

16. APPLICATION TO LEASE A PARCEL OF TIDE AND SUBMERGED LAND IN SUISUN BAY, CONTRA COSTA COUNTY; TIDEWATER OIL COMPANY - W.O. 4415, P.R.C. 3453.1.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE TO TIDEWATER OIL COMPANY A 15-YEAR LEASE FROM DECEMBER 19, 1961, COVERING TIDE AND SUBMERGED LANDS HEREINAFTER DESCRIBED, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. THE LESSEE SHALL HAVE THE RIGHT TO RENEW THE LEASE FOR ~~THREE~~ ADDITIONAL PERIODS OF 10 YEARS EACH, SUBJECT TO SUCH TERMS AND CONDITIONS AS THE STATE MAY IMPOSE AT THE TIME OF EACH RENEWAL.
2. THE ANNUAL RENTAL SHALL BE AN UNADJUSTED RATE OF \$999.64 UNTIL A FIRM RENTAL IS ESTABLISHED BY MUTUAL AGREEMENT.
3. WHEN A FIRM RENTAL IS ESTABLISHED, THERE SHALL BE A RETROACTIVE ADJUSTMENT TO THE END THAT THE TOTAL OF ALL RENTALS THEREFORE ACCRUED UNDER THE LEASE SHALL EQUAL THE AMOUNT THAT WOULD HAVE ACCRUED HAD THE FIRM RENTAL BEEN IN EFFECT SINCE DECEMBER 19, 1961.
4. 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.
5. THE LESSEE SHALL PROVIDE A CONTINUING PERFORMANCE BOND IN THE AMOUNT OF \$50,000.
6. THE DESCRIPTION OF THE LANDS COVERED BY THE LEASE IS AS FOLLOWS:

A PARCEL OF TIDE AND SUBMERGED LAND IN SUISUN BAY, CONTRA COSTA COUNTY, SAID PARCEL BEING DESCRIBED AS FOLLOWS:

COMMENCING AT U. S. COAST AND GEODETIC TRIANGULATION STATION SUISUN PT. 2, AS SHOWN ON TIDEWATER DRAWING NO. 26-DA-43 DATED OCTOBER 29, 1962; THENCE N. 32° 17' 17.7" W., 1100.00 FEET AND S. 60° 30' 44" W., 656.90 FEET ALONG THE PIERHEAD LINE IN SUISUN BAY TO THE TRUE POINT OF BEGINNING; THENCE FROM THE TRUE POINT OF BEGINNING, S. 29° 29' 16" E., 220.00 FEET; THENCE S. 60° 30' 44" W., 780.00 FEET; THENCE S. 25° 09' 23" W., 103.67 FEET; THENCE S. 64° 50' 37" E., 824.02 FEET; THENCE S. 36° 23' 56" W., 101.96 FEET; THENCE N. 64° 50' 37" W., 948.64 FEET; THENCE S. 60° 30' 44" W., 1020.27 FEET; THENCE N. 29° 29' 16" W., 295.00 FEET; THENCE N. 60° 30' 44" E., 2050.00 FEET; THENCE S. 29° 29' 16" E., 75.00 FEET TO THE POINT OF BEGINNING, CONTAINING 16.0 ACRES MORE OR LESS.

BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON CALIFORNIA COORDINATE SYSTEM ZONE 3.

Attachment

Calendar Item 15 (2 pages)  
A 10,11  
S 17

12,256

15.

APPLICATION TO LEASE A PARCEL OF TIDE AND SUBMERGED LAND IN SUISUN BAY, CONTRA COSTA COUNTY; TIDEWATER OIL COMPANY - W.O. 4415.

Lease P.R.C. 187.1 was issued to Tidewater Oil Company on December 19, 1946, for 15 years with Lessee's right to renew for one additional period of 10 years. The lease covered a 6.18-acre parcel of tide and submerged land in Suisun Bay. (See Exhibit "A".) The lease was amended on January 19, 1954, to enlarge the area to 39.05 acres, with an annual rental increase from \$407.88 to \$999.64.

Tidewater Oil Company elected to renew the lease by letter of October 25, 1961, and confirmed the action by letter of April 17, 1962, with proviso that the leased area be reduced to 16.0 acres, pursuant to an approved boundary line agreement between the State and Lessee.

Renewal of the lease has not been possible because of complexities involved in valuation of the State's property rights in this type of land usage, and because of nonacceptance by the tenant of the land value determined by staff appraisers. As a result, occupancy of the land by the Lessee has continued in sufferance since December 19, 1961. Negotiations as to the valuation are continuing. An independent appraiser has been retained by Western Oil and Gas Association for the purpose of making a complete economic study of land utilization involved in this type of lease. Staff personnel are cooperating.

On February 25, 1965, the Commission authorized Tidewater Oil Company to proceed with the construction of wharf improvements within the area of the expired lease as amended.

Tidewater Oil Company has now requested cancellation of its right to renew Lease P.R.C. 187.1, and wishes instead to negotiate a new lease for a period of 15 years from December 19, 1961, with the right to renew the lease for three additional periods of 10 years each, subject to the following special terms and conditions:

1. The annual rental from December 19, 1961, will be the unadjusted rate of \$999.64 until a firm rental figure is established.
2. When a firm rental rate is established, there shall be a retroactive adjustment to provide for payment of such firm rate from December 19, 1961.
3. A performance bond in the amount of \$50,000 shall be provided at the time the lease agreement is executed.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE TO TIDEWATER OIL COMPANY A 15-YEAR LEASE FROM DECEMBER 19, 1961, COVERING TIDE AND SUBMERGED LANDS HEREINAFTER DESCRIBED, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CALENDAR ITEM 15. (CONTD.)

1. THE LESSEE SHALL HAVE THE RIGHT TO RENEW THE LEASE FOR THREE ADDITIONAL PERIODS OF 10 YEARS EACH, SUBJECT TO SUCH TERMS AND CONDITIONS AS THE STATE MAY IMPOSE AT THE TIME OF EACH RENEWAL;
2. THE ANNUAL RENTAL SHALL BE AN UNADJUSTED RATE OF \$999.64 UNTIL A FIRM RENTAL IS ESTABLISHED BY MUTUAL AGREEMENT;
3. 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 ACCURED HAD THE FIRM RENTAL BEEN IN EFFECT SINCE DECEMBER 19, 1961;
4. 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.
5. THE LESSEE SHALL PROVIDE A CONTINUING PERFORMANCE BOND IN THE AMOUNT OF \$50,000.
6. THE DESCRIPTION OF THE LANDS COVERED BY THE LEASE IS AS FOLLOWS:

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