

MINUTE ITEM

This Calendar Item No. C56
was approved as Minute Item
No. 56 by the State Lands
Commission by a vote of 3
to 0 at its 11-26-01
meeting.

**CALENDAR ITEM
C56**

A 34

11/26/01

AD 407

S 17

W 24480

M. Wetzel

**CONSIDER APPROVAL OF THE TRANSFER OF OWNERSHIP OF
STATE SCHOOL LAND TO THE UNITED STATES OF AMERICA PURSUANT TO
THE PROVISIONS OF SECTION 707 OF THE
CALIFORNIA DESERT PROTECTION ACT (PL103-433)**

PARTIES:

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

U.S. Department of the Interior
Bureau of Land Management
California Desert District
6221 Box Springs Blvd.
Riverside, CA 92507
Attn: Mr. Tom Gey

U.S. Department of the Interior
Bureau of Land Management
2800 Cottage Way
Sacramento, California 95825
Attn: Ms. Diana Storey

AREA, LAND TYPE, AND LOCATION:

State school land: 13 parcels, comprising a total of 7,784.32 acres, more or less,
located in San Bernardino County.

LAND USE:

The State school lands to be transferred to federal control are within the list
prepared by the Bureau of Land Management (BLM) that have been designated
as wilderness areas or national park system units pursuant to the California
Desert Protection Act (CDPA) of 1994.

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BACKGROUND:

On October 31, 1994, the CDPA was signed into law by the President of the United States (Public Law 103-433). The CDPA designates 3.6 million acres in southern California as wilderness to be administered primarily by the BLM, and designates an additional 4 million acres in southern California to be included in the national park system.

The purpose of the CDPA is to set aside areas in the California desert to protect the desert's natural, cultural, scenic, and historical values and to provide for public enjoyment. Within the boundaries of the CDPA, 442 parcels (approximately 251,000 acres) of fee-owned school lands and more than a hundred parcels encumbered by the State's reservation of mineral interests were identified. The California State Lands Commission (CSLC) administers both the fee and mineral school land interests for the benefit of the State Teachers' Retirement System (STRS).

Section 707 of the CDPA addresses the California State school lands. It provides for the BLM to enter into negotiations with the CSLC for an agreement to exchange school lands or interests therein, which are located within the boundaries of the wilderness areas or park system units designated by the CDPA. In exchange, the CSLC will receive title to federal lands or interests therein that the Secretary of the U.S. Department of the Interior (Secretary) determines are suitable for disposal or have been identified as surplus to the needs of the federal government.

At its November 15, 1994 meeting, the CSLC approved Calendar Item No. C114, authorizing staff to enter into an agreement with the Secretary to exchange federal lands for State school lands within the area affected by the CDPA and to take all other actions necessary to expeditiously implement the provisions of the Act.

At its October 17, 1995 meeting, the CSLC approved Calendar Item No. C97, authorizing the Executive Officer or his designee, to enter into and execute four agreements pursuant to the provisions of Section 707 of the CDPA. The first, Agreement to Exchange Lands, executed on October 26, 1995, is a general agreement between the CSLC and the BLM to facilitate the exchange of federal lands or interests for school lands in accordance with the federal assembled land exchange process. The second, Memorandum of Understanding (MOU), executed on October 26, 1995, between the CSLC and the BLM, addresses the evaluation of the mineral potential lands. The third agreement, executed on

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October 26, 1995, is an MOU between the CSLC and the BLM. Its purpose is to provide for a cooperative framework for the parties to establish and approve fair market estimates of value for the properties identified for exchange. The final agreement, executed on November 7, 1995, is the Memorandum of Agreement (MOA) between the CSLC, BLM, and the U.S. General Services Administration (GSA). This Memorandum provides for a process to include the exchange of federal surplus lands.

The federal assembled land exchange process allows for a series of individual exchange transactions where land values may be unequal. Any unequal balance will eventually be equalized by the completion of future land exchanges or the direct transfer of ownership of lands to equalize the balance. For the CDPA assembled land exchange project, the BLM and CSLC maintain an ongoing ledger to keep track of the value of lands exchanged in the many transactions completed.

One of the terms agreed to by the CSLC in the October 26, 1995 Agreement to Exchange Lands, is for the CSLC to eliminate any outstanding cumulative credit balance in favor of the United States. This is to be accomplished by the CSLC conveying additional school lands to the United States. At its April 24, 2001 CSLC meeting, the Commission approved the transfer of 2,560 acres of school lands valued at \$384,000 to the United States in accordance with the CDPA. Upon issuance of patent for these lands, the CSLC will owe the United States \$2,154,675 worth of school lands. By letter dated November 9, 2001, the BLM has requested that the Commission convey title of 13 school land parcels valued at \$2,176,229. This will shift the outstanding balance in favor of the CSLC with the understanding that the balance will be equalized with further land exchanges.

