

MINUTE ITEM

This Calendar Item No. ~~C33~~ was approved as Minute Item No. 33 by the California State Lands Commission by a vote of 3 to ~~0~~ at its 6-19-98 meeting.

CALENDAR ITEM

C33

A 6, 8, 11, 13

06/19/98

PRCs 709.1, 2036.1, 5733.1,
5871.1, 7779.1, 7780.1, 7781.1

S 2, 3, 4, 7

L. FIACK

TERMINATION AND REPLACEMENT OF COMMERCIAL SAND AND GRAVEL LEASES; SAN FRANCISCO BAY, CARQUINEZ STRAIT, SUISUN BAY AND SAN JOAQUIN RIVER; MARIN, CONTRA COSTA, SOLANO, SAN FRANCISCO AND SACRAMENTO COUNTIES.

LESSEES:

Olin Jones Sand Company
1725 Marina Vista
Martinez, California 94553

Moe Sand Company
4501 Tidewater Avenue
Oakland, California 94601

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

Suisun Associates, A Joint Venture
c/o Olin Jones Sand Company
1725 Marina Vista
Martinez, California 94553

AREA, LAND TYPE, AND LOCATION OF EXISTING LEASES:

An aggregate of 4,636 acres, more or less, of submerged lands in San Francisco Bay, Carquinez Strait, Suisun Bay and the San Joaquin River; Marin, Contra Costa, Solano, San Francisco and Sacramento Counties.

CURRENTLY AUTHORIZED USES, EXISTING LEASES:

Commercial sand and gravel extraction operations.

EXISTING LEASE PROVISIONS:

The specific provisions contained in each existing lease vary but generally they are as follows: 5-10 year term; 10%-24% royalty rate; \$0.55/\$0.65 per cubic

CALENDAR ITEM NO. C33 (CONT'D)

yard minimum royalty; liability insurance in the amount of \$1,000,000; annual land rent at \$2 per acre; minimum annual royalty from \$16,250-\$175,500, depending on the amount of sand authorized to be dredged; and surety bond sufficient to cover payment of the minimum royalty due;

PROPOSED LEASE PROVISIONS:

1. The lease provisions will be standardized by providing: A 10-year lease term commencing July 1, 1998, with one 10-year renewal; a 23% royalty rate; \$0.65 per cubic yard minimum royalty (may be increased by no more than 15% each fifth anniversary, including lease renewals); liability insurance in the amount of \$1,000,000, and a separate policy for the protection of water quality and the environment; annual land rent at \$2 per acre; minimum biannual royalty; and a bond in the amount that reflects the minimum biannual royalty plus one half of the annual rent.
2. The specific minimum biannual royalty, amount of bond, and the annual land rent for each lease will be as follows:

LEASE	MINIMUM BIANNUAL ROYALTY	BOND	RENT
PRC 709.1	\$87,750	\$88,650	\$1,800
PRC 2036.1	\$16,250	\$16,482	\$ 464
PRC 5733.1	\$ 8,125	\$ 8,599	\$ 948
PRC 5871.1	\$ 8,125	\$ 8,599	\$ 948
PRC 7779.1	\$48,750	\$50,044	\$2,588
PRC 7780.1	\$36,750	\$37,074	\$ 648
PRC 7781.1	\$20,750	\$21,688	\$1,876

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 Negative Declarations identified as ND 426, SCH No. 87101301; ND 572, SCH No. 94043038; and, ND 655, SCH No. 94052019. Such Negative Declarations were prepared and circulated for public review pursuant to the provisions of the CEQA.

Based upon the original Negative Declarations, the comments received in response thereto, and recent informal consultations by California State Lands Commission staff with the California Department of Fish and Game

CALENDAR ITEM NO. C33 (CONT'D)

and the San Francisco Bay Conservation and Development Commission, staff believes the information contained therein remains valid for the consideration of the proposed leases.

- 2 This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. Based upon the 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.

EXHIBIT:

- A. Site and Location Maps

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

CERTIFY THAT CALIFORNIA STATE LANDS COMMISSION NEGATIVE DECLARATIONS, IDENTIFIED AS ND 426, SCH NO. 87101301; ND 572, SCH NO. 91113030; ND 576, SCH NO. 91123064; ND 649, SCH NO. 94043037; ND 650, SCH NO. 94043038; AND, ND 655, SCH NO. 94052019, WERE PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF THE CEQA, WERE ADOPTED BY THE CALIFORNIA STATE LANDS COMMISSION, AND THAT THE INFORMATION CONTAINED THEREIN REMAINS VALID FOR THE CONSIDERATION OF THE PROPOSED LEASES.

