

MINUTE ITEM

This Calendar Item No. C40 was approved as Minute Item No. 40 by the California State Lands Commission by a vote of 3 to 0 at its 8/26/97 meeting.

**CALENDAR ITEM
C40**

A11

08/26/97

S7

PRC7985W 25416

D. Plummer

GENERAL LEASE-RIGHT OF WAY

LESSEE:

Pacific Refining Company
4901 San Pablo Avenue
Hercules, California 94547

AREA, LAND TYPE, AND LOCATION:

0.46 acres, more or less, of sovereign lands in San Pablo Bay, in the city of Hercules, Contra Costa County.

AUTHORIZED USE:

Continued operation and maintenance of an eight inch diameter industrial deep water outfall pipeline and diffuser that serves the refinery on the adjacent uplands. The outfall extends into the bay approximately 2,000 feet from the shoreline.

LEASE TERM:

20 years, beginning September 1, 1997.

CONSIDERATION:

\$3,240 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 PROVISIONS:

Insurance:

Combined single limit liability coverage of \$500,000.

Bond:

\$20,000 Surety bond.

OTHER PERTINENT INFORMATION:

1. Applicant owns the uplands adjoining the lease premises.

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2. The existing outfall pipeline and diffuser was installed in 1966 as part of the construction of the marine terminal and refinery. During the preparation of the lease and the lease descriptions for the marine terminal and appurtenant pipelines, the outfall line was inadvertently omitted. This recently came to the attention of Pacific Refining Company which has requested that a lease be issued for the outfall pipeline and diffuser.
3. Pacific Refining Company is currently pursuing a sale of its upland refinery to Hercules LLC. As a part of Pacific Refining Company's request to bring the outfall under lease, they have requested that the Commission consider approval of an assignment of the outfall lease to Hercules LLC in order to provide for an orderly transfer of the refinery property.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt because it involves an "ongoing project" as defined by the CEQA and the State CEQA Guidelines.
Authority: Public Resources Code section 21169 and Title 14, California Code of Regulations, section 15261.
5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. 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:

Regional Water Quality Control Board, United States Army Corps of Engineers.

FURTHER APPROVALS REQUIRED:

California State Lands Commission and San Francisco Bay Conservation and Development Commission.

EXHIBITS:

- A. Land Description
- B. Location Map

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PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 AS A STATUTORILY EXEMPT PROJECT PURSUANT TO PUBLIC RESOURCES CODE SECTION 21169 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15261, AN ACTIVITY INVOLVING AN ONGOING PROJECT.

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 SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE ISSUANCE TO PACIFIC REFINING COMPANY A GENERAL LEASE- RIGHT OF WAY USE, EFFECTIVE SEPTEMBER 1, 1997, FOR A TERM OF TWENTY YEARS, FOR THE CONTINUED OPERATION AND MAINTENANCE OF AN EIGHT INCH INDUSTRIAL OUTFALL PIPELINE AND DIFFUSER ON THE LAND DESCRIBED ON EXHIBIT A ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF; ANNUAL RENT IN THE AMOUNT OF \$3,240, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENT PERIODICALLY DURING THE LEASE TERM, AS PROVIDED IN THE LEASE; \$20,000 SURETY BOND; LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$500,000.

AUTHORIZE THE ASSIGNMENT OF THE LEASE FROM PACIFIC REFINING COMPANY TO HERCULES LLC UPON THE SALE OF THE UPLAND PROPERTY, PROVIDED THAT THE ASSIGNMENT OCCURS BY DECEMBER 31, 1997 ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN UNCHANGED.

**Exhibit A
Land Description**

W25416

Two contiguous parcels of submerged land lying in the bed of San Pablo Bay, situated in the city of Hercules, Contra Costa County, California more particularly described as follows:

PARCEL 1

A strip of land 7.50 feet in width lying 2.50 feet northeasterly and 5.00 feet southwesterly of the center of an 8 inch waste water pipe, said center of pipe described as follows:

COMMENCING at the most northerly corner of Parcel 2 as shown on that Parcel Map MSH-1 on file in the Office of the County Recorder of said County; thence S 4° 00' W, 169.65 feet along the Agreed Boundary Line as shown on said parcel map to the **TRUE POINT OF BEGINNING**; thence N 37° 47' 18" W, 522.22 feet along the center of said waste water pipe to a point designated as Point A for the purposes of this description and the end of said 7.50 foot strip.

