

MINUTE ITEM

8. REQUEST FOR PERMISSION TO PROCEED WITH WHARF EXTENSION AND IMPROVEMENTS DURING PENDENCY OF NEGOTIATIONS FOR RENEWAL OF LEASE P.R.C. 187.1 AT MARTINEZ, CONTRA COSTA COUNTY; TIDEWATER OIL COMPANY - W.O. 5521, P.R.C. 187.1.

After consideration of Calendar Item 18 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ISSUE A PERMIT TO TIDEWATER OIL COMPANY TO PROCEED WITH CONSTRUCTION OF WHARF IMPROVEMENTS WITHIN THE AREA OF LEASE P.R.C. 187.1, PRIOR TO THE SIGNING OF A RENEWAL LEASE, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. THAT PERMISSION IS NOT TO BE CONSTRUED AS ENLARGING THE OPTION TO RENEW UNDER LEASE P.R.C. 187.1.
2. THAT TIDEWATER IS TO PAY THE FULL COSTS OF SUCH IMPROVEMENTS, TO HOLD THE STATE HARMLESS FROM ALL COSTS CONNECTED THEREWITH, AND TO INDEMNIFY THE STATE FOR ANY COSTS IT MIGHT INCUR, INCLUDING REASONABLE ATTORNEY'S FEES, FOR THE REMOVAL OF ANY CLAIMS OR LIENS RESULTING FROM SAID IMPROVEMENTS.
3. THAT MAINTENANCE, REPAIRS AND REMOVAL OF SAID IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE TERMS OF SAID EXPIRED LEASE OR ANY RENEWAL LEASE HEREAFTER EXECUTED.
4. THAT ALL IMPROVEMENTS SHALL BE CONSTRUCTED IN A GOOD AND WORKMANLIKE MANNER; AND THAT CONSTRUCTION SHALL BE COMPLETED WITHIN A REASONABLE TIME AFTER IT IS STARTED, AND SHALL COMPLY WITH ALL PERTINENT RULES, REGULATIONS AND STATUTES OF THE STATE LANDS COMMISSION AND OF THE STATE OF CALIFORNIA.
5. THAT THE FOREGOING APPROVAL IS NOT TO BE CONSTRUED AS MODIFYING OR AFFECTING IN ANY MANNER ANY OF THE TERMS OF THE LEASE OR RENEWAL OR EXTENSION THEREOF.

Attachment

Calendar Item 18 (2 pages)

CALENDAR ITEM

18.

REQUEST FOR PERMISSION TO PROCEED WITH WHARF EXTENSION AND IMPROVEMENTS DURING PENDENCY OF NEGOTIATIONS FOR RENEWAL OF LEASE P.R.C. 187.1 AT MARTINEZ, CONTRA COSTA COUNTY; TIDEWATER OIL COMPANY - W.O. 5521.

Tidewater Oil Company has requested permission to commence construction of wharf improvements at its Amorco Wharf, Carquinez Strait, in Martinez, Contra Costa County, prior to the actual signing of a renewal agreement for Lease P.R.C. 187.1.

The lease was originally issued December 19, 1946, for a 15-year period, with one 10-year renewal option.

The renewal of the lease has been delayed by differences of opinion between the State and the lessee as to the appraised value and consequent rental to be charged, and by a planned merger with Humble Oil & Refining Company, which has now been dropped. Tidewater has taken all necessary steps to renew said lease, except that no agreement has been reached on the amount of rental.

The Division and Tidewater have agreed to retain an independent appraiser (at no cost to the State) acceptable to both parties for the purpose of making an appraisal with the object of resolving differences.

The improvements, which will involve an expenditure in excess of \$500,000, are necessary to strengthen the existing wharf to accommodate the large tankers now in use, and provide a wharf extension which will permit the mooring of supertankers (see Exhibit "A").

The proposed improvements will be within the area of State lands to be included in the Renewal of Lease P.R.C. 187.1.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ISSUE A PERMIT TO TIDEWATER OIL COMPANY TO PROCEED WITH CONSTRUCTION OF WHARF IMPROVEMENTS WITHIN THE AREA OF LEASE P.R.C. 187.1, PRIOR TO THE SIGNING OF A RENEWAL LEASE, SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. THAT PERMISSION IS NOT TO BE CONSTRUED AS ENLARGING THE OPTION TO RENEW UNDER LEASE P.R.C. 187.1.
2. THAT TIDEWATER IS TO PAY THE FULL COSTS OF SUCH IMPROVEMENTS, TO HOLD THE STATE HARMLESS FROM ALL COSTS CONNECTED THEREWITH, AND TO INDEMNIFY THE STATE FOR ANY COSTS IT MIGHT INCUR, INCLUDING REASONABLE ATTORNEY'S FEES, FOR THE REMOVAL OF ANY CLAIMS OR LIENS RESULTING FROM SAID IMPROVEMENTS.
3. THAT MAINTENANCE, REPAIRS AND REMOVAL OF SAID IMPROVEMENTS SHALL BE IN ACCORDANCE WITH THE TERMS OF SAID EXPIRED LEASE OR ANY RENEWAL LEASE HEREAFTER EXECUTED.

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4. THAT ALL IMPROVEMENTS SHALL BE CONSTRUCTED IN A GOOD AND WORKMANLIKE MANNER; AND THAT CONSTRUCTION SHALL BE COMPLETED WITHIN A REASONABLE TIME AFTER IT IS STARTED, AND SHALL COMPLY WITH ALL PERTINENT RULES, REGULATIONS AND STATUTES OF THE STATE LANDS COMMISSION AND OF THE STATE OF CALIFORNIA.
5. THAT THE FOREGOING APPROVAL IS NOT TO BE CONSTRUED AS MODIFYING OR AFFECTING IN ANY MANNER ANY OF THE TERMS OF THE LEASE OR RENEWAL OR EXTENSION THEREOF.