

MINUTE ITEM

9/27/73
SCL

26. REQUEST FOR AUTHORIZATION TO REJECT THE OFFER OF RODNEY GREGG TO PURCHASE SECTION 16, T 45 N, R 7 W, MDM, SISKIYOU COUNTY, FOR \$5 PER ACRE; CANCEL PURCHASE APPLICATION SA 4780; AND REFUND TO HIM MONIES ON DEPOSIT - SA 4780.

During consideration of Calendar Item 24 attached, Mr. Franklin A. Dill, attorney, representing the applicant Rodney Gregg, appeared before the Commission and presented a copy of "Supplemental Memorandum of Points and Authorities in Support of Purchase Application of Rodney Gregg", dated September 27, 1973. Lengthy testimony was given by Mr. Dill presenting Mr. Gregg's case. Subsequently, after discussions between Mr. Dill, the Commissioners and staff, the Commission did not reach a decision as to the adoption of the staff's recommendation and instructed the staff to consider the possibility of dividing the property, giving serious consideration as to the current fair market value of the subject property. The staff was instructed to report back their findings at the next Commission meeting.

Attachment:

Calendar Item 24 (2 pages)

CALENDAR ITEM

24.

9/73
SCL
SA 4780

REQUEST FOR AUTHORIZATION TO REJECT THE OFFER OF RODNEY GREGG
TO PURCHASE SECTION 16, T 45 N, R 7 W, MDM, FOR \$5 PER ACRE
CANCEL PURCHASE APPLICATION SA 4780 AND REFUND TO HIM MONIES ON DEPOSIT

In 1951, Rodney Gregg applied to purchase Section 16, T 45 N, R 7 W, MDM. The land was appraised at \$5 an acre and bids were solicited through newspaper advertisement. Mr. Gregg offered \$5 an acre, but prior to the State Lands Commission authorizing the sale, title problems became evident and action on the sale was deferred pending clarification of title to the land. Clarification of title required extended adjudication procedures by the Bureau of Land Management, and satisfactory title was evidenced by a federal patent received by the State in March, 1969.

During the adjudication proceedings, Mr. Gregg was offered the return of his deposits, which total \$3,129.20. He elected to leave the money on deposit.

Although the land is presently in the ownership of the State, the Division feels it would not be in the best interests of the State to accept the 1951 offer of Mr. Gregg. The reasons for this opinion are:

1. The land today is worth many times the \$5/acre offer made by Mr. Gregg in 1951.
2. It has been determined that a portion of the land has potential mineral value. It is the longstanding policy of this Division not to recommend disposal of land containing minerals; rather, it is the policy to encourage mineral development under a lease arrangement. This development would be complicated if the surface rights were to be transferred from State ownership. Thus, no sale of mineral land is recommended.
3. Because this land contains minerals, and there are so few sections of land in California with mineral potential, this land is appropriate for consideration as environmentally unique.
4. Public Resources Code Section 6371 prohibits the sale of any and all State land unless the State Lands Commission has made a finding at a public hearing that such sale is necessary for the health, welfare, or safety of the people of the State or that the land is not unique in character. Thus, under this section, no sale of State land under the jurisdiction of this Division can be made without such a finding. The Division does not believe that sale of the parcel to Mr. Gregg is necessary for the health, welfare, or safety of the people of the State.

CALENDAR ITEM NO. 24. (CONTD)

5. An offer to purchase land may be rejected if false statements were made on the application. Mr. Gregg stated on his application in 1951 that the land was not mineral in character and that no one was occupying the land. Field inspection by the State in 1920 showed that there had been considerable mining activity conducted on this land. Furthermore, the United States, before issuing a patent to the State, held two hearings which revolved around the question of the mineral character of the land. It was concluded that the land was mineral in character on the date of the original survey and therefore title did not pass to the State until authority of the Act of January 25, 1927 (44 Stat. 1026). Finally, there are statements on file of persons who have mined the land. Such persons were occupying the land at the time of the application of Mr. Gregg. (A portion of the land is presently occupied.) Thus, there are apparent false statements on the application of Mr. Gregg, and this constitutes grounds for the Commission to reject his offer to purchase State school lands.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. REJECT THE OFFER OF MR. RODNEY GREGG TO PURCHASE SECTION 16, T 45 N, R 7 W, MDM.
2. AUTHORIZE CANCELLATION OF PURCHASE APPLICATION SA 4780 AS TO SECTION 16, T 45 N, R 7 W, MDM.
3. AUTHORIZE REFUND OF DEPOSITS SUBMITTED BY MR. GREGG IN CONNECTION WITH THE OFFER TO PURCHASE SECTION 16, T 45 N, R 7 W, MDM.