

This Calendar Item No. 23
was approved as Minute Item
No. 23 by the State Lands
Commission by a vote of 2
to 0 at its 10/23/76
meeting.

CALENDAR ITEM

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10/76
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WP 4497

AMENDMENT OF INDUSTRIAL LEASE PRC 4497.1

APPLICANT: Standard Oil Company of California
225 Bush Street
San Francisco, California 94120

AREA, TYPE LAND AND LOCATION: Approximately 128 acres of tide and submerged
lands in Santa Monica Bay, Los Angeles County.

LAND USE: Two marine oil terminals and appurtenant
pipelines.

TERMS OF CURRENT LEASE:

Initial period: 15 years, from August 27, 1970.

Surety bond: \$50,000.

Public liability insurance:
\$300,000/\$600,000 per
occurrence for bodily injury
and \$5,000,000 for property
damage.

Consideration: \$27,026.48 per annum.

BASIS FOR CONSIDERATION:

6% of appraised value of land, together with
1 cent per diameter inch of pipeline per line. 1
foot.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Div. 6, Parts 1 & 2.
- b. Administrative Code: Title 2, Div. 3,
Arts. 1, 2, 10 & 11.

OTHER PERTINENT INFORMATION:

1. This lease was originally issued in 1970
subject to a later determination by the
parties of a method of determining the
final agreed rent. The Commission's original
authorization (Minute Item 10, dated
August 26, 1970) also contained a provision
for the review and resetting a different
rental on each fifth anniversary of the
lease. However, through an oversight, the

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original lease document did not contain the five-year rent review provision as was authorized originally by the Commission. The matter of a firm rent was settled in December 1972 (Minute Item No. 4, dated December 21, 1972) and again the rental review provision was inadvertently omitted from the lease document.

Standard and Division staff have now agreed that the five-year rent review clause was part of the original authorization for the lease by the Commission and should now become a part of Lease PRC 4497.1 and have the effect as though such provision had been a part of the original lease.

Under the terms of the lease recommended for amendment herein, the next date for review and resetting of annual rent will be August 27, 1977.

2. An Environmental Impact Report is not required for this transaction in that it is a non-project as defined by existing regulations. Authority: PRC 21065 and 14 Cal. Adm. Code 15037.
3. The terminals are located on lands identified as containing significant environmental values under PRC 6370.1, Class "C"--Multiple Use. However, since the transaction involves only a change in the administrative handling of the lease and does not change the basic use of the site, staff has determined that the existing lease is compatible with identified environmental values.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21065 AND 14 CAL. ADM. CODE 15037.
2. FIND THAT THE AMENDMENT WILL HAVE NO SIGNIFICANT AFFECT UPON THE CHARACTERISTICS IDENTIFIED PURSUANT TO SECTION 6370.1, ET SEQ. OF THE PUBLIC RESOURCES CODE.

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3. AUTHORIZE ISSUANCE TO STANDARD OIL COMPANY OF CALIFORNIA OF AN AMENDMENT TO LEASE PRC 4497.1 COVERING CERTAIN THEREIN DESCRIBED TIDE AND SUBMERGED LAND ADJACENT TO EL SEGUNDO, LOS ANGELES COUNTY, THAT WILL ADD A PROVISION FOR THE REVIEW AND RESETTING OF ANNUAL RENT ON EACH FIFTH ANNIVERSARY OF THE LEASE, AS THOUGH SUCH PROVISION HAD BEEN IN EFFECT SINCE THE BEGINNING DATE OF LEASE PRC 4497.1; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 4497.1 SHALL REMAIN IN FULL FORCE AND EFFECT.