

**CALENDAR ITEM
C42**

A 80
S 37

03/25/08
PRC 6868.2
C. Hudson

CONTINUATION OF RENT

LESSEE:

SFPP, L.P.
1100 Town and County Road
Orange, California 92868

AREA, LAND TYPE, AND LOCATION:

11.44 acres, more or less, of State school lands in three parcels lying just east of the Salton Sea, which include a portion of Section 30 T9S R13E, Imperial County; and Section 12, T9S R11E Imperial County; and Section 34, T8S R11E, SBM, Riverside County.

AUTHORIZED USE:

Operation, use, and maintenance of a 20-inch diameter pipeline used to transport refined petroleum products.

LEASE TERM:

30 years, beginning July 1, 1985.

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 continued at \$3,990 per year, effective July 1, 2008.

OTHER PERTINENT INFORMATION:

1. On July 25, 1985, the Commission authorized a General Lease - Right of Way Use with SFPP, L.P. On April 20, 2000, the Commission authorized an Amendment of Lease to remove an idle 12-inch diameter pipeline from the authorized improvements, which is now leased by Williams Communications for a fiber optic line, and reduce the annual rent. That lease will expire on June 30, 2015.

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2. The steel pipeline, which is used to transport refined petroleum, was inspected on March 21, 2005, by the California State Fire Marshal – Office of Pipeline Safety. The inspections are current and no violations have been reported.

EXHIBIT:

- A. Site and Location Map

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 CONTINUATION OF RENT FOR LEASE NO. PRC 6868.2 AT \$3,990 PER YEAR, EFFECTIVE JULY 1, 2008.