

MINUTE ITEM

This Calendar Item No. C15
was approved as Minute Item
No. 15 by the State Lands
Commission by a vote of 3
0 at its 3-19-80
meeting.

CALENDAR ITEM

C15.

3/80
PRC 5040.1
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CONTINUATION OF LEASE RENTAL
AFTER ROUTINE REVIEW

This is an Industrial lease with the Pacific Gas and Electric Company for a term of 15 years from August 1, 1975, with an existing minimum annual rent of \$868.00, covering approximately three acres of separated parcels of State land at Pacheco Creek, Hastings Slough, and Crockett, all in Contra Costa County, for an oil pipeline.

The lease provides that the State may adjust the annual rental at a different amount for the five-year term following the fifth anniversary of the lease, effective on such anniversary date.

The present minimum rental rate was computed by application of the pipeline rates to the various locations covered in lease PRC 5040.1.

The lease was originally authorized by the Commission on August 21, 1975, Minute Item No. 7. It was later amended to provide (1) for the use of additional State land at Crockett, and (2) to include provisions for rental on a volumetric basis. This was heard and approved by the Commission on October 28, 1976, Minute Item No. 20. At that time, \$868 was set as the minimum annual rent.

The value of the land covered by the lease has been considered, and it has been determined that the existing minimum rental rate, based upon pipeline charges, should apply to the five-year period commencing August 1, 1980, as minimum rental to the State for the lessee's use of State property. Year-end rental payments over and above the minimum will continue according to volumetric flows as previously agreed between Pacific Gas and Electric Company and the Commission.

This action is exempt from CEQA because it is not a project as defined by the State EIR guidelines.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISION OF P.R.C.

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21065, 14 CAL. ADM. CODE 15037 AND 15060 AND 2 CAL. ADM.
CODE 2903(d).

2. APPROVE CONTINUATION OF THE ANNUAL MINIMUM RENTAL OF \$868
FOR THE FIVE-YEAR PERIOD BEGINNING AUGUST 1, 1980.

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