

**CALENDAR ITEM
C60**

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06/21/13
PRC 3291.1
D. Oetzel

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GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Equilon Enterprises, LLC
dba Shell Oil Products US
20945 S. Wilmington Ave.
Carson, California 90810

AREA, LAND TYPE, AND LOCATION:

14 acres, more or less, of sovereign lands in San Francisco Bay, along the San Bruno Shoal, San Mateo county.

AUTHORIZED USE:

The 10-inch non-operational pipeline previously used to convey oil-refined products westward across San Francisco Bay to terminals on the peninsula.

LEASE TERM:

5 years, beginning June 21, 2013.

CONSIDERATION:

\$3,818 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

SPECIFIC LEASE PROVISION:

Insurance: Liability insurance: no less than \$2,000,000 per occurrence; the State may, at any time, require an increase in the amount of liability insurance to reflect economic inflation and to cover any additionally authorized improvements or alterations.

OTHER PERTINENT INFORMATION:

1. On April 29, 1965, the Commission authorized a submarine pipeline right-of-way easement for the construction of a pipeline for an initial period of 15 years, with three renewal periods of 10 years each. In February 1981, the Commission authorized the replacement of the pipeline right-of-way easement with a General Lease - Right-of-Way for a period of 30 years,

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beginning April 29, 1980. On December 16, 2002, the Commission authorized the assignment of the lease from Shell Oil company to Equilon Enterprises, LLC, dba Shell Oil Products US. On April 28, 2010, the lease expired. Equilon Enterprises, LLC, dba Shell Oil Products US is now requesting a new 5-year lease for the idle pipeline.

2. The pipeline extends across San Francisco Bay from Shell's Martinez Refinery in Martinez, California, to Shell's South San Francisco Terminal in South San Francisco near the San Francisco International Airport. The lease is for those portions of the pipeline located on ungranted sovereign land within San Francisco Bay at San Bruno Shoal, San Mateo County. The pipeline is also located on lands granted to the city of South San Francisco pursuant to Chapter 345, Statutes of 1913 and as amended and lands granted to the city of Oakland pursuant to Chapter 1028, Statutes of 1955 and as amended with minerals reserved to the State.
3. The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300 and California Code of Regulations, Title 2, section 2905.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

California Coastal Commission

FURTHER APPROVALS REQUIRED:

None.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, Title 2, section 2905, subdivision (a)(2).

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize the issuance of a General Lease – Right-of-Way Use to Equilon Enterprises, LLC, dba Shell Oil Products US for a term of five years, beginning June 21, 2013, for a non-operational pipeline, as shown on Exhibit B (for reference purposes only) and described on Exhibit A attached and by this reference made a part hereof; annual rent of \$3,818 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease; and liability in an amount of no less than \$2 million per occurrence.

EXHIBIT A

PRC 3291.1

LAND DESCRIPTION

A strip of submerged land 50 feet wide lying in the bed of the San Francisco Bay, situate in San Mateo County, State of California, and lying 25 feet on each side of the following described centerline:

BEGINNING at a point on the centerline of an existing 10" pipeline, from which a NGS monument "OAK E" (PID HT3756) bears North 62°59'03" East 13247.85 feet, said monument having California Coordinate System of 1927, Zone 3 coordinates of: Northing (y) = 442014.17 feet and Easting (x) = 1503053.91 feet; thence from said point of beginning, along said pipeline the following the following ten (10) courses:

- 1) South 68°14'14" West 1301.40 feet,
- 2) South 65°11'50" West 145.41 feet,
- 3) South 67°33'58" West 3718.40 feet,
- 4) South 68°35'25" West 2553.18 feet,
- 5) South 68°07'30" West 1443.97 feet,
- 6) South 72°31'51" West 356.44 feet,
- 7) South 70°52'16" West 469.95 feet,
- 8) South 67°13'23" West 196.31 feet,
- 9) South 62°00'19" West 519.82 feet, and
- 10) South 69°56'51" West 1691.54 feet to the terminus of said centerline.

EXCEPTING THEREFROM any portions lying within the boundaries of that certain Grant to the City of South San Francisco pursuant to Chapter 56 of the Statutes of 1925.

ALSO EXCEPTING THEREFROM any portions lying within the boundaries of that certain Grant to the City of Oakland pursuant to Chapter 1028 of the Statutes of 1955.

