

5. RENEWAL AND AMENDMENT OF INDUSTRIAL LEASE PRC 600.1, FOUR PARCELS OF TIDE AND SUBMERGED LANDS AND ONE PARCEL OF FILLED LAND IN SAN PABLO BAY AT CARQUINEZ STRAIT, CONTRA COSTA COUNTY; UNION OIL COMPANY OF CALIFORNIA - W 6059, PRC 600.1.

During consideration of Calendar Item 9 attached, the Executive Officer reported that the Department of Public Works of Contra Costa County, through its Public Works Department, had submitted a request that the proposed amendment not use the word "super" in describing the tankers, for the reason that the definition of this term is not universally established. It was agreed that the word "larger" should be used instead.

Mr. George Bond, Assistant General Counsel of the Union Oil Company of California, appeared and explained that the delay in negotiations for adjusting the rental rate was occasioned by the inability to establish an appraisal of the value of the State lands. The Executive Officer amplified this remark by stating that the delay actually was due to the fact that the Western Oil and Gas Association had established a committee for determining an equitable basis for valuation of tidelands to be utilized for oil operations, and that the amendment of Industrial Lease PRC 600.1 had been held up pending development of data with that committee.

Commissioner Orr raised a question about the payment of interest on the back rental due the State. It was noted that this delinquent rental was not the fault of Union, but the result of awaiting the results of the industry-wide negotiations on the appraised values of tidelands for piers and pipelines.

Mr. E. P. Barnett, Manager of Union's San Francisco Refinery, appeared to confirm that there is no standard definition for what a "super" tanker is, and said that the size of tankers had grown tremendously in the last few years, some tankers now being in excess of 300,000 tons. However, 70,000 tons is the largest of the ships that Union plans to bring into San Pablo Bay because the depth of the channel would prohibit anything larger, and even this size ship could not be brought in fully loaded, it being the plan to partially unload elsewhere before bringing the tanker into San Pablo Bay.

Upon motion duly made and carried, the following resolution was adopted, with the understanding that the term "larger" rather than "super" would be used in describing the tankers in question:

THE COMMISSION:

1. FINDS THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 23 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, A LEASE RENEWAL AND AMENDMENT AS RECOMMENDED HEREIN WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.
2. AUTHORIZES THE ISSUANCE TO UNION OIL COMPANY OF CALIFORNIA OF A TEN-YEAR RENEWAL AND AMENDMENT OF LEASE PRC 600.1 FROM APRIL 6, 1966, IN CONSIDERATION OF RENTALS IN THE AMOUNTS OF:

\$8,769.23 PER ANNUM FROM APRIL 6, 1966, TO SEPTEMBER 30, 1971;
AND \$13,680 PER ANNUM FROM OCTOBER 1, 1971, TO APRIL 5, 1976;

PROVIDED, HOWEVER, THAT SUCH RENTALS SHALL BE ADJUSTED AS NECESSARY TO COMPLY WITH THE LEGAL EFFECT OF PRESIDENTIAL EXECUTIVE ORDER NO. 11615 OF AUGUST 15, 1971; AND PROVIDED FURTHER THAT LESSEE FURNISH A \$50,000 SURETY BOND, AND PROVIDE PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$200,000/\$600,000 FOR PERSONAL INJURY AND \$5,000,000 FOR PROPERTY DAMAGE.

3. AUTHORIZES FURTHER AMENDMENTS TO LEASE PRC 600.1 AS FOLLOWS:

- a. CHANGE THE DESCRIPTIONS OF PARCELS TWO AND THREE IN PARAGRAPH TWO, EFFECTIVE FROM APRIL 6, 1966, TO SEPTEMBER 30, 1971, TO THAT SHOWN ON EXHIBIT "A-1" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
- b. ADD DESCRIPTIONS OF PARCELS FOUR AND FIVE TO PARAGRAPH TWO AS SHOWN ON EXHIBIT "A-2" ATTACHED AND BY REFERENCE MADE A PART HEREOF, EFFECTIVE APRIL 6, 1966.
- c. CHANGE THE DESCRIPTIONS OF PARCELS TWO AND THREE IN PARAGRAPH TWO, EFFECTIVE FROM OCTOBER 1, 1971, TO APRIL 5, 1976, TO THOSE SHOWN ON EXHIBIT "A-3" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
- d. REQUIRE LESSEE TO PROVIDE SHORE FACILITIES AT THE WHARF FOR THE DISPOSAL OF SANITARY WASTE FROM VISITING SHIPS.
- e. REQUIRE LESSEE TO PROVIDE SUCH POSITIVE AND FAILSAFE MEANS TO CONTROL AND CONFINE SPILLS OF OIL AND PETROLEUM PRODUCTS AS MAY BE REQUIRED AND APPROVED BY THE STATE WATER RESOURCES CONTROL BOARD;

PROVIDED, HOWEVER, THAT ALL OTHER TERMS AND CONDITIONS OF SAID LEASE PRC 600.1 SHALL REMAIN IN FULL FORCE AND EFFECT.

