

STAFF REPORT

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06/28/19
PRC 4908.1
N. Lavoie

REVISION OF RENT

LESSEE:

Equilon Enterprises LLC dba Shell Oil Products US

AREA, LAND TYPE, AND LOCATION:

19.6 acres, more or less, of sovereign land in the Carquinez Strait, Martinez, Contra Costa County.

AUTHORIZED USE:

The continued operation and maintenance of an existing approximately 1,850-foot-long, 150-foot-wide, concrete marine oil terminal wharf with mooring dolphins at each end, two active berths (#1 and #2) on the outer (north) side, two inactive berths (#3 and #4) on the inner (south) side, one crane rig and control shack for product transfer equipment and hoses at each of berths #1 and #2, and a single-story control building at the middle; an approximately 1,900-foot-long, 16-foot-wide, pile-supported wood approach trestle with an approximately 40-foot-wide, pile-supported pipe rack paralleling the trestle; and the remnants of an approximately 250-foot long, 55-foot-wide, pile-supported warehouse structure adjacent to the west side of the approach trestle.

LEASE TERM:

30 years, beginning August 1, 2009.

CONSIDERATION:

This lease provides that the Commission 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 rent be revised from \$389,121 to \$402,914 per year, effective August 1, 2019, with the State adjusting the Annual Rent for each year by the application of the San Francisco Consumer Price Index as provided in the lease.

OTHER PERTINENT INFORMATION:

1. On June 23, 2011, the Commission authorized a General Lease – Industrial Use to Equilon Enterprises LLC dba Shell Oil Products US, for a term of 30 years, beginning August 1, 2009 ([Item 42, June 23, 2011](#)).

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2. The Lessee has sold the plant to PBF Energy Inc., and escrow is anticipated to close in December 2019. Staff have advised the Lessee that an application for an assignment will be required.
3. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
4. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

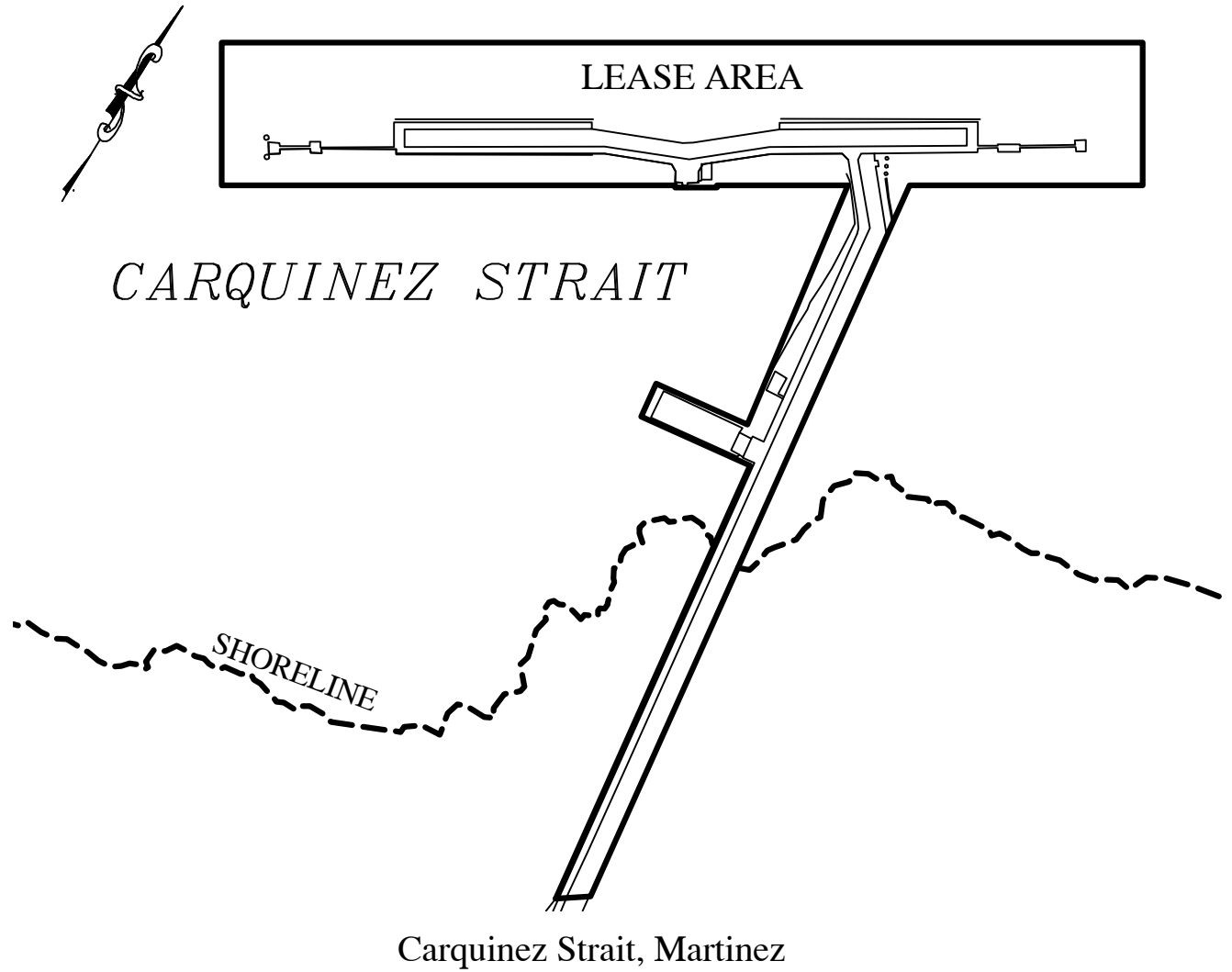
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 4908.1 to \$402,930 per year, effective August 1, 2019, with the State adjusting the Annual Rent for each year by the application of the annual percentage change of the Consumer Price Index.

NO SCALE

SITE



NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 4908.1
 SHELL OIL PRODUCTS
 APN 378-010-017
 GENERAL LEASE
 COMMERCIAL USE
 CONTRA COSTA 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.