

MINUTE ITEM

This Calendar Item No. 25
was approved as Minute Item
No. 25 by the State Lands
Commission by a vote of 2
to 0 at its 10-30-80
meeting.

MINUTE ITEM

10/80
WP 618
Kiley
Horn

25. AMENDMENT OF AUTHORIZATION TO ENTER INTO LEASES
PRC 5735.1 AND 5736.1 AND ACCEPTANCE OF EASEMENT
IN CONNECTION THEREWITH

During consideration of Calendar Item 25 attached, the
item was amended to assign the subject leases to subsidi-
ary or affiliated companies of Wickland.

Upon motion duly made and carried the following resolution
was approved by a vote of 2-0:

1. DETERMINES THAT ALL NECESSARY CEQA AND ENVIRONMENTALLY
SIGNIFICANT LANDS FINDINGS RELATIVE TO THIS PROJECT
WERE MADE BY THE COMMISSION AT ITS SEPTEMBER 26, 1979
MEETING (MINUTE ITEM NO. 24) AND THAT ADDITIONAL
ENVIRONMENTAL REVIEW FOR THIS ACTIVITY IS NOT REQUIRED
PURSUANT TO PRC 21166 AND 14 CAL. ADM. CODE 15067
AND 15068.
2. ACKNOWLEDGES THAT THE ACCESS PLAN APPROVED BY THE
SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT
COMMISSION ON SEPTEMBER 4, 1980 (PERMIT NO. 17-79)
MEETS THE MITIGATION REQUIREMENTS OF EIR/EA NO. 249
APPROVED BY THE COMMISSION AT ITS SEPTEMBER 26, 1979
MEETING.
3. AMENDS ITS AUTHORIZATION TO ISSUE TWO LEASES TO
WICKLAND OIL COMPANY TO PROVIDE THAT THE FORMS OF
SUCH LEASES ARE THOSE CURRENTLY ON FILE IN THE PRINCIPAL
OFFICE OF THE COMMISSION AND BY REFERENCE MADE
A PART HEREOF; WITH THE BASIC TERMS AND CONDITIONS
OF THE LEASES TO REMAIN UNCHANGED, EXCEPTING THE
COMMENCEMENT DATE, WHICH IS NOW JANUARY 1, 1981.
4. ABATES THE FIRST YEAR'S ANNUAL RENTAL UNDER PRC 5736.1
IN THE AMOUNT OF \$10,000 IN CONSIDERATION OF LESSEE'S
UNDERTAKING A PROGRAM OF WATER AND AIR QUALITY TESTING
ON STATE LEASED LANDS.
5. ACCEPTS A GRANT OF EASEMENT ACROSS WICKLAND FEE-OWNED
LANDS AS SUCH EASEMENT APPEARS ON THE INSTRUMENT OF
CONVEYANCE ON FILE IN THE PRINCIPAL OFFICE OF THE
COMMISSION AND BY REFERENCE MADE A PART HEREOF.

6. AUTHORIZES STAFF AND/OR THE ATTORNEY GENERAL TO TAKE WHATEVER STEPS MAY BE NECESSARY AND APPROPRIATE TO EFFECTUATE THE ABOVE ACTIONS AND TO ENSURE THAT THE PROJECT IS CONSTRUCTED AND OPERATED IN ACCORDANCE WITH APPLICABLE LAW AND EIR/EA NO. 249.
7. AUTHORIZES ASSIGNMENT OF LEASES PRC 5735.1 AND 5736.1 TO SUBSIDIARY OF AFFILIATED COMPANIES OF WICKLAND, INC.: PROVIDED THAT SUCH ASSIGNMENT SHALL NOT RELIEVE WICKLAND, INC. OF ITS OBLIGATIONS UNDER SAID LEASES.

CALENDAR ITEM

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AMENDMENT OF AUTHORIZATION
TO ENTER INTO LEASES PRC 5735.1 AND 5736.1
AND ACCEPTANCE OF EASEMENT IN CONNECTION THEREWITH

BACKGROUND:

At its meeting of September 26, 1979, the Commission certified a Final EIR/EA for Wickland Oil Company's proposal to build and operate a marine petroleum wharf at Selby, Contra Costa County. The Commission also authorized the issuance of two leases to Wickland; (PRC 5735.1 - covering the new wharf site, and PRC 5736.1 covering a 36+ acre filled site that will be developed for industrial uses at a later date).

