

MINUTE ITEM

26

10/24/85
WP 5367
Reese

Agricultural Lease

Calendar Item 26, attached, was pulled from the agenda prior to the meeting.

Attachment: Calendar Item 26.

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AGRICULTURAL LEASE

APPLICANT: Sunset Farms, Inc.
194 Archer Drive
Santa Cruz, California 95060

AREA, TYPE LAND AND LOCATION:
A 134+-acre parcel of State school land,
located three miles northwest of Santa Cruz.
Santa Cruz County

LAND USE: Row crop farming.

TERMS OF ORIGINAL LEASE:

Initial period: Five years beginning
January 1, 1980.

Renewal options: None.

Surety bond: \$1,000.

Public liability insurance: Combined single
limit coverage of \$100,000.

Consideration: \$23,584 per annum.

TERMS OF FIRST RENEWAL:

Initial period: One year beginning January 1,
1985.

Surety bond: \$5,000.

Public liability insurance: Combined single
limit coverage of \$500,000.

Consideration: \$23,584 per annum.

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TERMS OF PROPOSED SECOND RENEWAL:

Initial period: Five years beginning
January 1, 1986.

Surety bond: \$5,000.

Public liability insurance: Combined single
limit coverage of \$500,000.

CONSIDERATION: \$23,584 per annum.

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Adm. Code 2003.

STATUTORY AND OTHER REFERENCES:

A. P.R.C.: Div. 6, Parts 1 and 2; Div. 13.

D. Cal. Adm. Code: Title 2, Div. 3; Title 14,
Div. 6.

AB 884: N/A.

OTHER PERTINENT INFORMATION:

1. Sunset Farms, Inc. desires to renew their existing lease which expires December 31, 1985 of 134+-acre parcel of State school land for ongoing agricultural use. The subject parcel is a portion of a 950+-acre parcel known as Scaroni Ranch which was acquired by State Lands Commission by grant deed in 1977.
2. A portion of this activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. but will not affect those significant lands.
3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Adm. Code 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a categorical exempt project. The project is exempt under Class 4, Minor Alterations to Land, 14 Cal. Adm. Code 15304.

Authority: P.R.C. 21084 and 14 Cal. Adm.
Code 15300.

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APPROVALS OBTAINED:
N/A.

FURTHER APPROVALS REQUIRED:
N/A.

EXHIBIT: A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. ADM. CODE 15061 AS A CATEGORICAL EXEMPT PROJECT, CLASS 4, MINOR ALTERATIONS TO LAND, 14 CAL. ADM. CODE 15304.
2. FIND THAT THIS ACTIVITY WILL INVOLVE LANDS IDENTIFIED AS POSSESSING SIGNIFICANT ENVIRONMENTAL VALUES PURSUANT TO P.R.C. 6370, ET SEQ., BUT THAT SUCH ACTIVITY WILL HAVE NO DIRECT OR INDIRECT EFFECT ON SUCH LANDS.
3. AUTHORIZE ISSUANCE TO SUNSET FARMS, INC. OF A FIVE-YEAR AGRICULTURAL LEASE BEGINNING JANUARY 1, 1986; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$23,584, PROVISION OF A \$5,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$500,000; FOR ROW CROP FARMING ON THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

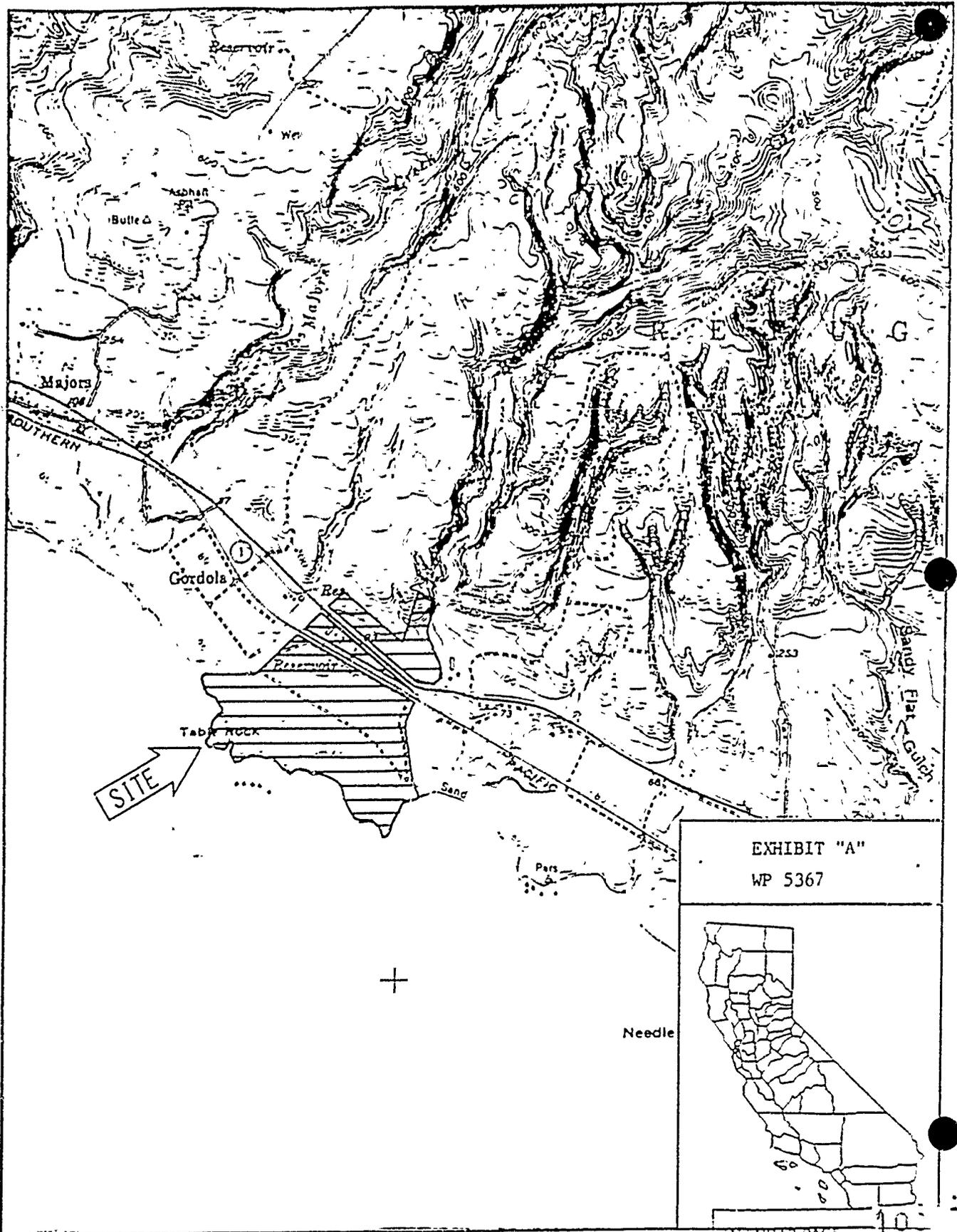


EXHIBIT "A"

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