

A meeting of the State Lands Commission was held in Room 180 Business and Professions Building, Sacramento, on July 6, 1950, at 11:00 A.M.

Present: Honorable James S. Dean, Chairman
Honorable Goodwin J. Knight, Member

Honorable Thomas H. Kuchel, Member
(attended the afternoon session)

1. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, THE MINUTES OF THE MEETING OF APRIL 28, 1950, WERE APPROVED AND CONFIRMED AS SUBMITTED.

2. UPON MOTION DULY MADE AND UNANIMOUSLY CARRIED, IT WAS DECIDED TO DEFER SETTING A DATE FOR THE NEXT COMMISSION MEETING.

3. (SOUTHERN PACIFIC COMPANY LEASE - 6TH AND CHANNEL STREETS, SAN FRANCISCO - W.O. 555, P.R.C. 462) The Commission was informed that under letter of August 17, 1949, the Southern Pacific Company applied for a determination of the terms and conditions of an agreement leading to the possible lease of certain street areas in the vicinity of Sixth and Channel Streets, San Francisco, California. The Southern Pacific Company claims ownership by adverse possession or otherwise of the street areas in which the State may have no interest at all or may have fee ownership subject to easements or may have full fee simple title. The Southern Pacific Company is desirous of quieting title in order that it may proceed with a project which involves the erection of large warehouses extending over the streets and which are estimated to cost in excess of \$6,000,000.00. The matter was reported to the Commission at its meeting of September 15, 1949, and the following action was taken:

"Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to negotiate a fifty-year lease with the Southern Pacific Company on 6.98 acres of streets in the San Francisco area bounded by 5th, 6th, Channel and Indiana Streets, with right of sub-lease, at an annual rental of 6 per cent of the appraised value of the land involved and report back to the Commission the results of such negotiations for final action."

Negotiations have been proceeding since the action of the Commission on September 15, 1949. On September 22, 1949, the Chief Administrative Officer of the City and County of San Francisco approved of the project by letter. On October 21, 1949, the Southern Pacific Company furnished funds for costs of appraisal and expenses to be incurred by the Commission in the negotiations. On November 18, 1949, the E. B. Field Company appraised the street areas involved as being worth \$415,800.00. As a result of these and continued negotiations in which the Attorney General's office in San Francisco participated, an agreement has been drafted which the Southern Pacific Company has indicated it is prepared to execute and which the Division of State Lands can recommend to the Commission. Salient points of the proposed agreement are as follows:

1. The Southern Pacific Company is to pay a consideration of \$3,000.00 on execution of the agreement as advance rental (this is to be retained by the State if final adjudication gives the State no interest).