



LAND TENURE CENTER
University of Wisconsin - Madison

Consultancy Services to
The Government of the
Republic of Trinidad &
Tobago

LAND USE POLICY AND ADMINISTRATION PROJECT (LUPAP)

FINAL DOCUMENT

ASSESSMENT OF STATE AGENCIES WITH RESPONSIBILITIES FOR LANDS AND OTHER REAL PROPERTIES

PETROTRIN/Palo Seco Agricultural Estates: Land Management by a State-Owned Natural Resource Producer.

By
Malcolm Childress

April 27, 2000

1. Background and Institutional Arrangements

Petrotrin, the state-owned oil company of Trinidad and Tobago, is the successor company to Trintoc and Trintopec. Its non-oil holdings, including the direct management of 25,000 acres of land, remain chiefly with Trintoc, but management responsibilities are mostly carried out by Palo Seco Agricultural Estates, Ltd. (PSAEL). Apart from its land management duties, PSAEL is primarily an agricultural company, which produces beef, dairy and other products.

PSAEL has only begun to manage lands aggressively since 1998 because of previous uncertainty about whether or not it would remain under the Petrotrin umbrella. Trintoc (itself a successor to Shell and Texaco) owed the government 200 million dollars in 1991 when Petrotrin was formed. From 1991 until 1998 it remained in question whether Petrotrin would retain PSAEL or not. In 1998 it was resolved that Petrotrin would keep its non-oil assets, including PSAEL. Subsequent to that decision, Petrotrin/PSAEL have become more actively involved in land management through sales, direct production, joint ventures, leasing and other arrangements.

2. Types of property management

2.1. Land for sale.

Petrotrin has significant estate holdings in Point-a-Pierre, which it is in the process of marketing for industrial development in both freehold and leasehold (see attached brochure). At Brighton, Petrotrin is co-owner of the Brighton Housing and Golf Course with NGC (national gas company). Petrotrin is currently seeking a buyer for the development. Some of Petrotrin's lands are former worker housing, which are now essentially abandoned. At Guayaguayare, for example, an abandoned housing estate is slated to become an eco-tourism project. Petrotrin has tendered for bids on the project and received one bid, which is now being considered. Additionally, at Point Fortin, Petrotrin is developing a joint venture with an international terminalling company for redevelopment of a pier.

2.2. Agricultural Production.

Petrotrin's designated agricultural lands are in the hands of PSAEL and Trintoc, now comprising only beef/dairy operations, citrus production and a small pepper project on about 5,500 acres of land held in freehold. Beef, however, is becoming increasingly uncompetitive to produce given the low price of foreign beef imports. In the past coffee and cocoa were also produced, but have now been abandoned.

2.3. Housing

Petrotrin manages some housing estates, as part of Trintoc, with a total of approximately 2,500 leases. Ninety-nine percent of this is worker housing. The main housing estates

are around the Petrotrin complex at Marbela and in Point Fortin. PSAEL also manages a small amount of housing for non-Petrotrin workers. For the housing developments which Petrotrin operates, at La Brea, Point Fortin the company is in the process of transferring utilities to the local administration.

At Plaisance Park, Petrotrin is owner of a housing subdivision of approximately 1000 lots, originally developed as worker housing. The houses are property of the residents and the land is company property. These lots are now being offered for sale to tenants. Statutory tenants may purchase at 50% value by Petrotrin. Negotiations are being undertaken with the municipal corporations to take over the provision of utilities and services.

Rental rates for residential housing are established through assessments made by private valuers. Non-company workers pay full market value. Workers get a substantial subsidy and rent is taken as a payroll deduction. Worker housing rental rates are about \$1000.month rental on units where full market value is \$3000-6000. Utilities are provided by Petrotrin.

2.4. Oil Exploration

In other areas Petrotrin has extensive freehold and leasehold areas where the company is mostly interested in the oil exploration rights. These include approximately 1,000 agricultural leases. Generally, Petrotrin permits the occupants to determine the surface use, subject to concerns about pollution.

For approval of a Petrotrin exploration leasehold on state land, the project description is first routed to the Ministry of Energy for approval. This typically takes 3-6 months. It is then passed to the Department of Lands and Surveys for establishment of the lease.

Petrotrin's own leases are predominantly for subsurface rights on state-owned land, although some surface rights are also leased. The manager of leasehold land is the State through the Commissioner of Lands, in combination with the Petrotrin's Exploration and Production Department. Petrotrin also leases subsurface rights on a smaller quantity of private land. When drilling takes place, Petrotrin is obligated to compensate the surface user for the space that user is deprived of.

On some of the forested freehold land which Petrotrin holds for oil exploration, the company is also planning to enter targeted forest production—teak, mahogany and cedar—as an additional revenue activity.

