

MINUTE ITEM

This Calendar Item No. C40 was approved as Minute Item No. 40 by the California State Lands Commission by a vote of 3 to 0 at its 5/12/97 meeting.

**CALENDAR ITEM
C40**

A 8, 11, 13

05/12/97

PRC 5733.1

S 3, 4, 7

PRC 5871.1

H. Maricle

AMENDMENT OF LEASES

LESSEE:

Bell Marine Company, Inc.
775 Seaport Blvd.
Redwood City, California 94063

AREA, LAND TYPE, AND LOCATION:

Lease No. PRC 5733; 474 acres, more or less, of submerged lands in Carquinez Strait, Solano and Contra Costa counties.

Lease No. PRC 5871; 420.9 acres, more or less, of submerged lands in San Francisco Bay, San Francisco County.

AUTHORIZED USE:

Sand and gravel extraction operations. (Both leases)

CURRENT LEASE TERM:

Five years, beginning May 1, 1993. (Both leases)

CONSIDERATION:

Land Rent:

\$2.00 per acre per annum. (Both leases)

Royalty:

Twenty-three percent of the weighted average sale price per cubic yard. (Both leases)

PROPOSED AMENDMENT:

Lessee has requested a change in the beginning date of both leases, Lease Nos. PRC 5733.1 and PRC 5871.1, to May 23, 1995. Staff recommends a change in the production reporting and royalty payment requirements of the leases from a monthly schedule to a quarterly schedule, commencing with the quarter beginning July 1, 1996. All other terms and conditions of the lease shall remain in effect, without amendment.

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OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15025), the staff prepared a Proposed Negative Declaration (ND), identified as California State Lands Commission, CSLC ND 572, State Clearinghouse No. 91113030. Such ND was prepared and circulated for public review pursuant to the provisions of CEQA. The Commission adopted the ND at its meeting of January 8, 1992.
2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370, et seq. Based upon staff's consultation with the persons nominating such lands, and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.
3. The Lessee has requested that the leases be amended to provide that the beginning date be effective as of May 23, 1995. The staff has reviewed the request and concurs with the Lessee. After the leases were issued, the Lessee initiated applications for the permits of other agencies as required by the provisions of the Commission's leases, but encountered delays in the process. Permits were issued in due course by: a) the San Francisco Bay and Conservation Commission on May 23, 1995; b) the United States Army Corps of Engineers on July 14, 1995; and c) the California Regional Water Control Board on August 16, 1995. The Lessee informed the staff that the delays were the result of a Corps of Engineers moratorium on the acceptance of any applications for new sand and gravel permits because of federal interagency concerns relating to the Delta Smelt. The concerns were eventually resolved and the Corps of Engineers permit was issued on July 14, 1995, as indicated above.
4. In addition to amending the beginning date of the leases, the staff proposes two other changes to bring the leases into compliance with current policy, and the Lessee concurs. The proposed changes are as follows:
 - A) The leases currently require that the Lessee submit monthly extraction reports and royalty payments. It is recommended that the leases be amended to require quarterly reports and royalty payments.

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- B) For ease of administration and record-keeping, it is recommended that the first quarterly report and payment be due on October 25, 1996, to cover the quarter beginning July 1, 1996 through September 30, 1996, and that subsequent reports and payments be due on the 25th of the month following the quarterly ending date of successive quarterly periods.
5. Informal consultations by the staff with the California Department of Fish and Game, and with the San Francisco Bay Conservation and Development Commission, indicate that the environmental information contained in ND No. 572, SCH No. 91113030, is still valid. Staff therefore proposes to continue to rely on the previously adopted ND.

EXHIBIT:

Location Maps

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CERTIFY THAT A NEGATIVE DECLARATION CSLC NO. 572, STATE CLEARINGHOUSE NO. 91113030 WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA ON JANUARY 8, 1992, AND THAT THE INFORMATION CONTAINED THEREIN REMAINS VALID.

SIGNIFICANT LANDS INVENTORY FINDING:

FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED BY THE COMMISSION FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET SEQ.

