MINUTE ITEM
This Calendar Item No. C73 was approved as Minute Item No. 73 by the California State Lands Commission by a vote of 2 to 0 at its 5/9/96 meeting.

CALENDAR ITEM
C73

A 1

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05/09/96
W 25107
D. Reese

CONSIDER APPROVAL OF A MEMORANDUM OF UNDERSTANDING TO FACILITATE THE EXCHANGE OF STATE SCHOOL LANDS IN MENDOCINO COUNTY

APPLICANT:

California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202

Save-the-Redwoods League
Ms. Katherine Anderton
114 Sansome Street, Room 605
San Francisco, CA 94104-2352

Barnum Timber Company
Mr. Ed Mendes
P.O. Box 1365
Eureka, CA 95502-1365

Sanctuary Forest, Inc.
Mr. Rondal Snodgrass
P.O. Box 166
Whitehorn, CA 95589

Wildlife Conservation Board
Mr. Jim Sarro
801 K Street, Suite 806
Sacramento, CA 95814

LOCATION:

Two parcels of California State School Land in Mendocino County.

BACKGROUND:

In 1993, State Lands Commission ("SLC") staff was contacted by a representative of the Sanctuary Forest, Inc. ("SF") regarding their efforts to save a very sensitive forested parcel in the Mattole River Watershed in Mendocino County. The Mattole River Watershed parcel includes the headwaters of the Dreamstream, an absolutely clear, cold tributary of the Mattole River that lies immediately south of a parcel previously acquired by the Wildlife Conservation Board ("WCB") for inclusion in the Mattole Headwaters Ecological Reserve. The parcel is forested with a closed vegetation canopy, and the timber is composed of scattered residual old-growth redwood and Douglas-fir, a patchy stocking of 40 to 60 year old young-growth redwood, Douglas-fir and hardwoods. Public ownership of the Dreamstream parcel will protect this timber and insure the permanent protection of a critical water source necessary to preserve the clarity and temperature of the Mattole River and the spawning grounds it provides for the Chinook and Coho salmon, and Steelhead. The Dreamstream is also habitat of the tailed frog and the torrent salamander, candidates for designation as endangered species.

Barnum Timber Company ("BTC") holds title to the watershed lands and has secured approval of a timber harvest plan for the property. The SF is concerned that a timber harvest in the watershed will destroy its environmental and recreational values.

The SF proposes a three way exchange to achieve protection of these important environmental values and insure continuing employment in the timber industry. BTC will relinquish its interest in the Mattole River watershed parcel in exchange for timbered State school land. The SLC would be paid fair market value for its land, and the watershed parcel would be transferred to the State or Save-the-Redwoods League for management as open space and habitat.

STATUS:

The SF has made substantial progress toward accomplishment of its goals. BTC has agreed to work with SF and the State to set aside its watershed land if an alternative source of timber is found. They have tentatively identified two SLC parcels containing timber suitable for their needs. The Wildlife Conservation Board ("WCB") and the SLC have had the watershed land and the SLC land appraised. BTC has agreed to develop a timber harvest plan ("THP") for the SLC parcels to ensure that they will be able to make economic use of it. BTC will consult with SF regarding the silviculture and operating procedure planned for the SLC parcels before submission of the THP to the California Department of Forestry.

A successful conclusion to this exchange would result in the preservation of a sensitive forested parcel and the ecosystem of which it is a part, a creative THP which promotes harvest and therefore employment and assures avoidance of adverse effects to the environment. All parties involved are hopeful that this public-private partnership will benefit both the economy and the environment of the State.

STATUTORY AND OTHER REFERENCES:

A. Public Resources Code Section: Div. 6, Parts 1 and 2; Div. 13; Div. 7.7.

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, Public Resources Code Sections 8700, et seq.

   Authority: Public Resources Code Section 8710

EXHIBITS:

A. Land Description B. Memorandum of Understanding

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 PUBLIC RESOURCES CODE SECTION 8710, AN ACTION TAKEN PURSUANT TO THE SCHOOL LAND BANK ACT, PUBLIC RESOURCES CODE SECTIONS 8700, ET SEQ.