2.5. Squatting.

Squatter regularization is moving forward on Petrotrin lands per LSA guidelines. Essentially, plans are being made for Petrotrin to sell land with squatters to the state and

LSA will regularize. Approximately 1,200 squatter families are occupying 200 acres of Petrotrin lands.

2.6. Nature Reserve.

Petrotrin also is the owner of a wild fowl reserve near its Marbela complex. This reserve is managed by a private trust established for the purpose.

3. Land Management Department.

Freehold land is managed by the Land Management Department under PSAEL. The department is recently formed, and currently consists of ten people involved in the management of freehold areas. The specialists are paid from Petrotrin through their native departments and seconded to the department. All of the Petrotrin estate management services are being consolidated under PSAEL—maintenance, renting, evaluation of proposals, and development approvals process. The department spends about 1 million/year on land management.

For each development proposal the department interacts with the planning commission and the EMA. Management of all the approvals goes through the land management department. The department also manages PETROTRIN’s installations of 1,800 acres, although the refinery complex itself is under the control of the production and marketing department.

Most lease management of tenancies is routine, involving renewals and assignment. Leases typically require two weeks for simple renewal, and assignments two weeks.

3.1. Knowledge Database.

Although Petrotrin’s GIS system is still essentially in a pilot stage, and land management is not full linked to the system, the Land Management Department is engaged in the process of capturing specialist land managers’ knowledge into a database and linking this to the ArcInfo-based Petrotrin GIS.

Basic Indicators of Private Land Management

Agency Name: Petrotrin/PSAEL

	Indicator	Quantity	Comments
--	-----------	----------	----------

1	Total Area Managed Acres	25,000	
2	Total Land Mgt. Budget \$/year	1,000,000	
3	Number of leases, etc issued --agricultural	1,000	
4	Number of leases, etc issued—non agricultural	2,500	
5	Number of leases, etc, prepared and sent to Commissioner--agricultural	NIL	
6	Number of leases, etc., prepared and sent to Commissioner—non agricultural	2,000	Statutory Leases at Registry Office
7	Rental rate charged—agricultural (specify method of calculation, e.g., \$/acre/year, percent of value, etc.)	Variable	120 per acre minimum / 400 per acre maximum
8	Rental rate charged—residential (specify method of calculation)	Variable	Minimum 1.00 per year maximum at Market Rates
9	Rental rate charged—industrial: (specify method of calculation)	Variable	Market Rates
10	Rental rate charged—other classification (specify)—(specify method of calculation)	N/A	
11	Rental rate charged—other classification (specify method of calculation)	N/A	
12	Total Revenue collected, last available year (gross) \$	N/A	
13	Total Revenue which should have been collected in that year	N/A	
14	Months required for lease renewal (comment on procedures typically involved)	6 months.	Statutory requirement
15	Months required for lease assignment (comments)	1 mth.	
16	Months required for issuance of new lease (comments)	Variable	Average 6 months
17	Months required to complete a sale (comments)	Variable	Average 1 year
18	Months required to complete an acquisition (comments)	Variable	Average 5 years
19	Number of households squatting on land—1999 or last available year	1,600	
20	Acres occupied by squatters	200	
21	Number of squatter households fully regularized since 1990	1 %	
22	Acres of squatter households fully regularized since 1990	1 %	
23	Number of squatter households in process of regularization	99 %	
24	Acres of squatter in process of regularization	99 %	

24. Are maps/plans available for all lands managed by agency?

Scales: 1: 12 000 Comments: _____

Formats: Hard Copy - Paper Comments: Updating records. Need for Digital Format

When last updated?
In progress

Procedures for updating:
Manual

25. What authority is vested in the agency, by whom, when, for control over the land? (copy of vesting document)

Title and Petroleum Vesting Act 1993. Copy of Act can be obtained from the Government Printery

26. Does agency have access to land capability for establishing desired use? From whom? Evaluation of use and usefulness of this information.

YES – From Land Owner

27. What are the procedures of the agency for protecting the land resource base to assure sustainable use by future generations?

Policy/Procedure – NPPC/TCP

28. Does agency have capability for assessing the value of land? If not, from whom for what purpose? Evaluation of use and usefulness of this activity in the past.

Contracted to Private Valuers. Used for determining sale and or lease rates

29. Does agency have capacity for drawing up leases and other use and possession agreements, licenses, grants, sales, acquisitions of land? If not, from whom? Evaluation

YES

30. Does the agency have the capacity to detect encroachment onto its lands?

YES

31. What procedures are used to inhibit encroachments and to evict encroachers?

Surveillance / eviction by Law, closure of access to certain properties

32. What procedures are used to regularize “squatters”, including time and costs?

1. *Squatter Regulation Act (1998)*
2. *Formulating Plans for Regularization*