MINUTE ITEM
This Calendar Item No. C21
was approved as Minute Item
No. C21 by the State Lands
Commission by a vote of 2
to 0 at its 4/2/91
meeting.

CALENDAR ITEM

C 21

A 37

S 19

04/02/91
SA 5699
Reese

AUTHORIZE THE STATE LANDS COMMISSION, ACTING AS SCHOOL LAND BANK TRUSTEE, TO OFFER FOR SALE TWO PARCELS OF STATE SCHOOL LAND IN SANTA BARBARA COUNTY

PARTY:

State Lands Commission
1807 - 13th Street
Sacramento, California 95814

The Legislature enacted the School Lands Bank Act in 1984. Pursuant to Section 8702 of this Act, the Legislature declared that the State's school lands were to be managed and enhanced to support the public school system. The Commission is directed to conduct its transactions in a manner which maximizes revenue. The Commission contracted with the real estate consulting firm of Williams-Kuebelbeck and Associates, Inc. ("Williams-Kuebelbeck") to evaluate the Commission's management of school lands and to make recommendations on achieving these legislatively mandated goals.

In 1987, Williams-Kuebelbeck submitted a report of its analysis and recommendations. One recommendation was that the Commission focus on enhancing the quality of the school lands asset for revenue production through a cost-effective exchange and sales program. Williams-Kuebelbeck noted that, in many cases, the Commission could meet its mandate by selling certain school lands and placing the proceeds in the School Land Bank until suitable acquisitions could be made. The report recommended that a specific process to evaluate the economic potential of selected school land parcels. The report recommended that school lands best suited for disposition through sale or exchange are those which are determined to be: (1) non-revenue producing, (2) without significant environmental values, (3) not likely to have any future revenue potential, and (4) whose appreciation is likely to have been maximized.

The staff has, since the report, consummated land exchanges to acquire lands from the federal government which can be consolidated into current holdings and/or can be marketed and the proceeds deposited in the School Land Bank for later investment.

Under the criteria recommended by Williams-Kuebelbeck, the lands identified herein for disposal are those lands which are either uneconomic for leasing purposes, difficult to manage due to location, terrains, lack of access, or which have appreciated substantially and have development nearby, or are otherwise best suited for disposal.

Upon approval to offer the parcels for sale, the staff would complete its appraisals of the parcels and contact parties who may be interested. Other parties, including environmental groups, would receive notice of the proposed sale. The lands would then be marketed by competitive bid. The minimum sale price would be the fair market value in addition to any associated costs incurred preparing the sale. Once the highest qualified bidder(s) are determined, the staff would submit all proposals to the Commission for final consideration. All sales proposals would contain a provision indicating that the Commission must give the final authorization to sell. If the lands are sold to private parties, they would become subject to all local zoning, planning, and permit requirements.

Staff proposes that the subject sale parcels be marketed without mineral evaluations for the following reasons:

(a) If the sales are approved by the Commission, the patent, pursuant to P.R.C. 6402, will contain a reservation reserving right of surface entry and minerals.

(b) A survey conducted by staff has shown that many potential purchasers, i.e., federal, State agencies, and private parties, do not object to the purchase of property with a split estate.

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. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA as a statutorily exempt project. The project is exempt

because it involves an action taken pursuant to the School Land Bank Act, P.R.C. 8700, et seq.

Authority: P.R.C. 8710.

EXHIBITS:

A. Land Description
B. 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 STATUTORILY EXEMPT PROJECT PURSUANT TO P.R.C. 8631, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, P.R.C. 8700, ET SEQ.

2. AUTHORIZE STAFF TO OFFER FOR SALE TWO (2) STATE SCHOOL LAND PARCELS IN SANTA BARBARA COUNTY, SUBJECT TO SUBSEQUENT COMMISSION ACCEPTANCE OF APPROVAL OF SALE, AND ISSUANCE OF PATENTS IN CONFORMANCE WITH ALL APPLICABLE LAWS, RULES, AND REGULATIONS.

EXHIBIT "A"

SA 5699

LAND DESCRIPTION

Those parcels of school lands in Santa Barbara County, California, more particularly described as follows:

Lots 14 and 19 in Section 36, T12N, R31W, SBM.

