

MINUTE ITEM

This Calendar Item No. 19
was approved as Minute Item
No. 19 by the State Lands
Commission by a vote of 3
to 0 at its 1/27/83
meeting.

MINUTE ITEM
10 AND 19

1/27/83
WP 3904
PRC 3904
Anderson

1/27/83
W 23063
PRC 6371
Lipphardt

10. GENERAL LEASE - INDUSTRIAL USE
19. APPROVAL OF TERMINATION OF ORIGINAL LEASE PRC 3904.1
AND APPROVAL OF GENERAL LEASE - INDUSTRIAL USE

Calendar Items C10 and C19 were removed from consent and placed on the regular agenda for consideration.

Ms. Donna Wetterer, representing Assemblyman Jack O'Connell, appeared to testify on Calendar Items 10 and 19. Assemblyman O'Connell was concerned that the Commission not approve any leases for new marine terminals or piers until the building of a consolidated tanker/terminal facility off the coast of Santa Barbara.

The Commission assured Ms. Wetterer that the actions being considered today relative to Calendar Items 10 and 19 would not conflict with Assemblyman O'Connell's request.

Executive Officer Dedrick also indicated that discussions have been ongoing with the County of Santa Barbara and other local and State agencies concerning a consolidated facility.

Upon motion duly made and carried, the resolutions in Calendar Items 10 and 19 were approved as presented by a vote of 3-0.

Attachment: Calendar Item 10
Calendar Item 19

A 35

S 18

CALENDAR ITEM

EC 19 1.

1/27/83
WP 3904
Anderson
PRC 3904

APPROVAL OF TERMINATION OF
ORIGINAL LEASE PRC 3904.1 AND
APPROVAL OF GENERAL LEASE - INDUSTRIAL USE

APPLICANT: Aminoil USA, Inc.
P. O. Box 94193
Houston, Texas 77292

AREA, TYPE LAND AND LOCATION:
An 11.840-acre of tide and submerged land,
located in the Pacific Ocean adjacent to
Santa Barbara County.

LAND USE: Maintenance of a marine terminal and submarine
loading pipeline for the transport and
loading of crude oil.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years from February 29,
1968.

Renewal options: 3 successive periods
of 10 years each.

Consideration: \$278.30 per annum.

TERMS OF PROPOSED LEASE:

Initial period: 10 years from March 1,
1983.

A 35

S 18

-1-

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3871

CALENDAR ITEM NO. C 19 (CONTD)

Renewal options: 2 successive periods
of 10 years each.

Surety bond: \$25,000.

Combined single limit coverage of \$5,000,000.

Special: RENTAL IMPOUND: The proposed lease provides that rental in excess of the minimum annual rental shall be paid into a special deposit account in the State Treasury pending the outcome of litigation challenging the Commission's volumetric rental regulations. Should such regulations be declared invalid, impounded rentals shall be refunded and a new reasonable rental shall be determined by the Commission.

Consideration: Commencing March 1, 1983, volumetric rental accrues according to the following schedule:

- (a) \$0.015 (one and one-half cents) per barrel of commodities until the minimum annual rental set forth in (c) below is equaled.
- (b) \$0.005 (five mills) per barrel for each additional barrel passing over the State's land in the same lease year.

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3872

CALENDAR ITEM NO. C 19 (CONTD)

- (c) The minimum annual rental is \$47,043. The State reserves the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

Volumetric rental pursuant to 2 Cal. Adm. Code 2003.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
B. Cal. Adm. Code: Title 2, Div. 3; Title 14, Div. 6.

AB 884:

N/A.

OTHER PERTINENT INFORMATION:

1. Aminoil USA, Inc., is the upland owner of the Elwood Marine Terminal located in Santa Barbara County. The facility is used to transfer crude oil from onshore oil tanks to offshore tankships.

Aminoil USA, Inc., formerly Signal Oil and Gas Company, was originally granted a license to operate the facility on May 26, 1930. A 15-year lease was issued on February 29, 1968, to replace the original license.

The existing lease annual rental of \$278.30 is based on a charge of \$0.01 (one-cent) per diameter inch per lineal foot for the 10-3/4" submarine loading pipeline.

The new lease rental is based on volumetric rental with a minimum annual rental of \$47,043. The minimum annual rental was determined by a 9 percent return on the appraised value of the subject site.

