

**CALENDAR ITEM
C60**

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S 18

05/24/12
PRC 8100.1
A. Scott

REVISION OF RENT

LESSEE:

Chevron Pipeline Company
4000 Highway One
Morro Bay, CA 93442

AREA, LAND TYPE, AND LOCATION:

2.48 acres, more or less, of sovereign land in the Pacific Ocean, Estero Bay,
near the city of Morro Bay, San Luis Obispo County.

AUTHORIZED USE:

Retention of three existing non-operational offshore crude oil pipelines pending
removal and/or formal abandonment.

LEASE TERM:

This lease is in holdover during the planning for and actual removal and/or formal
abandonment of the three existing pipelines.

CONSIDERATION:

This lease is in holdover, and as such, the terms and conditions of the lease
remain in full force and effect until acceptance of a fully executed quitclaim.
Because all of the terms and conditions of the original lease remain in effect this
includes the lease provision allowing the Lessor to modify the rent periodically
during the lease term may be applied. Pursuant to this provision, staff has
conducted a review of the rent under this lease, and recommends rent be revised
from \$12,660 per year to \$24,350 per year, effective June 1, 2012.

OTHER PERTINENT INFORMATION:

The staff recommends that the Commission find that the subject revision of rent
does not have a potential for resulting in either a direct or a reasonably
foreseeable indirect physical change in the environment, and is, therefore, not a
project in accordance with the California Environmental Quality Act (CEQA).

CALENDAR ITEM NO. **C60** (CONT'D)

Authority: Public Resources Code section 21065 and California Code of Regulations, Title 14, sections 15060, subdivision (c)(3), and 15378.

EXHIBIT:

A. Site Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject revision of rent is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8100.1 from \$12,660 per year to \$24,350 per year, effective June 1, 2012.

