

MINUTE ITEM

13

10/25/84
IR 2478
PRC 2478
Lapphardt

Renewal and Amendment of General Lease -
Industrial Use

Calendar Item 13, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 13.

CALENDAR ITEM

A 29

13

10/25/84

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WP 2478

Lipphardt

PRC 2478

RENEWAL AND AMENDMENT OF GENERAL LEASE --
INDUSTRIAL USE

APPLICANT: Chevron U.S.A., Inc.
P. O. Box 8000
Concord, California 94524-8000
Attention: W. F. Brady

AREA, TYPE LAND AND LOCATION:
Approximately 80 acres of tide and submerged
land, located in Estero Bay, San Luis Obispo
County.

LAND USE: Two offshore marine petroleum loading terminals
together with necessary appurtenances.

TERMS OF EXISTING LEASE:
Initial period: Ten years beginning
August 14, 1974.
Renewal options: One additional period of ten
years.
Surety bond: \$50,000.
Public liability insurance: \$500,000/1,000,000
per occurrence for bodily
injury and \$5,000,000 for
property damage.
Consideration: \$87,000 minimum annual rental

CALENDAR ITEM NO. 13 (CONT'D)

at \$0.01 per barrel of petroleum products until minimum annual rental is reached; thereafter, \$0.001 per barrel for next 12,000,000 barrels; and thereafter \$0.003 per barrel; five-year rent review.

TERMS OF PROPOSED LEASE:

Initial period: Ten years beginning August 14, 1984.

Surety bond: \$50,000.

Public liability insurance: \$500,000/1,000,000 per occurrence for bodily injury and \$5,000,000 for property damage.

CONSIDERATION: \$144,000 minimum annual rental at \$0.0125 per barrel of petroleum products until minimum annual rental is reached; thereafter, \$0.00125 per barrel for next 12,000,000 barrels; and thereafter, \$0.00375 per barrel; five-year rent review.

The lease 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 said impounded rentals to be refunded and a new reasonable rental determined by the Commission should the Commission's volumetric rental regulations be invalidated.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

CALENDAR ITEM NO. 13 (CONT'D)

APPLICANT STATUS:

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. Lease PRC 2478.1 terminated on August 14, 1984 and under the terms and conditions of the lease, lessee notified the State Lands Commission of its desire to exercise its option to renew the lease.
2. On August 25, 1983, the State Lands Commission approved Chevron's request to replace an existing 18-inch pipeline with a new 20-inch pipeline at the Estero terminal. The replacement was required due to internal corrosion of the old line. Because of difficult seasonal weather and sea conditions, the replacement line was installed just outside the existing right-of-way.
3. The Amendment changes the annual rental provisions and modifies the lease area to reflect the removal of the old line and the new position of the replacement line.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 1, existing facilities, 2 Cal. Adm. Code 2905(a2).

CALENDAR ITEM NO. 13 (CONT'D)

Authority: P.R.C. 21084, 14 Cal. Adm. Code 15300, and 14 Cal. Adm. Code 2905.

5. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. and the project, as proposed, is consistent with its use classification.

EXHIBITS: A. Land Description.
 B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 1, EXISTING FACILITIES, 2 CAL. ADM. CODE 2905.
2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
3. AUTHORIZE ISSUANCE TO CHEVRON U.S.A., INC. OF A 10-YEAR RENEWAL OF AND AMENDMENT TO A GENERAL LEASE - INDUSTRIAL USE BEGINNING AUGUST 14, 1984 WHICH MODIFIES THE LEASE AREA AND CHANGES THE ANNUAL RENTAL; IN CONSIDERATION OF \$144,000 MINIMUM ANNUAL RENTAL AT \$0.0125 PER BARREL OF PETROLEUM PRODUCTS UNTIL MINIMUM ANNUAL RENTAL IS REACHED; THEREAFTER, \$0.00125 PER BARREL FOR NEXT 12,000,000 BARRELS; AND THEREAFTER \$0.00375 PER BARREL, FOR OPERATION AND MAINTENANCE OF TWO OFFSHORE MARINE TERMINALS TOGETHER WITH NECESSARY APPURTENANCES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF. ALL REMAINING TERMS AND CONDITIONS OF LEASE PRC 2478.1 REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

EXHIBIT "A"

