

MINUTE ITEM NO. 28

APPROVED 2/21/76

MINUTE ITEM

2/26/76
GRH

28. REVISION IN LEASE RENTAL AFTER ROUTINE REVIEW, TIDE AND SUBMERGED LAND AT ORMOND BEACH, VENTURA COUNTY; SOUTHERN CALIFORNIA EDISON COMPANY - WP 4196, PRC 4196.

During consideration of Calendar Item 28, Mr. James F. Trout, Manager, Land Operations, explained the procedure for setting the rental rate on the subject lease revision.

Mr. Paul Fischer, Senior Property Appraiser, representing Southern California Edison Company, appeared. He stated that Edison did not object to the proposed unit value or the eight percent appraisal rate. Mr. Fischer explained that their main objection was that the State Lands Division bases the rental rate on the fact that Edison has 100 percent exclusive use of the easement area. However, it is Edison's contention that it has only 50 percent of the use, listing the following reasons:

1. The circulating conduits are buried.
2. The public is not restricted from use of the beach area or the surface of the ocean.
2. The language in the lease reserves to the State the right to grant leases or rights of way over the easement area for purposes which are not in conflict with Edison's uses.

After hearing this testimony and considering the item, the Commission unanimously approved the resolution as presented on Calendar Item 28 attached.

Attachment:

Calendar Item 28 (1 page)

CALENDAR ITEM

2/76
GRH
WP 4196

28.

REVISION IN LEASE RENTAL AFTER ROUTINE REVIEW

The lease listed below provides that the State may fix the annual rental at a different amount for the five-year term following the fifth anniversary of the lease, effective on such anniversary date. This is an industrial lease for a term of 20 years from April 24, 1969, with an existing annual rental of \$1,566, covering a 14.34-acre parcel of tide and submerged land at Ormond Beach, Ventura County for the operation and maintenance of cooling water conduits.

The land covered by the lease has been reappraised and it has been determined that the new rental shown below, which is 8% of the appraised land value, is reasonable and proper. The lessee has been notified of the amount of new rental within the time constraints set by the lease; said adjustment to be effective on the date of the next rental payment, as provided in the lease.

EXHIBITS: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE FIXING THE NEW RENTAL PER ANNUM AS INDICATED BELOW FOR THE FOLLOWING LEASE EFFECTIVE ON THE DATE SHOWN:

<u>PRC NO.</u>	<u>LESSEE</u>	<u>PRIOR RENTAL</u>	<u>AMOUNT OF NEW RENTAL</u>	<u>EFFECTIVE DATE</u>
4196	Southern California Edison Company	\$1,566/ annum	\$2,720/ annum	4-24-76