

**CALENDAR ITEM
C43**

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02/22/13
PRC 4941.9
D. Oetzel

**TERMINATION OF DREDGING LEASE PRC 4941.9
AND ISSUANCE OF A NEW GENERAL LEASE – DREDGING**

APPLICANT:

Valero Refining Company – California
3400 East Second Street
Benicia, CA 94510

AREA, LAND TYPE, AND LOCATION:

Sovereign lands legislatively granted to the city of Benicia, with minerals reserved to the State, and ungranted sovereign land located in the Carquinez Strait at the Benicia Refinery, Solano County.

AUTHORIZED USE:

Maintenance dredge a maximum of 80,000 cubic yards per year of material over the term of the lease at the Valero Benicia Refinery dock to maintain a navigable depth. Dredged material will be disposed of at the U.S. Army Corps of Engineers' designated disposal sites SF-9 (Carquinez Strait), SF-11 (Alcatraz), SF-10 (San Pablo Bay), SF-DODS (Deep Ocean Disposal Site), Montezuma Wetlands, Winter Island, and/or other U.S. Army Corps of Engineers' approved disposal sites.

LEASE TERM:

10 years, beginning February 22, 2013

CONSIDERATION:

No monetary consideration is due for the lease because there is no commercial benefit from the project and the dredged material may not be sold.

OTHER PERTINENT INFORMATION:

1. The purpose of the project is to maintain safe and efficient vessel movement and mooring at the Valero Benicia Refinery Dock. The dredging will involve sovereign lands legislatively granted to the city of Benicia, pursuant to Chapter 18, Statutes of 1964 and Chapter 2018, Statutes of 1965, and as amended, with minerals reserved to the State

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and ungranted sovereign land located in the Carquinez Strait at the Benicia Refinery, Solano County.

2. On July 24, 2008, the Commission authorized a five-year Dredging Lease with the Valero Refining Company - California for maintenance dredging of a maximum of 80,000 cubic yards of material at the entrance to the Benicia Marina; that lease will expire on July 23, 2013. Valero Benicia Refinery needs to perform more maintenance dredging and is now requesting the termination of existing lease PRC 4941.9 and issuance of a new 10-year Dredging Lease.

3. **Termination of Dredging Lease PRC 4941.9:**

The staff recommends that the Commission find that the subject lease termination does not have a potential for resulting in either a direct or a reasonably foreseeable indirect physical change in the environment, and is, therefore, not a project in accordance with the California Environmental Quality Act (CEQA).

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

4. **Issuance of a New General Lease – Dredging:**

The staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 4, Minor Alterations to Land; California Code of Regulations, Title 14, section 15304, subdivision (g).

Authority: Public Resources Code section 21084 and California Code of Regulations, Title 14, section 15300.

5. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

None

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FURTHER APPROVALS REQUIRED:

San Francisco Bay Regional Water Quality Control Board
U.S. Army Corps of Engineers
San Francisco Bay Conservation and Development Commission

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Termination of Dredging Lease PRC 4941.9: Find that the subject lease termination is not subject to the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15060, subdivision (c)(3), because the subject activity is not a project as defined by Public Resources Code section 21065 and California Code of Regulations, Title 14, section 15378.

Issuance of a New General Lease – Dredging: Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, Title 14, section 15061 as a categorically exempt project, Class 4, Minor Alterations to Land; California Code of Regulations, Title 14, section 15304, subdivision (g).

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

1. Authorize termination, effective February 21, 2013, of Lease No. PRC 4941.9, a dredging lease, issued to Valero Refining Company - California.
2. Authorize the issuance of a General Lease – Dredging to Valero Refining Company – California beginning February 22, 2013 for the term of 10 years to dredge a maximum of 80,000 cubic yards per year during the lease term at the Valero Benicia Refinery dock to

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maintain a navigable depth. Dredged material will be disposed of at the U.S. Army Corps of Engineers' designated disposal sites SF-9 (Carquinez Strait), SF-11 (Alcatraz), SF-10 (San Pablo Bay), SF-DODS (Deep Ocean Disposal Site), Montezuma Wetlands, Winter Island, and/or other U.S. Army Corps of Engineers' approved disposal sites. Such permitted activity is contingent upon the Applicant's compliance with applicable permits, recommendations, or limitations issued by federal, State, and local governments. No monetary consideration is due for the lease because there is no commercial benefit from the project and the dredged material may not be sold.