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:

APPROVE THE TERMINATION OF EXISTING LEASES PRC 709.1, PRC 2036.1, PRC 5733.1, PRC 5871.1, PRC 7779.1, PRC 7780.1 AND PRC 7781.1, AND THE ISSUANCE OF NEW LEASES FOR THE LANDS

CALENDAR ITEM NO. C33 (CONT'D)

DESCRIBED IN EXHIBIT "A" ATTACHED AND BY THIS REFERENCE MADE A PART HEREOF, AND THE TERMS AND CONDITIONS SUMMARIZED BELOW AND MORE PARTICULARLY SET FORTH IN THE LEASES ON FILE WITH THE COMMISSION:

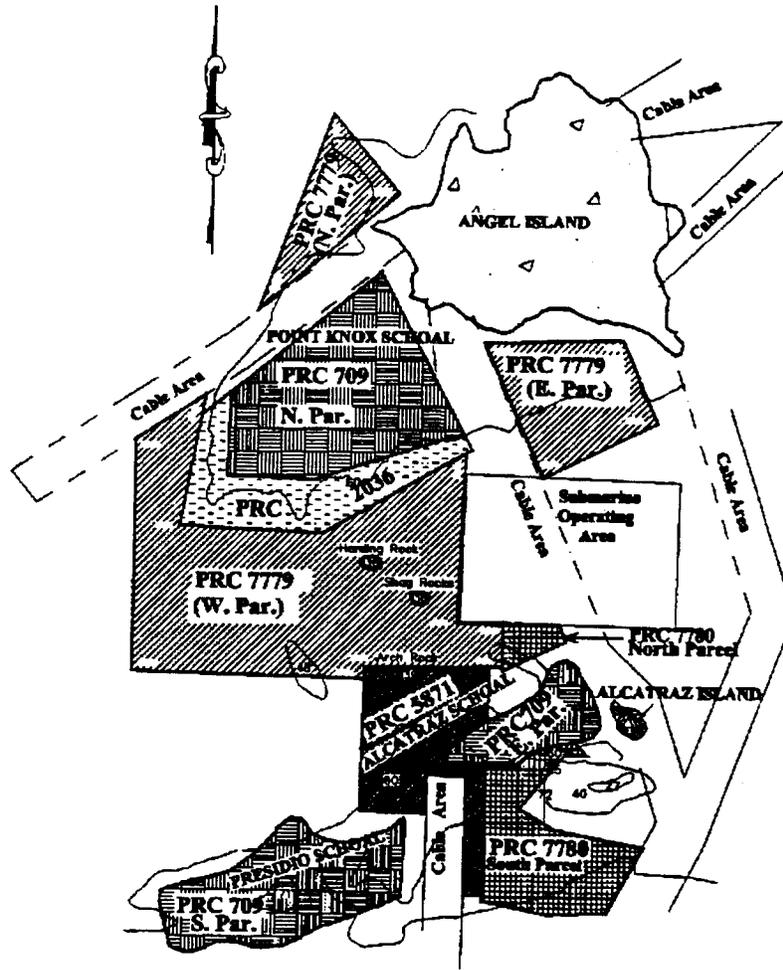
- A) A TEN-YEAR TERM BEGINNING JULY 1, 1998, WITH THE LESSEE'S RIGHT TO RENEW THE LEASE FOR AN ADDITIONAL TEN YEARS, UPON SUCH REASONABLE TERMS AND CONDITIONS AS THE COMMISSION MAY IMPOSE;
- B) THE MINIMUM ROYALTY AND LAND RENT AS SET FORTH IN THE MINERAL EXTRACTION LEASE;
- C) A 23% ROYALTY RATE;
- D) BIENNIAL ROYALTY PAYMENTS;
- E) SURETY BOND IN THE AMOUNT SPECIFIED IN THE LEASE;
- F) NO MORE THAN 15% INCREASE IN THE MINIMUM UNIT ROYALTY RATE EFFECTIVE EACH FIFTH ANNIVERSARY, INCLUDING LEASE RENEWALS;
- G) SAND REPLENISHMENT MONITORING SURVEYS TO BE COMPLETED AND PRESENTED TO THE CALIFORNIA STATE LANDS COMMISSION.
- H) LIABILITY INSURANCE IN THE AMOUNT OF \$1,000,000 WITH THE STATE NAMED AS AN ADDITIONAL INSURED, AND A SEPARATE POLICY FOR PROTECTION OF WATER QUALITY AND THE ENVIRONMENT IN THE AMOUNT SPECIFIED IN THE LEASE.

