CALENDAR ITEM

C39

A 53 10/22/09

PRC 5574.1

S 28 A. Scott

REVISION OF RENT

LESSEE:

Chevron Products Company
324 W. El Segundo Boulevard
El Segundo, California 90245

AREA, LAND TYPE, AND LOCATION:

211 acres, more or less, of sovereign lands in Santa Monica Bay, Pacific Ocean, near the town of El Segundo, Los Angeles County.

AUTHORIZED USE:

Continued operation of an existing off-shore marine oil terminal.

LEASE TERM:

15 years, beginning October 1, 1977 together with three successive renewal periods of ten years each upon such reasonable terms and conditions as the Commission might impose.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends that the rent be revised from $319,140 per year to $1,290,000 per year, effective October 1, 2009.

OTHER PERTINENT INFORMATION

1. The current rent for lease no. PRC 5574.1 is $319,140 per year and was based on a 1983 appraisal and was established by agreement in 1987.

2. Chevron has submitted an application to the Commission for a new 30-year lease covering the existing offshore marine terminal. An environmental impact report (EIR) is being prepared for the continued operation of the marine terminal. As the application submitted by Chevron for a new lease cannot be considered by the Commission until the EIR is completed (which is anticipated to be during the first quarter of 2010), staff

is recommending that the rent be adjusted now in order to bring the annual rental current. As such, staff has conducted a land value appraisal to establish the proposed new annual rent and is recommending that the Commission approve the new annual in the amount of $1,290,000 effective October 1, 2009.

EXHIBIT:

A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

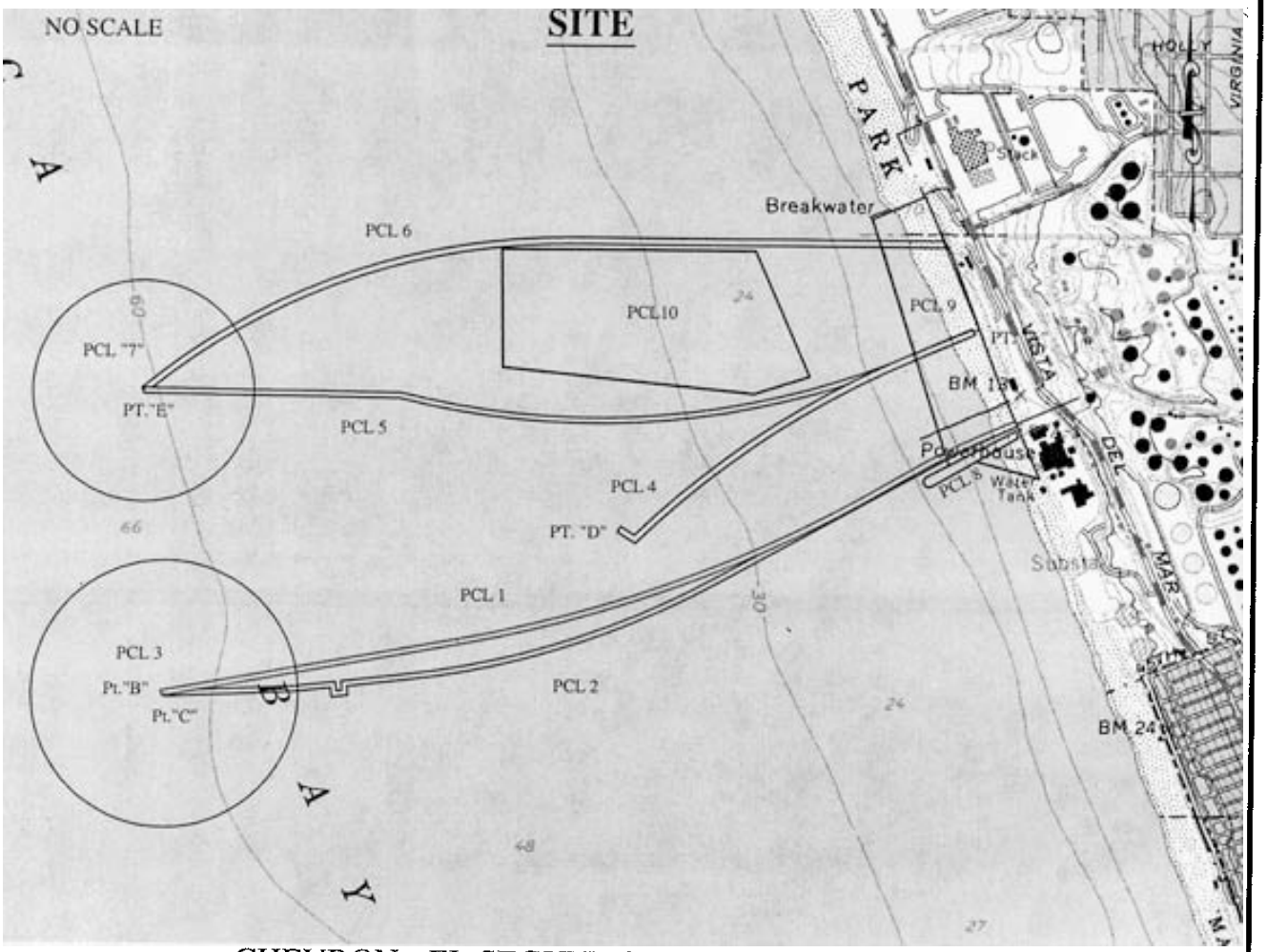
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE REVISION OF THE ANNUAL RENT FOR LEASE NO. PRC 5574.1 FROM $319,140 TO $1,290,000, EFFECTIVE OCTOBER 1, 2009.

NO SCALE

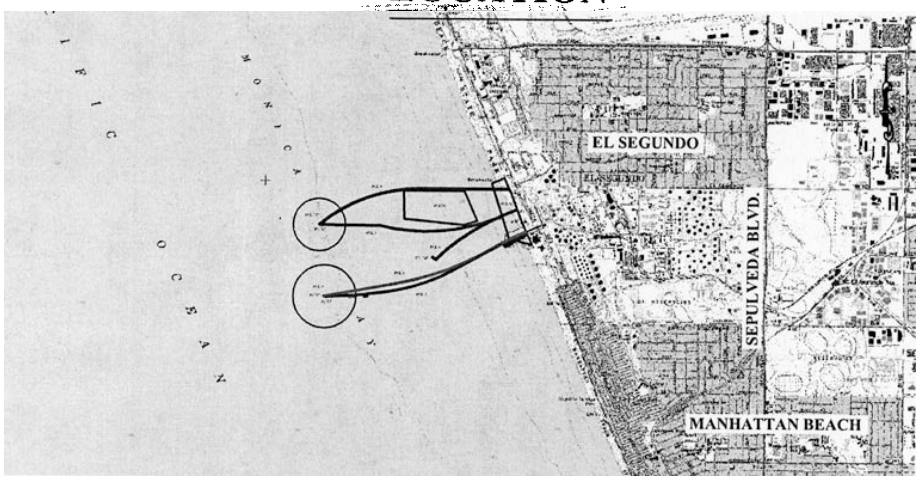
SITE



CHEVRON - EL SEGUNDO MARINE TERMINAL
324 West El Segundo Blvd., El Segundo

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

Exhibit A

PRC 5574.1
CHEVRON- EL SEGUNDO
MARINE TERMINAL
INDUSTRIAL LEASE
LOS ANGELES COUNTY

MJJ 05/2009