

MINUTE ITEM

4/24/74
GRH

18. RENEWAL, AMENDMENT AND TERMINATION OF INDUSTRIAL LEASE PRC 543.1; AND ISSUANCE OF A 15-YEAR REPLACEMENT LEASE; TIDE AND SUBMERGED LAND IN SUISUN BAY AT MARTINEZ, CONTRA COSTA COUNTY; SHELL OIL COMPANY - W 5267, PRC 4908.1, PRC 543.1.

After consideration of Calendar Item 17 attached, and upon motion duly made and carried, the following resolution was adopted:

THE COMMISSION:

1. DETERMINES THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21085; 14 CAL. ADM. CODE 15100, ET SEQ.; AND 2 CAL. ADM. CODE 2910.
2. AUTHORIZES THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 543.1:
 - A. THE ISSUANCE OF A 20-YEAR RENEWAL FROM AUGUST 1, 1963, WITH LESSEE'S RIGHT TO RENEW FOR ONE ADDITIONAL 10-YEAR PERIOD; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF \$10,729.90 FOR THE PERIOD AUGUST 1, 1963, THROUGH FEBRUARY 28, 1966; AND ANNUAL RENTAL IN THE AMOUNT OF \$16,959.60 FOR THE PERIOD MARCH 1, 1966, THROUGH JULY 31, 1974; AND
 - B. THE ISSUANCE OF AND AMENDMENT TO ADD PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$300,000/\$900,000 FOR PERSONAL INJURY AND \$5,000,000 FOR PROPERTY DAMAGE; AND TO CHANGE THE LAND DESCRIPTION TO THAT SHOWN IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD AUGUST 1, 1963, THROUGH FEBRUARY 28, 1966; FOR THE PERIOD BEGINNING MARCH 1, 1966, TO JULY 31, 1974, THE LAND DESCRIPTION IS CHANGED TO THAT SHOWN IN EXHIBIT "C" ATTACHED AND BY REFERENCE MADE A PART HEREOF; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 543.1 SHALL REMAIN IN FULL FORCE AND EFFECT.
 - C. APPROVE THE TERMINATION BY MUTUAL AGREEMENT WITH LESSEE OF LEASE PRC 543.1, EFFECTIVE JULY 31, 1974.
3. AUTHORIZES THE ISSUANCE TO SHELL OIL COMPANY OF A 15-YEAR INDUSTRIAL LEASE FROM AUGUST 1, 1974, WITH LESSEE'S OPTION TO RENEW FOR THREE ADDITIONAL PERIODS OF TEN YEARS EACH; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$16,959.60, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF \$50,000 SURETY BOND; PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$300,000/\$900,000 FOR PERSONAL INJURY AND \$5,000,000 FOR PROPERTY DAMAGE; FOR THE MAINTENANCE OF A WHARF AND APPURTENANCES ON THE LAND DESCRIBED IN EXHIBIT "C" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

Attachment:

Calendar Item 17 (5 pages)

CALENDAR ITEM

4/74
GRH
W 5267

17.

RENEWAL, AMENDMENT AND TERMINATION
OF INDUSTRIAL LEASE PRC 543.1; AND ISSUANCE
OF A REPLACEMENT LEASE

APPLICANT: Shell Oil Company.

AREA, TYPE LAND AND LOCATION:
A 19.265-acre parcel of tide and submerged land in Suisun
Bay at Martinez, Contra Costa County.

LAND USE: Maintenance of a wharf and appurtenances.

TERMS OF ORIGINAL LEASE:

Initial period: 15 years, from August 1, 1948.

Renewal options: 2 additional periods of 10 years each.

Surety bond: \$50,000.

Consideration: \$1,120.52 per annum.

TERMS OF LEASE DURING RENEWAL PERIOD:

20 years, from August 1, 1963, with one additional 10-year
renewal option.

Surety bond: \$50,000.

Public liability insurance:
\$300,000/\$900,000 for personal injury and
\$5,000,000 for property damage.

Consideration: \$10,729.90 per annum from August 1, 1963,
through February 28, 1966;
\$16,959.60 per annum from March 1, 1966,
through July 31, 1974.

