

**CALENDAR ITEM
C35**

A 80
S 40

10/29/10
WP 8150.2
J. Porter

**GENERAL LEASE – RIGHT OF WAY USE AND
AUTHORIZATION OF SUBLEASE**

APPLICANT:

SFPP, L.P.
1100 Town & Country Road
Orange, CA 92868

AREA, LAND TYPE, AND LOCATION:

4.63 acres, more or less, of State Indemnity school lands in Section 30, Township 9 South, Range 13 East; Section 12, Township 9 South, Range 11 East, SBM, Imperial County; and Section 34, Township 8 South, Range 11 East, SBM, Riverside County, northwest of Niland.

AUTHORIZED USE:

Continued use and maintenance of one existing 12-inch diameter underground pipeline housing an 8-inch diameter conduit with three 1.5-inch innerducts, one of which contains a single fiber optics cable having 96 hair-thin glass fibers.

LEASE TERM:

24 years, beginning April 20, 2010.

CONSIDERATION:

\$2,420 per year, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease.

SPECIFIC LEASE PROVISIONS:

Insurance:

Comprehensive general liability insurance in the amount of no less than \$1,000,000.

Bond:

\$10,000 surety bond or other security.

CALENDAR ITEM NO. **C35** (CONT'D)

BACKGROUND:

School Lands were granted to the State of California by the federal government under the Act of March 3, 1853 (10 Stat. 244), and consisted of the 16th and 36th sections of land in each township (with the exceptions of lands reserved for public use, lands taken by private land claims, and lands known to be mineral in character). In cases of preemption due to the exceptions described above, the State was given the opportunity to select replacement lands from the United States in lieu of a Section 16 or a Section 36. These replacement lands are now known as Indemnity School Lands or Lieu Lands.

OTHER PERTINENT INFORMATION:

1. The California State Lands Commission (Commission), by way of Lieu Land Selections in 1958 and 1962, became the successor in interest to a right-of-way lease that had been issued by the Bureau of Land Management to SFPP, L.P. (SFPP) for an existing underground 12-inch diameter petroleum pipeline. The pipeline subsequently became idle.
2. At its meeting of April 20, 2000, pursuant to Item 63, the Commission authorized the issuance of a new General Lease – Non-Exclusive Right of Way Use (Lease No. PRC 8150.2) to SFPP, for the conversion of the idle pipeline to carry an 8-inch diameter conduit containing three 1.5-inch diameter innerducts. One of these innerducts would house a single fiber optics cable having 96 hair-thin glass fibers. The Commission also approved a sublease between SFPP, and Williams Communications, Inc. (Williams) for the installation, use, and maintenance of the conduit and fiber optics cable. That lease expired on April 19, 2010. SFPP now is applying for a new General Lease – Right of Way Use and the approval of the sublease to Williams for continued use of the existing improvements within the lease premises. Staff is recommending a lease term of 24 years to correspond with the remaining term of the sublease.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), staff determined this activity is exempt from the requirements of CEQA as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; Title 2, California Code of Regulations, section 2905(a)(2).

Authority: Public Resources Code section 21084 and Title 14, California Code of Regulations, section 15300 and Title 2, California Code of Regulations, section 2905.

CALENDAR ITEM NO. C35 (CONT'D)

4. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code sections 6370, et seq. However, the Commission declared that all lands are “significant” by nature of their public ownership (as opposed to “environmentally significant”). Since such declaration of significance is not based upon the requirements and criteria of Public Resources Code sections 6370, et seq., use classifications for such lands have not been designated. Therefore, the finding of the project’s consistency with the use classification as required by Title 2, California Code of Regulations, section 2954 is not applicable.

EXHIBITS:

- A. Location and Site Map
- B. Land Description

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to Title 14, California Code of Regulations, Section 15061 as a categorically exempt project, Class 1, Existing Facilities; Title 2, California Code of Regulations, Section 2905(a)(2).

AUTHORIZATION:

Authorize issuance of a new General Lease – Right of Way Use (Lease No. PRC 8150.2) to SFPP, L.P., beginning April 20, 2010, for a term of 24 years, for the continued use and maintenance of one existing 12-inch diameter underground pipeline housing an 8-inch diameter conduit with three 1.5-inch innerducts, one of which contains a single fiber optics cable having 96 hair-thin glass fibers; on the lands shown on Exhibit A (for reference purposes only) and as described on Exhibit B, both attached and by this reference made a part hereof; annual rent in the amount of \$2,420, with the State reserving the right to fix a different rent periodically during the lease term as provided in the lease; comprehensive general liability insurance with coverage of no less than \$1,000,000, and a \$10,000 surety bond or other security.

Authorize a sublease from SFPP, L.P. (Lessees) to Williams Communications, Inc. (Sublessee) for the continued use and maintenance of the lease premises in accordance with the terms and conditions of Lease No. PRC 8150.2, effective April 20, 2010.