

MINUTE ITEM

This Calendar Item No. 05
was approved as Minute Item
No. 2 by the State Lands
Commission by a vote of 3
to 0 at its 2/6/91
meeting.

CALENDAR ITEM

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PRC 5368
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GENERAL LEASE - AGRICULTURAL USE

APPLICANT:

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

AREA, TYPE LAND AND LOCATION:

An 82+-acre parcel of State school land located three miles northwest of Santa Cruz, Santa Cruz County.

LAND USE:

Row crop farming, utilized for Brussels sprout production.

TERMS OF PROPOSED LEASE:

Initial period:

One year beginning January 1, 1991.

Surety bond:

\$5,000.

Public liability insurance:

Combined single limit coverage of \$500,000.

CONSIDERATION:

\$18,040 per annum.

PREREQUISITE CONDITIONS, FEES AND EXPENSES:

Filing fee of \$25 and rent, in the amount of \$18,040, for the period of January 1, 1991 - December 31, 1991, has been received.

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CALENDAR ITEM NO. 005 (CONT'D)

BASIS FOR CONSIDERATION:

Pursuant to 2 Cal. Code Regs. 2003.

STATUTORY AND OTHER REFERENCES:

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

B. Cal. Code Regs.: Title 3, Div. 3; Title 14, Div. 6.

AB 884:

N/A

OTHER PERTINENT INFORMATION:

1. Sunset Farms, Inc. has applied for renewal of their agricultural lease, which expired December 31, 1990, for their ongoing agricultural use of an 82+-acre parcel of State school land located three miles northwest of the city of Santa Cruz, Santa Cruz County.
2. The recommended rental of \$18,040 is based on \$220 per acre (82+ acres x \$220 = \$18,040). This value per acre is based upon a Central Coast Rental Survey which was prepared for the State, Department of General Services, to provide an indication of economic market rents for the central coast areas which are irrigated Brussels sprout farmland similar to Wilder State Park farmland. Wilder State Park is adjacent to and similar to the State's parcel which is also utilized for Brussels sprout production. The appraisal conclusion indicated that the Gross Market rents for the property range from \$220 to \$250 per acre per year. Based on this rental survey, staff believes the recommended rental of \$18,040 is justified.
3. Lessee has agreed to comply with the provisions of the Integrated Pest Management (IPM) Program as set forth in "IPM Guidelines and Procedures at Wilder Ranch State Park", dated May 1, 1988, which is on file in the office of the State Lands Commission.

4. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that his activity is exempt from the requirements of the CEQA as a categorically exempt project. The project is exempt under Class 4, Minor Alteration to Land, 14 Cal. Code Regs. 15304.

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

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. CODE REGS. 15061 AS A CATEGORICALLY EXEMPT PROJECT, CLASS 4, MINOR ALTERATION TO LAND, 14 CAL. CODE REGS. 15304.
2. AUTHORIZE ISSUANCE TO SUNSET FARMS, INC. OF A ONE-YEAR GENERAL LEASE - AGRICULTURAL USE BEGINNING JANUARY 1, 1991; IN CONSIDERATION OF ANNUAL RENT IN THE AMOUNT OF \$18,040, PROVISION OF A \$5,000 SURETY BOND; PROVISION OF PUBLIC LIABILITY INSURANCE FOR COMBINED SINGLE LIMIT COVERAGE OF \$500,000; FOR THE ONGOING AGRICULTURAL USE OF THE LAND DESCRIBED ON EXHIBIT "A" ATTACHED AND BY REFERENCE MADE A PART HEREOF.

