

**CALENDAR ITEM
C42**

A 80
S 37

03/25/08
PRC 6868.2
C. Hudson

CONTINUATION OF RENT

LESSEE:

SFPP, L.P.
1100 Town and County Road
Orange, California 92868

AREA, LAND TYPE, AND LOCATION:

11.44 acres, more or less, of State school lands in three parcels lying just east of the Salton Sea, which include a portion of Section 30 T9S R13E, Imperial County; and Section 12, T9S R11E Imperial County; and Section 34, T8S R11E, SBM, Riverside County.

AUTHORIZED USE:

Operation, use, and maintenance of a 20-inch diameter pipeline used to transport refined petroleum products.

LEASE TERM:

30 years, beginning July 1, 1985.

CONSIDERATION:

This lease provides that Lessor 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 the rent be continued at \$3,990 per year, effective July 1, 2008.

OTHER PERTINENT INFORMATION:

1. On July 25, 1985, the Commission authorized a General Lease - Right of Way Use with SFPP, L.P. On April 20, 2000, the Commission authorized an Amendment of Lease to remove an idle 12-inch diameter pipeline from the authorized improvements, which is now leased by Williams Communications for a fiber optic line, and reduce the annual rent. That lease will expire on June 30, 2015.

CALENDAR ITEM NO. C42 (CONT'D)

2. The steel pipeline, which is used to transport refined petroleum, was inspected on March 21, 2005, by the California State Fire Marshal – Office of Pipeline Safety. The inspections are current and no violations have been reported.

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

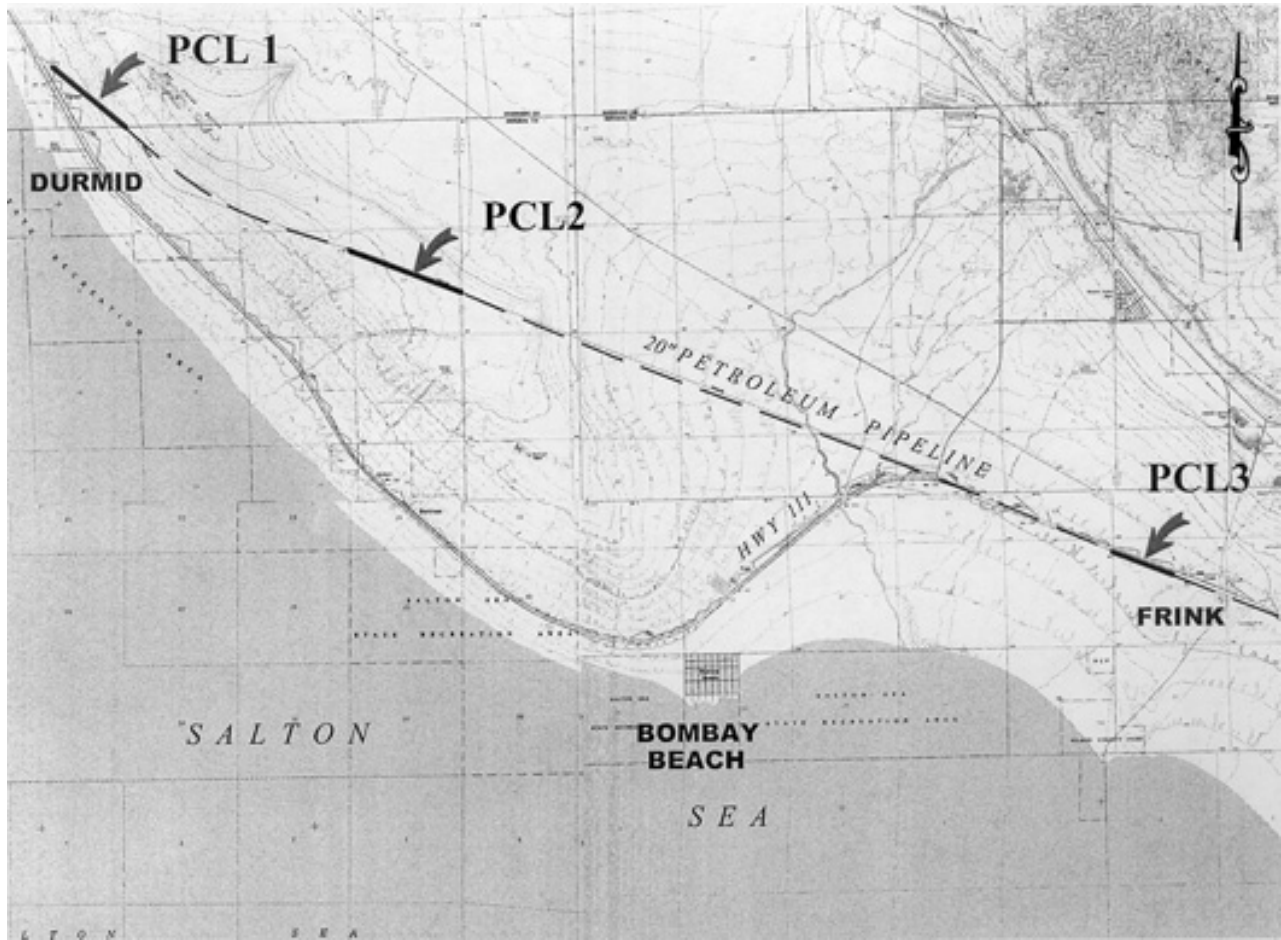
FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

AUTHORIZATION:

APPROVE THE CONTINUATION OF RENT FOR LEASE NO. PRC 6868.2 AT \$3,990 PER YEAR, EFFECTIVE JULY 1, 2008.

NO SCALE

SITE



SCHOOL LANDS, POR SEC 30, T9S, R13E & SEC. 12, T9S, R13E, SBM, IMPERIAL CO. & SEC 34, T8S, R11E, SBM, RIVERSIDE CO.

NO SCALE

LOCATION

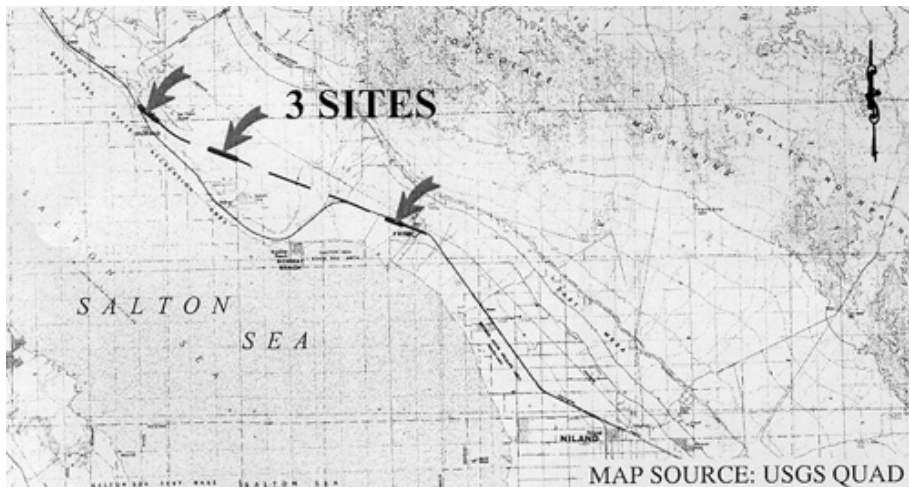


Exhibit A

TRC 6868.2

SPPP, L.P.

GENERAL LEASE

RIGHT OF WAY USE

SCHOOL LANDS

IMPERIAL & RIVERSIDE COUNTIES



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.