MINUTE ITEM

This Calendar Item No. 27 was approved as Minute Item No. 27 by the State Lands Commission by a vote of 3 to 0 at its 8.22.79 meeting.

CALENDAR ITEM
27.

8/79
WP 5369
Childress
PRC 5369

GRAZING LEASE

HIGH BIDDER: Fred Pfyffer
P. O. Box 879
Santa Cruz, California 95061

TERMS OF PROPOSED LEASE:

Initial period: 5 years from January 1, 1980.

Consideration: $4,453 per annum, established by sealed bid. The minimum acceptable bid was determined by a staff appraisal.

Area: 440 acres, more or less.

Use: Livestock grazing.

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 $4,400 per annum, based upon an appraisal of the typical rental values in the immediate vicinity. The applicant, Fred Pfyffer, was the sole bidder with a bid of $4,453 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.

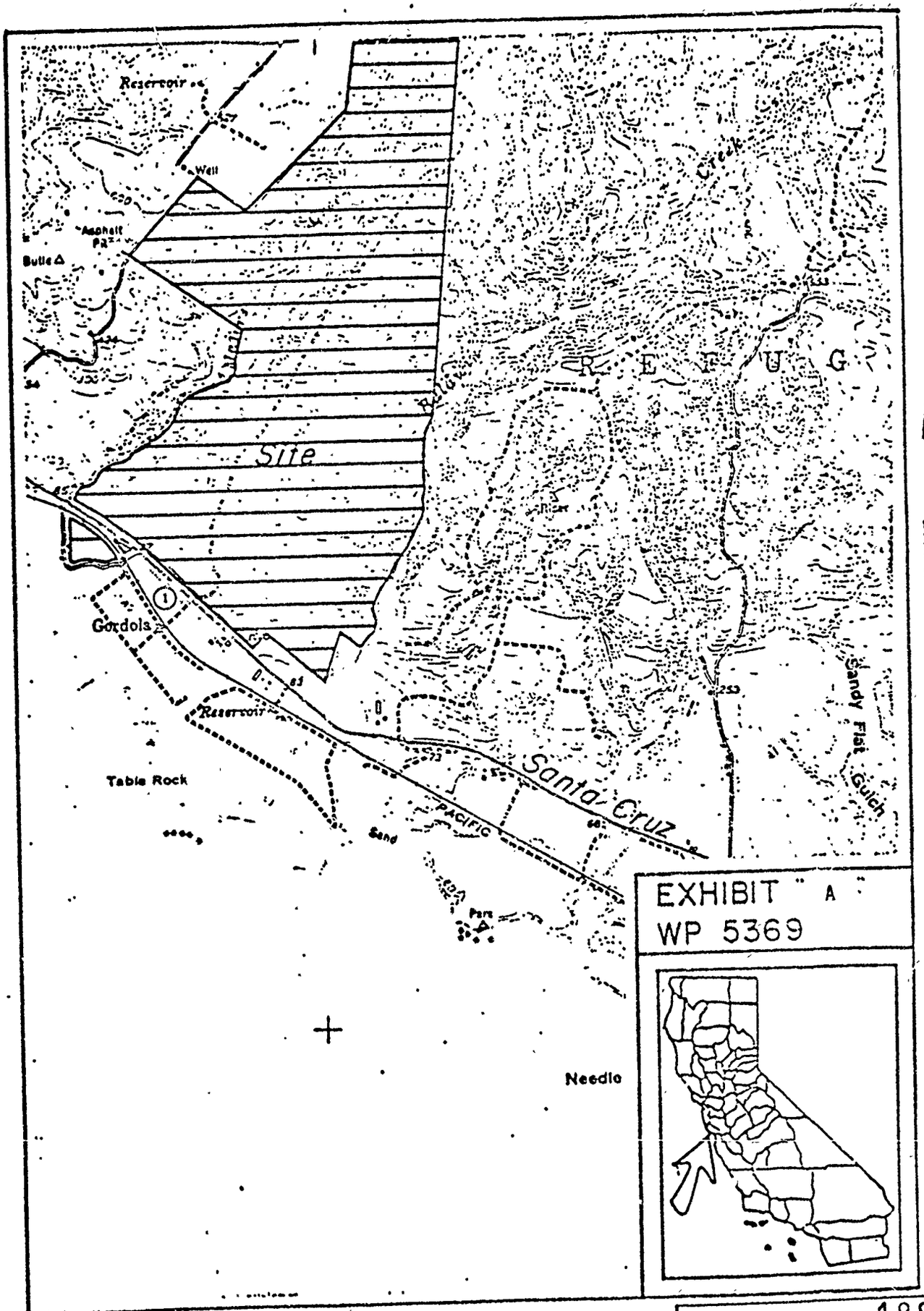
IT IS RECOMMENDED THAT THE COMMISSION:

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 FRED PFYFFER OF A 5-YEAR GRAZING LEASE ON THE STANDARD LEASE FORMS ON FILE IN THE OFFICE OF THE COMMISSION, EMBODYING THE TERMS THE BID PACKAGE,

FROM JANUARY 1, 1980; IN CONSIDERATION OF ANNUAL RENTAL IN THE AMOUNT OF $4,453 SET BY SEALED BID, PROVISION OF PUBLIC LIABILITY INSURANCE IN THE AMOUNTS OF $100,000 COMBINED SINGLE LIMIT COVERAGE, SURETY BOND FOR $1,000.

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



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