MINUTE ITEM

This Calendar Item No. 26. was approved as Minute Item No. 26 by the State Lands Commission by a vote of 2 to 0 at its 8.23.79 meeting.

CALENDAR ITEM

26.

8/79
WP 5368
Childress
PRC 5368

AGRICULTURAL LEASE

HIGH BIDDER: Don Bargiacchi
612 Escalona Drive
Santa Cruz, California 95061

TERMS OF PROPOSED LEASE:

Initial period:	5 years from January 1, 1980.
Consideration:	$8,610 per annum, established by sealed bid. The minimum acceptable bid was determined by a staff appraisal.
Area:	82 acres, more or less.
Use:	Row crop farming.
Insurance:	$100,000.
Surety bond:	$1,000.
Land type:	School land.
Location:	Three miles northwest of Santa Cruz, Santa Cruz County.

BACKGROUND: On May 26, 1977, the State Lands Commission approved the acquisition of 950 acres, more or less, from Erickson Lumber Company. The land acquired was encumbered by 3 existing leases, all scheduled to terminate on December 31, 1977. Said leases have been renewed on a year-to-year basis and are now scheduled to expire on December 31, 1979. The existing tenants were given preferential treatment in the previous lease renewals.

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CURRENT SITUATION:

The proposed lease was advertised in a local newspaper of general circulation on July 19 and 26, 1979. A bid package describing the proposed lease was mailed and/or hand delivered to all parties expressing an interest. In order to qualify as a potential lessee, a sealed bid was required. At 2:00 p.m. on August 9, 1979, the sealed bids were opened. The minimum acceptable bid was set at $8,200 per annum, based upon an appraisal of the typical rental values in the immediate vicinity. The applicant was the sole bidder with a bid of $8,610 per annum. The bid was accompanied by a deposit equivalent to 10 percent of the annual rental.

PERTINENT INFORMATION:

An EIR is not required. This transaction is within the purview of 2 Cal. Adm. Code 2907, Class 1(B) which exempts an existing use for which there is no evidence of record to show injury to adjacent property, shoreline erosion, or other types of environmental degradation.

This project is situated on lands not identified as possessing significant environmental values. A staff review of available environmental information indicates no reason to identify the subject lands as having such values at this time.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. DETERMINE THAT AN EIR HAS NOT BEEN PREPARED FOR THIS ACTIVITY AS SUCH REPORT IS NOT REQUIRED UNDER THE PROVISIONS OF P.R.C. 21085, 14 CAL. ADM. CODE 15100 ET SEQ., AND 2 CAL. ADM. CODE 2907.

2. AUTHORIZE ISSUANCE TO DON BARGIACCHI OF A 5-YEAR AGRICULTURAL LEASE EMBODYING THE TERMS OF THE BID PACKAGE ON FILE IN THE COMMISSION OFFICE FROM JANUARY 1, 1980; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF

$8,610, PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF $100,000 COMBINED SINGLE LIMIT COVERAGE, SURETY BOND FOR $1,000 FOR ROW CROP FARMING.

3. THE LEASE DOCUMENT SHALL NOT BE EXECUTED ON BEHALF OF THE COMMISSION UNTIL THE HIGHEST QUALIFIED BIDDER, DON BARGIACCHI, HAS SUBMITTED THE REQUIRED DOCUMENTATION AND HAS COMPLIED WITH ALL THE RULES AND REGULATIONS OF THE COMMISSION.

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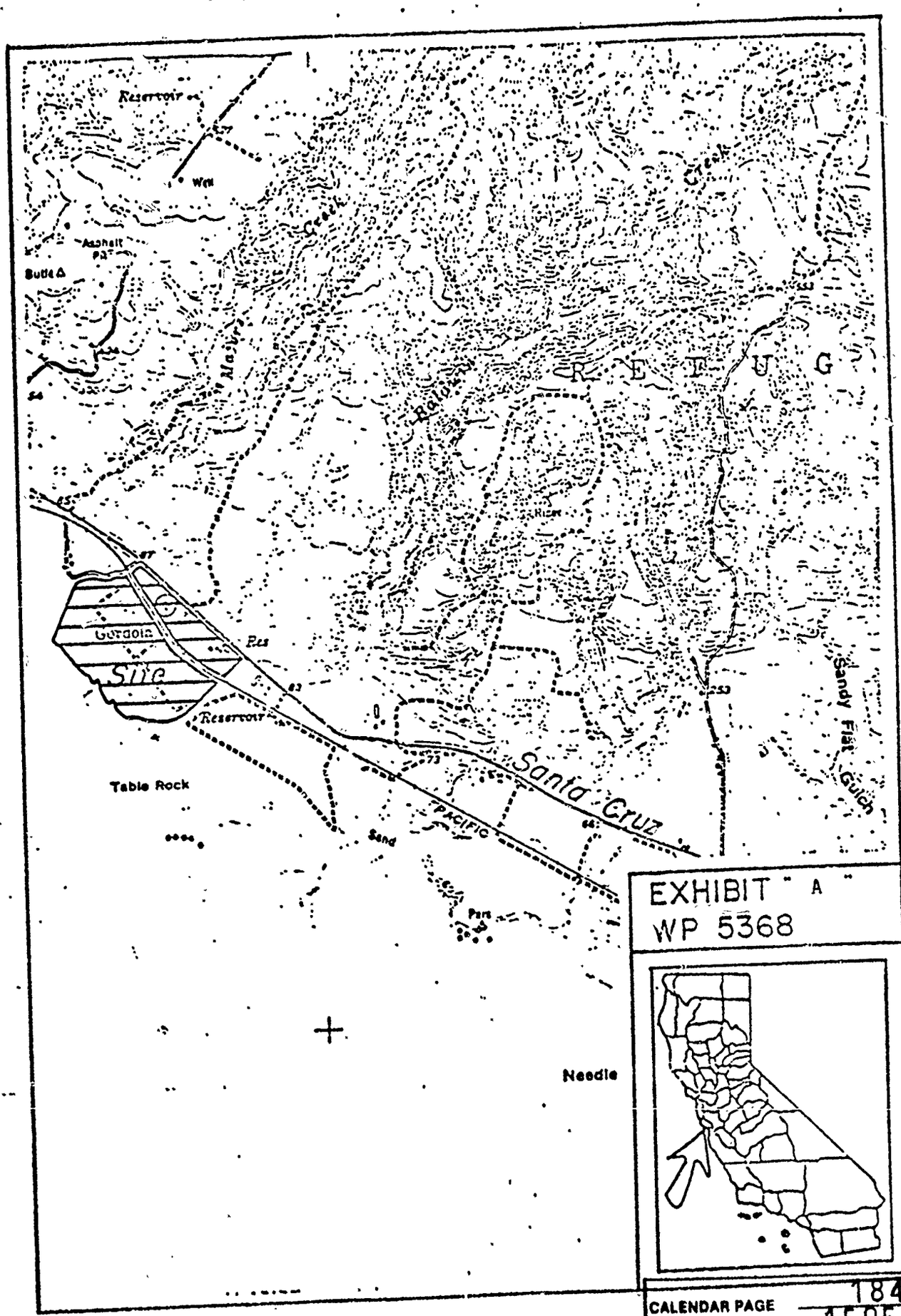

EXHIBIT "A"
WP 5368

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