

MINUTE ITEM

This Calendar Item No. C7
was approved as Minute Item
No. 7 by the State Lands
Commission by a vote of 3
to 0 at its 5/27/82
meeting.

CALENDAR ITEM

C 0 7

5/27/82
WP 1589
Marielle
PRC 1589

TERMINATION OF EXISTING LEASE AND
ISSUANCE OF REPLACEMENT LEASE

APPLICANT: Domtar Gypsum America, Inc.
1221 Broadway, Seventh Floor
Oakland, California 94612

AREA, TYPE LAND AND LOCATION:
A 7.49-acre parcel of tide and submerged
land, partially filled, in the San Joaquin
River, vicinity of Antioch, Contra Costa
County.

LAND USE: Operation and maintenance of an existing
wharf and appurtenances.

TERMS OF ORIGINAL LEASE PRC 1577.1:

Initial period: 15 years from November 7, 1955.

Renewal options: Two successive periods
of ten years each.

Surety bond: None.

Land area: 3.90 Acres.

Consideration: \$217.80 per annum.

Lessee: Kaiser Gypsum, Inc.

Commission approval: April 12, 1956, Minute
Item 47.

TERMS OF ORIGINAL LEASE PRC 1589.1:

Initial period: 15 years from December 1, 1955.

Renewal options: Two successive periods
of ten years each.

Surety bond: \$50,000.

Land area: 2.03 acres.

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CALENDAR ITEM NO. C 0 7 (CONTD)

Consideration: \$198 per annum.
Lessee: Kaiser Gypsum Company, Inc.
Commission approval: August 15, 1956,
Minute Item 40.

TERMS OF FIRST RENEWAL AND AMENDMENT PRC 1589.1:
(From December 1, 1970)

Surety bond: \$25,000.
Public liability insurance: \$500,000/\$1,000,000
for personal injury and
\$100,000 for property
damage.
Land area: 7.49 acres. (Includes
moorage area and land
formerly leased under
prior lease PRC 1577.1.)

Consideration: \$9,450 per annum, during
the first ten-year renewal
period, beginning December 1,
1970.

Basis for consideration:
0.063 (ten year rate)
of appraised value of
land.

Lessee: Kaiser Gypsum Company, Inc.
Commission approval: October 7, 1971,
Minute Item 6.

TERMS OF ASSIGNMENT OF LEASE (1978):

Assignor: Kaiser Gypsum Company, Inc.
Assignee: Domtar Gypsum America, Inc.
Effective date of assignment:
April 3, 1978.
Period: Two years, eight months
from April 3, 1978 through

CALENDAR ITEM NO. C O 7 (CONTD)

November 30, 1980.

Renewal options: One period of ten years.

Surety bond: \$25,000.

Public liability insurance: \$500,000/\$1,000,000
per occurrence for bodily
injury and \$100,000 for
property damage.

Land area: 7.49 acres.

Consideration: \$9,450 per annum.

Commission approval: June 22, 1978, Minute
Item 1.

TERMS OF PROPOSED REPLACEMENT LEASE:

Initial period: 20 years from December 1,
1980.

Surety bond: \$100,000.

Public liability insurance: \$500,000/\$1,000,000
per occurrence for bodily
injury and \$100,000 for
property damage.

CONSIDERATION: \$18,000 per annum with the State reserving
the right to fix a different rental on
each fifth anniversary of the lease.

BASIS FOR CONSIDERATION:

2 Cal. Adm. Code 2005, effective July 2,
1978, Register 78, No. 22; the Commission
regulation applicable to the beginning
date of the replacement lease.

PREREQUISITE TERMS, FEES AND EXPENSES:

Applicant is owner of upland.

Filing fee has been received.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

B. Cal. Adm. Code: Title 2, Div. 3.; Title 14,
Div. 6.

AB 884:

N/A.

CALENDAR ITEM NO. C 0 7 (CONTD)

OTHER PERTINENT INFORMATION:

1. Existing lease PRC 1589.1 includes land originally leased under PRC 1577.1. During the first renewal and amendment of PRC 1589.1, in 1971, the two leases were combined and an additional moorage strip was made a part of the demised property; thereafter, said property was identified solely as PRC 1589.1. The total land area components, as they exist today, are described below:

1955 - Original Lease 1577.1
3.90 Acres (bulkhead and fill)

1955 - Original Lease 1589.1
2.03 Acres (wharf)

1971 - Renewal and Amendment of PRC 1589.1
1.56 Acres (moorage addition)

Total area of Combined Leases
7.49 Acres (PRC 1589.1)

2. Staff proposes to terminate the existing lease and to replace it with a new lease which reflects current policies of the Commission. Domtar Gypsum America has agreed with this proposal.
3. Prior lease PRC 1577.1 provided for State retention of the bulkhead and fill in the 3.90 acres which that lease covered. The proposed replacement incorporates said provision.
4. An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2905, Class 1, which exempts an existing structure.
5. This project is situated on State land identified as possessing significant environmental values pursuant to P.R.C. 6370.1, and is classified in a use category, Class "B", which authorizes Limited Use.