Attachment:

Calendar Item 9 (6 pages)

CALENDAR ITEM

9/71
W 6059
CRK

9.

RENEWAL AND AMENDMENT OF INDUSTRIAL LEASE PRC 600.1

APPLICANT: Union Oil Company of California.

LOCATION: Four parcels (7.263, 3.206, 0.712, and 0.690 acres) of tide and submerged lands, and one 3.68-acre parcel of filled land in San Pablo Bay at Carquinez Strait in Contra Costa County.

LAND USE: A concrete T-head wharf and mooring areas for tankers and barges engaged in loading and unloading petroleum products. The filled parcel is used for storage area.

TERMS: Initial period: 15 years, from April 6, 1951.

Renewal options: 2 additional periods of 10 years each. This transaction covers the first renewal period.

Surety bond: \$50,000, increased from \$25,000; Public liability insurance added: \$200,000/\$600,000 for personal injury and \$5,000,000 for property damage.

CONSIDERATION: \$8,769.23 per annum during period April 6, 1966, to September 30, 1971, and \$13,680 per annum during period October 1, 1971, to April 5, 1976, subject to provisions of Presidential Executive Order No. 11615, dated August 15, 1971.

BASIS FOR CONSIDERATION: 6% of appraised value of land.

PREREQUISITE ITEMS: B.C.D.C. permit issued.
U. S. Army Corps of Engineers permit issued.
Applicant is owner of upland.

STATUTORY AND OTHER REFERENCES: a. Public Resources Code: Div. 6, Parts 1 and 2.
b. Administrative Code: Title 2, Div. 3, Arts. 1 and 2 as amended effective May 10, 1969.

OTHER PERTINENT INFORMATION: 1. The original lease expired on April 5, 1966, and, although Lessee applied for a 10-year renewal, it was not processed because of disagreement regarding valuation of the land for determination of rental. Lessee did, however, continue paying the rental of \$1,690.43 as required by the basic lease, and \$10,142.58 has been paid to date with the understanding that it is a deposit pending establishment of a firm rental.

CALENDAR ITEM 9. (CONTD.)

2. Lessee has now executed a renewal and amendment document that provides as follows:
 - a. Renewal of the lease for 10 years from April 6, 1966.
 - b. Enlargement of the leased area to provide for mooring barges and smaller tankers, effective from April 6, 1966, and for mooring super tankers, effective from October 1, 1971.
 - c. Increase the bond from \$25,000 to \$50,000 and provide for public liability insurance, both effective from October 1, 1971.
 - d. Payment of rentals as stated above.
3. Lessee has indicated agreement to further amend the lease as follows:
 - a. Adjust the rentals as necessary to comply with legal requirements, to be determined by the Attorney General, of Presidential Executive Order No. 11615, dated August 15, 1971, relating to wage/price freeze.
 - b. Require Lessee to provide shore facilities at the wharf for the disposal of sanitary waste from visiting ships.
 - c. Require Lessee to provide such positive and failsafe means to control and confine spills of oil and petroleum products as may be required and approved by the State Water Resources Control Board.
4. An environmental impact report has been prepared and distributed, as required by Section 6371 of the Public Resources Code. The only adverse comment received related to sewage disposal and oil spill hazard and these matters are covered in item 3 above.

EXHIBITS: A-1, A-2, and A-3. Land descriptions.
 B. Location map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 23 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, A LEASE RENEWAL AND AMENDMENT AS RECOMMENDED HEREIN WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.

CALENDAR ITEM 9. (CONTD.)

2. AUTHORIZE THE ISSUANCE TO UNION OIL COMPANY OF CALIFORNIA OF A TEN-YEAR RENEWAL AND AMENDMENT OF LEASE PRC 600.1 FROM APRIL 6, 1966, IN CONSIDERATION OF RENTALS IN THE AMOUNTS OF:

\$8,769.23 PER ANNUM FROM APRIL 6, 1966, TO SEPTEMBER 30, 1971;
AND \$13,680 PER ANNUM FROM OCTOBER 1, 1971, TO APRIL 5, 1976;

PROVIDED, HOWEVER, THAT SUCH RENTALS SHALL BE ADJUSTED AS NECESSARY TO COMPLY WITH THE LEGAL EFFECT OF PRESIDENTIAL EXECUTIVE ORDER NO. 11615 OF AUGUST 15, 1971; AND PROVIDED FURTHER THAT LESSEE FURNISH A \$50,000 SURETY BOND, AND PROVIDE PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$200,000/\$600,000 FOR PERSONAL INJURY AND \$5,000,000 FOR PROPERTY DAMAGE.