END OF DESCRIPTION

PREPARED MARCH, 1991 BY LLB

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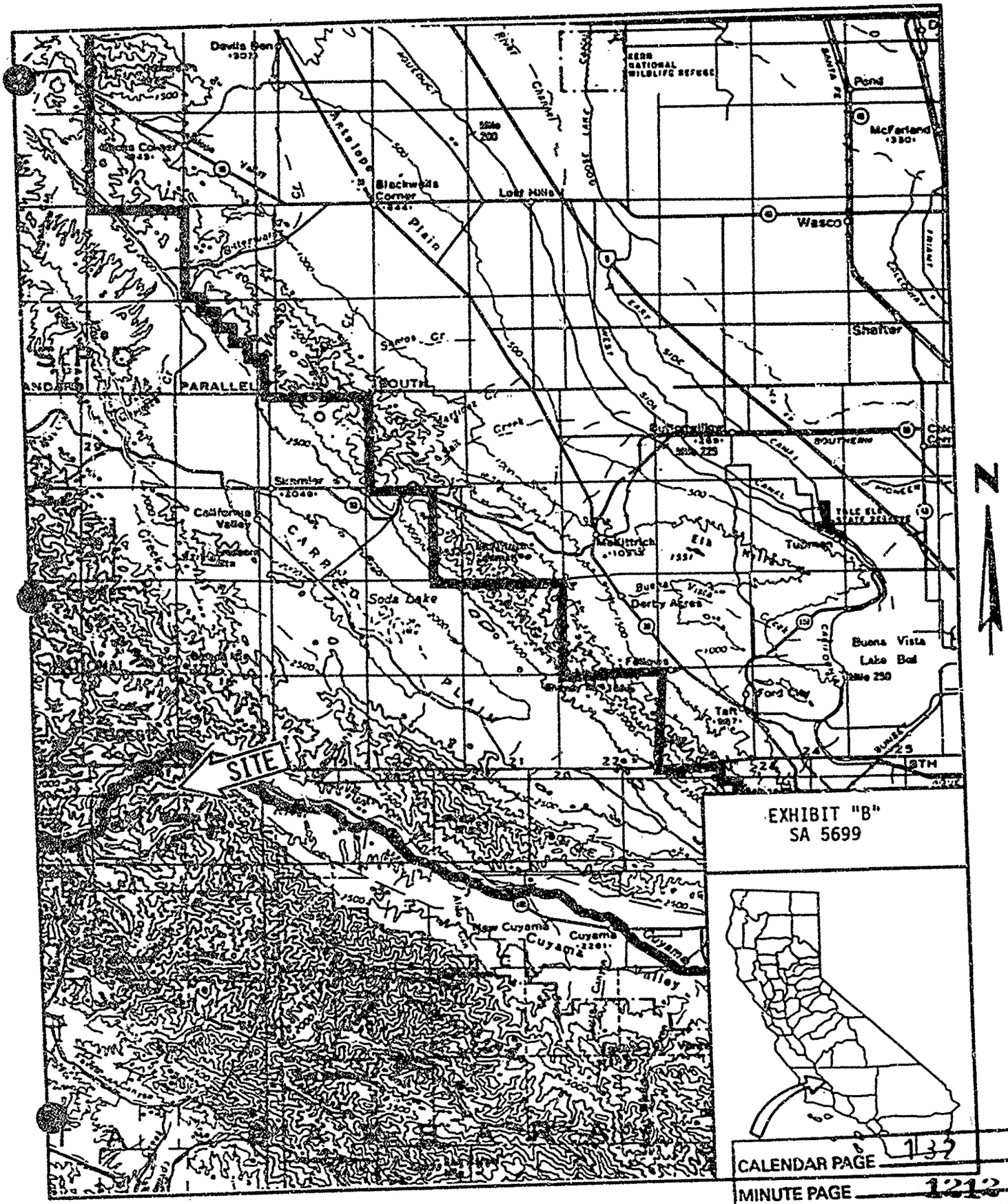

EXHIBIT "B"
SA 5699

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