CALENDAR ITEM NO. C33 (CONT'D)

- I) THE AUTHORIZED ACTIVITY IS CONTINGENT UPON APPLICANT'S COMPLIANCE WITH APPLICABLE PERMITS, RECOMMENDATIONS, OR LIMITATIONS ISSUED BY FEDERAL, STATE AND LOCAL GOVERNMENTS.

NO SCALE

SITE MAP



Sand Extraction Leases Vicinity Alcatraz & Angel Islands

NO SCALE

LOCATION MAP

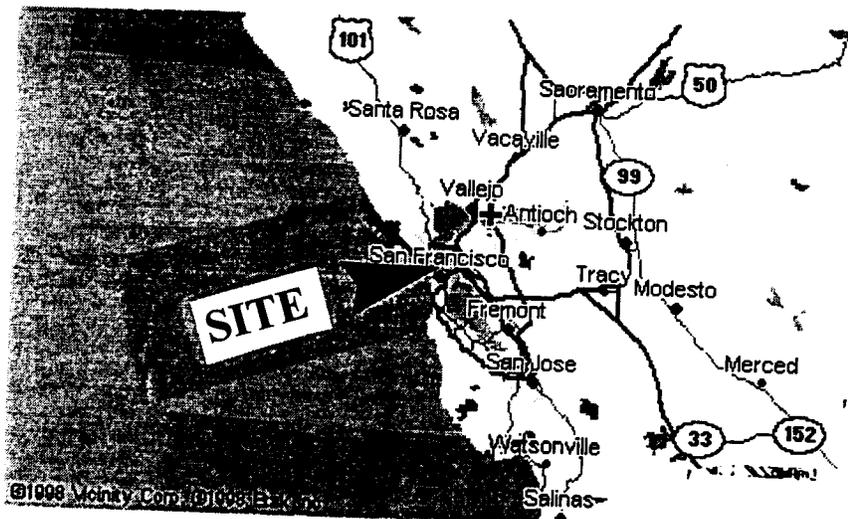


Exhibit A-1
 PRC 709 PRC 2036, PRC 5871
 PRC 7779, PRC 7780
 San Francisco Bay
 SAN FRANCISCO and
 MARIN COUNTIES
 Sheet 1 of 2



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.

