

Staff Report 59

LESSEE:

Level 3 Communications, LLC

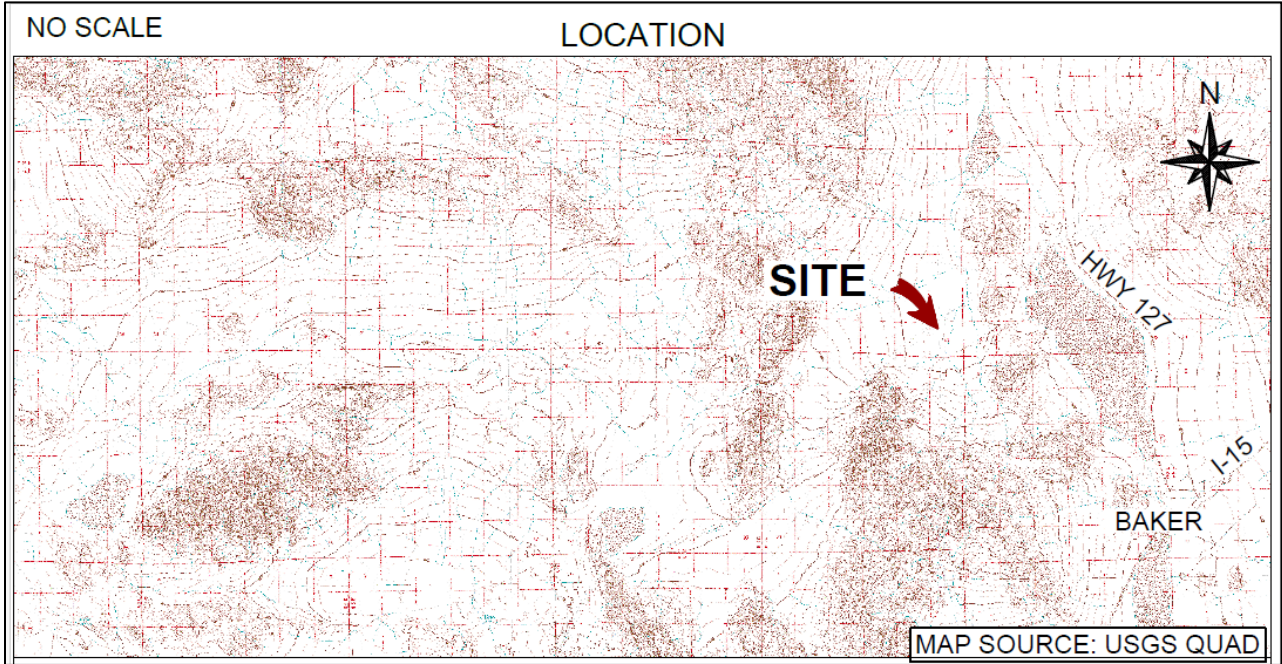
PROPOSED ACTION:

Continuation of rent and increase in surety bond for a General Lease – Right-of-Way Use.

AREA, LAND TYPE, AND LOCATION:

0.47 acres, more or less, of State-owned school land within portions of Section 36, Township 15 North, Range 7 East, San Bernardino Meridian, west of Silver Lake, San Bernardino County (as shown in Figure 1).

