

**CALENDAR ITEM
C27**

A 11
S 7

06/28/16
PRC 4813.1
V. Caldwell

ASSIGNMENT OF LEASE AND REVISION OF RENT

LESSEE/ASSIGNOR:

Forestar (USA) Real Estate Group, Inc.

ASSIGNEE:

Commercial Development Company, Inc.

AREA, LAND TYPE, AND LOCATION:

18.38 acres, more or less, of sovereign land in the San Joaquin River, adjacent to 2301 Wilbur Road, near the city of Antioch, and West Island, Contra Costa and Sacramento Counties.

AUTHORIZED USE:

Continued use and maintenance of existing facilities that include an existing non-operational maintenance pier, two dolphins, a 42-inch-diameter water intake pipeline, one 18-inch- and one 26-inch-diameter discharge pipeline and diffusers, and a 36-inch-diameter effluent pipeline.

LEASE TERM:

15 years, beginning January 8, 2007.

CONSIDERATION:

This lease provides that Lessor may modify the rent periodically during the lease term. Pursuant to this provision, staff has conducted a review of the rent under this lease, and recommends rent be revised from \$34,151 to \$35,288 per year, effective January 8, 2017.

OTHER PERTINENT INFORMATION:

1. Assignee will own the upland adjoining the lease premises at the close of escrow but no later than September 30, 2016.
2. On December 3, 2008, the Commission authorized a General Lease - Industrial Use to Forestar (USA) Real Estate Group, Inc. The upland property is currently in escrow with Commercial Development Company

CALENDAR ITEM NO. **C27** (CONT'D)

Inc., and Forestar (USA) Real Estate Group, Inc., has requested an assignment of the lease, effective on the close of escrow but no later than September 30, 2016.

3. Commercial Development Company, Inc., intends to conduct the clean-up activities required by the California Environmental Protection Agency (CalEPA) and the Department of Toxic Substances Control (DTSC) to return this property to other productive uses. At this time, it does not appear that lands under the jurisdiction of the Commission have been affected, but monitoring continues and Commission staff continue to coordinate with DTSC and CalEPA regarding the clean-up activities. The effluent discharge and water intake pipelines have been capped and sealed. Commercial Development Company, Inc. will be considering potential future use of the Lease Premises and accepts all lease conditions.
4. Staff conducted the rent review called for in the lease and recommends the rent be increased based on the California Consumer Price Index, effective January 8, 2017.
5. This activity is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction. Additionally staff recommends authorization of the revision of rent, 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.
6. Approving the revision of rent and authorizing the assignment of lease are not projects as defined by the California Environmental Quality Act because they are administrative actions 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, sections 15378, subdivision (b)(5).

EXHIBITS:

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

CALENDAR ITEM NO. **C27** (CONT'D)

RECOMMENDED ACTION:

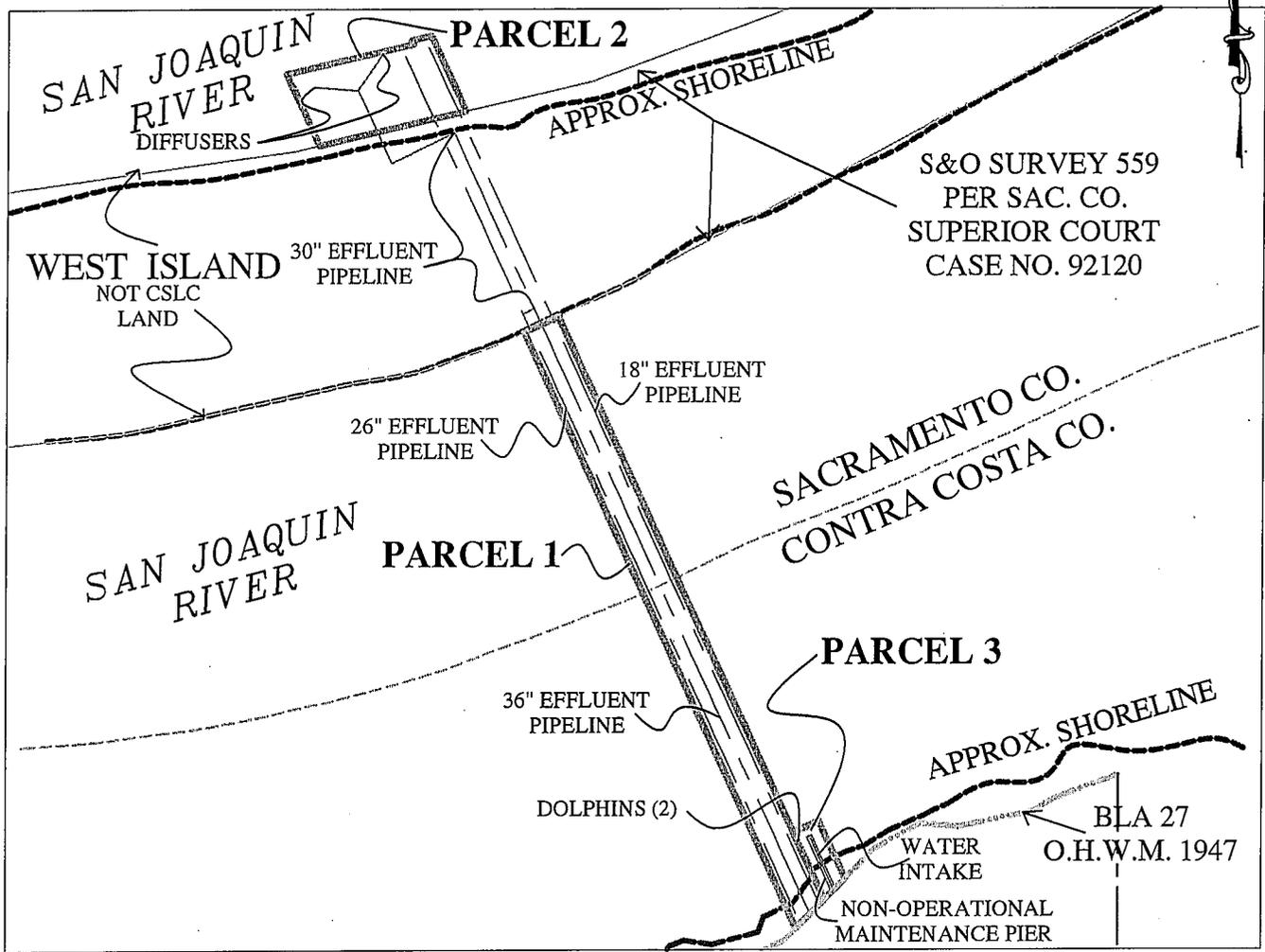
It is recommended that the Commission:

AUTHORIZATION:

1. Approve the revision of rent for Lease No. PRC 4813.1 from \$34,151 per year, to \$35,288 per year, effective January 8, 2017.
2. Authorize the assignment of Lease No. PRC 4813.1, a General Lease – Industrial Use, of sovereign land as shown on Exhibit A, Site and Location map (for reference purposes only) and as described on Exhibit B, Land Description attached and by this reference made a part hereof, from Forestar (USA) Real Estate Group, Inc., to Commercial Development Company, Inc.; effective on the close of escrow but no later than September 30, 2016.

NO SCALE

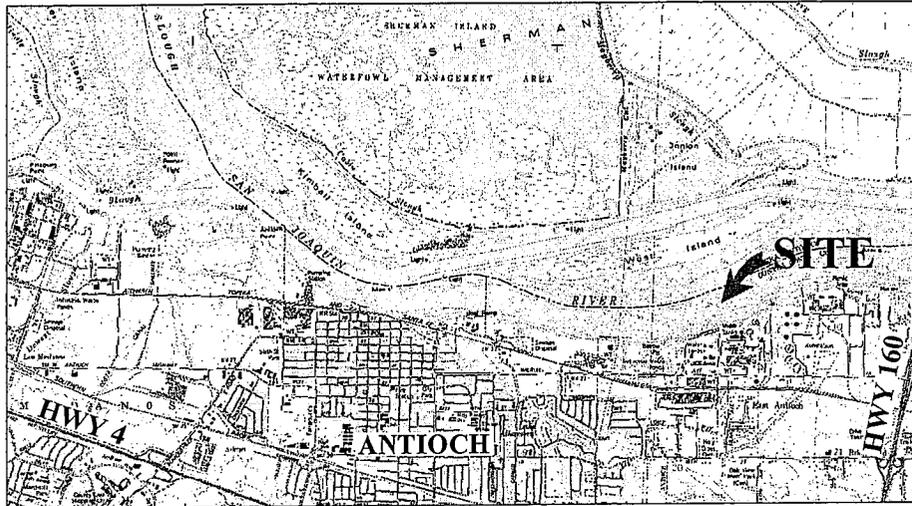
SITE



2301 Wilbur Avenue, Antioch

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit A

PRC 4813.1
 APN 051-031-005,158-0100-001
 COMMERCIAL DEVELOPMENT
 COMPANY
 GENERAL LEASE - INDUSTRIAL USE
 CONTRA COSTA & SACRAMENTO
 COUNTY



MJF 5/06/16

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.