CALENDAR PAGE	167
MINUTE PAGE	008390

NO SCALE

SITE MAP

LEASE LOCATIONS

1983 DATUM (WGS84)		
PT#	N. Lat. / W. Long.	
1300	Latitude 37-48-48 Longitude 122-26-36	S. PARCEL
1301	Latitude 37-48-48 Longitude 122-26-36	
1302	Latitude 37-48-48 Longitude 122-26-36	
1303	Latitude 37-48-48 Longitude 122-26-36	
1304	Latitude 37-48-48 Longitude 122-26-36	
1305	Latitude 37-48-48 Longitude 122-26-36	
1306	Latitude 37-48-48 Longitude 122-26-36	
1307	Latitude 37-48-48 Longitude 122-26-36	
1308	Latitude 37-48-48 Longitude 122-26-36	
1309	Latitude 37-48-48 Longitude 122-26-36	
1310	Latitude 37-48-48 Longitude 122-26-36	
1311	Latitude 37-48-48 Longitude 122-26-36	E. PARCEL
1312	Latitude 37-48-48 Longitude 122-26-36	
1313	Latitude 37-48-48 Longitude 122-26-36	
1314	Latitude 37-48-48 Longitude 122-26-36	
1315	Latitude 37-48-48 Longitude 122-26-36	
1316	Latitude 37-48-48 Longitude 122-26-36	
1317	Latitude 37-48-48 Longitude 122-26-36	
1318	Latitude 37-48-48 Longitude 122-26-36	
1319	Latitude 37-48-48 Longitude 122-26-36	
1320	Latitude 37-48-48 Longitude 122-26-36	
1321	Latitude 37-48-48 Longitude 122-26-36	S. PARCEL
1322	Latitude 37-48-48 Longitude 122-26-36	
1323	Latitude 37-48-48 Longitude 122-26-36	
1324	Latitude 37-48-48 Longitude 122-26-36	
1325	Latitude 37-48-48 Longitude 122-26-36	
1326	Latitude 37-48-48 Longitude 122-26-36	
1327	Latitude 37-48-48 Longitude 122-26-36	
1328	Latitude 37-48-48 Longitude 122-26-36	
1329	Latitude 37-48-48 Longitude 122-26-36	
1330	Latitude 37-48-48 Longitude 122-26-36	
1331	Latitude 37-48-48 Longitude 122-26-36	E. PARCEL
1332	Latitude 37-48-48 Longitude 122-26-36	
1333	Latitude 37-48-48 Longitude 122-26-36	
1334	Latitude 37-48-48 Longitude 122-26-36	
1335	Latitude 37-48-48 Longitude 122-26-36	
1336	Latitude 37-48-48 Longitude 122-26-36	
1337	Latitude 37-48-48 Longitude 122-26-36	
1338	Latitude 37-48-48 Longitude 122-26-36	
1339	Latitude 37-48-48 Longitude 122-26-36	
1340	Latitude 37-48-48 Longitude 122-26-36	
1341	Latitude 37-48-48 Longitude 122-26-36	S. PARCEL
1342	Latitude 37-48-48 Longitude 122-26-36	
1343	Latitude 37-48-48 Longitude 122-26-36	
1344	Latitude 37-48-48 Longitude 122-26-36	
1345	Latitude 37-48-48 Longitude 122-26-36	
1346	Latitude 37-48-48 Longitude 122-26-36	
1347	Latitude 37-48-48 Longitude 122-26-36	
1348	Latitude 37-48-48 Longitude 122-26-36	
1349	Latitude 37-48-48 Longitude 122-26-36	
1350	Latitude 37-48-48 Longitude 122-26-36	

PRC 2036

1983 DATUM (WGS84)		
PT#	N. Lat. / W. Long.	
1400	Latitude 37-50-57 Longitude 122-27-30	
1401	Latitude 37-50-57 Longitude 122-27-31	
1402	Latitude 37-50-57 Longitude 122-27-32	
1403	Latitude 37-50-57 Longitude 122-27-33	
1404	Latitude 37-50-57 Longitude 122-27-34	
1405	Latitude 37-50-57 Longitude 122-27-35	
1406	Latitude 37-50-57 Longitude 122-27-36	
1407	Latitude 37-50-57 Longitude 122-27-37	

PRC 7779 E. PARCEL

1983 Datum(WGS84)		
PT#	N. Lat./W. Longs.	
1514	Latitude 37-51-11 Longitude 122-28-08	
1515	Latitude 37-50-33 Longitude 122-27-49	
1516	Latitude 37-50-24 Longitude 122-27-13	
1517	Latitude 37-50-13 Longitude 122-27-25	

PRC 7780 N. PARCEL

1983 Datum(WGS84)		
PT#	N. Lat./W. Longs.	
1508	Latitude 37-49-38 Longitude 122-26-00	
7781	Latitude 37-49-47 Longitude 122-26-00	
7782	Latitude 37-49-55 Longitude 122-26-40	
7783	Latitude 37-49-59 Longitude 122-26-47	

PRC 5871

1983 DATUM (WGS84)		
PT#	N. Lat. / W. Long.	
1000	Latitude 37-49-47 Longitude 122-26-04	
4000	Latitude 37-49-48 Longitude 122-26-04	
4001	Latitude 37-49-54 Longitude 122-26-04	
1003	Latitude 37-49-54 Longitude 122-26-05	
1004	Latitude 37-49-53 Longitude 122-26-07	
1005	Latitude 37-49-20 Longitude 122-26-12	
1006	Latitude 37-49-20 Longitude 122-26-18	
1008	Latitude 37-49-23 Longitude 122-26-17	
4002	Latitude 37-49-23 Longitude 122-26-04	
4003	Latitude 37-49-48 Longitude 122-26-10	
1011	Latitude 37-49-48 Longitude 122-26-10	
1012	Latitude 37-49-20 Longitude 122-26-10	
1013	Latitude 37-49-20 Longitude 122-26-23	
1014	Latitude 37-49-10 Longitude 122-26-23	
1015	Latitude 37-49-10 Longitude 122-26-44	