TERMS OF PROPOSED REPLACEMENT LEASE:

15 years, from August 1, 1974.

Renewal options: 3 additional periods of 10 years each.

Surety bond: \$50,000.

Public liability insurance:
\$300,000/\$900,000 for personal injury and
\$5,000,000 for property damage.

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CALENDAR ITEM NO. 17. (CONTD)

CONSIDERATION: \$16,959.60 per annum, with the State reserving the right to fix a different rental on each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:
6% of appraised land value.

PREREQUISITE TERMS:
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, 2 and 10.

OTHER PERTINENT INFORMATION:

1. Minute Item 4, dated October 5, 1950, authorized the issuance to Shell Oil Company of a 15-year Industrial Lease from August 1, 1948, with a renewal option of two additional periods of ten years each; for the construction maintenance and operation of a wharf appurtenant to the Shell Oil Company Martinez Refinery. Inasmuch as the wharf is an existing facility that is maintained in an acceptable state of repair and there is no evidence of record showing injury to adjacent property, shoreline erosion, or other type of environmental degradation, an environmental impact report is not required pursuant to current environmental guidelines.
2. Upon expiration of the lease in 1963, Shell elected to exercise the renewal provision; however, final consummation of a renewal was held up pending negotiation of the annual rental to be charged during the renewal period. The rental negotiations carried through the first renewal period of 10 years. Shell Oil Company has now paid annual rental (retroactive to August 1, 1963) in accordance with current Commission policies.
3. The lease amendment decreases the leased premises from 58.88 acres to 13.06 acres for the period August 1, 1963, through February 28, 1966 (Exhibits "A" and "C"); and increases the leased area to 19.265 acres for the period March 1, 1966, through July 31, 1974 (Exhibits "B" and "D"); annual rental has been charged accordingly. Public liability insurance is added as a requirement. The change in lease area and annual rental charge was necessitated by substantial improvements and additions to the wharf facility by Shell. The improvements were completed around February, 1966.

CALENDAR ITEM NO. 17. (CONTD)

Shell Oil Company has requested that Lease PRC 543.1 be terminated effective July 31, 1974, to be replaced by a new lease with basically the same provisions. Shell has executed a renewal and amendment document covering the period August 1, 1963, through July 31, 1974, and remitted the retroactive rental, amounting to \$158,136.54.

- EXHIBITS:
- A. Land Description.
 - B. Location Map.
 - C. Land Description.
 - D. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL IMPACT REPORT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF PRC 21085; 14 CAL. ADM. CODE 15100, ET SEQ.; AND 2 CAL. ADM. CODE 2910.
2. AUTHORIZE THE FOLLOWING ACTION WITH RESPECT TO LEASE PRC 543.1:
 - A. THE ISSUANCE OF A 20-YEAR RENEWAL FROM AUGUST 1, 1963, WITH LESSEE'S RIGHT TO RENEW FOR ONE ADDITIONAL 10-YEAR PERIOD; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF \$10,729.90 FOR THE PERIOD AUGUST 1, 1963, THROUGH FEBRUARY 28, 1966; AND ANNUAL RENTAL IN THE AMOUNT OF \$16,959.60 FOR THE PERIOD MARCH 1, 1966, THROUGH JULY 31, 1974; AND
 - B. THE ISSUANCE OF AND AMENDMENT TO ADD PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF \$300,000/\$900,000 FOR PERSONAL INJURY AND \$5,000,000 FOR PROPERTY DAMAGE; AND TO CHANGE THE LAND DESCRIPTION TO THAT SHOWN IN EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF, FOR THE PERIOD AUGUST 1, 1963, THROUGH FEBRUARY 28, 1966; FOR THE PERIOD BEGINNING MARCH 1, 1966, TO JULY 31, 1974, THE LAND DESCRIPTION IS CHANGED TO THAT SHOWN IN EXHIBIT "C" ATTACHED AND BY REFERENCE MADE A PART HEREOF; PROVIDED THAT ALL OTHER TERMS AND CONDITIONS OF LEASE PRC 543.1 SHALL REMAIN IN FULL FORCE AND EFFECT.
 - C. APPROVE THE TERMINATION BY MUTUAL AGREEMENT WITH LESSEE OF LEASE PRC 543.1, EFFECTIVE JULY 31, 1974.
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Attachments: Exhibits "A" and "C"

