

**STAFF REPORT
C81**

A 42
S 16

10/19/17
PRC 4242.2
J. Porter

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Frontier California, Inc.

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

0.30 acre, more or less, of State-owned indemnity school land located in the southeast quarter of the southeast quarter of Section 21, Township 1 South, Range 4 East, SBM, northeast of Morongo Valley, San Bernardino County.

AUTHORIZED USE:

Use and maintenance of an existing unpaved access road and existing overhead and underground telephone lines.

LEASE TERM:

20 years, beginning May 28, 2018.

CONSIDERATION:

\$450 per year, with an annual Consumer Price Index adjustment.

SPECIFIC LEASE PROVISIONS:

1. Liability insurance in the amount of no less than \$1,000,000 per occurrence.
2. Lessee will maintain the unpaved road in a passable condition, and will assume all costs and expenses associated with road maintenance.

STATE'S BEST INTEREST ANALYSIS:

On June 26, 1969, the Commission authorized a 49-year easement to General Telephone Company of California and Southern California Edison Company for telephone lines and a future 12 kV power line ([Item 9, June 26, 1969](#)). A lease amendment was approved by the Commission on September 27, 1978 ([Item C6, September 27, 1978](#)), to permit the Lessee "to construct and maintain buried cables in addition to aerial cables provided for in the original lease." The lease will expire on May 28, 2018. Since the lease was issued in 1969, General

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Telephone Company of California has changed its name to Frontier California, Inc. On April 19, 2017, Frontier California, Inc. submitted an application for a General Lease – Right-of-Way Use for continued use and maintenance of the existing overhead and underground telephone lines. This new lease will also authorize the use and maintenance of the existing unpaved access road used to access and maintain the lines that is located within the lease premises.

The proposed lease is limited to a 20-year term, does not alienate the State's fee simple interest, and does not grant the lessee exclusive rights to the lease premises. The lease requires the lessee to maintain the unimproved road at no expense to the State. The lease requires the lessee to insure and indemnify the State for any liability incurred as a result of the lessee's activities thereon. The lease also requires the payment of annual rent, which generates revenue for the California State Teachers' Retirement System, consistent with the School Land Bank Act. For the reasons stated above, Commission staff believes issuance of this lease is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. When the Commission acquired the land as an indemnity selection, it was subject to a Bureau of Land Management (BLM) Right-of-Way grant to SCE for power lines. Staff is currently investigating the terms of the BLM grant and the need for a separate new lease with SCE for the power lines.
2. This action 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, and Strategy 2.1 to optimize returns for the responsible development and use of State lands and resources, both onshore and offshore.
3. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300.

4. This activity involves lands which have NOT been identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq.; however, the Commission has declared that all lands are significant by nature of their public ownership (as opposed to environmentally significant). Since such declaration of significance is not

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based upon the requirements and criteria of Public Resources Code section 6370 et seq., use classifications for such lands have not been designated. Therefore, the finding of the project's consistency with the use classification as required by California Code of Regulations, title 2, section 2954 is not applicable.

EXHIBITS:

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

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 14, section 15301.

STATE'S BEST INTERESTS FINDING:

Find that the proposed lease is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use to Frontier California, Inc. beginning May 28, 2018, for a term of 20 years, for use and maintenance of an unpaved access road and overhead and underground telephone lines on 0.30 acre, more or less, of State-owned indemnity school land described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; annual rent in the amount of \$450, with an annual Consumer Price Index adjustment; and liability insurance in an amount no less than \$1,000,000 per occurrence.

EXHIBIT A

PRC 4242.2

LAND DESCRIPTION

A 10-foot wide strip of State School Land situate in Section 21, Township 1 South, Range 4 East, San Bernardino Meridian as shown on the Official U.S. Government Township Plat approved February 3, 1879, San Bernardino County, State of California, lying 5 feet on each side of a centerline more particularly described as follows:

BEGINNING at a point on the easterly line of Section 21, Township 1 South, Range 4 East, San Bernardino Meridian, that bears North $0^{\circ} 09'$ East 30.00 feet from the southeast corner of said Section 21, thence South $89^{\circ} 46'$ West 1319.36 feet more or less to a point on the westerly line of Southeast $\frac{1}{4}$ of Southeast $\frac{1}{4}$ of said Section 21 and the TERMINUS of said centerline, said point lying 30.00 feet northerly of the south line of said Section 21.

The sidelines of said strip shall be lengthened or shortened as to begin and terminate at the easterly and westerly lines of Southeast $\frac{1}{4}$ of Southeast $\frac{1}{4}$ of said Section 21.

END OF DESCRIPTION

The above description is based on that original description prepared by SLC Boundary Unit on June 26, 1969 as found in PRC 4242 file, Calendar Item 1.

Revised 08/23/2017 by the California State Lands Commission Boundary Unit.



NO SCALE

SITE

$S\frac{1}{2}$ OF $SE\frac{1}{4}$ OF $SE\frac{1}{4}$ AND $NE\frac{1}{4}$ OF
 $SE\frac{1}{4}$ OF $SE\frac{1}{4}$ AND $W\frac{1}{2}$ OF $NW\frac{1}{4}$
OF $SE\frac{1}{4}$ OF $SE\frac{1}{4}$ OF SECTION 21,
T1S, R4E, SBM



APN 0582-291-10

LEASE
AREA

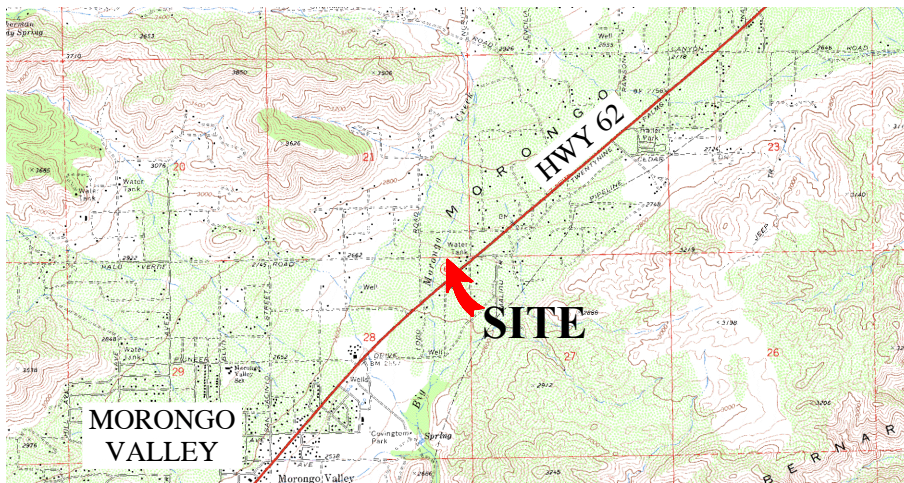
PALO VERDE RD.

HWY 62

NORTHEAST OF MORONGO VALLEY

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

Exhibit B

PRC 4242.2
FRONTIER CALIFORNIA, INC.
APN 0582-291-10
GENERAL LEASE -
RIGHT-OF-WAY USE
SAN BERNARDINO COUNTY



TS 08/23/17

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.