AUTHORIZATION:

AUTHORIZE AMENDMENT OF LEASE NOS. PRC 5733.1 AND PRC 5871.1, TO BELL MARINE CO. INC., INCORPORATING THE FOLLOWING MODIFICATIONS:

CALENDAR ITEM NO. C40 (CONT'D)

- A) A CHANGE IN THE COMMENCEMENT DATE FROM MAY 1, 1993 TO MAY 23, 1995; AND
- B) AGREEMENT THAT THE LESSEE SHALL SUBMIT EXTRACTION REPORTS AND ROYALTY PAYMENTS ON A QUARTERLY BASIS, INSTEAD OF ON A MONTHLY BASIS; AND
- C) A PROVISION THAT THE FIRST QUARTERLY REPORT AND ROYALTY PAYMENT, FOR THE PERIOD EXTENDING FROM JULY 1, 1996 THROUGH SEPTEMBER 30, 1996, SHALL BE DUE ON OCTOBER 25, 1996; AND THAT SUBSEQUENT REPORTS AND PAYMENTS SHALL BE DUE ON THE 25TH DAY OF THE MONTH FOLLOWING THE QUARTERLY ENDING DATE OF SUCCESSIVE QUARTERLY PERIODS.

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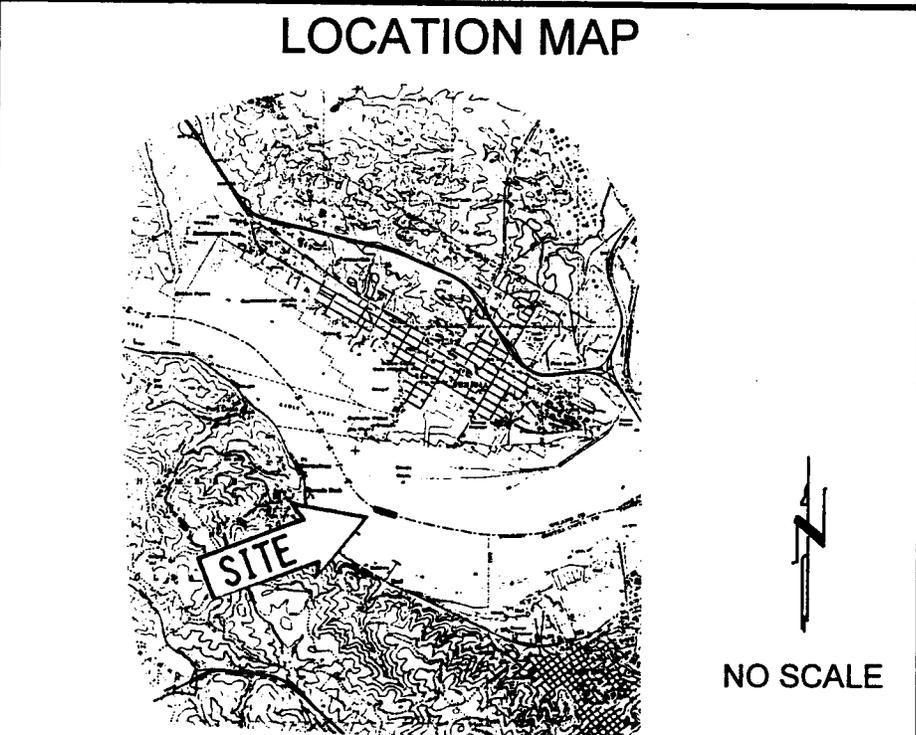
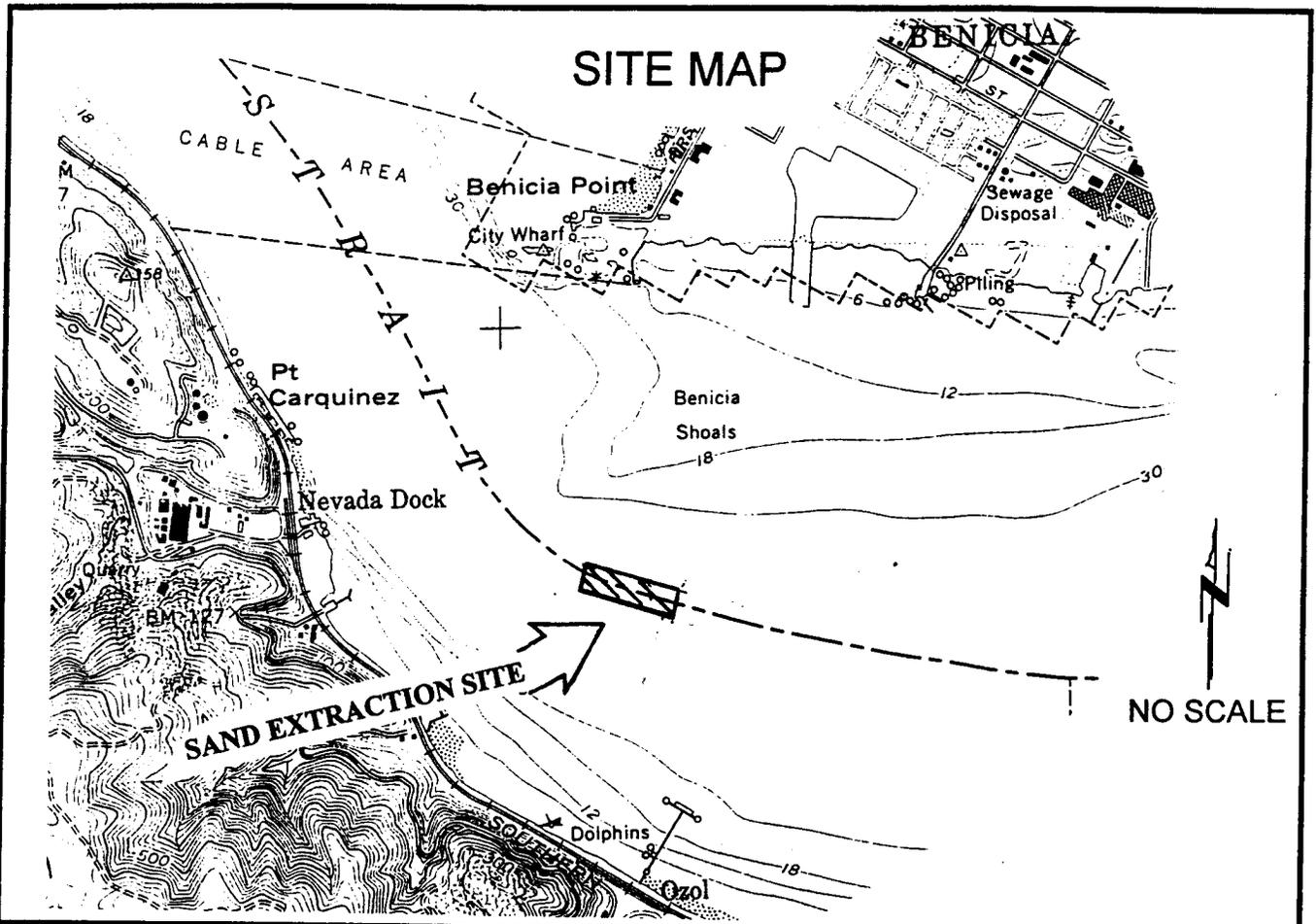


