

36. APPLICATION TO LEASE TWO CONTIGUOUS PARCELS OF TIDE AND SUBMERGED LAND IN SAN PABLO BAY, CONTRA COSTA COUNTY, SEQUOIA REFINING CORPORATION - W.O. 5459, P.R.C. 3414.1.

After consideration of Supplemental Calendar Item 34 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO SEQUOIA REFINING CORPORATION A 15-YEAR LEASE COVERING TWO PARCELS OF TIDE AND SUBMERGED LANDS IN SAN PABLO BAY, CONTRA COSTA COUNTY, SUBJECT TO THE FOLLOWING CONDITIONS:

1. A \$50,000 PERFORMANCE BOND SHALL BE PROVIDED ON A CONTINUING BASIS;
2. THE LESSEE SHALL HAVE THE RIGHT TO RENEW THE LEASE FOR 3 ADDITIONAL PERIODS OF 10 YEARS EACH, SUBJECT TO SUCH TERMS AND CONDITIONS AS THE STATE MAY IMPOSE AT THE TIME OF EACH RENEWAL;
3. THE UNADJUSTED ANNUAL RENTAL SHALL CONTINUE AT THE RATE OF \$10,000 UNTIL A FIRM RENTAL IS ESTABLISHED BY MUTUAL AGREEMENT;
4. WHEN A FIRM RENTAL IS ESTABLISHED, THERE SHALL BE A RETROACTIVE ADJUSTMENT TO THE END THAT THE TOTAL OF ALL RENTALS THERETOFORE ACCRUED UNDER THE LEASE SHALL EQUAL THE AMOUNT THAT WOULD HAVE ACCRUED HAD THE FIRM RENTAL BEEN IN EFFECT SINCE NOVEMBER 18, 1965;
5. IN THE EVENT LESSEE REFUSES TO ACCEPT WITHIN SIXTY DAYS A FINAL OFFER BY THE STATE WHICH WOULD ESTABLISH A FIRM RENTAL, THE LEASE SHALL TERMINATE AND THE LESSEE SHALL PAY THE STATE THE FAIR RENTAL VALUE AS ESTABLISHED BY A COURT OF COMPETENT JURISDICTION TO THE DATE OF TERMINATION;
6. THE DESCRIPTION AND AREA OF TIDE AND SUBMERGED LANDS COVERED BY THE LEASE IS AS FOLLOWS:

TWO CONTIGUOUS PARCELS OF SUBMERGED LAND IN SAN PABLO BAY SINGATE NEAR LONE TREE POINT, CONTRA COSTA COUNTY, CALIFORNIA; BEING FURTHER DESCRIBED AS FOLLOWS:

PARCEL 1

A STRIP OF SUBMERGED LAND 50 FEET WIDE LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE:

COMMENCING ON THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM HERCULES POWDER CO., TO SEQUOIA REFINING CORP., RECORDED MAY 19, 1965, IN BOOK 4871 OF OFFICIAL RECORDS, PAGE 223, AT THE NORTH-WESTERLY TERMINUS OF THE LINE DESCRIBED AS "NORTH 37° 44' 38" WEST, 1029.16 FEET; THENCE LEAVING THE LAST NAMED LINE SOUTH 52° 12' 42" WEST, 100.00 FEET; AND NORTH 37° 47' 18" WEST 3,424.73 FEET MORE OR LESS TO A POINT ON THE MEAN LOW TIDE LINE OF SAN PABLO BAY BEING THE TRUE

POINT OF BEGINNING OF THIS PARCEL; THENCE NORTH 37° 47' 18" W. APPROXIMATELY 700 FEET AND NORTH 10° 09' 18" EAST 6,588.16 FEET TO THE SOUTHEASTERLY LINE OF PARCEL 2 HEREINBELOW DESCRIBED, SAID STRIP OF SUBMERGED LAND CONTAINING 8.366 ACRES MORE OR LESS;

IF THE CENTERLINE OF THIS STRIP IS EXTENDED NORTHEASTERLY IT PASSES THROUGH A POINT IN SAN PABLO BAY HAVING CALIFORNIA ZONE 3 COORDINATES OF X = 1,489,910 Y = 570,800;

THE SIDE LINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED AS TO TERMINATE NORTHERLY IN THE SOUTHEASTERLY LINE OF PARCEL 2 HEREINBELOW DESCRIBED AND SOUTHEASTERLY ON THE MEAN LOW TIDE LINE OF SAN PABLO BAY.