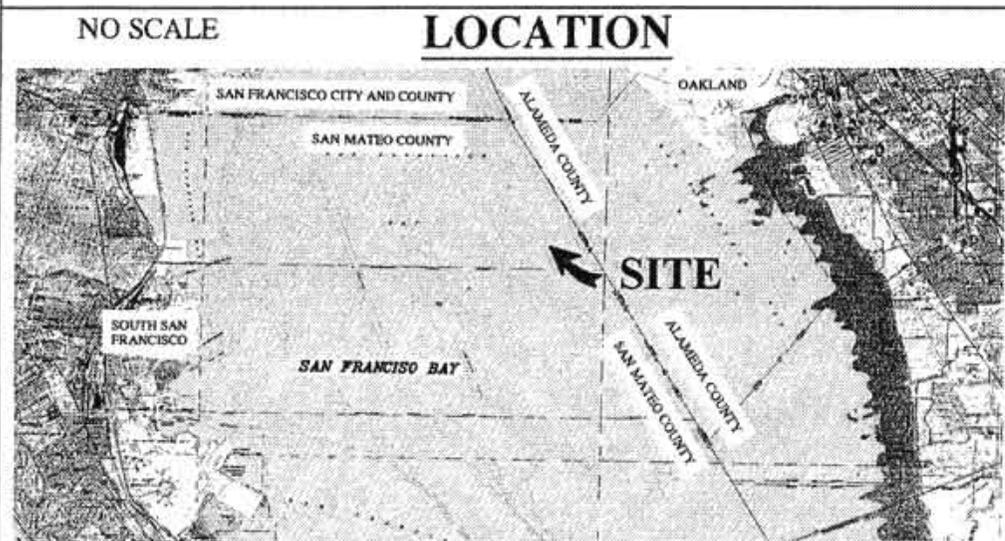
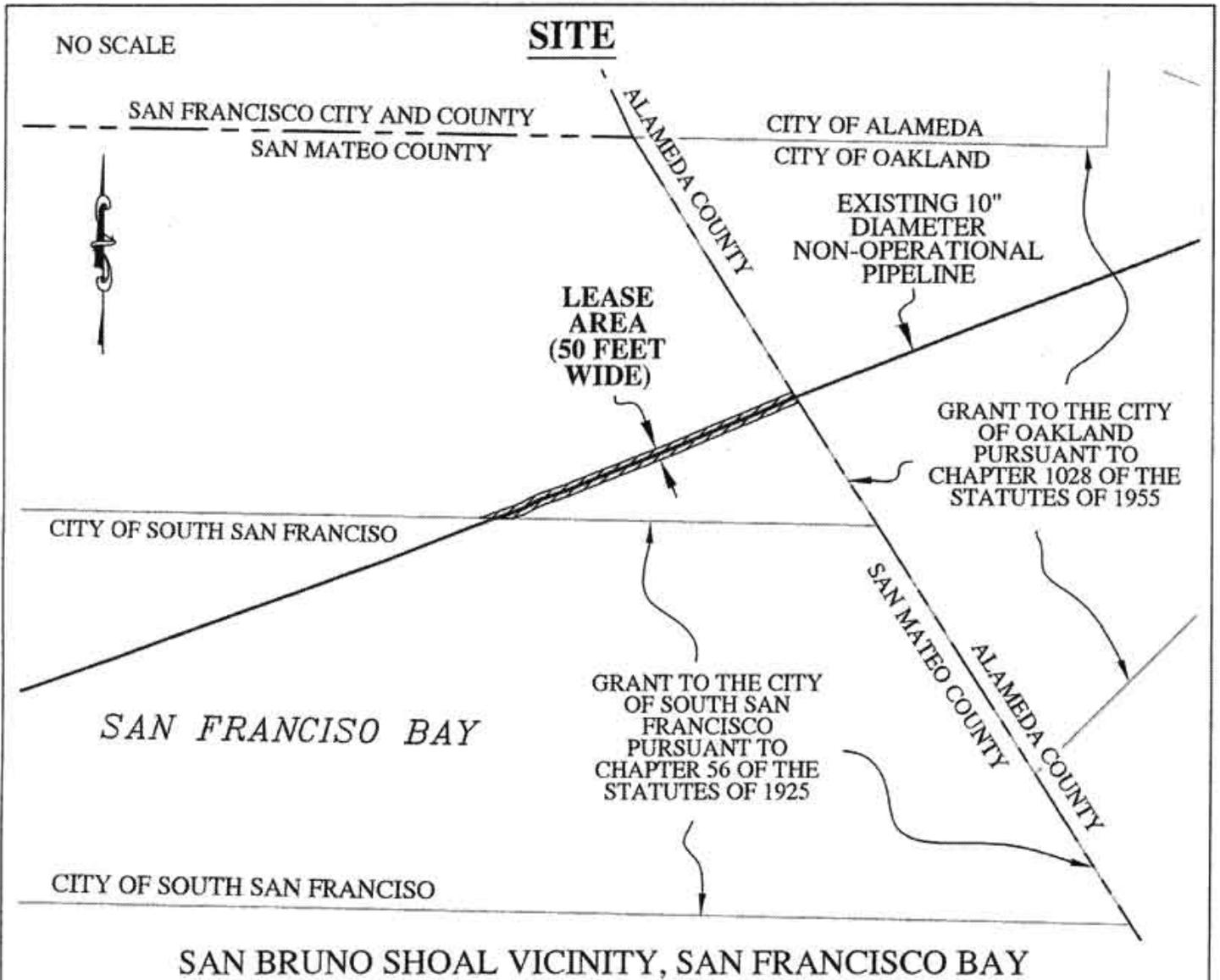
The sidelines of said strip to be prolonged or shortened so as to terminate on the northeast at the southwesterly line of said Grant to the City of Oakland, and to terminate on the southwest at the northerly line of said Grant to the City of South San Francisco.

The BASIS OF BEARINGS of this description is the California Coordinate System of 1927, Zone 3. All distances are grid distances.

END OF DESCRIPTION

Prepared 05/21/2013 by the California State Lands Commission Boundary Unit.





MAP SOURCE: USGS QUAD

Exhibit B
 PRC 3291.1
 EQUILON ENTERPRISES, LLC
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN MATEO COUNTY



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.