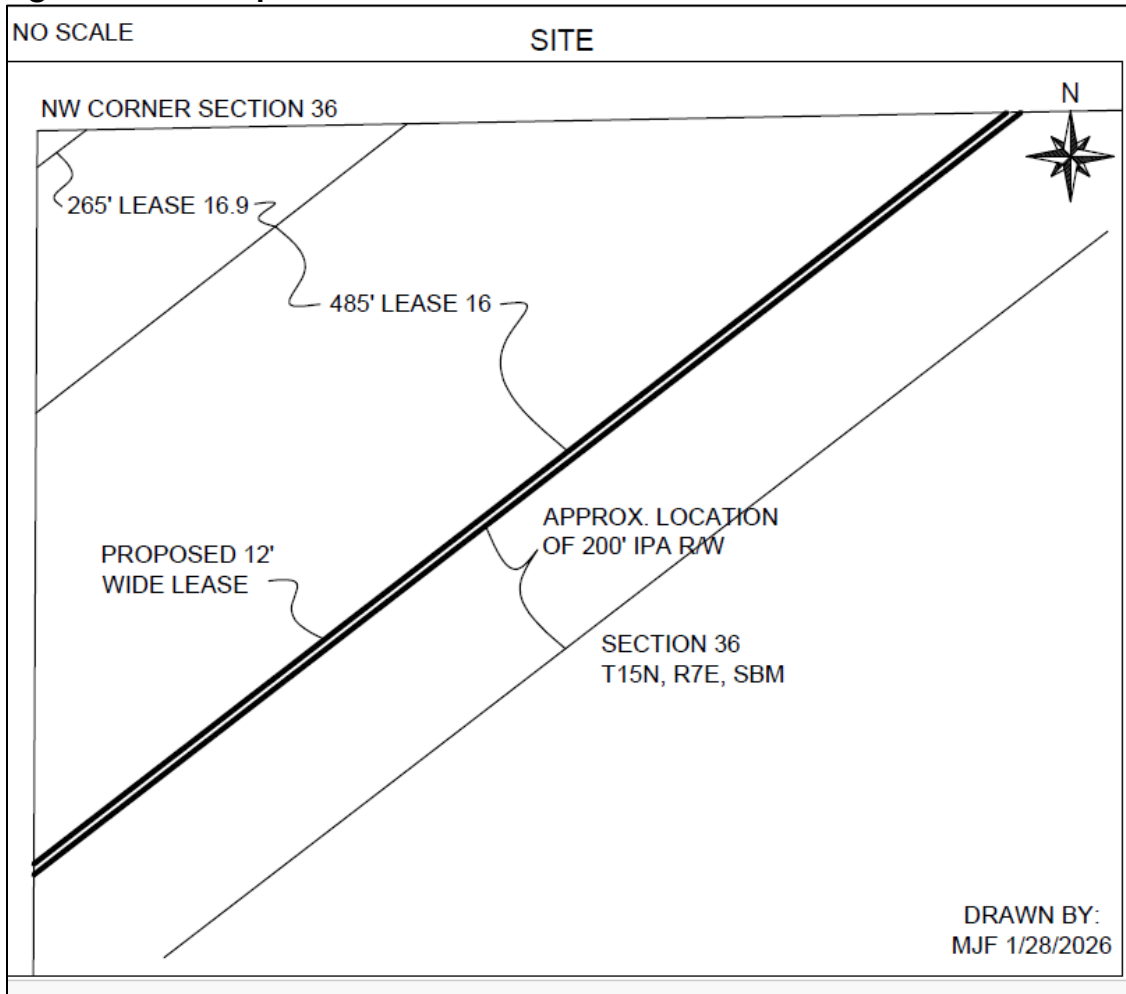
Figure 1. Location



AUTHORIZED USE:

Continued use and maintenance of 12 existing High-Density Polyethylene (HDPE) innerducts, one of which contains one fiber optic cable with approximately 144 fibers (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

20 years, beginning April 1, 2011; ending March 31, 2031.

CONSIDERATION:

The lease provides that the Commission may modify the rent and financial security periodically during the lease term. Pursuant to this provision, staff conducted a review of the current rent under this lease and recommends continuation of the annual rent in the amount of \$1,277, and an increase of the financial security, effective April 1, 2026.

BACKGROUND:

On September 1, 2011, the Commission authorized a General Lease, Right of Way Use to Level 3 Communications for 12 existing uncased High-Density Polyethylene (HDPE) innerducts, one of which contains one fiber optic cable with approximately 144 fibers ([Item 69](#)).

The Commission requires a bond or security instrument to protect the interest of the State as it relates to compliance with all lease provisions, including restoration of the lease premises to their original condition. The lease currently requires a \$10,000 bond. Staff conducted a comprehensive review of the required bond amount for removal of fiber optics cables and site restoration. Staff's review indicates that the existing bond amount is insufficient to cover the potential costs associated with the removal and site restoration activities of the authorized fiber optic facilities. Staff's analysis indicates that the recommended bond amount should be increased to \$37,500 to adequately mitigate the State's future potential liability. The liability insurance coverage is no less than \$2,000,000.

OTHER PERTINENT INFORMATION:

1. Approval or denial of the revision of rent and bond is discretionary action by the Commission. Each time the Commission approves or rejects a revision of rent and bond, it exercises legislatively delegated authority and responsibility as trustee of the state's public lands as authorized by law. The lessee has no right to a new lease or to renew any previous lease.
2. This action is consistent with addressing the challenges and opportunities described in the Commission's 2021-2025 Strategic Plan to "Embrace and safeguard multi-benefit school lands and resource management stewardship that equitably balances responsible local and regional economic development, supports living wages, environmental protection, and revenue generation".

3. Approving the revision of rent and bond 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, sections 15060, subdivision (c)(3), and 15378, subdivision (b)(5).

RECOMMENDED ACTION:

It is recommended that the Commission:

STATE'S BEST INTEREST:

Find that the continuation of rent and financial security revisions is in the best interests of the State.

AUTHORIZATION:

Approve the continuation of the rent for Lease 8324 of the amount of \$1,277 and increase the bond from \$10,000 to \$37,500, effective April 1, 2026.