

sell the underwater lots. There is some question as to the authority of the City of San Francisco under Ordinance No. 2599 of December 29, 1892 to have closed the reserved streets. The Southern Pacific Company desires to lease an area of fee land together with the abandoned streets upon which their lessees would erect large warehouses. The first unit is to be of six stories with railroad and truck accommodations and is estimated to cost \$6,000,000.00. Tentatively, the Southern Pacific Company have indicated for the purpose of an early lease that they might agree to the State's claim of street ownership, irrespective of the condition that the streets were closed and that it has been in adverse possession of the street area for many years. An unofficial opinion of the Attorney General is to the effect that State lands cannot be adverse where there has been a dedication for a particular use, i. e., in this case for streets. Title Companies will not issue title policy on the streets without excepting the State's interest thereto.

The Commission was advised that three policy matters should be considered:

1. Is the City of San Francisco in full agreement as to the proposed development?
2. Should the Commission agree to a fifty year lease?
3. Should the Commission's policy of an annual rental based on 6 per cent of the appraised value be applicable?

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.

19. (Application for Extension of Term of Right of Way Easement P.R.C. 364, Owens Lake, Inyo County - The Permanente Metals Corporation - W.O. 543) The Commission was informed that an application has been received from the Permanente Metals Corporation for the exercise of the optional right by the lessees under Right of Way Easement No. P.R.C. 364, Owens Lake, Inyo County, for the renewal of the easement agreement for a period of one year. Right of Way Easement P.R.C. 364 was issued originally August 19, 1948 to cover the construction, maintenance and operation of pipelines in connection with the mineral extraction activities of the Permanente Metals Corporation on Owens Lake, the annual rental having been fixed in accordance with the established rules and regulations of the Commission at \$66.40. The statutory \$5.00 filing fee and a deposit of the annual rental in the amount of \$66.40, have been submitted by the applicant.

Upon motion duly made and unanimously carried, a resolution was adopted authorizing the Executive Officer to renew Right of Way Easement P.R.C. No. 364 to the Permanente Metals Corporation for a term of one year from and after August 19, 1949, at an annual rental of \$66.40.

20. (Grazing Lease application No. P.R.C. 1203, Lassen County - J. L. Croshaw, Sac. W.O. 180) The Commission was informed that an application has been received from Mr. Croshaw of Red Bluff, California, for a grazing lease for a term of one year on Section 16, N $\frac{1}{2}$, SE $\frac{1}{4}$ and N $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 36, T. 36 N., R. 9 E., and Section 36, T. 36 N., R. 10 E., M.D.M., containing 1840 acres in Lassen County. The land has been advertised for lease and no other applications have been received. The Assessor of Lassen County advises that adjacent land is assessed at