MINUTE ITEM
This Calendar Item No. 45
was approved as Minute Item
No. 45 by the State Lands
Commission by a vote of 2
to 1 at its 9/23/92
meeting.

MINUTE ITEM
45

A 35
S 18

9/23/92
Scott
Gorfain
Meier

GAVIOTA TERMINAL COMPANY TEXACO TRADING AND TRANSPORTATION, INC. (LESSEE)

Consent Calendar Item C45 was moved from Consent to Regular session.

CALENDAR PAGE
MINUTE PAGE 3155

CALENDAR ITEM

C 4 5

A 35

S 18

09/23/92
PRC 7075
A. Scott
Gorfain
Meier

AMENDMENT OF LEASE

LESSEE:
Gaviota Terminal Company
c/o Texaco Trading and Transportation, Inc.
101 East Victoria Street
Santa Barbara, California 93101

AREA, TYPE LAND AND LOCATION:
A 74.309-acre parcel of tide and submerged land located offshore of Gaviota, Santa Barbara County.

LAND USE:
Maintenance of a marine terminal comprised of a six-point mooring system and underwater pipelines for the transfer and loading of crude oil.

ORIGINAL LEASE TERMS:

Lease period:
Four (4) years beginning May 1, 1987.

Surety bond:
$1,000,000.

Public liability insurance:
Lessee is self insured.

Consideration:
$180,000 per annum.

Special:
Paragraph 9 of Section 2 limited any holdover period to one year.

(REVISED pgs. 527-530)

TERMS OF PROPOSED AMENDMENT:

Lease period:

Four (4) years beginning May 1, 1987.

Special:

The provision controlling the length of the holdover period (Paragraph 9 of Section 2) shall be extended until the Gaviota Terminal Company has obtained a new interim lease from the Commission to operate the Gaviota Marine Terminal or until April 30, 1993, whichever occurs first. The lease shall provide that no oil shall be transported through the terminal by tanker while this extended holdover period remains in effect.

APPLICANT STATUS:

Applicant is the owner of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee, processing costs, and environmental costs have been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. This lease covers an offshore marine terminal that was to be used for an interim period of time, pending the construction of pipeline(s) for transporting Santa Barbara crude oil to the producers' refinery destination of choice. The lease, which originally expired on April 30, 1991, was extended under its holdover provision for the maximum allowed period until April 30, 1992. That extension has expired.

   The complexity of resolving the oil transportation issues and terminal permitting process, and changes in the project description, made it impossible for the County of Santa Barbara, acting as Lead Agency, to certify the Supplemental Environmental Impact Report/Statement (SEIR/S) and consider the necessary actions to permit tankering of Point Arguello oil

through the terminal prior to the expiration date of the holdover period. Earlier this year, a "Facilitation Process" initiated by the Governor and chaired by the Secretary for Resources developed a framework for resolving the oil transportation stalemate. Participants included the County, California Coastal Commission, and representatives of local citizens and the industry.

On July 15, 1992, the Santa Barbara County Planning Commission approved modification to the Gaviota Interim Marine Terminal (GIMT) Final Development Plan (FDP), originally approved in 1986. These modifications addressed the cessation of feasible mitigations of potential tankering impacts. On SEIR/S for the construction, operation and use of the GIMT, issued a shipper's permit to the Point Arguello Producers for the use of the terminal and set a deadline for the cessation of tankering.

The County's permit action on Point Arguallo project was appealed to the Coastal Commission and are expected to be heard in October 1992. At the same time, the Coastal Commission is expected to hear GTC's application for a new permit to operate the GMT, with final action expected no earlier than November.

Under the State Permit Streamlining Act, the Commission has up to 180 days in which to act on GTC's interim lease application. Staff expects the Commission to consider the proposed lease shortly after the Coastal Commission takes its action.

The proposed 1-year extension of the holdover period will extend GTC's interest in, and right to the use of, its terminal site, which is required by the Coastal Commission at the time it considers GTC's permit application.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as

a categorically exempt project. The project is exempt under Class 1, Existing Facilities, 14 Cal. Code Regs. 15301.

Authority: P.R.C. 21084, 14 Cal. Code Regs. 15300, and 2 Cal. Code Regs. 2905(a)(1).

