

**CALENDAR ITEM
C36**

A 11
S 7

08/20/10
PRC 4117.1
D. Simpkin

REVISION OF RENT

LESSEE:

Chevron Products Company
P.O. Box 1272
Richmond, CA 94802

AREA, LAND TYPE, AND LOCATION:

Sovereign land in San Pablo Bay, near the City of Richmond, Contra Costa County.

AUTHORIZED USE:

A groundwater protection system including three major components: a subsurface hydraulic barrier wall between much of the shoreline, a system of groundwater extraction wells internal to the barrier wall, and a low-permeability "floor" lever layer of bay mud.

LEASE TERM:

49 years, beginning December 19, 1968.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease, and recommends that the rent be revised from \$40,400 per year to \$45,430 per year, effective December 19, 2010.

The recommended rent is based on an adjustment of the prior rent by application of the Consumer Price Index (CPI) in lieu of an appraisal. The adjustment does not obligate the Commission to use the CPI to adjust future rents.

OTHER PERTINENT INFORMATION:

On December 19, 1968, the Commission authorized a General Lease – Industrial Use with the Chevron Products Co. for a term of 49 years. This lease will expire on December 18, 2017.

CALENDAR ITEM NO. **C36** (CONT'D)

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 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 4117.1 from \$40,400 to \$45,430 per year, effective December 19, 2010.

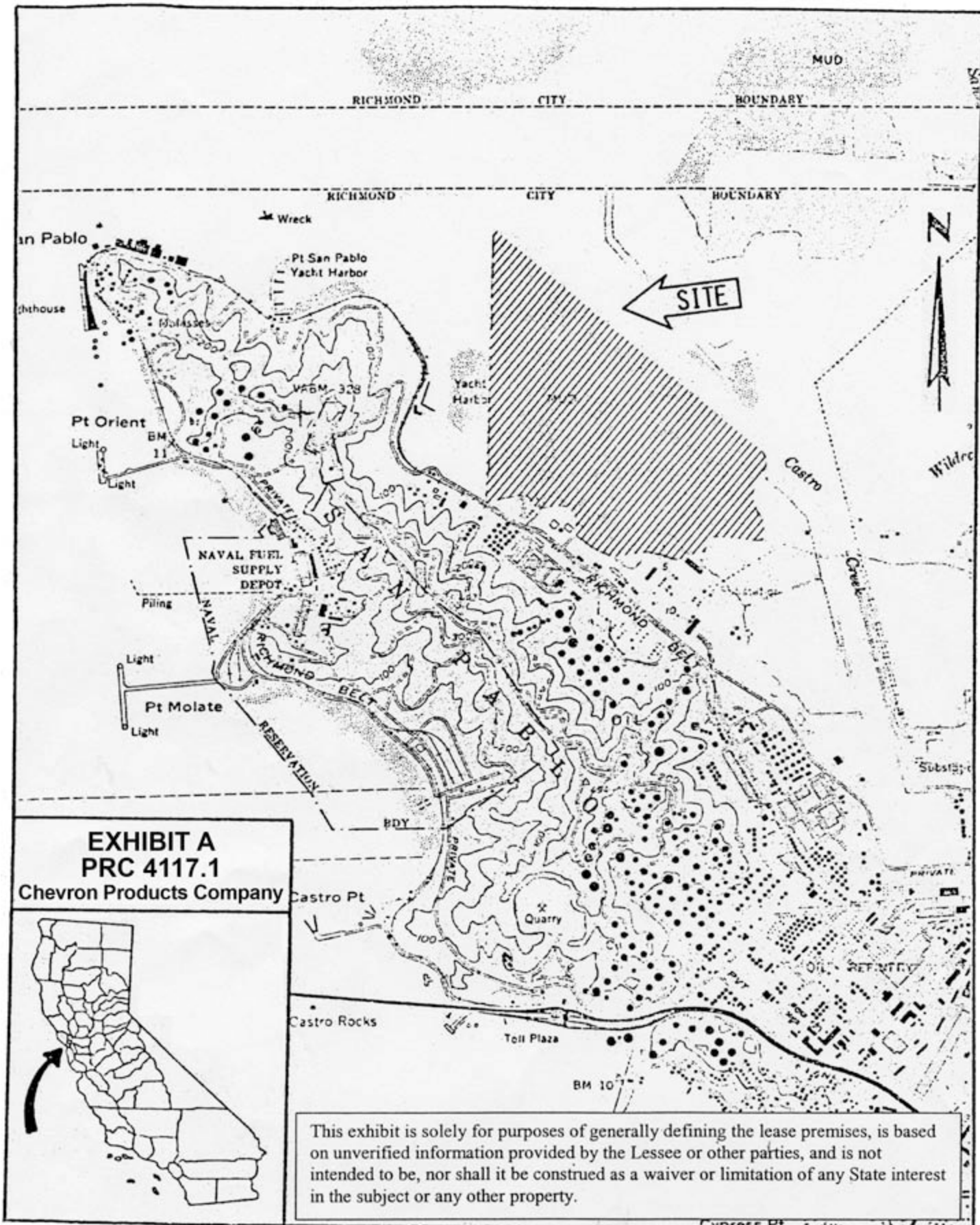


EXHIBIT A
PRC 4117.1
 Chevron Products Company