

MINUTE ITEM

2/79
Scott

C4. - AMENDMENT OF LEASE PRC 4699.1 AND REVISION OF
LEASE RENTAL AFTER ROUTINE REVIEW. - WP 4699

Calendar Item C4., attached, was approved by a vote of
3-0 with the following amendment to resolution number 2:

2. AUTHORIZE CREDIT IN THE AMOUNT OF \$1,005.44 FOR OVER
PAID RENTAL AND THE ISSUANCE TO DOW CHEMICAL COMPANY
OF AN AMENDMENT TO LEASE PRC 4699.1 DATED NOVEMBER 21,
1972 CHANGING THE LAND DESCRIPTION DESIGNATED EXHIBIT "A";
AND CHANGING THE ANNUAL RENTAL FROM \$759.04 to \$807.72
EFFECTIVE SEPTEMBER 1, 1977.

Attachment: Calendar Item C4. (4 pages)

A 4, 7

S 10, 7

CALENDAR PAGE	_____
MINUTE PAGE	223

CALENDAR ITEM

C4.

2/79
WP 4699
Scott

AMENDMENT OF LEASE FRC 4699.1
AND REVISION OF LEASE RENTAL
AFTER ROUTINE REVIEW

BACKGROUND:

In August, 1972, Minute Item C4, the State Lands Commission issued to Dow Chemical Company a 20-year right-of-way lease beginning September 1, 1972 for an 8 inch natural gas pipeline at an annual rental of \$759.04. The lease was reviewed in 1977 to set a new rental in accordance with the terms of the lease. During the review it was discovered that the area covered by the lease was not all in State ownership. The annual rent paid by Dow Chemical Company for the period September 1, 1972 through August 31, 1977 exceeded the rental which should have been paid by \$220.56 per year. Therefore, Dow Chemical Company has accrued an over-paid rental credit of \$1,102.80. Dow also made an adjusted rental payment of \$1,138.56 in 1977 pursuant to a notice of rental increase which was given in error.

CURRENT SITUATION:

An amendment has been prepared to correct the error in the legal description of the pipeline right-of-way and an appropriate adjustment has been made in the annual rental, originally proposed as part of the 5-year rental review, to reflect the new length of right-of-way on State land and current rental requirements of the Commission. Staff is arranging for a credit against future rental to Dow Chemical Company for the excess rental which has been paid pursuant to the terms of the original lease and has returned \$1,138.36 which was being held in suspense.

During the 5-year rent review the staff considered volumetric rental and determined that the volume of commodities passing through the pipeline did not justify assessing a volumetric rent.

A 4, 7

S 10, 7

-1-

CALENDAR PAGE	032
MINUTE PAGE	224

CALENDAR ITEM NO. C4. (CONTD)

EXHIBITS: A. Land Description. B. Site Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21065, 14 CAL. ADM. CODE 15037 AND 2 CAL. ADM. CODE 2903(d).
2. AUTHO RIZE CREDIT IN THE AMOUNT OF \$1,102.80 FOR OVER PAID RENTAL AND THE ISSUANCE TO DOW CHEMICAL COMPANY OF AN AMENDMENT TO LEASE PRC 4699.1 DATED NOVEMBER 21, 1972 CHANGING THE LAND DESCRIPTION DESIGNATED EXHIBIT "A"; AND CHANGING THE ANNUAL RENTAL FROM \$759.04 TO \$807.72 EFFECTIVE SEPTEMBER 1, 1977.

EXHIBIT "A"

WP 4699

A strip of tide and submerged land 30 feet wide across the Sacramento River, Sherman Island, San Joaquin River, and New York Slough, situated in Solano, Sacramento, and Contra Costa Counties, California, said strip lying 15 feet on each side of the following described centerline:

BEGINNING at a point on the centerline of the levee on the north bank of the Sacramento River, said point situated in Section 25, T.3N., R.1E., M.D.M. and bears S 55° 29' 41" E, 7,364.47 feet from the east KKIS radio tower; thence from said point of beginning S 11° 40' 26" W, 3,644 feet; thence S 11° 22' 46" W, 8,205 feet; thence S 44° 26' 46" W, 5,840 feet to the termination of the herein described centerline.

EXCEPTING THEREFROM those interests-in-land, if any, which may have passed by virtue of the patents issued by the State of California for Swamp and Overflowed Survey No. 105, Solano County, and Swamp and Overflowed Survey Nos. 543, 557 and 561, Sacramento County, copies of which are on file in the Official Records of California State Lands Commission, Sacramento.

ALSO EXCEPTING THEREFROM that portion thereof lying within the lands described in the Final Order of Condemnation in U.S. District Court, Northern District of California, Second Division, Case No. 15,617, U.S. vs. Lindsay P. Marshall, November 1, 1912.