As part of the mitigation contained in the EIR/EA Wickland, BCDC and the State Lands Commission were to work out a mutually acceptable access plan consistent with the project and the Bay Plan. Such a plan has now been agreed to and Wickland has received approval for its proposal from the BCDC. Staff is requesting the Commission to acknowledge the access plan as meeting the mitigation requirements of the EIR/EA.

Concurrent with negotiations over public access to the site, staff has been negotiating with Wickland to obtain an easement crossing Wickland's fee-owned lands to the State's leased lands. Wickland has agreed to deed to the State a vehicular right-of-way to provide ingress and egress between the nearest public road and the State's land for use in connection with water-related industry. Staff is recommending that the Commission accept the easement.

Staff has recently been advised by the State Department of Health Services (Hazardous Materials Division) that the existing slag at the leased site may contain high amounts of heavy metals and other potentially noxious

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CALENDAR ITEM NO. 25. (CONTD)

materials. Health Services believes that a testing program is in order to determine if the slag and/or other waste on the site contain hazardous materials. In order to expedite the testing program staff is recommending that the Commission abate the first year's rental on Lease PRC 5736.1 (\$10,000) in consideration of Wickland's undertaking such a testing program. The testing program is being accomplished in cooperation with a number of agencies including the Department of Health Services and the Regional Water Quality Control Board.

Staff feels that the testing program will benefit the Commission in that it will clarify the physical characteristics of materials deposited on the State's land which may ultimately limit or expand the uses to which the lands may be put. Wickland has engaged a reputable consulting firm to design a program of testing for both its fee-owned lands and the leased tidelands. Staff feels that it would be of greater economic benefit for the Commission to participate in a joint program of testing through rental abatement than for the Commission to undertake a separate testing program to satisfy the requirements of the Department of Health Services.

Subsequent to authorizing the Wickland leases, the Commission adopted a new standard lease form. Staff is proposing to use the new lease form with minor modifications in lieu of the form of lease approved by the Commission at its September 26, 1979 meeting.

EXHIBIT: A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT ALL NECESSARY CEQA AND ENVIRONMENTALLY SIGNIFICANT LANDS FINDINGS RELATIVE TO THIS PROJECT WERE MADE BY THE COMMISSION AT ITS SEPTEMBER 26, 1979 MEETING (MINUTE ITEM NO. 24) AND THAT ADDITIONAL ENVIRON-

CALENDAR ITEM NO. 25. (CONTD)

MENTAL REVIEW FOR THIS ACTIVITY IS NOT REQUIRED PURSUANT TO PRC 21166 AND 14 CAL. ADM. CODE 15067 AND 15068.

2. ACKNOWLEDGE THAT THE ACCESS PLAN APPROVED BY THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION ON SEPTEMBER 4, 1980 (PERMIT NO. 17-79) MEETS THE MITIGATION REQUIREMENTS OF EIR/EA NO. 249 APPROVED BY THE COMMISSION AT ITS SEPTEMBER 26, 1979 MEETING.
3. AMEND ITS AUTHORIZATION TO ISSUE TWO LEASES TO WICKLAND OIL COMPANY TO PROVIDE THAT THE FORMS OF SUCH LEASES ARE THOSE CURRENTLY ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF; WITH THE BASIC TERMS AND CONDITIONS OF THE LEASES TO REMAIN UNCHANGED, EXCEPTING THE COMMENCEMENT DATE, WHICH IS NOW JANUARY 1, 1981.
4. ABATE THE FIRST YEAR'S ANNUAL RENTAL UNDER PRC 5736.1 IN THE AMOUNT OF \$10,000 IN CONSIDERATION OF LESSEE'S UNDERTAKING A PROGRAM OF WATER AND AIR QUALITY TESTING ON STATE LEASED LANDS.
5. ACCEPT A GRANT OF EASEMENT ACROSS WICKLAND FEE-OWNED LANDS AS SUCH EASEMENT APPEARS ON THE INSTRUMENT OF CONVEYANCE ON FILE IN THE PRINCIPAL OFFICE OF THE COMMISSION AND BY REFERENCE MADE A PART HEREOF.
6. AUTHORIZE STAFF AND/OR THE ATTORNEY GENERAL TO TAKE WHATEVER STEPS MAY BE NECESSARY AND APPROPRIATE TO EFFECTUATE THE ABOVE ACTIONS AND TO ENSURE THAT THE PROJECT IS CONSTRUCTED AND OPERATED IN ACCORDANCE WITH APPLICABLE LAW AND EIR/EA NO. 249.