EXHIBIT "A"

W 5267

A parcel of tide and submerged land adjacent to the south bank of Carquinez Strait in Contra Costa County; being described as follows:

BEGINNING at a point on the boundary between State submerged land and Shell Oil Company tidelands, as said boundary is shown upon a map entitled "Boundary of State Submerged Lands, Vicinity of Martinez" on file under Number 48615 in Volume 20, Licensed Surveyor's Map at page 14, Records of Contra Costa County, which bears N 4° 53' 18" E, 1397.98 feet from a brass cap in an iron pipe having Zone 3 California Coordinates of X = 1,530,983.14 and Y = 558,754.24, said monument being designated as "J.C. Number 1" and shown on the aforementioned map; thence from said point of beginning proceeding waterward N 7° 33' 31" W, 844.02 feet to a point on the U.S.E.D. bulkhead line as shown on a map of "Harbor Lines for Carquinez Strait", U.S. Engineers Office approved April 22, 1941; thence along said line S 58° 16' 45" W, 274.00 feet; thence leaving the bulkhead line

N 7° 33' 31" W, 800.00 feet;
S 49° 30' 22" W, 370.00 feet;
N 40° 29' 38" W, 210.00 feet;
N 49° 30' 22" E, 1200.00 feet;
S 40° 29' 38" E, 210.00 feet;
S 49° 30' 22" W, 448.75 feet;
S 7° 33' 31" E, 863.74 feet;

to the above-mentioned U.S.E.D. bulkhead line; thence along the bulkhead line S 58° 16' 45" W, 10.96 feet; thence leaving said line S 7° 33' 31" E, 839.24 feet to the above-mentioned boundary line; thence along said line S 54° 36' 29" W, 67.85 feet to the point of beginning.

The bearings and distances used in the above description are based on the California Coordinate System Zone 3.

END OF DESCRIPTION

EXHIBIT "C"

W 5267

A parcel of tide and submerged land lying in the bed of and adjacent to the south bank of Carquinez Strait, within the city limits of the City of Martinez, Contra Costa County, State of California, and being more particularly described as follows:

BEGINNING at a point on the boundary between State submerged land and Shell Oil Company tidelands, as said boundary is shown upon that certain map entitled "Boundary of State Submerged Lands, Vicinity of Martinez" as recorded under Number 48615 on June 14, 1962, in Volume 20 of Licensed Surveyor's Maps, page 14, Official Records of Contra Costa County; said point bears N 04° 53' 18" E, 1397.98 feet from a monument being a 3" diameter brass cap in concrete in iron pipe having coordinates of X = 1,530,983.14 and Y = 558,754.24; said monument being designated as J.C. Number 1, and shown on the aforementioned map; thence from said point of beginning proceeding waterward N 07° 33' 31" W, 844.02 feet to a point on the U.S.E.D. bulkhead line as shown on a map of "Harbor Lines for Carquinez Strait", U.S. Engineers Office, approved April 22, 1941; thence along said bulkhead line S 58° 16' 45" W, 274.00 feet; thence leaving said bulkhead line along the following 9 courses:

1. N 07° 33' 31" W, 930.00 feet;
2. S 58° 16' 45" W, 1210.00 feet;
3. N 31° 43' 15" W, 250.00 feet;
4. N 58° 16' 45" E, 2090.00 feet;
5. S 31° 43' 15" E, 250.00 feet;
6. S 58° 16' 45" W, 529.28 feet;
7. S 07° 33' 31" E, 930.02 feet;
8. S 58° 16' 45" W, 10.96 feet;
9. S 07° 33' 31" E, 839.24 feet to the above-

mentioned boundary line between the State and Shell Oil Company; thence along said boundary line S 54° 36' 29" W, 67.85 feet to the point of beginning.

The bearings and distances used in the above description are based upon the California Coordinate System, Zone 3.

END OF DESCRIPTION