CALENDAR ITEM NO. 007 (CONTD)

Staff review indicates that there will be no significant effect upon the identified environmental values. This is an existing facility for which no adverse comments have been received.

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

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN ENVIRONMENTAL DOCUMENT HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH DOCUMENT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21084, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2905; AND FIND THAT THE PROJECT IS CONSISTENT WITH ITS USE CLASSIFICATION.
2. APPROVE THE TERMINATION OF EXISTING LEASE PRC 1589.1, SUCH TERMINATION TO BE EFFECTIVE DECEMBER 1, 1980.
3. AUTHORIZE ISSUANCE TO DOMTAR GYPSUM AMERICA, INC. OF A 20-YEAR REPLACEMENT LEASE FROM DECEMBER 1, 1980; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$18,000, WITH THE STATE RESERVING THE RIGHT TO FIX A DIFFERENT RENTAL ON EACH FIFTH ANNIVERSARY OF THE LEASE; PROVISION OF A \$100,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE IN AMOUNTS OF \$500,000/\$1,000,000 PER OCCURRENCE FOR BODILY INJURY, AND \$100,000 FOR PROPERTY DAMAGE; PROVISION FOR STATE RETENTION OF BULKHEAD AND FILL, UPON TERMINATION OF THE LEASE; PROVIDED THAT THEY THEN SHALL BE IN GOOD ORDER AND REPAIR; FOR THE OPERATION AND MAINTENANCE OF AN EXISTING WHARF AND APPURTENANCES ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

EXHIBIT "A"

LAND DESCRIPTION

WP 1589

A parcel of tide and submerged land lying in the bed of the San Joaquin River, Contra Costa County, California, approximately one mile east of Antioch, California, more particularly described as follows:

COMMENCING at Sando R.M. 1, Zone 3, California Coordinate System, coordinates being X = 1,629,601.00 and Y = 553,227.08, said R.M. 1 being S 89° 41' 58" E, 220.67 feet from the intersection of the northerly R/W lines of Wilbur Avenue and Santa Fe Railroad; thence N 20° 43' 25.2" E, 1,092.22 feet to the intersection of the easterly line of Kaiser Gypsum Co. and the southerly or left bank of the San Joaquin River being the POINT OF BEGINNING; thence downstream along said left bank,

N 63° 02' 03" W	16.26 feet; thence
S 82° 43' 30" W	47.38 feet; thence
S 67° 17' 08" W	46.62 feet; thence
S 84° 52' 58" W	67.27 feet; thence
N 60° 01' 06" W	60.03 feet; thence
N 13° 14' 26" W	69.86 feet; thence
N 82° 02' 33" W	93.90 feet; thence
S 29° 44' 41" E	16.12 feet; thence
S 63° 04' 20" W	70.66 feet; thence
S 78° 57' 35" W	41.77 feet; thence
S 72° 26' 47" W	102.79 feet; thence
N 72° 21' 00" W	46.17 feet; thence
N 89° 07' 07" W	65.01 feet; thence
S 67° 56' 27" W	165.08 feet; thence
N 82° 37' 55" W	116.97 feet; thence
S 76° 10' 17" W	133.88 feet; thence
N 66° 40' 56" W	126.32 feet; thence
S 79° 06' 53" W	26.48 feet; thence
N 54° 33' 04" W	157.05 feet; thence
N 78° 20' 46" W	163.37 feet; thence
N 28° 51' 21" W	55.95 feet; thence
N 71° 33' 54" W	72.73 feet; thence
N 76° 04' 18" W	128.79 feet; thence
N 87° 07' 11" W	58.07 feet to a point on the west property line of Kaiser Gypsum; thence leaving said left bank of the San Joaquin River N 1° 23' 51" E, 34.46 feet; S 76° 14' 24" E, 233.09 feet; S 79° 06' 30" E, 349.98 feet; S 88° 38' 30" E, 205.06 feet; thence N 5° 13' 30" E, 123.95 feet; N 4° 34' 11" E, 70.00

CALENDAR PAGE	32
MINUTE PAGE	1190

feet; S 84° 46' 30" E, 972.84 feet to a point on the waterward extension of the easterly property line of Kaiser Gypsum Co.; thence along the easterly boundary S 4° 34' 11" W, 227.73 feet to the point of beginning.

