

**CALENDAR ITEM
C21**

A 8,11
S 5,7

05/05/08
PRC 8486.1
J. McComas

CONTINUATION OF RENT

LESSEE:

SFPP, L.P., a Delaware Limited Partnership
1100 Town and Country Road
Orange, California 92868

AREA, LAND TYPE, AND LOCATION:

0.98 acres, more or less, of sovereign lands in Walnut, Grayson and Pacheco creeks, Cordelia Slough and the Carquinez Strait, between Concord and West Sacramento, Contra Costa, Solano and Yolo counties.

AUTHORIZED USE:

Operation and maintenance of a 20-inch petroleum products pipeline extending from the existing SFPP Concord Station in Contra Costa County to the existing SFPP Sacramento Station in the city of West Sacramento, Yolo County.

LEASE TERM:

25 years, beginning October 20, 2003.

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 \$9,475 per year, effective October 20, 2008.

OTHER PERTINENT INFORMATION:

This pipeline was put into operation in 2004 and no incidents have been reported. Pursuant to the U. S. Department of Transportation's rules and regulations, pipelines of this nature must be smart pigged every five years. Therefore, the first inspection is to be conducted in 2009.

EXHIBIT:

A. Location Map

CALENDAR ITEM NO. **C21** (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 CONTINUATION OF RENT FOR LEASE NO. PRC 8486.1 AT \$9,475 PER YEAR, EFFECTIVE OCTOBER 20, 2008.