

MINUTE ITEM

7. (BID FOR MINERAL EXTRACTION LEASE, SAN FRANCISCO BAY, ALAMEDA AND SAN MATEO COUNTIES - W. O. 2439, P.R.C. 1850.1.)

After presentation of Calendar Item 14 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO IDEAL CEMENT COMPANY, A COLORADO CORPORATION, A MINERAL EXTRACTION LEASE FOR A TERM OF 20 YEARS, EFFECTIVE JANUARY 15, 1958, TO PERMIT THE REMOVAL OF SHELLS FROM AN AREA OF 4,730 ACRES OF TIDE AND SUBMERGED LANDS IN SAN FRANCISCO BAY, IMMEDIATELY NORTH OF THE SAN MATEO BRIDGE IN SAN MATEO AND ALAMEDA COUNTIES, UPON THE PAYMENT OF AN ANNUAL ADVANCE RENTAL OF \$4,730, AND SUBJECT TO ROYALTY IN ACCORDANCE WITH THE FOLLOWING FORMULA:

$$R = 0.02 + 0.10 (C - 0.025)$$

A PERFORMANCE BOND IN THE PENAL SUM OF \$5,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL CONDITIONS OF THE LEASE.

Attachment

Calendar Item 14 (1 page)

CALENDAR ITEM

SUPPLEMENTAL

14.

(BID FOR MINERAL EXTRACTION LEASE, SAN FRANCISCO BAY, ALAMEDA AND SAN MATEO COUNTIES - W. O. 2439.)

One bid for lease to permit extraction of shells from an area of 4,730 acres of tide and submerged lands in San Francisco Bay, immediately north of the San Mateo bridge in San Mateo and Alameda Counties, was received from the Ideal Cement Company, a Colorado corporation.

In accordance with the offer for bid as authorized by the State Lands Commission on January 10, 1957 (Minute Item 12, page 2976), the bidder has offered \$0.02 per cubic yard for all shells extracted under the lease, together with an additional 0.1 percent of the weighted average sales price per cubic yard in excess of \$0.025. The average sales price is to be determined at the end of the first year of the lease and every four years thereafter. This will result in a more favorable royalty to the State than the royalty under the terms of the original lease which expires January 14, 1958.

Minimum extraction requirements will result in royalty of \$10,000 per year.

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE TO IDEAL CEMENT COMPANY, A COLORADO CORPORATION, A MINERAL EXTRACTION LEASE FOR A TERM OF 20 YEARS, EFFECTIVE JANUARY 15, 1958, TO PERMIT THE REMOVAL OF SHELLS FROM AN AREA OF 4,730 ACRES OF TIDE AND SUBMERGED LANDS IN SAN FRANCISCO BAY, IMMEDIATELY NORTH OF THE SAN MATEO BRIDGE IN SAN MATEO AND ALAMEDA COUNTIES, UPON THE PAYMENT OF AN ANNUAL ADVANCE RENTAL OF \$4,730, AND SUBJECT TO ROYALTY IN ACCORDANCE WITH THE FOLLOWING FORMULA:

$$R = 0.02 + 0.10 (C - 0.025)$$

A PERFORMANCE BOND IN THE PENAL SUM OF \$5,000 IS TO BE DEPOSITED BY THE LESSEE TO GUARANTEE THE FAITHFUL PERFORMANCE AND OBSERVANCE OF ALL CONDITIONS OF THE LEASE.