PARCEL 2

COMMENCING ON THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM HERCULES POWDER COMPANY TO SEQUOIA REFINING CO., RECORDED MAY 19, 1965, IN BOOK 4671 OF OFFICIAL RECORDS, PAGE 223, AT THE NORTHWESTERLY TERMINUS OF THE COURSE DESCRIBED AS "NORTH 37° 44' 38" WEST, 1029.16 FEET"; THENCE LEAVING THE LAST NAMED COURSE SOUTH 52° 12' 42" WEST, 100 FEET; THENCE NORTH 37° 47' 18" WEST, 4124.73 FEET, THENCE NORTH 10° 09' 18" EAST, 6588.16 FEET TO THE TRUE POINT OF BEGINNING; RUNNING THENCE NORTH 77° 00' 30" EAST, 712.00 FEET; THENCE NORTH 12° 59' 30" WEST, 400.00 FEET; THENCE SOUTH 77° 00' 30" WEST, 1300.00 FEET; THENCE SOUTH 12° 59' 30" EAST, 400.00 FEET; THENCE NORTH 77° 00' 30" EAST, 588.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 11.938 ACRES MORE OR LESS.

Attachment

Supplemental Calendar Item 34 (3 pages)

34.

APPLICATION TO LEASE TWO CONTIGUOUS PARCELS OF TIDE AND SUBMERGED LAND IN SAN PABLO BAY, CONTRA COSTA COUNTY; SEQUOIA REFINING CORPORATION - W.O. 5459.

The Sequoia Refining Corporation has requested a lease of two contiguous parcels of tide and submerged land for the accommodation of pipelines and a deep water pier located 0.86 mile northwest of Lone Tree Point in San Pablo Bay near Carquizez Straits, as shown on Exhibit "A".

Parcel 1, comprising 8.366 acres, covers a 50' x 7288' strip running from an onshore point waterward to a pier site, Parcel 2. This strip will carry eight pipelines which will be buried at a minimum depth of five feet below the existing bay bottom. There will be one 20-inch crude oil pipeline, two 8-inch product pipelines, and five other service lines having a diameter of four inches or less for water, power, telephone cables, etc.

Parcel 2, comprising 11.938 acres and located at the waterward terminus of the easement strip, will be improved by a 247' x 900' pier and related dolphins which will initially accommodate tankers of 45,000 d.w.t. However, the pier is designed to berth tankers of 100,000 d.w.t. when a project by the U. S. Department of the Army, Corps of Engineers, for deepening the channel to 45 feet is completed.

The proposed pier and submarine pipelines, which are appurtenant to a new refinery, will cost an estimated \$1,450,000.

The initial lease period will be 15 years with provision for three 10-year renewal options, subject to such terms and conditions as the State might impose at the time of each renewal.

A performance bond in the amount of \$50,000 will be required.

The proposed construction has been approved by the San Francisco Bay Conservation & Development Commission. A navigational permit will be issued by the U. S. Department of the Army, Corps of Engineers.

The unadjusted annual rental for a 15-year lease will be \$10,000, payable in advance.

The proposed land utilization is of the same type as that involved currently in valuation problems with other oil companies. Therefore, the lease will provide for a retroactive adjustment upon renegotiation of the rental terms resulting from resolution of the valuation problems.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO SEQUOIA REFINING CORPORATION A 15-YEAR LEASE COVERING TWO PARCELS OF TIDE AND SUBMERGED LANDS IN SAN PABLO BAY, CONTRA COSTA COUNTY, SUBJECT TO THE FOLLOWING CONDITIONS:

1. A \$50,000 PERFORMANCE BOND SHALL BE PROVIDED ON A CONTINUING BASIS;

SUPPLEMENTAL CALENDAR ITEM 34. (CONTD.)