DATE	112
NO.	3873

CALENDAR ITEM NO. 619 (CONTD)

The new lease area has been expanded to include an 8.834-acre offshore marine terminal site in addition to the 3.006 acres occupied by the 10-3/4" submarine loading pipeline.

2. This project is exempt from CEQA because it involves an existing facility, pursuant to 2 Cal. Adm. Code 2905, Class 1.
3. The project is situated on lands identified as possessing significant environmental values pursuant to P.R.C. 6370.1 and is classified in a use category "B" which authorizes Limited Use. The project as proposed will not have a significant effect upon the identified environmental values.

EXHIBITS:

- A. Land Description
- B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2905, AND FIND THAT THE PROJECT IS CONSISTENT WITH ITS USE CLASSIFICATION.
2. AUTHORIZE TERMINATION OF LEASE P.R.C. 3904.1, EFFECTIVE FEBRUARY 28, 1983.
3. AUTHORIZE ISSUANCE TO AMINOIL USA, INC. A 10-YEAR GENERAL LEASE - INDUSTRIAL USE, OF STATE TIDE AND SUBMERGED LAND WITH TERMS AND CONDITIONS AS SET FORTH BELOW:
 - A. COMMENCING MARCH 1, 1983, VOLUMETRIC RENTAL ACCRUES ACCORDING TO THE FOLLOWING SCHEDULE:
 - 1) \$0.015 (ONE AND ONE-HALF CENTS) PER BARREL OF COMMODITIES UNTIL THE MINIMUM ANNUAL RENTAL SET FORTH IN
 - 3) BELOW IS EQUALED.

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3874

CALENDAR ITEM NO: 19 (CONT'D)

2) \$0.005 (FIVE MILLS) PER BARREL FOR EACH ADDITIONAL BARREL PASSING OVER THE STATE'S LAND IN THE SAME LEASE YEAR.

3) THE MINIMUM ANNUAL RENTAL IS \$47,043, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE.

- B. PROVISION OF A \$25,000 SURETY BOND;
- C. COMBINED SINGLE LIMIT COVERAGE OF \$5,000,000;
- D. PROVIDE IN THE LEASE 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 IMPOUND RENTALS TO BE REFUNDED AND A NEW REASONABLE RENTAL DETERMINED BY THE COMMISSION SHOULD THE COMMISSION'S VOLUMETRIC RENTAL REGULATIONS BE INVALIDATED ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

CALENDAR	774
MINIMUM RENTAL	3875

EXHIBIT "A"

LAND DESCRIPTION

PRC 3904.1

A strip of tide and submerged lands fifty feet in width, situated in the County of Santa Barbara, State of California, the center line of said fifty foot strip being described as follows:

COMMENCING at a 3-3/4" pipe survey monument shown as Monument No. 18 on the westerly boundary of a 526.079 acre tract of land shown on a map of a Portion of Rancho Los Dos Pueblos filed in Book 64 at Page 18 Record of Surveys in the office of the County Recorder of said County; thence along said westerly boundary S 1° 06' 39" E, 579.77 feet to Monument No. 16 (said monument No. 16 being shown on a map of a Portion of Rancho Los Dos Pueblos, filed in Book 39 at Page 96, Record of Surveys of said County); thence N 60° 20' 40" E, 88.71 feet to the TRUE POINT OF BEGINNING of the centerline herein described:

Thence, S 3° 05' 30" E, 11.82 feet;

Thence, S 32° 52' 14" W, 301.76 feet to the beginning of a curve to the left having a radius of 714.72 feet and a central angle of 13° 54' 33";

Thence, southwesterly along the arc of said curve 173.51 feet;

Thence S 18° 57' 41" W, 129.30 feet to the beginning of a curve to the right having a radius of 4405.55 feet and a central angle of 8° 06' 15";

Thence, southwesterly along the arc of said curve 623.15 feet;

Thence, S 27° 03' 56" W 126.39 feet;

Thence, S 29° 31' 48" W, 166.51 feet to the beginning of a non-tangent curve to the right having a radius of 2500.00 feet and a central angle of 15° 10' 02", the radial center of which bears N 62° 56' 14" W;

Thence, southwesterly along the arc of said curve 661.79 feet to the beginning of another non-tangent curve to the right having a radius of 600.00 feet and a central angle of 40° 24' 57", the radial center of which bears N 36° 46' 31" W;

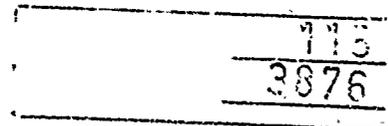
Thence, westerly along the arc of said curve 423.23 feet;

Thence, N 86° 21' 34" W, 100.00 feet to the end of the centerline herein described.

