

MINUTE ITEM

This Calendar Item No. 30  
was approved as Minute Item  
No. 30 by the State Lands  
Commission by a vote of 2  
to 0 at its 2/20/78  
meeting.

CALENDAR ITEM

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Hight  
PRC 5465 Crites  
PRC 5501 Fish &  
Game

AUTHORIZATION FOR SETTLEMENT OF LITIGATION IN  
STATE OF CALIFORNIA v. F.E. CRITES, INC., ET AL.,  
CONTRA COSTA SUPERIOR COURT NO. 143519

On April 18, 1974, the State Lands Commission commenced the above-captioned action against F.E. Crites, Inc. and certain other related defendants for an injunction to prevent the further extraction of State sand without a lease from Suisun Bay south of the deep water channel near Pittsburg, Contra Costa County; and for damages for the sand which had already been extracted.

It is now proposed to settle this litigation in the following fashion: F.E. Crites, Inc. will donate to the State Lands Commission an area of prime marsh land abutting Suisun Bay and consisting of approximately 80 acres, together with easements of access from the nearest public road; in return, the State Lands Commission will dismiss the action and issue a sand extraction lease to F.E. Crites, Inc. to extract a maximum of 500,000 cubic yards of sand per year from an area of Suisun Bay lying south of the deep water channel. It is further proposed that the Commission issue a no-fee permit to the Department of Fish and Game for purposes of administering the donated marsh area.

The terms of the settlement agreement and the sand extraction lease are set forth in a proposed settlement agreement on file in the Office of the State Lands Commission in Sacramento. In summary, the sand extraction lease contains provision for royalties on a sliding scale from 20 cents to 25 cents per cubic yard for the 10-year period of the lease, with a minimum extraction of 25,000 yards in the first year and 50,000 yards per year thereafter. The minimum royalty is 10% of the gross sales price. For any sales in place, the minimum royalty would be 45% of the gross sales price in the first 3 years of the lease and 50% of the gross sales price thereafter. The lease would also include provision for a wharf area onshore for the offloading of the dredged sand and for an easement running along the westerly margin of the land donated to the State for purposes of conveying the sand to an upland reclamation site.

The proposed settlement and related documents have been reviewed by staff and the Office of the Attorney General and it is their conclusion that the proposed settlement

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is in the best interests of the State of California and the public.

EXHIBIT:           A. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER AND THE OFFICE OF THE ATTORNEY GENERAL TO EXECUTE THE PROPOSED AGREEMENT IN SETTLEMENT OF STATE OF CALIFORNIA V. F.E. CRITES, INC., ET AL., CONTRA COSTA SUPERIOR COURT NO. 143519, TO ACCEPT THE LAND TO BE DONATED TO THE STATE UNDER SAID AGREEMENT, TO EXECUTE THE LEASE TO F.E. CRITES, INC. PROVIDED FOR THEREIN, AND TO TAKE SUCH OTHER ACTION AS MAY BE NECESSARY TO EFFECT THE PROVISIONS OF SAID SETTLEMENT AGREEMENT, INCLUDING, BUT NOT LIMITED TO LITIGATION.