

**STAFF REPORT
C23**

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06/21/18
PRC 505.1
M. Schroeder

REVISION OF RENT

LESSEE/SUBLESSOR:

Shasta County Department of Public Works

SUBLESSEES:

AT&T Corp., Charter Communications, Inc., and Pacific Gas and Electric Company

AREA, LAND TYPE, AND LOCATION:

0.88 acre, more or less, of sovereign land in the Sacramento River, near Anderson, Shasta County.

AUTHORIZED USE:

Continued use and maintenance of an existing vehicular and pedestrian bridge known as the Airport Road Bridge; an 8-inch-diameter natural gas pipeline within a 12-inch-diameter casing; four 4-inch-diameter conduits; and one 3-inch-diameter conduit for telecommunication purposes.

LEASE TERM:

25 years, beginning May 10, 2007.

CONSIDERATION:

This lease provides that the Commission 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 \$341 per year to \$853 per year, effective May 10, 2018.

OTHER PERTINENT INFORMATION:

1. On May 10, 2007, the Commission authorized a General Lease – Public Agency Use to the Shasta County Department of Public Works for the demolition and removal of an existing bridge and piers, and the construction, use, and maintenance of a new vehicular and pedestrian bridge known as the Airport Road Bridge ([Item C34, May 10, 2007](#)). On January 29, 2009, the Commission authorized an amendment of lease for installation of one 8-inch-diameter natural gas pipeline within a 12-inch-diameter casing for use and maintenance by Pacific Gas and Electric

STAFF REPORT NO. **C23** (CONT'D)

Company, four 4-inch-diameter conduits for use and maintenance by AT&T Corp., and one 3-inch-diameter conduit for use and maintenance by Charter Communications, Inc., for telecommunication purposes; subleases in the form of franchise agreements (Shasta County Ordinances No. 416 adopted January 18, 1960, and No. 432 adopted August 28, 1961) between the County of Shasta and Pacific Gas and Electric Company; and annual rent in the amount of \$341 ([Item C26, January 29, 2009](#)). A continuation of annual rent was authorized by the Commission on February 21, 2014. The lease will expire on May 9, 2032.

2. The basis for the increase in rent is the July 2014 revision to the Commission's rent regulations for pipeline and conduit. (Cal. Code Regs., tit. 2, § 2003, subd. (a)(4).) Since the January 29, 2009 amendment to the Lease, the Commission's rent increased from \$0.02 to \$0.05 per diameter inch per lineal foot of pipeline.
3. 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.
4. 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:

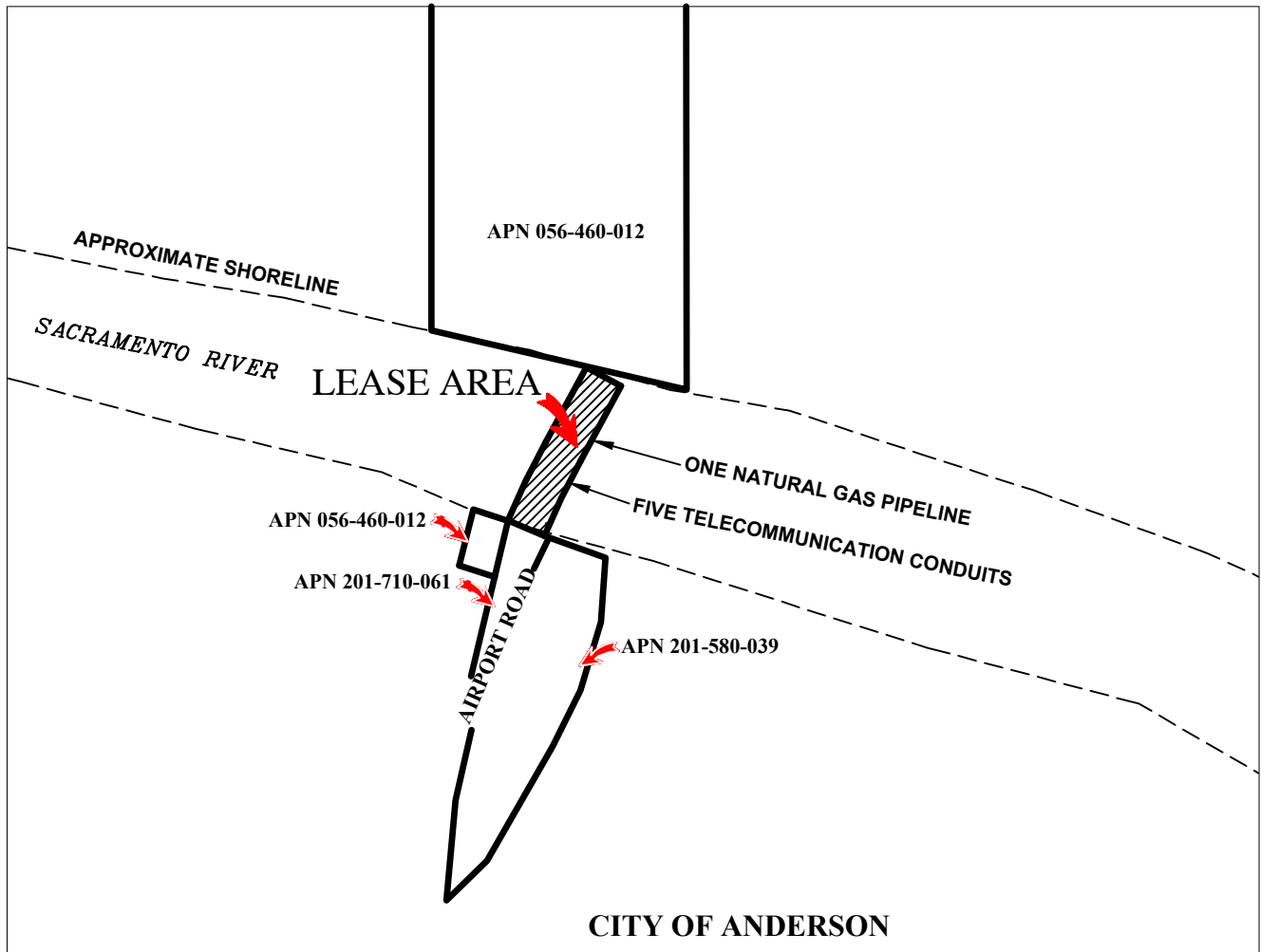
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 505.1 from \$341 per year to \$853 per year, effective May 10, 2018.

NO SCALE

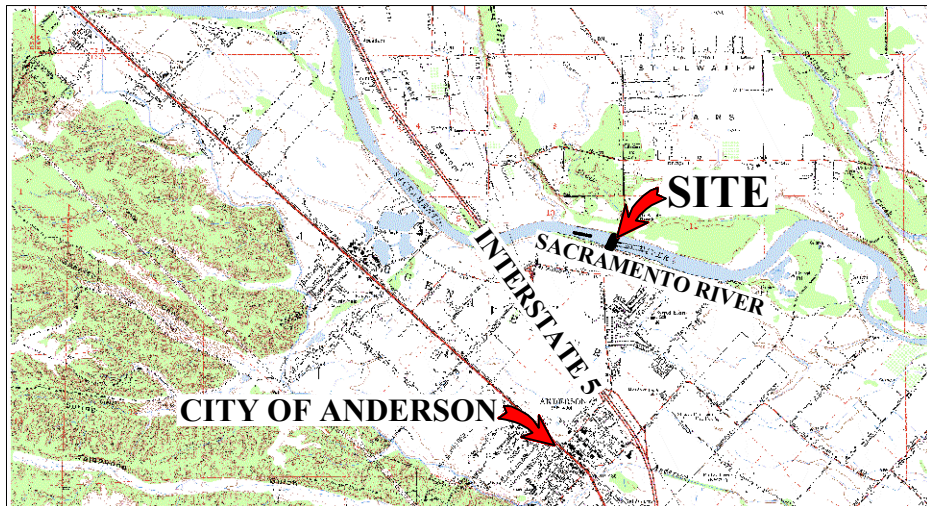
SITE



AIRPORT ROAD, NORTH OF ANDERSON
SHASTA COUNTY, CA

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 505.1
SHASTA COUNTY
GENERAL LEASE -
PUBLIC AGENCY USE
SHASTA COUNTY



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.