

MINUTE ITEM

5. REQUEST FOR EXTENSION OF TERM, MINERAL EXTRACTION LEASE P.R.C. 275.1, BAY CITIES BUILDING MATERIALS COMPANY, INC., SAN MATEO COUNTY - W.O. 4230.

After consideration of Calendar Item 20 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE EXTENSION OF THE TERM OF MINERAL EXTRACTION LEASE P.R.C. 275.1, SAN MATEO COUNTY, AS REQUESTED BY THE BAY CITIES BUILDING MATERIALS COMPANY, INC., LESSEE, FOR A PERIOD OF 10 YEARS COMMENCING JANUARY 8, 1962. UNDER THE RENEWED LEASE, THE LESSEE SHALL PAY ROYALTY AS REQUIRED UNDER SECTION 2(a) OF THE LEASE AT THE RATE OF SIX CENTS PER CUBIC YARD FOR ALL SAND EXTRACTED, AND SHALL EXTRACT A MINIMUM OF 5,000 CUBIC YARDS OF SAND EACH LEASE YEAR. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO CONFORM TO THE STANDARD FORM OF MINERAL EXTRACTION LEASE.

Attachment

Calendar Item 20 (1 page)

CALENDAR ITEM

20.

REQUEST FOR EXTENSION OF TERM, MINERAL EXTRACTION LEASE P.R.C. 275.1, BAY CITIES BUILDING MATERIALS COMPANY, INC., SAN MATEO COUNTY - W.O. 4230.

Mineral Extraction Lease P.R.C. 275.1, covering approximately 7.44 acres of tide and submerged lands in the vicinity of Rockaway Beach, San Mateo County, was issued on January 8, 1947, to John V. Lloyd, pursuant to competitive public bidding, for a term of 15 years. The lease is now held by Bay Cities Building Materials Company, Inc., a California corporation.

An application has been received from Bay Cities Building Materials Company, Inc., requesting an extension of the lease term from January 8, 1962, to January 7, 1972. Section 17 of the lease provides "That the lessee...shall have the right to renew this lease for an additional period of 10 years upon such reasonable terms and conditions as the State, or any successor in trust thereto, might impose".

There have been no operations conducted for the extraction of sand by the present lessee, who acquired the lease on October 1, 1958, because the funds required to repair and replace equipment are not now available. It is possible that the upland property may be developed for home sites. If this property is not developed, the lessee proposes to make the necessary repairs and replacements required to extract sand. The lessee owns the upland property adjoining the leased lands.

The lease provides for an annual rental of \$50 and a royalty of three cents per cubic yard for material extracted. Cumulative royalty received from the lease is \$10,638.21.

In consideration of the fact that recent leases issued provide for the payment of a royalty of six cents per cubic yard for the extraction of a similar quality of sand and require that a minimum amount of sand be extracted each year, it is proposed to specify in the renewed lease a royalty of six cents per cubic yard for material extracted and a minimum extraction requirement of 5,000 cubic yards of sand per year.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXTENSION OF THE TERM OF MINERAL EXTRACTION LEASE P.R.C. 275.1, SAN MATEO COUNTY, AS REQUESTED BY THE BAY CITIES BUILDING MATERIALS COMPANY, INC., LESSEE, FOR A PERIOD OF 10 YEARS COMMENCING JANUARY 8, 1962. UNDER THE RENEWED LEASE, THE LESSEE SHALL PAY ROYALTY AS REQUIRED UNDER SECTION 2(a) OF THE LEASE AT THE RATE OF SIX CENTS PER CUBIC YARD FOR ALL SAND EXTRACTED, AND SHALL EXTRACT A MINIMUM OF 5,000 CUBIC YARDS OF SAND EACH LEASE YEAR. ALL OTHER TERMS AND CONDITIONS OF THE LEASE ARE TO CONFORM TO THE STANDARD FORM OF MINERAL EXTRACTION LEASE.