptance of this franchise, commence and diligently carry to a conclusion, the construction and installation of gas mains and conduits and appropriate appurtenances in the territory which became a part of the City of Alexandria through annexation proceedings on January 1st, 1930, and particularly in the sections known as Cottage Park, Park Addition, Del Ray, St. Elmo, Abingdon, Mount Ida, Rose Crest, Jefferson Park, Braddock, Braddock Heights, and all other sections of the present City of Alexandria where the occupancy of the territory justifies, for the purpose of supplying gas to the inhabitants of said sections.

14. At the expiration of the period for which this franchise is granted, unless a new franchise be granted to the GRANTEE herein, the City Council of Alexandria shall have the right to purchase the property of the GRANTEE within the corporate limits of said City, used or useful in the business of the said GRANTEE conducted under the franchise at a price or prices and upon such

terms as may be mutually agreed upon between the said City Council of Alexandria and the said GRANTEE, its successors and/or assigns; provided, however, that should the City Council of Alexandria elect to purchase, and should the above mentioned parties be unable to agree upon such price or prices, and the terms of payment for the property to be purchased, then the property to be purchased, and the price or prices therefor and the terms of payment shall be determined by arbitration, one arbitrator to be appointed by the City, one by the GRANTEE, and the third (in case of disagreement between the arbitrators) by the two so appointed, and in the event of the two being unable to agree within thirty (30) days after the date upon which the latter of the two was appointed upon said price or prices and the terms for the purchase of said property, or to agree upon a third arbitrator, the third shall be appointed by the then Judge of the 16th Judicial Circuit of Virginia, and the determination of a majority of the three so chosen shall be binding upon the parties. In the event that the GRANTEE herein, its successors and/or assigns, should fail, within fifteen (15) days after due notice in writing, to select its arbitrator as herein provided, such selection shall be made by the then Judge of the 16th Judicial Circuit of Virginia, and the person so selected shall have and be vested with

the same power and authority as if he had been duly selected as herein provided.

15. Upon the acceptance of this Ordinance, the GRANTEE shall enter into bond with security or surety approved by the City Council payable to the City Council of Alexandria in the penalty of \$50,000, and conditioned that the GRANTEE, its successors and/or assigns, during the term of this grant, will provide and furnish an efficient public service within the corporate limits of the City of Alexandria at reasonable rates, and will, during such term, maintain and keep the property used in such service in good order.

## SECTION II.

1. Upon the acceptance of this Ordinance by the GRANTEE, the City Council of Alexandria, upon the payment of the amount of said bid as hereinafter provided for, shall convey to the said GRANTEE the gas generating plant and the land upon which said plant is located, (less and except, however, that parcel upon which the trestle of the Southern Railway Company is constructed) and its gas distribution system, and shall at the time of said conveyance have on hand raw material sufficient to operate said plant for a period of one month. The GRANTEE shall be given equal privileges with the City in the use of the said Southern Railway unloading trestle so long as GRAN-

TEE operates a gas generating plant on said property, for which privilege it shall also pay its proportionate part for upkeep and maintenance.

2. All bids must be accompanied by a certified check payable to the City Council of Alexandria in the amount of 3% of the bid to insure good faith, which money will be retained by the City Council of Alexandria in the event that the bid of the Company depositing the check is accepted and the Company fails to comply with the terms of its bid.

3. In the event any bid should be accepted and the sale of said gas plant and distribution system and said franchise be consummated, the purchase price shall be paid by the GRANTEE to such Trustees as the City Council of Alexandria may by proper action designate, seven-eighths of said fund to be held by the said Trustees for the purpose of retiring as much as possible of the outstanding bonded indebtedness of the City Council of Alexandria, both principal and interest, and the remaining one-eighth of said fund to be deposited in the City Treasury as a separate fund to be utilized for either of the following purposes, as may subsequently be determined by the Council; first, to be held as a reserve fund to be drawn against temporarily upon authority of the Council by proper resolution to meet general fund expenses of the City during such periods of the year as such funds

may be needed, and to be replaced in said fund when general fund receipts are collected in an amount sufficient to repay same and meet current expenses; or second, to be expended for permanent municipal improvements, such as would otherwise require the issuance of bonds of the City.

The City Council of Alexandria will by proper Ordinance contract with such Trustees regarding the handling of said funds, and the said GRANTEE shall not pay said purchase price until said Trustees have been named and proper agreement made setting up the trust fund for the purposes above specified, but after such agreement has been entered into and the said Trustees duly qualified, the GRANTEE shall pay said purchase price to said Trustees, without further duty or liability as to the disposition or application of said funds.

4. The Clerk of the Council is hereby authorized and directed to cause this Ordinance to be published once a week for four successive weeks prior to the date upon which said bids are to be received, in the Alexandria Gazette, a newspaper published and circulated in the City of Alexandria, Virginia.

Approved this 7th day of August, 1930.

ROBERT S. JONES,

Mayor.