PRC 7780 S. PARCEL

1983 Datum(WGS84)		
PT#	N. Lat./W. Longs.	
1232	Latitude 37-49-29 Longitude 122-25-38	
1233	Latitude 37-49-29 Longitude 122-25-39	
1234	Latitude 37-49-28 Longitude 122-25-42	
1235	Latitude 37-49-28 Longitude 122-25-43	
1237	Latitude 37-49-27 Longitude 122-25-47	
1238	Latitude 37-49-28 Longitude 122-25-50	
1239	Latitude 37-49-25 Longitude 122-25-52	
1241	Latitude 37-49-23 Longitude 122-26-23	
1241	Latitude 37-49-23 Longitude 122-26-23	
7784	Latitude 37-49-23 Longitude 122-26-04	
7785	Latitude 37-49-48 Longitude 122-26-04	
7800	Latitude 37-49-48 Longitude 122-26-24	
7779	Latitude 37-49-03 Longitude 122-26-13	
7780	Latitude 37-49-07 Longitude 122-26-43	
7781	Latitude 37-49-12 Longitude 122-26-53	
7796	Latitude 37-49-28 Longitude 122-26-39	
7795	Latitude 37-49-28 Longitude 122-26-32	

PRC 7779 N. PARCEL

1983 Datum(WGS84)		
PT#	N. Lat./W. Longs.	
1500	Latitude 37-51-18 Longitude 122-27-00	
1501	Latitude 37-51-18 Longitude 122-27-23	
1502	Latitude 37-51-08 Longitude 122-26-36	

PRC 7779 W. PARCEL

1983 Datum(WGS84)		
PT#	N. Lat./W. Longs.	
1503	Latitude 37-50-56 Longitude 122-27-38	
1504	Latitude 37-50-44 Longitude 122-28-00	
1505	Latitude 37-49-44 Longitude 122-28-00	
1506	Latitude 37-49-44 Longitude 122-28-44	
1507	Latitude 37-49-44 Longitude 122-28-00	
1508	Latitude 37-49-44 Longitude 122-28-00	
1509	Latitude 37-49-44 Longitude 122-28-00	
1510	Latitude 37-49-44 Longitude 122-28-15	
1511	Latitude 37-50-43 Longitude 122-28-15	
1512	Latitude 37-50-21 Longitude 122-28-58	
1513	Latitude 37-50-22 Longitude 122-27-45	

Sand Extraction Leases Vicinity Alcatraz & Angel Islands

NO SCALE

LOCATION MAP

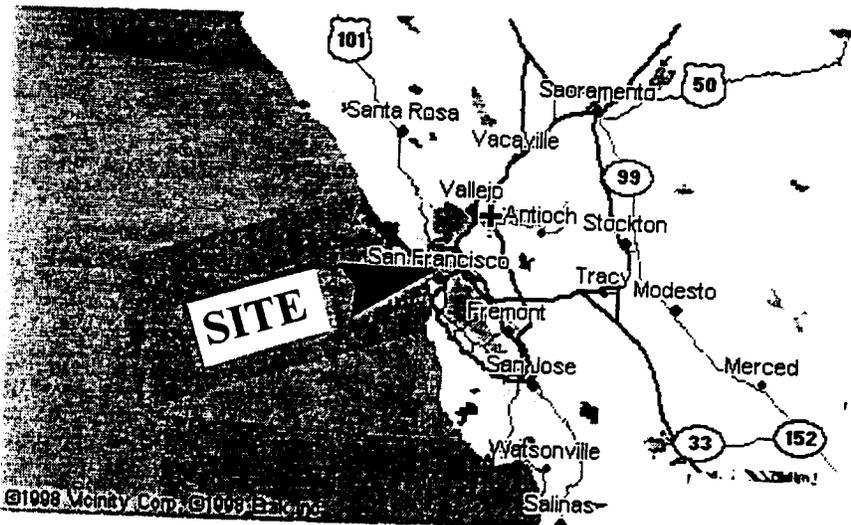
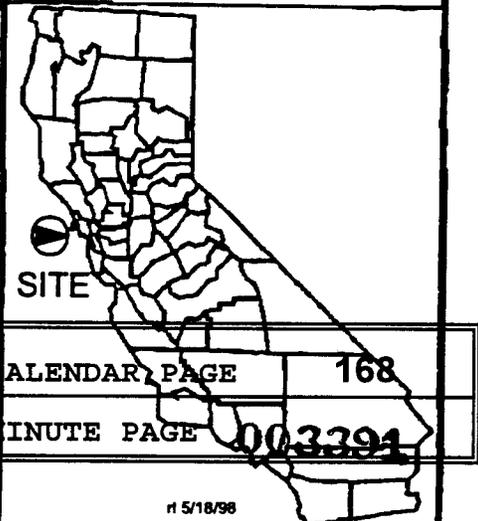


