

MINUTE ITEM

This Calendar Item No. 20
was approved as Minute Item
No. 22 by the State Lands
Commission by a vote of 3
to 0 at its 1-26-81
meeting.

CALENDAR ITEM

20

1/81
WP 2180
Horn

AMENDMENT OF INDUSTRIAL LEASE PRC 2180.1

APPLICANT: Southern California Edison Company
P. O. Box 410
Long Beach, California 90801

Attn: Mr. R. E. Stephens

AREA, TYPE LAND AND LOCATION:
Approximately 88 acres of submerged land
offshore from Mandalay Beach, Ventura County.

LAND USE: Marine petroleum terminal together with
appurtenances.

TERMS OF EXISTING LEASE:

Initial period: 49 years from July 1,
1958.

Renewal options: None.

Surety bond: None.

Public liability insurance: \$300,000/
\$900,000 per occurrence
for bodily injury and
\$5,000,000 for property
damage.

Consideration: \$13,206 per annum with
5-year review.

TERMS OF PROPOSED LEASE:

This Amendment changes the annual rent
as occasioned by the fifth anniversary
of the lease, as amended. In addition to
changing the annual rental a special provision
is being added which details the impounding
of volumetric rentals in excess of the
new minimum annual rental.

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The new annual rental is detailed below:
\$0.01 (one cent) per barrel until the
minimum annual rental is equaled; thereafter

\$0.002 (two mils) per barrel for the
next 5 million barrels; and thereafter

\$0.005 (five mils) per barrel for each
barrel thereafter passing over the State's
land in that same lease year.

The new minimum annual rental is \$70,000.

BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm.
Code 2005 and 2006.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 & 2.

B. Cal. Adm. Code: Title 2, Div. 3.

OTHER PERTINENT INFORMATION:

1. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B), which exempts an existing structure or facility that is in an acceptable state of repair and there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.
2. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class B, which authorizes Limited Use.

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

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3. This transaction is not a development within the meaning of the Commission's Coastal Regulations.

APPROVALS OBTAINED:

No other authorizations required.

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 PROVISIONS OF P.R.C. 21085, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.
2. DETERMINE THAT THIS PROJECT IS EXEMPT FROM THE REQUIREMENTS OF ARTICLE 6.5, OF TITLE 2, OF THE CAL. ADM. CODE BECAUSE THIS PROJECT IS NOT A DEVELOPMENT WITHIN THE MEANING OF SECTION 2503, OF TITLE 2, OF THE CAL. ADM. CODE AND SECTION 30105 OF THE P.R.C.
3. FIND THAT GRANTING OF THE AMENDMENT WILL HAVE NO SIGNIFICANT EFFECT UPON ENVIRONMENTAL CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, OF THE P.R.C.
4. AUTHORIZE ISSUANCE TO SOUTHERN CALIFORNIA EDISON COMPANY OF AN AMENDMENT TO LEASE PRC 2180.1 WHICH:
 - 1) CHANGES THE ANNUAL RENTAL TO THE VOLUMETRIC RENTAL AS FOLLOWS:
 - a) UNTIL THE MINIMUM ANNUAL RENTAL PROVIDED FOR IN SUBPARAGRAPH (c) HEREOF IS EQUALED IN EACH LEASE YEAR, THE ANNUAL RENTAL SHALL BE COMPUTED BY MULTIPLYING THE NUMBER OF BARRELS OF PETROLEUM PRODUCTS PASSING OVER THE STATE'S LAND BY \$0.01
 - b) FOR THE NEXT 5,000,000 BARRELS BEYOND THE NUMBER OF BARRELS NECESSARY TO SATISFY THE MINIMUM RENTAL UNDER SUBPARAGRAPH (a) ABOVE, THE RENTAL SHALL BE \$0.002 PER BARREL; AND THEREAFTER \$0.005 PER BARREL FOR EACH ADDITIONAL BARREL OF SUCH COMMODITIES PASSING OVER THE STATE'S LAND IN THAT SAME LEASE YEAR.
 - c) THE MINIMUM ANNUAL RENTAL SHALL BE \$70,000.
 - d) THE STATE RESERVES THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE, AS AMENDED.

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- 2) PROVIDES FOR PAYMENT OF RENTALS IN EXCESS OF THE MINIMUM ANNUAL RENTAL INTO A SPECIAL DEPOSIT ACCOUNT IN THE STATE TREASURY, PENDING A FINAL DISPOSITION OF CURRENT LITIGATION CONCERNING THE VALIDITY OF THE COMMISSION'S RENTAL REGULATIONS; SAID IMPOUNDED RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED.
- 3) PROVIDES FOR THE CONTINUED OPERATION OF AN OFFSHORE PETROLEUM TERMINAL TOGETHER WITH NECESSARY APPURTENANCES ON THE LAND DESCRIBED IN LEASE PRC 2180.1 ON FILE IN THE OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF.
- 4) PROVIDES THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 2180.1 SHALL REMAIN IN FULL FORCE AND EFFECT. THE EFFECTIVE DATE OF THIS AMENDMENT IS JANUARY 1, 1980.