2. THE LESSEE SHALL HAVE THE RIGHT TO RENEW THE LEASE FOR 3 ADDITIONAL PERIODS OF 10 YEARS EACH, SUBJECT TO SUCH TERMS AND CONDITIONS AS THE STATE MAY IMPOSE AT THE TIME OF EACH RENEWAL,
3. THE UNADJUSTED ANNUAL RENTAL SHALL CONTINUE AT THE RATE OF \$10,000 UNTIL A FIRM RENTAL IS ESTABLISHED BY MUTUAL AGREEMENT;
4. WHEN A FIRM RENTAL IS ESTABLISHED, THERE SHALL BE A RETROACTIVE ADJUSTMENT TO THE END THAT THE TOTAL OF ALL RENTALS THERETOFORE ACCRUED UNDER THE LEASE SHALL EQUAL THE AMOUNT THAT WOULD HAVE ACCRUED HAD THE FIRM RENTAL BEEN IN EFFECT SINCE NOVEMBER 18, 1965;
5. IN THE EVENT LESSEE REFUSES TO ACCEPT WITHIN SIXTY DAYS A FINAL OFFER BY THE STATE WHICH WOULD ESTABLISH A FIRM RENTAL, THE LEASE SHALL TERMINATE AND THE LESSEE SHALL PAY THE STATE THE FAIR RENTAL VALUE AS ESTABLISHED BY A COURT OF COMPETENT JURISDICTION TO THE DATE OF TERMINATION,
6. THE DESCRIPTION AND AREA OF TIDE AND SUBMERGED LANDS COVERED BY THE LEASE IS AS FOLLOWS:

TWO CONTIGUOUS PARCELS OF SUBMERGED LAND IN SAN PABLO BAY SITUATE NEAR LONE TREE POINT, CONTRA COSTA COUNTY, CALIFORNIA; BEING FURTHER DESCRIBED AS FOLLOWS:

PARCEL 1

A STRIP OF SUBMERGED LAND 50 FEET WIDE LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTER LINE;

COMMENCING ON THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM HERCULES POWDER CO., TO SEQUOIA REFINING CORP., RECORDED MAY 19, 1965, IN BOOK 4871 OF OFFICIAL RECORDS, PAGE 223, AT THE NORTH-WESTERLY TERMINUS OF THE LINE DESCRIBED AS "NORTH 37° 44' 38" WEST, 1029.16 FEET"; THENCE LEAVING THE LAST NAMED LINE SOUTH 52° 12' 42" WEST, 100.00 FEET; AND NORTH 37° 47' 18" WEST 3,424.73 FEET MORE OR LESS TO A POINT ON THE MEAN LOW TIDE LINE OF SAN PABLO BAY BEING THE TRUE POINT OF BEGINNING OF THIS PARCEL; THENCE NORTH 37° 47' 18" W. APPROXIMATELY 700 FEET AND NORTH 10° 09' 18" EAST 6,500.16 FEET TO THE SOUTHEASTERLY LINE OF PARCEL 2. HEREINBELOW DESCRIBED, SAID STRIP OF SUBMERGED LAND CONTAINING 3.366 ACRES MORE OR LESS;

IF THE CENTERLINE OF THIS STRIP IS EXTENDED NORTHEASTERLY IT PASSES THROUGH A POINT IN SAN PABLO BAY HAVING CALIFORNIA ZONE 3 COORDINATES OF X = 1,489,910 Y = 570,800;

THE SIDE LINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED AS TO TERMINATE NORTHERLY IN THE SOUTHEASTERLY LINE OF PARCEL 2 HEREINBELOW DESCRIBED AND SOUTHEASTERLY ON THE MEAN LOW TIDE LINE OF SAN PABLO BAY.

SUPPLEMENTAL CALENDAR ITEM 34. (CONTD.)

PARCEL 2

COMMENCING ON THE NORTHEASTERLY LINE OF THE PARCEL OF LAND DESCRIBED IN THE DEED FROM HERCULES POWDER COMPANY TO SEQUOIA REFINING CORP., RECORDED MAY 19, 1965, IN BOOK 4871 OF OFFICIAL RECORDS, PAGE 223, AT THE NORTHWESTERLY TERMINUS OF THE COURSE DESCRIBED AS "NORTH 37° 44' 38" WEST, 1029.16 FEET"; THENCE LEAVING THE LAST NAMED COURSE SOUTH 52° 12' 42" WEST, 100 FEET, THENCE NORTH 37° 47' 18" WEST, 4124.73 FEET, THENCE NORTH 10° 09' 18" EAST, 6588.16 FEET TO THE TRUE POINT OF BEGINNING; RUNNING THENCE NORTH 77° 00' 30" EAST, 712.00 FEET, THENCE NORTH 12° 59' 30" WEST, 400.00 FEET; THENCE SOUTH 77° 00' 30" WEST, 1300.00 FEET; THENCE SOUTH 12° 59' 30" EAST, 400.00 FEET; THENCE NORTH 77° 00' 30" EAST, 588.00 FEET TO THE TRUE POINT OF BEGINNING, CONTAINING 11.938 ACRES MORE OR LESS