CURRENT SITUATION:

Ownership of the 13 State school land parcels, totaling 7,784.32 acres, more or less, is being proposed for transfer to the BLM through the assembled land exchange process. The school land parcels are scattered sections located in the eastern desert areas of San Bernardino County. All of these parcels are located within the CDPA boundary and identified as lands to be acquired by the federal government to be incorporated into the boundaries of wilderness areas or national park system units. After the completion of the previous CDPA land transactions, there remain 326 parcels of fee-owned school land parcels to be transferred to the BLM. Should this transfer of 13 parcels be approved, the number of fee-owned parcels remaining to be transferred to the BLM will be 313.

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STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Section: Div. 6, Parts 1 and 2; Div. 7.7; Div. 13
- B. Cal. Code of Regs.: Title 3, Div. 3; Title 14, Div. 6

OTHER PERTINENT INFORMATION:

1. Pursuant to the CSLC's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15061), the staff has determined that the land exchange is an activity 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 Section 8700, et seq.

Authority: Public Resources Code Section 8710

2. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code Sections 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.
3. Staff has submitted a General Plan for this activity with the Legislature pursuant to the Public Resources Code section 6373.
4. Pursuant to federal regulations, the BLM shall publish a public Notice of Decision identifying the school lands they propose to acquire.
5. The BLM contracted with a private appraiser to conduct the appraisal of the school land parcels. The appraisal process was conducted in conformance with the Uniform Standards of Professional Appraisal Practice and with the Code of Federal Regulations (CFR), Title 43, Parts 2200 and 2201. The CSLC staff has reviewed and approved the appraisals.
6. The CSLC's Mineral Resources Management staff and the BLM's mineral staff have evaluated the mineral interests in the State parcels to be exchanged and all have been assessed as having "low mineral potential". Therefore, the exchange complies with the provisions set forth in the BLM/CSLC MOU for "Treatment of Mineral Potential in Land Exchanges" executed October 26, 1995, and will be made pursuant to Public Resources Code Section 6402.

EXHIBITS:

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- A. Land Description of School Lands
- B. Locality Map of School Lands

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE LAND EXCHANGE IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 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 SECTION 8700, ET SEQ.
2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO PUBLIC RESOURCES CODE SECTIONS 6370, ET. SEQ.
3. FIND THAT A GENERAL PLAN FOR THIS ACTIVITY WAS SUBMITTED TO THE LEGISLATURE PURSUANT TO PUBLIC RESOURCES CODE SECTION 6373.
4. AUTHORIZE THE TRANSFER AND ISSUANCE OF A PATENT SUBJECT TO APPLICABLE STATUTORY AND CONSTITUTIONAL RESERVATIONS, FOR STATE SCHOOL LAND TO THE UNITED STATES OF AMERICA IN ACCORDANCE WITH THE CALIFORNIA DESERT PROTECTION ACT (PL103-433).

CALENDAR ITEM NO C56 (CONT'D)