3. AUTHORIZE FURTHER AMENDMENTS TO LEASE PRC 600.1 AS FOLLOWS:

- a. CHANGE THE DESCRIPTIONS OF PARCELS TWO AND THREE IN PARAGRAPH TWO, EFFECTIVE FROM APRIL 6, 1966, TO SEPTEMBER 30, 1971, TO THAT SHOWN ON EXHIBIT "A-1" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
- b. ADD DESCRIPTIONS OF PARCELS FOUR AND FIVE TO PARAGRAPH TWO AS SHOWN ON EXHIBIT "A-2" ATTACHED AND BY REFERENCE MADE A PART HEREOF, EFFECTIVE APRIL 6, 1966.
- c. CHANGE THE DESCRIPTIONS OF PARCELS TWO AND THREE IN PARAGRAPH TWO, EFFECTIVE FROM OCTOBER 1, 1971, TO APRIL 5, 1976, TO THOSE SHOWN ON EXHIBIT "A-3" ATTACHED AND BY REFERENCE MADE A PART HEREOF.
- d. REQUIRE LESSEE TO PROVIDE SHORE FACILITIES AT THE WHARF FOR THE DISPOSAL OF SANITARY WASTE FROM VISITING SHIPS.
- e. REQUIRE LESSEE TO PROVIDE SUCH POSITIVE AND FAILSAFE MEANS TO CONTROL AND CONFINE SPILLS OF OIL AND PETROLEUM PRODUCTS AS MAY BE REQUIRED AND APPROVED BY THE STATE WATER RESOURCES CONTROL BOARD;

PROVIDED, HOWEVER, THAT ALL OTHER TERMS AND CONDITIONS OF SAID LEASE PRC 600.1 SHALL REMAIN IN FULL FORCE AND EFFECT.

Attachments: Exhibits "A-1", "A-2" and "A-3"

EXHIBIT "A-1"

Lessee: Union Oil Company of California

PARCEL 2 - Wharf and Pier

Beginning at a point which bears North $26^{\circ} 53' 40''$ West 344.30 feet and South $71^{\circ} 05' 10''$ West 117.42 feet from United States Harbor Line Station "U" described in Parcel 1 above, said point being on the northerly line of the land described in the deed to Union Oil Company of California recorded in Book 90, Page 552 of Deeds in the office of the County Recorder of said County, said point being also North $71^{\circ} 05' 10''$ East along said northerly line 254.30 feet from the westerly terminus of that certain course described in said Deed as South $69^{\circ} 45'$ West, 5.68 chains, and being also the TRUE POINT OF BEGINNING for this description; thence along the following courses and distances:

South $71^{\circ} 05' 10''$ West, 102.48 feet; North $1^{\circ} 10' 15''$ West, 112.27 feet to the beginning of a tangent curve concave Westerly having a radius of 650.27 feet; thence northerly along said curve 94.44 feet through a central angle of $8^{\circ} 19' 15''$; thence tangent to said curve North $9^{\circ} 29' 30''$ West, 1293.58 feet; thence South $80^{\circ} 30' 30''$ West, 30.00 feet; North $9^{\circ} 29' 30''$ West, 208.00 feet; South $77^{\circ} 00' 30''$ West, 622.01 feet; North $12^{\circ} 59' 30''$ West, 136.00 feet; North $77^{\circ} 00' 30''$ East 1250.00 feet; South $12^{\circ} 59' 30''$ East, 136.00 feet; South $77^{\circ} 00' 30''$ West, 520.13 feet; South $9^{\circ} 29' 30''$ East, 726.19 feet; North $80^{\circ} 30' 30''$ East, 42.00 feet; South $9^{\circ} 29' 30''$ East, 134.00 feet; South $80^{\circ} 30' 30''$ East, 42.00 feet, South $09^{\circ} 29' 30''$ East, 836.40 feet to the TRUE POINT OF BEGINNING, containing 7.263 acres, more or less.

PARCEL 3 - Tanker Mooring Area

Beginning at the westerly terminus of that certain course described in Parcel 2 above as bearing North $77^{\circ} 00' 30''$ East and having a length of 1250.00 feet; thence along the westerly prolongation of said course South $77^{\circ} 00' 30''$ West 100.00 feet; thence along the following courses and distances; North $12^{\circ} 59' 30''$ West, 102.00 feet; North $77^{\circ} 00' 30''$ East, 763.00 feet; South $12^{\circ} 59' 30''$ East, 12.00 feet; North $77^{\circ} 00' 30''$ East, 687.00 feet and South $12^{\circ} 59' 30''$ East, 90.00 feet to the easterly prolongation of that certain course above mentioned as bearing South $77^{\circ} 00' 30''$ West and having a length of 1250.00 feet; thence along said prolonged course, and said course South $77^{\circ} 00' 30''$ West 1350.00 feet to the point of beginning; containing 3.206 acres, more or less.