LAND DESCRIPTION

WP 2478

Those parcels of tide and submerged land lying in the bed of the Pacific Ocean, Estero Bay, approximately 4 miles northerly of Morro Bay, San Luis Obispo County, California, and lying immediately adjacent to and west of Lot 31 of the Rancho Morro Y Cayucos as shown on that certain map entitled "Map of the Subdivision of the Rancho Morro Y Cayucos," and filed in the Office of the County Recorder of said county, in Map Book "A" at page 160, and more particularly described as follows:

PARCEL 1

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the corner common to Lots 30, 31 and 32 of said Rancho Morro Y Cayucos; thence S 45° 14' 30" W along the southeasterly boundary of Lot 31 2438.73 feet to an iron pipe; thence N 08° 05' W 592.55 feet to an iron pipe, said iron pipe being on the base line control system for Standard Oil Company of California's Estero Marine Terminal; thence along said base line N 24° 34' W 1330.0 feet to a point hereinafter referred to as Point "A" and the TRUE POINT OF BEGINNING; thence S 72° 47' W 1180.0 feet to the end of the herein described centerline, and hereinafter referred to as Point "B".

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

PARCEL 2

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the aforementioned Point "A", thence N 24° 34' W 274.4 feet to the TRUE POINT OF BEGINNING; thence S 48° 15' W 3200.0 feet to the end of the herein described centerline, and hereinafter referred to as Point "C".

EXCEPTING THEREFROM any portion described in Parcel 1.

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

PARCEL 3

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the aforementioned Point "A"; thence N 24° 34' W 482.74 feet to the TRUE POINT OF BEGINNING; thence N 89° 43' 30"W 1832.10 feet; thence S 88° 45' 32" W 1649.19 feet to the end of the herein described centerline, and hereinafter referred to as Point "D".

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

PARCEL 4

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

BEGINNING at the aforementioned Point "B"; thence S 49° 30' W 221.5 feet; thence S 41° 45' W 1651.5 feet to the end of the herein described centerline.

EXCEPTING THEREFROM any portion described in Parcel 1.

PARCEL 5

A strip of tide and submerged land 20 feet wide lying 10 feet on each side of the following described centerline:

BEGINNING at the aforementioned Point "B", thence westerly along a curve to the right, tangent at said Point "B" with a line having a bearing of S 72° 47' W, and having a radius of 1400.0 feet, an arc distance of 7 feet; thence N 72° 00' W 1943.0 feet to the end of the herein described centerline.

EXCEPTING THEREFROM any portion described in Parcels 1 and 4.

PARCEL 6

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the aforementioned Point "A", thence N 24° 34' W 1060.0 feet to the TRUE POINT OF BEGINNING, thence N 88° 26' W 30.0 feet; thence N 66° 52' W 800.0 feet to the end of the herein described centerline.

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

PARCEL 7

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the aforementioned Point "A"; thence S 72° 47' W 100 feet to the TRUE POINT OF BEGINNING; thence S 17° 13' E 55.0 feet; thence S 30° 00' W 600.0 feet to the end of the herein described centerline.

EXCEPTING THEREFROM any portion described in Parcel 1.

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

PARCEL 8

A strip of tide and submerged land 20 feet wide, lying 10 feet on each side of the following described centerline:

COMMENCING at the aforementioned Point "A"; thence S 72° 47' W 115.0 feet to the TRUE POINT OF BEGINNING; thence S 32° 55' E 90.0 feet; thence S 49° 47' W 330.0 feet to the end of the herein described centerline.

EXCEPTING THEREFROM any portion described in Parcels 1 and 7.

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

PARCEL 9

A parcel of submerged land more particularly described as follows:

COMMENCING at the aforementioned Point "C", thence N 73° 35' W 440.0 feet to the TRUE POINT OF BEGINNING; thence N 36° 45' E 705.0 feet; thence S 63° 05' E 570.0 feet; thence S 15° 35' E 600.0 feet; thence S 47° 10' W 722.0 feet; thence N 85° 05' W 485.0 feet; thence N 06° 10' W 725.0 feet to the point of beginning.

EXCEPTING THEREFROM any portion described in Parcels 2 and 4.

PARCEL 10

A parcel of submerged land more particularly described as follows:

COMMENCING at the aforementioned Point "D", thence N 80° 48' 44" W 512.39 feet to the TRUE POINT OF BEGINNING; thence N 26° 45' E 1060.0 feet; thence S 56° 45' E 402.0 feet; thence S 43° 07' E 875.0 feet; thence S 00° 55' E 635.0 feet; thence S 29° 10' W 500.0 feet; thence S 81° 12' W 842.0 feet; thence S 85° 30' W 575.0 feet; thence N 11° 25' E 1180.0 feet; to the point of beginning.

