

MINUTE ITEM

4/29/71  
DJE

28. PROPOSED CANCELLATION OF MINERAL EXTRACTION LEASE PRC 3502.1 BETWEEN THE STATE OF CALIFORNIA AND NORTHERN CALIFORNIA AGGREGATES; SONOMA COUNTY.

After consideration of Supplemental Calendar Item 27 attached, and upon motion duly made and carried, the following resolution was adopted:

THE STATE LANDS COMMISSION AUTHORIZES THE EXECUTIVE OFFICER AND THE OFFICE OF THE ATTORNEY GENERAL TO NEGOTIATE THE CANCELLATION OF MINERAL EXTRACTION LEASE PRC 3502.1 SUBJECT TO THE FOLLOWING GENERAL TERMS AND CONDITIONS:

1. THE STATE SHALL RETAIN ALL LANDS HERETOFORE CONVEYED TO THE STATE BY THE ESCROW AGENT PURSUANT TO THE TERMS OF SAID LEASE.
2. THE STATE SHALL RELEASE TO THE LESSEE ANY OPTIONS IT MAY HAVE WITH REGARD TO THE LANDS, DEEDS TO WHICH HAVE BEEN DEPOSITED IN ESCROW BY THE LESSEE'S PREDECESSOR IN INTEREST PURSUANT TO THE TERMS OF SAID LEASE.
3. THE LESSEE SHALL RESTORE THE LEASED PREMISES AND ADJACENT PUBLIC LANDS IN ACCORDANCE WITH THE CONDITIONS SET FORTH IN SAID LEASE TO THE EXTENT THAT SUCH RESTORATION CAN BE ACCOMPLISHED UNDER EXISTING REASONABLY AVAILABLE PERMITS FROM PUBLIC AGENCIES NECESSARY TO ACCOMPLISH SAID RESTORATION.
4. SUCH OTHER TERMS AND CONDITIONS WHICH THE OFFICE OF THE ATTORNEY GENERAL AND THE EXECUTIVE OFFICER DEEM NECESSARY TO, OR CONSISTENT WITH, THE PROTECTION OF THE STATE'S INTEREST.

ANY AGREEMENT SO NEGOTIATED SHALL BE SUBJECT TO FINAL APPROVAL BY THE STATE LANDS COMMISSION, BY THE DIRECTOR OF PARKS AND RECREATION, AND BY THE SECRETARY OF THE RESOURCES AGENCY.

Attachment:

Calendar Item 27 (2 pages)

SUPPLEMENTAL CALENDAR ITEM

4/71  
PRC 3502.1  
DJE

27.

PROPOSED CANCELLATION OF MINERAL EXTRACTION LEASE PRC 3502.1 BETWEEN THE STATE OF CALIFORNIA AND NORTHERN CALIFORNIA AGGREGATES; SONOMA COUNTY.

Lease PRC 3502.1 was entered into between Utah Construction & Mining Co. and the State, pursuant to Chapter 1858, Statutes of 1965. The lease was amended on May 29, 1969, and assigned to Northern California Aggregates on December 1, 1969. All considerations by the State Lands Commission included the advice of the Resources Agency, and were reviewed by the Office of the Attorney General for conformance with the law.

The lease is for the extraction of minerals from the Russian River, from its mouth to approximately five miles upstream. A pertinent provision of the lease is that the State of California has the option to accept, in lieu of cash royalties, certain parcels of real property in the adjacent area that were offered by the lessee and described in Appendix I of the lease. These parcels of land were found by the Administrator of the Resources Agency and the Director of Parks and Recreation to be of substantial public benefit as recreational lands.

To accomplish the foregoing purpose, Escrow No. 98277 was opened with Sonoma Title Guaranty Company, Santa Rosa, California, in which deeds from the lessee to the State for the parcels were deposited. The escrow instructions provided that whenever the total amount of accrued royalties equaled the appraised value of a parcel selected, and the State so certified, the Director of Parks and Recreation would deposit a certificate of acceptance of the grant deed covering the particular parcel, and the deed to the parcel would be delivered to the State. To date, the Director of Parks and Recreation has received Parcels 1 through 3 in accordance with this procedure.

During the course of what was anticipated to be a routine request for renewal of existing Department of the Army permits, it developed that there was a great deal of opposition to the continuation of the project. This opposition has manifested itself in the form of many hours of public hearings by the Sonoma County Board of Zoning Adjustments, the Sonoma County Board of Supervisors, the California Environmental Quality Study Council, the State Water Resources Control Board, and the North Coast Water Quality Control Board. In May of 1970, Northern California Aggregates applied for renewal of its State Lands Commission permit covering ocean areas adjacent to the leased area. This application has not been acted upon by the State Lands Commission.

A review by the State Lands Division and the Office of the Attorney General of testimony given at these hearings and the determinations made pursuant thereto has led to the conclusion that it would be in the best interests of the State to terminate such lease. The Resources Agency has represented that an agreement incorporating the terms set forth in the following recommendation would be agreeable in principle to the Director of Parks and Recreation and to the Secretary of the Resources Agency.

SUPPLEMENTAL CALENDAR ITEM 27. (CONTD.)

IT IS RECOMMENDED THAT THE STATE LANDS COMMISSION AUTHORIZE THE EXECUTIVE OFFICER AND THE OFFICE OF THE ATTORNEY GENERAL TO NEGOTIATE THE CANCELLATION OF MINERAL EXTRACTION LEASE PRC 3502.1 SUBJECT TO THE FOLLOWING GENERAL TERMS AND CONDITIONS:

1. THE STATE SHALL RETAIN ALL LANDS HERETOFORE CONVEYED TO THE STATE BY THE ESCROW AGENT PURSUANT TO THE TERMS OF SAID LEASE.
2. THE STATE SHALL RELEASE TO THE LESSEE ANY OPTIONS IT MAY HAVE WITH REGARD TO THE LANDS, DEEDS TO WHICH HAVE BEEN DEPOSITED IN ESCROW BY THE LESSEE'S PREDECESSOR IN INTEREST PURSUANT TO THE TERMS OF SAID LEASE.
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