EXHIBIT A

PRC 4941.9

LAND DESCRIPTION

Two parcels of tide and submerged lands lying in the bed of the Carquinez Strait within and adjacent to those lands granted to the City of Benicia, as shown on Map of Grant to City of Benicia Chapter 2018 Statutes of 1965 amended by Chapter 329 Statutes of 1967 Vicinity of the City of Benicia, said map on file at the Sacramento Office of the California State Lands Commission, County of Solano, State of California, described as follows:

PARCEL 1 – DREDGING AREA

BEGINNING at a point on the Grant Line of said map lying distant N 31°43'46" E 245.94 feet from Station 10 of said Grant Line; thence leaving said Grant Line the following 25 courses:

- 1) S 41°25'18" E 84.66 feet;
- 2) S 48°34'42" W 1169.82 feet;
- 3) N 41°25'18" W 132.39 feet;
- 4) N 40°47'11" E 101.25 feet;
- 5) N 20°04'40" E 49.66 feet;
- 6) N 34°25'27" E 109.50 feet;
- 7) N 70°39'42" E 48.26 feet;
- 8) N 55°24'49" E 48.14 feet;
- 9) N 81°26'19" E 64.49 feet;
- 10) S 44°02'34" E 38.10 feet;
- 11) N 48°41'47" E 351.34 feet;
- 12) N 40°32'56" W 32.93 feet;
- 13) N 17°56'47" E 49.58 feet;
- 14) N 25°52'34" E 61.72 feet;
- 15) N 44°28'59" E 45.46 feet;
- 16) N 55°25'35" E 119.91 feet;
- 17) N 81°20'36" E 64.69 feet;
- 18) N 31°41'21" E 31.23 feet;
- 19) N 73°08'59" E 17.78 feet;
- 20) S 69°33'40" E 13.41 feet;
- 21) S 58°14'33" E 16.61 feet;
- 22) S 26°11'13" E 8.23 feet;
- 23) N 54°30'28" E 21.84 feet;
- 24) N 73°26'34" E 26.74 feet;
- 25) S 41°25'18" E 2.74 feet to the point of beginning.

PARCEL 2 – DREDGING AREA

BEGINNING at a point lying distant N 31°43'46" E 245.94 feet; thence

N 41°25'18" W 25.89 feet from Station 10 of the Grant Line as shown on said map; thence the following 28 courses:

- 1) S 83°40'26" W 113.29 feet;
- 2) N 50°42'38" W 17.68 feet;
- 3) S 48°05'00" W 30.28 feet;
- 4) S 26°58'25" E 16.77 feet;
- 5) S 67°08'01" W 155.58 feet;
- 6) N 57°34'15" W 14.03 feet;
- 7) S 48°05'00" W 30.28 feet;
- 8) S 33°09'49" E 14.21 feet;
- 9) S 18°00'37" W 119.67 feet;
- 10) S 48°11'02" W 217.19 feet;
- 11) N 41°55'00" W 43.95 feet;
- 12) N 48°05'00" E 18.31 feet;
- 13) S 41°55'00" E 32.51 feet;
- 14) N 48°05'00" E 34.32 feet;
- 15) N 41°55'00" W 38.84 feet;
- 16) S 48°05'00" W 52.76 feet;
- 17) N 41°55'00" W 55.10 feet;
- 18) N 48°05'00" E 12.05 feet;
- 19) N 32°30'47" W 39.66 feet;
- 20) N 85°50'45" E 53.21 feet;
- 21) S 19°02'54" W 4.89 feet;
- 22) S 69°09'20" E 45.72 feet;
- 23) N 19°19'16" E 17.69 feet;
- 24) N 68°01'16" W 44.01 feet;
- 25) S 37°28'20" W 7.68 feet;
- 26) S 82°06'48" W 27.53 feet;
- 27) N 48°34'42" E 592.17 feet;
- 28) S 41°25'18" E 183.67 feet to the point of beginning.

The BASIS OF BEARINGS of this description is the California Coordinate System of 1927, Zone 2. All distances are grid distances.

