

STAFF REPORT

62

A 33

08/23/19

S 16

PRC 8836.2

K. Foster

CONTINUATION OF RENT

LESSEE:

Southern California Gas Company

AREA, LAND TYPE, AND LOCATION:

17.88 acres, more or less, of State school land located on two parcels in portions of Section 16, Township 5 North, Range 15 East and Section 36, Township 3 North, Range 12 East, SBM, near Twentynine Palms, San Bernardino County.

AUTHORIZED USE:

Operation, use, and maintenance of an existing 16-inch-diameter underground natural gas pipeline, two block valves, and one cathodic protection rectifier.

LEASE TERM:

20 years, beginning August 11, 2009.

CONSIDERATION:

This lease provides that the Commission may modify the rent periodically during the lease term. Pursuant to this provision, staff conducted a review of the rent under this lease and recommends that rent be continued at \$10,191 per year, effective August 11, 2019.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the continuation of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a continuation of rent, it exercises legislatively delegated authority and responsibility as trustee of the State's school lands as authorized by law. Upon expiration or prior termination of the lease, the Lessee has no right to a new lease or to renewal of any previous lease.
2. On August 11, 2009, the Commission authorized a General Lease – Right-of-Way Use to Southern California Gas Company ([Item C29, August 11, 2009](#)). The 16-inch-diameter underground natural pipeline was previously under lease with Questar Southern Trails Pipeline, which sold a portion of the pipeline within the two school land parcels to Southern California Gas Company. The lease will expire on August 10, 2029.

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3. The rent for the lease is currently calculated using the methodology described in California Code of Regulations, title 2, section 2003, subsection (a)(4). Staff recommends continuing to use this methodology, resulting in no change in rent under the lease.
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 continuation 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:

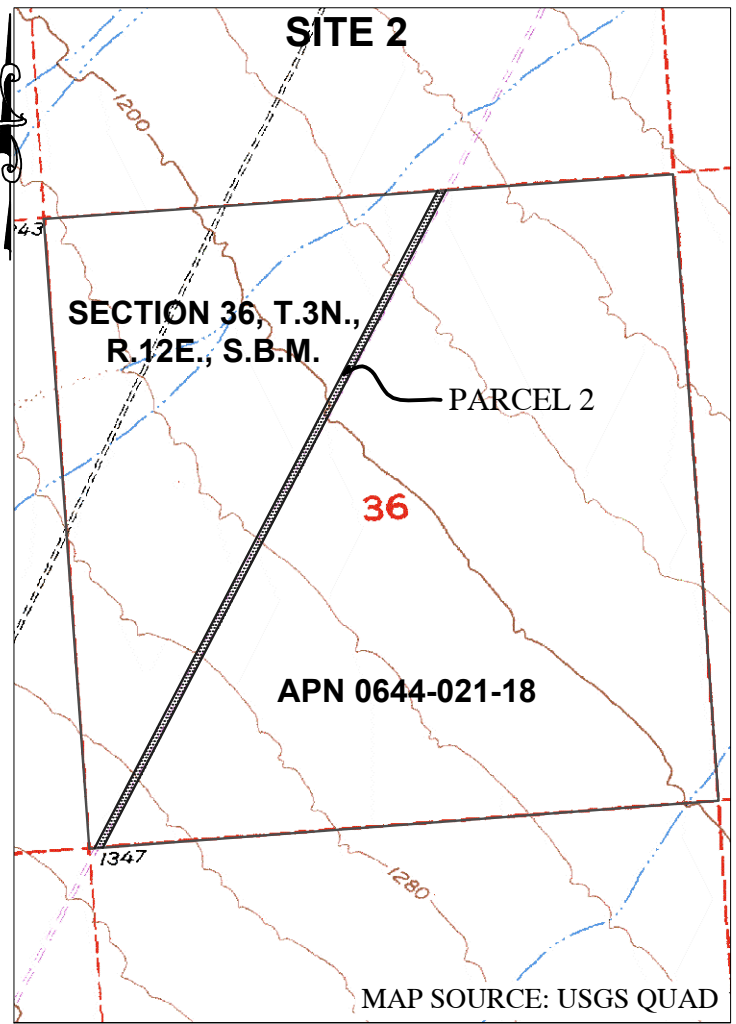
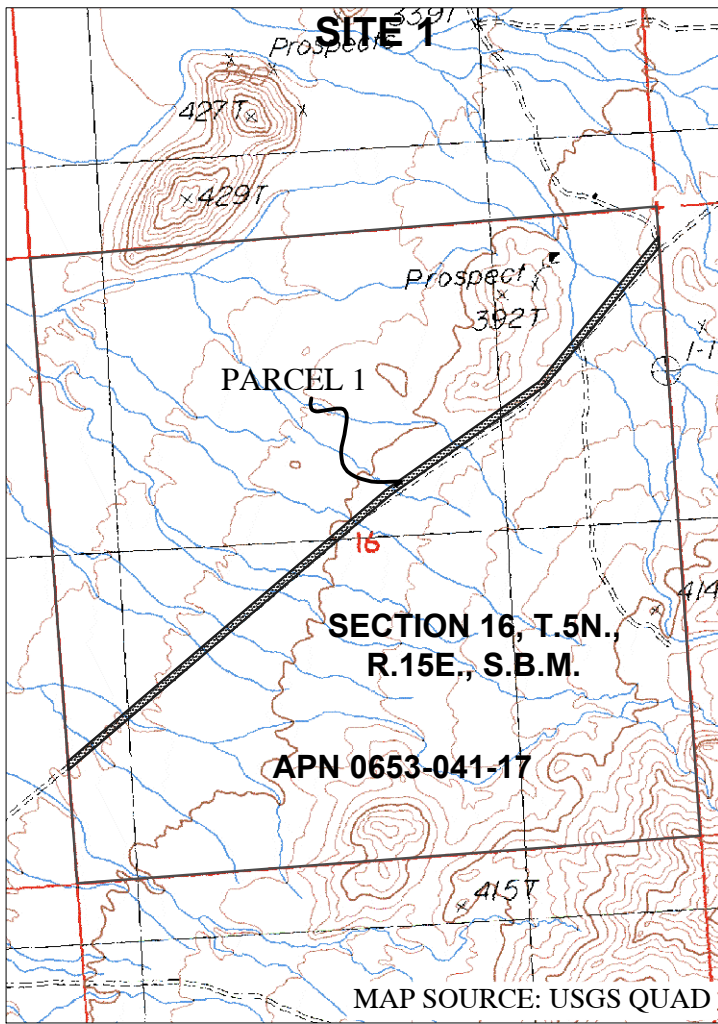
It is recommended that the Commission:

AUTHORIZATION:

Approve the continuation of rent for Lease No. PRC 8836.2 at \$10,191 per year, effective August 11, 2019.

NO SCALE

SITE



STATE SCHOOL LANDS

PORTION OF SECTION 16, TOWNSHIP 5 NORTH, RANGE 15 EAST, AND PORTION OF SECTION 36, TOWNSHIP 3 NORTH, RANGE 12 EAST, SAN BERNARDINO MERIDIAN

NO SCALE

LOCATION

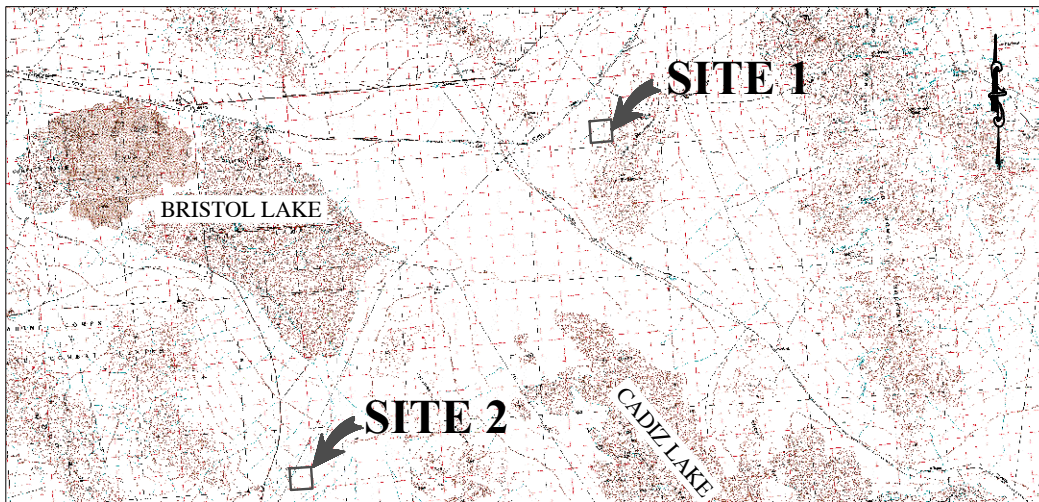


Exhibit A

PRC 8836.2
 SOUTHERN CALIFORNIA
 GAS CO.
 APNs 0644-021-18 &
 0653-041-17
 GENERAL LEASE -
 RIGHT-OF-WAY USE
 SAN BERNARDINO 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.