

MINUTE ITEM

This Calendar Item No. C8
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 2
to 0 at its 11/30/77
meeting.

CALENDAR ITEM

08.

11/77
WP 3931
Bjornsen
PRC 3931

REVISION IN LEASE RENTAL AFTER ROUTINE REVIEW

Lease PRC 3931.2 is an Industrial Lease for a term of 15 years from April 25, 1968, with a present consideration of \$1,031.40 per annum, embracing 57.3 acres, more or less, of school land in Inyo County, for the construction, operation and maintenance of a lumber mill on the site. The subject lease was originally issued July 22, 1968 to Eagle Lake Lumber Company, who subsequently merged into Humboldt Flake-board on August 3, 1970, which, as of December 31, 1973, merged into Sierra Pacific Industries. Said lease was then assigned by and between Sierra Pacific Industries and Louisiana-Pacific Corporation, now the lessee, on January 21, 1976, pursuant to State Lands Commission authorization at its meeting of January 15, 1976.

The lease provides that the State, on each fifth anniversary of the lease, is entitled to fix at a different amount the annual rental for the term following such anniversary, effective on such anniversary date, by written notice to lessee given on or before six months before such anniversary date. Based on staff evaluation of market data a change in the annual rent was not made for the term following the fifth anniversary which expired April 24, 1973, nor upon January 15, 1976, the effective date of the aforementioned lease assignment by and between Sierra Pacific Industries and Louisiana-Pacific Corporation.

The change in annual rental listed below is based upon 8% of appraised value of the land, pursuant to Section 2006(b)(2) of the California Administrative Code, which became effective March 1, 1977. The lessee has been notified of this change in annual rental and its effective date within the time requisite specified in the lease.

Subsequent to construction of facilities, a Cease and Desist Order, concerning waste discharge requirements was issued against the applicant by the Water Quality Control Board. The applicant is cooperating with the Water Quality Control Board, Lahontan Region, in working out their problems and State Lands Division staff recommends this revision in rental be approved.

EXHIBIT: A. Location Map.

A 34

S 16

CALENDAR ITEM NO. C8. (CONTD)

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE NEW RENTAL PER ANNUM, AS ADJUSTED, FOR LEASE PRC 3931.2 EFFECTIVE ON THE DATE SHOWN BELOW:

<u>PRC NO.</u>	<u>LESSEE/ADDRESS</u>	<u>PRIOR RENTAL</u>	<u>AMOUNT OF NEW RENTAL</u>	<u>EFFECTIVE DATE</u>
3931.2	Louisiana-Pacific Corporation 1300 S. W. Fifth Avenue Portland, Oregon 97201	\$1,031.40 per annum	\$1,376 per annum	April 25, 1978