Exhibit A-1

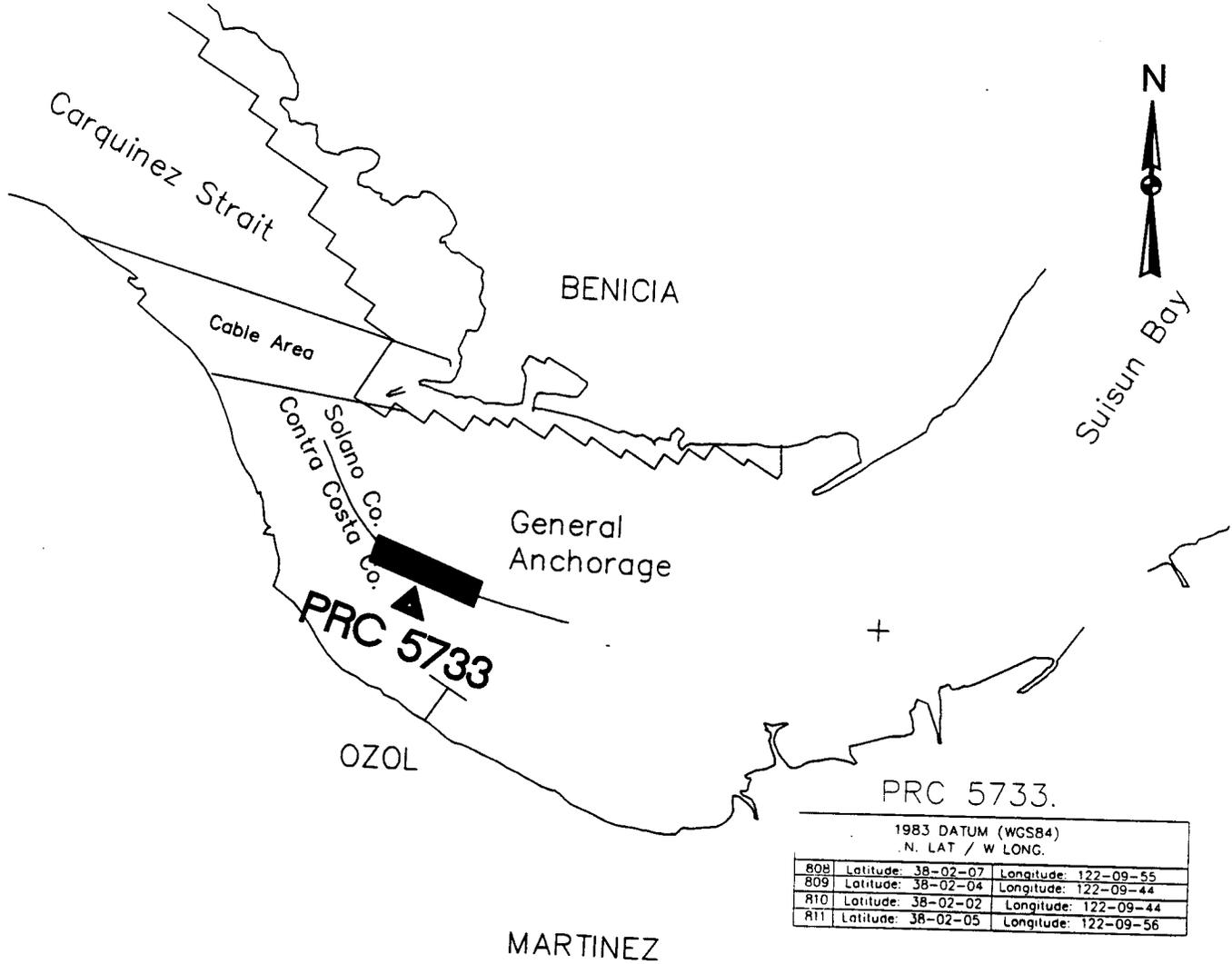
PRC 709 PRC 2036, PRC 5871
 PRC 7779, PRC 7780
 San Francisco Bay
 SAN FRANCISCO and
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 Sheet 2 of 2



