

MINUTE ITEM

This Calendar Item No. C3.
 was approved as Minute Item
 No. 3 by the State Lands
 Commission by a vote of 2
 to 0 at its 8-23-79
 meeting.

CALENDAR ITEM
 C3.

8/79
 PRC 4117.1
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REVISION IN LEASE RENTAL
 AFTER ROUTINE REVIEW

This is an Industrial Lease for a term of 49 years from December 19, 1968, with an existing annual rental of \$8,964, covering a 249.03 acre parcel of tide and submerged land at Richmond, California, Contra Costa County, for potential development. At present, there are no improvements on the property.

The lease provides that the State may adjust the annual rental for the 5-year term following the fifth anniversary of the lease, effective on such anniversary date. This increase in rental applies to the 4-year period extending from December 19, 1979 through December 18, 1983. A gap in our information retrieval system prevented the staff from reviewing and possibly revising the rent in December 1973 and December 1978. The retrieval system has been corrected to avoid similar occurrences.

The land covered by the lease has been re-appraised and it has been determined that the new rental shown below, which is 8% of the appraised land value, is reasonable and proper. The lessee was notified of the amount within the time constraints set by his lease.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE ADJUSTING THE NEW ANNUAL RENTAL PER ANNUM INDICATED, FOR THE FOLLOWING LEASE EFFECTIVE ON THE DATE SHOWN:

<u>PRC NO.</u>	<u>LESSEE/ADDRESS</u>	<u>PRIOR RENTAL</u>	<u>AMOUNT OF NEW RENTAL</u>	<u>EFFECTIVE DATE</u>
4117.1	Chevron U.S.A., Inc. P. O. Box 764 San Francisco, CA 94102	\$8,964/ year	\$20,000	December 19, 1979

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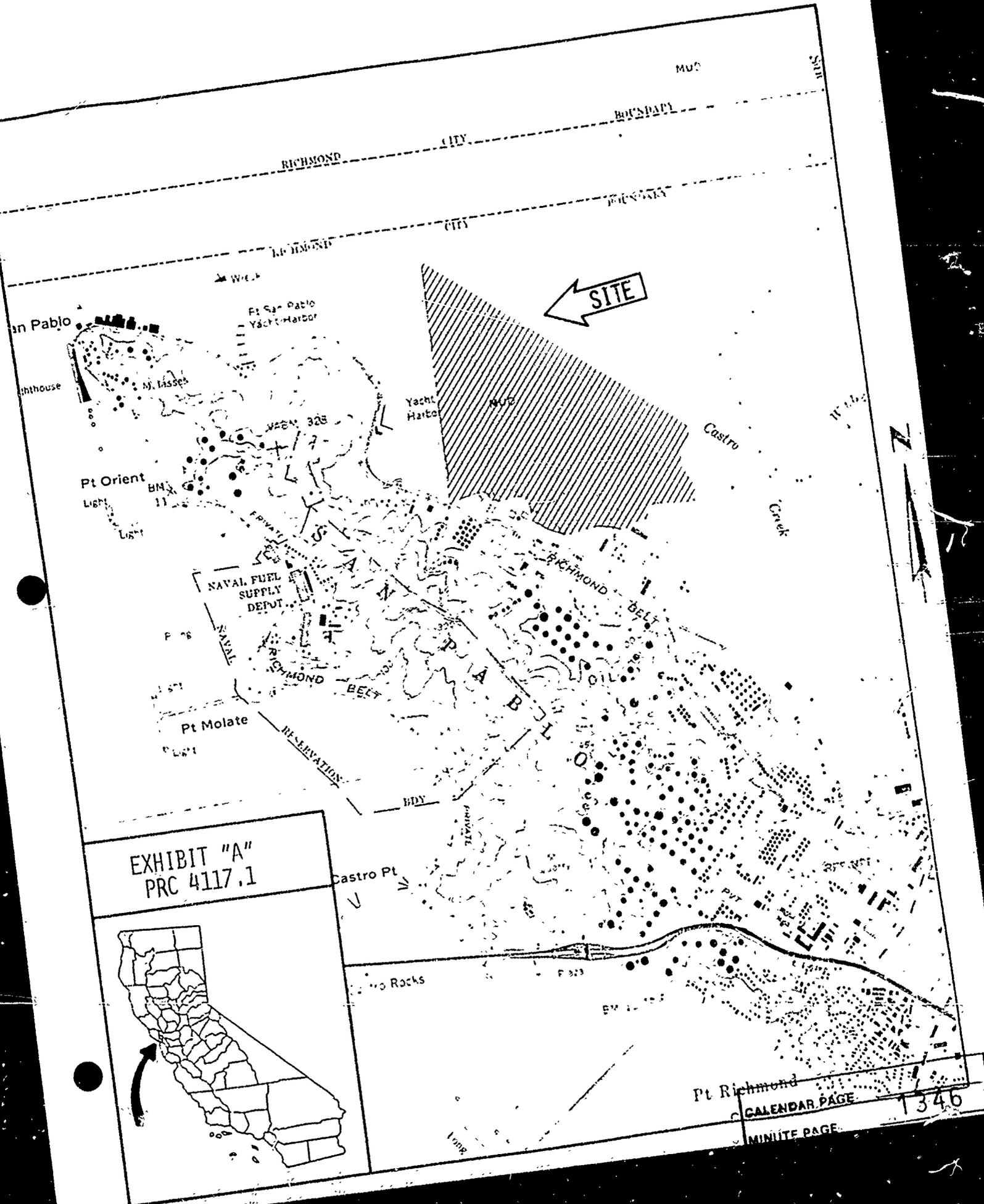


EXHIBIT "A"
 PRC 4117.1

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