

MINUTE ITEM

8/30/73
RJS

12. INDUSTRIAL LEASE PRC 272.1, TIDE AND SUBMERGED LAND IN MONTEREY BAY, MONTEREY COUNTY; PHILLIPS PETROLEUM COMPANY - W 3957, PRC 272.1.

After consideration of Calendar Item 10 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION AUTHORIZES THE FIRM RENTAL OF \$2,827.73 PER ANNUM AND ACCEPTS THE SUM OF \$14,364.52 AS PAYMENT IN FULL FOR ADJUSTED RENTAL DUE FOR THE RENEWAL PERIOD FROM NOVEMBER 25, 1961, TO MAY 31, 1967, THE DATE OF TERMINATION OF INDUSTRIAL LEASE PRC 272.1 COVERING TIDE AND SUBMERGED LAND IN MONTEREY BAY, MONTEREY COUNTY.

Attachment: Calendar Item 10 (2 pages)

CALENDAR ITEM

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RJS
W 3957

10.

INDUSTRIAL LEASE PRC 272.1

APPLICANT: Phillips Petroleum Company.
LOCATION: Three parcels totaling 24.897 acres of tide and submerged land in Monterey Bay, Monterey County.
LAND USE: Tanker mooring area, submarine oil pipeline and cathodic protection anode.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years, from November 25, 1961.
Renewal options: One additional period of 10 years.
Surety bond: \$2,000.
Consideration: \$132.

TERMS OF AMENDMENT AND RENEWAL:

At the expiration of the initial 15-year term, the lessee elected to renew the lease for a 10-year period. However because of difficulties in negotiating a firm rental, the Commission authorized issuance of a renewal subject to the condition that the rental should continue at an unadjusted rate until a firm rental is established. Such a firm rental would be retroactive to include the entire renewal period.

A firm rental has now been established at \$2,827.73 per annum for the renewal period from November 25, 1961, to May 31, 1967, the date of removal of facilities and termination of the lease. The total adjusted rental due for the period is \$14,364.52 which has been paid by the company.

BASIS FOR CONSIDERATION:

6% of appraised value of land.

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.

OTHER PERTINENT INFORMATION:

An environmental impact report is not required since the facilities were removed and the lease terminated on May 31, 1967.

CALENDAR ITEM NO. 10. (CONTD)

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE FIRM RENTAL OF \$2,827.73 PER ANNUM AND ACCEPT THE SUM OF \$14,364.52 AS PAYMENT IN FULL FOR ADJUSTED RENTAL DUE FOR THE RENEWAL PERIOD FROM NOVEMBER 25, 1961, TO MAY 31, 1967, THE DATE OF TERMINATION OF INDUSTRIAL LEASE PRC 272.1 COVERING TIDE AND SUB-MERGED LAND IN MONTEREY BAY, MONTEREY COUNTY.