

5. 25-YEAR INDUSTRIAL LEASE, TIDE AND SUBMERGED LAND IN SUISUN BAY NEAR MARTINEZ, CONTRA COSTA COUNTY; URICH OIL COMPANY - W 20526, PRC 4769.1.

After consideration of Calendar Item 3 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. FINDS THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 98 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, AN INDUSTRIAL LEASE AS RECOMMENDED HEREIN WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.
2. AUTHORIZES THE ISSUANCE TO URICH OIL COMPANY OF A 25-YEAR INDUSTRIAL LEASE FROM JUNE 1, 1973, IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$6,551.12 WITH THE STATE RESERVING THE RIGHT TO RESET A REASONABLE RENTAL ON EACH FIFTH ANNIVERSARY; PROVISION OF A \$50,000 SURETY BOND, LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 COMBINED SINGLE LIMIT FOR THE CONSTRUCTION AND OPERATION OF A RECEIVING DOCK FOR GASOLINE COMPONENTS ON THE LAND DESCRIBED IN EXHIBIT "A", PARCEL 1, ATTACHED AND BY REFERENCE MADE A PART HEREOF.
3. AUTHORIZES THE INCLUSION IN THE LEASE TO URICH OIL COMPANY OF PERMISSION, EFFECTIVE CONCURRENTLY WITH THE TERM OF A U.S. ARMY CORPS OF ENGINEERS PERMIT, TO DREDGE APPROXIMATELY 70,000 CUBIC YARDS OF MATERIAL, AT A ROYALTY RATE OF \$0.10 PER CUBIC YARD FOR ALL MATERIAL REMOVED, FROM THE LAND DESCRIBED IN EXHIBIT "A", PARCEL 2, ATTACHED AND BY REFERENCE MADE A PART HEREOF.
4. AUTHORIZES INCLUSION IN THE LEASE TO URICH OIL COMPANY THE CONDITION PRECEDENT THAT THE LESSEE OBTAIN ALL NECESSARY PERMITS FOR THE PROPOSED TERMINAL AND DOCK FACILITIES AND DIVISION APPROVAL OF FINAL PLANS AND SPECIFICATIONS RELATING TO THE USE, OR POTENTIAL EFFECT ON, STATE LANDS OF SUCH FACILITIES.

Attachment:

Calendar Item 3 (5 pages)

CALENDAR ITEM

5/73

EWC

W 20526

3.

INDUSTRIAL LEASE

APPLICANT: Urich Oil Company.

LOCATION: A 31.26-acre parcel of tide and submerged land in Suisun Bay near Martinez, Contra Costa County.

LAND USE: A receiving dock for gasoline and gasoline components.

TERMS OF PROPOSED LEASE:

Initial period: 25 years, from June 1, 1973.

Renewal options: 2 additional periods of 10 years each.

Surety bond: \$50,000.

Liability insurance: \$1,000,000 combined single limit.

Consideration: \$6,551.12; 5-year review, royalty \$0.10/Cu. Yd.

Special: Discharge of sewage from ships is prohibited. Applicant is to obtain all necessary permits (USCE, ECDC, BAAPCD, etc.) before lease is effective. State Lands Division must approve final plans and specifications before the lease becomes effective.

BASIS FOR CONSIDERATION:

6% of appraised value of land.

PREREQUISITE TERMS:

Lease will be issued with a condition precedent that applicant obtain ECDC, U.S. Army Corps of Engineers, and Bay Area Air Pollution Control District permits.

Applicant is purchasing upland in an escrow which is still open. The Division will be supplied with proof that the land is owned by the applicant.

STATUTORY AND OTHER REFERENCES:

- a. Public Resources Code: Division 6, Parts 1 and 2.
- b. Administrative Code: Title 2, Division 3, Articles 1 and 2.

CALENDAR ITEM NO. 3. (CONTD)

OTHER PERTINENT INFORMATION:

1. An environmental impact report was circulated to agencies and persons with jurisdiction and expertise. Adverse comments were received and have been treated in the Division's final draft environmental impact report.
2. The chief adverse comment on the environmental impact report related to the project's adding to the oxident level in an area which already exceeds allowable oxident levels a significant number of days per year. The applicant has since applied to the Bay Area Air Pollution Control District for a permit based upon a new construction method that should reduce emissions to a much lower level but the District has not yet approved it.
3. A permit will be required for a proposed pipeline crossing of Pacheco Creek, and will be presented for Commission approval at a forthcoming meeting.
4. The lease will contain the condition precedent that the applicant obtain the required BCDC permit for wharf and dredging in the Bay, the U.S. Army Corps of Engineers permit for the same, the Bay Area Air Pollution Control District permit for the facility and the City of Martinez building and/or use permit.
5. Urich had originally planned to construct a refinery on its upland parcel and references to it in the draft environmental impact report drew some of the adverse comments. It now plans only a terminal for receiving and blending gasoline components and for distributing gasoline by truck and pipeline to its Bay area stations. The refinery is still in the planning stage. If it becomes a project, the additional use of the wharf will require amendment of the lease, which in turn will require another environmental impact report covering the impacts of the proposed refinery and associated wharf improvements.