EXHIBIT A

Legal Description of State School Lands

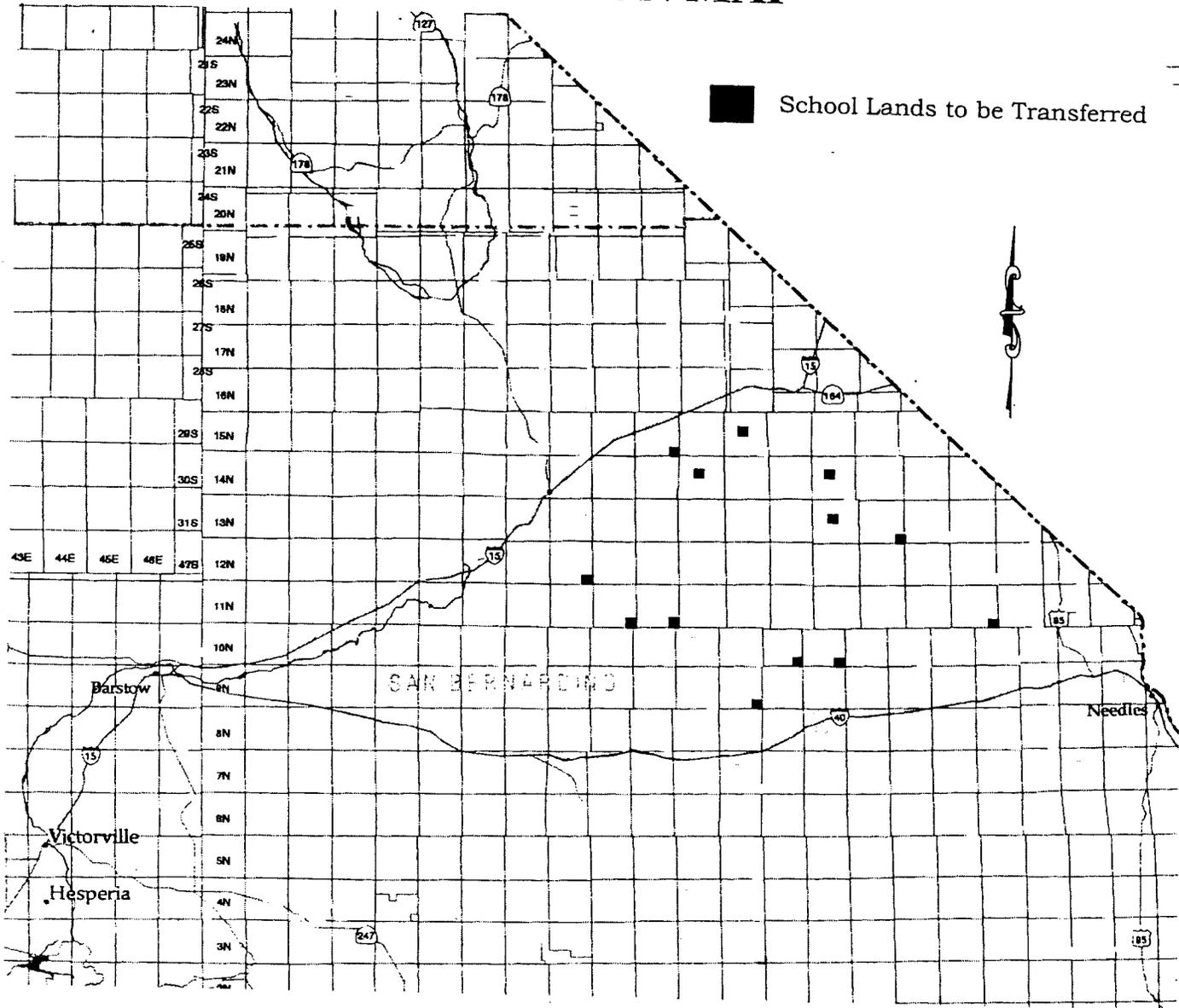
Thirteen (13) parcels of State school lands, located in San Bernardino County, State of California, and more particularly described as follows:

CSLC Parcel
Number

196-014	N 1/2, N 1/2 of S 1/2 and Lots 1, 2, 3 and 4 of Section 36, T. 9 N., R. 13 E., SBB&M
197-021	N 1/2, N 1/2 of S 1/2 and Lots 1, 2, 3 and 4 of Section 36, T. 10 N., R. 14 E., SBB&M
197-023	All of Section 36, T. 10 N., R. 15 E., SBB&M
198-004	N 1/2, S 1/2 of SW 1/4 and SE 1/4 of Section 36, T. 11 N., R. 10 E., SBB&M
198-006	N 1/2 and SW 1/4 of Section 36, T 11 N., R. 11 E., SBB&M
198-014	All of Tract 46, T. 11 N., R. 18 E., SBB&M
199-007	SW 1/4 and Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 of Section 36, T. 12 N., R. 9 E., SBB&M
200-014	All of Section 16, T. 13 N., R. 15 E., SBB&M
200-016	All of Section 36, T. 13 N., R. 16 E., SBB&M
201-022	E 1/2 of Section 16, T. 14 N., R. 12 E., SBB&M
201-026	All of Section 16, T. 14 N., R. 15 E., SBB&M
202-018	All of Section 36, T. 15 N., R. 10 E., SBB&M
202-021	All of Section 16, T. 15 N., R. 13 E., SBB&M

NO SCALE

LOCATION MAP



NO SCALE

CALIFORNIA MAP

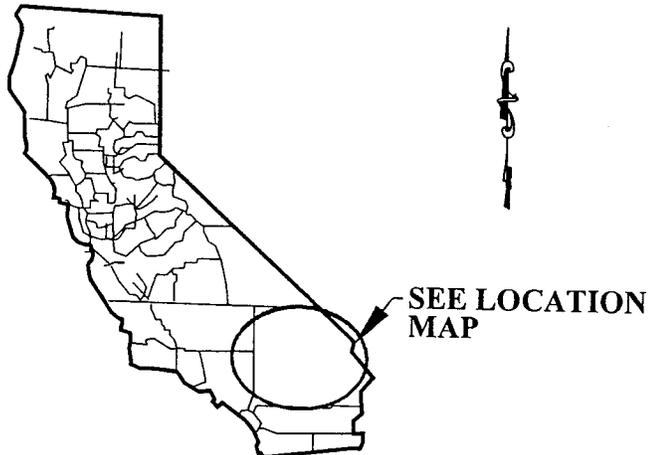


EXHIBIT B

AD 407
W 24480

SCHOOL LANDS
WITHIN CDPA

**San Bernardino
County**

CALENDAR PAGE	00287
MINUTE PAGE	701

This Exhibit is solely for purposes of generally defining the School Land parcels to be transferred out of State ownership and is not intended to be, nor shall it be construed as a waiver or limitation of any State interest in subject or any other property