PARCEL 2

A strip of land 11.00 feet in width lying 5.50 feet on each side of the center of above mentioned 8 inch waste water pipe, said center of pipe described as follows:

BEGINNING at the above mentioned Point A thence continuing along the center of said 8 inch pipe N 37° 47' 18" W, 1280 feet more or less to the end of said pipe and said strip.

Basis of Bearings of this description is the above mentioned Parcel Map MSH-1.

END OF DESCRIPTION

Prepared by SFBCC Boundary Staff 1997

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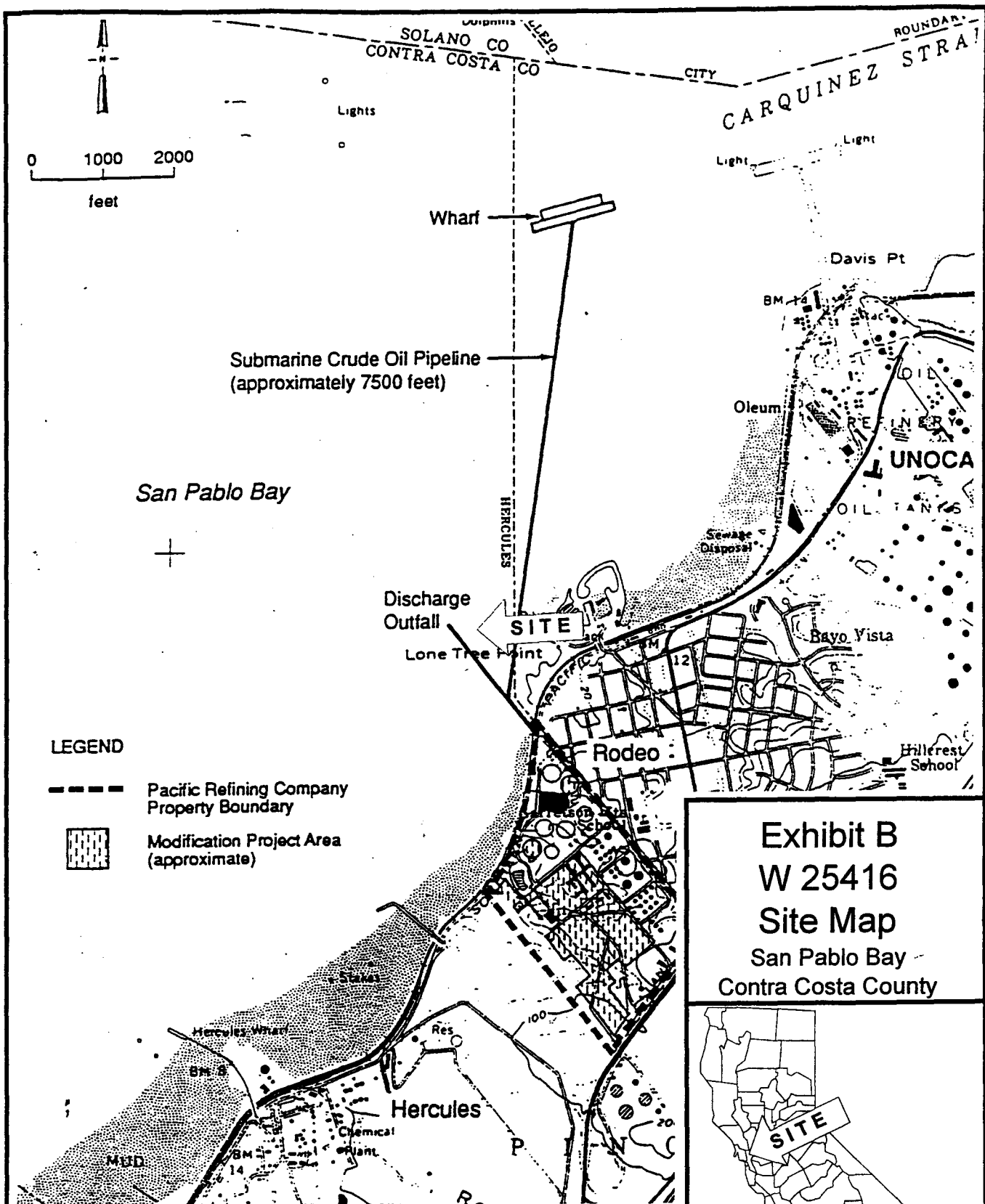


Exhibit B
W 25416
Site Map
 San Pablo Bay
 Contra Costa County



This Exhibit is solely for purposes of generally defining the lease premises, 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.