TOGETHER WITH a circular parcel of submerged land 700 feet in diameter, the centerpoint of which is located at the end of the above described centerline.

EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of the Pacific Ocean.

PREPARED NOVEMBER 15, 1982 BY BOUNDARY AND TITLE UNIT, LEROY WEED, SUPERVISOR.



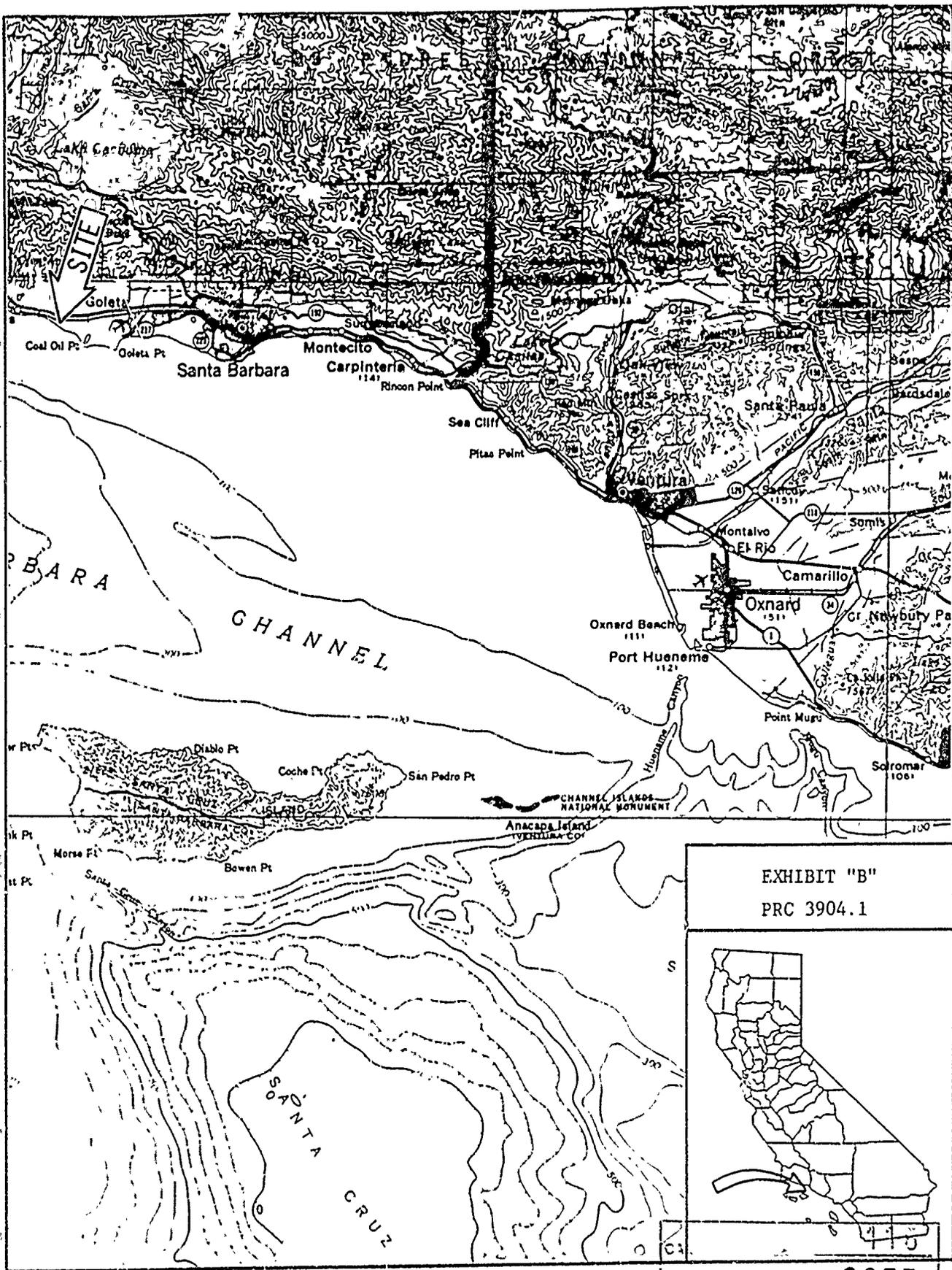


EXHIBIT "B"
 PRC 3904.1