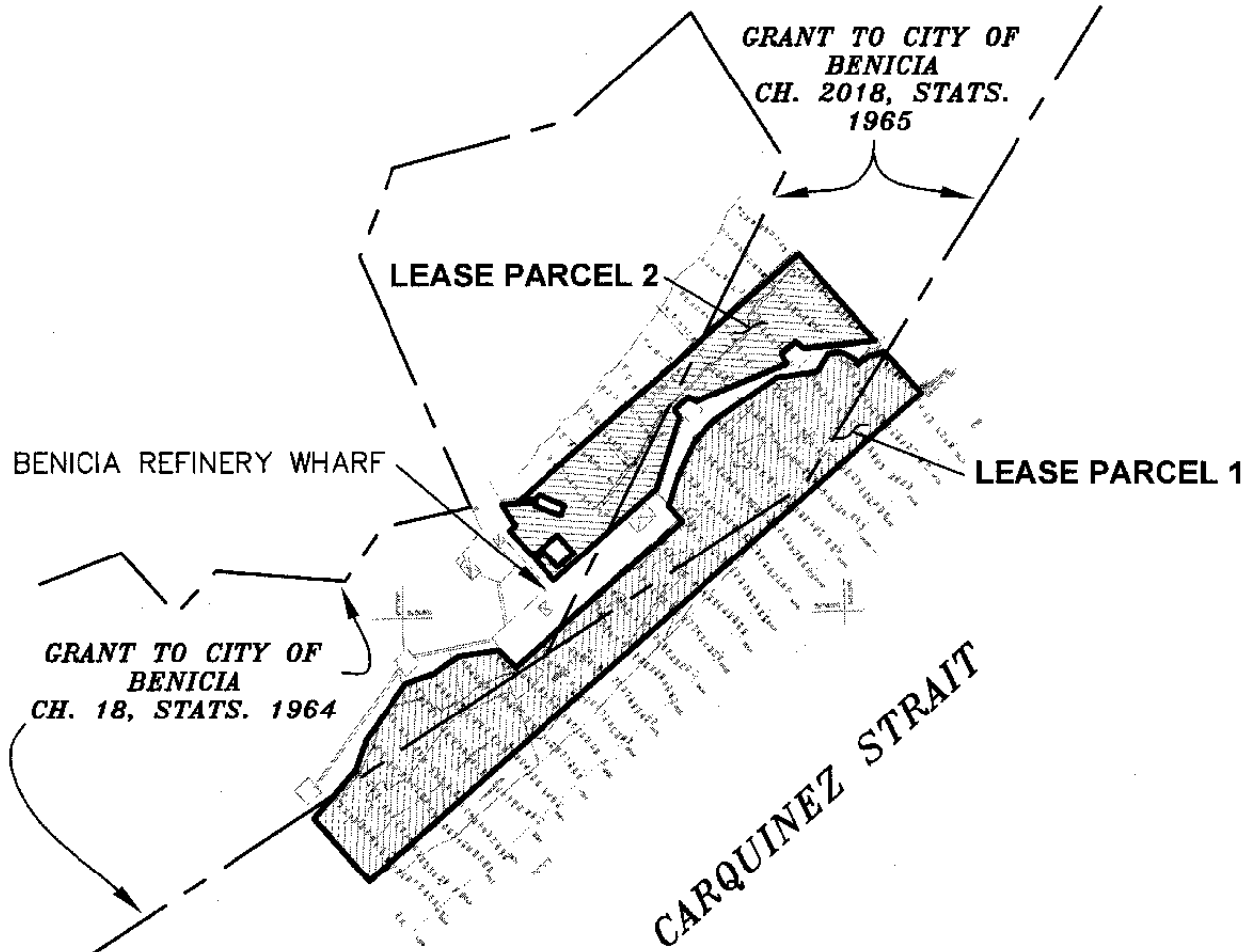
END OF DESCRIPTION

Prepared 11/19/2012 by the California State Lands Commission Boundary Unit.



NO SCALE

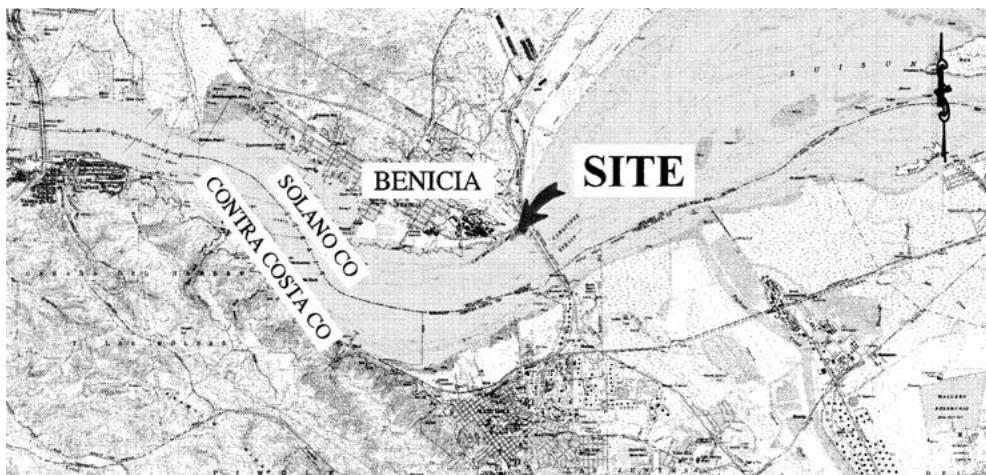
SITE



CARQUINEZ STRAIT, NEAR BENICIA

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 4941.9
VALERO BENICIA
REFINERY DOCK
GENERAL LEASE -
DREDGING
SOLANO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the 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 any other property.