This Calendar Item No. 657 was approved as Minute Item No. 57 by the California State Lands Commission by a vote of 3 to 6 at its 69-13-07 meeting.

CALENDAR ITEM C54

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PRC 3454.1 N. Smith

REVISION OF RENT

LESSEE:

Tesoro Refining and Marketing Company 150 Solano Way Martinez, California 94553

AREA, LAND TYPE, AND LOCATION:

11.24 acres, more or less, of sovereign lands in the Carquinez Strait, near the city of Martinez, Contra Costa County.

AUTHORIZED USE:

Continued use and maintenance of Avon marine terminal.

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 \$62,625 per year to \$143,200 per year, effective January 1, 2003.

OTHER PERTINENT INFORMATION:

On March 1, 1966, the Commission authorized the issuance of a General Lease – Industrial Use to Tide Water Oil Company for a marine terminal, with several amendments and assignments occurring through the years. In 2002, the Commission authorized an assignment of the lease to Ultramar, Inc., then to Tesoro Refining and Marketing Company. As part of the assignment approval to Tesoro, the company agreed to submit an application for a new lease, which was received May 10, 2005. The application for a new lease is very close to being completed and Tesoro will reimburse the Commission for completion of an environmental document as part of the application process.

EXHIBIT:

A. Site Map

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CALENDAR ITEM NO. C54 (CONT'D)

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE 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 3454.1 FROM \$62,625 PER YEAR TO \$143,200 PER YEAR, EFFECTIVE JANUARY 1, 2003.

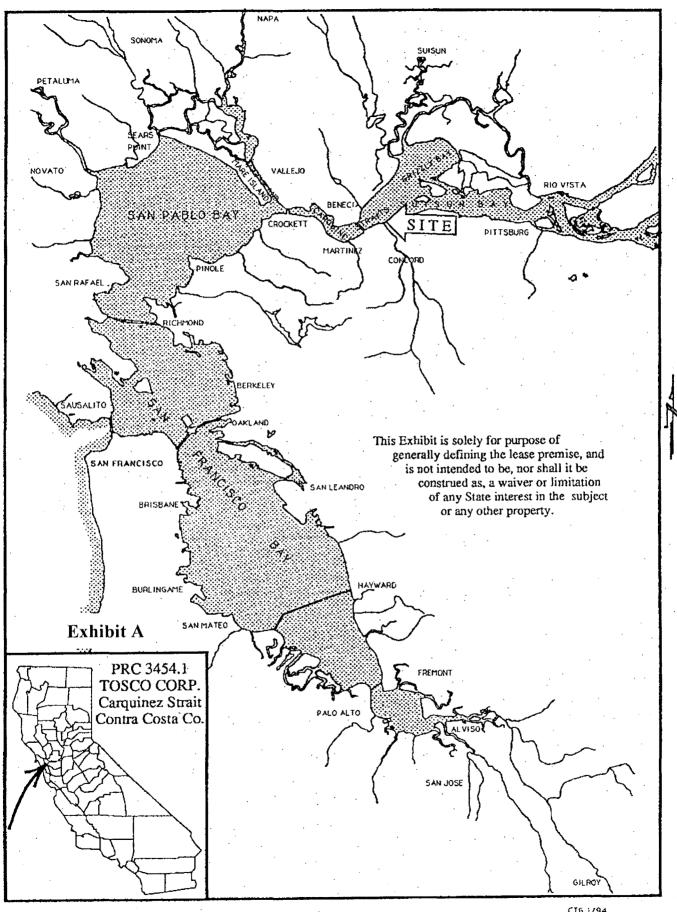
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