

STAFF REPORT

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12/06/19
PRC 8145.2
N. Lee

REVISION OF RENT

LESSEE:

Citizens Telecommunications Company of California Inc.

AREA, LAND TYPE, AND LOCATION:

1.36 acres, more or less, of State school land in a portion of Section 16, Township 35 North, Range 5 East, MDM, near Burney, Shasta County.

AUTHORIZED USE:

Operation, use, and maintenance of an existing aerial 0.51-inch diameter, 24-strand fiber-optic cable encased in a high-density polyethylene outer sheath, and approximately 20 wooden poles.

LEASE TERM:

20 years, beginning February 8, 2010.

CONSIDERATION:

This lease provides that the Commission 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 that rent be revised from \$450 per year to \$503 per year, effective February 8, 2020.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent is a discretionary action by the Commission. Each time the Commission approves or rejects a revision 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 January 26, 2012, the Commission authorized a General Lease – Right-of-Way Use with Citizens Telecommunications Company of California Inc. (Citizens) ([Item 66, January 26, 2012](#)). The lease will expire on February 7, 2030.

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3. There are two other State leases involving the area under this lease. The right-of-way for the existing wood poles and lines is also currently leased to Pacific Gas and Electric Company (PG&E) under Lease No. PRC 5391.2. The existing wood poles and lines are jointly owned by PG&E and Citizens. Additionally, the right-of-way for the two leases traverses a grazing lease, Lease No. PRC 3353.2, to Bidwell Ranches, Inc.
4. PG&E maintains the existing wood poles and line within the right-of-way and conducts inspections every 2 years. PG&E will contact Citizens for cost sharing if maintenance is necessary.
5. 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.
6. 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:

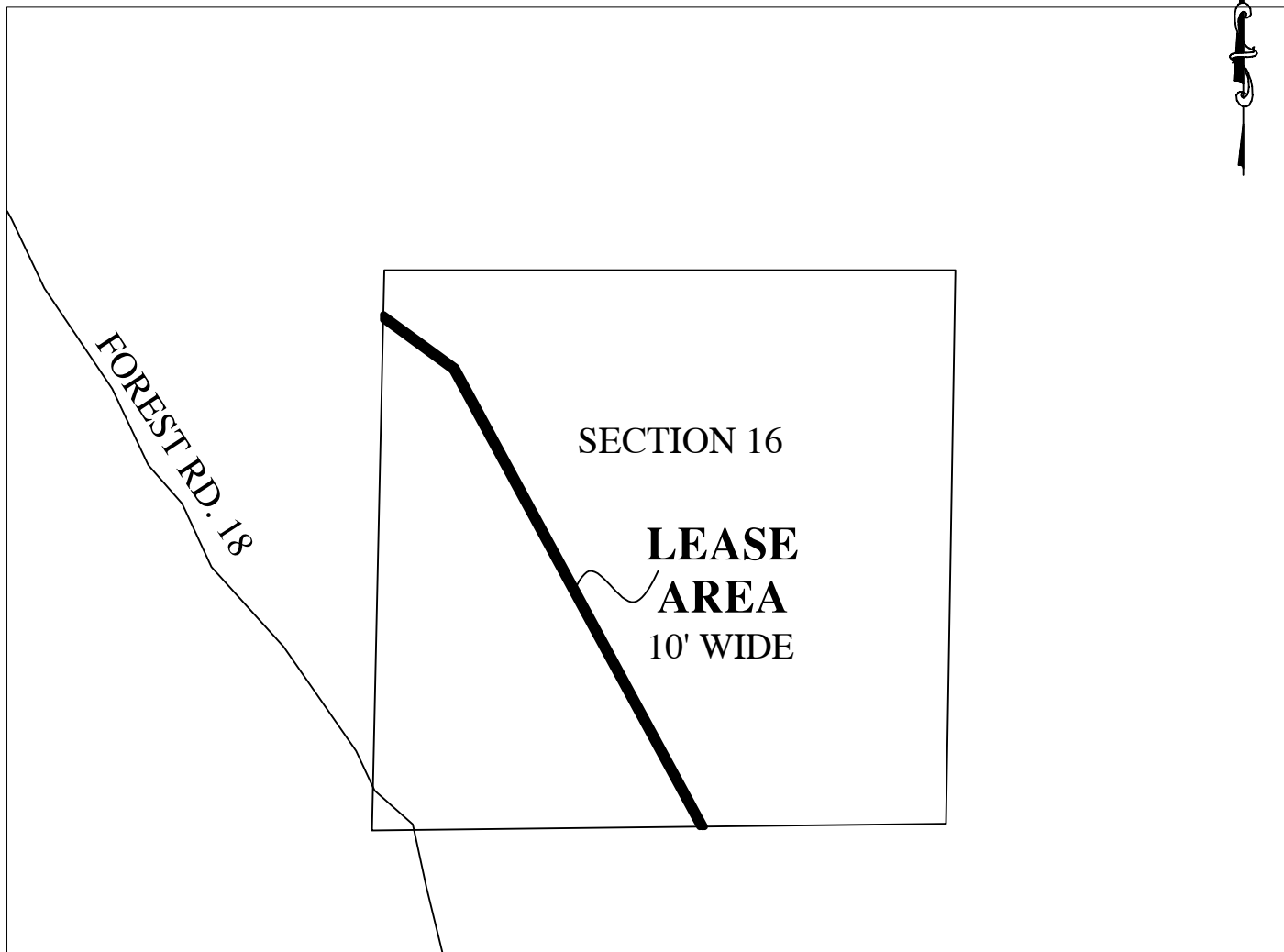
It is recommended that the Commission:

AUTHORIZATION:

Approve the revision of rent for Lease No. PRC 8145.2 from \$450 per year to \$503 per year, effective February 8, 2020.

NO SCALE

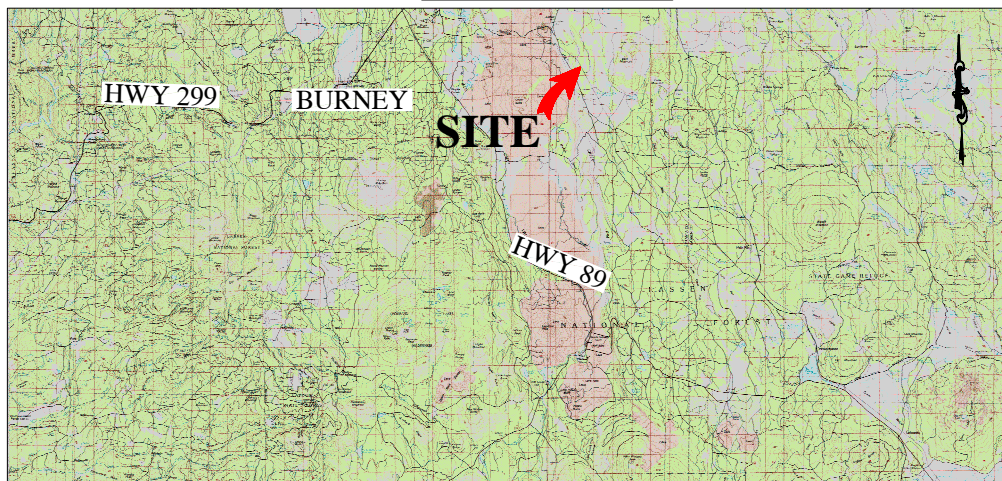
SITE



Section 16, T35N, R5E, MDM - near Burney

NO SCALE

LOCATION



MAP SOURCE: USGS QUAD

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 A

PRC 8145.2

CITIZENS TELECOM.
COMPANY OF CA, INC.

APN 031-270-006

GENERAL LEASE -
RIGHT-OF-WAY USE
SHASTA COUNTY



MJF 10/30/19