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NO SCALE

SITE MAP



1983 DATUM (WGS84)
N. LAT / W LONG.

808	Latitude: 38-02-07	Longitude: 122-09-55
809	Latitude: 38-02-04	Longitude: 122-09-44
810	Latitude: 38-02-02	Longitude: 122-09-44
811	Latitude: 38-02-05	Longitude: 122-09-56

NO SCALE

LOCATION MAP

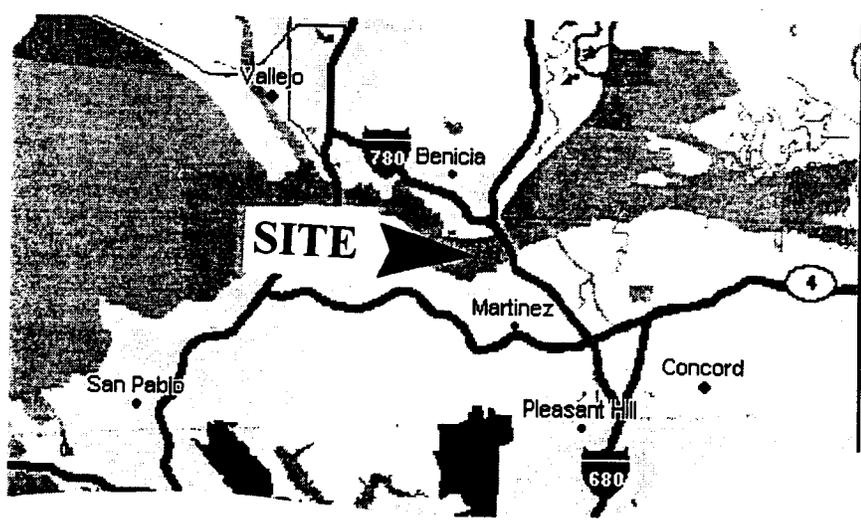
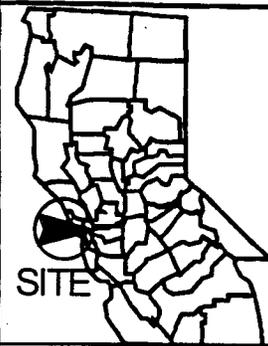


Exhibit A-2
PRC 5733
Carquinez Straits
SOLANO and CONTRA
COSTA COUNTIES



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CALENDAR PAGE	169
MINUTE PAGE	003392