EXHIBIT "A"

PRC 5733

Dredging Application

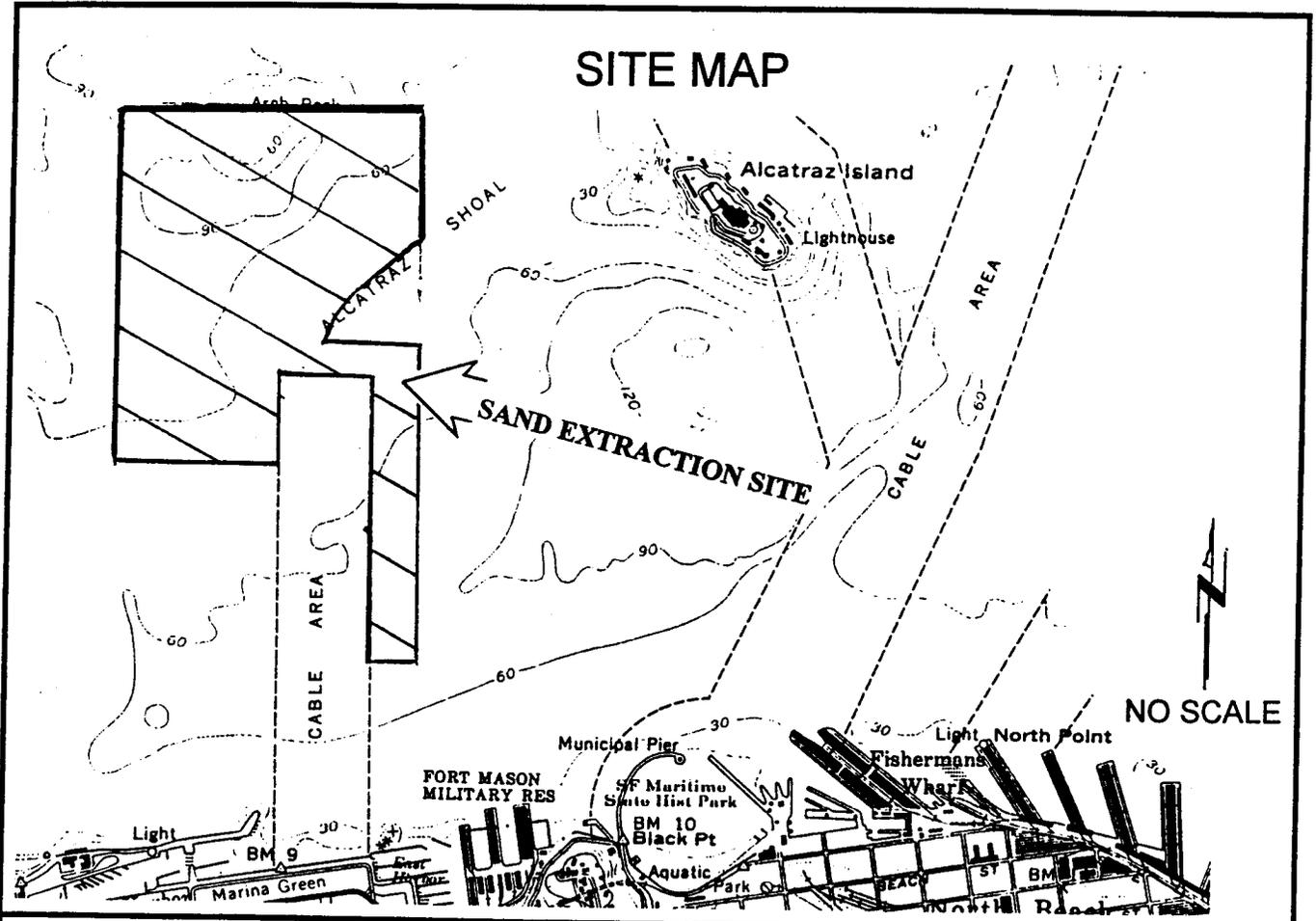
Carquinez Strait

Contra Costa and Solano Counties



This Exhibit is solely for purposes of generally defining the lease premises, and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

SITE MAP



LOCATION MAP

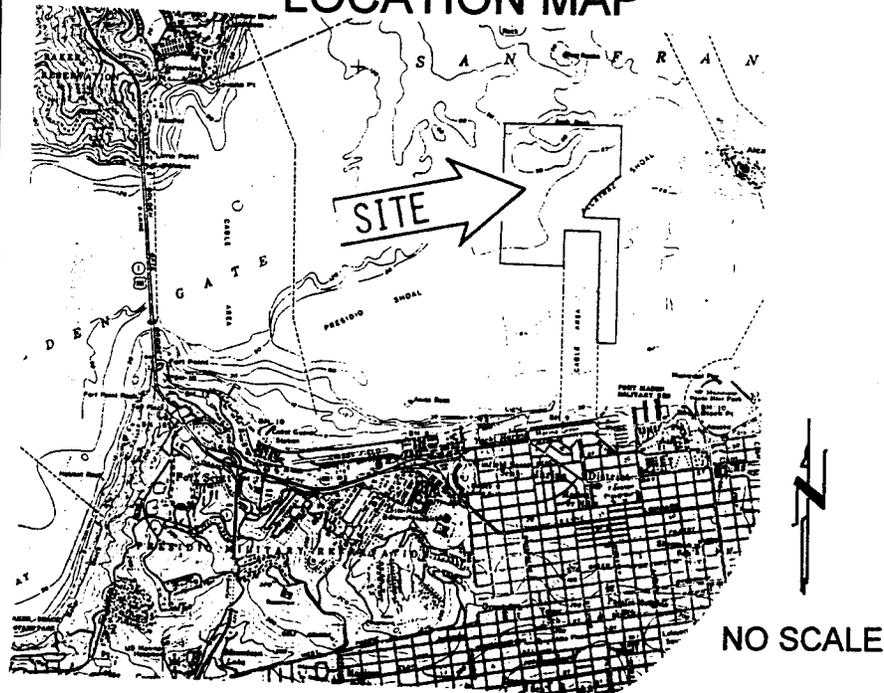


EXHIBIT "A"

PRC 5871

Dredging Application

San Francisco Bay

Vicinity of

Alcatraz Shoals

San Francisco County



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