

**STAFF REPORT
C20**

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08/17/17
PRC 8203.1
M. Schroeder

REVISION OF RENT

LESSEE:

AT&T Corp.

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Pacific Ocean, offshore of Manchester State Beach, Mendocino County.

AUTHORIZED USE:

Continued use and maintenance of five 5-inch-diameter steel conduits and two fiber optic cables (Segment 8 and Segment 9) within two 1.2-inch-diameter steel conduits.

LEASE TERM:

15 years, beginning July 1, 2010.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff reviewed the rent under this lease and recommends that rent be revised from \$239,857 per year to \$412,332 per year, effective July 1, 2017.

OTHER PERTINENT INFORMATION:

1. Lessee has the right to use the upland adjacent to the lease premises.
2. On October 29, 2010, the Commission authorized a General Lease – Non-Exclusive Right-of-Way Use to AT&T Corp. for a term of 15 years beginning July 1, 2010 ([Item C50, October 29, 2010](#)). The lease will expire on June 30, 2025.
3. Staff reviewed the rent called for in the lease and recommends the rent be increased to \$412,332 per year, effective July 1, 2017. The increase in annual rent is based on \$5.00 per linear foot for fiber optic cables as determined by a staff appraisal.

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4. This action is consistent with Strategy 2.2 of the Commission's Strategic Plan to ensure timely receipt of revenues and royalties from the use and development of State lands and minerals.
5. Approving the revision of rent is not a project as defined by the California Environmental Quality Act because it is an administrative action that will not result in direct or indirect physical changes in the environment.

Authority: Public Resources Code section 21065 and California Code of Regulations, title 14, section 15378, subdivision (b)(5).

EXHIBIT:

- A. Site and Location Map

RECOMMENDED ACTION:

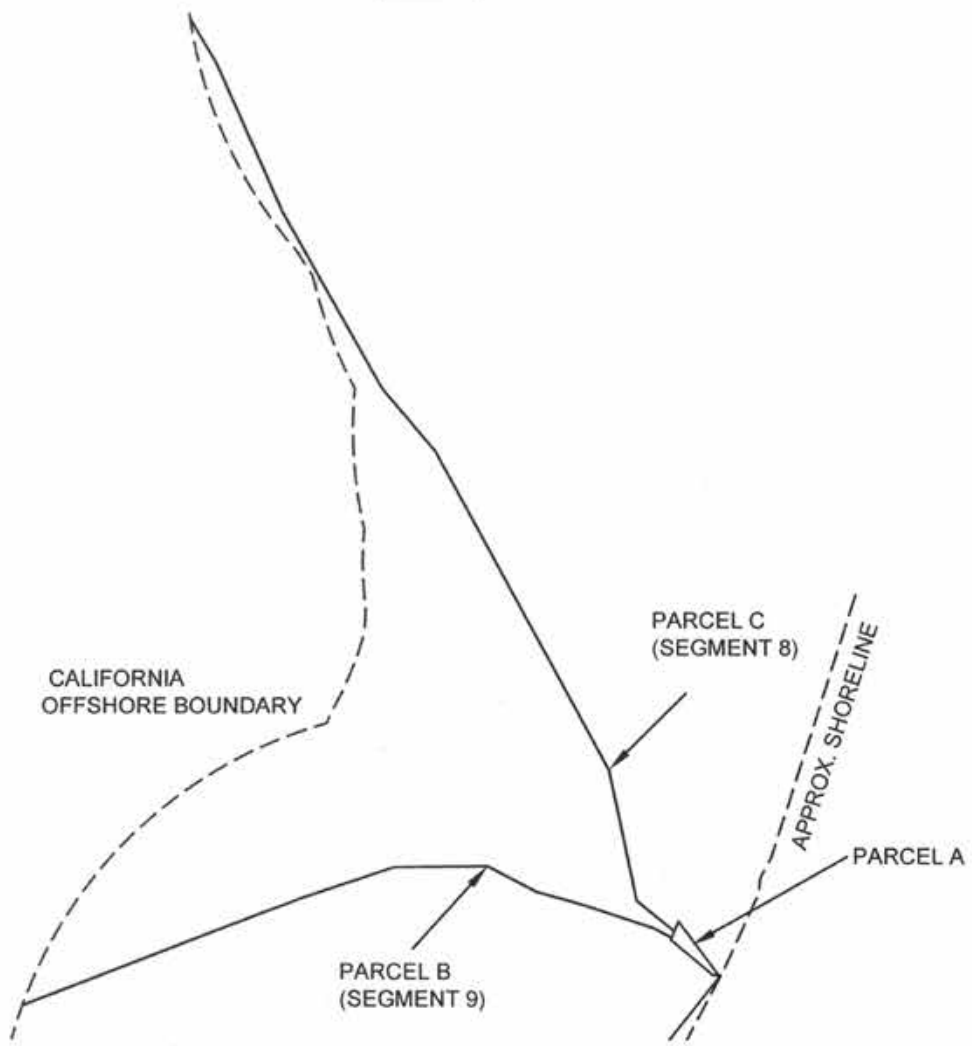
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8203.1 from \$239,857 per year to \$412,332 per year, effective July 1, 2017.

NO SCALE

SITE



FIVE STEEL CONDUITS AND TWO FIBER OPTIC CABLES OFFSHORE FROM MANCHESTER

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 8203.1
 AT&T CORP
 GENERAL LEASE -
 NON-EXCLUSIVE
 RIGHT-OF-WAY-USE
 MENDOCINO COUNTY



RPF 05/22/17

This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.