

MINUTE ITEM

This Calendar Item No. C05  
was approved as Minute Item  
No. 05 by the State Lands  
Commission by a vote of 3  
to 0 at its 12-12-90  
meeting.

CALENDAR ITEM

A 1  
S 4

C 0 5

12/12/90  
PRC 4829  
Dugal

APPROVE AN AMENDMENT AND  
RENT REVIEW FOR A GENERAL LEASE - RIGHT-OF-WAY USE

LESSEE: Pacific Bell  
3707 Kings Way, #B17  
P. O. Box 15038  
Sacramento, California 95851

AREA, TYPE LAND AND LOCATION:  
A 1.44+-acre parcel of State school land  
located 13 miles north of the city of Redding  
near O'Brien Mountain and adjacent to Shasta  
National Forest, Shasta County.

LAND USE: Installation and maintenance of an aerial  
communication cable facility.

TERMS OF EXISTING LEASE:

Initial period: 49 years beginning  
September 1, 1973.

Consideration: \$225 per annum; five-year  
rent review.

TERMS OF PROPOSED AMENDED LEASE:

Initial period: 49 years beginning  
September 1, 1973.

Public liability insurance: Combined single  
limit coverage of \$1,000,000.

CALENDAR ITEM No C 0 5 (CONT'D)

**CONSIDERATION:** \$500 per annum, effective September 1, 1991, with the State reserving the right to fix a different rental on each fifth anniversary of the lease. Lessee shall pay the yearly rental, as stated in Section 1 or 2, in five-year increments to Lessor without deduction, delay, or offset. The first advance payment of annual rental will be due September 1, 1993 and shall then be due on each fifth anniversary for the remainder of the lease term.

**BASIS FOR CONSIDERATION:**

Staff has reviewed this lease pursuant to the lease terms and in accordance with the Commission's rental regulations (2 Cal. Code Regs. 2003).

**BACKGROUND**

This lease was issued to Pacific Bell for the installation and maintenance of an aerial communication cable facility. The proposed lease amendment would provide that the annual rental be paid in five-year increments. The Lessee shall pay the yearly rental in five-year increments with the first advance payment due September 1, 1993. This amendment has been negotiated by staff as a cost-saving measure and has been prepared in accordance with lease terms providing for such amendments.

**STATUTORY AND OTHER REFERENCES:**

- A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.
- B. Cal. Code Regs.: Title 2, Div. 3;  
Title 14, Div. 6.

AB 884:

N/A.

**OTHER PERTINENT INFORMATION:**

1. This rent review was prepared as stipulated under the lease terms which provide Lessor may modify the consideration effective on each fifth anniversary of the beginning date of this lease. Should Lessor fail to exercise such right, effective on any fifth anniversary, it may do so effective on any one of the next four anniversaries following such fifth anniversary.

CALENDAR ITEM NO. 775 (CONT'D)

2. Commission staff has negotiated the market rent with the Lessee. The annual rent is not less than nine percent of the appraised value of the property.
3. By letter dated July 20, 1990, staff notified the Lessee of the proposed change in rent, as stipulated in the lease terms. The Lessee has had the opportunity to comment on the proposed change and, as of this date, staff has not received any negative comments from the Lessee.
4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by CEQA and the State CEQA Guidelines.

Authority: P.R.C. 21065 and 14 Cal. Code Regs. 15378.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE ISSUANCE OF A LEASE AMENDMENT TO PACIFIC BELL, EFFECTIVE DECEMBER 1, 1990, WHICH MODIFIES THAT THE ANNUAL RENTAL SHALL BE PAYABLE IN FIVE-YEAR INCREMENTS TO LESSOR WITHOUT DEDUCTION, DELAY, OR OFFSET, THE FIRST FIVE-YEAR RENTAL PAYMENT SHALL BE DUE SEPTEMBER 1, 1993.
3. APPROVE THE INCREASE IN RENTAL FOR PACIFIC BELL, LEASE PRC 4829, TO \$500 PER ANNUM, EFFECTIVE SEPTEMBER 1, 1991, FOR THE ENSUING TWO-YEAR RENTAL PERIOD; ALL OTHER TERMS AND CONDITIONS OF THE LEASE REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