2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE, TO ENTER INTO AND EXECUTE THE MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE LAND COMMISSION, WILDLIFE CONSERVATION BOARD, BARNUM

TIMBER COMPANY, SANCTUARY FOREST, INC., AND SAVE-THE-REDWOODS LEAGUE, IN SUBSTANTIALLY THE SAME FORM AS ATTACHED HERETO IN EXHIBIT "B".

EXHIBIT "A"

LAND DESCRIPTION

Two parcels of California State School Land in Mendocino County described as follows:

SE¼ of SW¼ of Section 30, T.5S., R.3E., H.B.M.
W½ of NW¼ of Section 31, T.5S., R.3E., H.B.M.

END OF DESCRIPTION

EXHIBIT "B"

MEMORANDUM OF UNDERSTANDING

Parties: The parties to this Memorandum of Understanding ("MOU") are Sanctuary Forest, Inc. ("SF"), a California non-profit corporation, Barnum Timber Company, a California Limited Partnership ("BTC"), Save-the-Redwoods League, a non-profit corporation, ("SRL"), the California State Lands Commission ("SLC"), and the Wildlife Conservation Board ("WCB"), both state of California agencies.

Purpose: This MOU is entered into solely to set forth the intent and understanding among the parties. All parties agree to the goal of accomplishing a value for value trade of forested properties between BTC and SLC, and acknowledge the further intent of WCB, SRL, and SF to acquire the BTC trade parcels in the Mattole River Watershed for inclusion in the Mattole River Headwaters Ecological Reserve. The MOU is not intended to create a binding contract between or among the parties.

Land Description:

Barnum Property: the East ½ of the North East ¼, and all that property lying within the Mattole River Watershed in the South East ¼, and the East ½ of the South West ¼ of Section 34, Township 5 South, Range 2 East Humboldt Bay Meridian ("The Barnum Property")

State Lands Commission Property: the South East ¼ of the South West ¼ of Section 30, and the West ½ of the North West ¼ of Section 31, Township 5 South, Range 3 East, Humboldt Bay Meridian ("The Commission's property")

Process: The Barnum property and the Commission property were cruised and appraised by Natural Resources Management Corporation as described in Appraisal Reports dated August 24, 1995 and August 29, 1995 respectively. The Barnum property was valued at $990,000 and the Commission's property was valued at $625,000. An appraisal desk review conducted by a SLC review appraiser concurred with the valuation of the Barnum property and did not concur with the valuation of the Commission's property. In the opinion of the SLC review appraiser the value of the Commission's property is $695,000. Final determination of value must be approved by all parties to this MOU. Cash will be paid to BTC to make up the difference between the value of the Barnum property and the Commission's property.

The parties acknowledge that the transfer of land is conditional on funds being available to fully compensate SLC for its land.

The parties acknowledge that a timber harvest plan ("THP") was approved for the Barnum property on June 16, 1993. BTC intends to preserve the validity of the THP before June 16, 1996 by limited harvest from the portion of its property which is not subject to this exchange ("Barnum's retained property"), and by improvement of a road which generally follows the boundary between the Mattole and Eel River watersheds. All but approximately 100 feet of the road will be located on Barnum's retained property.

The parties acknowledge that BTC intends to harvest timber from the Commission's parcel after the exchange is complete. SLC will permit BTC such access as may be necessary to prepare, at BTC's expense, a THP for the Commission's property. BTC will consult with SF regarding the silviculture and operating procedures planned for the Commission's parcel before submission of the THP to the California Department of Forestry. If BTC can not secure California Department of Forestry approval of the THP for the Commission's property after reasonable efforts, the exchange shall not take place.

Survey of the southern boundary of the Mattole watershed on the Barnum property will be necessary to establish the southerly line of the property. BTC shall bear the cost of the record survey necessary for this exchange.

The parties anticipate that the time frame for this exchange will be nine months.

Dated: California State Lands Commission (SLC)

By:_____

Dated: Wildlife Conservation Board (WCB)

By:_____

Dated: Barnum Timber Company (BTC)

By:_____

Dated: Sanctuary Forest, Inc. (SF)

By:_____

Dated: Save-the-Redwoods League (SRL)

By:_____