

Mr. Joe Allen of Utah Construction Company informed the Commission that his company's reasons for suggesting a slightly lower rental were based on their feeling that the land was of no benefit to the State in its present condition and probably would not be of any benefit unless it was developed in a manner similar to that which they were proposing. They are unable under the law to purchase the land, as they would prefer to do; they are therefore interested in a type of lease that would be satisfactory to the tenants that will be brought in. He went on to say that there would be actual creation of values where none exist now, with resulting benefits to the State from the increased tax base, and from the creation of business opportunities. In addition, all capital investments that is made, which will be a substantial amount, will revert to the State at the termination of the 60-year lease period. He did not object strenuously to the State's proposal, but wanted to make it clear that they felt there are many other benefits which the State will receive and therefore felt it in order to request consideration of modification of the Commission's rental rates.

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO ENTER INTO A SIXTY-YEAR LEASE WITH THE UTAH CONSTRUCTION COMPANY, FOR 382.76 ACRES, MORE OR LESS, OF TIDE AND SUBMERGED LANDS ADJACENT TO THE MOUNTAIN COPPER COMPANY PROPERTIES NORTHERLY FROM THE CITY OF MARTINEZ, UNDER TERMS OF THE LEASE PRESENTED TO THE COMMISSION AS AN EXHIBIT TO THE FOREGOING REPORT, ON FILE IN THE OFFICIAL RECORDS OF THE STATE LANDS COMMISSION, AND BY REFERENCE MADE A PART HEREOF, AT AN ANNUAL RENTAL, BASED ON THE PRESENTLY APPRAISED VALUE OF \$133,966, OF 6.6 PERCENT FOR EACH OF THE FIRST FIFTEEN YEARS OF THE LEASE; AT AN ANNUAL RENTAL OF 8.4 PERCENT FOR EACH YEAR OF THE SECOND FIFTEEN-YEAR PERIOD OF THE LEASE; AT AN ANNUAL RENTAL OF 10.2 PERCENT FOR EACH YEAR OF THE THIRD FIFTEEN-YEAR PERIOD OF THE LEASE; AND AT AN ANNUAL RENTAL OF 12.0 PERCENT FOR EACH YEAR OF THE FOURTH FIFTEEN-YEAR PERIOD OF THE LEASE; PROVIDED THAT THE UTAH CONSTRUCTION COMPANY SHALL SPEND \$500,000 IN MAJOR IMPROVEMENTS DURING THE FIRST TWELVE YEARS OF THE LEASE, AND NOT LESS THAN \$350,000 OF THIS AMOUNT SHALL BE SPENT ON FILLING AND BULKHEADING THE STATE LAND; AND FURTHER PROVIDED THAT THE UTAH CONSTRUCTION COMPANY SHALL FILE A GOOD AND SUFFICIENT PENAL BOND IN FAVOR OF THE STATE IN THE SUM OF \$50,000 TO GUARANTEE PERFORMANCE UNDER THE LEASE.

22. (AMENDMENT TO RESOLUTION AUTHORIZING SALE OF VACANT SWAMP AND OVERFLOW LAND, LOCATION NO. 4262, FRESNO COUNTY, MILDRED FREER - S.W.O. 5968.) The following report was presented to the Commission:

"By resolution adopted by the State Lands Commission at its meeting held June 13, 1955 in Los Angeles, Minute pages 2344-45, the sale to Mildred Freer of 9.41 acres of swamp and overflowed land in Fresno County was authorized.

"It has been determined that a course and distance has been omitted from the description contained in said resolution."

UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS RESOLVED AS FOLLOWS:

THE DESCRIPTION SET FORTH IN THE AFORESAID RESOLUTION, LINE 6, PAGE 2345, OF THE MINUTES OF THE COMMISSION MEETING OF JUNE 13, 1955, IS AMENDED BY INSERTING IMMEDIATELY FOLLOWING "...WEST 10.90 CHAINS" THE FOLLOWING: "AND SOUTH 32° WEST 8.03 CHAINS".

*Approved
and
initialed*