EXCEPTING THEREFROM any portion described in Parcels 3 and 5.

END OF DESCRIPTION

REVISED JULY 9, 1984 BY BOUNDARY AND TITLE UNIT.

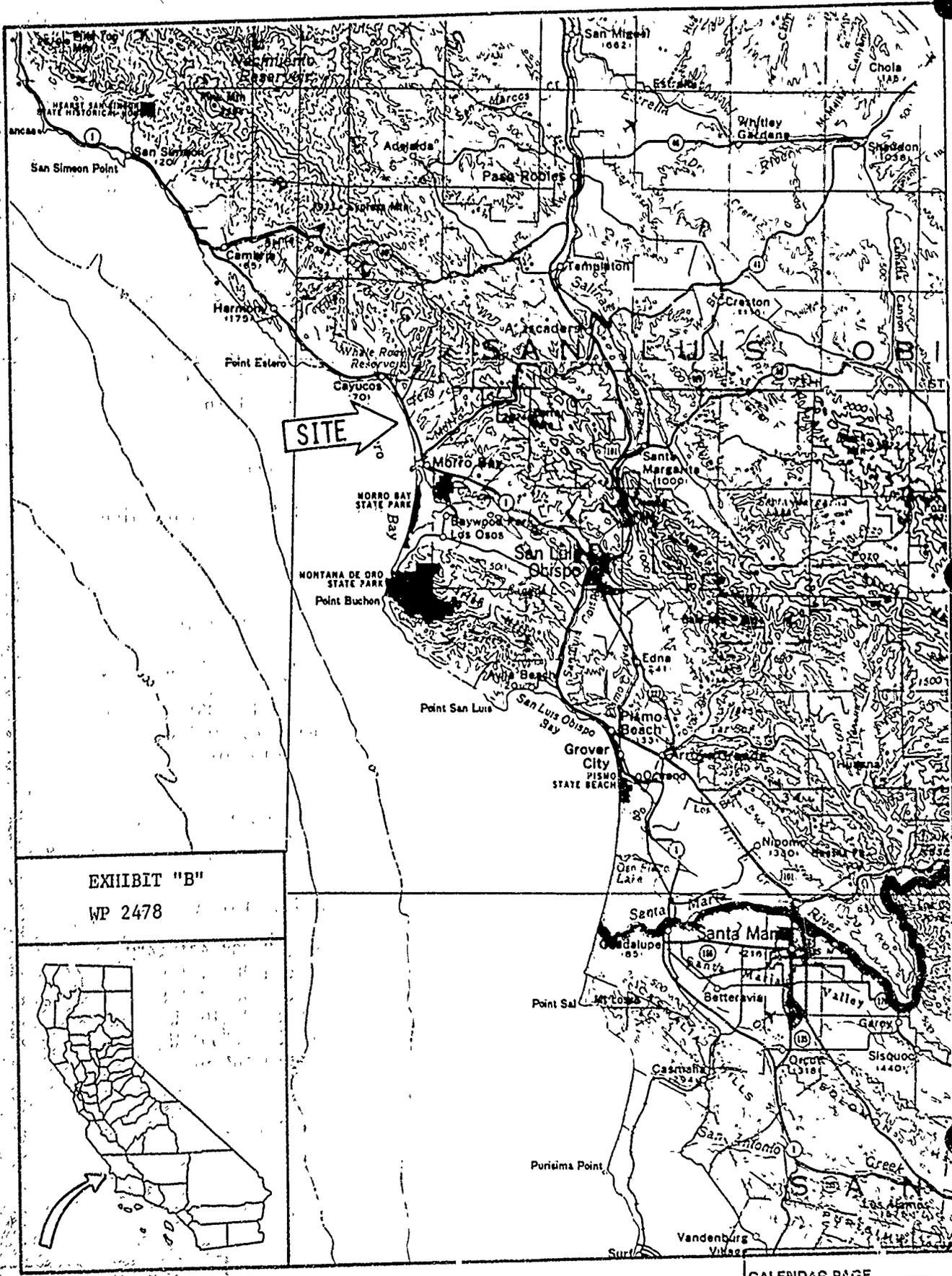


EXHIBIT "B"
WP 2478