EXHIBIT:

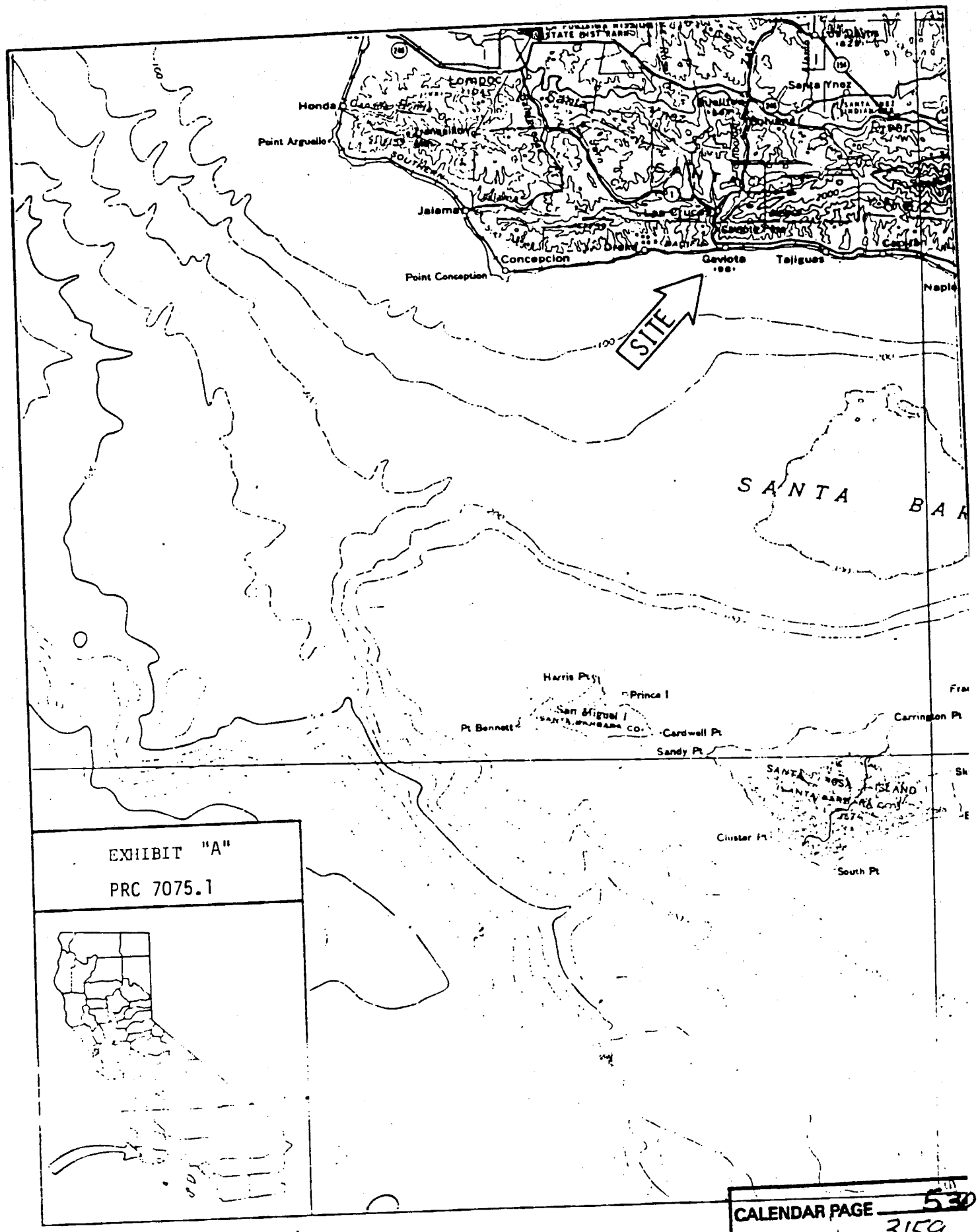
A. Location Map

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT SIGNIFICANT EFFECT ON SUCH LANDS.

2. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 1, EXISTING FACILITY, 14 CAL. CODE REGS. 15301, 2 CAL. CODE REGS. 2905(a)(1).

3. AUTHORIZE ISSUANCE TO GAVIOTA TERMINAL COMPANY OF AN AMENDMENT TO LEASE PRC 7075.1 THAT WILL: (A) EXTENT ITS HOLDOVER PROVISION (PARAGRAPH 9 OF SECTION 2) IN THE LEASE UNTIL THE COMPANY HAS OBTAINED A NEW INTERIM LEASE FROM THE COMMISSION TO OPERATE THE GAVIOTA MARINE TERMINAL OR UNTIL APRIL 30, 1993, WHICHEVER OCCURS FIRST; AND (B) PROVIDE THAT NO OIL SHALL BE TRANSPORTED THROUGH THE TERMINAL BY TANKER WHILE THIS EXTENDED HOLDOVER PERIOD REMAINS IN EFFECT. ALL OTHER PROVISIONS OF THE LEASE ARE TO REMAIN IN FULL FORCE AND EFFECT.



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(ADDED 9/22/92)