ALSO EXCEPTING THEREFROM that portion thereof lying within the lands described in the Final Order of Condemnation in U.S. District Court, Northern District of California, Second Division, Case No. 15,405, U.S. vs. Anne Kierce, March 18, 1913.

ALSO EXCEPTING THEREFROM that portion of the lands described in Deed between City of Sacramento and the U.S. Recorded March 24, 1913, in Book 371 of Deeds, page 293, Sacramento County Records.

ALSO EXCEPTING THEREFROM any portion lying landward of the ordinary high water mark of the south bank of New York Slough.

END OF DESCRIPTION

Prepared

Frank T. Casey

Checked

Joe

Reviewed

H. J. Gummere
HJS

Date

2/9/78

CALENDAR PAGE

034

MINUTE PAGE

223

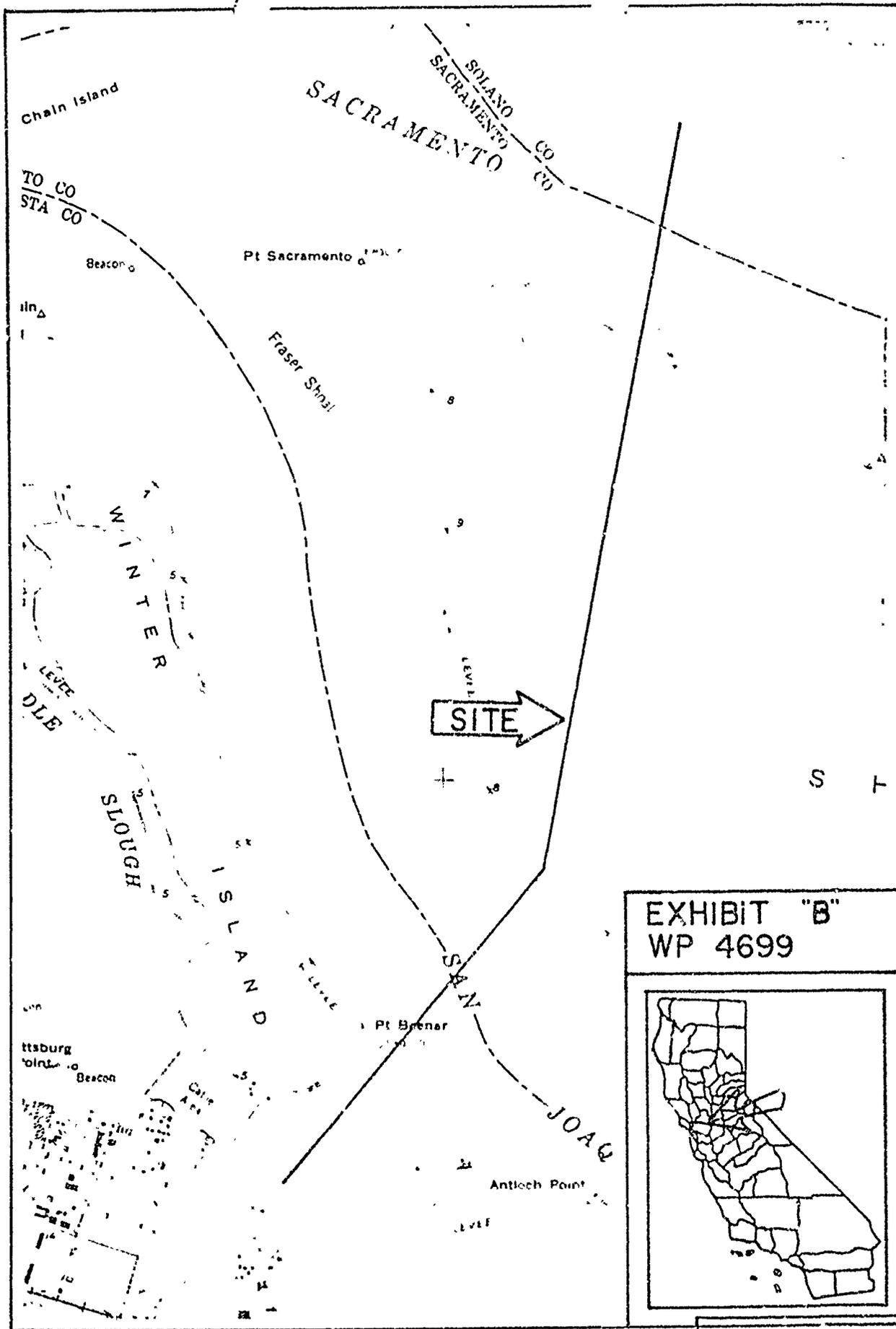


EXHIBIT "B"
WP 4699



CALENDAR PAGE	035
MINUTE PAGE	227