

**CALENDAR ITEM  
C66**

A 11

08/19/03  
PRC 3454 WP 3454.1  
N. Smith

S 7

**EXTENSION FOR FILING APPLICATION**

**LESSEE:**

Tesoro Refining and Marketing Company  
PO Box 630  
Martinez, California 94553

**BACKGROUND:**

The Commission's staff advised the then lessee, Tosco Corporation, by letter dated December 23, 1997, that the existing lease would expire December 31, 1999 with one ten-year renewal period remaining. On August 31, 2000, Tosco Corporation executed a purchase and sale agreement with Ultramar Diamond Shamrock Corporation, which the Commission approved at its meeting of January 1, 2002. On January 18, 2002, staff was advised that due to the merger of Ultramar and Valero that the Federal Trade Commission ordered the sale of the Golden Eagle Refinery and other assets (including this leasehold). Tesoro Refining and Marketing Company purchased this leasehold from Ultramar on May 17, 2002.

The Commission approved assignment of this lease to Tesoro at its' December 16, 2002 meeting, with two conditions: 1) submission of an application with six months; and 2) having a complete marine terminal lease application within one year of the approval date. Lessee requests that the submission of the application and the complete application be extended an additional three months because the applicant's application will request new 30-year leases for both the Avon (PRC 3454) and Amorco (PRC 3453) marine terminals.

**CONSIDERATION:**

\$66,169 per year; with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

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**OTHER PERTINENT INFORMATION:**

1. This lease is presently in a holdover month-to-month tenancy and is in good standing at this time. Tesoro has agreed to reimburse the Commission for completion of an environmental document for issuance of a new lease for both the Avon and Amorco marine terminals located in the Carquinez Strait in the city of Martinez, Contra Costa County. This lease remains under the terms and conditions of the existing lease until the Commission approves a new lease.
2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq., but such activity will not affect those significant lands.
3. Pursuant to the Commission's delegation of authority and State CEQA Guidelines [Title 14, California Code of Regulations, section 15060 (c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because the activity is not a "project" as defined by the CEQA and State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15060 (c)(3) and 15378.

**EXHIBIT:**

- A. 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.

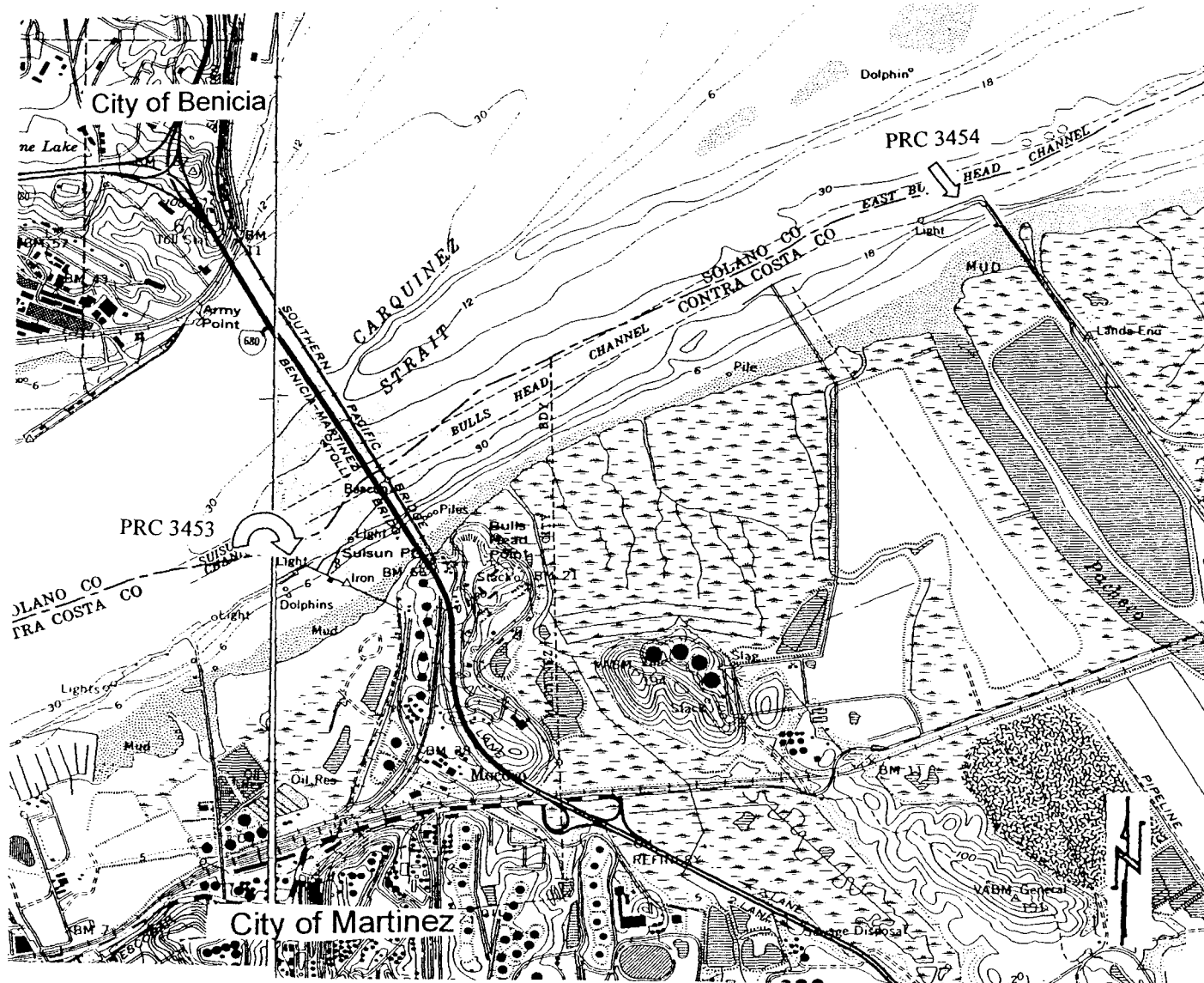
CALENDAR ITEM NO. **C66** (CONT'D)

**AUTHORIZATION:**

APPROVE THE EXTENSION OF THE SUBMISSION OF AN APPLICATION BY TESORO FOR AN ADDITIONAL THREE MONTHS TO SEPTEMBER 16, 2003 AND A COMPLETE MARINE TERMINAL LEASE APPLICATION AN ADDITIONAL THREE MONTHS TO MARCH 16, 2004.

# Location Map

U.S.G.S. Map



This exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by lessee or other parties, and is not intended to be, nor shall it be construed as a waiver or limitation of any state interest in the subject or other property.

**EXHIBIT A**  
**PRC 3453 & 3454**  
**TESORO**

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