EXHIBIT B

PRC 4813

LAND DESCRIPTION**PARCEL 1** (formerly PARCEL 1 PRC 4813 & PARCEL 1 PRC 2529)

A strip of tide and submerged land 150 feet wide lying within the San Joaquin River, Sacramento and Contra Costa Counties, State of California, being 30 feet southwesterly and 120 feet northeasterly of the following described line:

COMMENCING at the State Lands Commission Monument "BOARD 1947" as shown on the survey map made in January 1948 for Leland S. Rosener by J.G. Barnard, R.C.E. No. 5161, and entitled "Fibreboard Products Inc. – East Antioch – Parts of Sections 8,9,16 and 17 Township 2 North, Range 2 East, M.D.B. & M."; thence N 59°32'10" E 462.25 feet; thence N 24°47'50" W, 144.76 feet to a the POINT OF BEGINNING, being an intersection with that particular course and distance of N 44°43'15" E, 519.73 feet as shown on the Boundary Line Agreement between the State of California and Fibreboard Products Inc., recorded April 17, 1948 in Liber 1193, page 190, office of Official Records of Contra Costa County, said intersection being 97.46 feet easterly from the western terminus of said course and distance; thence continuing N 24°47'50" W, 2551.20 feet to the southerly line of Parcel 1 as described in Fibreboard paper Products Corporation vs. State of California, Sacramento County Superior Case 92120 and the point of terminus of the herein described line.

The sidelines of said strip shall be lengthened or shortened at the point of beginning so as to terminate on the ordinary high water mark along the southerly bank of the San Joaquin River described in California State Lands Commission Boundary Line Agreement 29 recorded in Liber 1193, page 190, in the records of said County and at the point of terminus so as to terminate on the south bank of West Island, also being Swamp and Overflowed Survey No. 559 as described in Sacramento Superior Court Case No. 92120 dated July 26, 1957.

PARCEL 2 (formerly PARCEL 2 PRC 4813 & PARCEL 2 PRC 2529)

A parcel of tide and submerged land lying within the San Joaquin River, Sacramento County, State of California, more particularly described as follows:

COMMENCING at Monument 203S as shown on the survey map made in January 1948 for Leland S. Rosener by J.G. Barnard, R.C.E. No. 5161, and entitled "Fibreboard Products Inc. – East Antioch – Parts of Sections 8,9,16 and 17 Township 2 North, Range 2 East, M.D.B. & M."; thence S 53°58'50" W, 173.04 feet; thence S 64°29'50" W 508.50 feet; thence N 24°47'50" W, 947.18 feet to the northerly line of line of Parcel 1 as described in Fibreboard paper Products Corporation vs. State of California, Sacramento County Superior Case 92120 and the TRUE POINT OF BEGINNING; thence along said northerly line S 76°52'50" W 506.00 feet; thence leaving said northerly line

N 24°47'50" W 315.02 feet; thence N 76°52'50" E, 556.00 feet; thence N 24°47'50" W 17.05 feet; thence N 76°52'50" E 80.37 feet; thence S 24°47'50" E, 332.07 feet to said northerly line; thence along said northerly line S 76°52'50" W 131.42 feet to the point of beginning.

PARCEL 3

A strip of tide and submerge land 110 feet wide, lying within the San Joaquin River, in Contra Costa County, State of California, being 60 feet southwesterly and 50 feet northwesterly of the following described line:

COMMENCING at the State Lands Commission Monument "BOARD 1947" as shown on the survey map made in January 1948 for Leland S. Rosener by J.G. Barnard, R.C.E. No. 5161, and entitle "Fibreboard Products Inc. – East Antioch – Parts of Sections 8,9,16 and 17, Township 2 North, Range 2 East, M.D.B. & M."; thence N 59°32'10" E 462.65 feet; thence N 24°47'50" W, 144.76 feet to a point of intersection with that particular course and distance of N 44°43'15" E, 519.73 feet as shown on the Boundary Line Agreement between the State of California and Fibreboard Products Inc., recorded April 17, 1948 in Liber 1193, page 190, office of Official Records of Contra Costa County; said intersection being 97.46 feet easterly from the western terminus of said course and distance; thence along the line described in said Boundary Line Agreement N 44°43'15" E, 192.15 feet to the POINT OF BEGINNING; thence leaving said boundary line N 24°47'50" W 275.00 feet to the point of terminus of the herein described line.

The sidelines of said strip shall be lengthened or shortened at the point of beginning so as to terminate on the ordinary high water mark along the southerly bank of the San Joaquin River described in California State Lands Commission Boundary Line Agreement 29 recorded in Liber 1193, page 190, in the records of said County and at the point of terminus so as to terminate on a line lying perpendicular to the point of terminus of said centerline.

BASIS OF BEARINGS are California Coordinate System 1927, Zone 3 as shown on "Survey for Fibreboard Products Inc.", recorded 1-16-1948, Bk. LSM Pg. 29, Contra Costa County, also on file at the State Lands Commission CXB 1472. All distances are grid distances.

END OF DESCRIPTION

