

**CALENDAR ITEM
C57**

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06/29/15
PRC 1725.1
A. Franzoia

ASSIGNMENT OF LEASE

LESSEE/ASSIGNOR:

E.I. du Pont de Nemours and Company

ASSIGNEE:

The Chemours Company FC, LLC

AREA, LAND TYPE, AND LOCATION:

0.61 acre, more or less, of sovereign land in the San Joaquin River, near the city of Oakley, Contra Costa County.

AUTHORIZED USE:

Removal of a 36-inch diameter outfall pipeline.

LEASE TERM:

Four years, beginning October 19, 2012.

CONSIDERATION:

\$480 per year, with the State reserving the right to fix a different rent periodically during the lease term, as provided in the lease.

OTHER PERTINENT INFORMATION:

1. Assignee owns the upland adjoining the lease premises.
2. On August 15, 1956, the Commission authorized a 49-year Right-of-Way Easement to E.I. du Pont de Nemours and Company (DuPont). That lease expired on May 25, 2005.
3. DuPont operated a manufacturing plant on the upland from 1956 to 1998 when it began the process of closure of the operations and restoration of the upland site. The site was utilized to manufacture tetraethyl lead (a gasoline "anti-knock" agent), a refrigeration cooling compound called Freon[®], and titanium dioxide (a white pigment used in a variety of household products and foods). Most of the buildings and site improvements were demolished in 1998 and 1999. The 36-inch diameter outfall pipeline, which was used in conjunction with the plant operations,

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extends from the bank 200 feet into the river and sits on the bed of the river anchored by concrete pipe anchors.

4. On October 19, 2012, the Commission authorized a General Lease - Right-of-Way Use to DuPont for the maintenance of a decommissioned 36-inch diameter outfall pipeline. Because the prior lease was expired, this lease was an interim arrangement in order to allow DuPont the time to prepare a removal plan and obtain the necessary permits for the final removal of the outfall pipeline from the upland site and the portion on State land.
5. On June 21, 2013, the Commission authorized an Amendment of Lease including provisions specific to the removal of the 36-inch diameter outfall pipeline, adopted a Mitigated Negative Declaration (MND No. 781, State Clearinghouse Number 2013052009) and Mitigation Monitoring Program, and accepted a lease quitclaim deed upon acceptable completion of the removal of all facilities from the Lease Premises.
6. DuPont is in the process of transferring its upland assets to The Chemours Company FC, LLC (Chemours). DuPont is now applying to assign the lease, as amended, to Chemours. As the 36-inch diameter outfall pipeline has not yet been removed from the Lease Premises, Chemours will be responsible for the removal of the pipeline, as outlined in the MND, and implementation of the Mitigation Monitoring Program. Pipeline removal is anticipated to occur in summer/fall of 2015.
7. The staff recommends that the Commission find that the subject lease assignment 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.

EXHIBITS:

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

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the subject lease assignment 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.

AUTHORIZATION:

Authorize the assignment of Lease No. PRC 1725.1, a General Lease - Right-of-Way Use, as amended, of sovereign land in the San Joaquin River, near the city of Oakley, Contra Costa County, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof, from E.I. du Pont de Nemours and Company to The Chemours Company FC, LLC; effective June 29, 2015.

EXHIBIT A

PRC 1725.1

LAND DESCRIPTION

A 100 foot wide strip of tide and submerged land lying in the bed of the San Joaquin River adjacent to Swamp and Overflow Survey No. 15 of Contra Costa County patented on October 13, 1909, County of Contra Costa, State of California, the centerline of which is described as follows:

BEGINNING at a point on the centerline of an existing 36" steel pipeline; said point lying distant S 64°17'52" E 48.11 feet from California State Lands Commission monument Gasline 1951, as shown on sheet 13 of the Survey of the Ordinary High Water Mark along the San Joaquin River Vicinity of Oakley on file with the California State Lands Commission (map index CB 608); thence along said centerline, or the prolongation thereof, N 00°52'05" E 297.00 feet to the terminus of said strip.

EXCEPTING THEREFROM any portion lying landward of the Ordinary High Water Mark of the left bank of the San Joaquin River.