EXHIBITS: A. Land Description. B. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT, IN ACCORDANCE WITH ENVIRONMENTAL IMPACT REPORT NO. 98 ON FILE IN THE OFFICE OF THE STATE LANDS COMMISSION AND BY REFERENCE MADE A PART HEREOF, AN INDUSTRIAL LEASE AS RECOMMENDED HEREIN WILL NOT HAVE A SIGNIFICANT DETRIMENTAL ENVIRONMENTAL EFFECT.

CALENDAR ITEM NO. 3. (CONTD)

2. AUTHORIZE THE ISSUANCE TO URICH OIL COMPANY OF A 25-YEAR INDUSTRIAL LEASE FROM JUNE 1, 1973, IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$6,551.12 WITH THE STATE RESERVING THE RIGHT TO RESET A REASONABLE RENTAL ON EACH FIFTH ANNIVERSARY; PROVISION OF A \$50,000 SURETY BOND, LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 COMBINED SINGLE LIMIT FOR THE CONSTRUCTION AND OPERATION OF A RECEIVING DOCK FOR GASOLINE COMPONENTS ON THE LAND DESCRIBED IN EXHIBIT "A", PARCEL 1, ATTACHED AND BY REFERENCE MADE A PART HEREOF.
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Attachment: Exhibit "A"

EXHIBIT "A"

W 20526

PARCEL 1

A parcel of tide and submerged land lying within Suisun Bay, near the City of Martinez, Contra Costa County, State of California, more particularly described as follows:

COMMENCING at a 2" x 2" hub numbered 29, as shown on Contra Costa County Record of Survey, recorded in Book 16, Land Surveyors Maps, page 14; thence S 79° 09' E, 83.16 feet to the intersection of the boundary line between Sections 8 and 9, T 2 N, R 2 W, MDM; thence N 00° 51' E, 2,789 feet along the section line to the TRUE POINT OF BEGINNING; thence along the following 8 courses:

- | | | |
|----|-----------------|-----------------------------------|
| 1. | N 28° 07' 47" W | 490.00 feet; |
| 2. | S 75° 30' 13" W | 617.39 feet; |
| 3. | N 28° 07' 47" W | 1,194.48 feet; |
| 4. | N 61° 52' 13" E | 1,000.00 feet; |
| 5. | S 28° 07' 47" E | 1,437.02 feet; |
| 6. | S 75° 30' 13" W | 304.86 feet; |
| 7. | S 28° 07' 47" E | 483.10 feet; |
| 8. | S 71° 51' W | 105.33 feet; to the TRUE POINT OF |

BEGINNING.

PARCEL 2

A parcel of tide and submerged land lying within Suisun Bay, near the City of Martinez, Contra Costa County, State of California, more particularly described as follows:

COMMENCING at a 2" x 2" hub numbered 29, as shown on Contra Costa County Record of Survey, recorded in Book 16, Land Surveyors Maps, page 14; thence S 79° 09' E, 83.16 feet to the intersection of the boundary line between Sections 8 and 9, T 2 N, R 2 W, MDM; thence N 00° 51' E, 2,789 feet along the section line; thence N 28° 07' 47" W, 490.00 feet; thence S 75° 30' 13" W, 617.39 feet; thence N 28° 07' 47" W, 1,024.48 feet to the TRUE POINT OF BEGINNING; thence along the following 9 courses:

- | | | |
|----|-----------------|----------------------------------|
| 1. | S 61° 52' 13" W | 500 feet; |
| 2. | N 28° 07' 47" W | 470 feet; |
| 3. | N 61° 52' 13" E | 2,500 feet; |
| 4. | S 28° 07' 47" E | 470 feet; |
| 5. | S 61° 52' 13" W | 760 feet; |
| 6. | N 30° 28' W | 220 feet; |
| 7. | S 61° 52' 13" W | 150 feet; |
| 8. | S 30° 28' E | 220 feet; |
| 9. | S 61° 52' 13" W | 1,090 feet; to the TRUE POINT OF |

BEGINNING.

EXCEPTING from Parcels 1 and 2 any portion lying landward of the ordinary high water mark.

END OF DESCRIPTION