EXHIBIT "A-2"DESCRIPTION
Barge Mooring AreasPARCEL 4

Beginning at the northerly terminus of that certain course described in Parcel 2 above as bearing North $9^{\circ} 29' 30''$ West and having a length of 208.00 feet; thence along the following courses and distances:

South $77^{\circ} 00' 30''$ West, 622.01 feet; South $12^{\circ} 59' 30''$ East, 50.00 feet; thence North $77^{\circ} 00' 30''$ East, 618.95 feet to said first above mentioned course; thence along said course North $9^{\circ} 29' 30''$ West 50.09 feet to the point of beginning; containing 0.712 acres, more or less.

PARCEL 5

Beginning at the northerly terminus of that certain course described in Parcel 2 above as bearing South $9^{\circ} 29' 30''$ East and having a length of 726.19 feet; thence along the following courses and distances:

North $77^{\circ} 00' 30''$ East, 600.00 feet; South $12^{\circ} 59' 30''$ East, 50.00 feet; South $77^{\circ} 00' 30''$ West 603.06 feet to said first above mentioned course; thence along said course North $9^{\circ} 29' 30''$ West 50.09 feet to the point of beginning; containing 0.690 acres, more or less.

EXHIBIT "A-3"DESCRIPTION

San Francisco Refinery Wharf
Revision of Parcel 2 of PRC 600.1
Including Additional Area for Mooring

PARCEL 2

Beginning at a point which bears North $26^{\circ} 53' 40''$ West 344.30 feet and South $71^{\circ} 05' 10''$ West 117.42 feet from United States Harbor Line Station "U" described in Parcel 1 of the original lease, said point being on the northerly line of the land described in the deed to Union Oil Company of California recorded in Book 90, Page 552 of Deeds, in the Office of the County Recorder of said county, said point being also North $71^{\circ} 05' 10''$ East along said northerly line 254.30 feet from the westerly terminus of that certain course described in said Deed as South $69^{\circ} 45'$ West 5.68 chains, and being also the TRUE POINT OF BEGINNING for this description; thence along the following courses and distances:

South $71^{\circ} 05' 10''$ West, 102.48 feet and North $1^{\circ} 10' 15''$ West, 112.27 feet to the beginning of a tangent curve concave westerly having a radius of 650.27 feet; thence northerly along said curve through a central angle of $8^{\circ} 19' 15''$ an arc distance of 94.44 feet; thence tangent to said curve North $9^{\circ} 29' 30''$ West, 1293.58 feet; thence along the following courses and distances:

South $80^{\circ} 30' 30''$ West, 30.00 feet; thence North $9^{\circ} 29' 30''$ West, 208.00 feet; South $77^{\circ} 00' 30''$ West, 622.01 feet; North $12^{\circ} 59' 30''$ West, 51.75 feet; North $67^{\circ} 59' 30''$ West, 90.95 feet; South $77^{\circ} 00' 30''$ West, 51.00 feet; North $12^{\circ} 59' 30''$ West, 32.08 feet; North $77^{\circ} 00' 30''$ East, 1375.84 feet; South $12^{\circ} 59' 30''$ East, 136.00 feet; South $77^{\circ} 00' 30''$ West, 520.13 feet; South $9^{\circ} 29' 30''$ East, 726.19 feet; North $80^{\circ} 30' 30''$ East, 42.00 feet; South $9^{\circ} 29' 30''$ East, 134.00 feet; South $80^{\circ} 30' 30''$ West, 42.00 feet and South $9^{\circ} 29' 30''$ East, 836.40 feet to the TRUE POINT OF BEGINNING; containing 7.401 acres, more or less.

PARCEL 3

Beginning at the westerly terminus of that certain course described in Parcel 2 above as bearing North $77^{\circ} 00' 30''$ East and having a length of 1375.84 feet; thence along the westerly prolongation of said course South $77^{\circ} 00' 30''$ West, 177.50 feet; thence along the following courses and distances:

North $12^{\circ} 59' 30''$ West, 115.00 feet; North $77^{\circ} 00' 30''$ East, 886.00 feet; South $12^{\circ} 59' 30''$ East, 13.00 feet, North $77^{\circ} 00' 30''$ East, 747.00 feet and South $12^{\circ} 59' 30''$ East, 102.00 feet to the easterly prolongation of that certain course above mentioned as bearing North $77^{\circ} 00' 30''$ East and having a length of 1375.84 feet; thence along said prolonged course, and said course South $77^{\circ} 00' 30''$ West 1455.50 feet to the point of beginning; containing 4.088 acres, more or less.