END OF DESCRIPTION

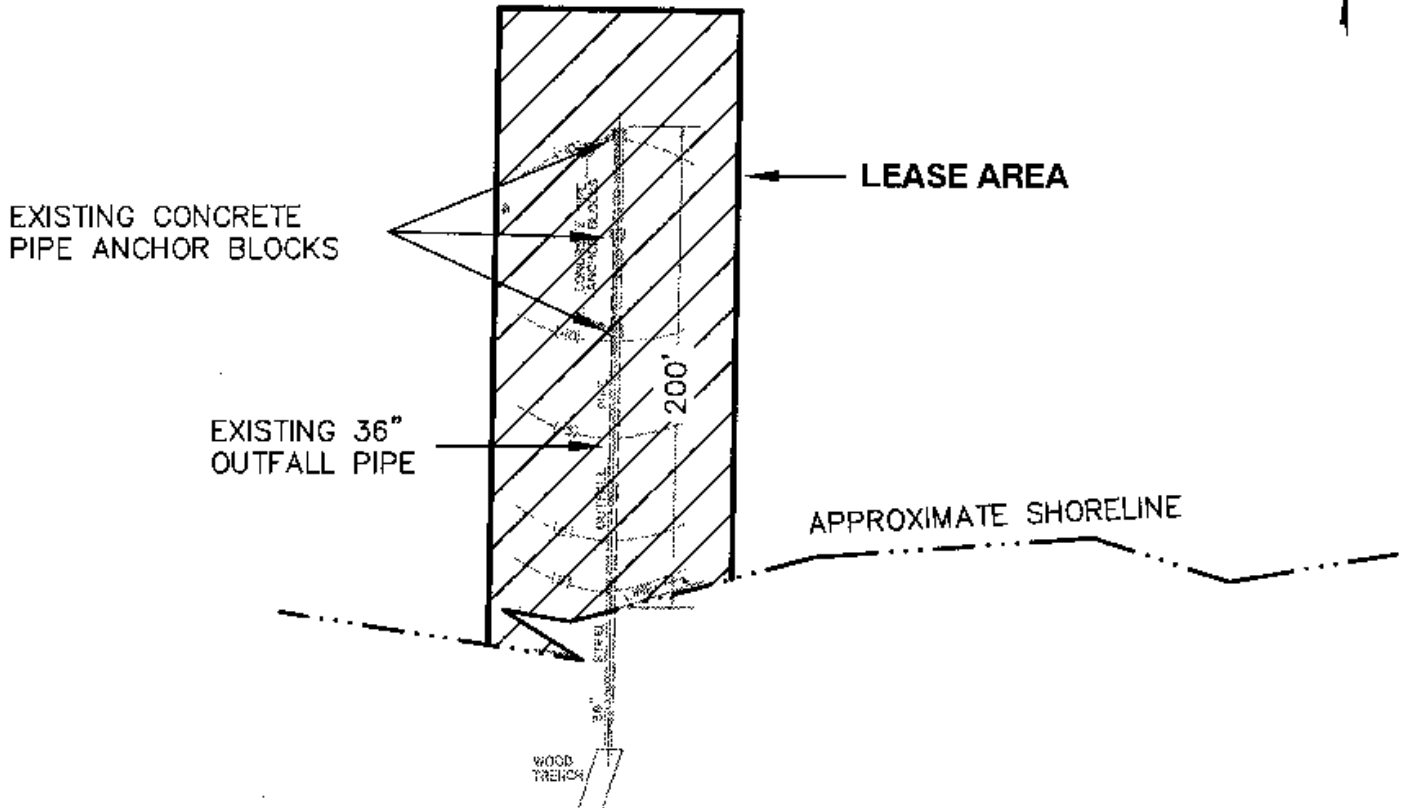
Prepared 09/11/2012 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE

SAN JOAQUIN RIVER

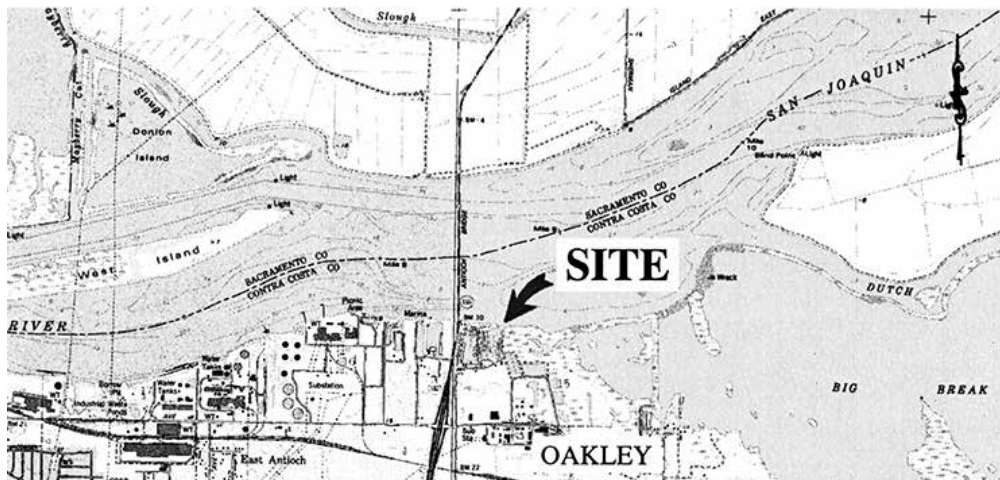


APN 037-020-015

6000 BRIDGEHEAD ROAD, OAKLEY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 1725.1
 CHEMOURS COMPANY FC, LLC.
 APN 037-020-015
 GENERAL LEASE -
 RIGHT-OF-WAY 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.

DJP 05/11/2015