MINUTE ITEM
This Calendar Item No. C84 was approved as Minute Item No. 84 by the California State Lands Commission by a vote of 3 to ~~0~~ at its 5/12/97 meeting.

CALENDAR ITEM
C84

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S 1

05/12/97
W 40739
A. Willard
E. Kruger

CONSIDER APPROVAL OF THE SALE OF MINERAL INTEREST IN PROPRIETARY STATE LAND AT NAPA STATE HOSPITAL, NAPA COUNTY

BACKGROUND:
In August 1996, the California Department of General Services, Office of Real Estate and Design Services (OREDS) requested that Commission staff review an appraisal report completed by OREDS in 1995 estimating fair market value of the leased fee interest of State surplus parcel no. SSL304 (Napa rock quarry) to be $356,000. The quarry is located on 101.2 acres, more or less, of State land (APNs: 046-450-021, 022, 023 and 024) and is situated on the south side of the Napa State Hospital grounds.

After review of the 1995 appraisal, Commission staff recommended that a mineral appraisal of the property be completed to provide information on rock product value, income calculations and ore reserves. In February 1997, OREDS submitted a mineral appraisal of the same property that estimates fair market value of the leased fee interest to be $406,000. Commission staff believes that the later appraisal is more precise in estimating future production and forecasting revenue to the State over the mine-life of the Napa quarry.

STATUTORY AND OTHER REFERENCES:
A. Public Resources Code section 6401
B. Public Resources Code section 6404

PERMIT STREAMLINING ACT OF DEADLINE:
N/A

OTHER PERTINENT INFORMATION:
1. As part of the agreement between OREDS and the current Lessee removing rock material from Napa quarry, the Lessee must pay, into a special fund, $0.065 per cubic yard of material removed from the property. The State presently holds the fund as an environmental restoration fund, and it will be utilized for reclamation of the property. It is understood from OREDS that the reclamation fund will be transferred to the County of Napa at the time of the sale of the property, to be retained in an account for reclamation of the property, and upon completion of reclamation, any remaining funds retained by the County for mine ~~reclamation activities~~.

2. The State Department of General Services (OREDS) has agreed to reimburse the Commission for the cost of staff time to review the appraisals.

3. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because the activity it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

   Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, section 15378.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

2. FIND PURSUANT TO PUBLIC RESOURCES CODE SECTION 6404 THAT THE SALE OF MINERAL INTERESTS IN STATE SURPLUS PARCEL NO. SSL304 AT NAPA STATE HOSPITAL IN AN AMOUNT NOT LESS THAN $406,000 BY THE DEPARTMENT OF GENERAL SERVICES MAY BE MADE WITHOUT THE RESERVATION OF MINERAL RIGHTS REQUIRED BY PUBLIC RESOURCES CODE SECTION 6401.