END OF DESCRIPTION

REVIEWED JULY 15, 1980 BY TECHNICAL SERVICES UNIT, ROY MINNICK, SUPERVISOR.

CALENDAR PAGE	<u>33</u>
MINUTE PAGE	<u>1191</u>

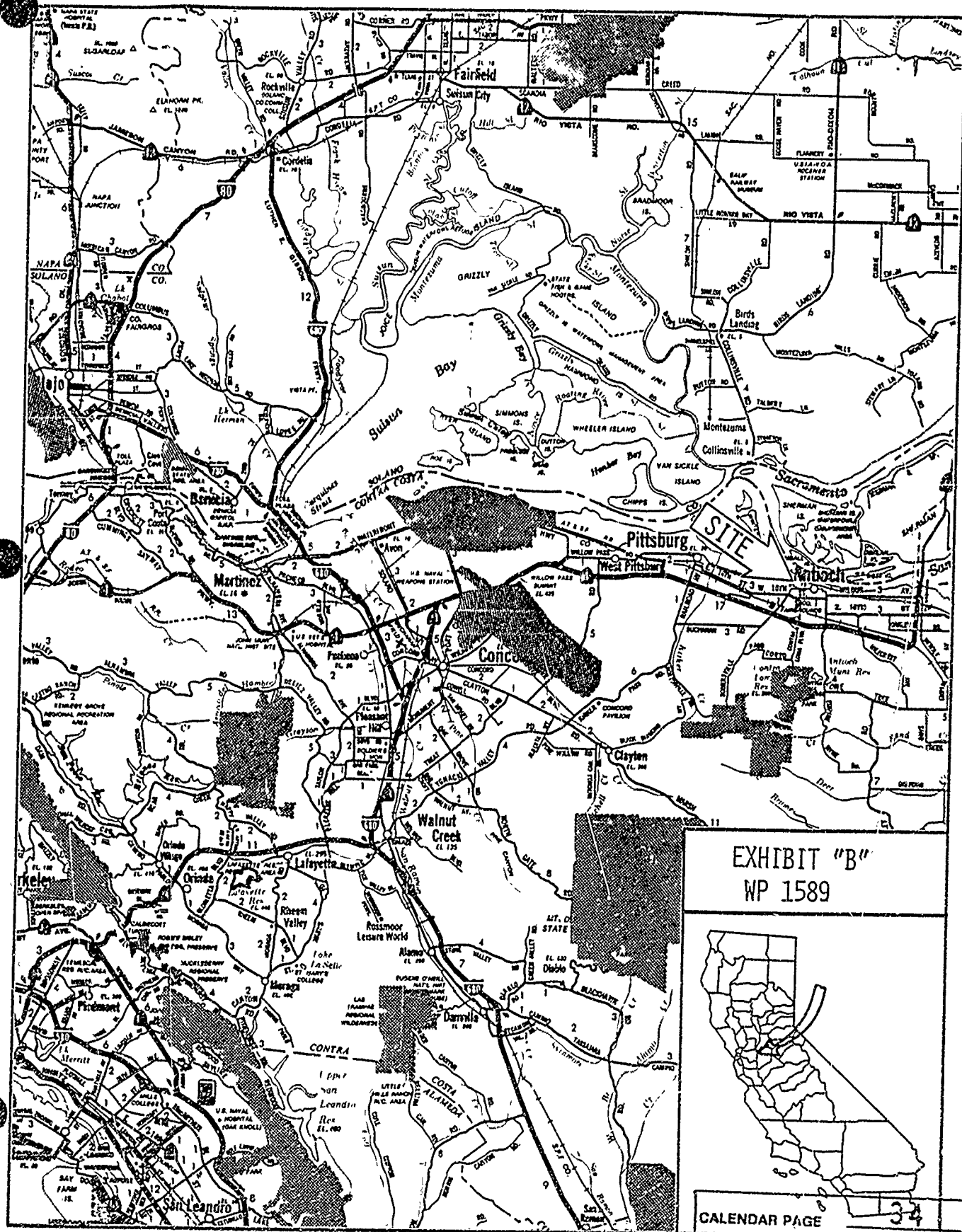


EXHIBIT "B"
WP 1589



CALENDAR PAGE 34
MINUTE PAGE 1192