NO SCALE

SITE MAP

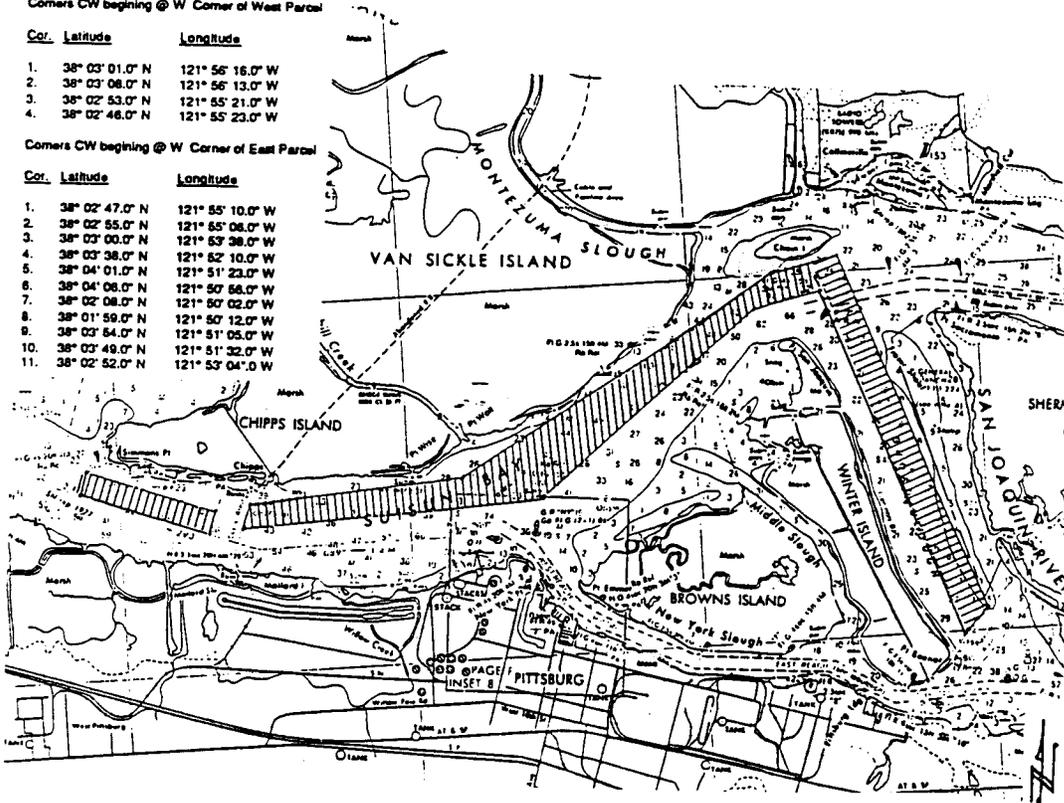


Corners CW beginning @ W Corner of West Parcel

Cor.	Latitude	Longitude
1.	38° 03' 01.0" N	121° 55' 16.0" W
2.	38° 03' 08.0" N	121° 56' 13.0" W
3.	38° 02' 53.0" N	121° 55' 21.0" W
4.	38° 02' 46.0" N	121° 55' 23.0" W

Corners CW beginning @ W Corner of East Parcel

Cor.	Latitude	Longitude
1.	38° 02' 47.0" N	121° 55' 10.0" W
2.	38° 02' 55.0" N	121° 55' 08.0" W
3.	38° 03' 00.0" N	121° 53' 38.0" W
4.	38° 03' 38.0" N	121° 52' 10.0" W
5.	38° 04' 01.0" N	121° 51' 23.0" W
6.	38° 04' 08.0" N	121° 50' 58.0" W
7.	38° 02' 08.0" N	121° 50' 02.0" W
8.	38° 01' 59.0" N	121° 50' 12.0" W
9.	38° 03' 54.0" N	121° 51' 05.0" W
10.	38° 03' 49.0" N	121° 51' 32.0" W
11.	38° 02' 52.0" N	121° 53' 04.0" W



NO SCALE

LOCATION MAP

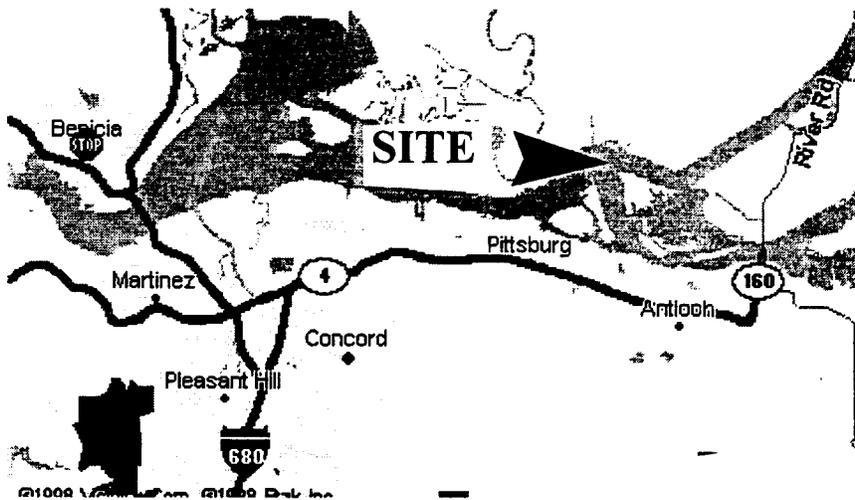
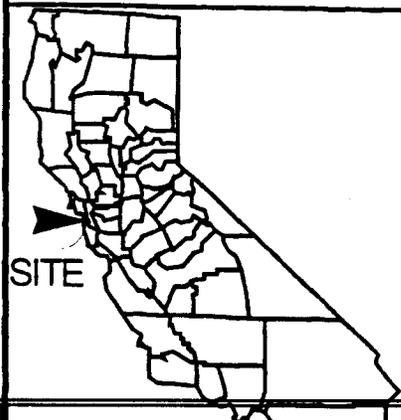


Exhibit A-3
PRC 7781
Suisun Bay
CONTRA COSTA
SOLANO and
SACRAMENTO COUNTIES



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