

**CALENDAR ITEM
C71**

A 15
S 9

09/20/13
PRC 7985.1
K. Foster

REVISION OF RENT

LESSEE:

Hercules LLC
c/o Prologis
Pier 1, Bay 1
San Francisco, CA 94111

LAND TYPE AND LOCATION:

Sovereign land in San Pablo Bay, in the city of Hercules, Contra Costa County.

AUTHORIZED USE:

The operation and maintenance of an approximately 2000-foot-long, 8-inch-diameter, treated wastewater industrial outfall pipeline, three 3-foot by 8-foot steel plate pipeline anchors and 3-foot long diffusers.

LEASE TERM:

20 years, beginning September 1, 1997.

CONSIDERATION:

This lease provides that Lessor 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 \$3,240 per year to \$7,293 per year, effective September 1, 2013.

OTHER PERTINENT INFORMATION:

1. On August 26, 1997, the Commission authorized the issuance of Lease No. PRC 7985.1, a General Lease - Right of Way Use, to Pacific Refining Company for an existing treated wastewater industrial outfall pipeline, steel anchor plates, and diffusers used in conjunction with an upland oil refinery. The Commission also authorized the assignment of the Lease from Pacific Refining Company to Hercules LLC upon transfer of the upland property.

CALENDAR ITEM NO. **C71** (CONT'D)

2. The wastewater pipeline is currently non-functional. After the associated oil refinery was decommissioned and the upland property redeveloped, the pipeline was taken out of service and is planned to be removed at a future date.
3. 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).

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

EXHIBIT:

- A. Site And Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

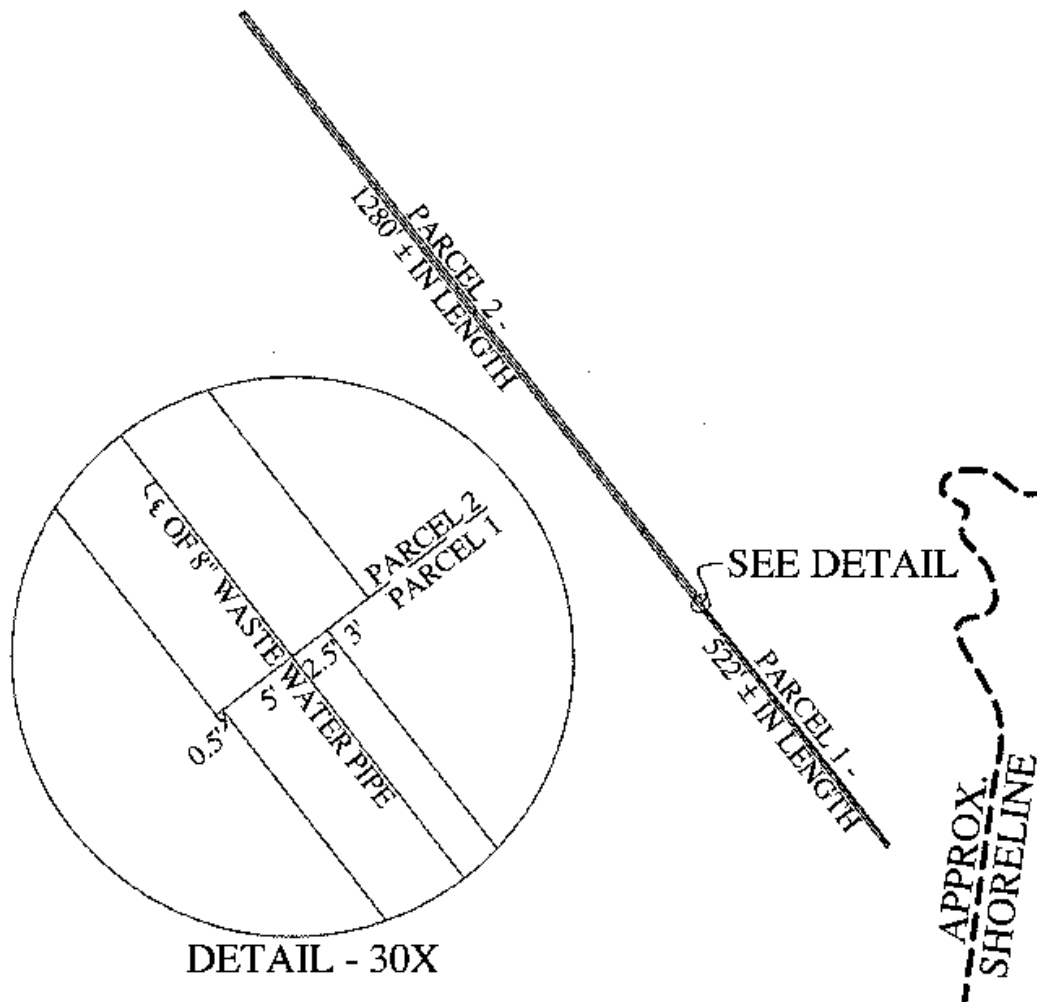
Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, section 15060(c)(3) because the activity is not a project as defined by Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

AUTHORIZATION:

Approve the Revision of Rent for Lease No. PRC 7985.1 from \$3,240 per year to \$7,293 per year, effective September 1, 2013.

NO SCALE

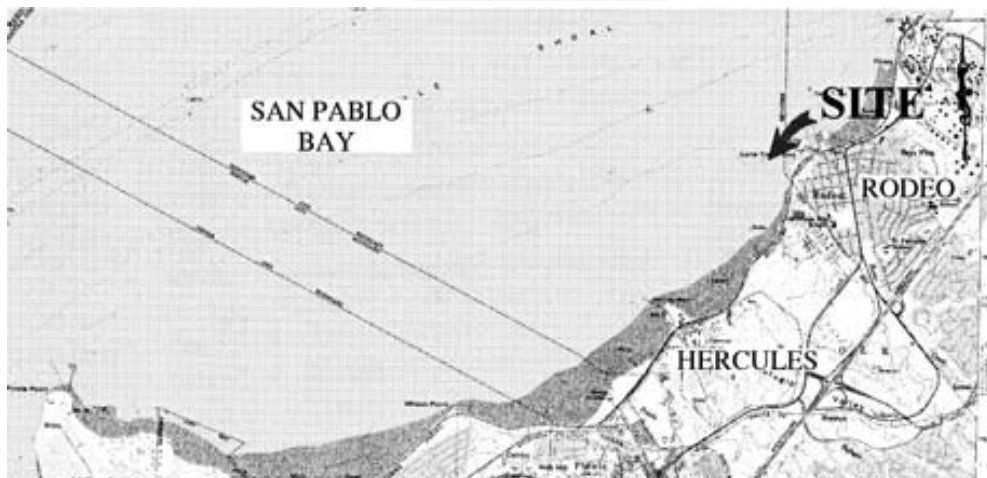
SITE



SAN PABLO BAY, HERCULES

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 7985.1
HERCULES LLC
GENERAL LEASE -
RIGHT-OF-WAY USE
CONTRA COSTA COUNTY



MJF 7/11/13