

MINUTE ITEM

This Calendar Item No. C04
was approved as Minute Item
No. C04 by the State Lands
Commission by a vote of 3
to 0 at its 6/11/90
meeting.

CALENDAR ITEM

C 0 4

A)
S) Statewide

06/11/90
PRC 1552
PRC 5439
PRC 6868
Fong

ASSIGNMENT OF RIGHT-OF-WAY LEASES
PRC 5439, PRC 1552, PRC 6868, AND
ADDITION OF LEASE PRC 1552 TO MASTER LEASE PRC 5439
(ADDENDUM NO. 4)

ASSIGNOR: Southern Pacific Pipe Lines, Inc.
888 South Figueroa Street
Los Angeles, California 90017

ASSIGNEE: SFPP, L.P.
888 South Figueroa Street
Los Angeles, California 90017

AREA, TYPE LAND AND LOCATION:
Twenty-two (22) parcels of tide and submerged
lands located statewide.

LAND USE: Operation and maintenance of various size
diameter pipelines and necessary appurtenances
for the transportation of refined petroleum
products.

TERMS OF MASTER LEASE:
Initial period: Twenty (20) years beginning
January 1, 1978.
Renewal options: Two successive periods of ten
years each.
Public liability insurance: \$1,000,000 per
occurrence for bodily injury
and \$2,000,000 for property
damage.

CALENDAR ITEM NO. C O 4 (CONT'D)

Consideration: \$61,470 per annum; ten-year
rent review.

TERMS OF PROPOSED AMENDMENT TO MASTER LEASE:

1. The incorporation of lease PRC 1552 into master lease PRC 5439
2. Adjustment of the annual rental amount from \$61,470 to \$63,180 for Addendum No. 3, which was omitted during the last rent review.

CONSIDERATION: \$63,180 per annum

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

APPLICANT STATUS:

Applicant is permittee of upland.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee and processing costs have been received.

STATUTORY AND OTHER REFERENCES:

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 2, Div. 3;
Title 14, Div. 6.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 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.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

2. Southern Pacific Pipe Lines, Inc. has requested the assignment of their pipeline right-of-way leases from Southern Pacific Pipe Lines to SFPP, L.P. Initially, the lessee asked for the assignment to be made

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to Southern Pacific Pipe Lines Partnership, L.P. However, due to a sales agreement with Southern Pacific Transportation Co., which requires that the use of the Southern Pacific name be discontinued, they have changed their name to SFPP, L.P. Three leases are involved - master lease PRC 5439, lease PRC 1552 for the Colorado River crossing, and PRC 6868, a school lands lease near the Salton Sea.

3. The lessee and staff agree that it would be to the benefit of both parties to incorporate lease PRC 1552 into the master lease PRC 5439.
4. During the review of this file, it was discovered that during the last rent review cycle, January 1, 1988, Addendum No. 3 to PRC 5939 was not included in the rent calculations. Addendum No. 3 was approved by the Commission in April 1987. It was anticipated that during the January 1, 1988 rent review process, the additional rental for Addendum No. 3 would be included in the company's required payments. Staff has reviewed the annual rental for master lease PRC 5439 with Addendum No. 3 included and recommends the annual rental be increased by \$1,710 to \$63,180 per annum. The lessee has agreed to the revised rental amount and has remitted backrent in the amount of \$3,420 for the period of January 1, 1988 to December 31, 1989.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. APPROVE THE ASSIGNMENT OF GENERAL LEASES - RIGHT-OF-WAY USE PRC 5439, PRC 1552, AND PRC 6868 FROM SOUTHERN PACIFIC PIPE LINES, INC. TO SFPP, L.P.

CALENDAR ITEM NO. C O A (CONT'D)

3. AUTHORIZE THE AMENDMENT OF MASTER LEASE PRC 5439 (ADDENDUM NO. 4), EFFECTIVE JUNE 13, 1990, TO INCORPORATE LEASE PRC 1552, AND THE TERMINATION OF LEASE PRC 1552; ALL REMAINING TERMS AND CONDITIONS OF LEASE PRC 5439 TO REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.
4. AUTHORIZE THE SETTING OF THE ANNUAL RENTAL IN THE REVISED AMOUNT OF \$63,180, EFFECTIVE JANUARY 1, 1988, FOR MASTER LEASE PRC 5439.
5. AUTHORIZE THE ACCEPTANCE OF BACKRENT IN THE AMOUNT OF \$3,420 FOR THE PERIOD JANUARY 1, 1988 TO DECEMBER 31, 1989, WAIVING PENALTY AND INTEREST.

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EXHIBIT "A"

LEGEND

- PRC 5439 ●
- PRC 1552 ○
- PRC 6868 ■