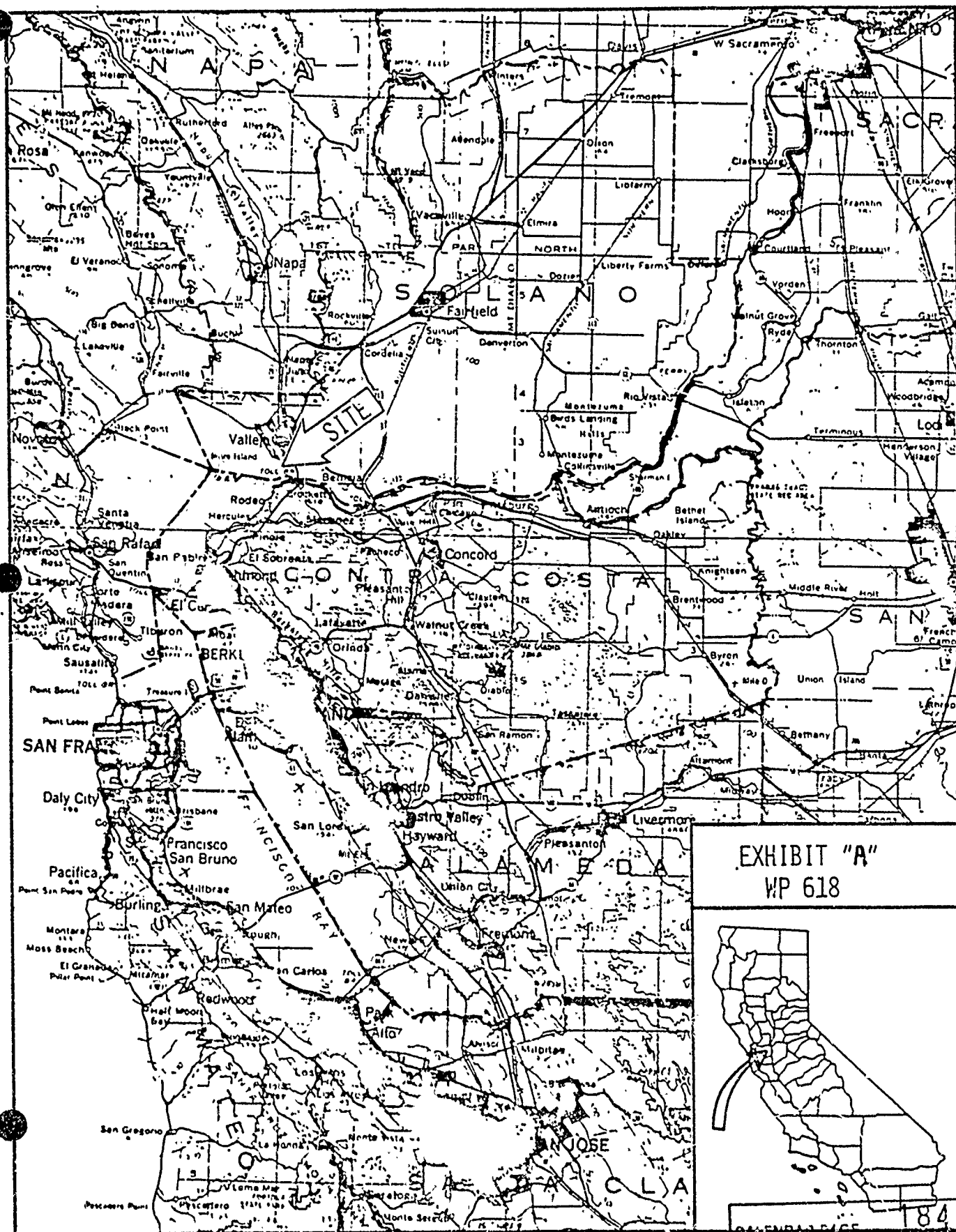


EXHIBIT "A"
WP 618

