

MINUTE ITEM

This Calendar Item No. 27
was approved as Minute Item
No. 27 by the State Lands
Commission by a vote of 3
to 0 at its 9/25/84
meeting.

MINUTE ITEM

27

9/25/84
G 04-02.10
J. Ludlow

LEASE APPROVAL UNDER CHAPTER 1095
STATUTES OF 1978—GRANTED LANDS
CITY OF EUREKA AND CHEVRON USA, INC.
HUMBOLDT COUNTY

During consideration of Calendar Item 27 attached, Assistant Executive Officer Jim Trout indicated staff recommended approval of this item with the understanding that the self-insured clause contained in the proposed lease applies only to Chevron, USA, and not to any assignee or Chevron's local distributor.

Upon motion duly made and carried the following resolution was approved, as amended, by a vote of 3-0:

THE COMMISSION:

1. FINDS THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PRC 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVES THE LEASE ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION BETWEEN THE CITY OF EUREKA AND CHEVRON USA, INC., COVERING A SEVEN-ACRE PARCEL OF TIDE AND SUBMERGED LAND IN HUMBOLDT COUNTY EFFECTIVE OCTOBER 1, 1983, WITH THE UNDERSTANDING THAT THE SELF-INSURED CLAUSE APPLIES ONLY TO CHEVRON, USA, AND NOT TO ANY ASSIGNEE OR CHEVRON'S LOCAL DISTRIBUTOR.

Attachment: Calendar Item 27

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LEASE APPROVAL UNDER CHAPTER 1095,
STATUTES OF 1978 - GRANTED LANDS -
CITY OF EUREKA AND CHEVRON USA, INC.
HUMBOLDT COUNTY

BACKGROUND:

On October 1, 1972, the City of Eureka and Chevron USA, Inc., entered into a lease agreement involving approximately seven acres of sovereign land to be used for the purpose of petroleum loading and unloading and storage facilities used in connection therewith.

The lease was for a five-year period. The City extended the lease for one and two-year periods after expiration of the initial lease.

As a result of loans and commitments by the State to the City of Eureka, Chapter 1086, Statutes of 1970 was amended by Chapter 1095, Statutes of 1978 to require State Lands Commission approval of leases of granted tidelands by the City of Eureka if the lease had a term longer than one year.

The City and Chevron USA, Inc., have entered into a new ten-year lease effective October 1, 1983. The lease includes three five-year renewal options. The City secured an appraisal of the property and pursuant to that appraisal, the yearly rent is set at \$8,800 and is subject to annual adjustment which shall be equal to 105% of the previous year's annual rent. In addition, a throughput rent of 1.5 cents per barrel applies against the base rent until the base rent is equaled; thereafter the rate is one cent per barrel.

The staff of the Commission and the Attorney General's staff have reviewed the appraisal and lease document and feel that the agreement is fair and reasonable.

With a few minor changes in the lease language, the other terms and conditions remain as negotiated in 1972.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

AB 884: N/A.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 1506.1 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. ADM. CODE 15378.
2. APPROVE THE LEASE ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION BETWEEN THE CITY OF EUREKA AND CHEVRON USA, INC., COVERING A SEVEN-ACRE PARCEL OF TIDE AND SUBMERGED LAND IN HUMBOLDT COUNTY EFFECTIVE OCTOBER 1, 1983.

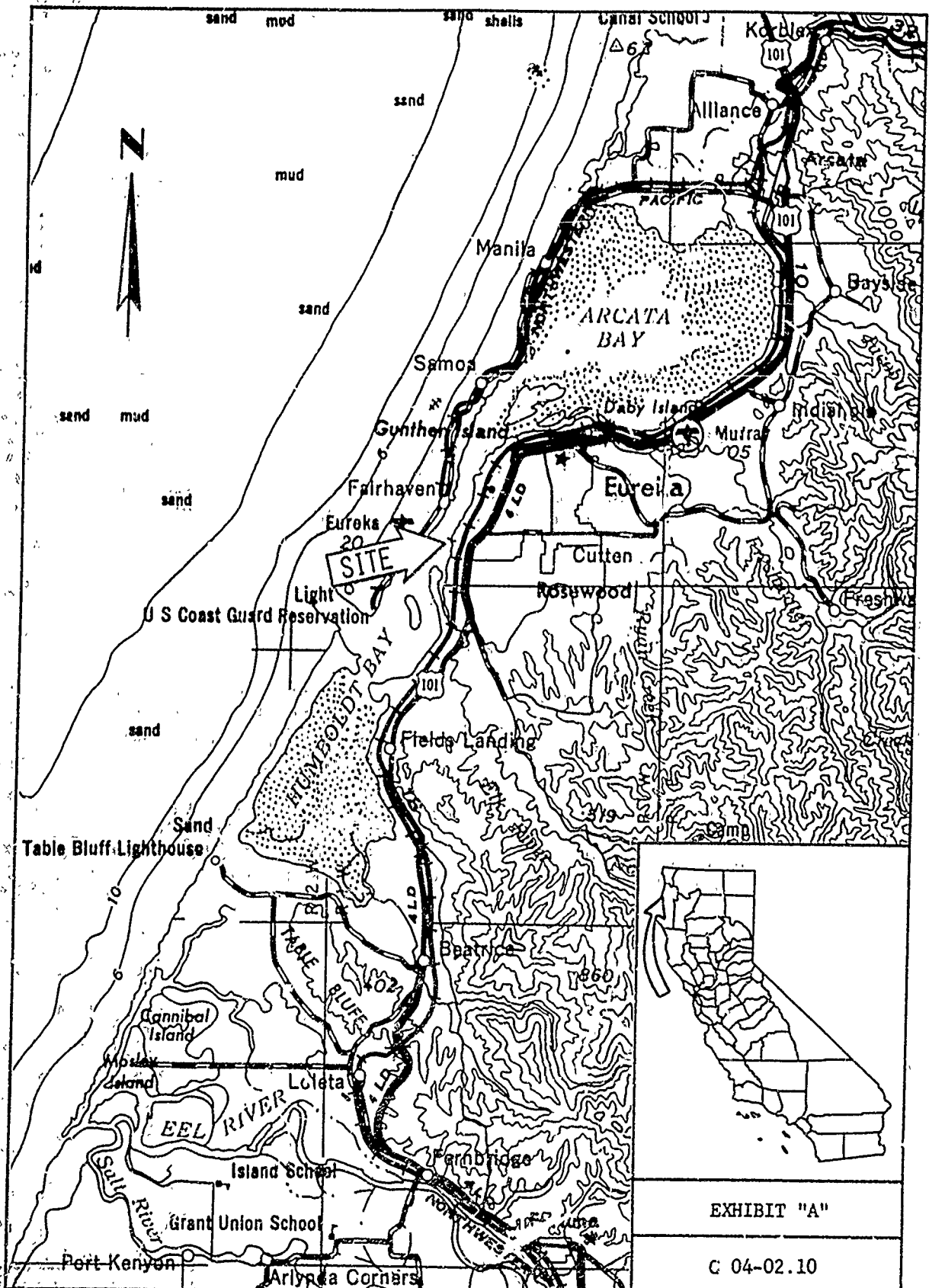


EXHIBIT "A"

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