

11. (Standard Oil Company of California - Long Wharf, Richmond - Contra Costa County - W.O. No. 29, P.R.C. 236) The Commission was informed of the application by the Standard Oil Company of California for a lease of 121.4 acres of tide and submerged land at Richmond, Contra Costa County, upon which, under County Board of Supervisors franchise expiring in 1954, the Standard Oil Company had constructed a large wharf. It is proposed that these facilities be enlarged to an extent so that an ultimate investment of \$2,500,000.00 would be involved. This program contemplates actual use of 121.4 acres of State land extending from shore to the deep water channel and rendering inaccessible 121.6 acres between the T wharf on the channel and tidelands owned by the Standard Oil Company adjacent to its upland refinery.

The State's appraiser set a value of \$600.00 per acre on the 121.4 acres of State land to be occupied; whereas Standard's appraiser set a value of \$350.00 per acre. Both appraisers agreed that the blocked-off 121.6 acres had a value of \$250.00 per acre, the price paid by Standard for adjacent privately-held tidelands acquired in 1946. Under the Commission's policy, the rental of the 121.4 acres applied for at the \$600.00 per acre appraisal value would yield \$4,370.40 per year rental, compared with \$2,549.40 based upon the \$350.00 appraisal. Similarly, the rental of the 121.6 acres of the tidelands unleaseable because of the pier, at \$250.00 appraisal value, would yield \$1,824.00 per year. Thus the rental at the \$350.00 and \$250.00 valuations for the total acreage of 243 acres would yield \$4,373.40 annually, or approximately the same rental as that computed on the State's \$600.00 appraisal for the 121.4 acres to be actually occupied. The Standard Oil Company, on this basis, agreed to increase the acreage applied for to 243 acres and likewise agreed to accept the average acreage appraisal of \$300.00 per acre, which would yield an annual rental of \$4,380.00.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to execute a lease with the Standard Oil Company of California of 243 acres of State tide and submerged land in San Pablo Bay, Contra Costa County, in accordance with the established policy of the Commission, based on a land appraisal of \$300.00 per acre and to yield \$4,380.00 annually for the first five years. The lease is to provide for a firm term of twenty years, with the option on the part of Standard Oil Company to renew the lease for three periods of ten years each at a rental to be determined by the State at the expiration of the firm period, or any extension thereof, and is to further provide that the Standard Oil Company shall file with the State a \$100,000.00 faithful performance bond to guarantee performance and removal of the facilities at the expiration of the lease, except that the State may exercise an option within a six months period prior to expiration of the lease to take over the causeway and wharf in lieu of removal thereof by the Standard Oil Company.